

hamborner
REIT

ZUKUNFT BRAUCHT SUBSTANZ



Company Presentation

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February 2015

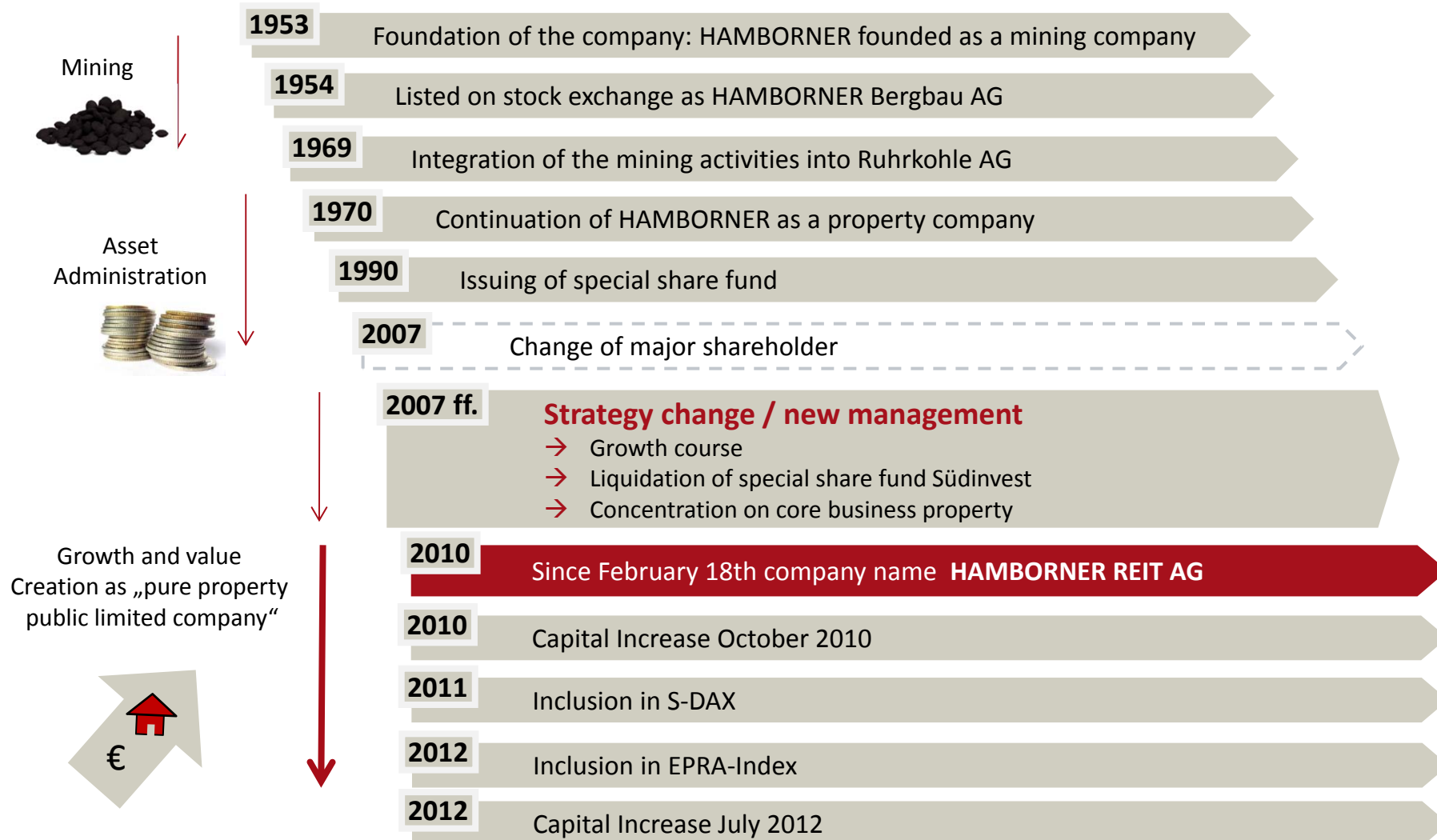
Preliminary Figures 2014

Agenda

1	History / Capital markets track record
2	Portfolio / Investments
3	Asset-Management
4	Financial Figures / Financial Position

Historical development of the company

From mining to real estate



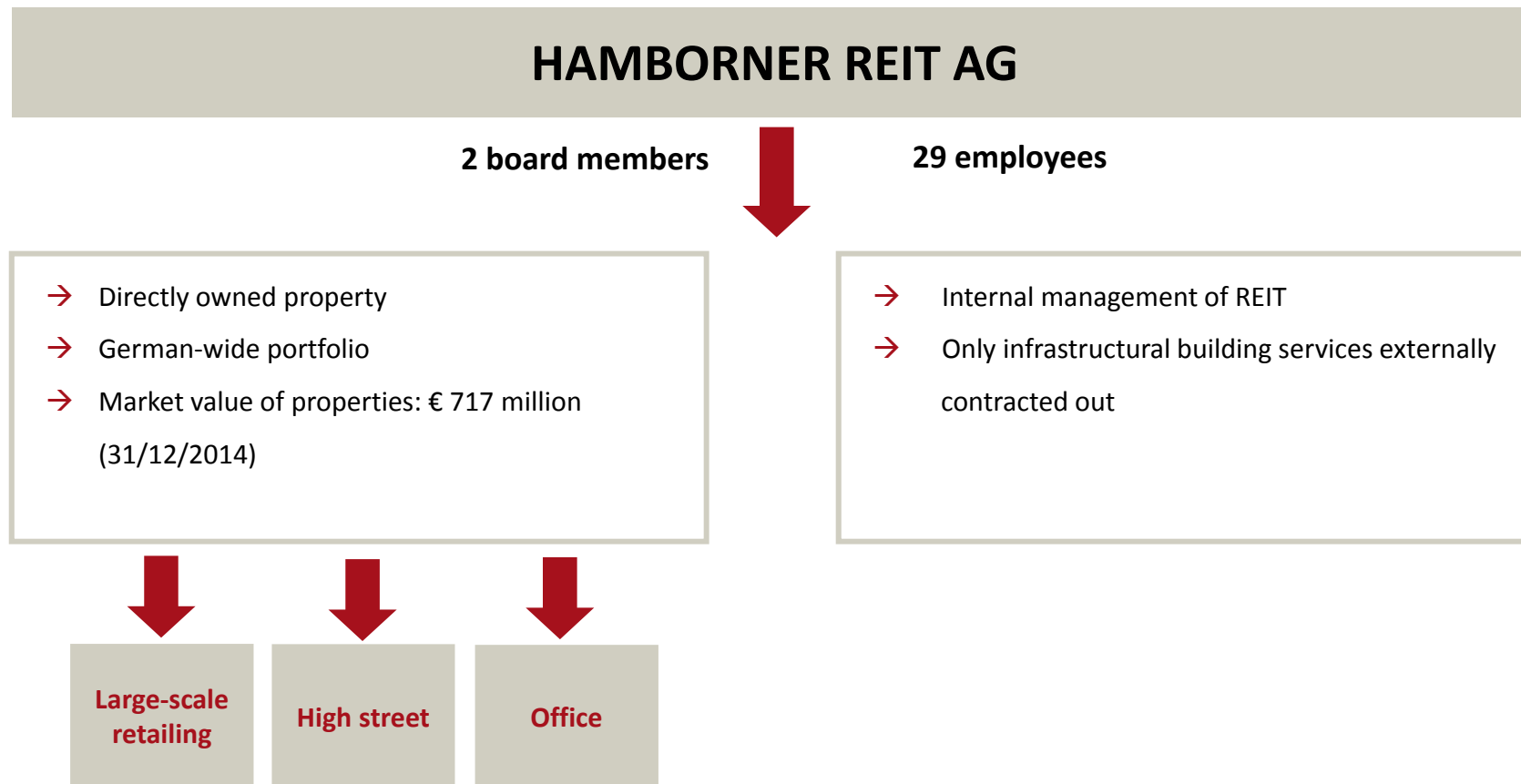
[R]eal [E]state [I]nvestment [T]rust - REIT

