

HHLA

# HAMBURGER HAFEN UND LOGISTIK AG

ANALYST CONFERENCE ON ANNUAL RESULTS 2010

31 March 2011



© Hamburger Hafen und Logistik AG



# DISCLAIMER

The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. Neither the Company nor any of its parent or subsidiary undertakings nor any of such person's directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied as to, and no reliance should be placed on, the accuracy or completeness of the information contained in this presentation. Neither the Company, nor any of its parents or subsidiary undertakings nor any of their directors, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. The same applies to information contained in other material made available at the presentation.

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

This presentation contains forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. These statements generally are identified by words such as "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets" and similar expressions. The forward-looking statements, including but not limited to assumptions, opinions and views of the Company for information from third party sources, contained in this presentation are based on current plans, estimates, assumptions and projections and involve uncertainties and risks. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. The Company does not represent or guarantee that the assumptions underlying such forward-looking statements are free from errors and the Company does not accept any responsibility for the future accuracy of the opinions expressed in this presentation. No obligation is assumed to update any forward-looking statements.

By accepting this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This presentation is not a prospectus and does not constitute an offer or an invitation or solicitation to subscribe for, or purchase, any shares of the Company and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.



# AGENDA

**Business Development 2010**

**Klaus-Dieter Peters**  
**CEO**

Annual Financial Statements 2010

Dr. Roland Lappin  
CFO

Outlook

Klaus-Dieter Peters  
CEO

# THE 2010 FINANCIAL YEAR AT A GLANCE

## GLOBAL ECONOMIC RECOVERY INTENSIVELY UTILIZED

- Economic upturn translated into
  - Strongest volume growth in comparison to major North Range ports
  - New record volumes on hinterland routes
  - Profitable revenue growth
  - Disproportionate profit increase
- Technology and performance lead extended
  - New mega-ship berths
  - Improvements in terminal processes
  - Expansion of the hinterland network
  - Qualification drive for employees
- Annual forecast met

Proposal to increase the dividend by 37.5 % to € 0.55  
per listed Class A share (payout ratio at 55.1 %)

