

hamborner  
**REIT**

ZUKUNFT BRAUCHT SUBSTANZ



## Conference Call 3rd quarter 2014

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# First three quarters 2014 successful

## Positive operational business development

- 3.8 % increase in rents
- Vacancy rate 2.5 % (2.4 % incl. rent guarantees)

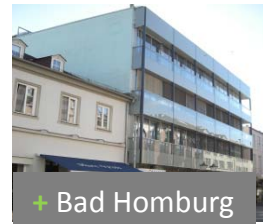
## Sound financial structure

- REIT equity ratio 53 %
- No refinancing needs

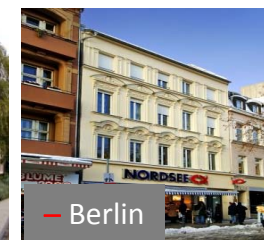
## Outlook for full year 2014

- Rents + 3-4 %
- FFO + 3-4 %

### Property-purchases (total: € 7.9 million)



### Property-sales (total: € 26.4 million)



### Sale of 92.000 sqm undeveloped land (total: € 256 thousand)

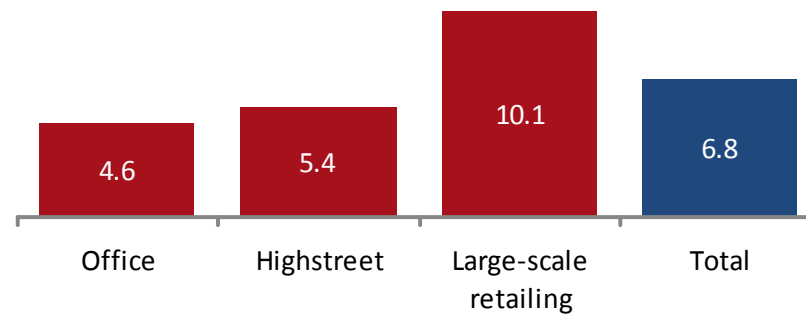
# Significant key figures for the first three quarters 2014

Key figures	Q1-Q3 2014	Q1-Q3 2013	Change
Rental revenues	€ 34.9 million	€ 33.7 million	+ 3.8 %
Operating result	€ 15.8 million	€ 16.2 million	- 2.7 %
Profit for the period	€ 16.2 million	€ 7.7 million	+ 112 %
Funds from Operations	€ 18.7 million	€ 18.6 million	+ 0.6 %
Funds from Operations (FFO) per share	€ 0.41	€ 0.41	
	<b>30.09.2014</b>	<b>31.12.2013</b>	
REIT equity ratio	53.0 %	52.5 %	+ 0.5 %-points
Loan to value (LTV)	43.3 %	43.7 %	- 0.4 %-points
Net asset value (NAV) per share	€ 8.22	€ 8.25	

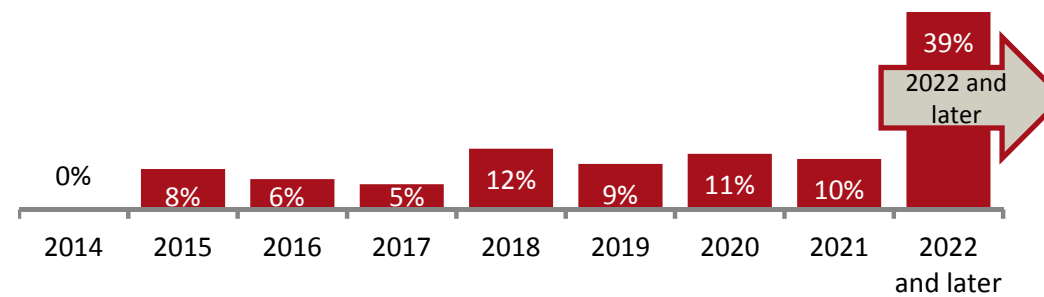
# Long-term leases

81 % of the leasing contracts expires not before 2018

Weighted average lease expiry by type (30/09/2014, in years)













