



hamborner
REIT



ZUKUNFT BRAUCHT SUBSTANZ

Company Presentation

Dr. Rüdiger Mrotzek

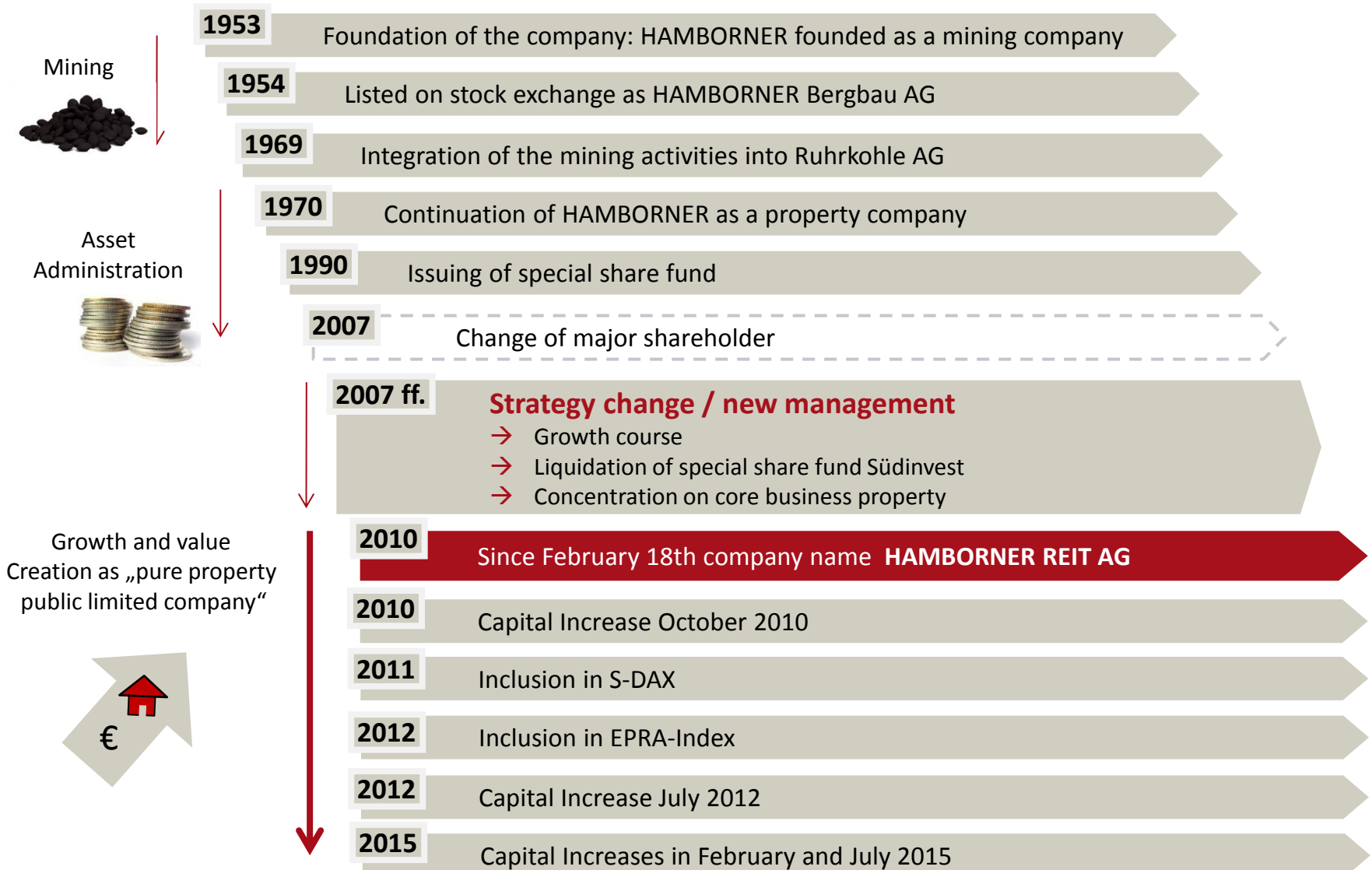
Hans Richard Schmitz

May 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

32 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

