

HHLA

125 Years

# RESULTS JANUARY – JUNE 2010 ANALYSTS' CONFERENCE CALL

13 August 2010



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# AGENDA

- MAIN DEVELOPMENTS

Klaus-Dieter Peters, CEO

- FINANCIAL PERFORMANCE

Dr. Roland Lappin, CFO

- OUTLOOK 2010

Klaus-Dieter Peters, CEO

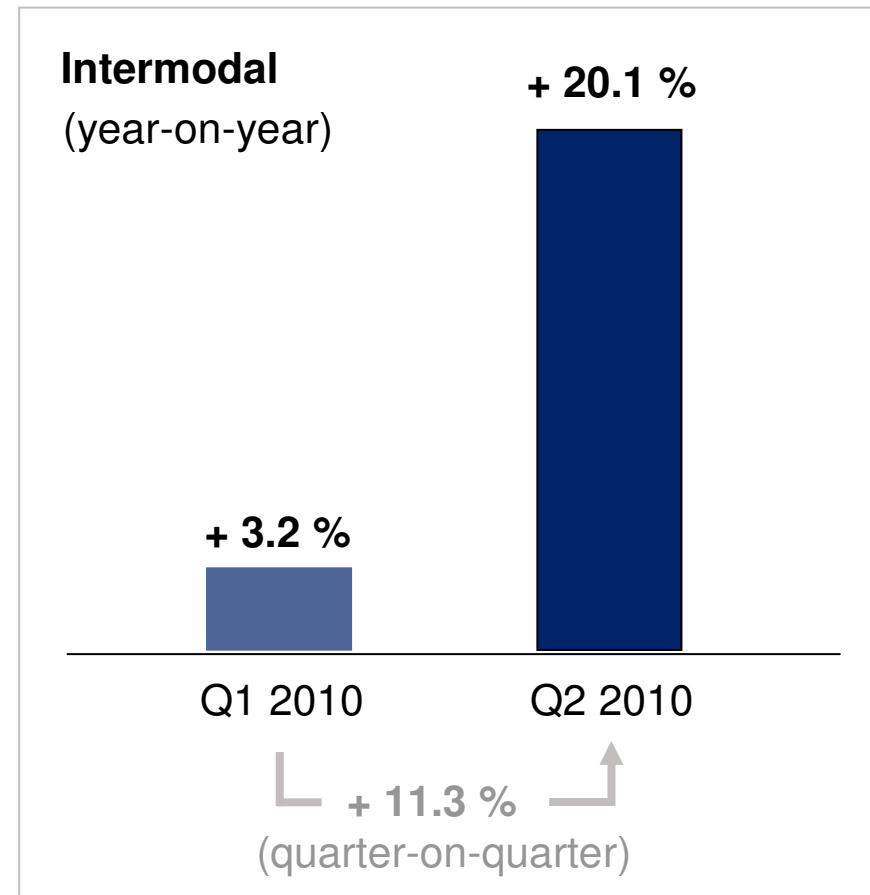
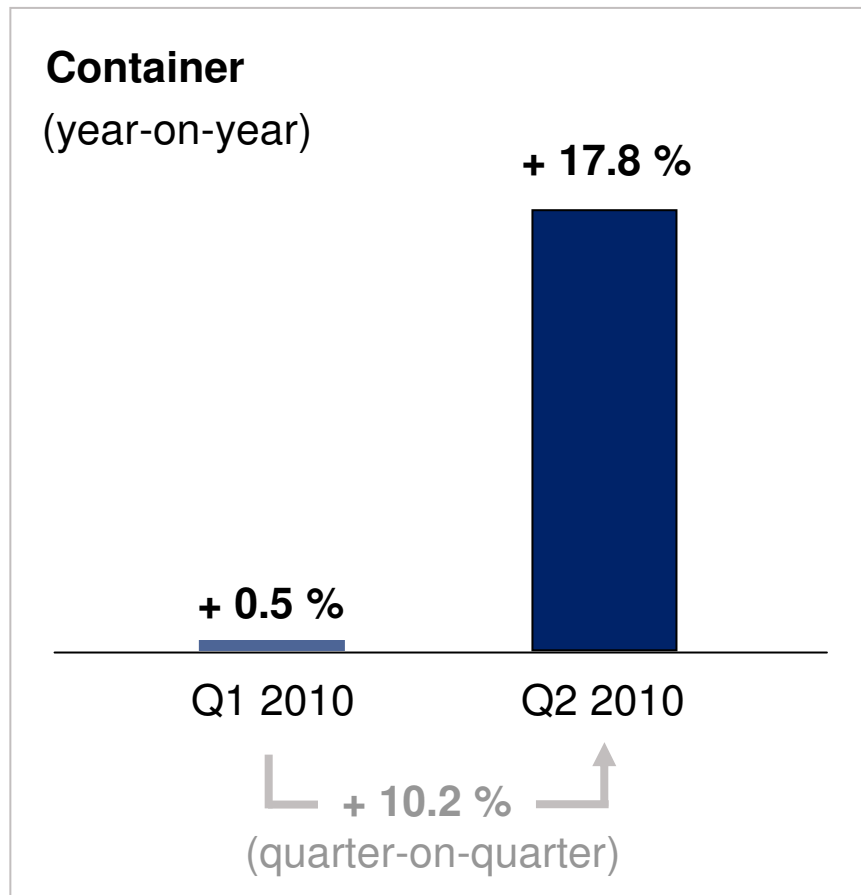
# BUSINESS ENVIRONMENT