Split of lease contracts expiring by year (30/09/2014)



# TOP 10 tenants

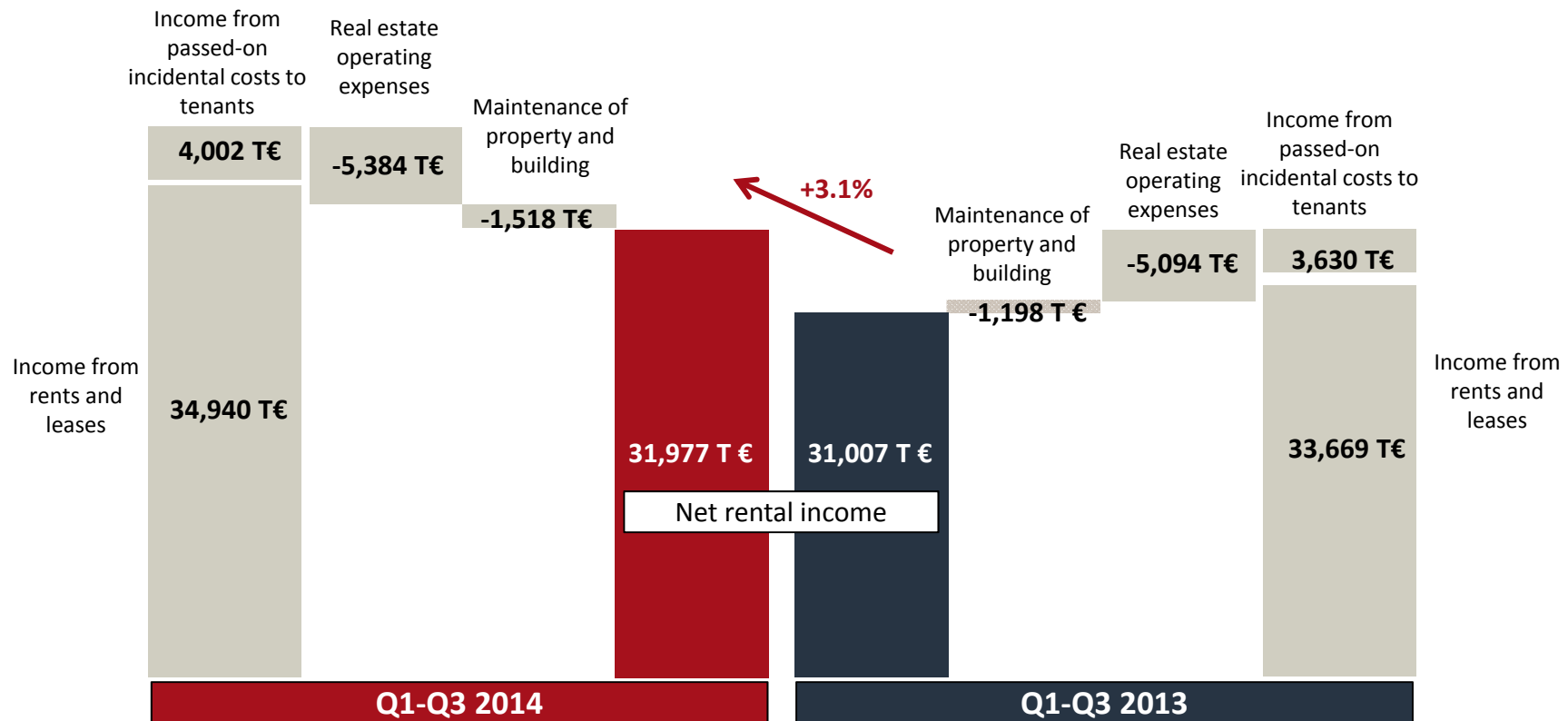
## Solid tenants

Top 10 tenants (30/09/2014, % of annual rent \*)

