



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

Dr. Rüdiger Mrotzek

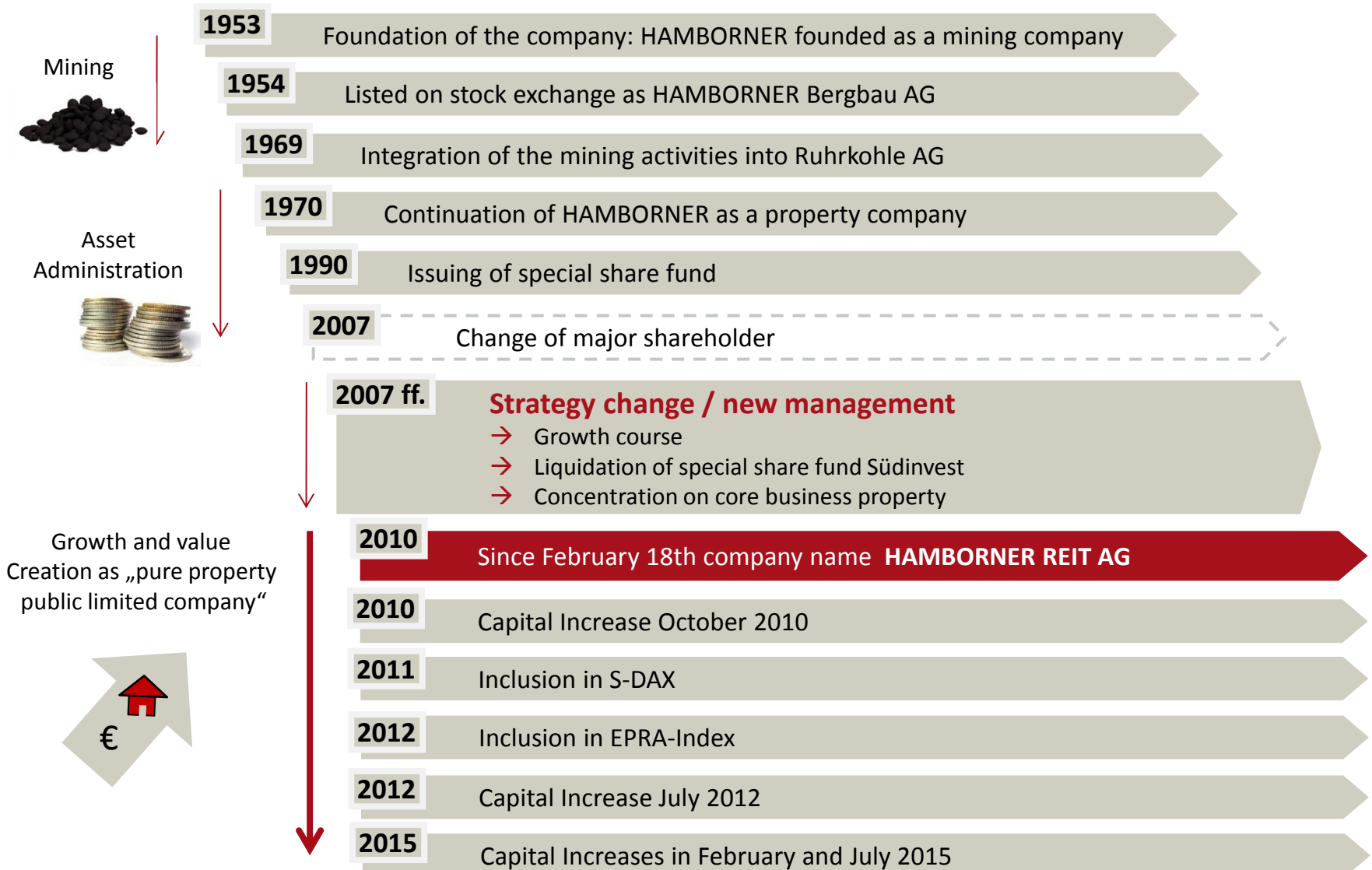
Hans Richard Schmitz

April 2016

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

History / Capital markets track record

Historical development of the company



History / Capital markets track record

[R]eal [E]state [I]nvestment [T]rust (REIT)

Requirements for G-REITs

- Listing on the regulated market
- at least 45 % equity-ratio
- > 15% free float
- > 75% of 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

History / Capital markets track record

Lean corporate structure – no holding/parent companies

HAMBORNER REIT AG

2 board members

31 employees

- Directly owned property
- German-wide portfolio
- Market value of properties: approx. € 943 million (31/03/2016)

- Internal management of REIT
- Only infrastructural building services externally contracted out

Large-scale
retailing

High street

Office

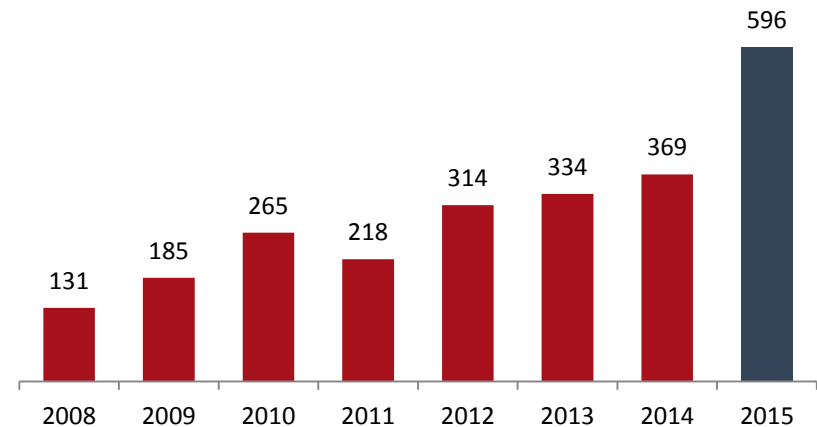
History / Capital markets track record

Growing market capitalization and increasing free float

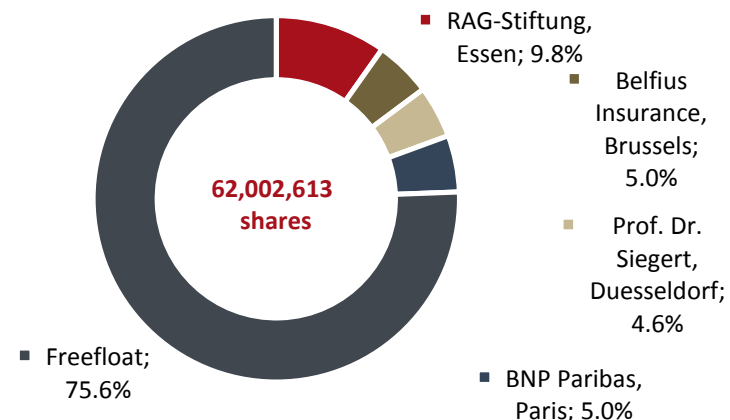
Overview events

- **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:** Capital Increase – 4,549,332 new shares, gross proceeds of approx. € 40.9 million – RAG Stiftung new shareholder
- **July 2015:** Capital Increase – 11,959,948 new shares, gross proceeds of approx. € 101.6 million

Historic market cap (€ million)



