Interim Management Report

Economic Environment

Macroeconomic Development

In the first half of the year, the **global economy** grew at a slightly slower rate than in 2016. However, recent sentiment indicators from both the advanced economies and the emerging and developing markets suggest that economic growth has a broad foundation and that the upturn remains robust halfway through the year. This positive trend is also reflected in **global trade**, which grew by 1.8 % in the first three months – although preliminary market research figures indicate a loss of momentum in April.

The **advanced economies** continue to enjoy stable growth, despite a slightly slower pace in the first quarter. GDP growth in the USA also slowed, with an increase of just 1.4 % in the first three months of 2017 compared to quarter on quarter growth of 2.1 % in the fourth quarter of 2016.

The economies of the **emerging markets** also gained momentum in the first half-year, although the trend varied widely from country to country. Following a phase of weaker expansion, **China** reported surprisingly strong growth of 6.9 % in both the first and second quarters. The **Russian economy** is making modest progress. However, this more stable trend is being undermined by the recent fall in crude oil prices and resulting devaluation of the rouble. In **Ukraine**, the economy lost momentum at the beginning of the year despite brisker consumer spending and a strong rise in capital investments. Economic growth slowed to 2.5 % in the first quarter of 2017. Early indicators suggest that this trend continued in the second quarter.

The upswing in the **eurozone** continued in the first half of 2017. Despite growing uncertainty surrounding Brexit and future US economic policy, output in the eurozone is likely to have expanded by 1.6 % in the first quarter of 2017 and 1.7 % in the second quarter of 2017, compared to the same prior-year periods. Rising domestic demand will be the main growth driver.

Regardless of the uncertain international environment, the **German economy** remains on its growth trajectory. The economic barometer issued by the German Institute for Economic Research (DIW) indicates quarter-on-quarter GDP growth of 0.5 % for the second quarter of 2017. Exports increased strongly by 7.2 % in the months from January to May 2017, compared to the same period of the previous year. Imports also recorded significant growth of 10.3 %.

Sector Development

In the first half of 2017, **global container throughput** continued its unexpected upturn of late 2016. Container throughput at global ports grew by 5.1 % year on year in the first quarter – significantly higher than the already optimistic 2.6 % increase forecast made by the market research institute Drewry in April. Experts currently estimate a stable increase in traffic of 4.0 % in the second quarter.

The latest estimates put throughput growth at the **Chinese ports** at 6.3 % in the first quarter – more than twice as high as projections suggested as recently as April. The second quarter was also considerably more positive with expected growth of 5.2 %. Although container throughput growth at the **South Asian ports** was also stronger than anticipated, it failed to reach the high prior-year rate of 11.2 %. The port of Singapore, for example, reported throughput growth of 6.4 % for the first half-year.

Following on from modest growth of 0.8 % last year, the **north-western European** ports achieved a significant upturn in volumes during the first six months of 2017. Drewry currently puts throughput 5.3 % for the first quarter and 2.2 % for the second quarter. Container throughput in **Scandinavia and the Baltic Sea** also rose faster than forecast in April, with growth of 8.8 % in the first quarter of 2017 and 7.4 % in the second quarter. The increase in container throughput was particularly strong at Russia's Baltic Sea ports.

Developments at the large container ports of the North Range and the port of Gdansk were again mixed. Throughput in **Rotterdam** stood at 6.7 million TEU, equivalent to 9.3 % more containers than in the previous year. **Antwerp** reported a container volume of 5.1 million TEU for the first half, which represents growth of 1.9 % on the previous year. By contrast, the downward trend seen in previous years continued at the **Bremen ports**. Throughput along the river Weser amounted to 2.3 million TEU in the period from January to May 2017. This is 4.5 % less than in the same period of the previous year. After reporting strong growth in 2016, container throughput at the **JadeWeserPort** fell by 43 % to 75 thousand TEU in the first quarter of 2017. Following a brief dip at the beginning of the year, the Baltic Sea port of **Gdansk** regained its former momentum with throughput of 690 thousand TEU in the first six months, representing year-on-year growth of 6.7 %.