Requirement for G-REIT's

- Listing on the regulated market
- at least 45 % equity-ratio
- > 15% free float
- > 75% assets must be real estate assets
- > 75% of revenues must stem from real estate assets
- > 90% of net income has to be paid as dividends each year
- < 10% direct holding in shares

Corporate structure

Lean structure – no holding/parent companies



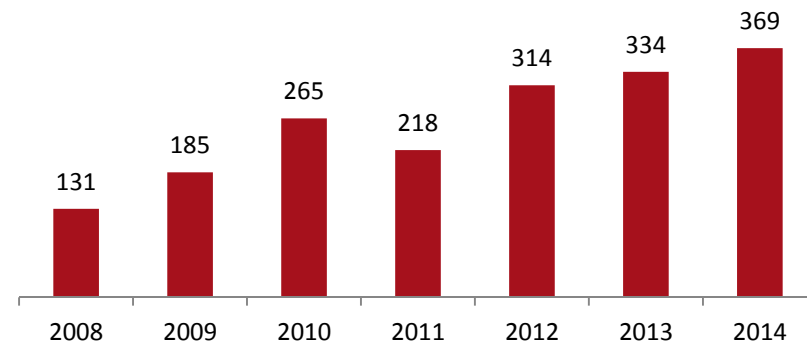
HAMBORNER REIT AG share (1/2)

Growing market capitalization and increasing free float

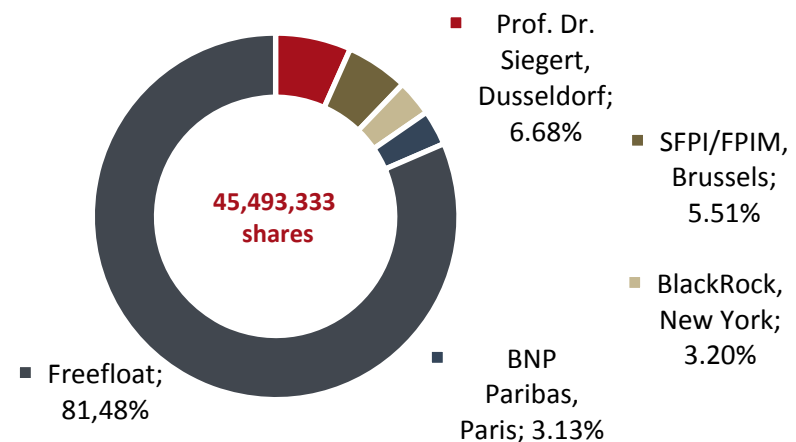
Overview events

- **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

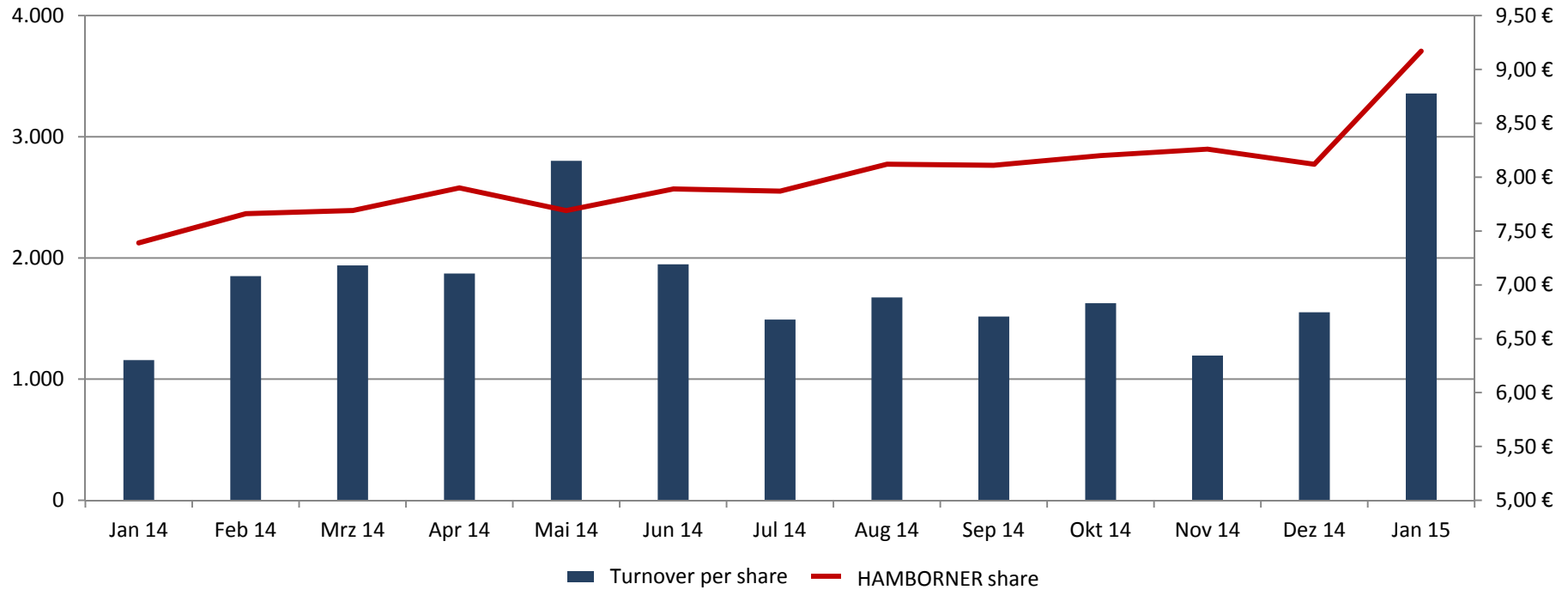
Historic market cap (€ million)



