

hamborner  
**REIT**

ZUKUNFT BRAUCHT SUBSTANZ



## Conference Call Business Figures 2014

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25 March 2015

## Business year 2014: Strategy of value-adding growth continued

### Transfer of possession 2014



### Transfer of possession 2015



### Sales

- 8 Objects with a volume of € 28.1 million
- Undeveloped land (€ 0.3 million)

# Significant key figures for 2014

Key figures	2014	2013	Change
Rental revenues	€ 46.8 million	€ 45.2 million	+ 3.5 %
Vacancy rate	2.3 %	2.5 %	- 0.2 %-points
Profit for the period	€ 17.1 million	€ 8.5 million	+ 101 %
Funds from Operations (FFO)	€ 24.6 million	€ 23.8 million	+ 3.2 %
Funds from Operations (FFO) per share	€ 0.54	€ 0.52	+ 3.2 %
REIT equity ratio	53.1 %	52.5 %	+ 0.6 %-points
Loan to value (LTV)	43.3 %	43.7 %	- 0.4 %-points
Net asset value (NAV)	€ 394.5	€ 375.3	+ 5.1 %
Net asset value (NAV) per share	€ 8.67	€ 8.25	+ 5.1 %
Dividend per share	*€ 0.40	€ 0.40	

\*proposal to AGM 2015

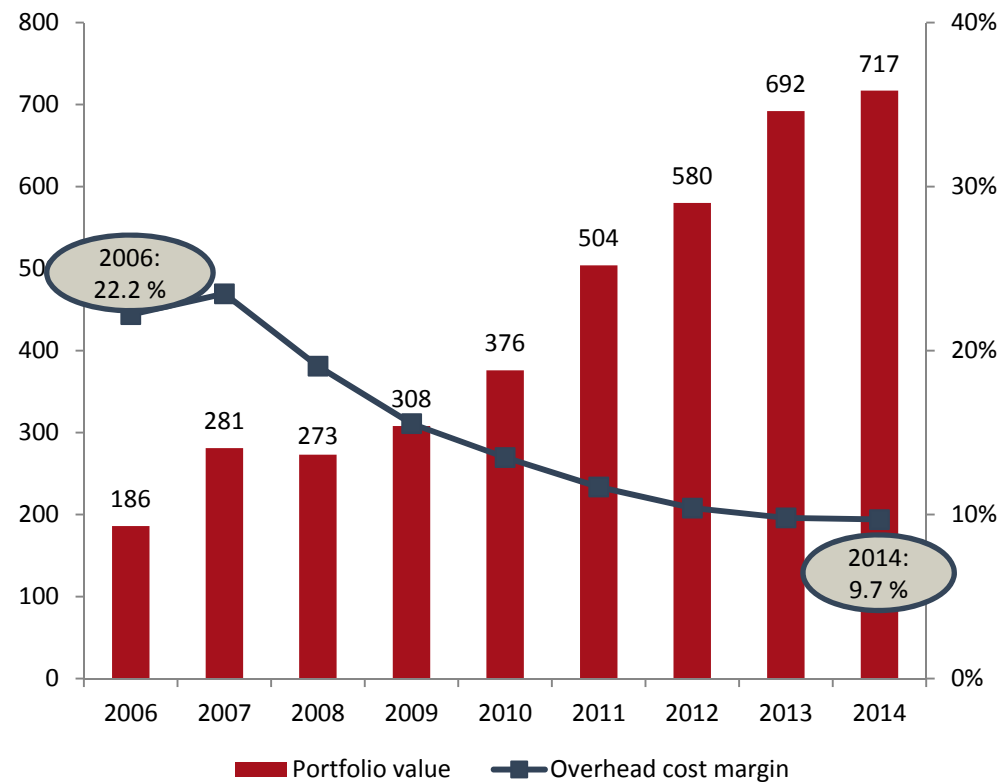
# Profit and loss account

## IFRS

in € thousand	2014	2013
<b>Net rental income</b>	<b>42,858</b>	<b>40,933</b>
Administrative expenses	-1,109	-1,131
Personnel costs	-3,452	-3,311
Depreciations	-17,841	-16,379
Other operating income	714	1,334
Other operating expenses	-1,277	-1,030
<b>Operating result</b>	<b>19,893</b>	<b>20,416</b>
Result from the sale of investment properties	10,688	354
<b>Earnings before interest and taxes (EBIT)</b>	<b>30,581</b>	<b>20,770</b>
Financial result	-13,472	-12,249
<b>Net profit for the period</b>	<b>17,109</b>	<b>8,521</b>

# Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin\*



\* Personnel and administrative costs divided by income from rents and leases.

# Divestments 2014



**Moers**

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



**Wuppertal**

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



**Hanover**

Selling-price: € 5.6 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. 09/2014 ✓



