

HAMBURGER HAFEN UND LOGISTIK AG

ANALYST CONFERENCE ON 2014 FINANCIAL YEAR RESULTS

Hamburg, 30 March 2015



Agenda

- **Business Development 2014
and Business Forecast 2015**
- Questions & Answers

Klaus-Dieter Peters
Chairman of the Executive Board

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Chairman of the Executive Board

Dr. Roland Lappin
Chief Financial Officer

Challenging Market Environment

Geo political risks and infrastructure deficits



Macroeconomic Development

- Global economic growth on previous year's level with a plus of only 3.3 %
- With an increase of 3.1 % world trade lagged behind the prior-year
- Chinas GDP of 7.4% slightly down compared to previous year
- Regional crises impacted the economic development in Russia (GDP: + 0.6%) and Ukraine (GDP: - 6.5%)

Infrastructure

- Delay of the dredging of the river Elbe
- Increasing number of Ultra large vessels (ULCV's) in connection with narrow time windows for sailing on the river Elbe led to peak load conditions

Revenue and EBIT Significantly Improved

Forecast outstripped and higher dividend distribution proposal

Key Figures 2014 of the Port Logistics Subgroup

Revenue	€1,171.2 million	+ 5.5 %
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EBIT	€155.6 million	+ 11.0 %
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Free cash flow	€127.9 million	+ 54.4 %
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Container throughput	7,480 TTEU	- 0.3 %
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thereof in Hamburg	7,217 TTEU	+ 1.2 %
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Container transport	1,283 TTEU	+ 9.4 %
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- EBIT development substantially higher than volume growth in container throughput and container transport
- Container throughput on previous year's high level with an all-time high in Hamburg
- Dynamic growth in container transport
- Clear double-digit EBIT margin
- High free cash flow with solid equity ratio of approx. 30 %

Dividend proposal: €0.52 per Class A share (2013: €0.45; approx. + 16 %)

Optimisation by Active Process Management

Activities, Projects and Achievements



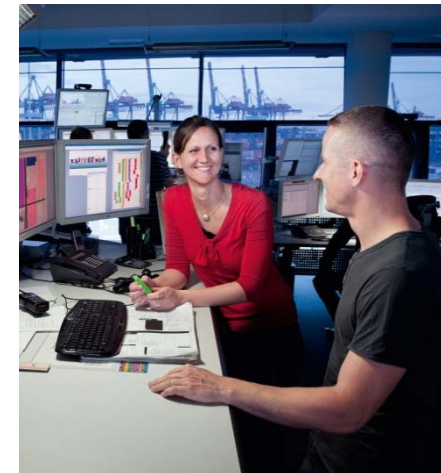
Terminal upgrade for enhanced handling of ULCV's



Network expansion and additional investments in own terminals, wagons and locomotives



Optimised traffic coordination for an improved cargo flow and terminal access



More staff and qualification to deal with volume growth

Implementation of numerous optimisation processes for more value added

Container Segment

Improved operational result due to efficient handling process



Key Figures

Revenue	€743.7 million	+ 4.2 %
EBIT	€156.1 million	+ 14.0 %
Investments	€58.4 million	- 28.1 %
Container throughput	7,480 TTEU	- 0.3 %