# HHLA VOLUME DEVELOPMENT 2008-2010

## CONTAINER THROUGHPUT AND TRANSPORT VOLUME

### Economic environment

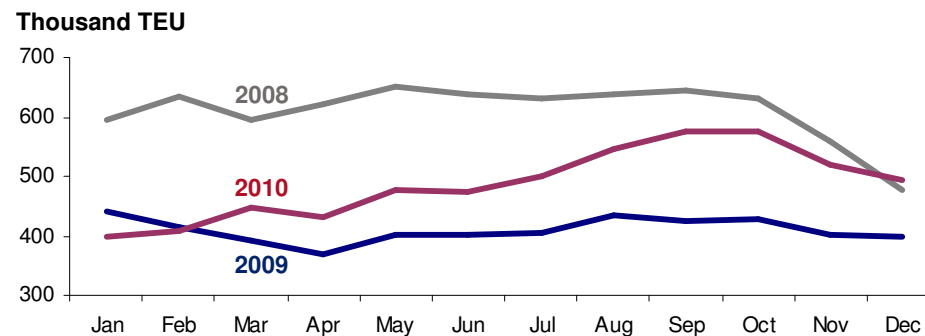
Global economy + 5.0 %

World trade + 12.0 %

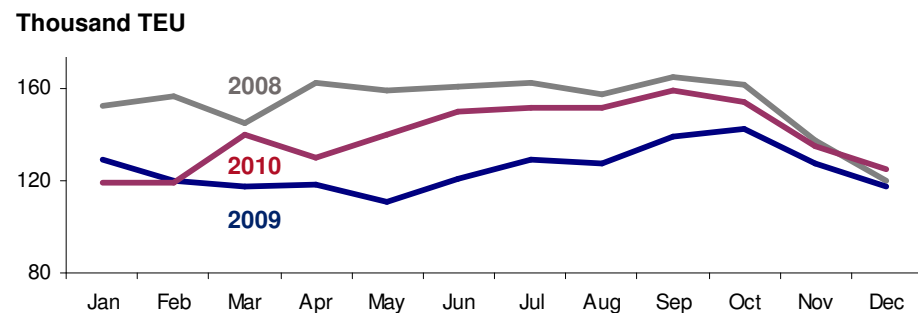
Global container throughput + 13.0 %

North Range container throughput + 13.2 %

### HHLA Container throughput 2010: + 19.0 %

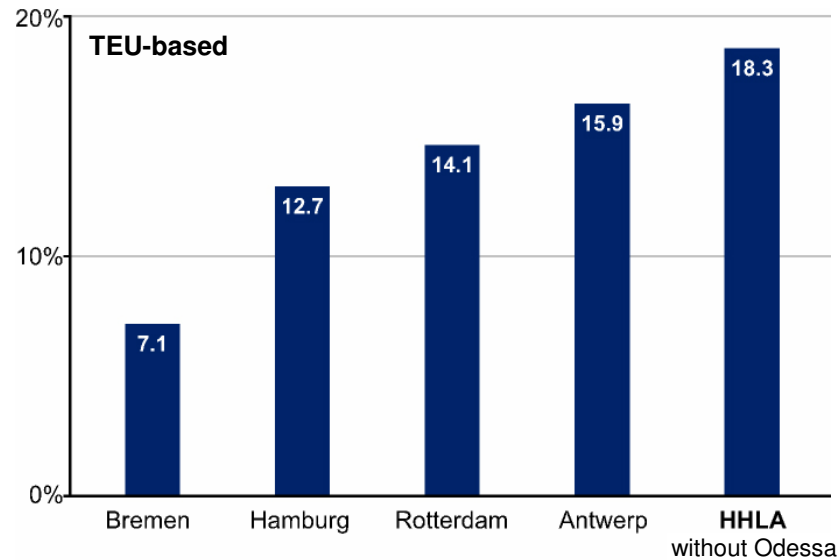


### HHLA Container transport 2010: + 13.1 %

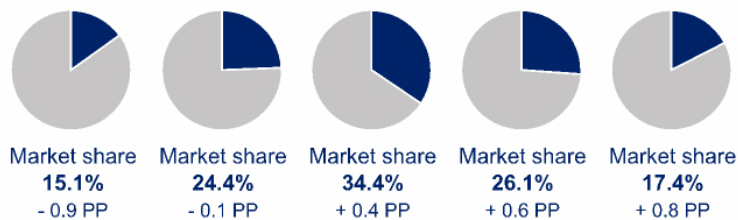


# COMPETITIVE DYNAMICS

## THROUGHPUT GROWTH IN THE HAMBURG-ANTWERP RANGE IN 2010



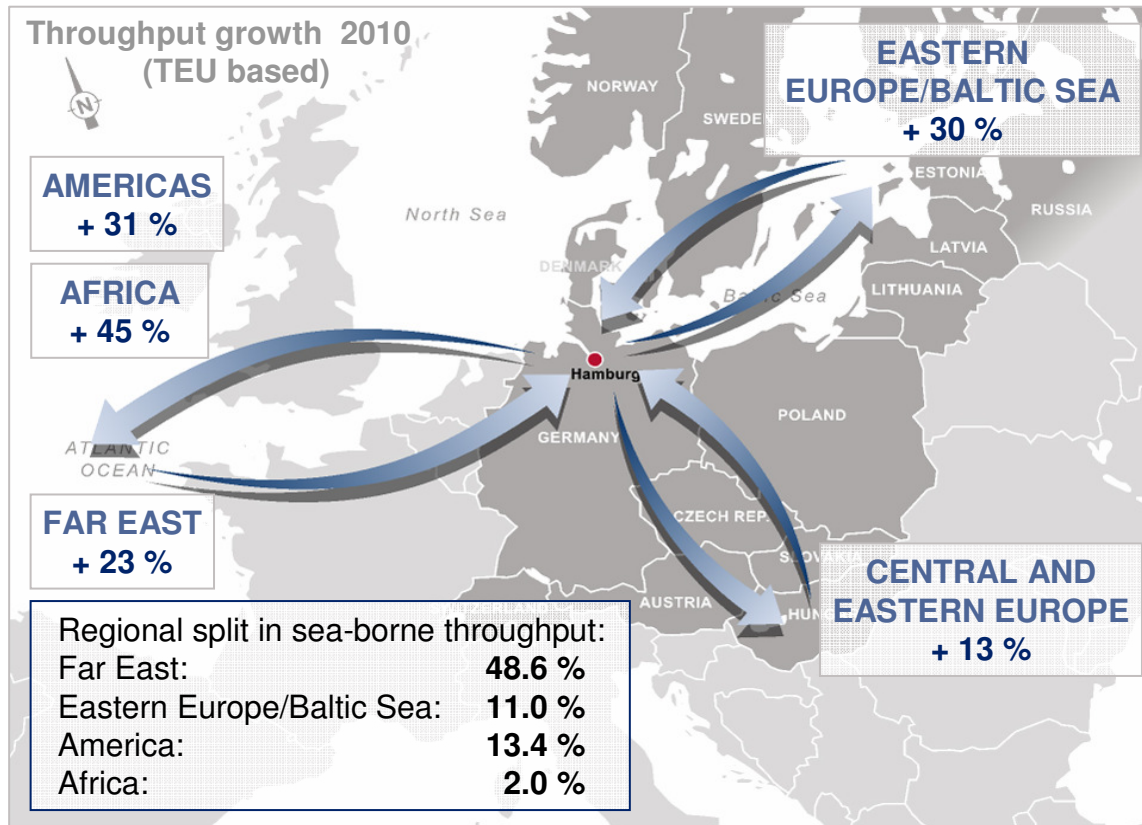
Source: Port Authorities, HHLA



- HHLA achieved fastest throughput growth among major North Range ports
- Market share increased due to
  - Strong economic recovery with pent-up demand
  - Feeder services regained, dense feeder network maintained
  - New liner services attracted by investment in mega-ship berths
- Hinterland network expanded
- Customer base broadened