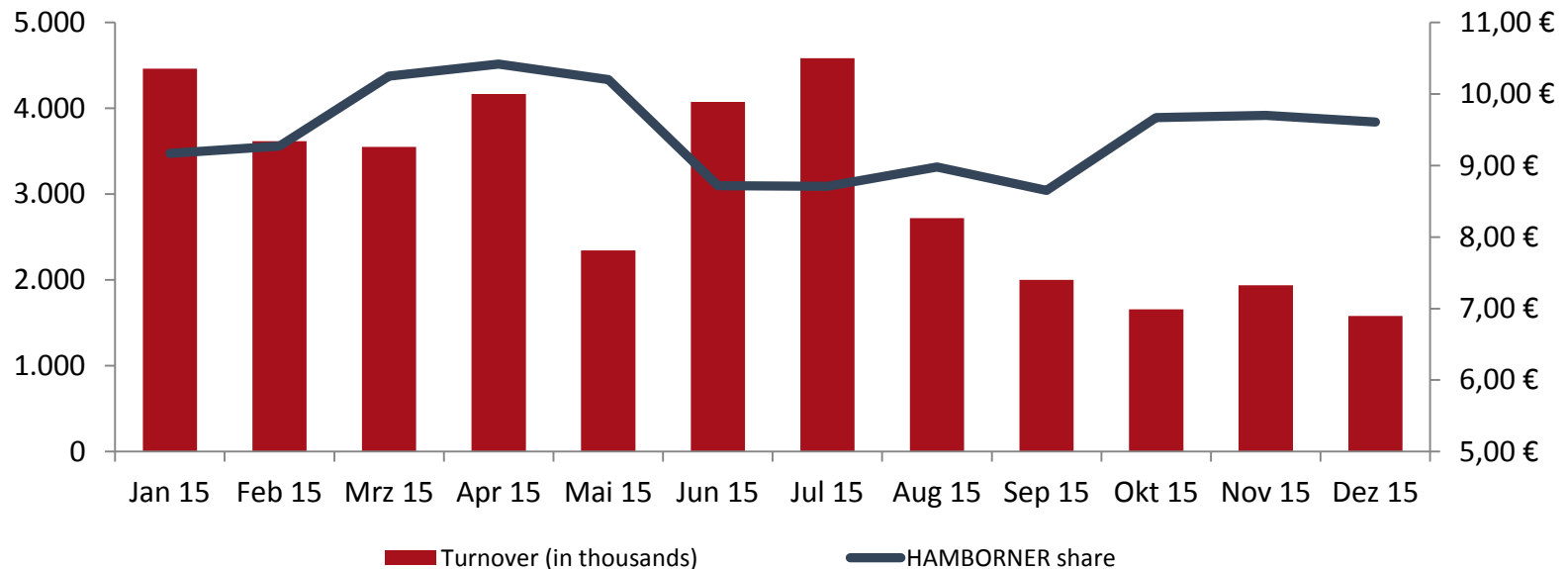
Shareholders



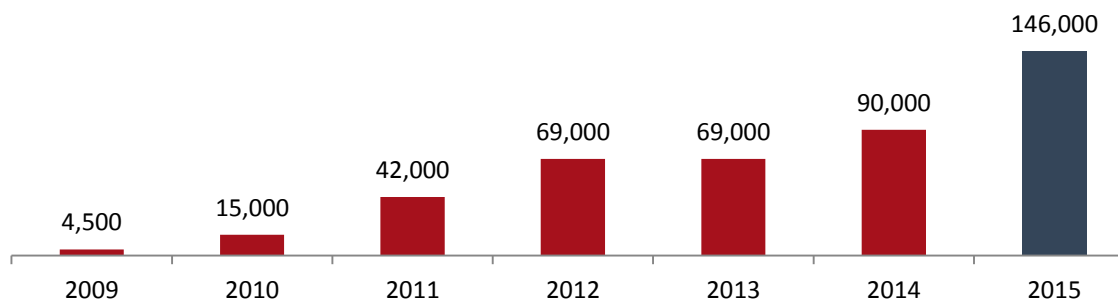
History / Capital markets track record

HAMBORNER REIT AG share

Development of share price and turnover



Average turnover per day (# shares)



- | | |
|----------|---|
| 1 | History / Capital markets track record |
| 2 | Portfolio-Management |
| 3 | Asset-Management |
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Portfolio-Management

Well defined acquisition strategy

Acquisition strategy

- Regional diversification in high-growth regions in West and South-West Germany
- Focus on towns and cities outside the main metropolises
- Focus on acquisitions of € 10 million – € 70 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 used for retail trade (highstreet retail) in A1 sites (pedestrian zones), nationally at locations with > 60,000 inhabitants
 - Large scale retailing in town centre sites or highly frequented edge-of-town sites, nationally at locations with > 60,000 inhabitants
 - Modern office buildings built or redeveloped from the year 2007 onwards in town centre sites of cities with > 100,000 inhabitants

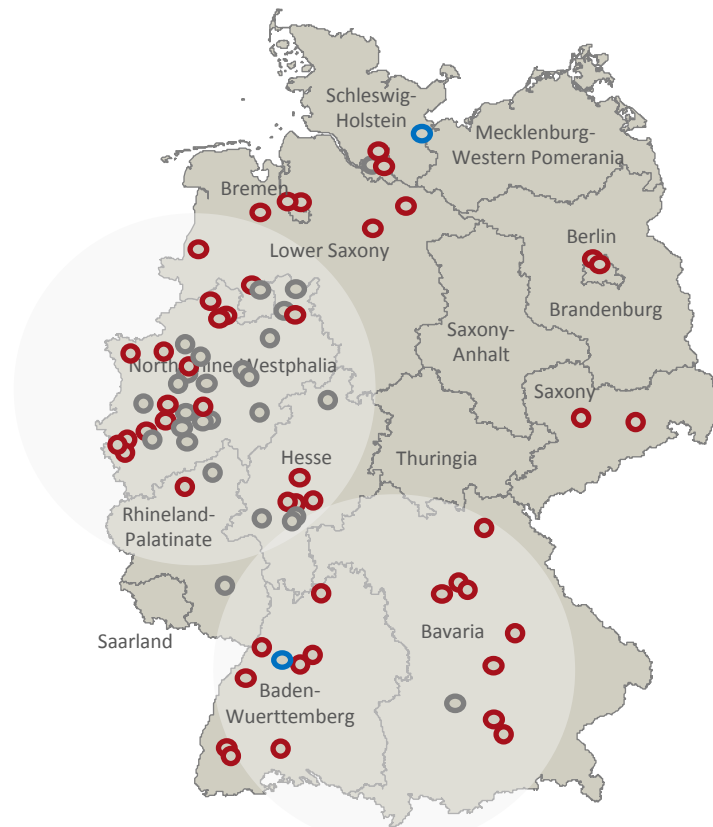
- **Diversified commercial real estate portfolio structure with clear yield-orientation**
- **Creating value through continuous expansion of portfolio/benefit from scale-effects**

Portfolio-Management

Balanced portfolio with 100% German focus

(as at 31. Dec. 2015)