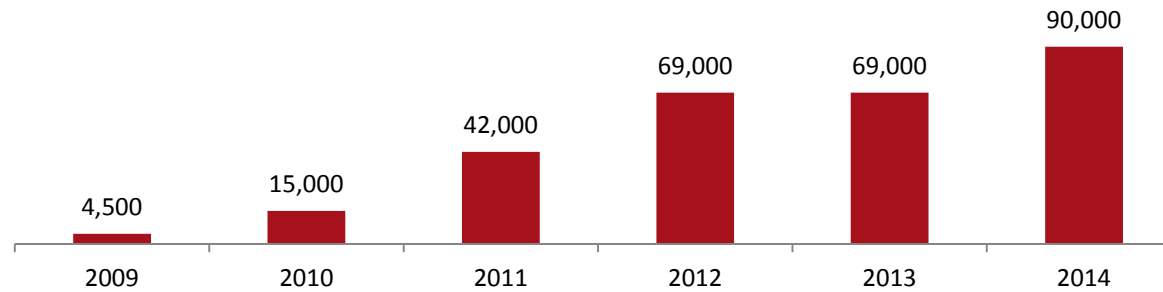
Shareholders



HAMBORNER REIT AG share (2/2)



Average turnover per day since 2009 (# shares)



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Balanced Portfolio

100% German focus

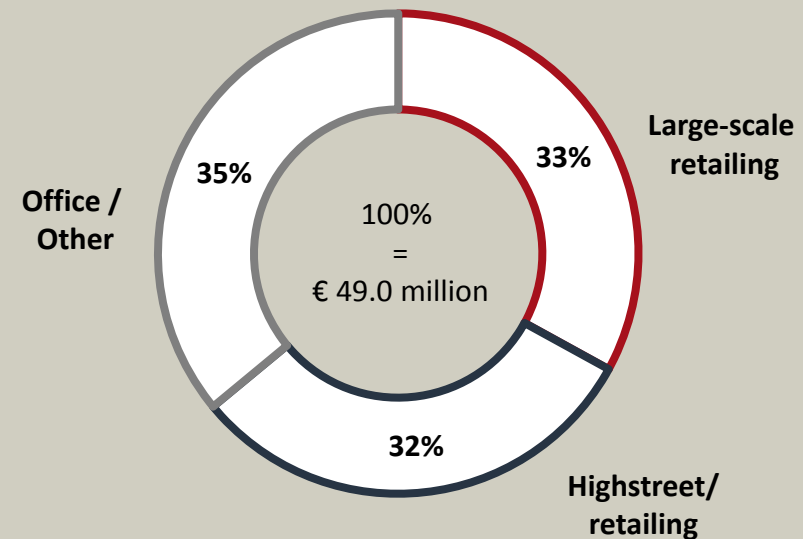
Geographical portfolio spread (31/12/2014)



Diversification of asset types (31/12/2014)

- 68 properties in 55 cities in Germany, Focus on West und South
- approx. € 717 million portfolio value

Asset classes splitted by annualised rental income



Well defined acquisition strategy

Acquisition strategy

- Regional diversification in high growth regions in Southern and South-West Germany
- Focus on towns and cities outside the main metropolises
- Focus on acquisitions of € 10 million – € 50 million
- Improving cost/yield structures through acquisition of larger properties and disposal of smaller properties
- Off market deals

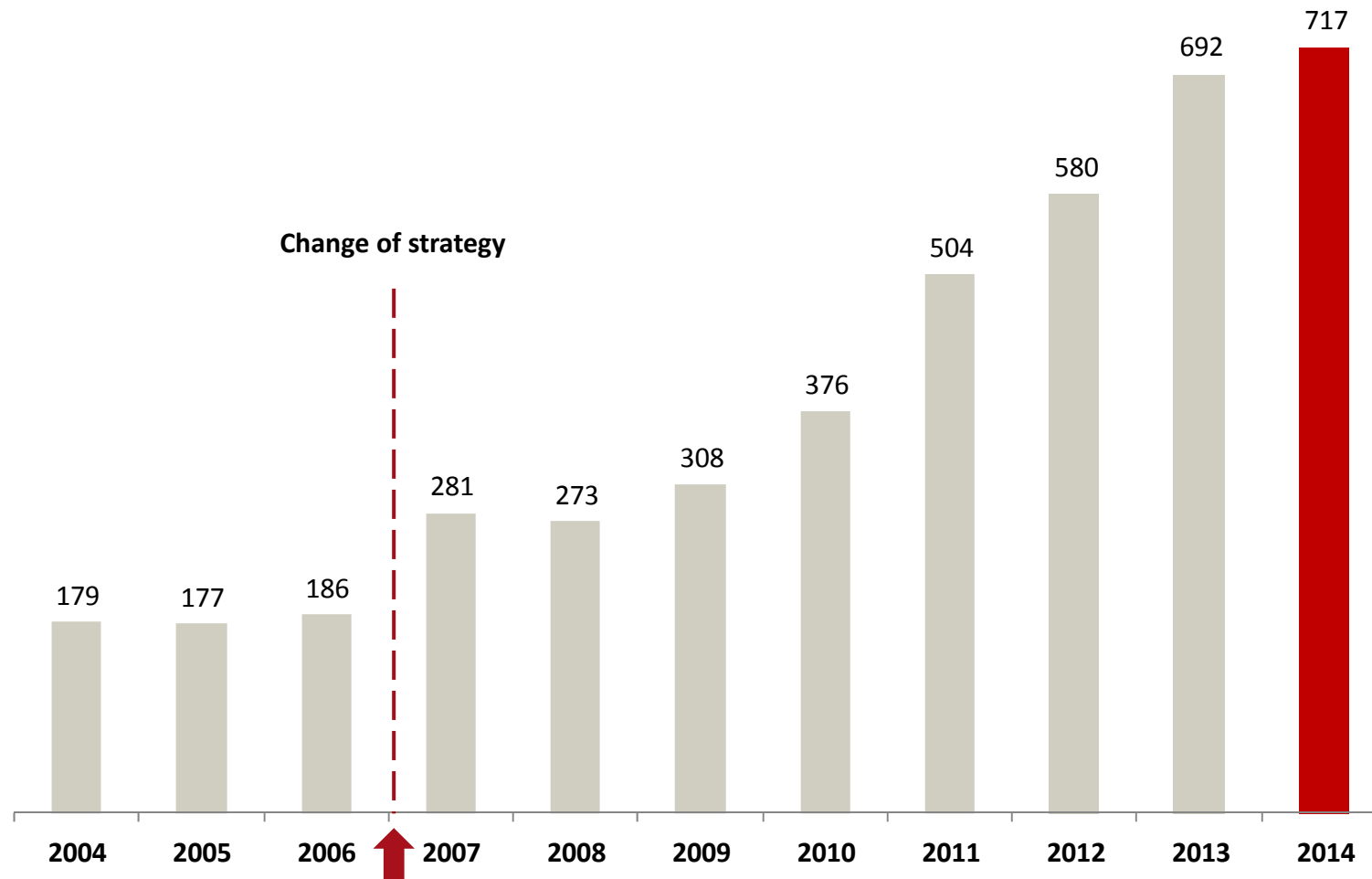
Asset focus

- Focus on quality properties, location and property strategy determined by asset type:
 - Commercial buildings (€10m-50m) used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Self-service markets and self-service department stores (€10m-50m) in town centre sites or highly frequented edge-of-town sites, nationally at locations with > 60,000 inhabitants
 - Modern office buildings (€10m-50m) built or redeveloped from the year 2000 onwards in town centre sites of cities with > 100,000 inhabitants