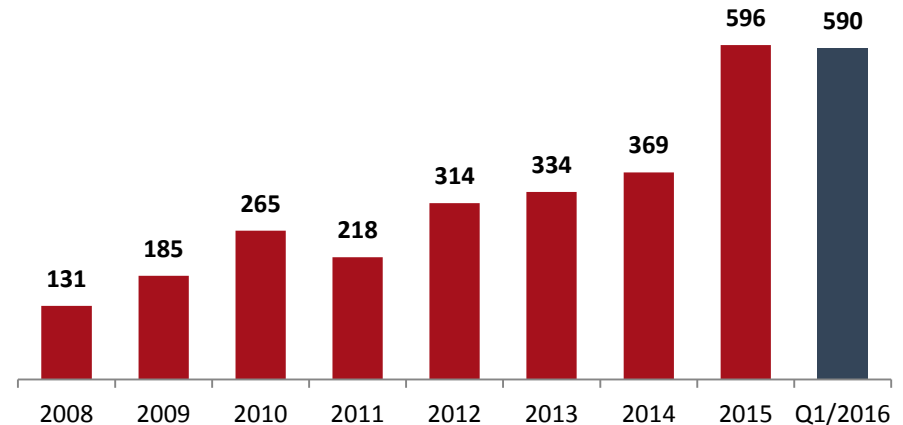
History / Capital markets track record

Growing market capitalization and increasing free float

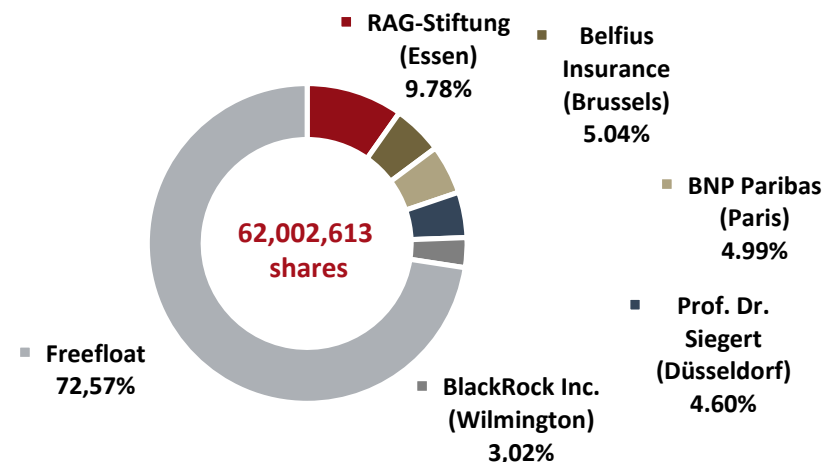
Overview events

- **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)