	<u>Tenant</u>	<u>Sector</u>	
	EDEKA	Discount food retail	14.9%
	Kaufland Gruppe	Discount food retail	10.5%
	OBI	Retail (DIY)	8.7%
	AREVA	Power & Utilities	2.1%
	SFC Energy	Industrials/Energy	2.0%
	Estée Lauder	Luxury consumer goods	1.9%
	Schneider Electric	Energy Management	1.8%
	Telefonica O2	Telecommunication	1.8%
	REWE	Food retail	1.7%
	Kaspersky	Software	1.5%
	<b>Total</b>		<b>46.9%</b>

\* incl. rent guarantees

# Development of net rental income

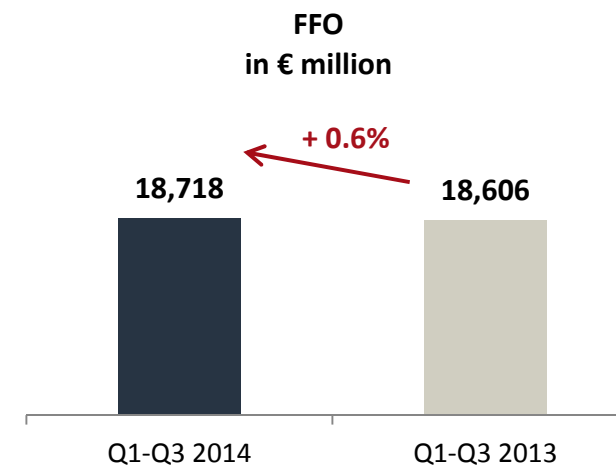


# Profit and loss account according to IFRS

in T €	Q1-Q3 2014	Q1-Q3 2013
<b>Net rental income</b>	<b>31,977</b>	<b>31,007</b>
Administrative expenses	-753	-828
Personnel costs	-2,477	-2,334
Depreciations	-12,827	-12,303
Other operating income	439	1,129
Other operating expenses	-571	-443
<b>Operating results</b>	<b>15,788</b>	<b>16,228</b>
Result from the sale of investment properties	10,323	350
<b>Earnings before interest and taxes (EBIT)</b>	<b>26,111</b>	<b>16,578</b>
Financial result	-9,897	-8,925
<b>Net profit for the period</b>	<b>16,214</b>	<b>7,653</b>

# Funds from Operations

in € thousand	30/09/2014	30/09/2013
<b>Income from rents and leases</b>	<b>34,940</b>	<b>33,669</b>
Income from passed-on incidental costs to tenants	4,002	3,630
Real estate operating expenses	-5,384	-5,094
Property and building maintenance	-1,581	-1,198
<b>Net rental income</b>	<b>31,977</b>	<b>31,007</b>
- Administrative expenses	-753	-828
- Personnel costs	-2,477	-2,334
+ Other operating income	439	129
- Other operating expenses	-571	-443
+ Interest Income	64	31
- Interest Expenses	-9,961	-8,956
<b>FFO before taxes</b>	<b>18,718</b>	<b>18,606</b>
<b>FFO per share in Euro</b>	<b>0.41</b>	<b>0.41</b>





## Investments 2014

### Transfer of possession first nine month 2014



**Bad Homburg  
Louisenstraße**

<b>Built</b>	1970
<b>Main tenant</b>	Commerzbank
<b>Leased area</b>	approx. 3,250 sqm
<b>Annual rental income</b>	€ 0.4 million
<b>Remaining term</b>	1.6 years
<b>Gross initial yield</b>	5.4 %
<b>Purchase price</b>	approx. € 7.9 million
<b>Transfer of possession</b>	January 2014

### Transfer of possession 31 October 2014



**Siegen,  
Bahnhofstraße**

<b>Built</b>	1968 / ongoing modernization
<b>Main tenant</b>	C&A
<b>Leased area</b>	approx. 7,100 sqm
<b>Annual rental income</b>	€ 0.9 million
<b>Remaining term</b>	10.0 years
<b>Gross initial yield</b>	7.2 %
<b>Purchase price</b>	approx. € 13.0 million
<b>Transfer of possession</b>	31 October 2014