-
- **Diversified commercial real estate portfolio structure with clear yield-orientation**
 - **Creating value through continuous expansion of portfolio**

Development of the HAMBORNER portfolio value

in € million



Investments (1/2)

Transfer of possession 2014



**Bad Homburg
Louisenstraße**



**Siegen,
Bahnhofstraße**



**Koblenz,
Löhrstraße**

Built	1970	1968	2002 modernized
Main tenant	Commerzbank	C&A	H&M, Württembergische Versicherung
Leased area	approx. 3,250 sqm	approx. 7,100 sqm	approx. 3,300 sqm
Annual rental income	€ 0.4 million	€ 0.9 million	€ 0.63 million
Remaining term	1.1 years	10.0 years	5.6 years
Gross initial yield	5.4 %	7.2 %	5.8 %
Purchase price	approx. € 7.9 million	approx. € 13.0 million	approx. € 11.0 million
Transfer of possession	January 2014	October 2014	October 2014

Investments (2/2)

Transfer of possession 2015



Berlin, T-Damm Center



Aachen, Jobcenter

Built	2014/2015	2014
Main tenant	Kaisers, Aldi, Rossmann,...	Jobcenter Aachen
Leased area	approx. 5,900 sqm	approx. 10,000 sqm
Annual rental income	€ 1.15 million	€ 1.7 million
Remaining term	12 years	> 10 years
Gross initial yield	6.3 %	6.33 %
Purchase price	approx. € 18.9 million	approx. € 27 million
Transfer of possession	End of 2015e	2015e

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: € 5.7 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. 09/2014 ✓



Kamp-Lintfort

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



Düren

Selling-price: € 1.8 million
Transf. of poss. 12/2015e

Rental income per year for the sold objects:

approx. € 1.8 million

Rental contracts:

28 residential contracts

21 commercial contracts

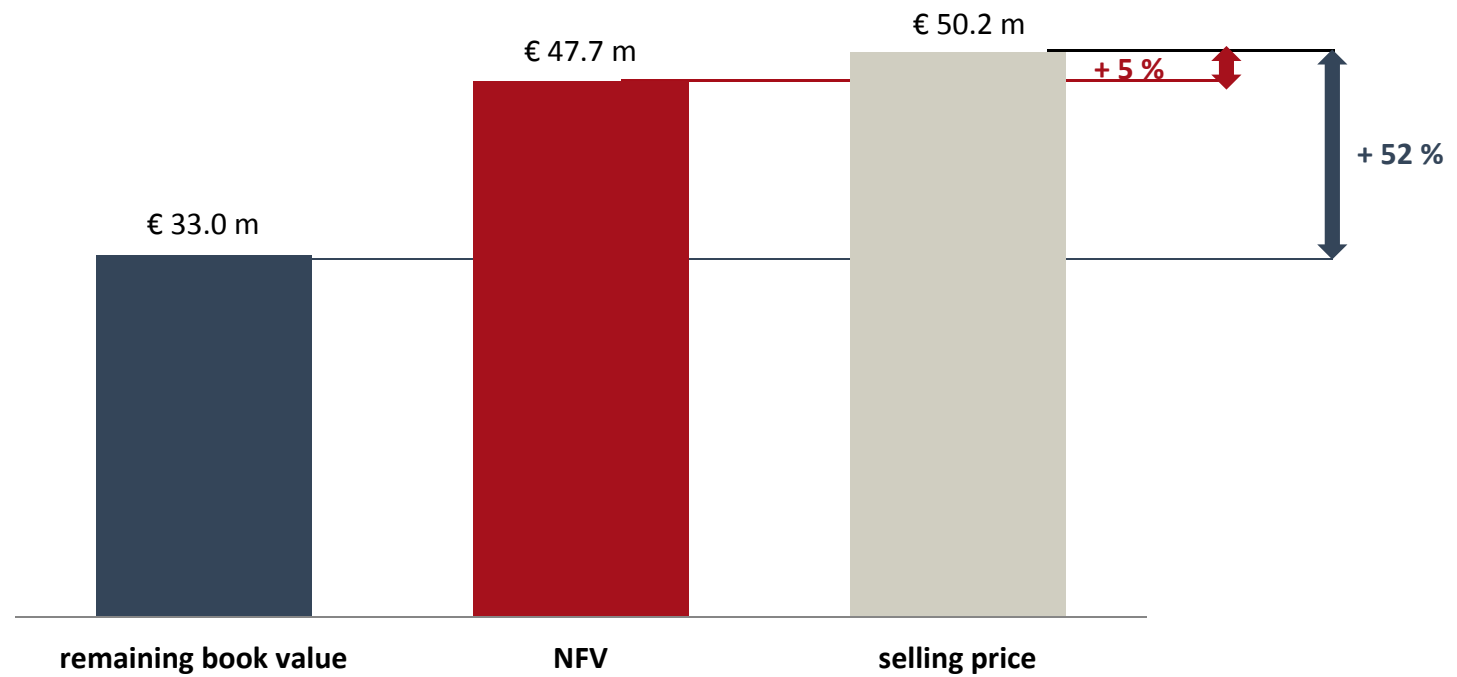
Selling price approx. € 28.1 million

Sales since strategy change 2007

16 commercial objects: € 48.3 million

- Ø sale-price € 3.0 million
- Ø multiple 15.6 (rents: € 3.1 million)