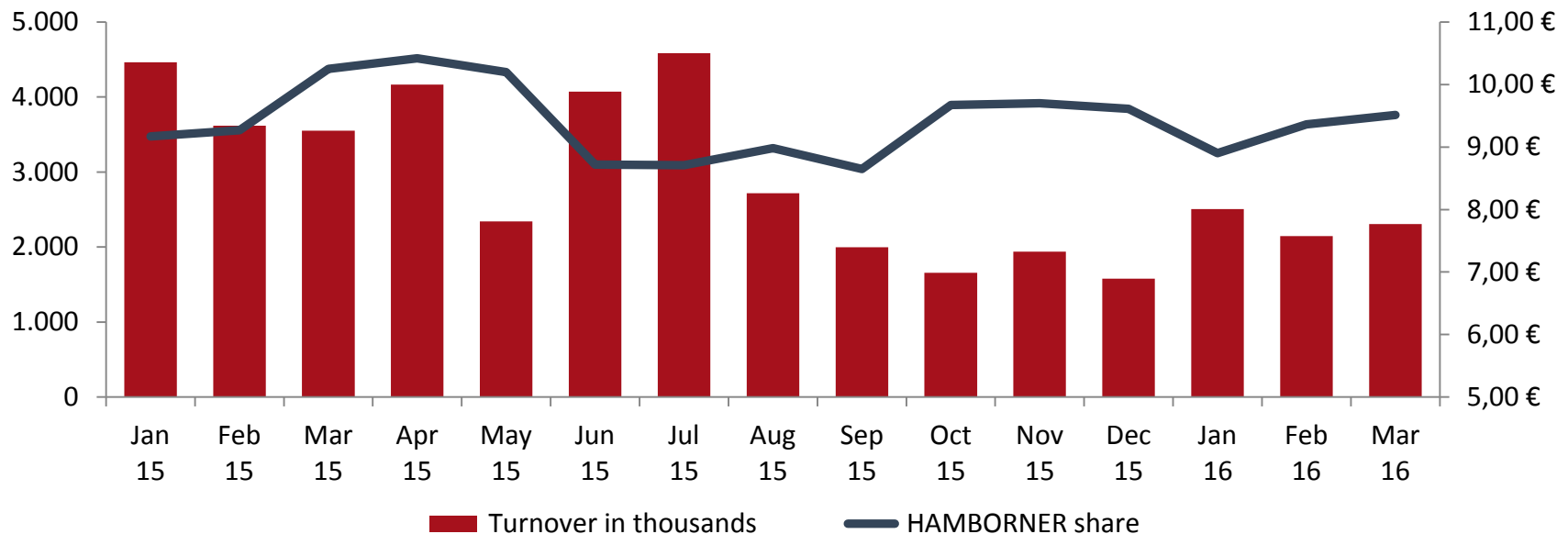
Shareholders



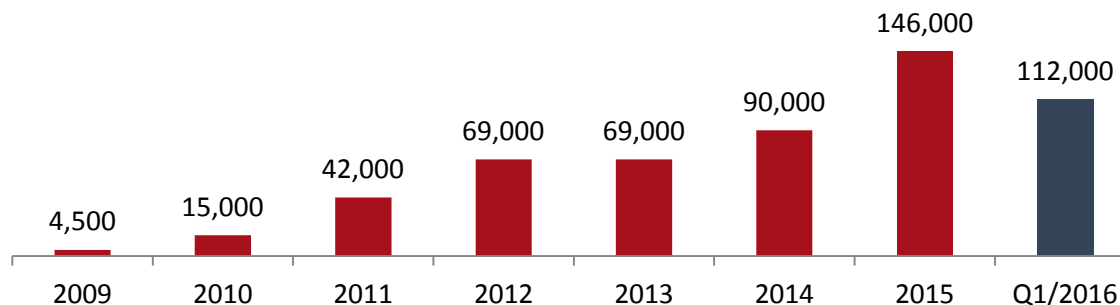
History / Capital markets track record

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 |
| 4 | Financial Figures / Financial Position |

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

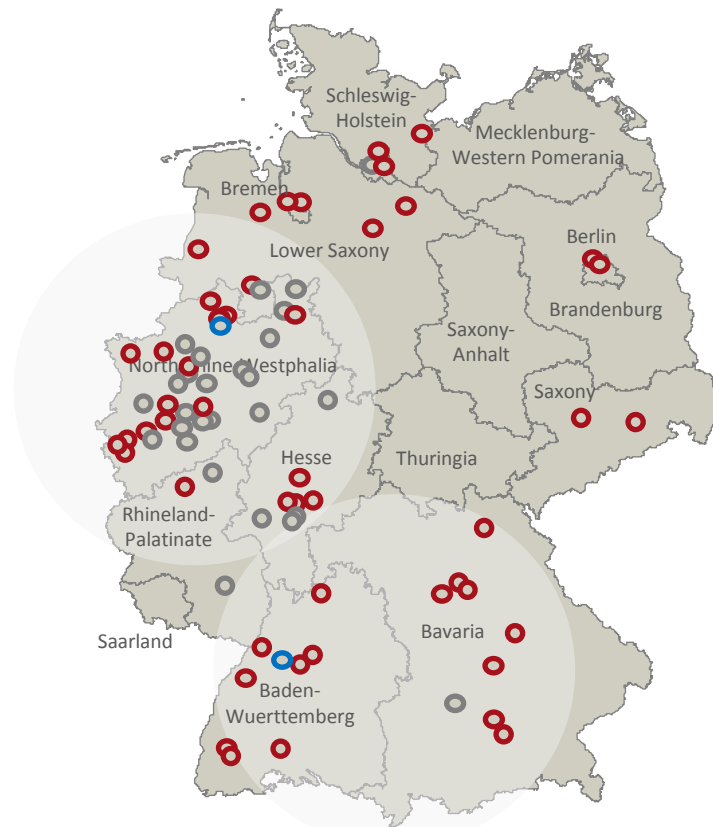
- **Diversified commercial real estate portfolio structure with clear yield-orientation**
- **Creating value through continuous expansion of portfolio/benefit from scale-effects**

