Notes to the Consolidated Financial Statements

1. Basic Information on the Group

The Group's parent company is Hamburger Hafen und Logistik Aktiengesellschaft, Bei St. Annen 1, 20457 Hamburg (HHLA), registered in the Hamburg Commercial Register under HRB 1902. The holding company above the HHLA Group is HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH, Hamburg (HGV).

The Condensed Interim Consolidated Financial Statements, and therefore the information in the Notes, are presented in euros (€). For the sake of clarity, the individual items are shown in thousands of euros (€ thousand) unless otherwise indicated. Due to the use of rounding procedures, it is possible that some figures do not add up to the stated sums.

2. Significant Events in the Reporting Period

The political crisis in Ukraine continued in the third quarter of 2015. Due to the crisis, the Ukrainian currency – the hryvnya – depreciated by over 20 % against the euro between 31 December 2014 and the end of September 2015. This resulted in exchange rate effects, which had a negative impact on the HHLA Group's earnings, net assets and financial position. Equity decreased by € 8.4 million, with no effect on net income, and net interest income declined by € 5.8 million

3. Consolidation, Accounting and Valuation Principles

3.1 Basis for Preparation of the Financial Statements

The Condensed Interim Consolidated Financial Statements for the period from 1 January to 30 September 2015 were prepared in compliance with the rules of IAS 34 *Interim Financial Reporting*.

The IFRS requirements that apply in the European Union have been met in full.

The Condensed Interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements as of 31 December 2014.

3.2 Principal Accounting and Valuation Methods

The accounting and valuation methods used for the preparation of the Condensed Interim Consolidated Financial Statements correspond to the methods used in the preparation of the Consolidated Financial Statements as of 31 December 2014. The company started applying the following new standards on 1 January 2015:

- IFRIC 21 *Levies*
- Amendment to IAS 19: *Defined Benefit Plans: Employee Contributions*
- *Improvements to IFRS 2010–2012 Cycle*
- *Improvements to IFRS 2011–2013 Cycle*

Applying these standards had no significant impact on the Condensed Interim Consolidated Financial Statements.

3.3 Changes in the Group of Consolidated Companies

Real Estate company METRANS Konténer Kft., Budapest, Hungary, (previously: Loacker Konténer Kft.) was included in HHLA's Consolidated Financial Statements for the first time as of 30 June 2015. For more information, please refer to Note 4.

4. Purchase and Sale of Shares in Subsidiaries

In the first quarter of 2015, METRANS (Danubia) Kft., Gyor, Hungary, which is not included in HHLA's group of consolidated companies, acquired 100 % of the shares in both Univer Trans Kft, Budapest, Hungary, and Loacker Konténer Kft., Budapest, Hungary.

The real estate company Loacker Konténer Kft. was renamed METRANS Konténer Kft. in the second quarter of 2015. METRANS (Danubia) Kft. subsequently sold all of the shares in METRANS Konténer Kft. and all of the shares in Univer Trans Kft. to METRANS (Danubia) a.s., Dunajská Streda, Slovakia, which is part of HHLA's consolidated group.

There were no other acquisitions or disposals of shares in subsidiaries.

5. Earnings per Share

The following table illustrates the calculation for basic earnings per share for the Group and the subgroups:

Earnings per Share

	Group		Subgroup Port Logistics		Subgroup Real Estate	
	1–9 | 2015	1–9 | 2014	1–9 | 2015	1–9 | 2014	1–9 | 2015	1–9 | 2014
Net profit attributable to shareholders of the parent company in € thousand	55,890	46,916	49,318	41,039	6,572	5,877
Number of common shares in circulation	72,753,334	72,753,334	70,048,834	70,048,834	2,704,500	2,704,500
Basic earnings per share in €	0.77	0.64	0.70	0.59	2.43	2.17

The diluted earnings per share are identical to basic earnings per share as there were no conversion or option rights in circulation during the reporting period.

6. Dividends Paid

At the Annual General Meeting held on 11 June 2015, shareholders approved the proposal by the Executive Board and Supervisory Board to distribute a dividend of € 0.52 per share to the shareholders of the Port Logistics subgroup and of € 1.50 per share to the shareholders of the Real Estate subgroup. The dividend of € 40,482 thousand was paid accordingly on 12 June 2015.

7. Segment Reporting

The Segment Report is presented as an annex to the Notes to the Condensed Interim Consolidated Financial Statements.

The HHLA Group's Segment Report is prepared in accordance with the provisions of IFRS 8 *Operating Segments*. IFRS 8 requires reporting on the basis of the internal reports made to the Executive Board for the purpose of controlling the company's activities.