**Koblenz,  
Löhrrstraße**

<b>Built</b>	2002 modernized
<b>Main tenant</b>	H&M, Württembergische Versicherung
<b>Leased area</b>	approx. 3,300 sqm
<b>Annual rental income</b>	€ 0.63 million
<b>Remaining term</b>	5.8 years
<b>Gross initial yield</b>	5.8 %
<b>Purchase price</b>	approx. € 11.0 million
<b>Transfer of possession</b>	31 October 2014

# Investments 2014

## Transfer of possession 2015



**Berlin,  
T-Damm Center**



**Aachen,  
Jobcenter**

<b>Built</b>	2014/2015	2014
<b>Main tenant</b>	Kaisers, Aldi, Rossmann,...	Jobcenter Aachen
<b>Leased area</b>	approx. 5,900 sqm	approx. 10,000 sqm
<b>Annual rental income</b>	€ 1.15 million	€ 1.7 million
<b>Remaining term</b>	12 years	> 10 years
<b>Gross initial yield</b>	6.3 %	6.3 %
<b>Purchase price</b>	approx. € 16.9 million	approx. € 27 million
<b>Transfer of possession</b>	2015e	2015e

# Divestments 2014



Selling-price: € 2.4 million  
Transf. of poss. 01/2014 ✓



Selling-price: € 2.8 million  
Transf. of poss. 01/2014 ✓



Selling-price: € 5.7 million  
Transf. of poss. 02/2014 ✓



Selling-price: € 5.3 million  
Transf. of poss. 04/2014 ✓



Selling-price: € 4.9 million  
Transf. of poss. 07/2014 ✓



Selling-price: € 1.9 million  
Transf. of poss. 09/2014 ✓



Selling-price: € 3.4 million  
Transf. of poss. Q4/2014e

**Rental income per year for the sold objects:**

approx. € 1.7 million

**Rental contracts:**

25 residential contracts

22 commercial contracts

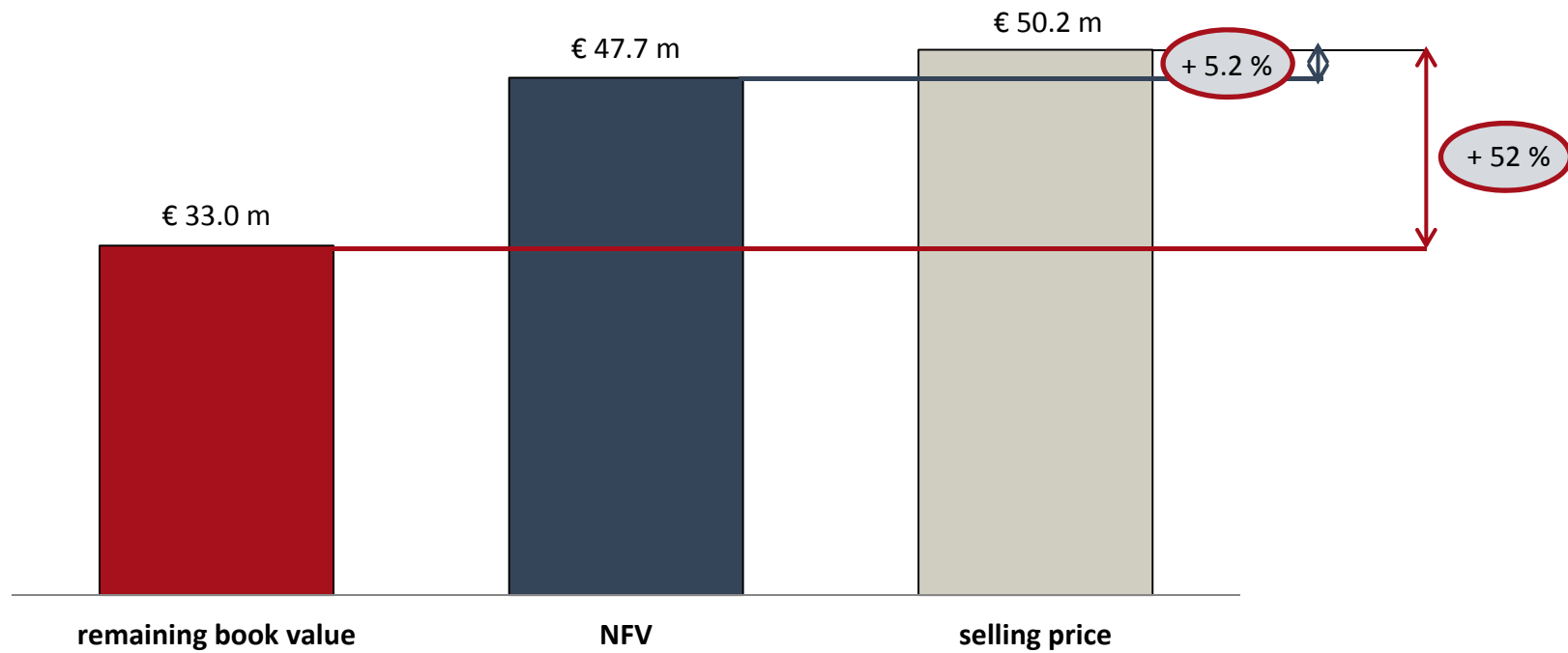
**Selling price approx. € 26.4 million**