# HUB FOR EMERGING MARKETS

HHLA CONNECTS DYNAMICALLY GROWING ECONOMIES VIA HAMBURG



- Hamburg's geographic advantage regained importance in volume allocation
- Strong recovery of feeder traffic from/to the Baltic Sea
- Rail transport on the European hinterland partially above pre-crisis level again
- Double-digit growth of long-haul oversea traffic

# KEY FIGURES 2010

## STRONG GROWTH OF VOLUMES, REVENUE AND EARNINGS

Group		2010	2009	Change
Revenue	€ million	1,073.1	990.7	8.3 %
EBIT	€ million	192.9	160.2	20.4 %
EBIT margin	%	18.0	16.2	1.8 PP
Capital expenditure	€ million	173.8	159.7	8.9 %
Employees	as of 31.12.	4,679	4,760	- 1.7 %
Container throughput	Thousand TEU	5,844	4,913	19.0 %
Container transport	Thousand TEU	1,696	1,500	13.1 %

# OPERATIONAL HIGHLIGHTS I / II

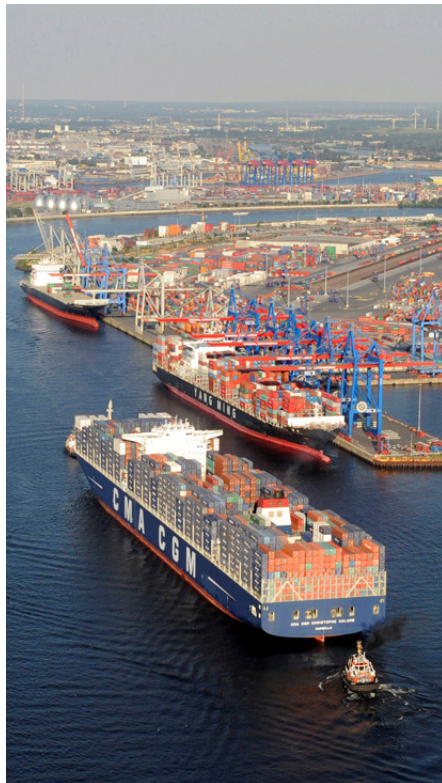
## COMPETITIVENESS ENHANCED BY INNOVATIONS AND INVESTMENTS



- New mega-ship berths secure leading position in competition on performance and quality
- Innovations at the container terminals boost productivity (storage blocks, integrated terminal management etc.)
- New handling records with up to 12,000 TEU per ship
- Shipping company APL ranks Container Terminal Altenwerder (CTA) as the best-performing terminal in Northern Europe; Germanischer Lloyd again certifies CTA as one of the world's best terminals
- Expansion project at the Container Terminal Odessa strengthens HHLA's position on the Black Sea
- Continued expansion of automation processes at dry bulk terminal Hansaport

# OPERATIONAL HIGHLIGHTS II / II

## PERFORMANCE OF PRE- AND ON-CARRIAGE SYSTEMS EXPANDED



- Increase in share of shuttle and direct rail connections increases productivity and utilization of the intermodal systems
- New inland terminal in Katowice improves connection between one of the largest industrial centers of Poland and the Hamburg port
- Joint venture IPN Inland Port Network with Eurogate to establish high-performance inland terminals in Germany
- Joint venture CIT Container Inland Trucking with the haulage company EKB to transport containers on the "last mile"
- The feeder coordination center (Feeder Logistik Zentrale - FLZ) optimizes procedures for feeder ships in the port of Hamburg

# SUSTAINABILITY HIGHLIGHTS

## HIGH-TECH TERMINALS AND RAIL TRANSPORT PROTECT THE CLIMATE



- **HHLA cuts its CO<sub>2</sub> emissions**
  - Down 27 % or 30,000 tons per year compared with 2008
  - Down 16 % per container of throughput compared with 2008
  - “Low-emission” Container Terminal Altenwerder purchases electricity from renewable sources
  
- **Rising share of rail transport protects climate and environment**
  - In long-distance traffic > 150 km, the rail share of hinterland traffic from HHLA's terminals is now over 70 %
  - Rail's share of total hinterland traffic is now 37 % (2002: 28 %)
  
- **Successful qualification drive increases know-how and safeguards experienced workforce**
  - 480 trainings, most of them leading to a qualification in port logistics or port management

HHLA at number 5 in the Fraunhofer transparency index for sustainability at the 250 largest logistics providers



