

hamborner
REIT

ZUKUNFT BRAUCHT SUBSTANZ



Conference Call 1st half year 2014

Dr. Rüdiger Mrotzek

Hans Richard Schmitz

12 August 2014

First half year 2014 successfull

Positive operational business development

- 5.2 % increase in rents
- Vacancy rate 2.6 % (2.5 % incl. rent guarantees)

Purchase:



Sales:



Sound financial structure

- REIT equity ratio 51.6 %
- No refinancing needs

Outlook for full year 2014

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

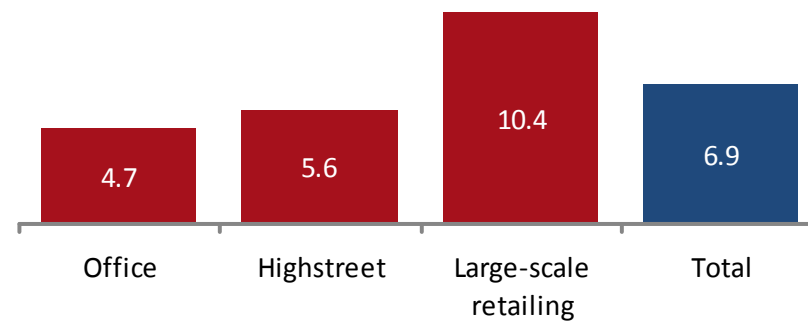
Significant key figures for the first half year 2014

Key figures	H1 2014	H1 2013	Change
Rental revenues	€ 23.3 million	€ 22.2 million	+ 5.2 %
Operating result	€ 10.6 million	€ 11.0 million	- 4.2 %
Profit for the period	€ 11.8 million	€ 5.6 million	+ 110 %
Funds from operations	€ 12.7 million	€ 12.4 million	+ 2.2 %
Funds from operations (FFO) per share	€ 0.28	€ 0.27	
	30.06.2014	31.12.2013	
REIT equity ratio	51.6 %	52.5 %	- 0.9 %-points
Loan to value (LTV)	44.1 %	43.7 %	+ 0.4 %-points
Net asset value (NAV) per share	€ 8.09	€ 8.25	

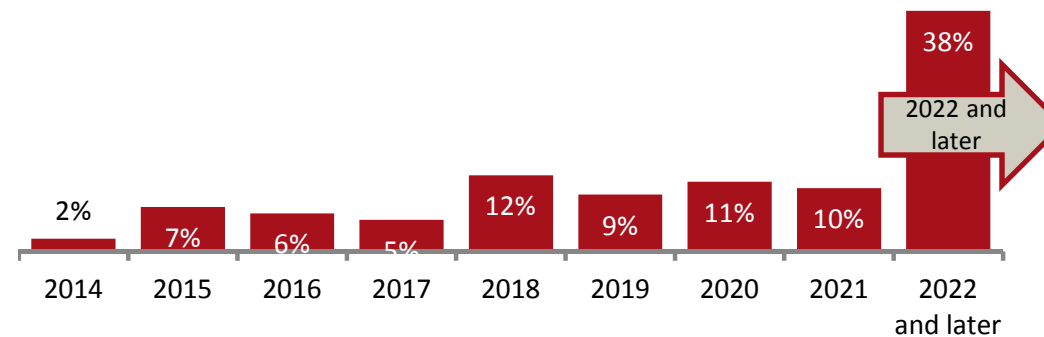
Long-term leases

80 % of the leasing contracts expires not before 2018.

Weighted average lease expiry by type (30/06/2014, in years)













Split of lease contracts expiring by year (30/06/2014)