Geographical portfolio spread

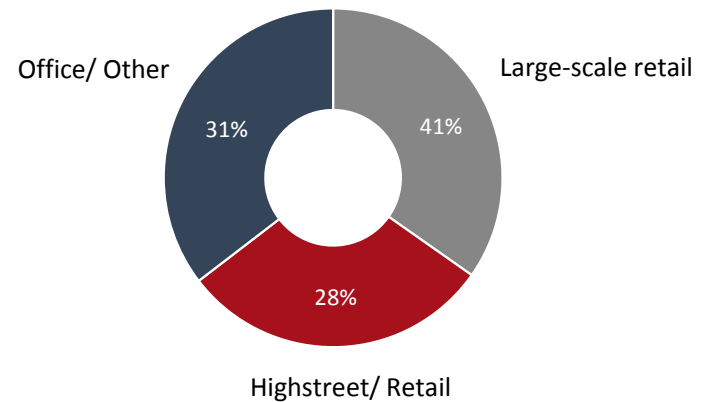


○ Portfolio until 2006 ● Portfolio from 2007 ● Purchase contract signed

Diversification of asset types

- 69 properties in 55 cities in Germany
- Focus on West and South-West
- € 900 million portfolio value

Annualised rental income (100% = € 58.2 million)



Regional diversification

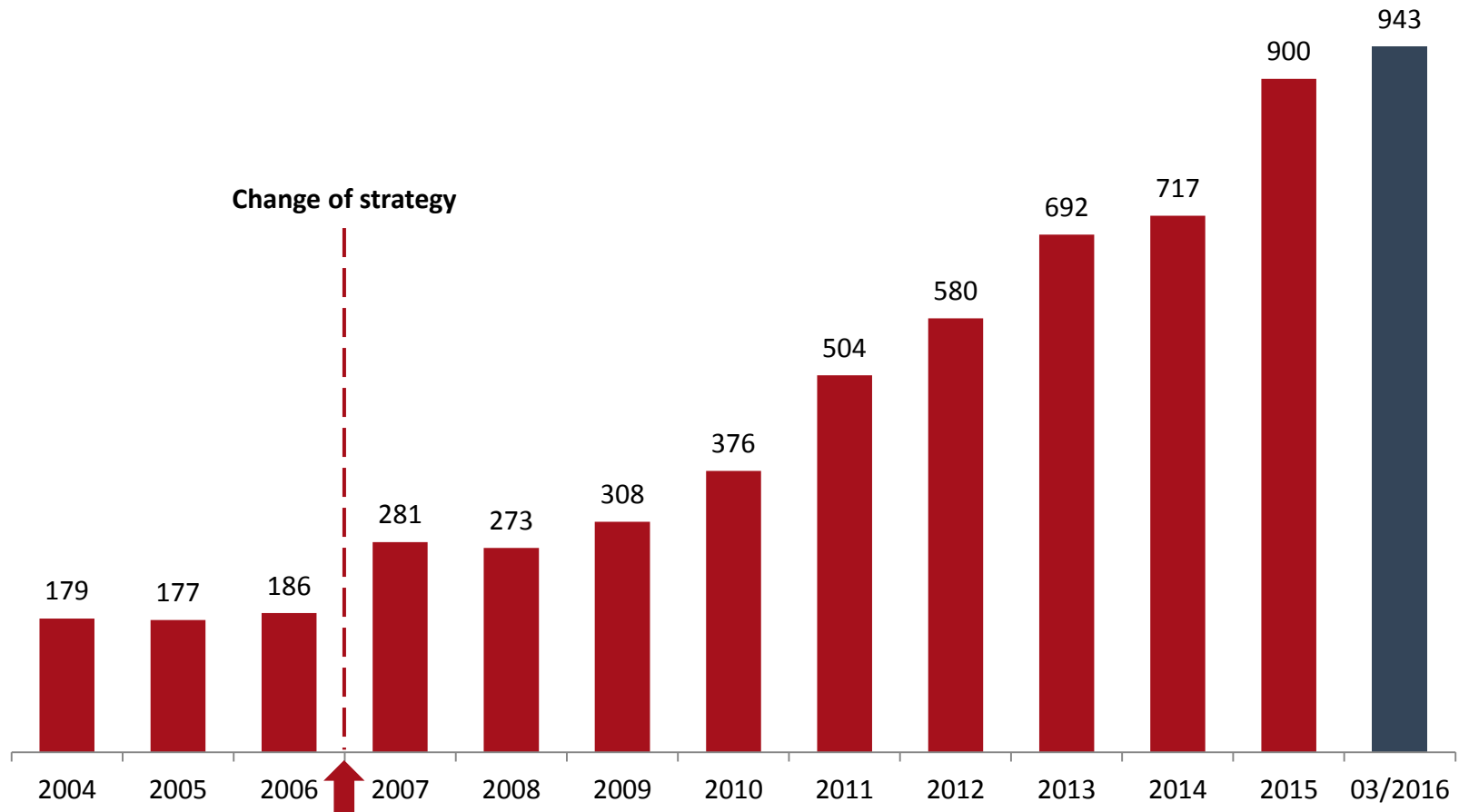
(as at 31. Dec 2015)

<u>Federal State</u>	<u>Number of objects</u>	<u>Share in the market value of total portfolio</u>
North Rhine-Westphalia	26	26%
Bavaria	9	22%
Baden-Wuerttemberg	8	14%
Hesse	8	11%
Lower Saxony	6	8%
Berlin	2	7%
Hamburg	3	3%
Rhineland-Palatinate	3	3%
Bremen	2	3%
Saxony	2	3%
Total	69	

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

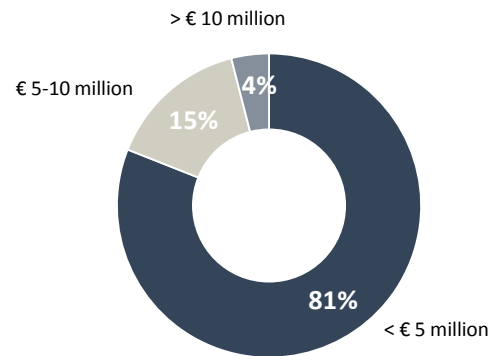


Portfolio-Management

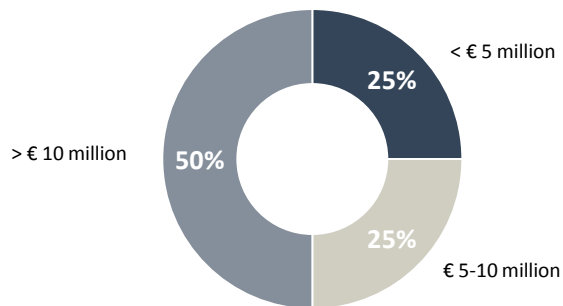
Increasing value per asset through acquiring larger assets

Portfolio split by property value

2006 (100% = 54 properties)