# AGENDA

Business Development 2010

Klaus-Dieter Peters  
CEO

**Annual Financial Statements 2010**

**Dr. Roland Lappin**  
**CFO**

Outlook

Klaus-Dieter Peters  
CEO

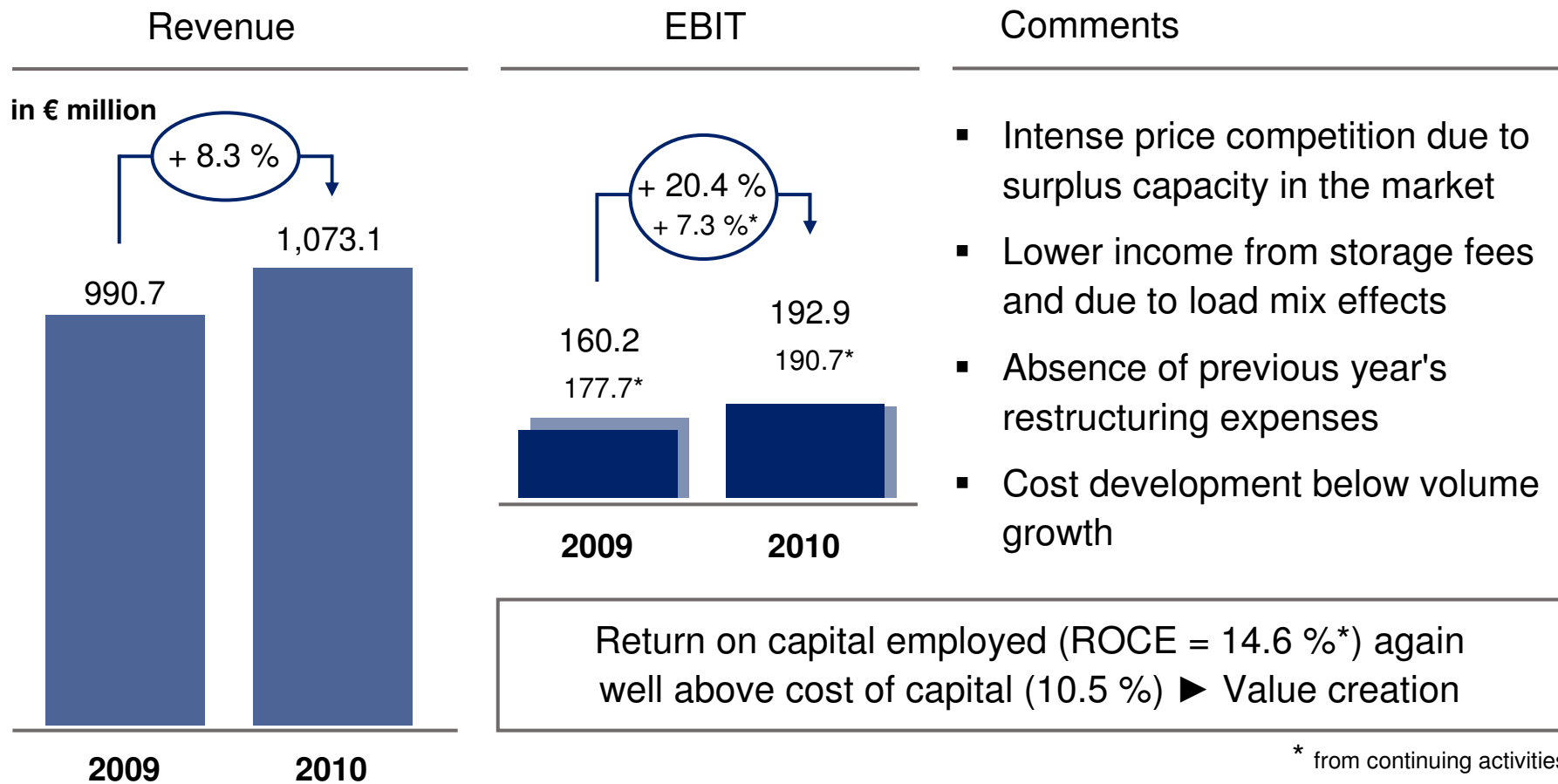
# ACHIEVEMENT OF TARGETS

## FORECAST VERSUS ACTUALS

Group	Forecast	Actuals	Comments
<b>Revenue</b>	> € 1 billion	<b>€ 1,073.1 million</b> ✓	<ul style="list-style-type: none"> <li>▪ Limited visibility in port logistics as there is no order book or volume guarantee</li> </ul>
<b>EBIT</b>	in the region of € 180 million	<b>€ 192.9 million</b> ✓	<ul style="list-style-type: none"> <li>▪ Uncertainty about strength of economic recovery at the beginning of 2010</li> </ul>
<b>Investments</b>	≤ € 180 million	<b>€ 173.8 million</b> ✓	<ul style="list-style-type: none"> <li>▪ Forecast raised over the course of the year as more information became available</li> </ul>