Portfolio-Management

Balanced portfolio with 100% German focus

(as at 31. March 2016)

Geographical portfolio spread

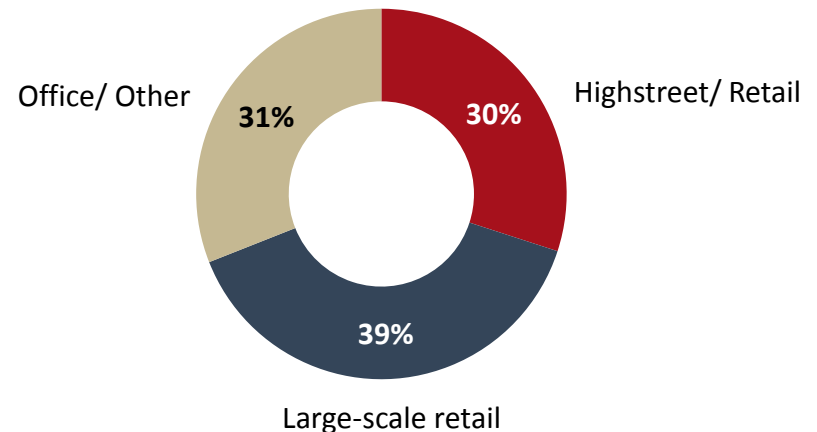


● Portfolio until 2006 ● Portfolio from 2007 ● Purchase contract signed

Diversification of asset types

- 67 properties in 55 cities in Germany
- Focus on West and South-West
- € 943 million portfolio value

Annualised rental income (100% = € 60.7 million)



Regional diversification

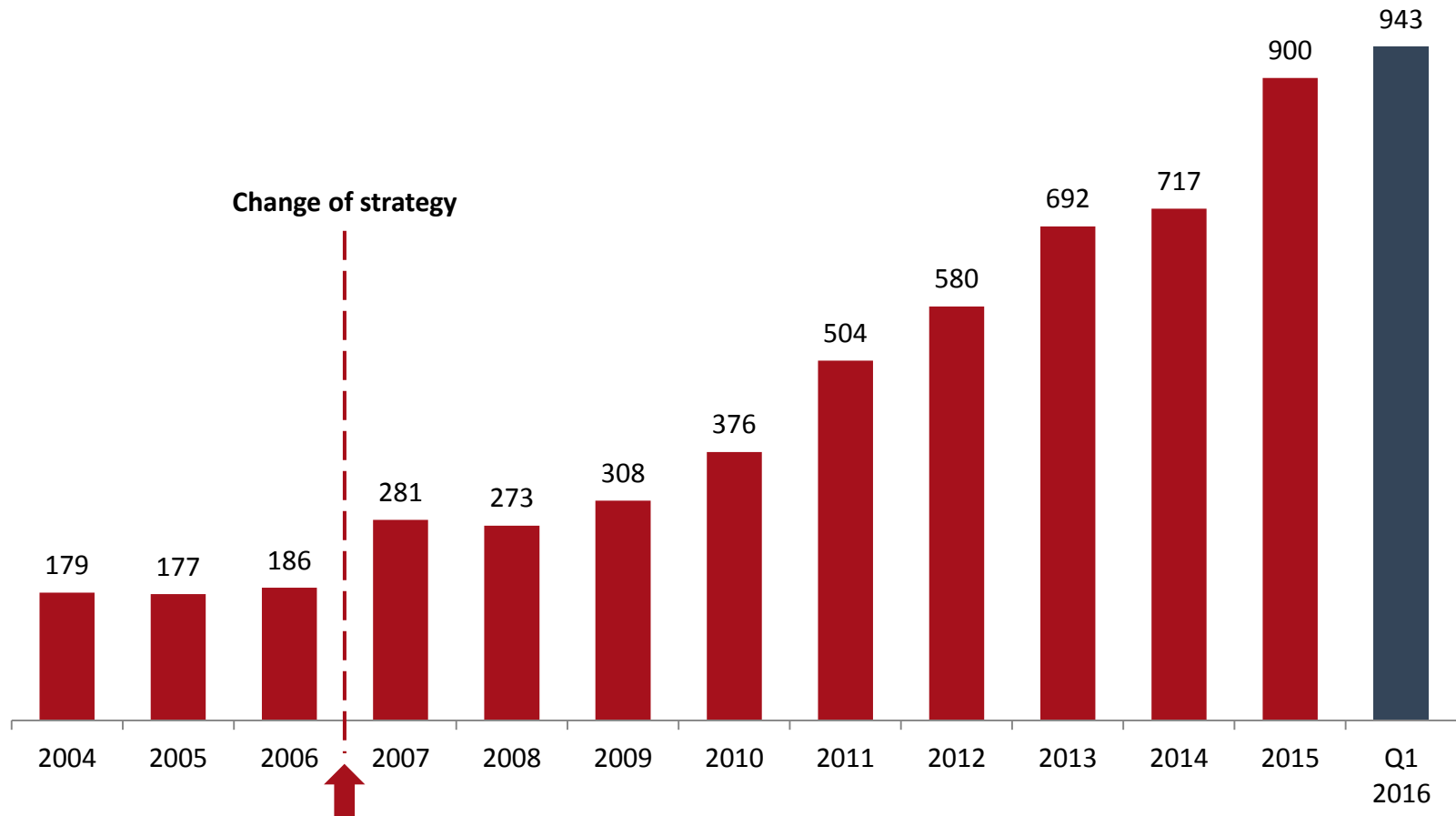
(as at 31. March 2016)