**Kamp-Lintfort**

Selling-price: € 3.4 million  
Transf. of poss. 12/2014 ✓

## Rental income per year for the sold objects:

approx. € 1.8 million

## Rental contracts:

26 residential contracts

20 commercial contracts

**Selling price** approx. € 26.3 million

**Book value** approx. € 15.7 million

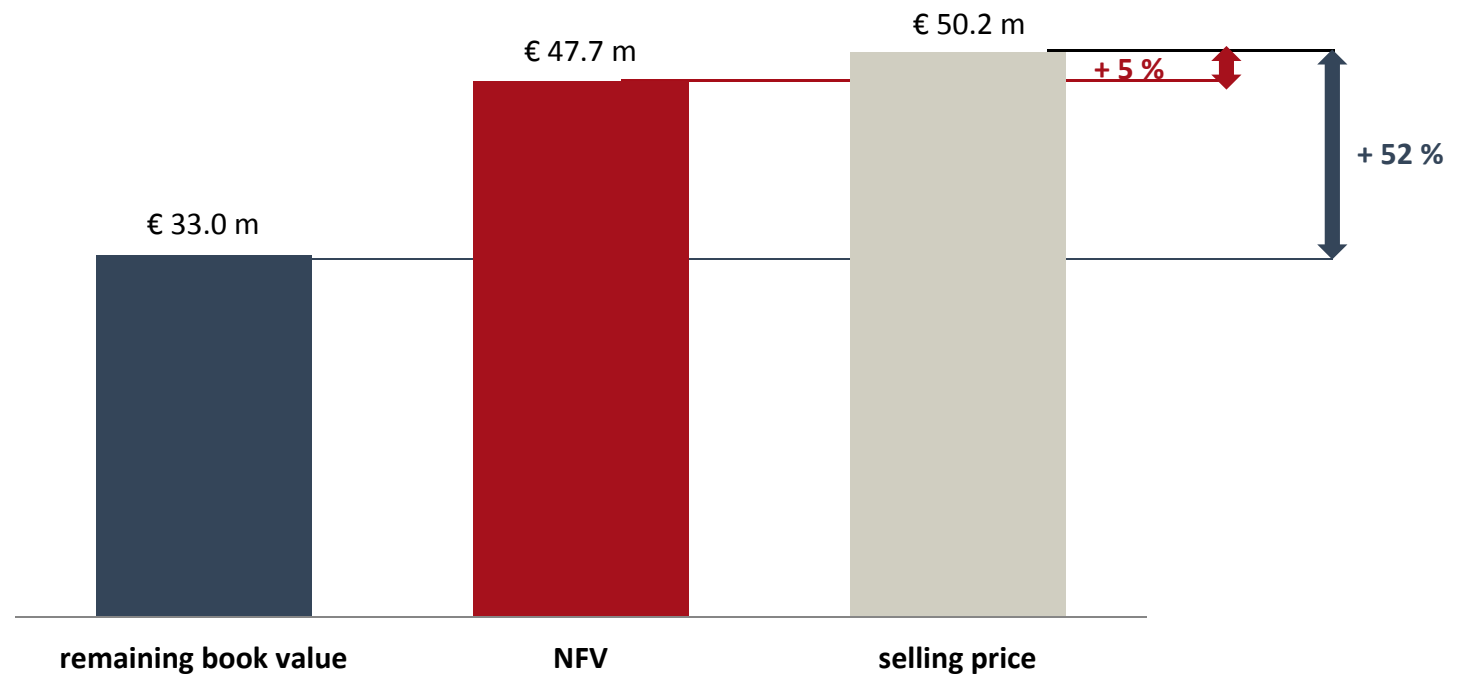
**Fair value** approx. € 25.1 million

## Sales since strategy change 2007

**16 commercial objects: € 48.3 million**

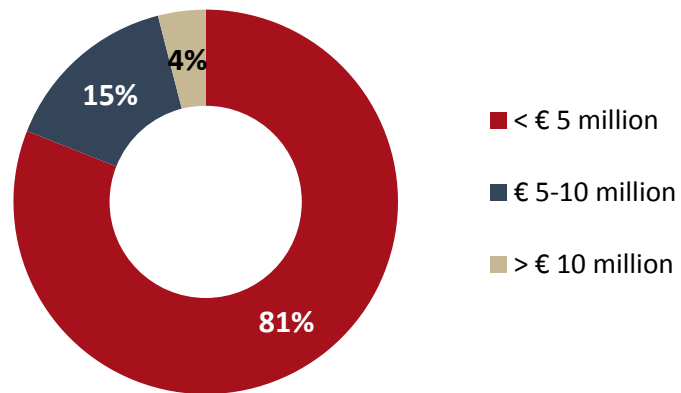
- Ø sale-price € 3.0 million
- Ø multiple 15.1 (rents: € 3.2 million)

**7 residential objects: € 1.9 million**



# Portfolio by size of properties

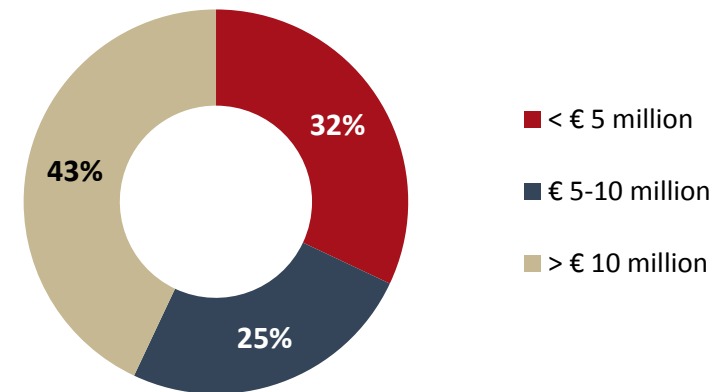
### Portfolio by size of property 2006



Portfolio value end of 2006: approx. € 186 million, 54 properties

**Ø Volume € 3.4 million / object**

### Portfolio by size of property 2014



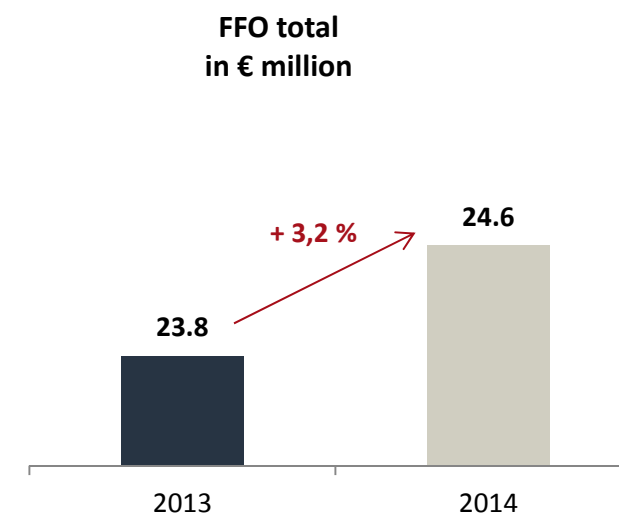
Portfolio value end of 2014: approx. € 717 million, 68 properties