# REVENUE AND OPERATING RESULT

## PROFITABLE PERFORMANCE IMPROVEMENT

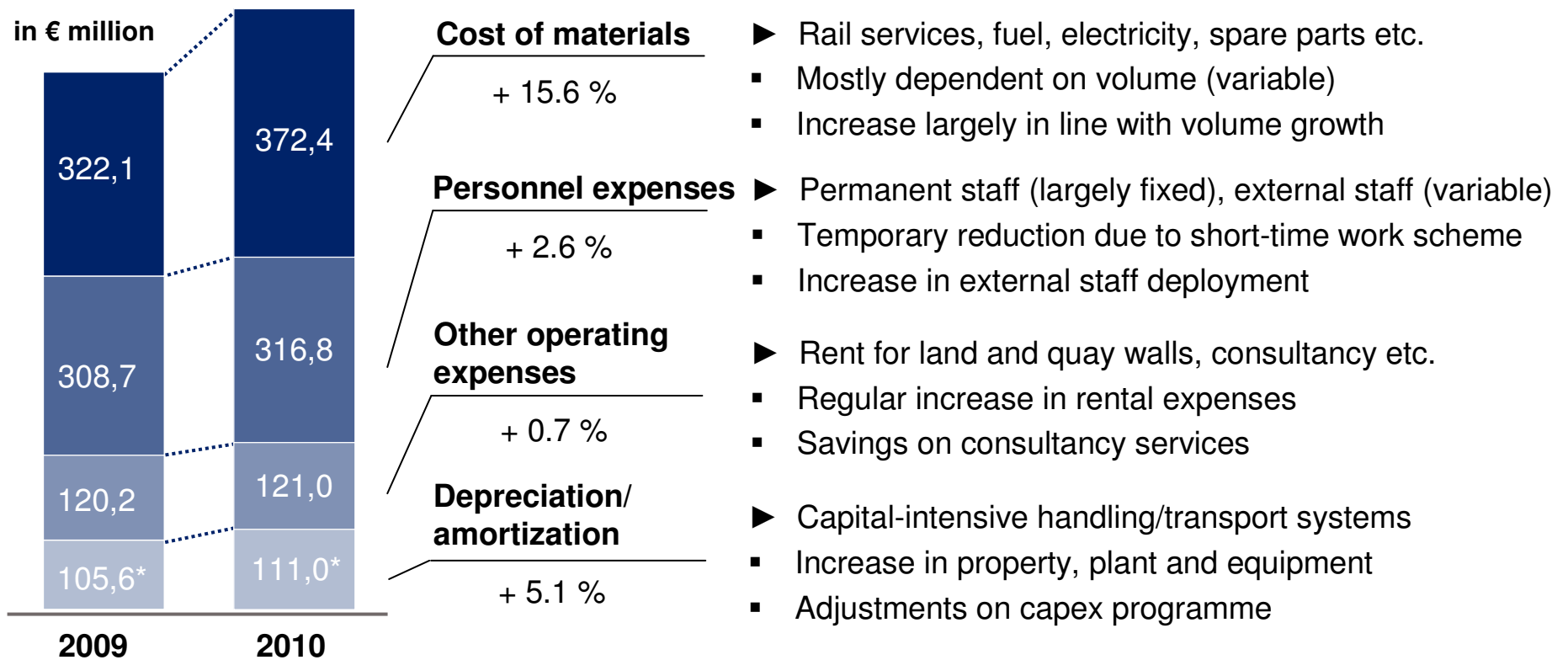


# OPERATING EXPENSES

## CONTINUOUS COST MANAGEMENT

**Total Operating Expenses:** + 7.5 %\*

**Throughput / Transport Growth:** + 19.0 / + 13.1 %



# SEGMENT DEVELOPMENT

## SUBGROUP PORT LOGISTICS ...

in € million

### Container



	2010	Change
Revenue	605.3	+ 7.8 %
EBITDA	236.3	+ 4.8 %
<i>Margin</i>	39.0 %	- 1.2 PP
EBIT	155.7	+ 4.1 %
<i>Margin</i>	25.7 %	- 0.9 PP
Employees	2,891	- 2.4 %

### Intermodal



	2010	Change
Revenue	317.3	+ 14.4 %
EBITDA	42.5	+ 34.6 %
<i>Margin</i>	13.4 %	+ 2.0 PP
EBIT	22.6	+ 3.2 %*
<i>Margin</i>	7.1 %	- 0.9 PP
Employees	777	+ 3.5 %