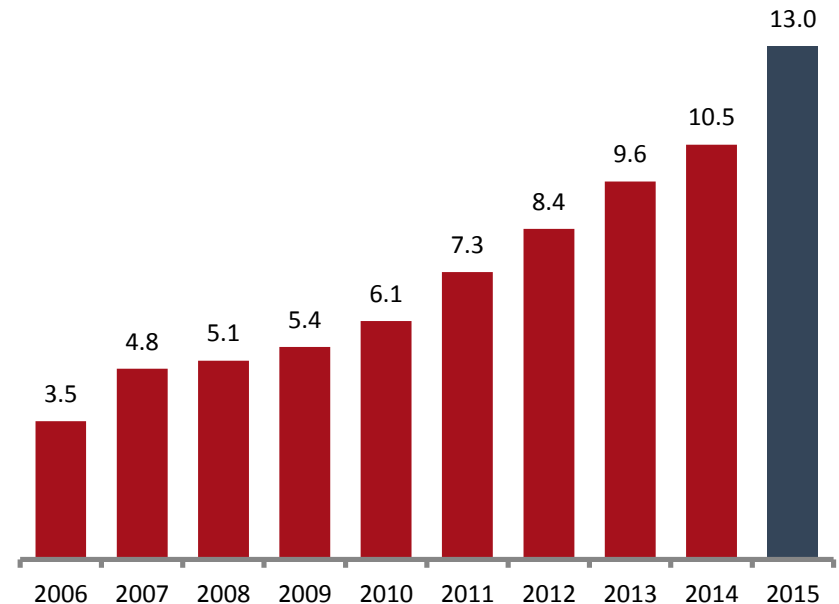


2015 (100% = 69 properties)



Average value per asset 2006-2015 (in € million)

31/12/2015 (Number of properties = 69)



Portfolio-Management

Investments 2015 (1/2)



**Aachen,
Gut-Dämme-Str. 14**



**Celle,
An der Hasenbahn 3**



**Fürth, (Hornschuch-Center)
Gabelsberger-Str. 1**

Built	2014	1975 / modernized 2014	Build 1990 / modernized 2014/15
Main tenant	Jobcenter Aachen	real-, Fressnapf, Aldi	EDEKA, Schuh Mücke, Rossmann...
Leased area	approx. 10,000 m ²	approx. 24,500 m ²	approx. 11,500 m ²
Annual rental income	€ 1.7 million	€ 2.3 million	€ 1.8 million
Remaining term	14.0 years	12.2 years	12.7 years
Gross initial yield	6.4 %	6.6 %	6.1 %
Purchase price	€ 26.8 million	€ 35.2 million	€ 30.1 million
Transfer of possession	March 2015	May 2015	September 2015

Investments 2015 (2/2)



**Gießen, (Westoria Gießen)
Gottlieb Daimler Str. 27**



**Berlin,
Tempelhofer Damm 198-200**



**Neu Isenburg,
Schleussnerstraße 100-102**

Built	Build 1983 / modernized 2008	2014/15	2015
Main tenant	real,-, Saturn, McDonalds	Kaisers, Aldi, Rossmann	REWE, dm
Leased area	approx. 18,000 m ²	approx. 6,200 m ²	approx. 4,300 m ²
Annual rental income	€ 2.3 million	€ 1.3 million	€ 0.8 million
Remaining term	6.6 years	11.4 years	15.3 years
Gross initial yield	7.3 %	6.4 %	6.3 %
Purchase price	€ 31.6 million	€ 20.2 million	€ 12.8 million
Transfer of possession	August 2015	December 2015	December 2015

Investments 2016



**Lübeck, (Haerder-Center),
Sandstraße**



**Ditzingen,
Dieselstraße**



**Münster, (Deilmann-Park),
Martin-Luther-King-Weg 30/30a**

Built	2008	2016	2016
Main tenant	H&M, New Yorker, REWE, mytoys	hagebaumarkt	FOM University
Leased area	approx. 13,300 m ²	approx. 9,400 m ²	approx. 3,300 m ²
Annual rental income	approx. € 3.25 million	approx. € 0.8 - € 0.9 million (steprent)	approx. € 0.43 million
Remaining term	3.4 years	20 years	7.5 years
Gross initial yield	6.5 %	7.0 %	6.8 %
Purchase price	approx. € 50.0 million	approx. € 12.7 million	approx. € 6.5 million
Transfer of possession	29/02/2016	Q2 2016e	Q2 2016e

Portfolio-Management

Divestments 2016

Disposal of properties 2015



Total # of properties	4
Total selling price	€ 8 million
Rental income per year for the sold objects	€ 0.7 million
Rental contracts	8 residential contracts 6 commercial contracts

Disposal of undeveloped land 2015



Undeveloped land sold	263,000 sqm (forest- and agricultural plots)
Total selling price	€ 749,000 (book value € 120,000)

Disposal of properties/Transfer of possession 2016



Total # of properties	4
Total selling price	approx. € 8 million
Rental income per year for the sold objects	€ 0.8 million
Rental contracts	36 residential contracts 16 commercial contracts

