HHLA key figures

in € million	HHLA Group 1–6 | 2018	1–6 | 2017	Change
Revenue and Earnings			
Revenue	633.0	622.8	1.6 %
EBITDA	157.7	158.5	- 0.5 %
EBITDA margin in %	24.9	25.5	- 0.6 pp
EBIT	99.9	98.8	1.1 %
EBIT margin in %	15.8	15.9	- 0.1 pp
Profit after tax	68.8	70.3	- 2.2 %
Profit after tax and minority interests	52.4	52.6	- 0.5 %
Cash flow statement and Investments			
Cash flow from operating activities	95.9	148.1	- 35.2 %
Investments	44.2	63.6	- 30.5 %
Performance data			
Container throughput in thousand TEU	3,631	3,586	1.2 %
Container transport in thousand TEU	713	744	- 4.2 %

in € million	30.06.2018	31.12.2017	Change
Balance sheet			
Balance sheet total	1,797.7	1,835.3	- 2.0 %
Equity	572.5	602.4	- 5.0 %
Equity ratio in %	31.8	32.8	- 1.0 pp
Employees			
Number of employees	5,849	5,581	4.8 %

	Port Logistics Subgroup[1, 2]			Real Estate Subgroup[1, 3]		
in € million	1–6 | 2018	1–6 | 2017	Change	1–6 | 2018	1–6 | 2017	Change
Revenue	617.1	607.3	1.6 %	19.3	18.7	3.0 %
EBITDA	146.8	148.0	- 0.8 %	10.9	10.5	3.5 %
EBITDA margin in %	23.8	24.4	- 0.6 pp	56.5	56.2	0.3 pp
EBIT	91.4	90.6	0.8 %	8.4	8.0	4.9 %
EBIT margin in %	14.8	14.9	- 0.1 pp	43.6	42.8	0.8 pp
Profit after tax and minority interests	47.3	48.1	- 1.6 %	5.1	4.6	10.8 %
Dividend per share in €[4]	0.68	0.69	- 1.6 %	1.87	1.69	10.8 %

1 *Before consolidation between subgroups*
2 *Listed Class A shares*
3 *Non-listed Class S shares*
4 *Basic and diluted*

To our Shareholders

The HHLA Share

Stock Market Data

29.12.2017 – 29.06.2018	HHLA	SDAX	DAX
Change	- 21.4 %	0.5 %	- 4.7 %
Closing 29.12.2017	23.67	11,887	12,918
Closing 29.06.2018	18.60	11,950	12,306
High	24.36	12,737	13,560
Low	17.67	11,602	11,787

Benchmark indices burdened by strong euro and punitive US tariffs

Germany's benchmark index made a sluggish start to 2018 on account of the strong euro. In anticipation of a strong reporting period, the DAX climbed to a new all-time high of 13,560 points in the second half of January. In February, however, fears of rising interest rates resulting from a tighter monetary policy of the US Federal Reserve had a negative effect on stock markets. The subsequent slump on the US stock markets also entailed losses on their European counterparts. The DAX fell to a new low for the year of 12,107 points on 9 February 2018 and, with a decline of over 5 %, recorded its largest weekly loss in two years. US President Donald Trump's announcement of punitive tariffs on steel and aluminium imports pushed the DAX below the 12,000 mark in March and caused considerable uncertainty on the market, with this uncertainty only easing a little in early April. Driven by positive indications from the USA and China, Germany's benchmark index rose again and, in mid-May, reached the level obtained at the start of the year. In June, European stock trading was once again overshadowed by the expansion of the trade dispute. The decision of the European Central Bank to leave the base rate unchanged only brought short-term relief. The DAX closed the second quarter at 12,306 points, down 4.7 % on the year-end 2017 figure. The SDAX was somewhat less volatile, closing at 11,950 points on 29 June – up 0.5 % on year-end 2017.