\* from continuing activities

# SEGMENT DEVELOPMENT

... SUBGROUP PORT LOGISTICS / SUBGROUP REAL ESTATE

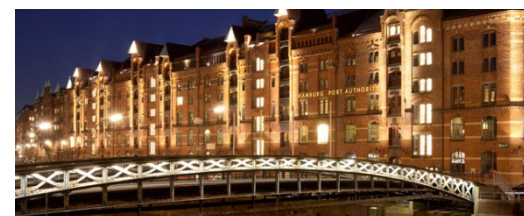
in € million

## Logistics



	2010	Change
Revenue	120.4	+ 4.8 %
EBITDA	13.2	- 6.0 %
<i>Margin</i>	<i>11.0 %</i>	<i>- 1.2 PP</i>
EBIT	6.2	- 25.0 %
<i>Margin</i>	<i>5.1 %</i>	<i>- 2.1 PP</i>
Employees	441	- 7.2 %

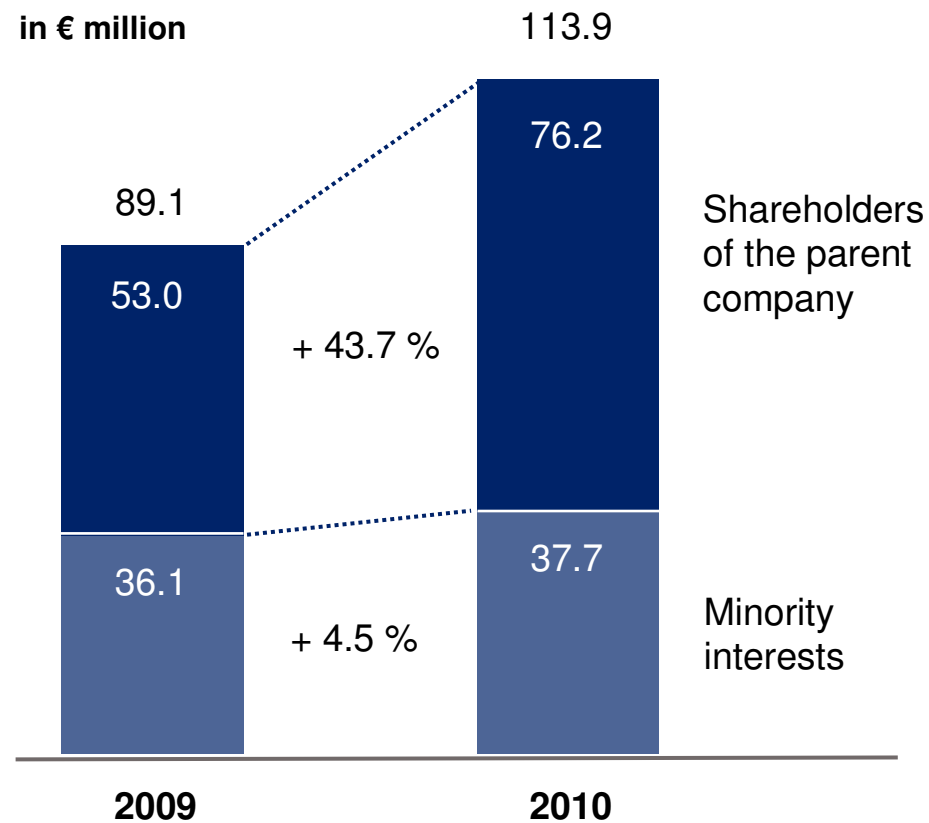
## Real Estate



	2010	Change
Revenue	34.0	+ 3.8 %
EBITDA	16.8	+ 2.2 %
<i>Margin</i>	<i>49.5 %</i>	<i>- 0.7 PP</i>
EBIT	12.7	+ 3.2 %
<i>Margin</i>	<i>37.4 %</i>	<i>- 0.2 PP</i>
Employees	38	- 5.0 %

# NET PROFIT

## DISPROPORTIONATE INCREASE AT THE PARENT COMPANY



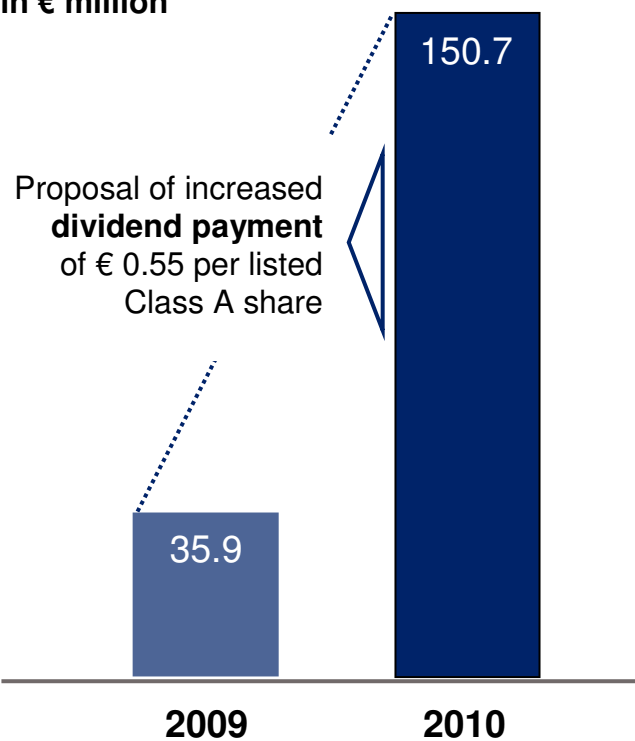
- Absence of previous year's restructuring expenses
- Financial result virtually unchanged
- Tax payments down due to lower average tax rate at Group level
- Fastest growth at facilities owned solely by HHLA