## Sales since strategy change 2007

**16 commercial objects: € 48.3 million**

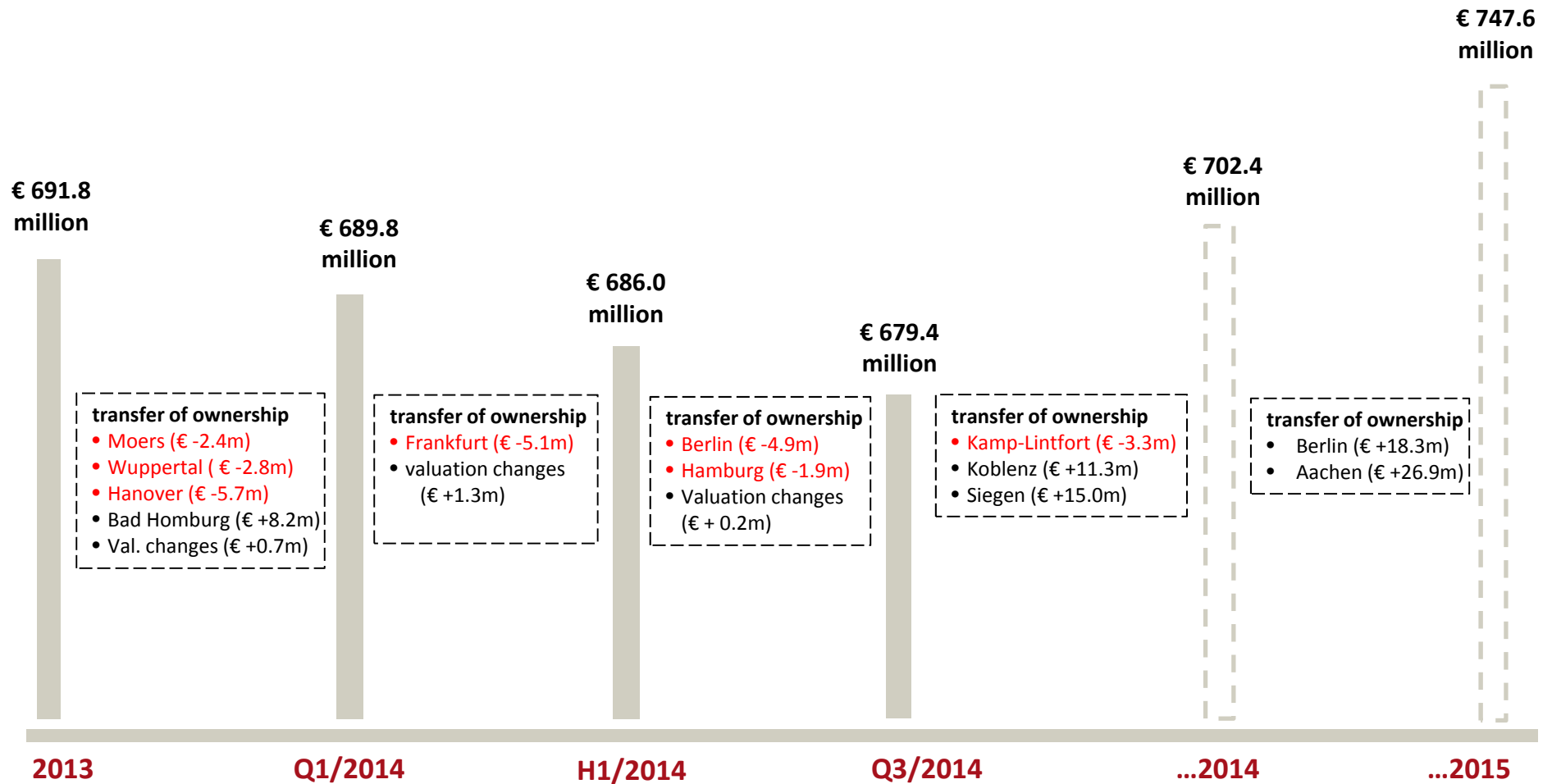
- $\emptyset$  sale-price € 3.0 million
- $\emptyset$  multiple 15.5 (rents: € 3.1 million)