Course of Business and Economic Situation

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	622.8	573.5	8.6 %
EBITDA	158.5	125.8	26.0 %
EBITDA margin in %	25.5	21.9	3.6 pp
EBIT	98.8	66.9	47.8 %
EBIT margin in %	15.9	11.7	4.2 pp
Profit after tax and minority interests	52.6	25.8	103.9 %
ROCE in %	14.9	10.1	4.8 pp

The prior-year earnings include one-off expenses of 14.9 million from the restructuring of project and contract logistics.

Notes on the Reporting

There were no particular events or transactions during the period under review either in HHLA's operating environment or within the Group that had a significant impact on its earnings position and financial position. Both the key economic indicators and HHLA's actual performance in the first six months of 2017 are above the projections made in the 2016 Annual Report – due in particular to the performance of the Container segment in the second quarter of 2017. ▶ See results of operations, net assets and financial position

There is normally no long-term order backlog for handling and transport services, and thus no use is made of this particular reporting figure.

Earnings Position

The economic development of HHLA in the first half of 2017 was very encouraging. HHLA saw a strong increase of 11.8 % in **container throughput** in the first half of the year, taking it to 3,586 thousand TEU (previous year: 3,209 thousand TEU). This was attributable to a recovery in traffic to and from Asia and feeder volumes for the Baltic Sea ports, coupled with market share gains resulting from the reorganisation of shipping alliances.

Transport volumes increased significantly by 7.2 % to 744 thousand TEU (previous year: 694 thousand TEU) due to growth in both rail and road transport.

Revenue for the HHLA Group amounted to € 622.8 million in the reporting period and was thus 8.6 % up on the prior-year figure (previous year: € 573.5 million). This rise stems primarily from developments in throughput and transport volumes.

In its Container, Intermodal and Logistics segments, the listed Port Logistics subgroup generated revenue of € 607.3 million in the reporting period (previous year: € 557.8 million). This increase almost matched the trend for the Group as a whole. At € 18.7 million, revenue at the non-listed Real Estate subgroup was unchanged from the previous year: € 18.7 million).

As in the same period last year, **changes in inventories** of € 0.3 million (previous year: € 0.9 million) had no noticeable impact on consolidated profit. **Own work capitalised** amounted to € 2.8 million (previous year: € 3.5 million).

Other operating income amounted to € 22.0 million (previous year: € 16.1 million).

Operating expenses rose by 4.2 % in total to € 549.1 million. This increase was mainly attributable to a rise in the cost of materials due to higher volumes.

The 9.5 % increase in **cost of materials** to € 184.6 million during the reporting period (previous year: € 168.6 million). The cost of materials ratio edged up slightly to 29.6 % (previous year: 29.4 %).

There was a slight year-on-year increase of 1.6 % in **personnel expenses**, taking the figure to € 227.5 million (previous year: € 224.0 million). The discontinuation of project and contract logistics activities in the previous year was offset in the reporting period by union wage increases, greater use of external staff from Gesamthafenbetriebs-Gesellschaft (GHB) at the Hamburg terminals and growth in the workforce due to the expansion of the rail transport business. The marked decline in the personnel expenses ratio to 36.5 % (previous year: 39.1 %) was primarily attributable to one-off expenses arising from the restructuring of project and contract logistics in the previous year.

Other operating expenses rose slightly by 2.3 % in the reporting period to € 77.3 million (previous year: € 75.6 million). The company succeeded in reducing the ratio of expenses to revenue from 13.2 % in the previous year to 12.4 %.

Due in particular to one-off expenses of € 14.9 million in connection with the restructuring of project and contract logistics in the previous year and the encouraging increase in volumes, the **operating result before depreciation and amortisation (EBITDA)** rose strongly by 26.0 % to € 158.5 million (previous year: € 125.8 million). The EBITDA margin increased to 25.5 % in the reporting period (previous year: 21.9 %).

The expansion of the rail transport business led to a slight increase of 1.3 % in **depreciation and amortisation** to € 59.7 million (previous year: € 58.9 million) in connection with the expansion of the rail transport business. However, its ratio to revenue fell to 9.6 % (previous year: € 10.3 %).

At Group level, the **operating result (EBIT)** improved by 47.8 % to € 98.8 million (previous year: € 66.9 million incl. one-off expenses of € 14.9 million for restructuring). The EBIT margin rose to 15.9 % (previous year: 11.7 %). The Port Logistics subgroup generated EBIT of € 90.6 million (previous year: € 58.8 million incl. one-off expenses for restructuring). Meanwhile, the Real Estate subgroup's EBIT was marginally up on the previous year at € 8.0 million (previous year: € 7.9 million).