<u>Federal State</u>	<u>Number of objects</u>	<u>Share in the market value of total portfolio</u>
North Rhine-Westphalia	23	23%
Bavaria	9	22%
Baden-Wuerttemberg	8	14%
Hesse	8	10%
Lower Saxony	6	8%
Berlin	2	7%
Schleswig-Holstein	1	5%
Hamburg	3	3%
Rhineland-Palatinate	3	3%
Bremen	2	3%
Saxony	2	3%
Total	67	

Portfolio-Management

Portfolio Development

Development of the HAMBORNER portfolio value (in € million)

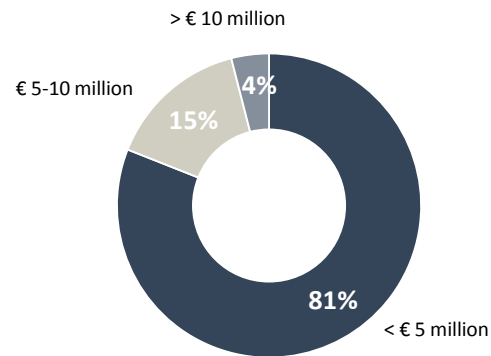


Portfolio-Management

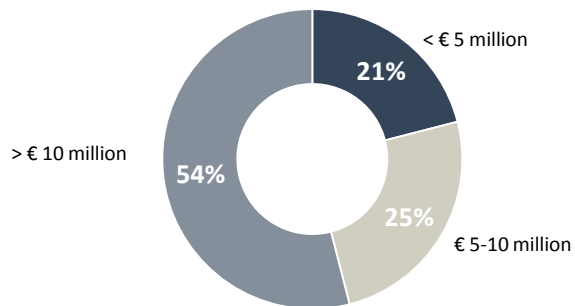
Increasing value per asset through acquiring larger assets

Portfolio split by property value

2006 (100% = 54 properties)