**Ø Volume € 10.6 million / object**

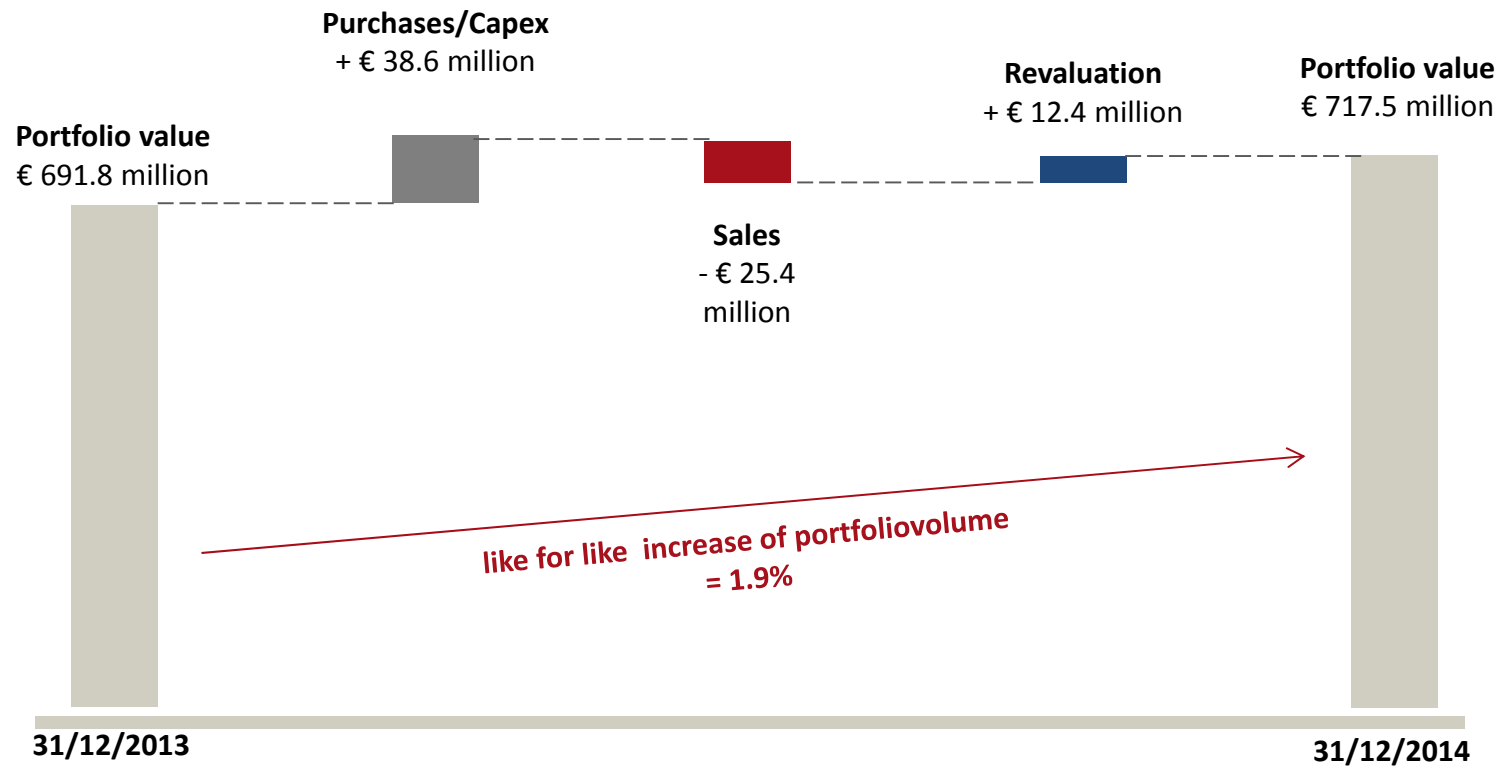


# Funds from Operations

in € thousand	31/12/2014	31/12/2013
<b>Income from rents and leases</b>	<b>46,823</b>	<b>45,227</b>
Income from passed-on incidental costs to tenants	5,650	5,027
Real estate operating expenses	-7,371	-7,158
Property and building maintenance	-2,244	-2,163
<b>Net rental income</b>	<b>42,858</b>	<b>40,933</b>
- Administrative expenses	-1,109	-1,131
- Personnel costs	-3,452	-3,311
+ Other operating income	714	334
- Other operating expenses	-984	-790
+ Interest income	68	42
- Interest expenses	-13,540	-12,291
<b>FFO before taxes</b>	<b>24,555</b>	<b>23,786</b>
- Capitalised expenditure	-4,006	-1,029
<b>AFFO</b>	<b>20,549</b>	<b>22,757</b>
<b>FFO per share</b>	<b>0.54</b>	<b>0.52</b>
<b>AFFO per share</b>	<b>0.45</b>	<b>0.50</b>