Net expenses from the **financial result** fell by € 5.1 million to € 5.3 million (previous year: € 10.4 million). This was partly due to a positive change in exchange rate effects of € 2.7 million resulting mainly from the valuation of the Ukrainian currency. Interest paid to banks and other lenders also decreased.

At 24.8 %, the Group's **effective tax rate** was below the prior-year figure (previous year: 27.9 %). This was largely due to the inclusion of one-off effects in the calculation of the tax rate for the Hamburger Hafen und Logistik AG tax entity in both the current and the previous year, along with the consideration of factors relating to the foreign subsidiaries which reduced the tax rate.

Profit after tax increased by 72.6 %, from € 40.8 million to € 70.3 million. There was a disproportionately strong year-on-year increase in profit after tax and minority interests of 103.9 % to € 52.6 million (previous year: € 25.8 million). This was due in part to one-off expenses in the Logistics segment last year pertaining to a company owned entirely by HHLA. At € 0.72, earnings per share were also up 103.9 % on the prior-year figure of € 0.35. The listed Port Logistics subgroup achieved a 125.9 % increase in earnings per share to € 0.69 (previous year: € 0.30). Earnings per share at the non-listed Real Estate subgroup were on a par with the previous year at € 1.69 (previous year: € 1.68). The return on capital employed (ROCE) rose by 4.8 percentage points to 14.9 % (previous year: 10.1 %).

Financial Position

Balance Sheet Analysis

Compared with year-end 2016, the HHLA Group's **balance sheet total** decreased slightly as of the reporting date to € 1,789.0 million.

Balance Sheet Structure

in € million	30.06.2017	31.12.2016
Assets		
Non-current assets	1,329.6	1,329.0
Current assets	459.4	483.9
	1,789.0	**1,812.9**
Equity and liabilities		
Equity	602.5	570.8
Non-current liabilities	994.8	1,028.1
Current liabilities	191.7	214.0
	1,789.0	**1,812.9**

At € 1,329.6 million, **non-current assets** were virtually unchanged from the previous year (31 December 2016: € 1,329.0 million). Capital expenditure was roughly offset by depreciation of property, plant and equipment and investment properties and a reduction in the carrying amount of deferred tax assets due to interest rate-related changes in pension provisions.

At € 459.4 million as of 30 June 2017, **current assets** were € 24.5 million below the corresponding figure on 31 December 2016 (€ 483.9 million). This decrease was attributable to several factors, including a € 13.8 million reduction in other assets and an € 11.1 million fall in cash and cash equivalents.

Equity rose by € 31.7 million to € 602.5 million as of the reporting date (31 December 2016: € 570.8 million). This increase stemmed from net profit after tax of € 70.3 million in the reporting period and the change in actuarial gains and losses netted with deferred taxes totalling € 9.6 million. The distribution of dividends totalling € 46.7 million had an opposing effect. As a result, the equity ratio improved to 33.7 % (31 December 2016: 31.5 %).

The € 33.3 million decrease in **non-current liabilities** to € 994.8 million compared to the year-end figure (31 December 2016: € 1,028.1 million) resulted primarily from a € 14.8 million reduction in pension provisions due to the adjustment of actuarial parameters and a € 16.6 million fall in non-current financial liabilities.

Current liabilities fell by € 22.3 million to € 191.7 million (31 December 2016: € 214.0 million). This was due above all to a € 22.1 million reduction in current financial liabilities.

Investment Analysis

Capital expenditure in the reporting period totalled € 63.6 million, slightly below last year's figure of € 67.2 million. Property, plant and equipment accounted for € 61.4 million (previous year: € 59.2 million) of capital expenditure, while investments in intangible assets made up € 2.2 million (previous year: € 8.0 million). The majority of this capital expenditure was for replacement investments.

Capital expenditure in the first half of 2017 focused on the acquisition of container gantry cranes at the Container Terminals Burchardkai and Tollerort, large-scale equipment for horizontal transport at the Container Terminals Altenwerder and Burchardkai, and a storage crane system at the Container Terminal Burchardkai. Capital expenditure continues to focus on increasing productivity in the existing terminal areas and expanding the high-performance hinterland connections in line with market demands.