# FINANCIAL POSITION

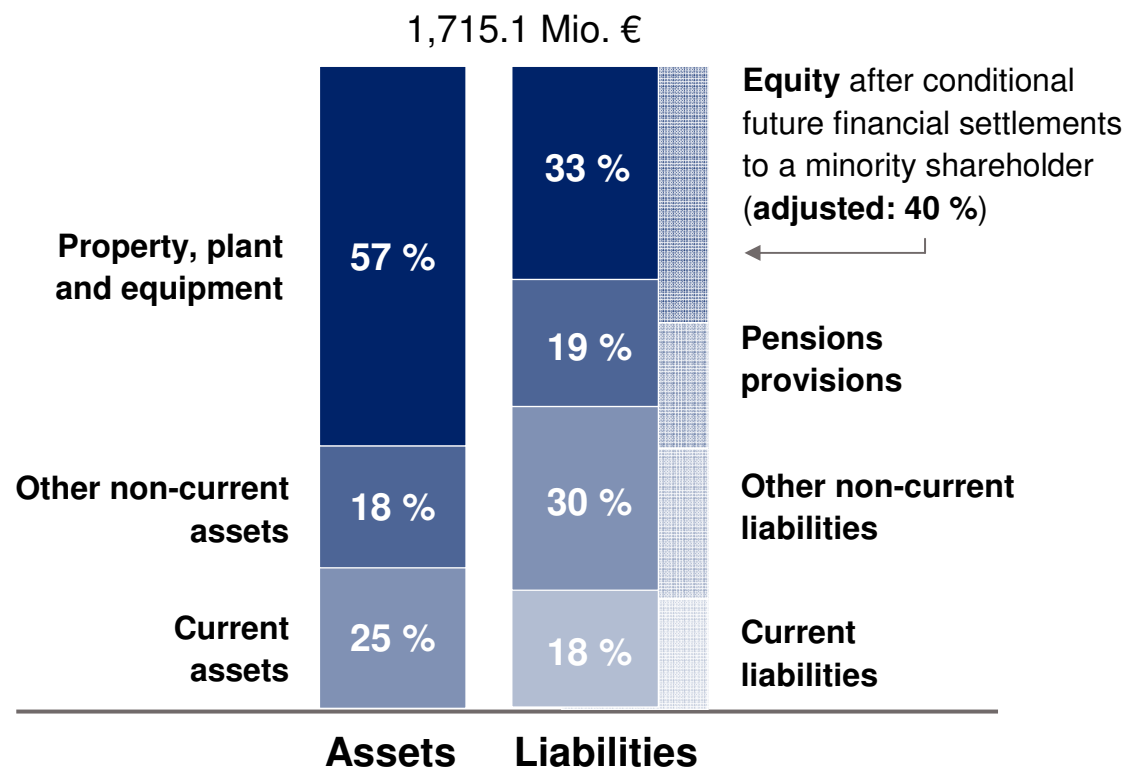
## SUFFICIENT LIQUIDITY AND SOLID FINANCIAL FUNDAMENT

### Free Cash Flow

in € million



### Balance Sheet as of 31.12.2010





# AGENDA

Business Development 2010

Klaus-Dieter Peters  
CEO

Annual Financial Statements 2010

Dr. Roland Lappin  
CFO

**Outlook**

**Klaus-Dieter Peters**  
**CEO**

# FORECAST 2011

## EXPECTATIONS AND TARGET SETTING

### Growth expectations \*



Global economy (GDP)	4 – 5 %
World trade	7 %
Global container throughput	7 – 10 %
Northern Europe cont. throughput	5 – 6 %
German seaborne throughput	3 %



### Group targets



- **Volumes** – Increase of throughput and transport in the region of 10 %
- **Revenue** – Growth in the region of 10 % with persistent price pressure due to surplus capacities in the market
- **EBIT margin** – Year-on-year improvement despite additional burden from
  - increasing purchasing costs (energy, working materials and external services)
  - postponed maintenance work
  - additional depreciation and amortization
- **Investments** – range of € 180 to 220 million