**7 residential objects: € 1.9 million**



# Development of HAMBORNERs portfolio value

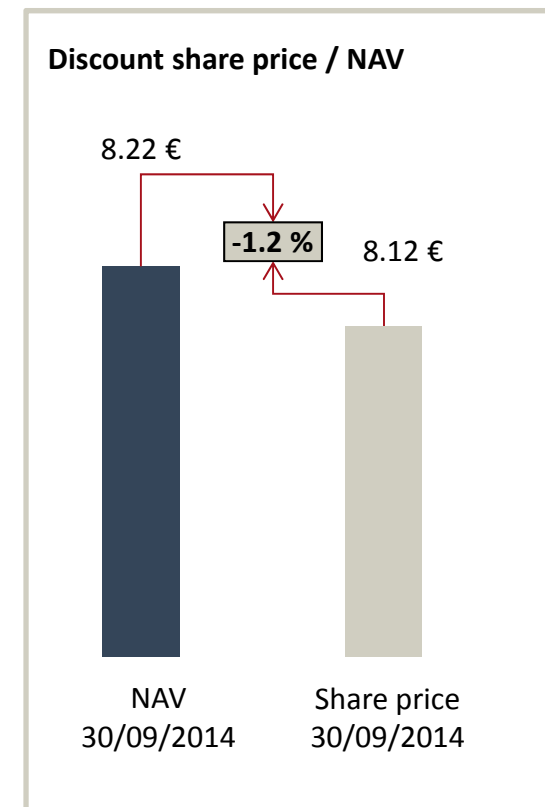
## 2014: Good environment for sale of non strategic objects



## Net Asset Value (NAV) in accordance with EPRA

Discount of XETRA-closing price to NAV = 1.2 % (30/09/2014)

NAV according to EPRA	30/09/2014 in € million	31/12/2013 in € million
Balance sheet long-term assets	588	596
+ Balance sheet short-term assets	32	36
- Non-current liabilities and provisions	-326	-333
- Current liabilities and provisions	-14	-16
<b>Balance sheet NAV</b>	<b>280</b>	<b>283</b>
+ hidden reserves "Investment property"	93	88
+ hidden reserves "Non-current assets held for sale"	0	4
<b>NAV</b>	<b>374</b>	<b>375</b>
<b>NAV per share in €</b>	<b>8.22</b>	<b>8.25</b>