Liquidity Analysis

Cash flow from **operating activities** rose by € 35.6 million to € 148.1 million as of 30 June 2017 (previous year: € 112.5 million). With many items offsetting each other, this was largely due to the € 32.0 million improvement in EBIT.

Investing activities led to cash outflows of € 56.3 million (previous year: € 45.6 million). The € 10.7 million rise resulted from a year-on-year decrease in inflows from the reduction of short-term deposits and slightly higher investment outflows.

Free cash flow, which is the total cash flow from operating and investing activities, amounted to € 91.8 million at the end of the reporting period (previous year: € 66.9 million). It was therefore up € 24.9 million year on year.

The cash outflow from **financing activities** amounted to € 93.6 million as of 30 June 2017 (previous year: € 101.2 million), a decrease of € 7.6 million. Funds were paid out in the previous year to increase a shareholding. However, there were no proceeds from new loans in the reporting period, which had the opposing effect.

As of the reporting date, the changes described above resulted in **financial funds** of € 230.1 million (30 June 2016: € 135.4 million), which were thus down slightly on the beginning of the year (31 December 2016: € 232.4 million). Including short-term deposits, the Group's available liquidity as of 30 June 2017 totalled € 240.1 million (30 June 2016: € 192.0 million).

Liquidity Analysis

in € million	1–6 | 2017	1–6 | 2016
Financial funds as of 01.01.	232.4	165.4
Cash flow from operating activities	148.1	112.5
Cash flow from investing activities	- 56.3	- 45.6
Free cash flow	91.8	66.9
Cash flow from financing activities	- 93.6	- 101.2
Change in financial funds	- 2.3	- 30.1
Financial funds as of 30.06.	230.1	135.4
Short-term deposits	10.0	56.6
Available liquidity	240.1	192.0

Segment Performance

Container Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	372.3	336.6	10.6 %
EBITDA	109.9	95.4	15.1 %
EBITDA margin in %	29.5	28.4	1.1 pp
EBIT	68.1	54.2	25.8 %
EBIT margin in %	18.3	16.1	2.2 pp
Container throughput in thousand TEU	3,586	3,209	11.8 %

In the first half of 2017, HHLA's container terminals handled a total of 3,586 thousand standard containers (TEU). This was 11.8 % more than one year earlier (previous year: 3,209 thousand TEU). **Container throughput** at the three container terminals in Hamburg also grew by 11.8 % to 3,441 thousand TEU (previous year: 3,077 thousand TEU). This trend was mainly driven by a recovery in Asian routes (+ 16.1 %) and significant growth in feeder traffic with the Baltic Sea ports (+ 22.4 %). The feeder ratio rose accordingly by 2.1 percentage points compared with the prior-year quarter to 25.0 % (previous year: 22.9 %). HHLA also profited from the reorganisation of shipping alliances and resulting gains in market share at the Port of Hamburg. Container throughput at the Container Terminal Odessa continued to make good progress with year-on-year growth of 10.1 % to 145 thousand TEU in the first half of 2017 (previous year: 132 thousand TEU).

The increase in volumes led to a corresponding rise in **revenue,** which was up 10.6 % on the first half of 2016 at € 372.3 million (previous year: € 336.6 million). Storage fees rose strongly as a result of shipping delays and the associated increase in dwell times for containers at HHLA's container terminals, while the higher proportion of lower-margin feeder traffic in particular led to lower average revenue per container handled at the quayside. Consequently, average revenue declined by 1.0 % compared to the same period last year.

The segment's EBIT costs rose by 7.7 % in the first half of 2017. Despite the growth in volumes, economies of scale on the cost side could not be fully realised. In conjunction with somewhat restricted capacity caused by ongoing extension and maintenance work at the container terminals in Hamburg, the high utilisation of storage capacity resulting from shipping delays and the reorganisation of container shipping companies' service structures led to peaks in demand that could only be managed with the use of additional resources. Nevertheless, the year-on-year increase in the **operating result (EBIT)** of 25.8 % to € 68.1 million (previous year: € 54.2 million). The EBIT margin rose accordingly to 18.3 % (previous year: 16.1 %).