7 residential objects: € 1.9 million

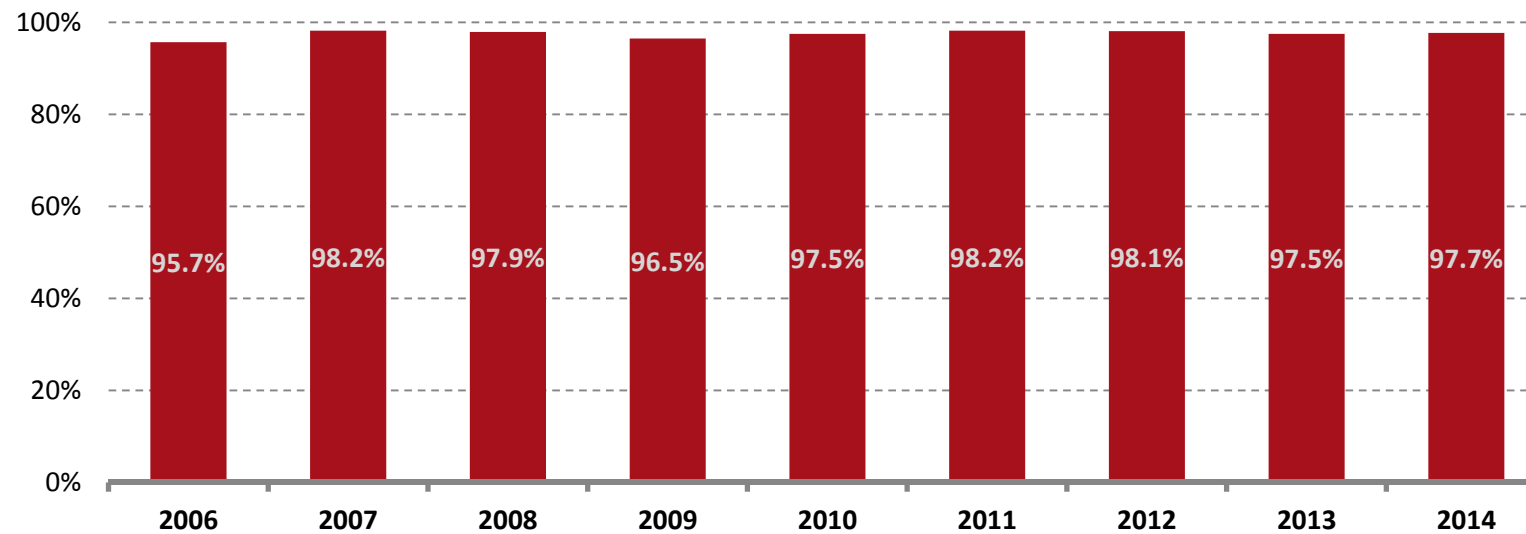


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High and stable occupancy

Low vacancy rate

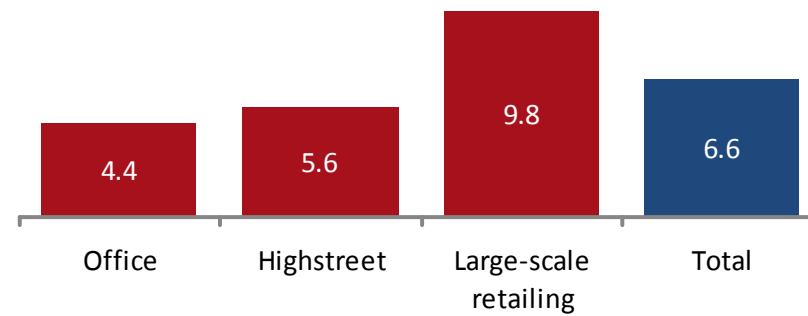


→	Vacancy rate as at 31/12/2014 incl. rent guarantees:	2.3 %
→	Vacancy rate as at 31/12/2014:	2.5 %

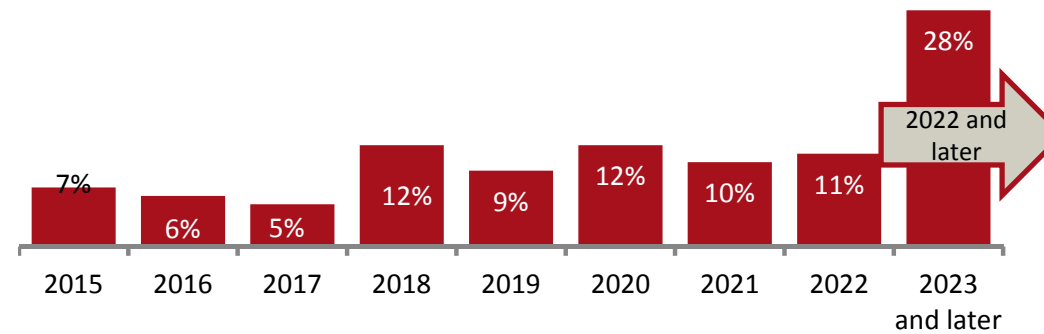
Long-term leases

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)



TOP 10 tenants

Solid tenants

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

	<u>Tenant</u>	<u>Sector</u>	
	EDEKA	Discount food retail	14.9%
	Kaufland Gruppe	Discount food retail	10.5%
	OBI	Retail (DIY)	8.7%
	C&A	Textile retail	2,4%
	H&M	Textile retail	2,2%
	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%
	Total		47.3%

* incl. rent guarantees

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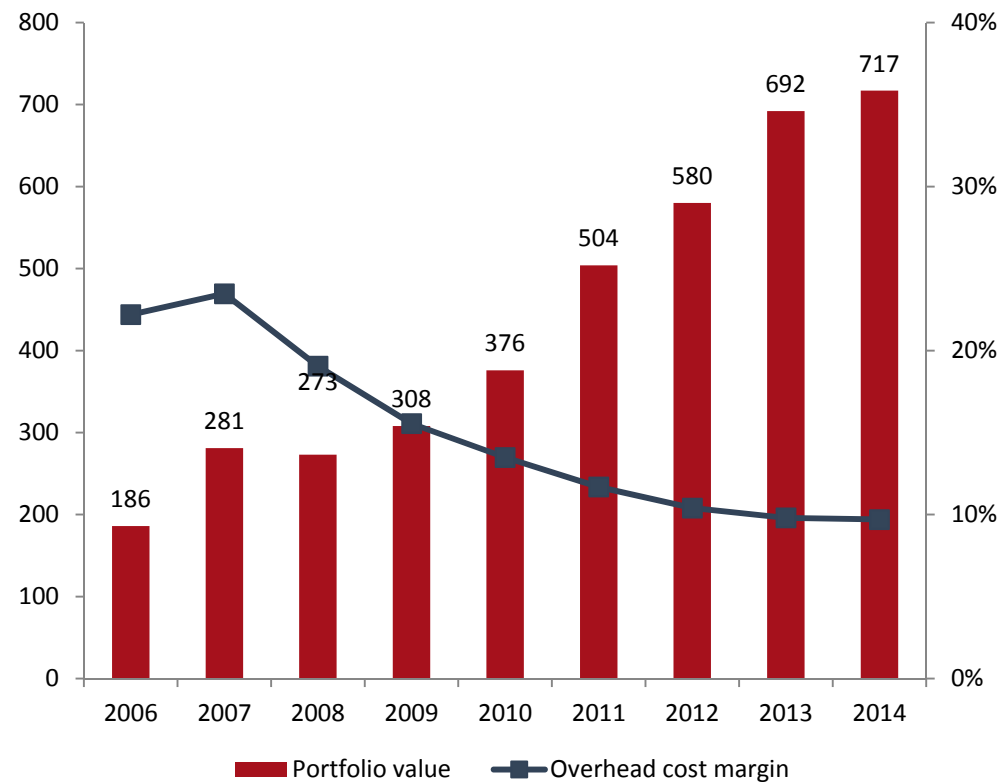
Significant preliminary key figures for 2014