## MARKET CONDITIONS IN JANUARY – JUNE 2010

- **Global economic recovery stronger than initially expected**
  - Encouraging dynamics fuelled by re-stocking as well as fiscal and monetary support
  - Strongest momentum within the Asian region
  - Modest but steady recovery in Western Europe
  - Overall improvements in Eastern Europe with substantial cross-country divergence
- **Competitive capabilities gradually changing among North Range ports**
  - Handling quality and transit time regaining importance on return of congestion surcharges
  - Rising spot rates for feeder charter reinforcing advantage of best located pre-/post-carriage hubs
  - Shipping line´s interest in Hamburg call strengthening pressure on river Elbe dredging
- **HHLA catching up with volume improvements**
  - Container throughput of 2,633 thousand TEU up 8.9 % year-on-year
  - Container transport of 798 thousand TEU up 11.4 % year-on-year

# VOLUME TRENDS

THROUGHPUT AND TRANSPORT DEVELOPMENTS (TEU BASED)



# HIGHLIGHTS IN Q2 2010

## COMPLETION OF NEW MEGA-SHIP BERTH

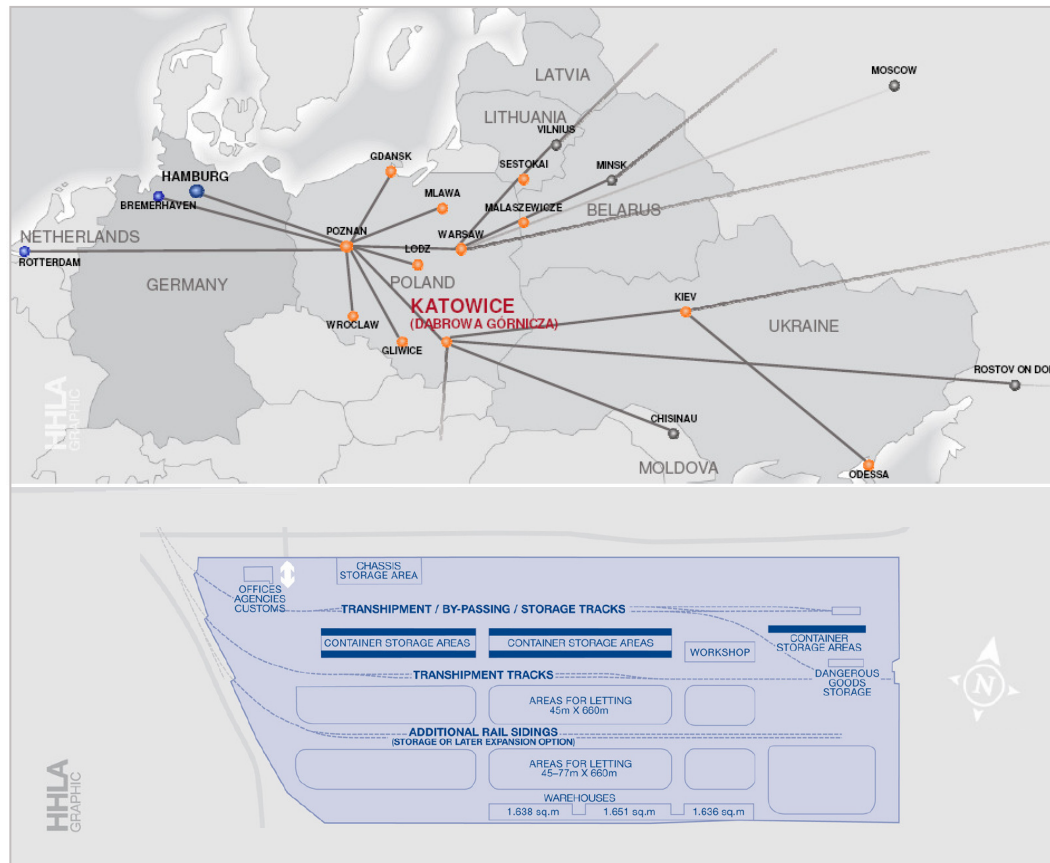
- Newly constructed quay wall
  - Length: 434 m
  - Depth: NN -16,7 m
  - Bearing capacity of crane rail: 1.000 kN/m
- 5 Twin-forty container gantry cranes
  - Weight: 2,380 t
  - Outreach: 67.5 m
  - Moving load: up to 125 t
  - 2 x 40 ft. / 4 x 20 ft. boxes in one lift
- 5 Automated block storage areas
  - Rail mounted gantry cranes: 15
  - Storage capacity: up to 10,000 TEU