TOP 10 tenants

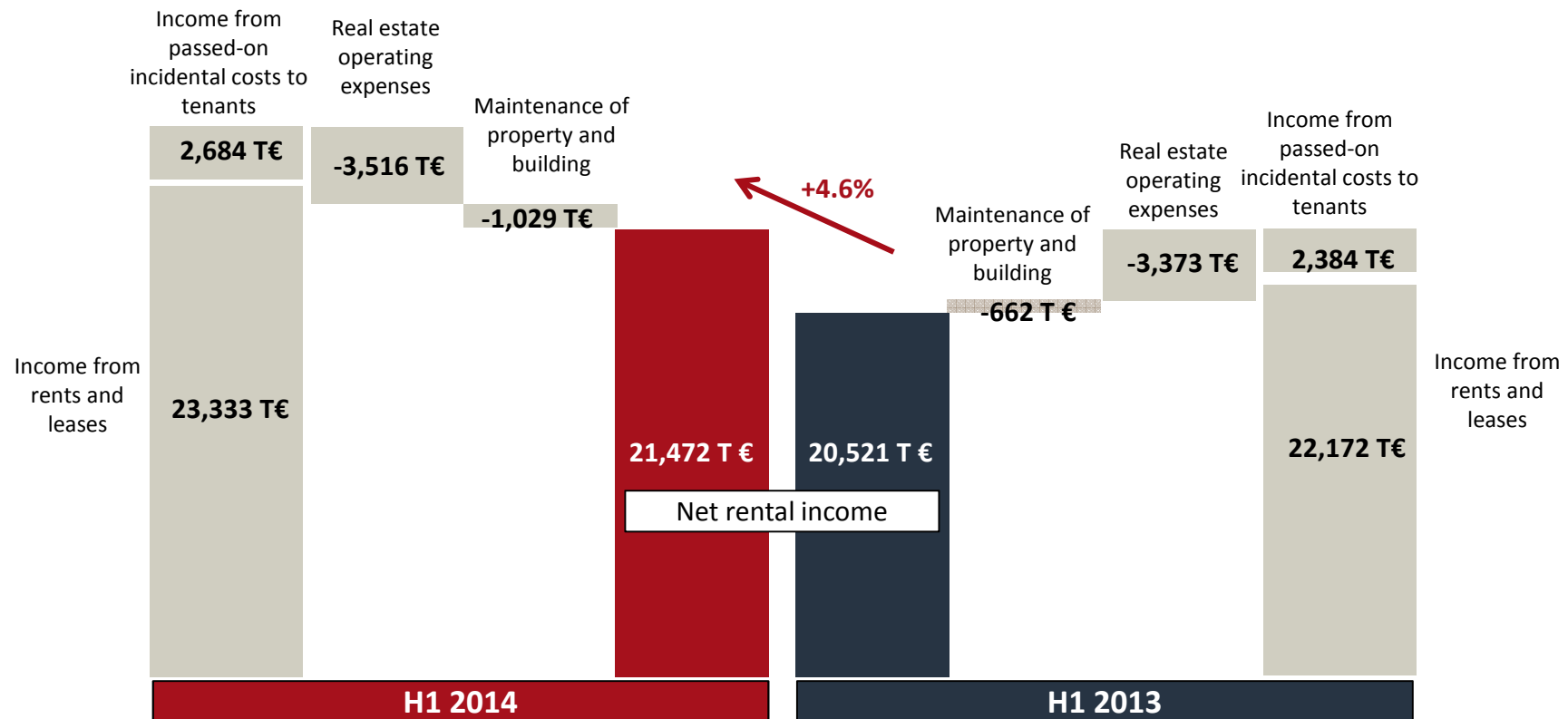
Solid tenants

Top 10 tenants (30/06/2014, % of annual rent *)

	<u>Tenant</u>	<u>Sector</u>	
	EDEKA	Discount food retail	14.8%
	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	1.6%
	Kaspersky	Software	1.5%
	Total		46.7%