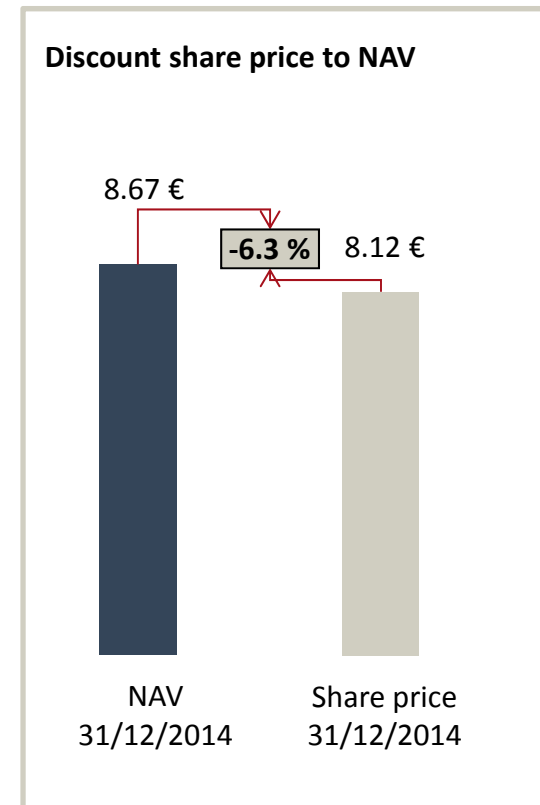
# Portfolio development 2014



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

Discount of XETRA-closing price to NAV = 6.3 % (31/12/2014)

NAV according to EPRA	31/12/2014 in € million	31/12/2013 in € million
Balance sheet long-term assets	608	596
+ Balance sheet short-term assets	13	36
- Non-current liabilities and provisions	-324	-336
- Current liabilities and provisions	-16	-13
<b>Balance sheet NAV</b>	<b>281</b>	<b>283</b>
+ hidden reserves "Investment property"	113	88
+ hidden reserves "Non-current assets held for sale"	0	4
<b>NAV</b>	<b>395</b>	<b>375</b>
<b>NAV per share in €</b>	<b>8.67</b>	<b>8.25</b>
- Derivative financial instruments	-11	-11
- Hidden reserves on financial liabilities	-28	-10
<b>NNNAV</b>	<b>356</b>	<b>354</b>
<b>NNNAV per share</b>	<b>7.83</b>	<b>7.78</b>



# Balance Sheet

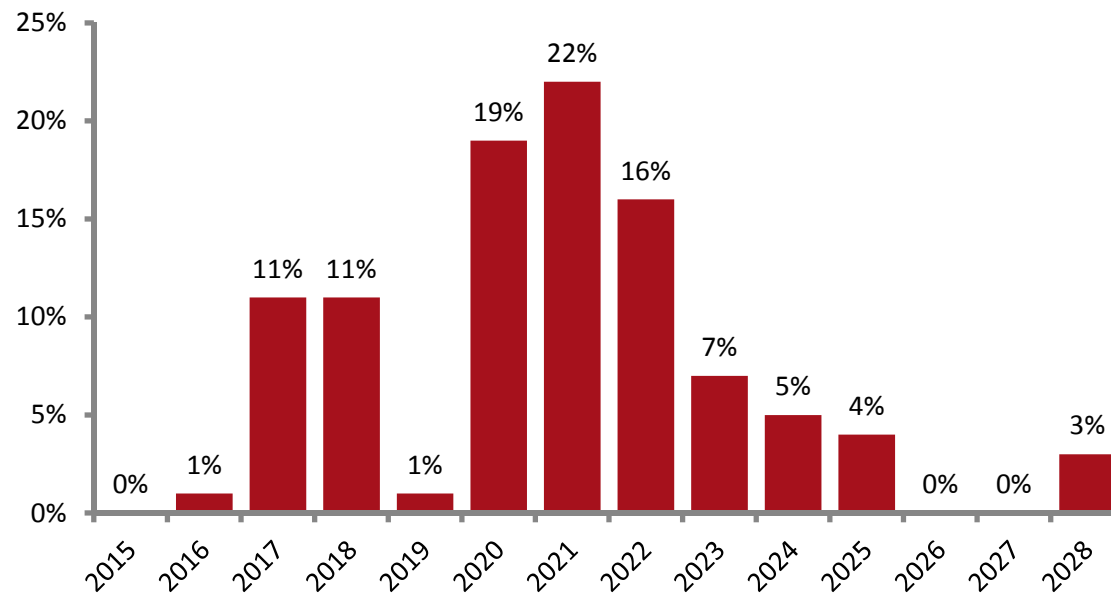
## IFRS

in € million	31/12/2014	31/12/2013
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>607.8</b>	<b>596.3</b>
Investment Properties	606.8	595.4
Other	1.0	0.9
<b>Current assets</b>	<b>13.5</b>	<b>35.4</b>
Trade receivables and other assets	1.3	0.8
Cash and cash equivalents	10.4	28.2
Non-current assets held for sale	1.8	6.4
<b>Total assets</b>	<b>621.3</b>	<b>631.7</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	270.2	271.7
Financial liabilities and derivative financial instruments	333.2	342.4
Other liabilities and provisions	17.9	17.6
<b>Total equity and liabilities</b>	<b>621.3</b>	<b>631.7</b>