First customers: CMA CGM / Maersk  
 FAL 5 - Asia/Europe on a weekly call  
 10 x 13,000-14,000 TEU vessels

# HIGHLIGHTS IN Q2 2010

## OPENING OF HINTERLAND TERMINAL KATOWICE/POLAND



- 225,000 sqm rail yard
- 3 x 625 m rail sidings
- Specifically designed for dedicated point-to-point, large volume block trains
- Located right in the economic region of Silesia
- Broad range of industries
- Complementary retailer sites
- Enhancing HHLA's interlinked shuttle-hub network

# KEY FIGURES

in € million	Total Group		Subgroup Port Logistics*	
	1-6   10	Year-on-year	1-6   10	Year-on-year
Revenue	<b>505.1</b>	<b>0.8 %</b>	490.7	0.8 %
EBIT (from continuing activities**)	<b>79.4</b>	<b>-16.5 %</b>	72.5	-18.0 %
<i>EBIT margin (from continuing activities)</i>	<b>15.7 %</b>	<b>-3.4 PP</b>	14.8 %	-3.5 PP
Profit after tax and after minority interests	<b>28.5</b>	<b>11.2 %</b>	25.4	11.4 %
Cash flow from operating activities	<b>93.6</b>	<b>0.8 %</b>	85.8	-10.1 %
Capital expenditure	<b>65.9</b>	<b>-35.7 %</b>	64.5	-35.5 %
Equity ratio	<b>39.0 %</b>	<b>-1.4 PP</b>	41.2 %	- 1.8 PP
ROCE	<b>12.3 %</b>	<b>-2.8 PP</b>	n/a	n/a

\* before consolidation between subgroups

\*\* previous year's figures without one-off restructuring charge and operating loss of discontinued activities in Lübeck (€ 13.6 million, Segment Intermodal), this year's figures without appreciation of assets about to be sold (€ 2.0 million, Segment Intermodal)



# DEVELOPMENT OF OPERATING EXPENSES

## IMPACT OF TIGHT COST MANAGEMENT

Total Group	1-6   2010 (€ million)	Change (Year-on-Year in %)	<span style="color: blue;">■</span> H1 2010 <span style="color: gray;">■</span> H1 2009
Cost of materials	172.2 *	- 29.5	+ 8.5 *
Personnel expenses	153.8 *	- 1.4 *	+ 5.2
Other operating expenses	60.0	- 3.1	- 5.6
Depreciation and amortization	53.3		+ 3.4 ** + 10.7
<b>Total operating expenses</b>	<b>439.3</b>	<b>- 12.7 **</b>	<b>+ 4.1 **</b>

# SEGMENT CONTAINER

in € million	1-6   10	1-6   09	Change
Container throughput *	<b>2,633</b>	2,419	8.9 %
Revenue	<b>281.8</b>	287.7	-2.1 %
EBITDA	<b>106.9</b>	116.8	-8.5 %
<i>EBITDA margin</i>	<b>37.9 %</b>	40.6 %	- 2.7 PP
EBIT	<b>68.9</b>	79.5	-13.4 %
<i>EBIT margin</i>	<b>24.4 %</b>	27.6 %	-3.2 PP
Segment assets (30.6.)	<b>863.3</b>	840.8	2.7 %

\* in thousand TEU

- Strong volume recovery in Q2 2010
- Earnings pressure largely unchanged due to remaining overcapacities in the North Range
- Worldwide container shortage led to further reduced dwell time of boxes on the yard
- Handling of new mega-liner services associated with top performance requirements compensating for delayed dredging of the river Elbe
- Sequential return of operating leverage