1

History / Capital markets track record

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Portfolio-Management

3

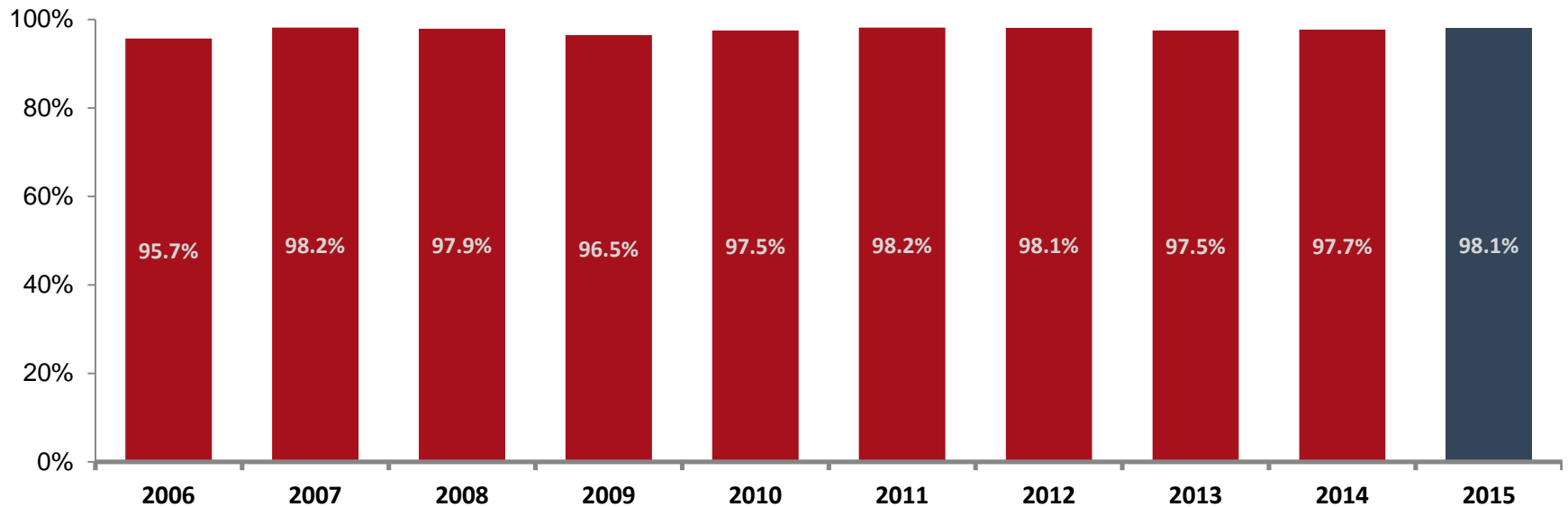
Asset-Management

4

Financial Figures / Financial Position

High and stable occupancy

Occupancy rates

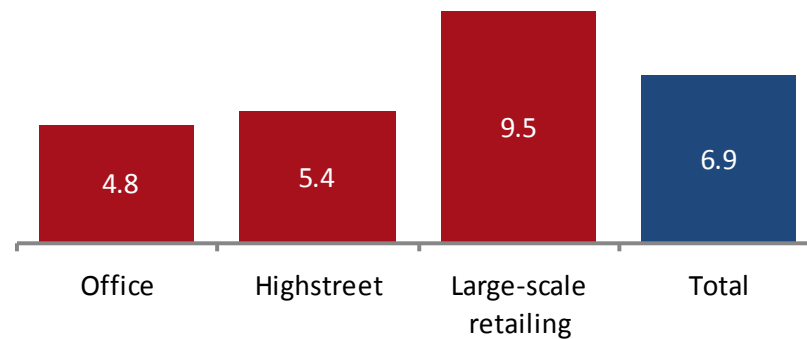


Vacancy rate as at 31/12/2015 incl. rent guarantees:

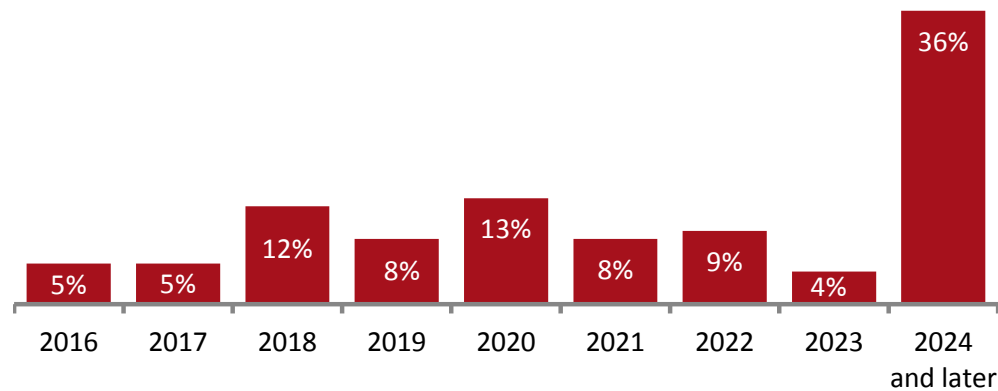
1.9 %

Long-term leases

Weighted average lease expiry by type (31/12/2015, in years)



Split of lease contracts expiring by year (31/12/2015)



Solid tenants

Top 10 tenants (31/12/2015, % of annual rent)

	<u>Tenant</u>	<u>Sector</u>	
	EDEKA-Group	Discount food retail	13.6%
	Kaufland Group	Discount food retail	9.0%
	OBI	Retail (DIY)	7.1%
	real,-	Discount food retail	5.3%
	Jobcenter	Agency of unemployment	4.6%
	REWE-Group	Discount food retail	2.2%
	C&A	Textile retail	2.0%
	H&M	Textile retail	1.9%
	AREVA	Power & Utilities	1.7%
	SFC Energy	Industrials/Energy	1.7%
	Total		49.1%

1

History / Capital markets track record

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Asset-Management

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Financial Figures/Financial Position

Financial Figures / Financial Position

Strong financial fiscal year 2015

Highlights

- Increase of income from rents and leases: + 12%
- FFO increase: + 19% (FFO per share: € 0.47)
- Two capital increases: Proceeds € 142.6 million
- Total invested volume: approx. € 157 million (six assets)
- Divestment of non-strategic assets (approx. € 8 million)
- Total portfolio volume: approx. € 900 million (after revaluation)
- NAV per share: € 9.11 (+ 5.1%)