Projects and Achievements

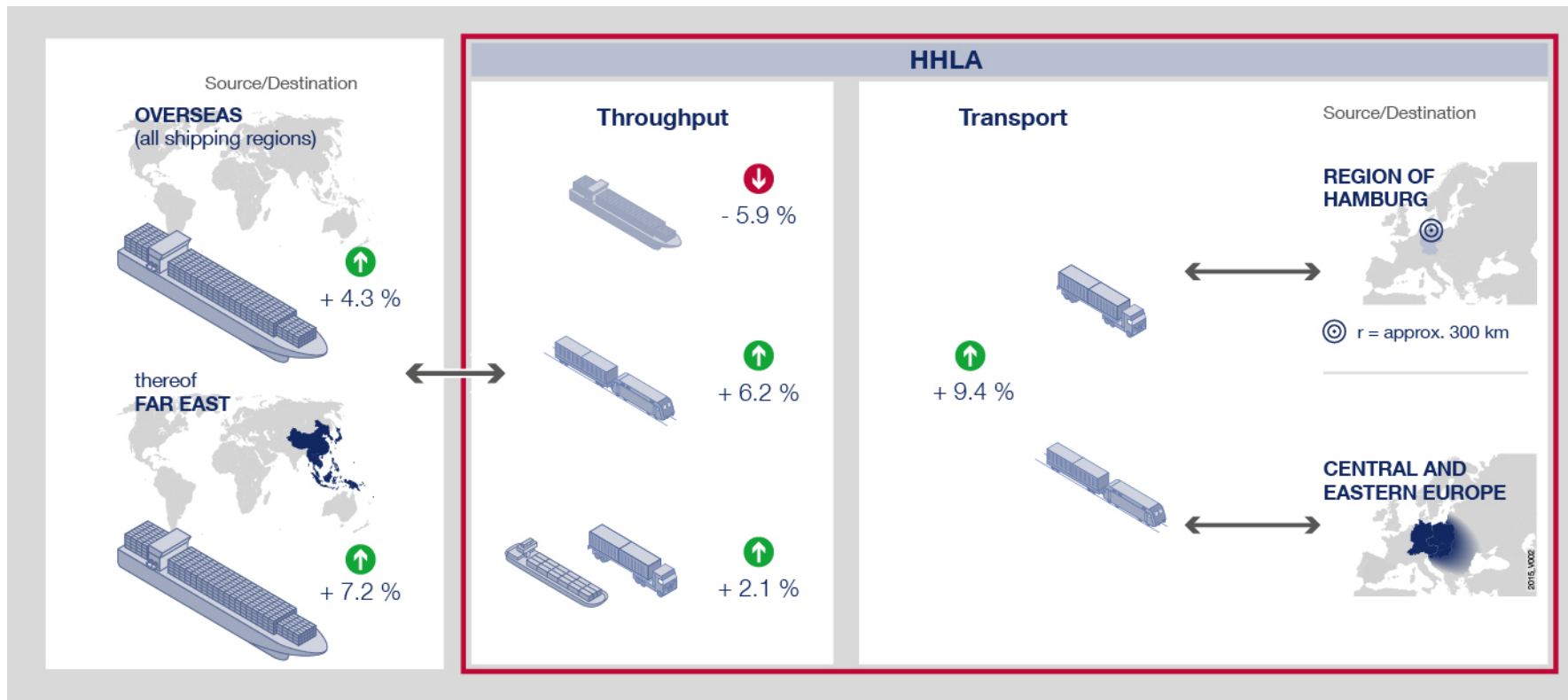
- Further increases in capacity and quality of mega-ship handling in Hamburg
- Phase one of Terminal expansion in Odessa completed

Segmental Development

- Container throughput on previous year's high level
- Despite a drop of almost 30 % in volumes in Odessa EBIT of CTO still clearly positive
- Increased average revenue due to changes in the cargo mix

Growth Drivers of our Vertical Strategy

Increasing Far East volumes, change in cargo mix, higher transport volume



Integration of logistic chain as fundament of our successful business model

Intermodal Segment

Increase of value added boosts EBIT



Key Figures

Revenue	€ 351.5 million	+ 11.7 %
EBIT	€ 27.3 million	+ 19.7 %
Investments	€ 52.3 million	pos.
Container transport	1,283 TTEU	+ 9.4 %

Projects and Achievements

- Further expansion of transport network in Central and Eastern Europe
- Additional investments in new terminals, own locomotives and wagons to further enhance production quality

Segmental Development

- Revenue and EBIT outpaced volume trend due to a higher ratio of rail traffic with longer average transport distances
- Upfront costs for expansion of own traction
- Restructuring of Polzug continued, but EBIT still negative

Investments for Higher Value Added

13 hinterland terminals, 40 locomotives and more than 1,450 waggons



Hub and inland terminals in the hinterland



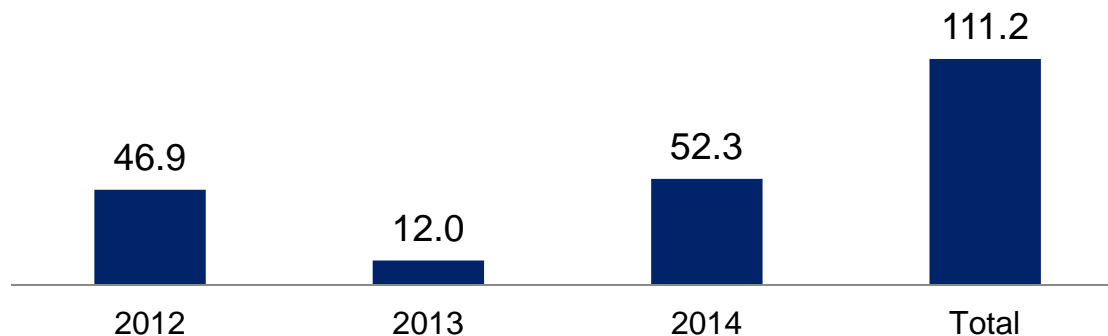
Multi-system locomotives and shunting engines