* incl. rent guarantees

Development of net rental income

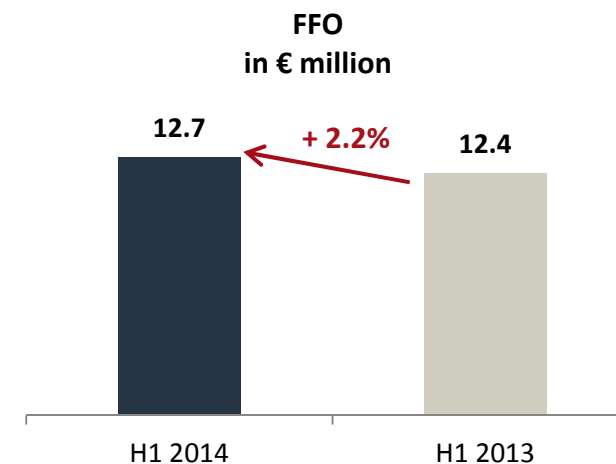


Profit and loss account according to IFRS

in T €	H1 2014	H1 2013
Net rental income	21,472	20,521
Administrative expenses	-517	-593
Personnel costs	-1,633	-1,547
Depreciations	-8,686	-8,115
Other operating income	345	1,102
Other operating expenses	-414	-341
Operating results	10,567	11,027
Result from the sale of investment properties	7,875	351
Earnings before interest and taxes (EBIT)	18,442	11,378
Financial result	-6,602	-5,767
Net profit for the period	11,840	5,611

Funds from Operations

in € thousand	30/06/2014	30/06/2013
Income from rents and leases	23,333	22,172
Income from passed-on incidental costs to tenants	2,684	2,384
Real estate operating expenses	-3,516	-3,373
Property and building maintenance	-1,029	-662
Net rental income	21,472	20,521
- Administrative expenses	-517	-593
- Personnel costs	-1,633	-1,547
+ Other operating income	345	102
- Other operating expenses	-414	-341
+ Interest Income	52	26
- Interest Expenses	-6,654	-5,793
FFO before taxes	12,651	12,375
FFO per share in Euro	0.28	0.27