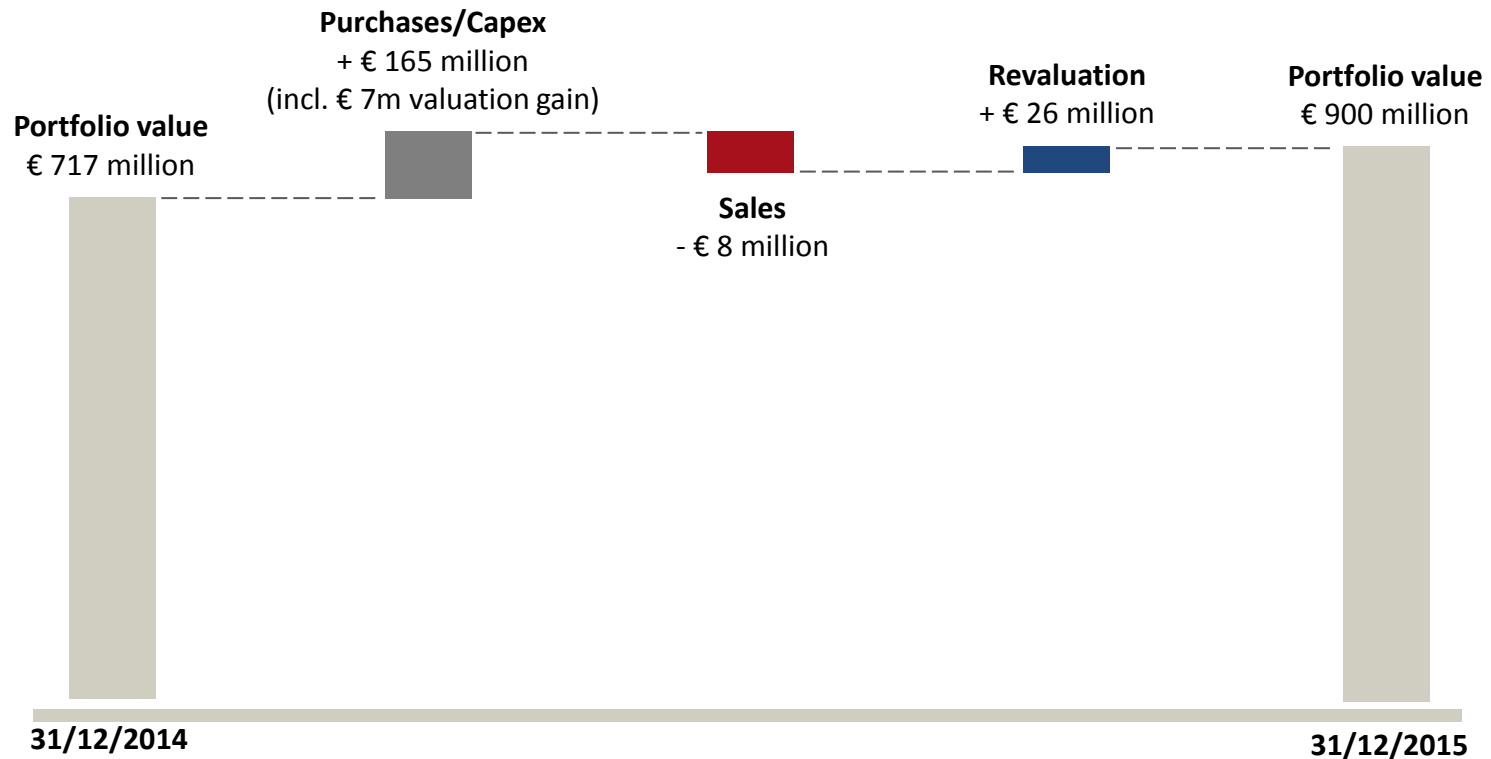
Significant key figures for 2015

Key figures	2015	2014	Change
Rental revenues	€ 52.4 million	€ 46.8 million	+ 12 %
EBIT	€ 27.1 million	€ 30.6 million	- 11 %
Profit for the period	€ 13.8 million	€ 17.1 million	- 19 %
Funds from Operations (FFO)	€ 29.2 million	€ 24.6 million	+ 19 %
Funds from Operations (FFO) per share	€ 0.47	€ 0.54	- 13 %
REIT equity ratio	61.5 %	53.1 %	+ 8.4 %-points
Loan to value (LTV)	35.0 %	43.3 %	- 8.3 %-points
Net asset value (NAV)	€ 564.7 million	€ 394.5 million	+ 43 %
Net asset value (NAV) per share	€ 9.11	€ 8.67	+ 5 %
Dividend per share	*€ 0.42	€ 0.40	+ 5 %

*proposal to AGM 2016

Financial Figures / Financial Position

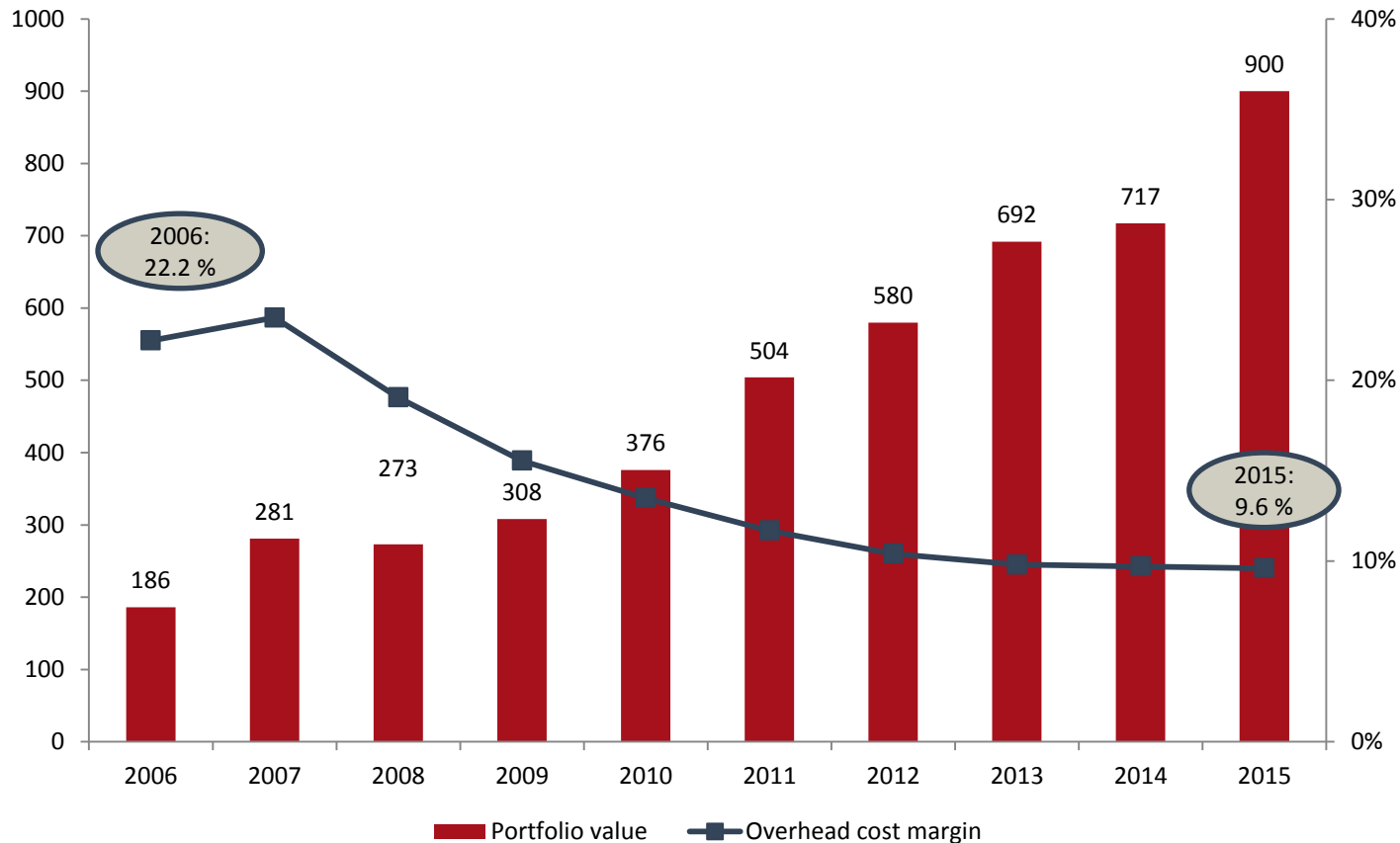
Portfolio development 2015



Financial Figures / Financial Position

Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin*

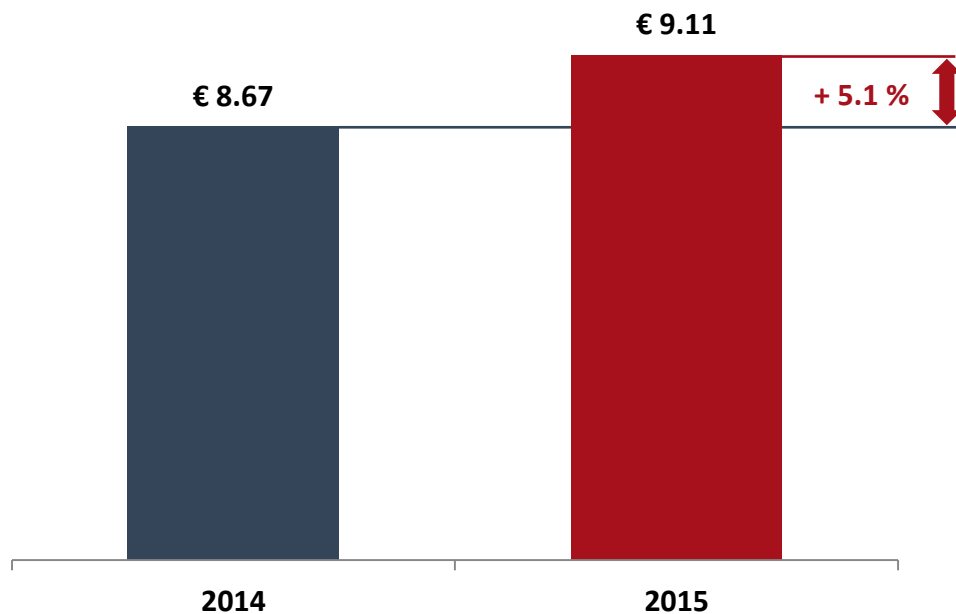


* Personnel and administrative costs divided by income from rents and leases.