Light-weighted waggons with modern braking system

Investments

in € million



- More than € 100 million investment in own terminals and rolling stock between 2012 and 2014
- Approx. 46 % of subgroup investments in 2014 was spent on Intermodal segment

Logistics Segment

Business development varied widely



Key Figures

Revenue	€ 65.4 million	- 9.6 %
EBIT	€ - 0.7 million	neg.
Earnings from associates (using the equity method)	€ 4.3 million	+ 60.1 %
Investments	€ 2.5 million	pos.

Projects and Achievements

- Strategic realignment of fruit logistics on containerised transport

Segmental Development

- At-equity result improved strongly due to successful turnaround of fruit logistic activities
- Remaining companies with modest performance
- Segment earnings in total (incl. at equity earnings) slightly positive

Forecast 2015

Expected market environment and development on Port Logistics level

Market Environment



▪ Global economy (GDP)	3.5 %
▪ Global trade	3.8 %
▪ Container throughput, global	5.3 %
▪ Container throughput, Northwest Europe	2.9 %
▪ Transport volume, Germany	2.7 %

Source: IMF, Drewry, Federal Office for Freight Transport

Performance of Port Logistics



Volumes

- Container throughput: slight increase on previous year (2014: 7.5 million TEU)
- Container transport: moderate increase on previous year (2014: 1.3 million TEU)

Revenue

- Slight increase on previous year (2014: € 1.2 billion)

EBIT

- On previous year's level (2014: € 156 million)

Investments

- In the region of € 170 million (2014: € 115 million), almost all of which is allocated for the Port Logistics subgroup*

* Approx. €20 million carried over from 2014.

Forecast 2015

Expected development in main segments

	Container segment 	Intermodal segment 
Market environment	<ul style="list-style-type: none"> ▪ Intense competition in the North Range will prevail ▪ Average ship size will continue to grow ▪ Decision of Federal Administrative Court for dredging the river Elbe expected in H2/15 ▪ Geopolitical risks, esp. in Russia and Ukraine 	<ul style="list-style-type: none"> ▪ Increase in throughput at the European ports with positive effect for hinterland transport ▪ Disturbances in the railway system due to upcoming construction sites in the railway network
Segmental development	<ul style="list-style-type: none"> → Slight increase in container throughput in Hamburg → Market share gains/higher utilisation at CTO → Focus on further optimisation of processes and productivity → Revenue slightly above previous year → EBIT moderate below previous year → Ship size related investments in gantry cranes and yard cranes 	<ul style="list-style-type: none"> → Further expansion of Intermodal network with own rolling stock will lead to an increased level of value added → Moderate increase in transport volume and revenue will lead to a significant rise in EBIT → Further improvement in Polzug's earnings position → Continued investments in locomotives and terminal capacity

Agenda

- Business Development 2014 and Business Forecast 2015

Klaus-Dieter Peters
Chairman of the Executive Board

- **Questions & Answers**

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Chairman of the Executive Board