Equity ratio  
43.5 %

# Stable and predictable cost of debt

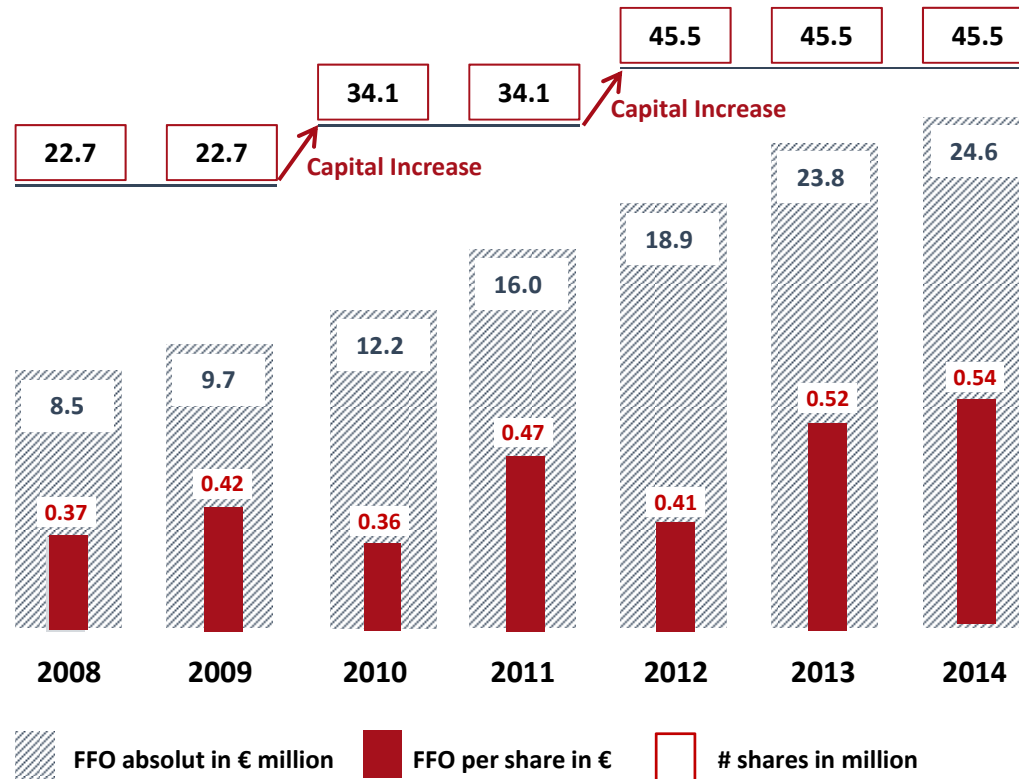
## Expiration of fixed interest rates (31/12/2014)



- Financial debt: € 322.2 million
- Liquid funds: € 10.4 million
- LTV: 43.3 %
- REIT equity ration: 53.1 %
  
- Average maturity of fixed interest rates: 6.2 years
- Average cost of debt: 3.7%
- Current interest rates: 1.8 % (10 years fixed)
  
- Banks
  - Institutional banks
  - Cooperative banks
  - Saving banks
  - Insurance companies

# FFO per share as a key component for controlling

Development FFO and FFO per share



# Conclusion and outlook

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## 1. Conclusion

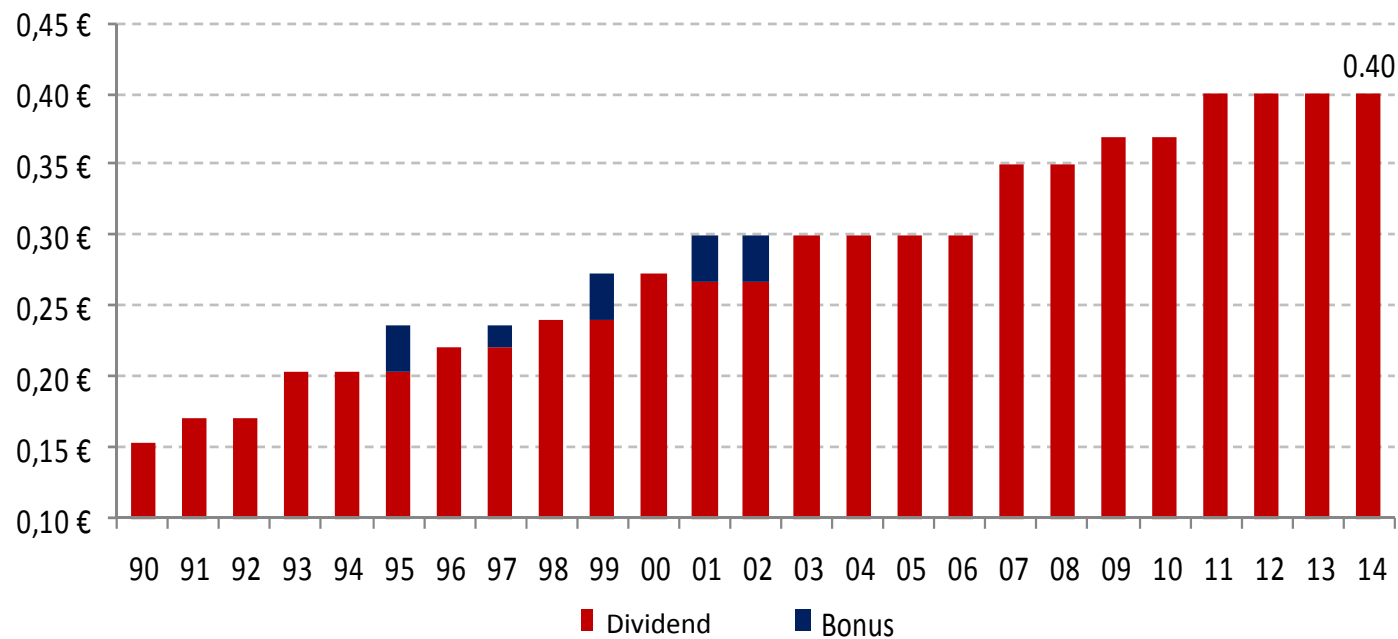
- Targets reached, rents and FFO increased
- Portfolio structure optimized
  - Purchase of objects in line with our strategy
  - Progress with the sale of smaller properties with high administrative requirements
- NAV increase up to 8.67 €/share -> high quality portfolio

## 2. Outlook

- Without further investments and prior to the capital increase in February the Management Board was assuming growth in rental income and FFO of between 4% and 5% in 2015.
- Following the acquisition of the property in Celle and depending on when further properties are added, the Managing Board now expects these growth rates to double.
- With the number of shares 10% higher in 2015, this would mean FFO per share would be roughly on par with the previous year's level. FFO per share in 2016 > 54 Cent.