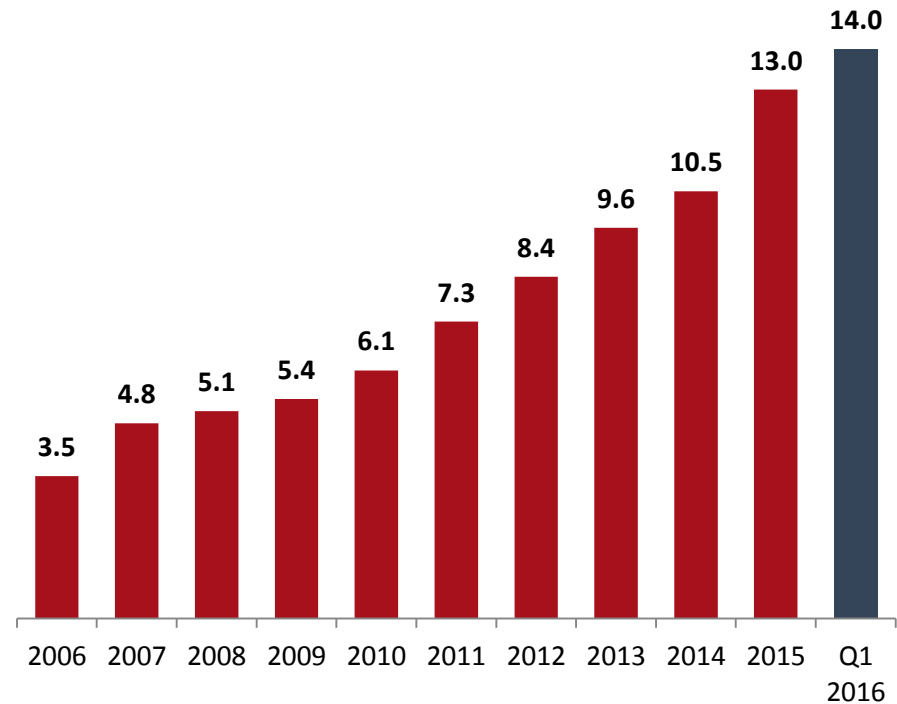


31/03/2016 (100% = 67 properties)



Average value per asset (in € million)

31/03/2016 (Number of properties = 67)



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	13.8 years	11.9 years	12.4 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	6.4 years	11.8 years	15.0 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. € 3.3 million	approx. € 0.8 - € 0.9 million (steprent)	approx. € 0.43 million
Remaining term	3.3 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. € 6.1 million
Transfer of possession	29/02/2016	Q2 2016e	Q2 2016e