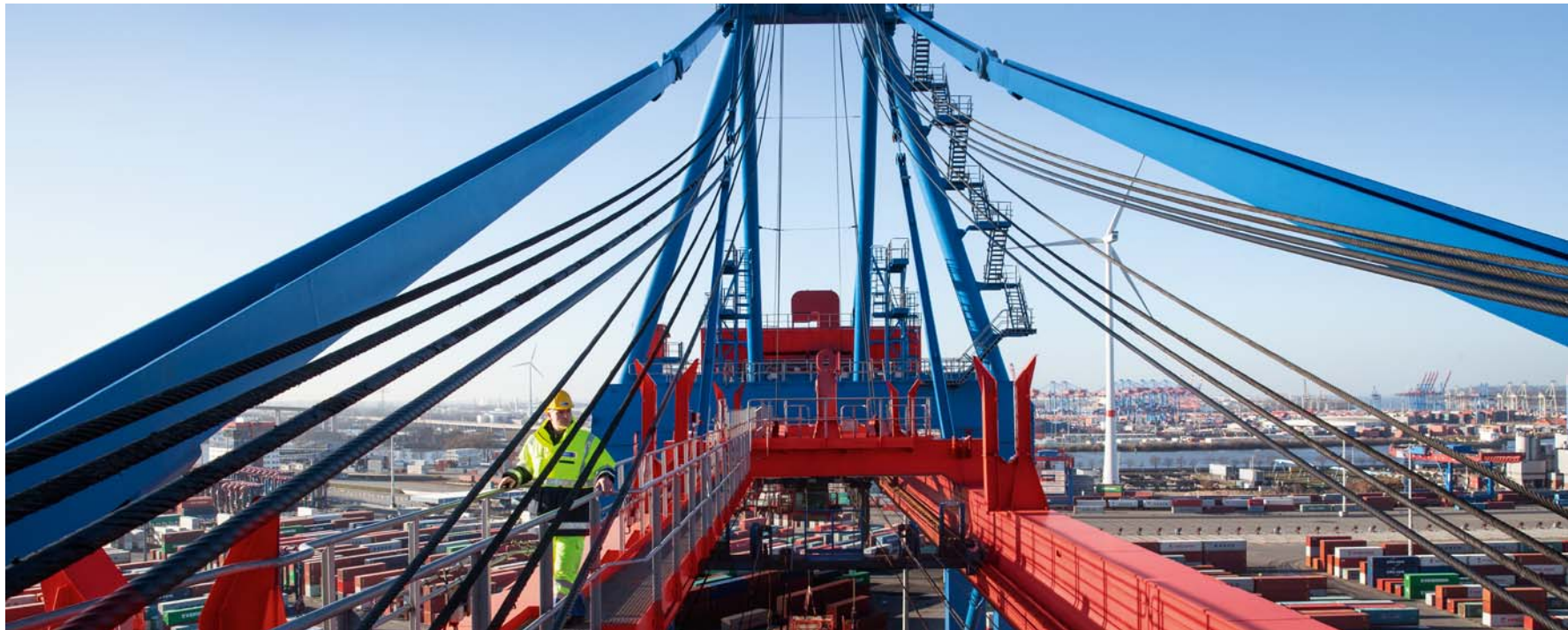
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Key Figures

Annual Financial Statement 2014

	Port Logistics Subgroup Listed Class A share			HLA Group		
in € million	2014	2013	Change	2014	2013	Change
Revenue	1,171.2	1,110.1	5.5 %	1,199.6	1,138.1	5.4 %
EBIT	155.6	140.2	11.0 %	169.3	153.9	10.0 %
Profit after tax and minority interests	52.3	48.3	8.2 %	58.9	54.3	8.5 %
Earnings per share in €	0.75	0.69	8.2 %	–	–	–
ROCE in %	–	–	–	12.9	11.5	1.4 pp
Investments	115.4	100.2	15.2 %	138.4	112.7	22.8 %