Key figures	2014 preliminary	2013	Change
Rental revenues	€ 46.8 million	€ 45.2 million	+ 3.5 %
Operating result	€ 19.9 million	€ 20.4 million	- 2.6 %
EBIT	€ 30.6 million	€ 20.8 million	+ 47 %
Profit for the period	€ 17.1 million	€ 8.5 million	+ 101 %
Funds from Operations	€ 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

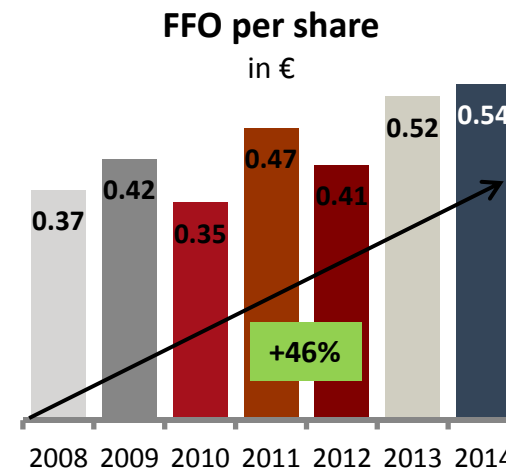
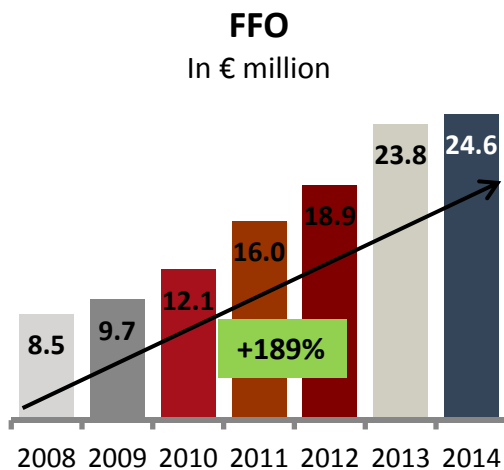
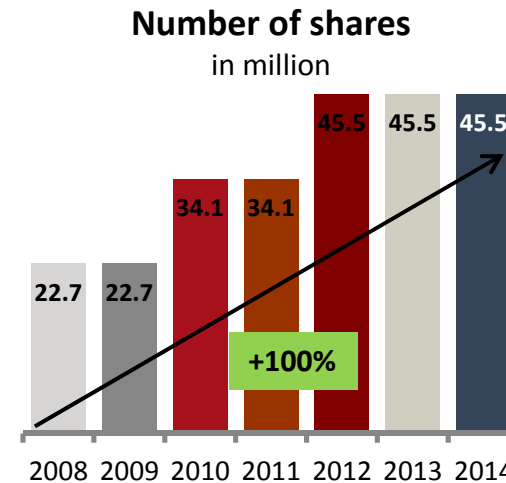
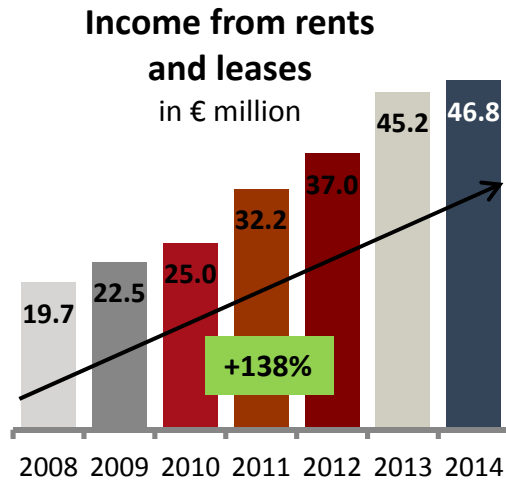
Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin*



* Personnel and administrative costs divided by income from rents and leases. Personnel costs are adjusted downward for one-off costs

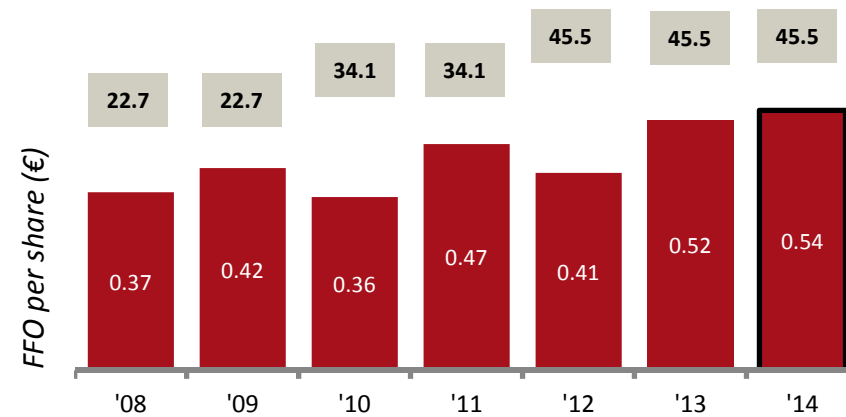
FFO per share as a key component for controlling



Increasing FFO and dividend per share

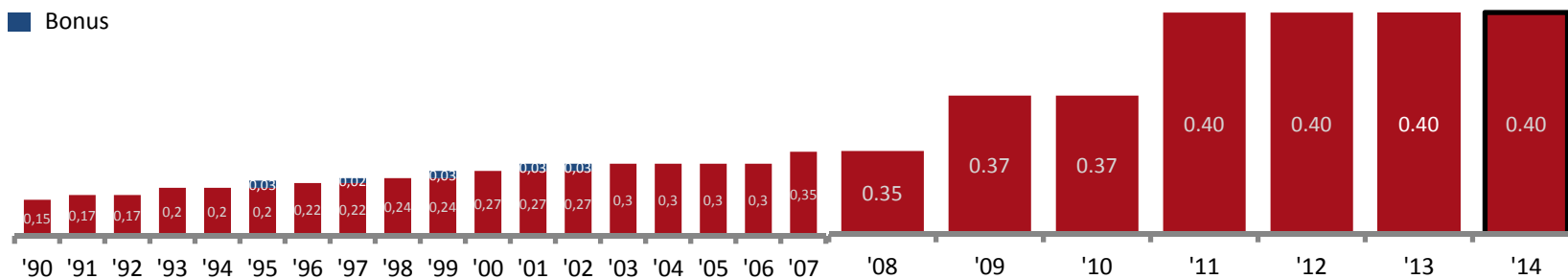
Funds From Operations (FFO) per share (€)

Number of shares (million)