Intermodal Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	206.2	190.8	8.1 %
EBITDA	46.9	45.3	3.5 %
EBITDA margin in %	22.7	23.8	- 1.1 pp
EBIT	34.9	33.7	3.5 %
EBIT margin in %	16.9	17.6	- 0.7 pp
Container transport in thousand TEU	744	694	7.2 %

In the first half of 2017, HHLA's transport companies achieved strong growth in the highly competitive market for container traffic in the hinterland of major seaports. **Transport volumes** rose by 7.2 % to 744 thousand standard containers (TEU), compared with 694 thousand TEU in the same period last year. In the reporting period, this trend was driven by growth in both rail and road transport. Compared with the first half of 2016, rail transport increased by a further 5.9 % to 568 thousand TEU (previous year: 537 thousand TEU). Road transport developed very positively with growth of 11.8 % to 176 thousand TEU (previous year: 158 thousand TEU) as a result of strong freight volumes in the greater Hamburg area.

With an increase of 8.1 % to € 206.2 million (previous year: € 190.8 million), **revenue** climbed at a slightly faster rate than transport volumes. The marginal decline in rail's share of HHLA's total intermodal transportation from 77.3 % to 76.3 % was slightly more than offset by longer transport distances in rail transport.

The **operating result (EBIT)** increased year on year to € 34.9 million (previous year: € 33.7 million), well short of volume and revenue growth. In addition to the year-on-year increase in cost of materials for periodic maintenance work, this was due in particular to an asymmetrical relationship between import and export volumes as well as changes in the route mix.

In June 2017, the fourth METRANS hub terminal was officially opened in Budapest. With this facility, HHLA is expanding its hinterland network to include another strategic hub. Its location in the heart of Europe makes it the perfect interface between the North European seaports, the Adriatic, and Central, East and South-East Europe. Moreover, METRANS added six new locomotives to its operating fleet in the first half of the year.

There are plans to integrate the activities of POLZUG into the METRANS organisation as of next year. Pooling these activities should simplify structures and processes, thereby enabling synergies to be realised.

Logistics Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	24.7	27.4	- 9.8 %
EBITDA	2.8	- 14.7	pos.
EBITDA margin in %	11.5	- 53.6	65.1 pp
EBIT	0.7	- 16.7	pos.
EBIT margin in %	2.7	- 60.9	63.6 pp
At-equity earnings	2.6	2.2	17.8 %

The prior-year earnings include one-off expenses of 14.9 million from the restructuring of project and contract logistics.

After a restrained performance in the first three months, the fully consolidated companies of the Logistics segment experienced an upturn in business during the second quarter. Due to the discontinuation of project and contract logistics activities, however, segment **revenue** was down 9.8 % year on year at € 24.7 million (previous year: € 27.4 million) due to the discontinuation of project and contract logistics activities.

By contrast, the segment's **operating result (EBIT)** improved to € 0.7 million (previous year: € - 16.7 million) in the reporting period. Last year's result included one-off expenses of € 14.9 million from the restructuring of project and contract logistics.

The companies included in **at-equity earnings** recorded a year-on-year improvement in the first half of 2017 as a result of encouraging growth in bulk cargo handling. At-equity earnings rose by 17.8 % to € 2.6 million (previous year: € 2.2 million).

Real Estate Segment

Key Figures

in € million	1–6 | 2017	1–6 | 2016	Change
Revenue	18.7	18.7	- 0.1 %
EBITDA	10.5	10.5	0.2 %
EBITDA margin in %	56.2	56.0	0.2 pp
EBIT	8.0	7.9	0.9 %
EBIT margin in %	42.8	42.4	0.4 pp

In Hamburg's office rental market, the positive revenue trend seen at the beginning of the year continued in the second quarter. According to Grossmann & Berger's latest market report, 300,000 m^2 of office space was let in the first half of 2017 – 25 % more than in the previous year. Lettings of temporary space for use during renovation work contributed to this substantial increase. Owner-occupied properties played only a minor role in the first half of the year, however.

Due to high demand, Hamburg's vacancy rate fell by 0.5 percentage points year on year to 4.9 % – thus falling below the 5 % mark for the first time in 10 years. The HafenCity section of the market, which includes HHLA's properties in the Speicherstadt historical warehouse district, had a vacancy rate of 5.4 % (previous year: 8.3 %).