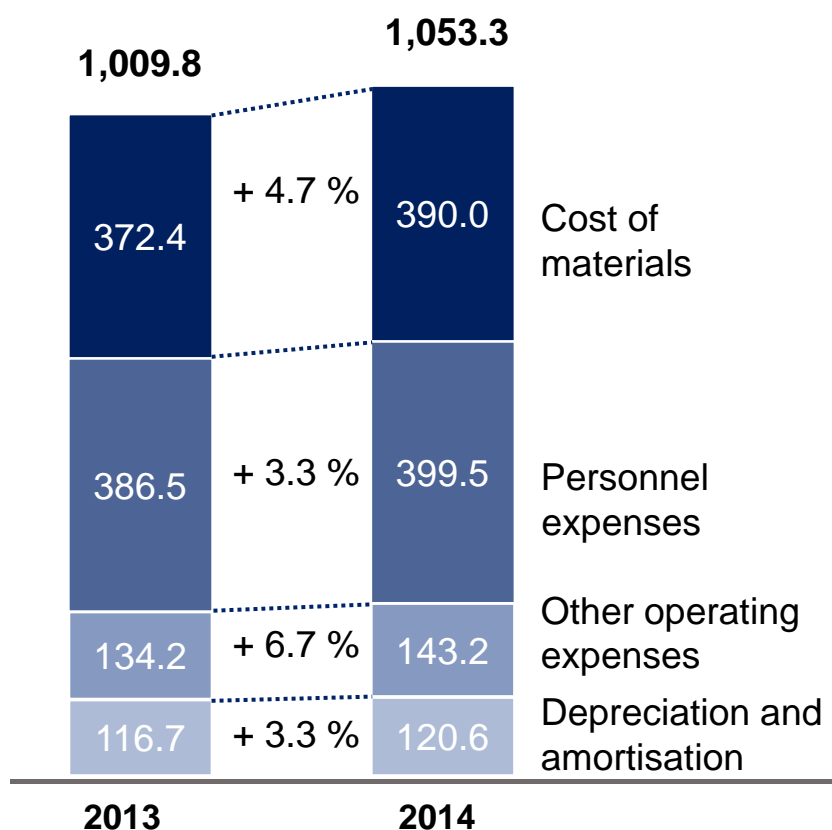
Expenses

Cost trend largely in line with volume development

Total Operating Expenses: + 4.3 %

Throughput / Transport Growth : - 0.3 % / + 9.4 %

in € million



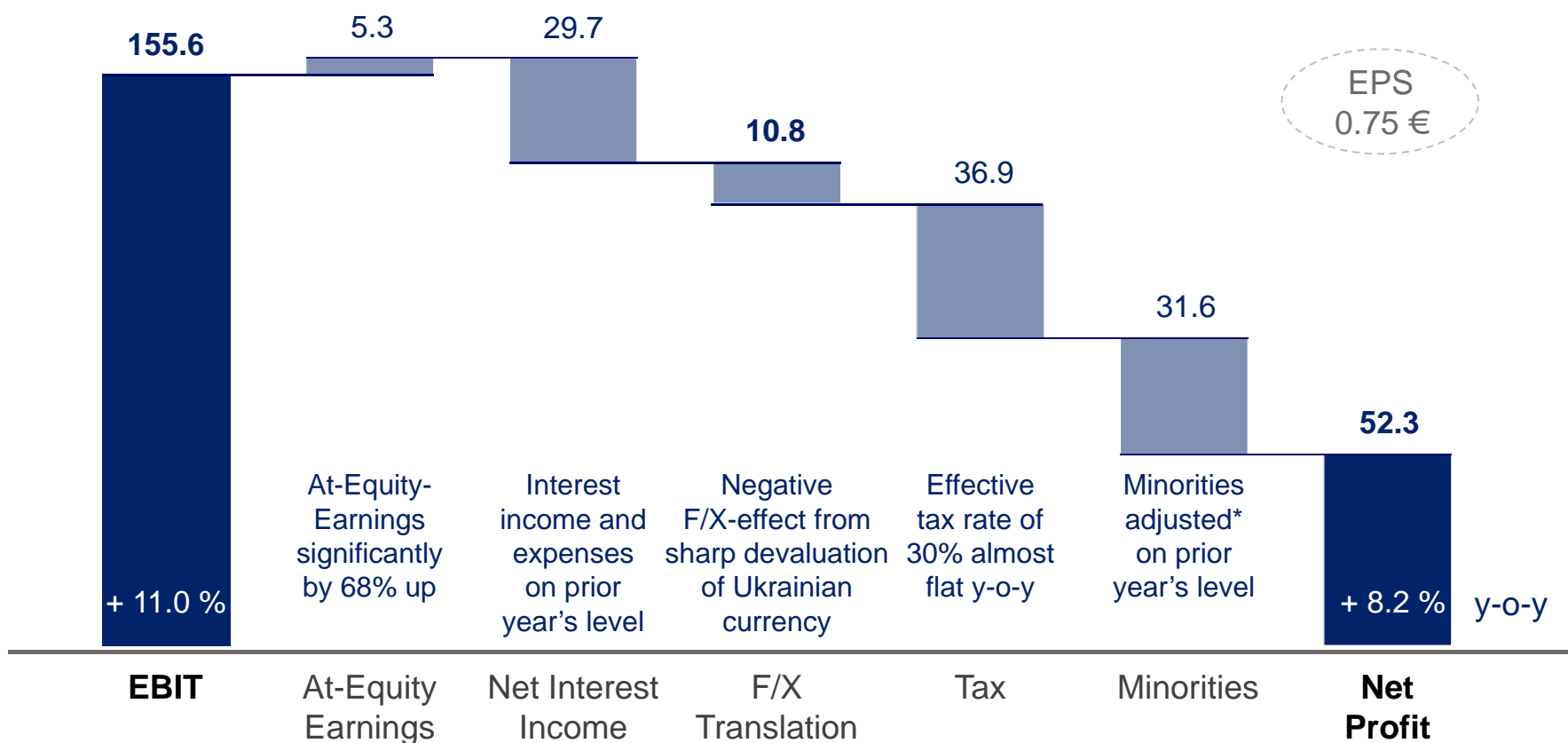
- Mainly variable expenses
- Rise especially in the material-intensive Intermodal segment due to greater use of own traction fleet
- Collective pay increases and additional opex for peak loads
- Recruitment of headcount as a result of expanded services and own traction fleet (Intermodal) as well as upfront training costs (Container)
- Increase in rental and leasing expenses in the growing Intermodal segment
- Higher balance sheet provisions for legal risks (one-time effect)
- Depreciation would remained on previous year's level without the adjustment of discount rate used for provisions for demolition costs