The segment performance indicator used is the internationally customary key figure EBIT (earnings before interest and taxes), which serves to measure the performance of each segment and therefore aids the internal control function. For further information, please refer to the Consolidated Financial Statements as of 31 December 2014.

The accounting and valuation principles applied for internal reporting comply with the principles used for the HHLA Group as described in Note 6 "Accounting and Valuation Principles" in the Notes to the Consolidated Financial Statements as of 31 December 2014.

Segment information is reported on the basis of the internal control function, which is consistent with external reporting and is classified in accordance with the activities of the HHLA Group's business segments. These are organised and managed autonomously in accordance with the type of services being offered.

The HHLA Group still operates in four business units: the Container, Intermodal, Logistics and Real Estate segments.

All of the functions and management responsibilities previously held by the operative holding HHLA Container Terminals GmbH (Container segment) were transferred to Hamburger Hafen und Logistik AG (Holding/Other) as of 1 August 2015. In this connection, the assets less liabilities required to perform these tasks were also transferred at their carrying amounts; the employees also switched companies.

The Holding/Other division used for segment reporting does not represent an independent business segment as defined by the IFRS standards. However, it has been allocated to the segments within the Port Logistics subgroup in order to provide a complete and clear picture.

The reconciliation of segment assets with Group assets incorporates not only items for which consolidation is mandatory, but also claims arising from current and deferred income taxes, cash and cash equivalents, short-term deposits and financial assets which are not to be assigned to segment assets.

The reconciliation of the segment variable EBIT with consolidated earnings before taxes (EBT) incorporates not only transactions between the segments and the subgroups for which consolidation is mandatory, but also the proportion of companies accounted for using the equity method, net interest income and other financial result.

Reconciliation of the Segment Variable EBIT to Earnings before Tax (EBT)

in € thousand	1–9 | 2015	1–9 | 2014
Segment earnings (EBIT)	135,586	130,771
Elimination of business relations between the segments and subgroups	- 11,684	535
Group earnings (EBIT)	123,902	131,306
Earnings from associates accounted for using the equity method	3,250	3,931
Net interest income	- 26,093	- 30,315
Other financial result	944	404
Earnings before tax (EBT)	102,003	105,326

8. Equity

The breakdown and development of HHLA's equity for the period from 1 January to 30 September of the years 2015 and 2014 are presented in the statement of changes in equity.

9. Pension Provisions

The calculation of pension provisions as of 30 September 2015 was based on an interest rate of 2.00 % (31 December 2014: 1.75 %; 30 September 2014: 2.50 %). Actuarial gains/losses changed as follows. These are recognised in equity without effect on profit and loss.

Change in Actuarial Gains/Losses

in € thousand	2015	2014
Cumulative actuarial gains (+)/losses (-) as of 01.01.	- 65,731	12,737
Change during the financial year due to a change in interest rate	13,737	- 44,130
Cumulative actuarial gains (+)/losses (-) as of 30.09.	- 51,994	- 31,393

A 0.25 % increase in the interest rate would reduce the present value of the pension obligation by around € 13.5 million and thus lead to further actuarial gains.

10. Investments

As of 30 September 2015, total capital expenditure throughout the HHLA Group amounted to € 111.8 million (30 September 2014: € 81.8 million).

The largest investments up to the end of the third quarter of 2015 were made in the Intermodal and Container segments. HHLA invested in locomotives and handling equipment at sites in the Czech Republic and Germany, and in extending other facilities.

As of 30 September 2015, the Container segment accounted for the bulk of investment commitments at € 81.0 million.

11. Financial Instruments

The tables below shows the **carrying amounts and fair values** of financial assets and financial liabilities, as well as their classification in the fair value hierarchy.

Financial Assets as of 30.09.2015

in € thousand	Carrying amount			Fair value			
	Loans and receivables	Available for sale	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial assets at fair value							
Financial assets (securities)		3,822	3,822	3,822			3,822
	0	3,822	3,822				
Financial assets not measured at fair value							
Financial assets	14,235	6,089	20,324				
Trade receivables	132,918		132,918				
Receivables from related parties	77,694		77,694				
Other financial receivables	2,985		2,985				
Cash, cash equivalents and short-term deposits	167,328		167,328				
	395,160	6,089	401,249				

Financial Liabilities as of 30.09.2015

in € thousand	Carrying amount				Fair value			
	Held for trading	Fair value hedging instruments	Other financial liabilities	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value								
Financial liabilities (interest rate swaps used for hedging transactions)	72	176		248		248		248
	72	176	0	248				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			335,352	335,352		340,010		340,010
Financial liabilities (finance lease liabilities)			41,109	41,109		41,109		41,109
Financial liabilities (other)			78,574	78,574				
Trade liabilities			67,187	67,187				
Liabilities to related parties (finance lease liabilities)			106,705	106,705		106,705		106,705
Liabilities to related parties (other)			7,715	7,715				
	0	0	636,642	636,642				