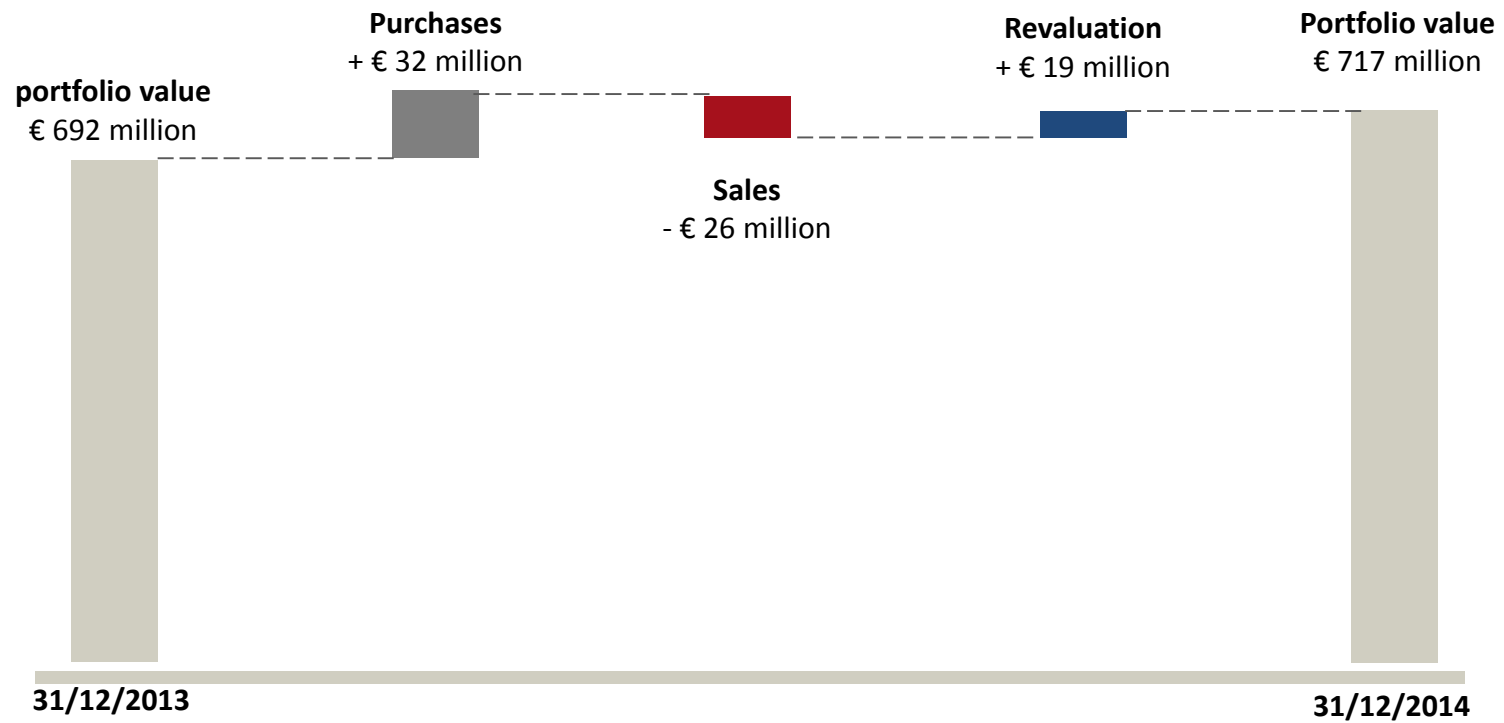
Dividend per share (€)