Divestments 2014



Moers

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



Wuppertal

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



Hannover

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



Frankfurt

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



Berlin

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



Hamburg

Selling-price: € 1.9 million
Transf. of poss. H2/2014e

Investments 2014

Transfer of possession ...2014 ...2015



**Bad Homburg
Louisenstraße**



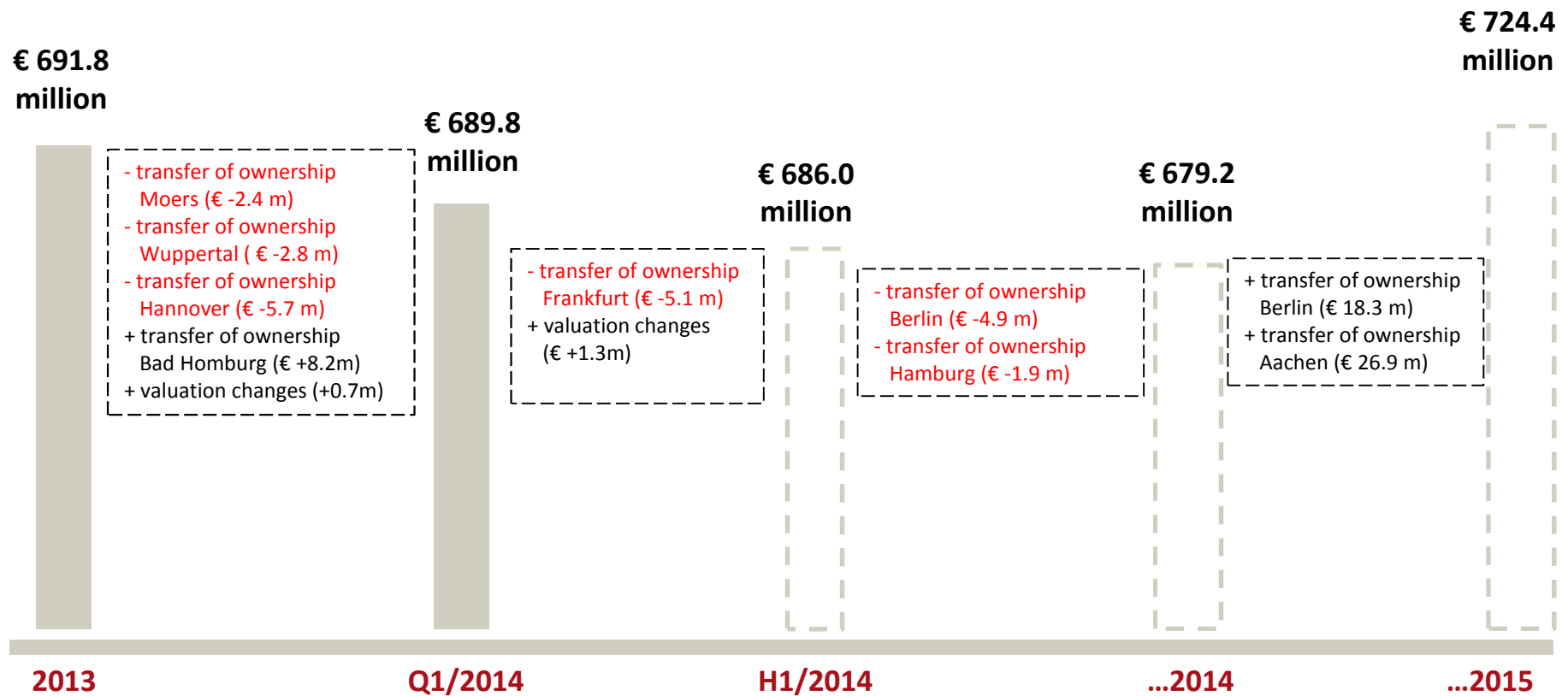
**Berlin,
T-Damm Center**



**Aachen,
Jobcenter**

	Bad Homburg Louisenstraße	Berlin, T-Damm Center	Aachen, Jobcenter
Built	1970	2014/2015	2014
Main tenant	Commerzbank	Kaisers, Aldi, Rossmann,...	Jobcenter Aachen
Leased area	approx. 3,250 sqm	approx. 5,900 sqm	approx. 10,000 sqm
Annual rental income	€ 0.4 million	€ 1.15 million	€ 1.7 million
Remaining term	1.6 years	12 years	> 10 years
Gross initial yield	5.4 %	6.3 %	6.3 %
Purchase price	approx. € 7.9 million	approx. € 16.9 million	approx. € 27 million
Transfer of possession	January 2014	2015e	2015e

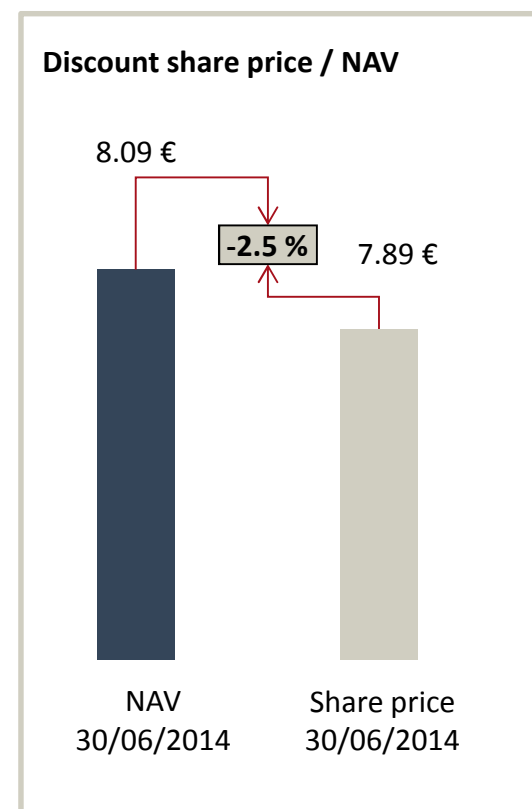
Development of HAMBORNERs portfolio value



Net Asset Value (NAV) in accordance with EPRA

Discount of XETRA-closing price to NAV = 2.5 % (30/06/2014)

NAV according to EPRA	30/06/2014 in € million	31/12/2013 in € million
Balance sheet long-term assets	595	596
+ Balance sheet short-term assets	28	36
- Non-current liabilities and provisions	-329	-336
- Current liabilities and provisions	-18	-13
Balance sheet NAV	276	283
+ hidden reserves "Investment property"	90	88
+ hidden reserves "Non-current assets held for sale"	2	4
NAV	368	375
NAV per share in €	8.09	8.25