Financial Assets as of 30.09.2014

in € thousand	Carrying amount			Fair value			
	Loans and receivables	Available for sale	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial assets at fair value							
Financial assets (securities)		3,896	3,896	3,896			3,896
	0	3,896	3,896				
Financial assets not measured at fair value							
Financial assets	9,149	4,454	13,603				
Trade receivables	155,001		155,001				
Receivables from related parties	64,424		64,424				
Other financial receivables	3,162		3,162				
Cash, cash equivalents and short-term deposits	199,946		199,946				
	431,682	4,454	436,136				

Financial Liabilities as of 30.09.2014

in € thousand	Carrying amount				Fair value			
	Held for trading	Fair value hedging instruments	Other financial liabilities	Balance sheet value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value								
Financial liabilities (interest rate swaps used for hedging transactions)	248	429		677		677		677
	248	429	0	677				
Financial liabilities not measured at fair value								
Financial liabilities (liabilities from bank loans)			287,991	287,991		294,205		294,205
Financial liabilities (finance lease liabilities[1])			8,023	8,023		8,023		8,023
Financial liabilities (other)			72,019	72,019				
Trade liabilities			81,765	81,765				
Liabilities to related parties (finance lease liabilities)			106,921	106,921		106,921		106,921
Liabilities to related parties (other)			74,251	74,251				
	0	0	630,970	630,970				

1 Due to changes in calculation parameters, the reported fair value has changed compared to the previous year interim report.

In the first nine months of 2015, gains of € 121 thousand (previous year: € 173 thousand) were recognised in the income statement on financial assets and/or liabilities held at fair value through profit and loss. These primarily relate to interest rate hedges with no effective hedging relationship as per IAS 39.

In the reporting year, changes of € 189 thousand (previous year: € 155 thousand) in the fair value of financial instruments designated as hedging instruments (interest rate swaps) were recognised directly in equity.

The interest rate swaps disclosed covered a total amount of € 9,277 thousand (previous year: € 13,101 thousand). Of these, financial instruments covering an amount of € 6,303 thousand (previous year: € 7,381 thousand) with a market value of € - 176 thousand (previous year: € - 430 thousand) were held as part of cash flow hedging relationships to hedge future cash flows from interest-bearing liabilities as of the balance sheet date. The hedged cash flows are expected to occur within 13 months. The amount covered by interest rate swaps is restated in line with the anticipated repayment of the loans over the term of the derivative. The fixed interest rate for the financial liabilities (interest rate swaps) is 3.82 % to 4.33 %. The remaining term of the derivatives is up to 13 months.

There are no material differences between the carrying amounts and fair values of the financial instruments reported under non-current financial liabilities. The discount rates used for liabilities to related parties (particularly the finance lease liabilities included in this item) are between 4.21 % and 5.56 %.

In the third quarter of 2015, the € 65 million loan granted by HGV (the holding company above the HHLA Group) to the Real Estate subgroup (see also the 2014 Annual Report, page 151) was repaid following the placement of promissory note loans with a lower interest rate. Promissory note loans with a total volume of € 70 million were issued to banks and € 5 million to other creditors.

The valuation methods and key unobservable input factors for calculating fair value are described in the Notes to the Consolidated Financial Statements as of 31 December 2014.

12. Transactions with Respect to Related Parties

There are various contracts between the Free and Hanseatic City of Hamburg and/or the Hamburg Port Authority and companies in the HHLA Group for the lease of land and quay walls in the Port of Hamburg and in the Speicherstadt historical warehouse district. Moreover, the HHLA Group lets office space to other enterprises and public institutions affiliated with the Free and Hanseatic City of Hamburg. Further information about these business relationships can be found in the consolidated financial statements as of 31 December 2014.

Receivables from related parties declined as a result of cash clearing with HGV.

Liabilities to related parties decreased in the third quarter of 2015 due to the repayment of a current liability in the amount of € 65.0 million owed by the Real Estate subgroup to HGV. This loan accrued interest of 4.5 %.

13. Events after the Balance Sheet Date

There were no significant events after the balance sheet date of 30 September 2015.

Hamburg, 12 November 2015
Hamburger Hafen und Logistik Aktiengesellschaft

The Executive Board

Klaus-Dieter Peters   Dr. Stefan Behn   Heinz Brandt   Dr. Roland Lappin