# SEGMENT INTERMODAL

in € million	1-6   10	1-6   09	Change
Container transport *	<b>798</b>	716	11.4 %
Revenue	<b>148.2</b>	136.4	8.6 %
EBITDA	<b>18.0</b>	15.9	13.2 %
<i>EBITDA margin</i>	<b>12.1 %</b>	11.6 %	0.5 PP
EBIT	<b>10.7</b>	-2.2	–
<i>EBIT margin</i>	<b>7.2 %</b>	-1.6 %	8.8 PP
EBIT from continuing activities**	<b>8.7</b>	11.4	-23.7 %
<i>EBIT margin from cont. act.</i>	<b>5.9 %</b>	8.5 %	-2.6 PP
Segment assets (30.6.)	<b>264.6</b>	236.9	11.7 %

\* in thousand TEU, fully consolidated

\*\* previous year's figures without one-off restructuring charge and operating loss of discontinued activities; this year's figures without appreciation of assets about to be sold

- Accelerated volume trend transformed into substantial revenue growth
- Cost base impacted by volume related increase in purchased rail traction
- Superior returns with own assets of strategic relevance yet to be extended across the segment
- Opening of new high-performance hinterland terminal in Katowice/Poland
- Appreciation of remaining assets at formerly operated CTL, Container Terminal Lübeck (€ 2 million cash-effective sale in July 2010)

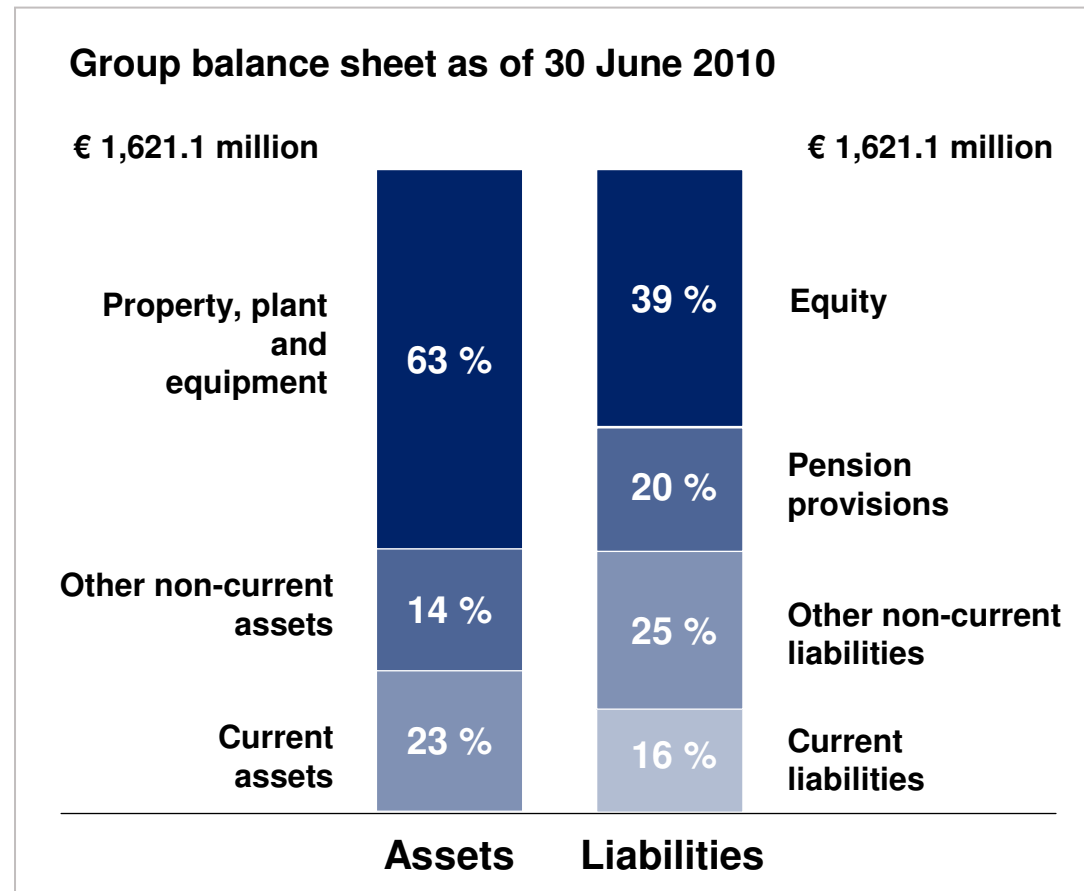
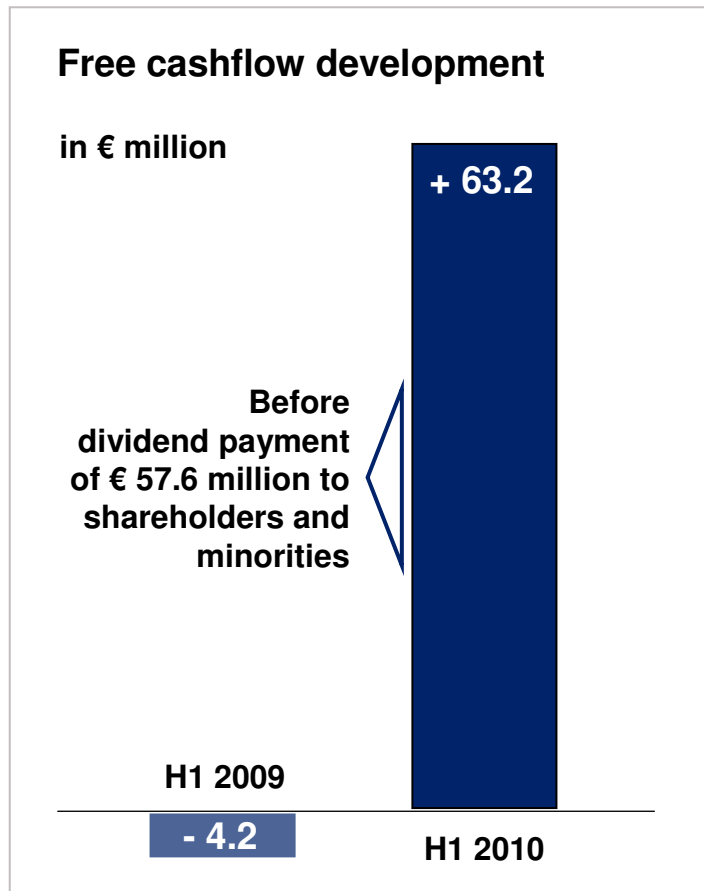
# SEGMENT LOGISTICS

