Annual Accounts Press Conference

of HAMBORNER REIT AG

Hans Richard Schmitz

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- Check against delivery –

Ladies and gentlemen,

Allow me also to welcome you to this year's accounts and analysts' press conference. My colleague Dr Mrotzek has already provided you with details of the figures, which are also gratifying again this year. As in previous years, I would therefore like to concentrate on some strategic aspects, the development of our portfolio and our positioning on the capital market.

Chart 16 Even in 2012, nothing substantial has changed since we launched our strategy in 2007 under the motto "Value-adding growth through the ongoing expansion of the portfolio". We continue to pursue two primary strategic objectives. On the one hand, the yield-oriented expansion of the existing commercial property portfolio and, on the other, regional diversification in Germany's high-growth regions. We regard these primarily as being the south and southwest of the country. We focus primarily on towns outside the major cities, as this is where we are still finding an attractive level of return, one that is needed for a high dividend distribution. However, I do not want to conceal the fact that competition for good property is increasing here as well.

In addition, we continue to invest in specific cases also in the ‘Big Five’, as demonstrated in our most recent investments with NuOffice in Munich and the EUREF office building in Berlin. But I would like to return to this in more detail at a later point.

Chart 17 We have been able to record significant improvements in both of our leading objectives again this year. At the end of 2006, before the new strategic alignment, our portfolio was highly compartmentalised. 59% of the portfolio’s value was accounted for by properties with a fair value of EUR 5 million or less. Individual properties with a value of more than EUR 10 million represented just 14% of the portfolio’s volume. The picture was practically the opposite at the end of 2012. Just 14% of the EUR 580 million portfolio is made up of properties with a value of EUR 5 million or less, while 64% of the portfolio is accounted for by properties worth EUR 10 million or more. In light of the assets already added in 2013 and those currently being considered, this value is undoubtedly set to rise. This is also to be seen against the background that we are planning future acquisition in the range of EUR 10 to roughly 40 million. We are positioning ourselves here in an area that is too large for many private investors, but

too small for quite a number of institutional investors.

Chart 18 If you look at the property map, it becomes clear that the regional structure of our portfolio has also changed significantly. At the end of 2006, more than 53% of the portfolio's volume was located in NRW and only 3.9% in Bavaria/Baden-Württemberg. Despite substantial new acquisitions in NRW, this state today accounts for only just over 31% of the portfolio. In contrast, we have since increased our portfolio volume in Bavaria/Baden-Württemberg by a factor of 10. Around 39% of the portfolio volume is currently located there.

At the end of 2012, our portfolio consisted in total of 69 properties in 53 locations in Germany and recorded a volume of around EUR 580 million. In the last few weeks, we have been able to take over another two properties into our books with Munich and Berlin, so there are currently 71 properties in 54 locations with a total volume of around EUR 650 million.

Our three classes of property – office, large-scale retail and high street – make roughly equal contributions to the rental income. This is a mix that

we continue to be markedly happy with in terms of risk diversification.

Chart 19 We have also been successful with the change of strategy launched in 2007 and the resulting growth of the company. Starting from a portfolio value of EUR 186 million in 2006, we have more than tripled this figure since then. But this is not purely growth for growth's sake. As we have been able to implement this process with an almost constant workforce, this has led – as my colleague mentioned at the beginning – to continual optimisation of the relation of administrative and staff costs to the rental income that has increased as a result of the expansion of the portfolio.
And we see even more potential for HAMBORNER here.

Chart 20 Let us now cast another look at the investments in the past financial year. 2012 saw three properties, in Aachen, Tübingen and Karlsruhe, transferred with a total value of EUR 75 million. These will generate a rental volume of around EUR 5 million per year. From January to March 2013, another two properties, in Munich and Berlin, were added to the books. The OBI DIY store in Hamburg is currently under construction, and here we expect a transfer to our portfolio in the fourth quarter of this year.

Thus, we have now invested most of the proceeds we generated from the capital increase in 2012. Without threatening the REIT equity ratio criterion of at least 45%, which, as is generally known, we want to bring to around 50%, we still have around EUR 40 to 50 million to invest. We are currently looking at various properties, but have not made any investment decisions yet.

And now a few remarks on the new properties themselves.

We took over a newly built **OBI DIY store in Aachen** into our portfolio for around EUR 16 million in April 2012. OBI has been represented at this location in Aachen for many years but has significantly improved its situation with this new building covering around 11,000 m².