There was also a consistently positive trend for HHLA's properties in the Speicherstadt historical warehouse district and fish market area in the first six months of 2017. As a result of virtually full occupancy in both areas, **revenue** remained on a par with the previous year at € 18.7 million in the first half-year.

The **operating result (EBIT)** of € 8.0 million, up slightly on last year's figure of € 7.9 million.

Employees

Employees

by segments	30.06.2017	31.12.2016	Change
Container	2,912	2,945	- 1.1 %
Intermodal	1,790	1,687	6.1 %
Holding/Others	654	651	0.5 %
Logistics	142	214	- 33.6 %
Real Estate	31	31	0.0 %
HHLA Group	5,529	5,528	0.0 %

At the end of the first half of 2017, HHLA employed a total of 5,529 people. Headcount therefore remained virtually unchanged from 31 December 2016. In geographical terms, the workforce was concentrated mainly in Germany, with 3,514 staff members (31 December 2016: 3,625), most of whom are based in Hamburg. This corresponds to a share of 63.6 % (31 December 2016: 65.6 %). The number of staff employed abroad rose by 5.9 % to 2,015 in the first half of 2017 (31 December 2016: 1,903). This was primarily due to increased headcount at the Intermodal companies in the Czech Republic, Slovakia, Slovenia and Hungary. Due to the expansion of its services and increase in vertical integration, the Intermodal segment hired an additional 103 workers, taking its headcount to 1,790. The number of staff employed by the Logistics segment fell by 72 compared with December 2016. This was mainly due to the discontinuation of operating activities in project and contract logistics. There was only little or no change in headcount at the strategic management holding company and the Container and Real Estate segments compared to 31 December 2016.

Events after the Balance Sheet Date

There were no significant events after the balance sheet date of 30 June 2017.

Business Forecast

Macroeconomic and Sector Outlook

In July 2017, the International Monetary Fund (IMF) largely confirmed its **macroeconomic forecast** from the beginning of the year and still anticipates a moderately positive economic trend for 2017 on the whole.

By contrast, the market research institute Drewry recently significantly upgraded its **sector outlook** from the start of the year. Its growth forecast for global container throughput has almost doubled, from 2.1 % to 4.1 %. The experts now anticipate throughput growth of 3.1 % in North-West Europe in 2017 (previously: 1.2 %). The outlook for Scandinavia and the Baltic region was revised upwards from 3.2 % at the beginning of the year to 8.3 %. HHLA has already taken this positive industry trend into account, for example in its volume projection updated in May 2017.

Expected Group Performance

In view of the earnings development in the Container segment in the first half-year – which exceeded expectations in the second quarter in particular – HHLA's Executive Board has updated its earnings forecast for the Group in 2017.

The **Container segment's operating result (EBIT)** is now expected to be in a range between € 85 million and € 105 million *after* possible one-off expenses of up to € 15 million (previous forecast: in the upper half of a range between € 75 million and € 105 million *before* possible one-off expenses of up to € 15 million).

Taking into account the development in segment earnings, the Executive Board forecasts an **operating result (EBIT)** for the **Port Logistics subgroup** in a range between € 135 million and € 155 million *after* possible one-off expenses of up to € 15 million for reorganisation of the Container segment. As the **operating result** for the **Real Estate subgroup** is still expected to be on a par with the previous year, **Group EBIT** is now expected to be in a range between € 150 million and € 170 million, also *after* possible one-off expenses of up to € 15 million for reorganisation of the Container segment.

The previous forecast for the Group EBIT was in the upper half of a range between € 140 million and € 170 million and an operating result for the the Port Logistics subgroup was expected in the upper half of a range between € 125 million and € 155 million. Both *before* possible one-off expenses of up to € 15 million for reorganisation of the Container segment.

All other disclosures made in the 2016 Annual Report, and more recently in the Interim Statement for the period from January to March 2017, about the expected course of business in 2017 continue to apply.

Risk and Opportunity Report

With regard to the HHLA Group's risk and opportunity position, the statements made in the Management Report section of the 2016 Annual Report continue to apply, unless otherwise indicated in this report. This section of the Annual Report describes the risk and opportunity factors associated with the HHLA Group's business activities. The risks identified still do not threaten the ongoing existence of the Group. As far as the future is concerned, there are also no discernible risks at present that could jeopardise the continued existence of the company.