Figures of listed
Port Logistics subgroup

Earnings Bridge

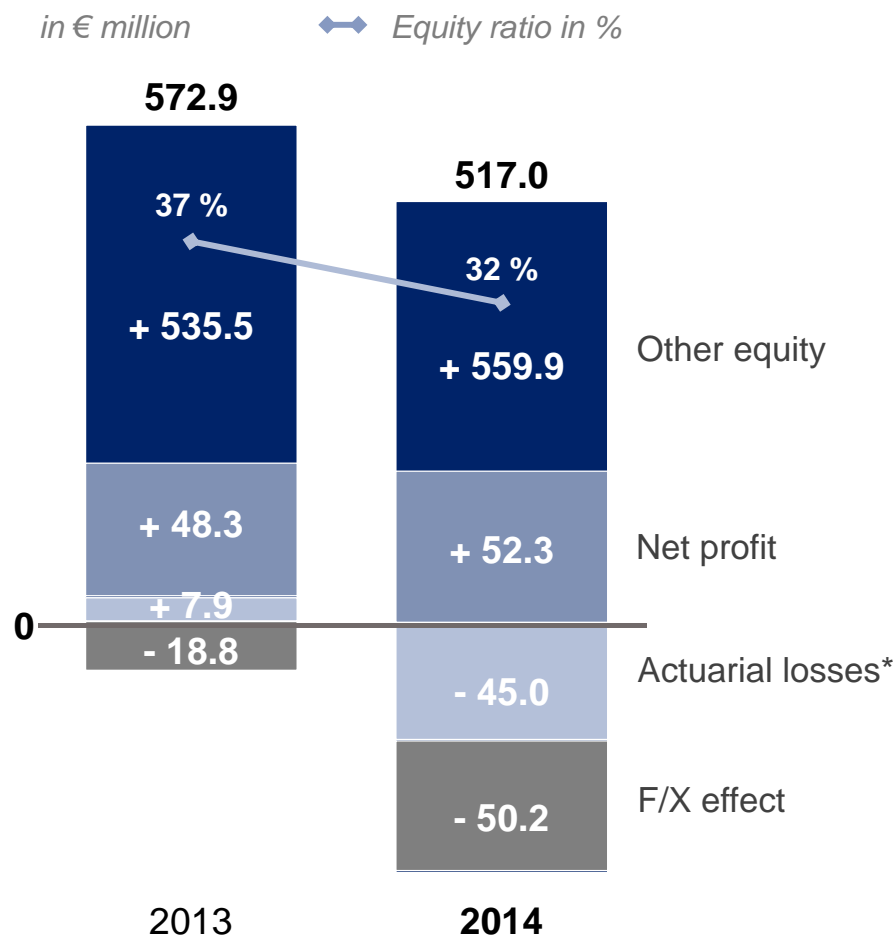
Net profit and EPS increased – Financial result burdened by negative F/X-effect

in € million



Equity Development

Equity impacted by F/X effect and all-time low interest base rate



- Retained earnings significantly up by € 20.6 million inter alia due to an improved net profit (+ 8.2 %)
- All-time-low interest base rate drove up actuarial losses reflecting the reduction of the discount rate for pensions from 3.50 % in the last year to 1.75 % at the end of 2014
 - > Actuarial losses should be turn around again at an interest rate of ~ 3.25 %**
- Sharp devaluation of up to 40 % of the Ukrainian currency led to a negative non-cash translation effect in equity of € 31.4 million

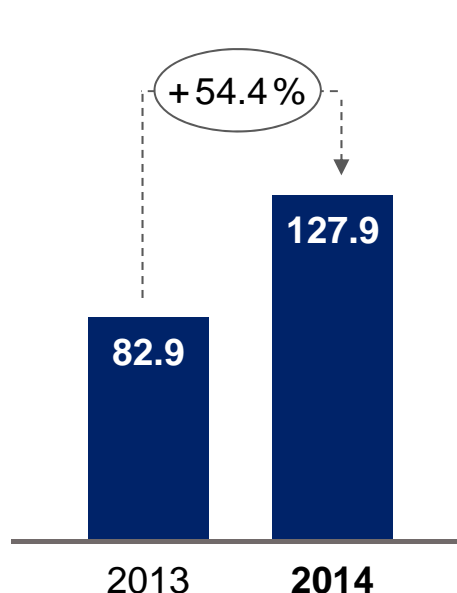
Financial Position

Resilient financial foundation for a sustainable stable payout ratio

Free Cash Flow

in € million as of 31.12.