■ Dividend
■ Bonus



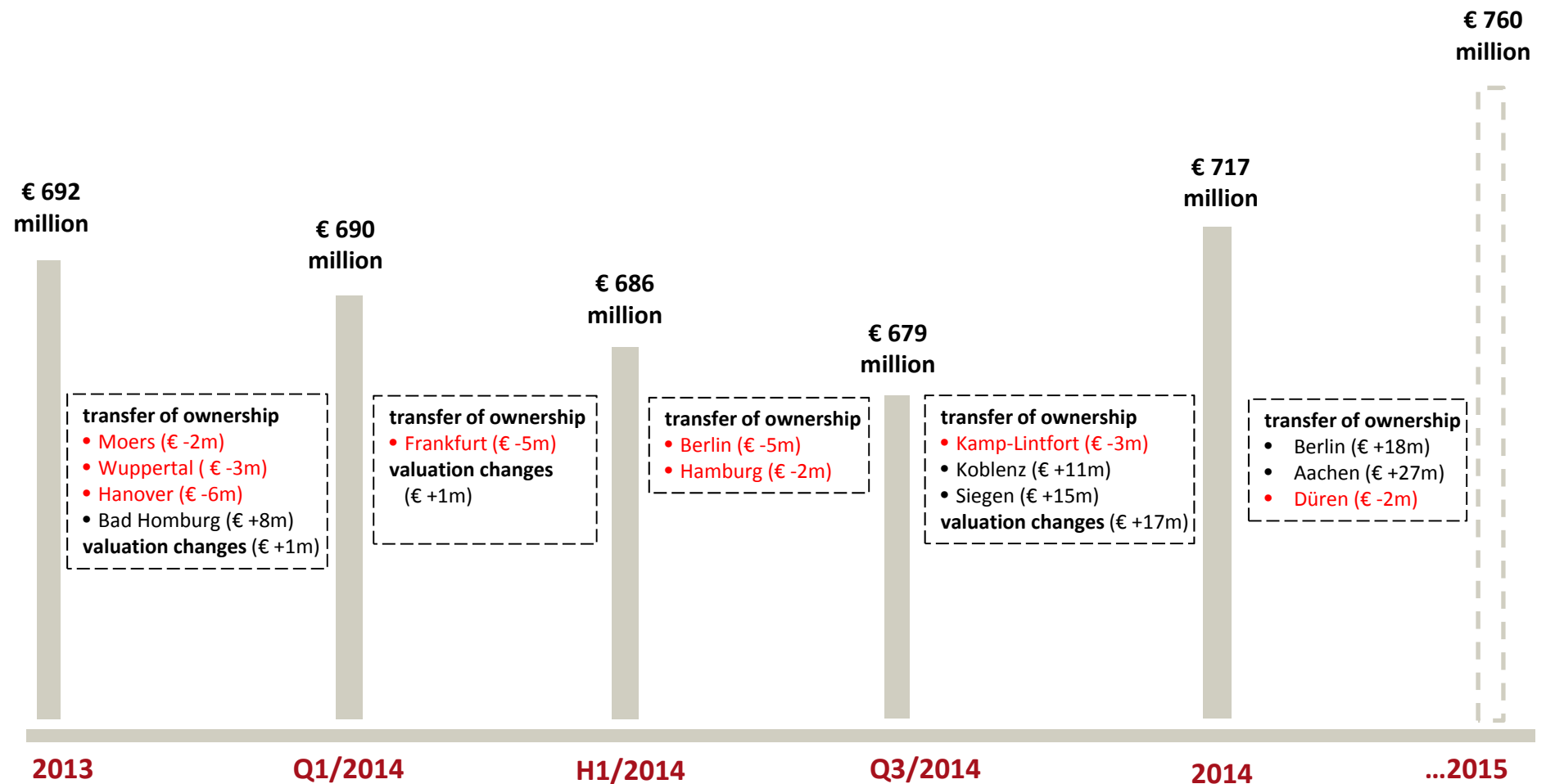
proposal
to AGM
2015

Portfolio development 2014



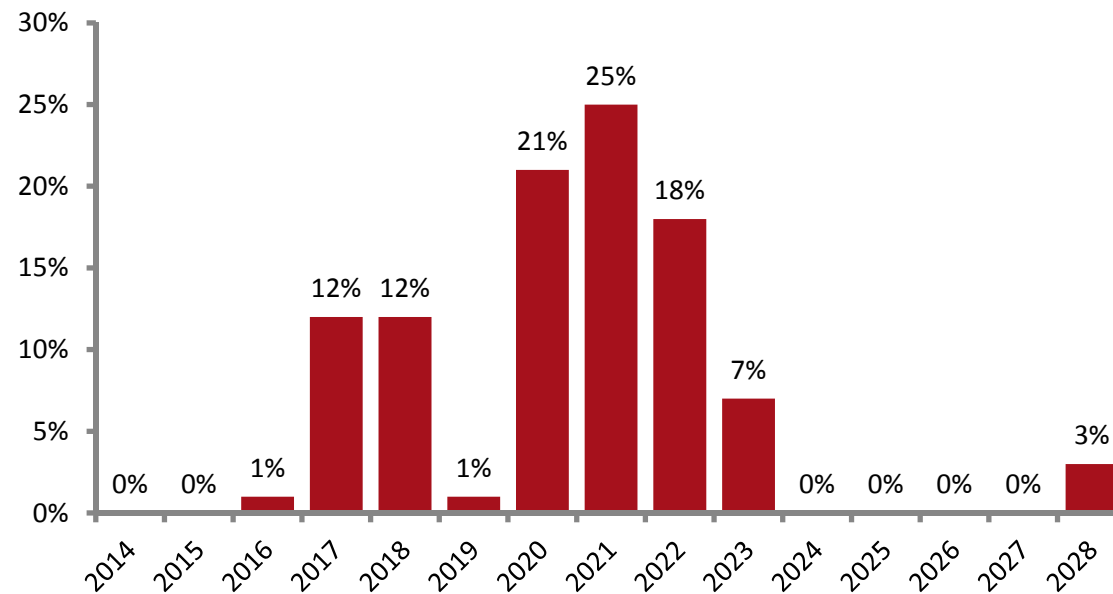
Development of HAMBORNERs portfolio value

2014: Good environment for sale of non strategic objects



Stable and predictable cost of debt

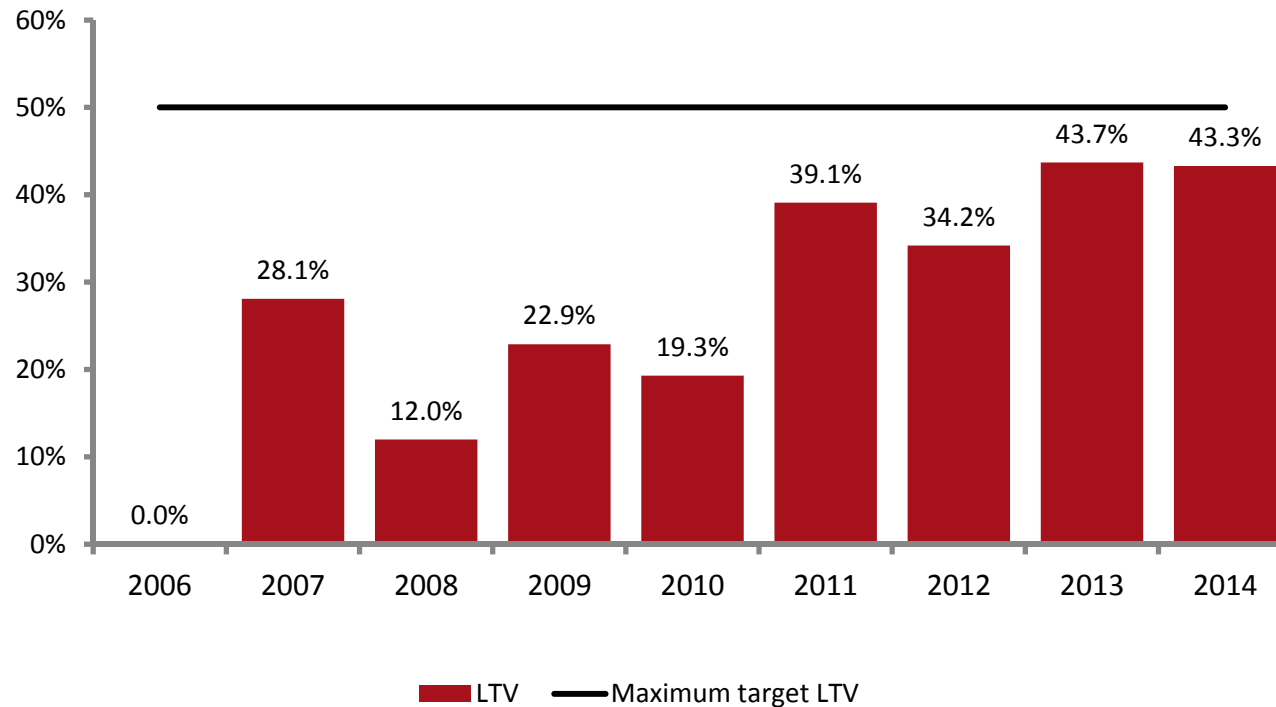
Expiration of fixed interest rates (31/12/2014)



- Financial debt: € 333.2 million
- Liquid funds: € 10.4 million
- 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

Low LTV, equity ration well within REIT criteria

Loan-to-value (%)



→ **Figures 31/12/2014:**

- LTV: 43.3 %
- REIT equity ratio: 53.1 %

Conclusion

1. Conclusion

- Successful financial year 2014
- Positive development of operational business
- Progress with the sale of smaller properties with high administrative requirements
- Purchases in Bad Homburg, Siegen and Koblenz
- Purchase contracts signed for T-Damm Center in Berlin and Jobcenter in Aachen with transfer of possession in 2015

Creating sustainable shareholder value

hamborner
REIT

ZUKUNFT BRAUCHT SUBSTANZ



→ **Strong asset- and portfolio management**

→ **Increasing portfolio quality**

→ **Robust financial position**

→ **Enhancing efficiency, increasing cash flow
and dividend per share**

→ **Capital markets track record**

Financial Calendar

HAMBORNER REIT AG	
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!

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