HHLA share down in declining market

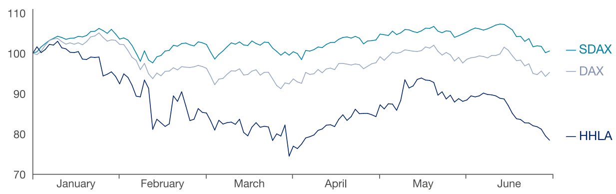
The HHLA share made a positive start to the new year, reaching its year-high so far of € 23.36 on 9 January. From mid-January onwards, however, the share weakened in a declining market environment before stabilising at over € 22. A number of recommendations for the share were upgraded on publication of HHLA's interim figures on 8 February. Nevertheless, the share price was burdened by the negative market trend. Once it fell below the € 20 mark on the following day, the pressure on the order book intensified. The daily trading volume climbed to 346 thousand shares, almost quadruple the annual average; the share price fell further. In addition to the technical downwards trend, the HHLA share was affected in particular by concerns surrounding the consequences of a potential trade war. Prior to the publication of the 2017 Annual Report on 28 March 2018, the share price fell to a year-low so far of € 17.67. The share price rose steadily throughout April, once again exceeding the € 20 mark towards the end of the month. Following the buy recommendation of a bank in early May, the share price rose strongly by 9.6 % over the day. The market outlook for the first quarter was confirmed with the publication of the quarterly figures on 15 May 2018. In particular, the strategic measures were received favourably by the market. HHLA's Annual General Meeting was held on 12 June 2018 and attended by just under 670 shareholders and guests. Approximately 82 % of share capital was represented. The resolutions proposed by the Supervisory Board and Executive Board were adopted with large majorities, including the payment of a dividend of € 0.67 (previous year: € 0.59) per listed Class A share. Following payment, the share traded at a corresponding discount. In the second half of June, the HHLA share also began to feel the effects of the strained market environment. It once again dropped below the € 20 mark and closed at € 18.60 on 29 June, down 21.4 % compared to year-end 2017.

Dialogue with capital market actively maintained

The Investor Relations department continued its proactive communication activities in the first half of 2018 and held a large number of discussions with analysts and investors. HHLA was also represented at various conferences in Europe and the USA. In addition to the strategic realignment and associated investment programme, discussions focused in particular on the Intermodal segment. Furthermore, the acquisition of the Estonian multi-functional terminal Transiidikeskuse AS and the current status of dredging on the Elbe were also elucidated. In the first half of the year, 15 financial analysts covered the HHLA share, meaning that the level of research coverage remained high for an SDAX share. More than three quarters of the analysts recommend buying or holding the HHLA share.

Share Price Development January to June 2018

Closing prices in %



Source: Datastream

The latest prices and further information about HHLA's shares can be found at ▶ www.hhla.de/en/investor-relations.html.

Ladies and gentlemen,

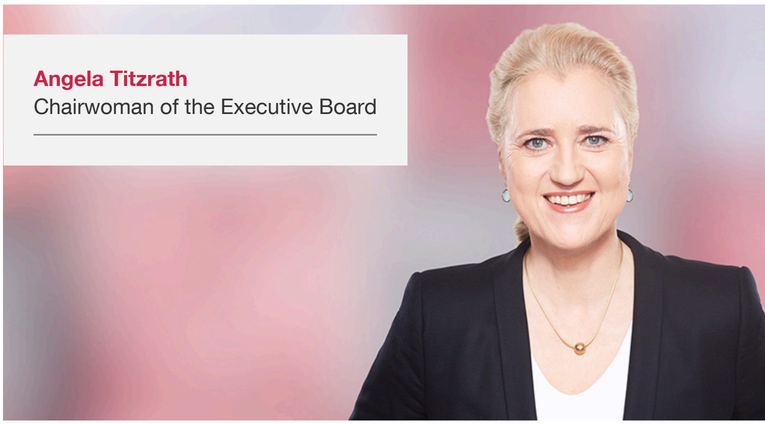
Even before the discovery of America, Europeans already appreciated the benefits of free trade. In the 13th century, a trading network called the Hanseatic League was established that, at its zenith, spanned some 200 inland and coastal towns, allowing far-sighted merchants to harness the benefits of 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



Angela Titzrath
Chairwoman of the Executive Board

> ” *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.*

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 Transiidikeskuse 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