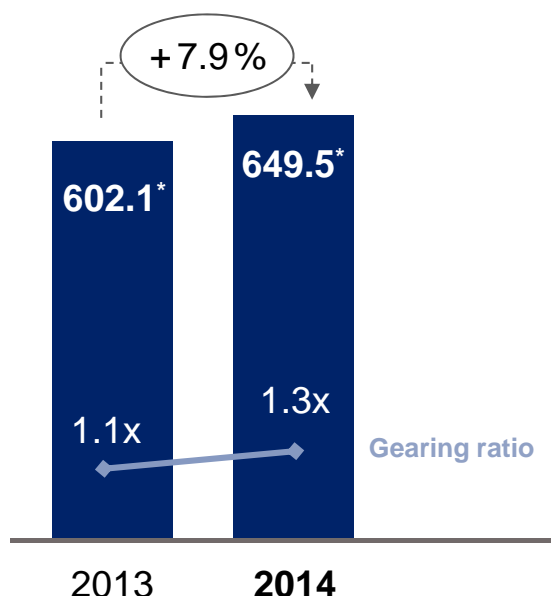
- Free cash flow up € 45.0 million to € 127.9 million
- Increase of liquidity reserves to € 251.5 million



Net Debt*

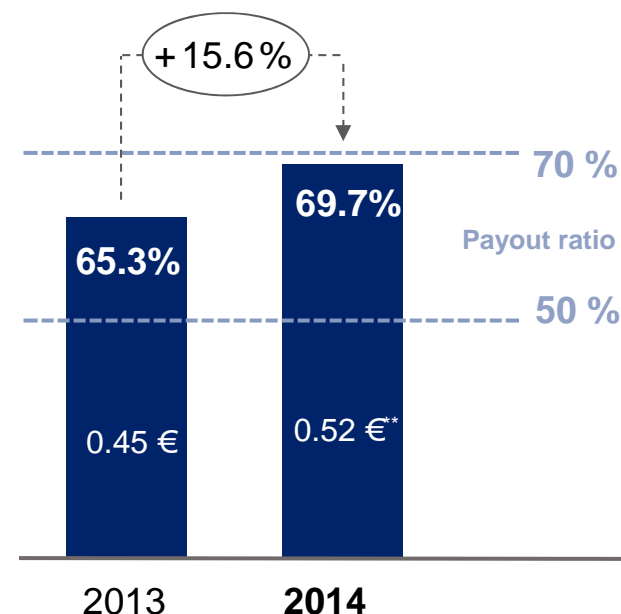
in € million as of 31.12.

- Accounting effect on pension provisions induces a higher net debt
- interest rate: 3.5 % → 1.75 %



Dividend per Class A share

- Dividend policy stable since 2007
- Considerable rise in dividend distribution on previous year



Investments

Ship size driven investments and enhancing of value added

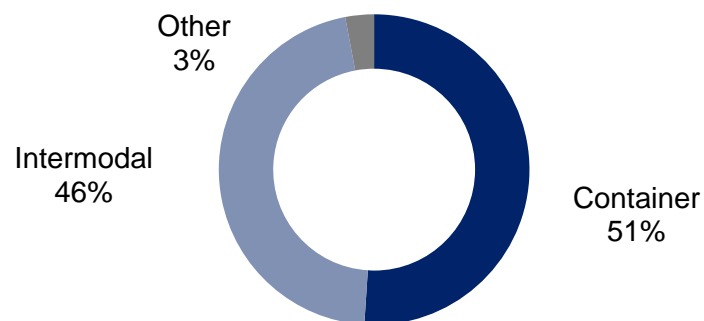
Container €58.4 million

- Additional handling equipment
- Ship size driven investments
- New storage capacities
- CTO expansion