This was followed in October 2012 by a **retail property in Tübingen** for around EUR 22 million. Currently maintained as a Marktkauf store, the property will be extensively modernised in the coming months by EDEKA, the general tenant, and continued as an E-Center with a lease that currently has 17 years to run.

The ownership of the **office and retail property in Karlsruhe** was transferred in November 2012. This is situated on an exposed, highly frequented corner location in the heart of an attractive district close to Karlsruhe's city centre. EDEKA operates a large-area supermarket on the ground floor. Covering more than 15,000 square metres in floor space, the complex also houses other catering establishments on the ground floor and office and medical practices on the upper floors. The investment volume here amounted to EUR 37.0 million.

Chart 21 The **NuOffice** property that we introduced to you last year covering 12,000 m^2 in Munich-Schwabing and representing an investment volume of around EUR 40 million has now been completed, and we took it over into our books at the start of 2013.

The NuOffice will receive the final LEED platinum certification in the next few months and thus become one of the first properties in Germany in this top category. The building was developed in co-operation with the Fraunhofer Institute. Prominent tenants include Esteé Lauder, Armani and McLaren.

LEED platinum pre-certification has also been granted to the office building on the EUREF

campus, which we took over into our portfolio for around EUR 33 million in March. The EUREF science campus currently in development stands for ecologically and economically sustainable solutions. It will aim to position itself as a unique centre in Europe for innovation and future projects and will be the first extensively CO_2-neutral office district in the world. The anchor tenants here are Schneider Electric and Arcadis.

Our decision – our preference for medium-sized cities notwithstanding – also to invest in Germany's 'Big Five' is primarily based on the type of the properties we have acquired there. Sustainable office properties with special features and high energy efficiency that are also in prospectively high demand among discerning tenants need to be a certain size that, given the risk aspects, can be found only in the large cities. We are happy to add appropriate properties to our portfolio. A joint ranking of the Urban Land Institute and Price Waterhouse Coopers, according to which the locations Munich and Berlin occupy first and second places in the 2013 European investment markets, also indicates that our purchase decision was the correct one. Strong local economic structures and stable general data in the property markets are the clinching factors for this excellent evaluation.

At this point, I would like to highlight especially the fact that the properties in Tübingen, Karlsruhe, Berlin and Hamburg formed the content of the property pipeline that we presented to investors as part of the 2012 capital increase. We can be justifiably very proud that we succeeded in signing contracts for all these properties in the relatively short time before the end of the year and took over two of them, Tübingen and Karsruhe, into our portfolio in 2012.

Chart 22 If we look at the capital market activities of the last few years, here too we can point to a – in our opinion – successful performance. Since 2007, we have consistently developed as planned through the conversion of the company into a REIT, the 2010 capital increase, the listing on S-DAX and the EPRA Index and finally the capital increase in July 2012. Our market capitalisation stands at EUR 340 million as at 31 December 2012, and even if we have not yet reached the ‘critical investment size’ for some larger institutional investors, HAMBORNER REIT AG is most definitely no longer an unknown on the capital market. We have thus bid a final farewell to the slumber of past decades.

Our shareholder structure has also changed only slightly following the last capital increase. As before, we do not have a controlling shareholder. More than 80% of our shares are in free float. Our largest single shareholder continues to be Professor Siegert, who has held these shares for some time. Institutional investors such as Ruffer from London, Belfius Insurance (or SFPI/IFPM) in Brussels or Allianz Global Investors in Frankfurt hold shares of between 3% and 6%.

Chart 23 The price of our shares developed very positively in the opening months of 2012 in line with the general upswing on the capital markets. The first quarter saw them rise by almost 20%. As the year progressed, the share performance was influenced by the usual setbacks after payment of the dividend of EUR 0.40 in May 2012 and the capital increase carried out in July 2012. In the final quarter of 2012, the shares compensated for these effects and enjoyed a stable rising trend until the end of the year. They closed at EUR 7.48 on 31 December 2012. This corresponds to growth of around 17% on the previous year.

The continually increasing turnover in our shares is also gratifying. In 2012, around 69,000 HAMBORNER shares were traded a day on

average, which compares to around just 4,500 shares per day in 2009.

To maintain and further expand this successful level, we will intensify our investor relations in the current year. The first roadshows and events have already been held, and we also have a well-filled calendar for the months to come.

But before we go on the road again, we first thank you for listening here and will now be glad to answer your questions.