in € million	1-6   10	1-6   09	Change
Revenue	<b>60.3</b>	56.6	6.5 %
EBITDA	<b>7.1</b>	6.4	12.0 %
<i>EBITDA margin</i>	<b>11.8 %</b>	11.2 %	0.6 PP
EBIT	<b>3.6</b>	3.6	-1.2 %
<i>EBIT margin</i>	<b>5.9 %</b>	6.4 %	-0.5 PP
Segment assets (30.6.)	<b>112.5</b>	105.6	6.5 %

- Varying business trends among diversified activities
- Dry bulk, vehicle logistics and cruise terminals with substantial improvements
- Further stabilization of contract logistics, albeit on low level
- Fruit logistics and port consulting with intensified activities to compensate for underutilization

# CASHFLOW & BALANCE SHEET

## STRONG FINANCIAL CAPABILITIES



# FORECAST 2010

## UNDERLYING PROJECTIONS

### Growth rates (year-on-year)

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### Previous projections

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### New projections

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Global GDP

4.2 %



4.6 %

Global trade

7.0 %



9.0 %

Advanced economies (GDP)

2.3 %



2.6 %

Emerging economies (GDP)

6.3 %



6.8 %

Global container throughput

~ 5 %



~ 9 %

# FORECAST 2010

## EXPECTATIONS FOR HHLA GROUP

### Assumptions

- Continuing economic recovery with catch-up effect in ports of Hamburg and Odessa
- Persisting overcapacities at North Range ports
- Price competition and container shortage weighing on average revenues per box
- Delayed plan approval process for dredging the river Elbe to be completed by year-end (as currently scheduled by public authorities)
- Current assessments still subject to limited visibility and unchanged downside risks

### Group developments

- Volume growth expected to exceed 10 % with rising share of feeder volumes
- Group revenue above previous year in the region of € 1 billion
- Targeted EBIT margin of at least 15 %
- Capex not to exceed € 180 million (whereof approx. € 60 million expected non-cash)

## FINANCIAL CALENDAR

13 Aug 2010	Interim Report Jan-Jun 2010
12 Nov 2010	Interim Report Jan-Sep 2010
Feb 2011	Preliminaries Full Year 2010
Mar 2011	Annual Report 2010
May 2011	Interim Report Jan-Mar 2011

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