Intermodal €52.3 million

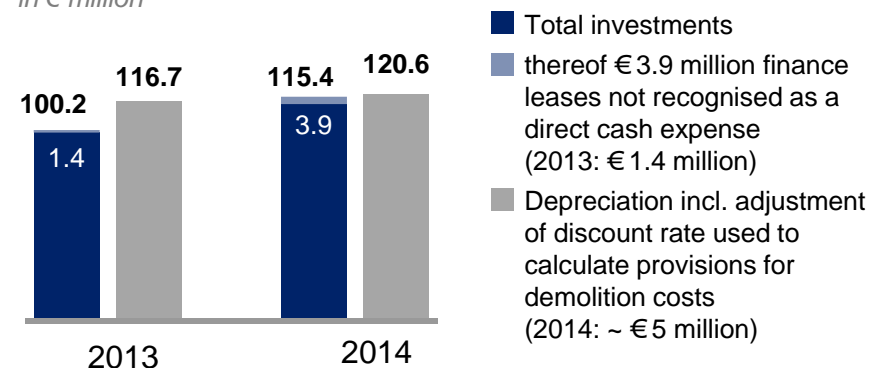
- Own hinterland terminals
- Own multi-system locomotives
- Container wagons (specially developed for container transport)

Investment Split €115.4 million



Capex vs. Depreciation & Amortisation

in € million

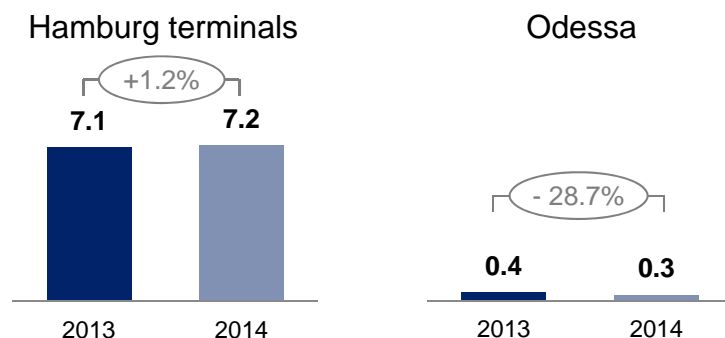


Development of Container Throughput

Overseas and hinterland volumes in Hamburg grow strongly

Container Throughput (Seaborne)

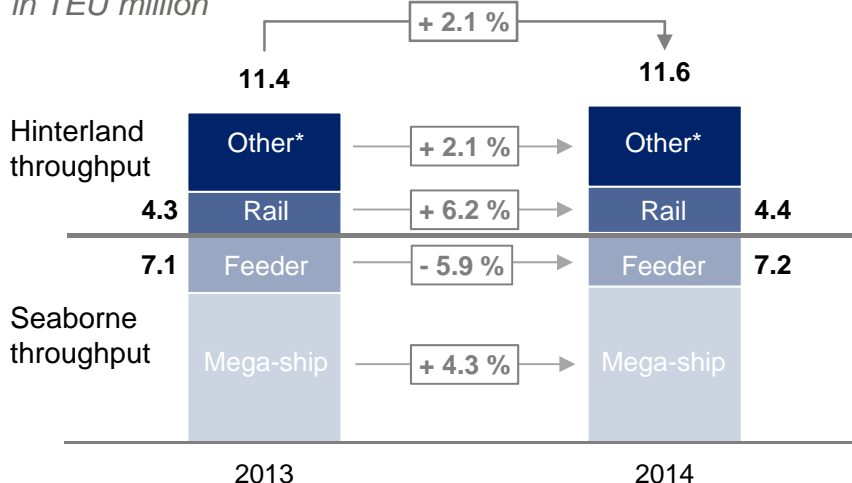
in TEU million



- Slight growth in volumes at the container terminals in Hamburg
- Substantial volume decline in Odessa
- Container throughput overall on previous year's level

Split of Container Throughput at the Hamburg Terminals

in TEU million



- Strong growth in overseas volumes – esp. Far East (+ 7.2 %) – resulted in markedly higher throughput growth in hinterland cargo (by rail and road)
- Declining feeder traffic due to re-routing of feeder volumes by shipping companies and a drop in traffic with Russia
- Feeder ratio fell from 27.8 % to 25.6 %

Financial Calendar

IR Contact

30 March 2015

Annual Report 2014

13 May 2015

Interim Report January-March 2015

11 June 2015

Annual General Meeting (AGM)

13 August 2015

Interim Report January-June 2015

12 November 2015

Interim Report January-September 2015

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