# Balance Sheet

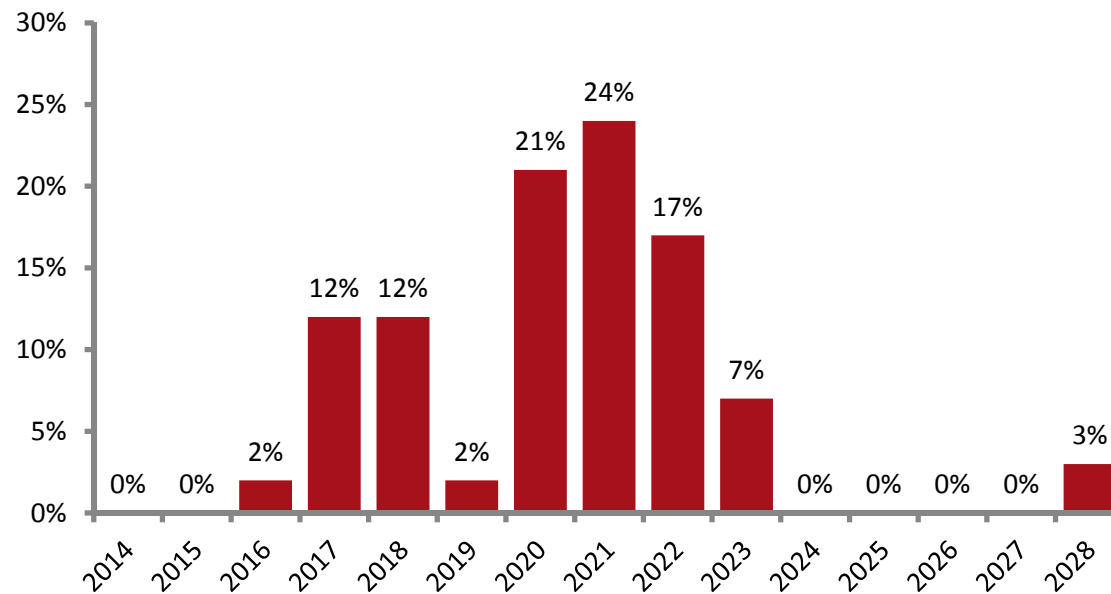
## IFRS

in € million	30/09/2014	31/12/2013
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>588.2</b>	<b>596.3</b>
Investment Properties	857.4	595.4
Other	0.8	0.9
<b>Current assets</b>	<b>32.4</b>	<b>35.4</b>
Trade receivables and other assets	1.3	0.8
Cash and cash equivalents	28.1	28.2
Non-current assets held for sale	3.0	6.4
<b>Total assets</b>	<b>620.6</b>	<b>631.7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	268.6	271.7
Financial liabilities and derivative financial instruments	336.0	342.4
Other liabilities and provisions	16.0	17.6
<b>Total equity and liabilities</b>	<b>620.6</b>	<b>631.7</b>

Equity ratio  
43.3 %

# Stable and predictable cost of debt

## Expiration of fixed interest rates (30/09/2014)



- Financial debt: € 324.6 million
- Liquid funds: € 28.1 million
- LTV: 43.3 %
- REIT equity ratio: 53.0 %
- Average maturity of fixed interest rates: 6.3 years
- Average cost of debt: 3.9%
- Banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies



# Conclusion and outlook

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## 1. Conclusion

- Successful first three quarters 2014
- Positive development of operational business
- Progress with the sale of smaller properties with high administrative requirements
- Purchase contracts signed for T-Damm Center in Berlin, Jobcenter in Aachen and High Street Objects in Siegen and Koblenz

## 2. Outlook

- € 22.9 million result from sale of properties in Q1-Q3 2014; another € 3.4 million from sale of Kamp-Lintfort in December 2014
- Further increase of rental income in 2014 expected (+ approx. 3-4 %)
- Similar increase of FFO in 2014 strived

# Financial Calendar

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<b>HAMBORNER REIT AG</b>	
Interim Report for 3rd quarter 2014	12 November 2014
Annual Report 2014	25 March 2015
Interim Report for 1st quarter 2015	5 May 2015
AGM	7 May 2015

Many thanks for your attention!

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