### Currently incalculable risks

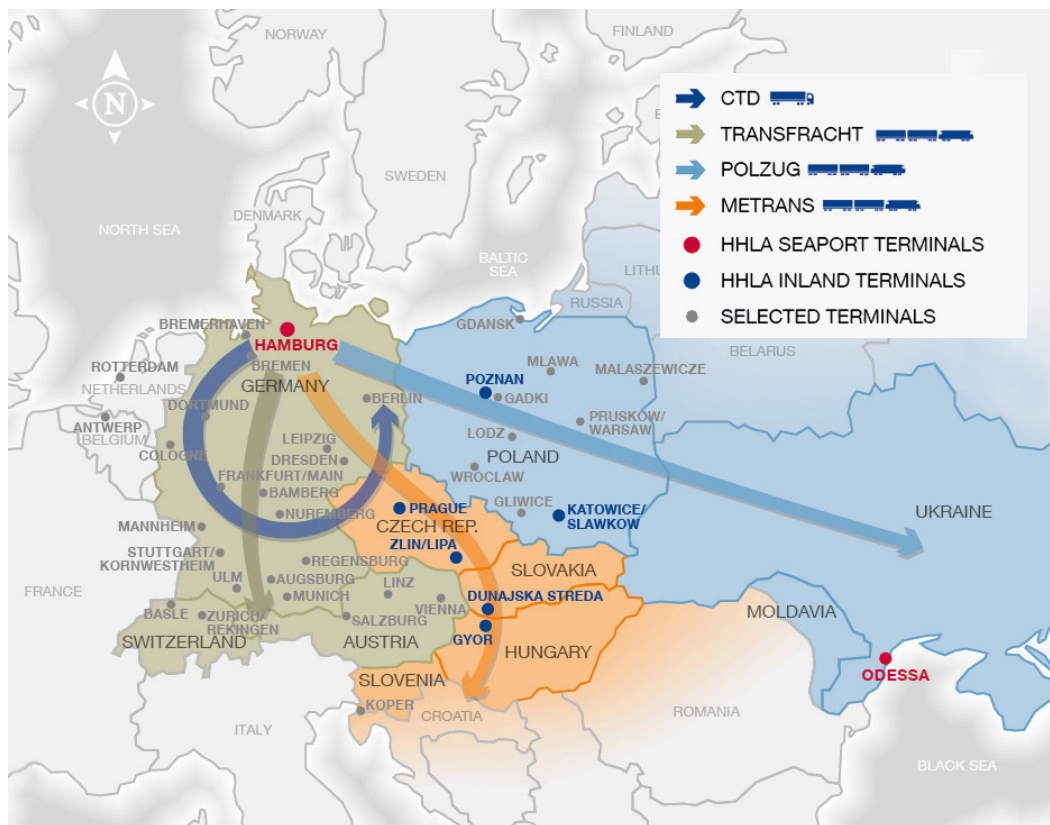


- Consequences of the unrest in North Africa and the Middle East
- Impact of the earthquake in Japan on production and logistic chains

\* International Monetary Fund - Jan. 2011, Drewry, Clarkson, German Federal Office for Freight Transport

# REGIONAL STRATEGY

TRANSPORT NETWORK FOR AN ECONOMIC AREA WITH > 300 MILLION INHABITANTS

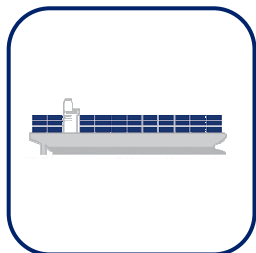


## Selected projects for 2011

- Further expansion of the rail network in the European hinterland
- Continuous increase in share of shuttle and direct rail connections
- Expansion of the delivery network for the "last mile" on the road
- Expansion and further modernization of the HHLA container terminals

# FUTURE TRENDS

## CHALLENGES AND ACTIVE RESPONSES



### Increasing ship size

- Container terminal facilities for 18,000 TEU ships ✓
- Latest handling technology and highly efficient pre-/on-carriage systems ✓
- *Urgent start to the planned dredging of the river Elbe in late 2011\** !



### Rising fuel costs

- Increasingly intensive use of fuel-efficient modes of transport (ship/rail) ✓
- Geographic advantage of Hamburg in serving Central & Eastern Europe ✓
- *Expansion of rail infrastructure and inland waterways* !



### Intensifying environmental protection

- Linking ecologically sound methods of cargo transportation ✓
- Increasing the share of rail-bound hinterland traffic ✓
- Conserving space while dealing with rising freight volumes ✓



## FINANCIAL CALENDAR

31 Mar 2011	Annual Report 2010
13 May 2011	Interim Report Jan-Mar 2011
16 June 2011	Annual General Meeting
12 Aug 2011	Interim Report Jan-Jun 2011
11 Nov 2011	Interim Report Jan-Sep 2011

## CONTACT

Tel.: +49-40-3088-3100

Fax: +49-40-3088-55-3100

Email: [investor-relations@hhla.de](mailto:investor-relations@hhla.de)

Web: [www.hhla.de](http://www.hhla.de)