Balance Sheet

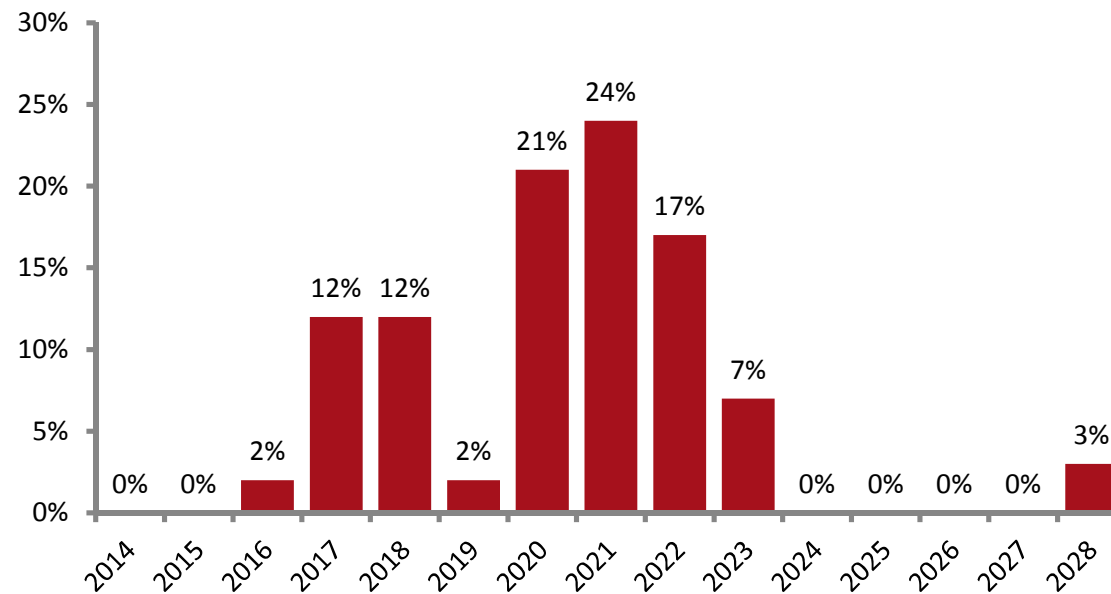
IFRS

in € million	30/06/2014	31/12/2013
ASSETS		
Non-current assets	594.5	596.3
Investment Properties	593.7	595.4
Other	0.8	0.9
Current assets	27.7	35.4
Trade receivables and other assets	1.3	0.8
Cash and cash equivalents	21.8	28.2
Non-current assets held for sale	4.6	6.4
Total assets	622.2	631.7
EQUITY AND LIABILITIES		
Equity	264.1	271.7
Financial liabilities and derivative financial instruments	338.2	342.4
Other liabilities and provisions	19.9	17.6
Total equity and liabilities	622.2	631.7

Equity ratio
42.5 %

Stable and predictable cost of debt

Expiration of fixed interest rates (30/06/2014)



- Financial debt: € 326.6 million
- Liquid funds: € 21.8 million
- LTV: 44.1 %
- REIT equity ratio: 51.6 %
- Average maturity of fixed interest rates: 6.8 years
- Average cost of debt: 3.9%
- Banks
 - Institutional banks
 - Cooperative banks
 - Saving banks
 - Insurance companies

Conclusion and outlook

1. Conclusion

- Successful first half year 2014
- Positive development of operational business
- Progress with the sale of smaller properties with high administrative requirements
- Purchase contract signed for T-Damm Center in Berlin, Jobcenter in Aachen

2. Outlook

- € 7.9 million result from sale of properties in H1 2014; another € 2.2 million from further sales in following month
- Further increase of rental income in 2014 expected (+ approx. 3-4 %)
- Similar increase of FFO in 2014 strived

Financial Calendar

HAMBORNER REIT AG	
Interim report for 1st half year 2014	12 August 2014
Interim report for 3rd quarter year 2014	11 November 2014

Many thanks for your attention!

Disclaimer

This presentation was exclusively prepared for the addresses specified on the title page and/or the participants at the mentioned event. The information in this presentation is based on both public information and documents as well as information which was made available to HAMBORNER REIT AG by the respectively mentioned companies and third parties.

All statements, opinions and assessments contained in this presentation correspond to the current estimates and/or opinions of HAMBORNER REIT AG and may therefore not be construed as constant, immutable statements. HAMBORNER gives no guarantee with regard to the correctness or completeness of the information contained herein. HAMBORNER and its organs, boards, employees or other parties acting on behalf of HAMBORNER accept no liability whatsoever for the statements made in this presentation.