Financial Figures / Financial Position

NAV per share - growth

NAV per share



NAV per share 31/12/2014: € 8.67

Number of shares: 45,493,333

NAV per share 31/12/2015: € 9.11

Number of shares: 62,002,613

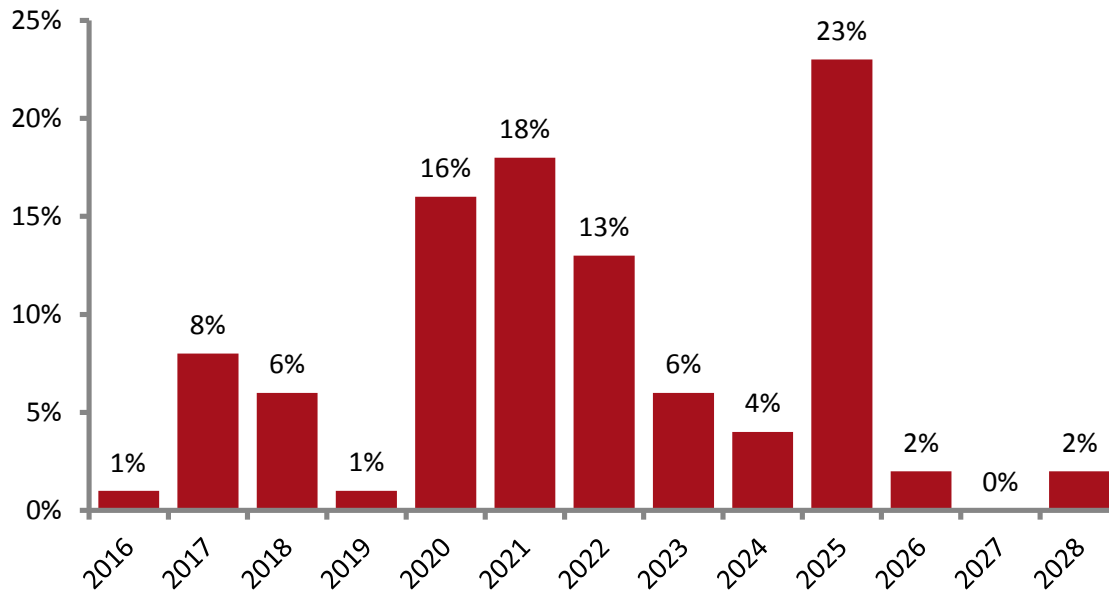


Capital increases, portfolio growth and revaluation were NAV-accretive on per share basis

Financial Figures / Financial Position

Cost of debt

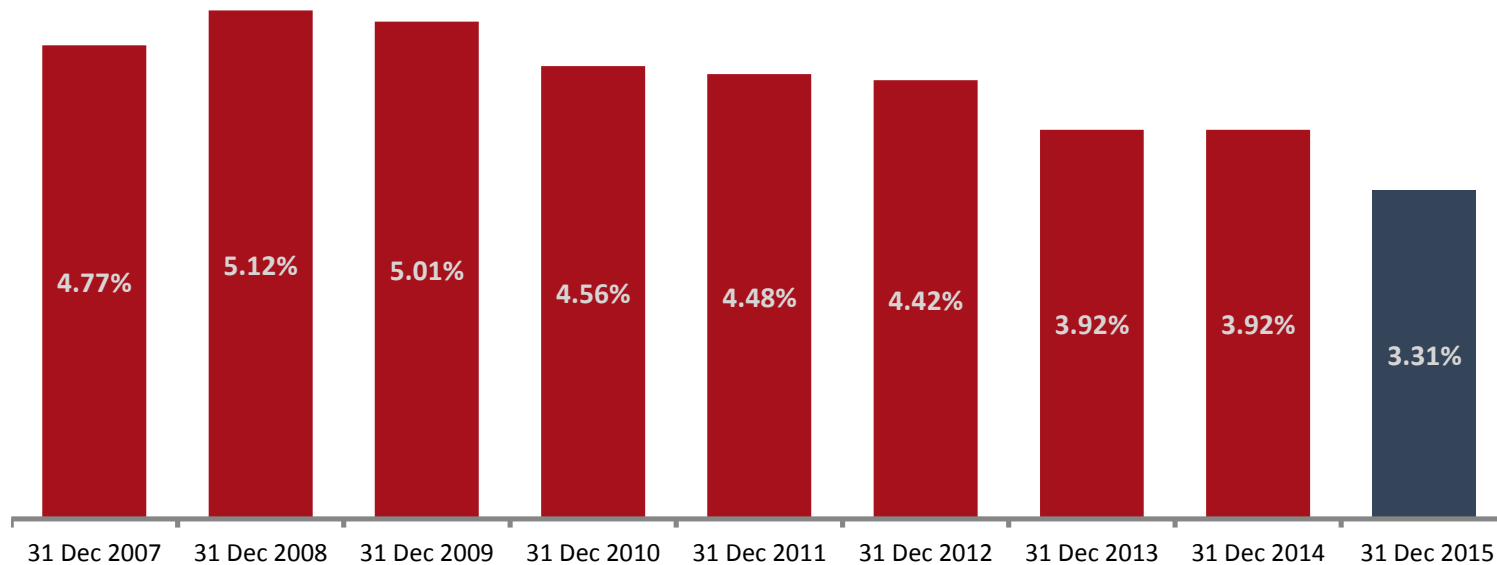
Expiration of fixed interest rates (per 31/12/2015, as % of total financial debt)



- Financial debt: € 344.3 million
- Liquid funds: € 27.1 million
- LTV: 35.0 %
- REIT equity ratio: 61.5 %
- Average maturity of fixed interest rates: 6.3 years
- Average cost of debt: 3.3 %
- Banks
 - Institutional banks
 - Cooperative banks
 - Saving banks
 - Insurance companies