# Dividend proposal to AGM

Dividend per share 40 cents



**Dividend proposal to AGM on 07 May 2015**

Dividend yield 4.9% based on year-end-share price 2014



# Balanced Portfolio

## 100% German focus

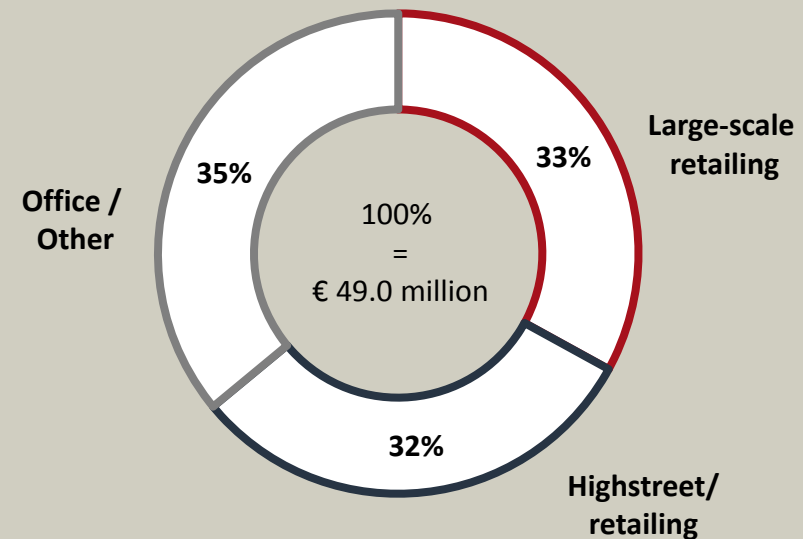
### Geographical portfolio spread (31/12/2014)



### Diversification of asset types (31/12/2014)

- 68 propertyts in 53 citys in Germany, Focus on West und South
- approx. € 717 million portfolio value











#### Asset classes splitted by annualised rental income



# TOP 10 tenants

## Solid tenants

Top 10 tenants (31/12/2014, % of annual rent \*)

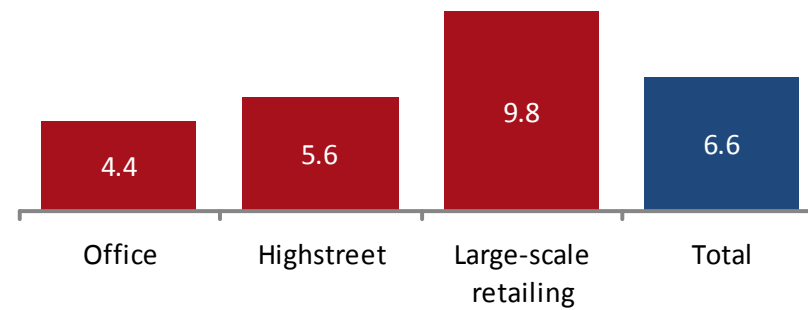
	<u>Tenant</u>	<u>Sector</u>	
	EDEKA	Discount food retail	14.4%
	Kaufland Gruppe	Discount food retail	10.6%
	OBI	Retail (DIY)	8.4%
	C&A	Textile retail	2.4%
	H&M	Textile retail	2.2%
	AREVA	Power & Utilities	2.0%
	SFC Energy	Industrials/Energy	2.0%
	Estée Lauder	Luxury consumer goods	1.9%
	Schneider Electric	Energy Management	1.7%
	Telefonica O2	Telecommunication	1.7%
	<b>Total</b>		<b>47.3%</b>

