

Ladies and gentlemen,

Even before the discovery of America, Europeans already appreciated the benefits of free trade. In the 13th century, a trading network called the Hanseatic League was established that, at its zenith, spanned some 200 inland and coastal towns, allowing far-sighted merchants to harness the benefits of cross-border cooperation. This flourishing commerce led to wealth and prosperity, which can still be seen today in the impressive brick architecture of the ports dotted along the North and Baltic Sea coasts. However, the importance of the Hanseatic League went much further. It was a cultural alliance, an ethos and a way of life that went beyond national borders and religious differences.

The attributes of this “Hanseatic mindset”, as Hamburg’s former mayor Henning Voscherau so succinctly put it, are currently being subjected to an extremely severe stress test. Neo-nationalism, protectionism and tariff wars are all threatening the established order of multilateralism and free trade.

So far, the growing tensions in global trading relations have not impacted our operations. The results for the first half of the year are at the high level we expected. We achieved a further slight increase in both revenue and EBIT. We are still confident that we can meet our projected targets for the year as a whole. This confidence is not just based on the half-year results, which are described in detail in this report. HHLA has sufficient knowledge and experience to cope with the challenges of a volatile market. However, it is much harder for us to deal with the repercussions of political decisions that are already jeopardising economic stability. We continue to monitor developments in our market environment very closely and will factor any possible changes into our planning for 2019.

Meanwhile, we will continue to systematically implement our strategy of strengthening the future viability and creative force of HHLA. This includes continually enhancing the productivity, quality and competitiveness of our core business. HHLA is committed to defending the Port of Hamburg’s leading position in the competition between European seaports. Regardless of the unresolved question of when the river Elbe is to be dredged, our Burchardkai and Tollerort terminal facilities are already handling ships with capacities of over 20,000 TEU on a daily basis. We continue to trust in the assurance given by those responsible that dredging work will begin before the end of the year.

Without questioning the status quo and demonstrating a willingness to change, the Port of Hamburg will be unable to hold its own against the competition. We therefore welcome the fact that representatives of the Senate of the Free and Hanseatic

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Chairwoman of the Executive Board



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City of Hamburg have submitted proposals on the future of the Port of Hamburg and on ways of strengthening customer loyalty. We expect these proposals to contribute to a significant volume increase at the port, to secure jobs and to further increase HHLA’s value added for its shareholders.

For its part, HHLA has now taken full control of Transidikeskuse AS (TK), the largest Estonian terminal operator. This is a first important step in the implementation of our strategy. Together with a motivated workforce at the Port of Muuga, we aim to capture the potential of this site for HHLA as a whole. As Hanseatic cities, Hamburg and the Estonian capital of Tallinn share a long tradition. We hope to breathe new life into the spirit of the “Hanseatic mindset” with this takeover.

Yours,

A. Titzrath

Angela Titzrath
Chairwoman of the Executive Board