Lower marginal funding costs

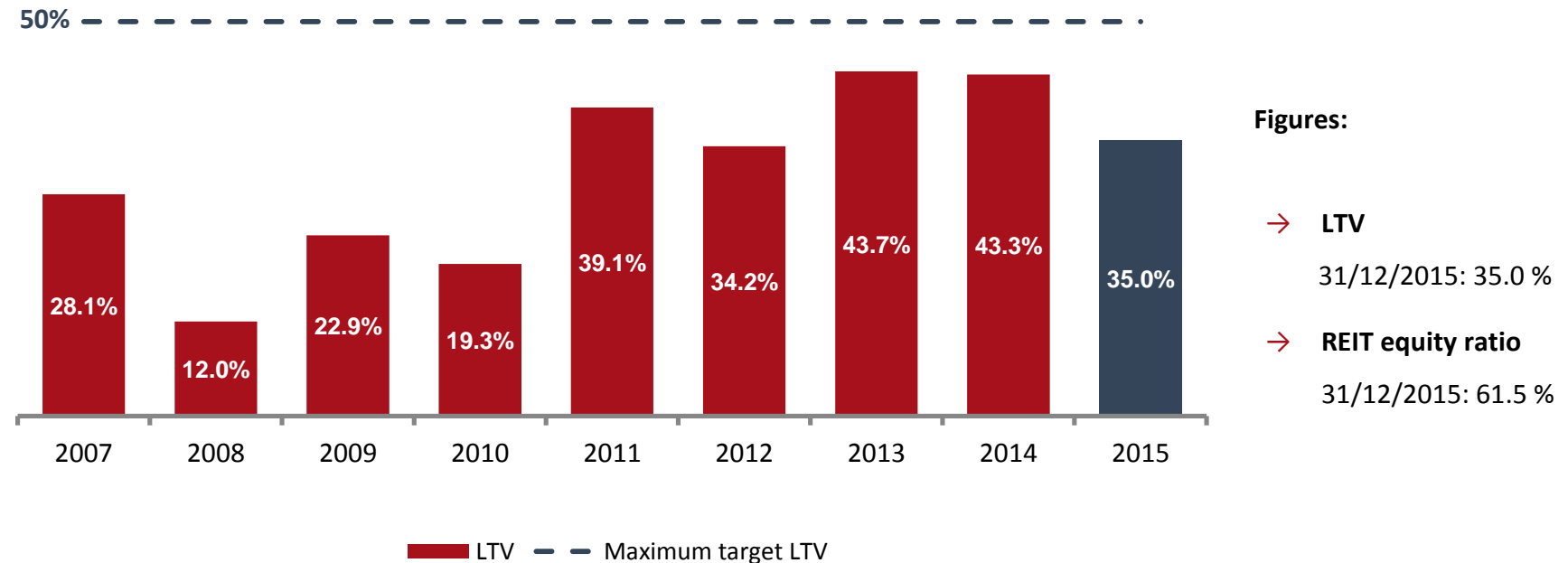
Average cost of debt



Financial Figures / Financial Position

Low LTV, equity ratio well within REIT criteria

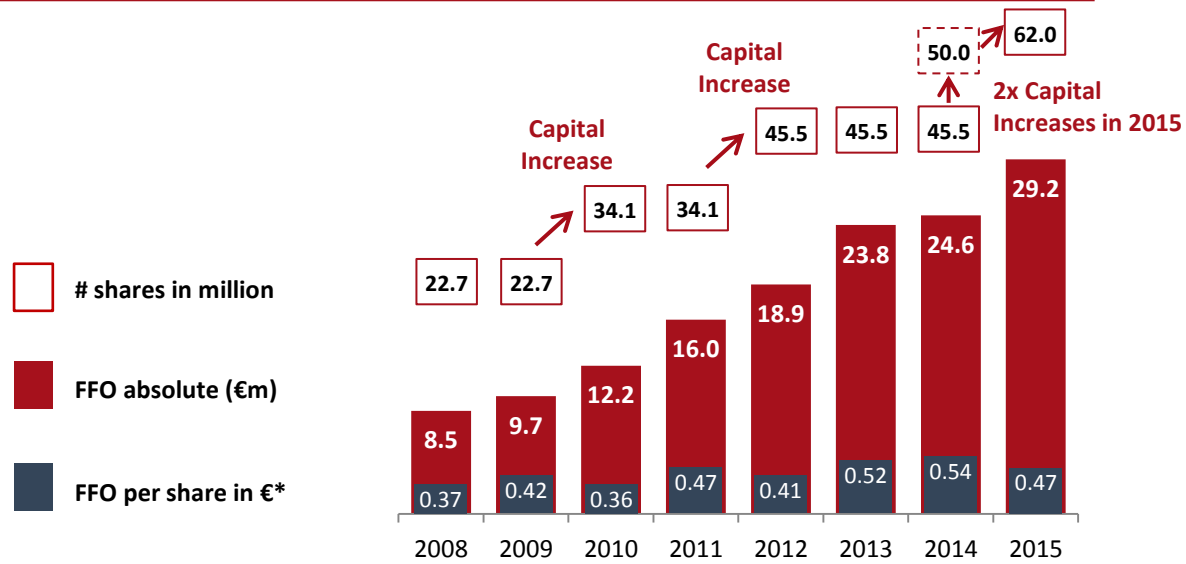
Loan-to-value (%)



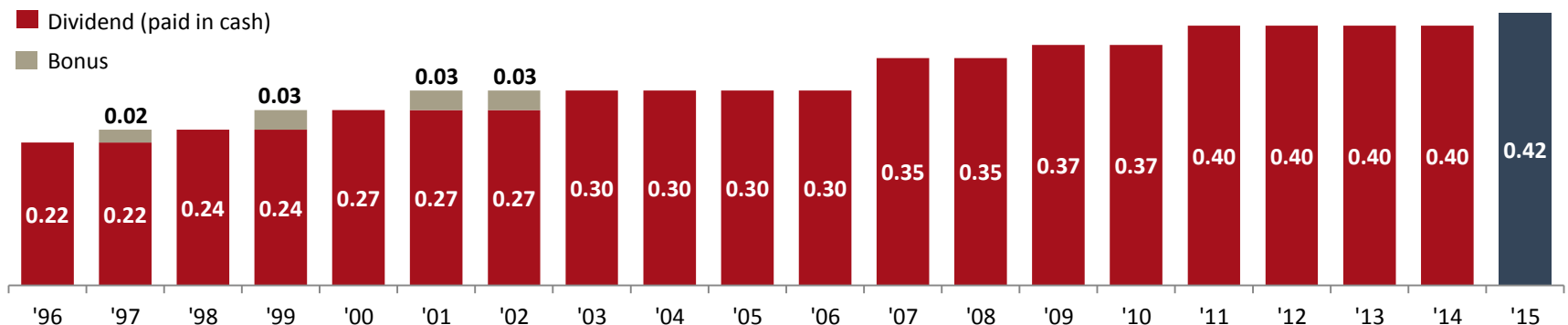
Financial Figures/Financial Position

Increasing FFO and dividend per share

Funds From Operations (FFO) per share (in €)



Dividend per share (€)



* Calculation of FFO per share with outstanding shares at the respective time

Conclusion

Successful financial year 2015

- Positive development of operational business
- Increasing portfolio value to € 900 million
- Increasing portfolio quality with the sale of eight smaller properties with high administrative requirements and the purchase of six assets in Aachen, Celle, Fürth, Gießen, Berlin and Neu-Isenburg
- Strong asset-management
- Robust financial situation

Outlook 2016

- Transfer of possession of the property in Lübeck on 29/02/2016
- Purchase contracts signed for Ditzingen and Münster with transfer of possession in Q2 2016
- The Management assumes growth in rental income and FFO of between 13% and 15% in 2016; this forecast does not take into account other acquisitions or disposals not yet specified further.
- Remaining fire power € 100-120 million

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**

HAMBORNER REIT AG	
Annual Report 2015	22 March 2016
Interim Report for 1st quarter 2016	27 April 2016
AGM 2016	28 April 2016
Dividend payment	29 April 2016
Interim Report for 1st half 2015	10 August 2016
Interim Report for 3rd quarter 2015	08 November 2016

Many thanks for your attention!

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