\* incl. rent guarantees

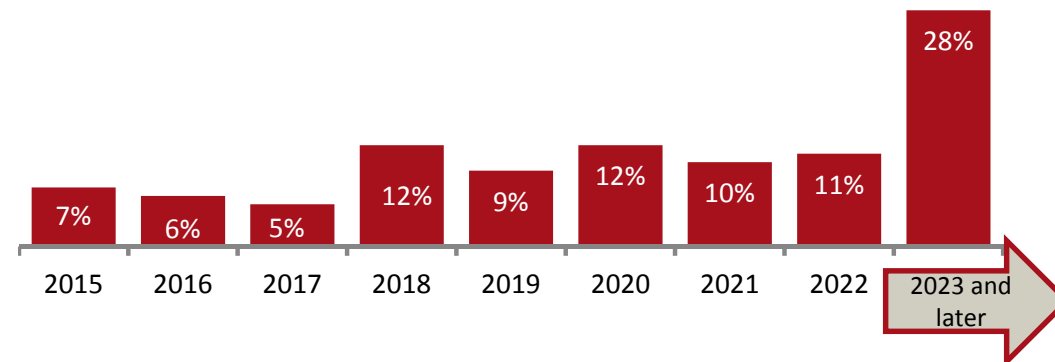
# Long-term leases

## Leasing contracts expire well distributed

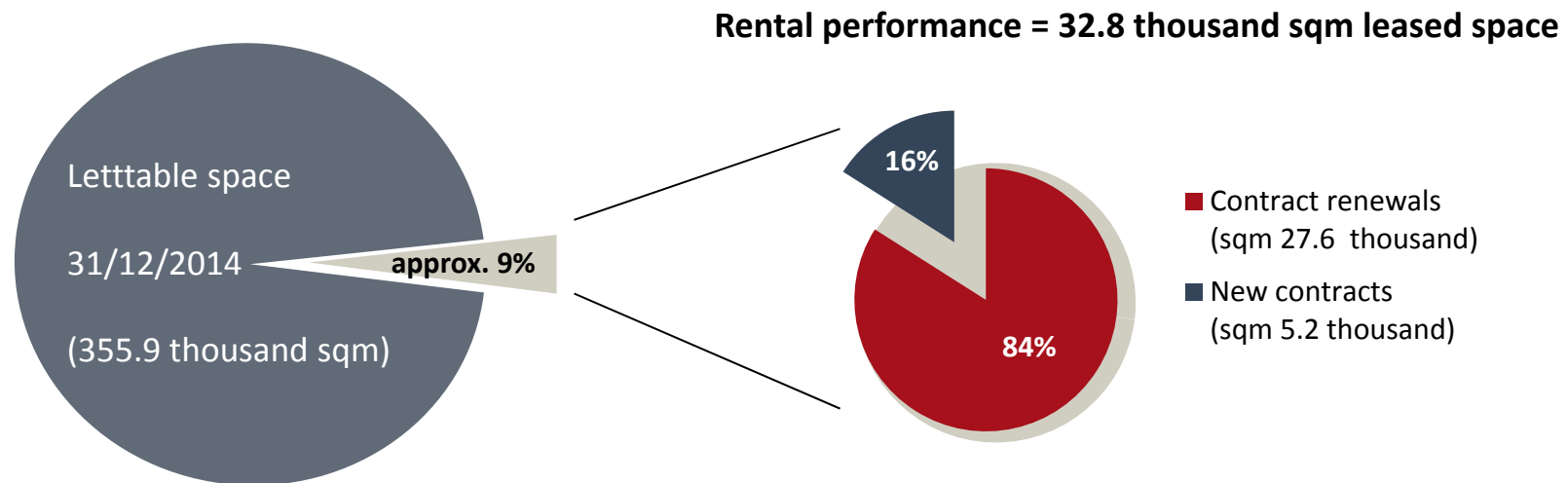
Weighted average lease expiry by type (31/12/2014, in years)



Split of lease contracts expiring by year (31/12/2014)



# Rental performance 2014



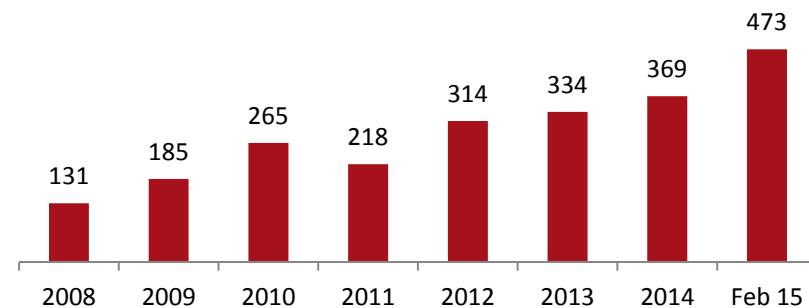
# HAMBORNER REIT AG share (1/2)

## Growing market capitalization and increasing free float

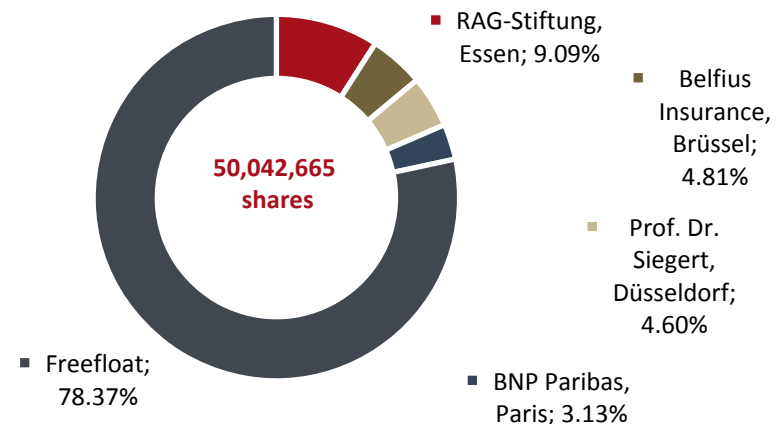
### Overview events

- **2007:** Start of new strategy
- **2010:** Achievement of G-REIT status and change of company name to HAMBORNER REIT AG
- **October 2010:** Successful Capital Increase – net proceeds of approx. € 76 million
- **February 2011:** Secondary placement of approx. € 89 million HSH stake
- **March 2011:** SDAX index inclusion
- **March 2012:** EPRA index inclusion
- **July 2012:** Successful Capital Increase – 11,373,333 new shares, share price € 6.50, full dividend rights, net proceeds of approx. € 71.4 million
- **May 2013:** Creation of new Authorised Capital and Authorisation to issue option and convertible bonds
- **Feb 2015:** Successful Capital Increase – 4,549,332 new shares, net proceeds of approx. € 40.9 million – RAG Stiftung new shareholder

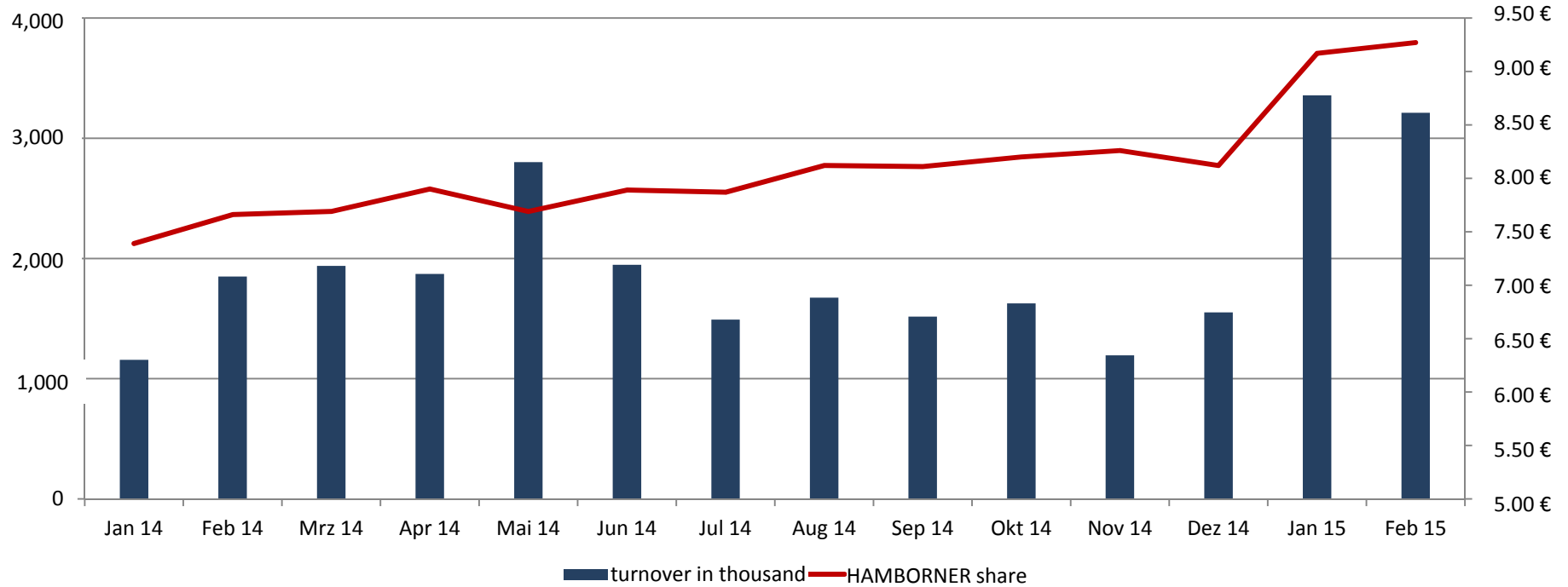
### Historic market cap (€ million)



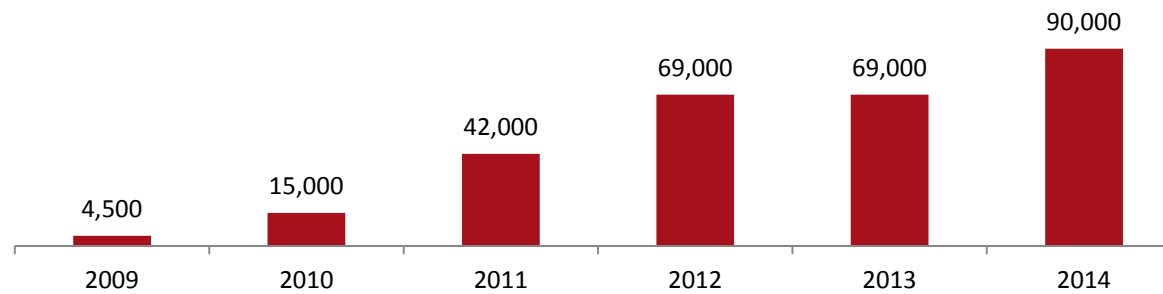
### Shareholders



# HAMBORNER REIT AG share (2/2)



Average turnover per day since 2009 (# shares)



## Annual General Meeting 07 May 2015

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- The General Shareholders Meeting of HAMBORNER REIT AG will take place on 07/05/2015 in Mülheim an der Ruhr
  
- The Agenda is available for download under [www.hamborner.de](http://www.hamborner.de) / General Shareholders Meeting. The Agenda is also announced in the Bundesanzeiger.
  
- Election of the members of the Supervisory Board:
  - New proposed candidates:
    - Dr. Helmut Linssen, RAG-Stiftung
    - Mr. Claus-Matthias Böge, Deutsche Euroshop
    - Dr. Kottmann and Dr. Mbonimana decided not to candidate for re-election

# Financial Calendar

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<b>HAMBORNER REIT AG</b>	
Annual Report 2014	25 March 2015
Interim Report for 1st quarter 2015	5 May 2015
AGM	7 May 2015
Dividend payment	8 May 2015
Interim Report for 1 half 2015	12 August 2015
Interim Report for 3rd quarter 2015	10 November 2015

Many thanks for your attention!



## Contact

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Hans Richard Schmitz – Member of the Board

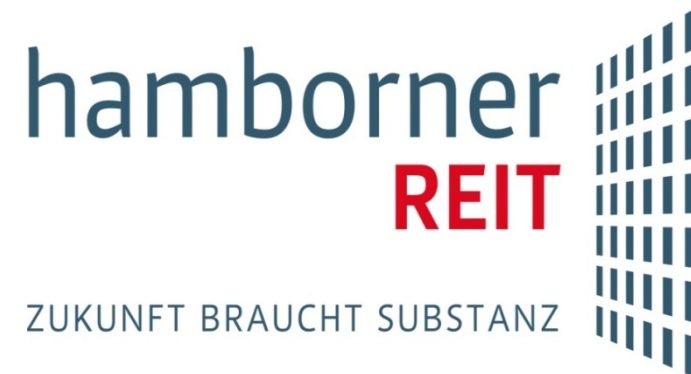
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