Portfolio-Management

Divestments 2015/Transfer of possession 2016



Duisburg

Price: € 2.64 million
Transfer of poss. 28/01/2016



Dinslaken

Price: € 1.94 million
Transfer of poss. 28/01/2016



Solingen

Price: € 3.17 million
Transfer of poss. 28/01/2016



Kassel

Selling price: € 0.7 million
Transfer of poss. Q2/2016e

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

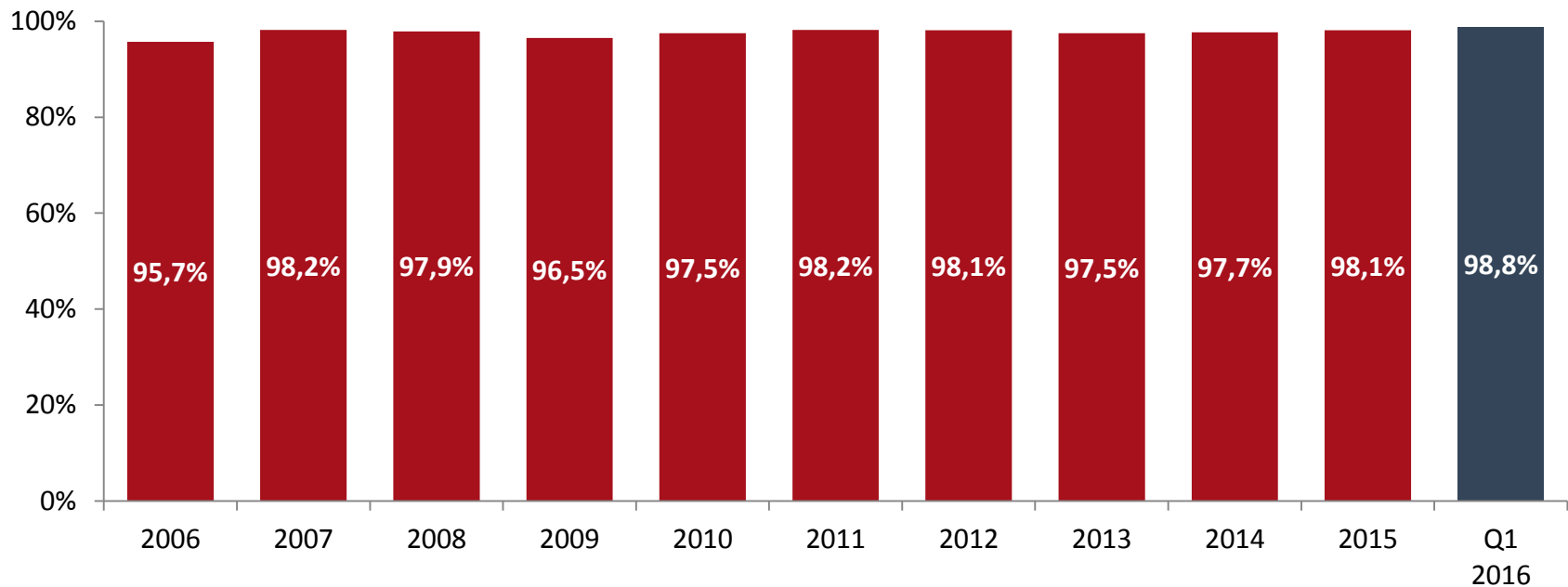
2 Portfolio-Management

3 Asset-Management

4 Financial Figures / Financial Position

High and stable occupancy

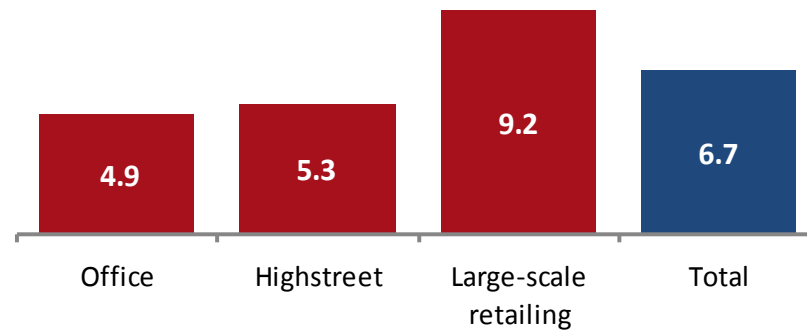
Occupancy rates



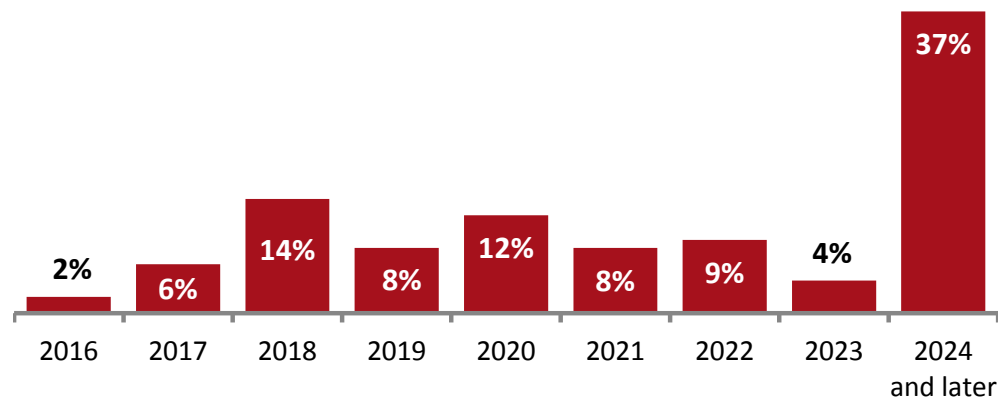
→ Vacancy rate as at 31/03/2016 incl. rent guarantees: 1.2 %

Long-term leases

Weighted average lease expiry by type (31/03/2016, in years)



Split of lease contracts expiring by year (31/03/2016)



Solid tenants

Top 10 tenants (31/03/2016, % of annual rent)

	<u>Tenant</u>	<u>Sector</u>	
	EDEKA Group	Discount food retail	13.3%
	Kaufland Group	Discount food retail	8.6%
	OBI	Retail (DIY)	6.8%
	real,-	Discount food retail	5.1%
	Jobcenter	Agency of unemployment	4.4%
	H&M	Textile retail	2.8%
	REWE Group	Discount food retail	2.6%
	C&A	Textile retail	1.9%
	SFC Energy	Industrials/Energy	1.6%
ESTÉE LAUDER	Estée Lauder	Luxury consumer goods	1.5%
	Total		48.6%

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Financial Figures / Financial Position

Strong first quarter 2016

Highlights

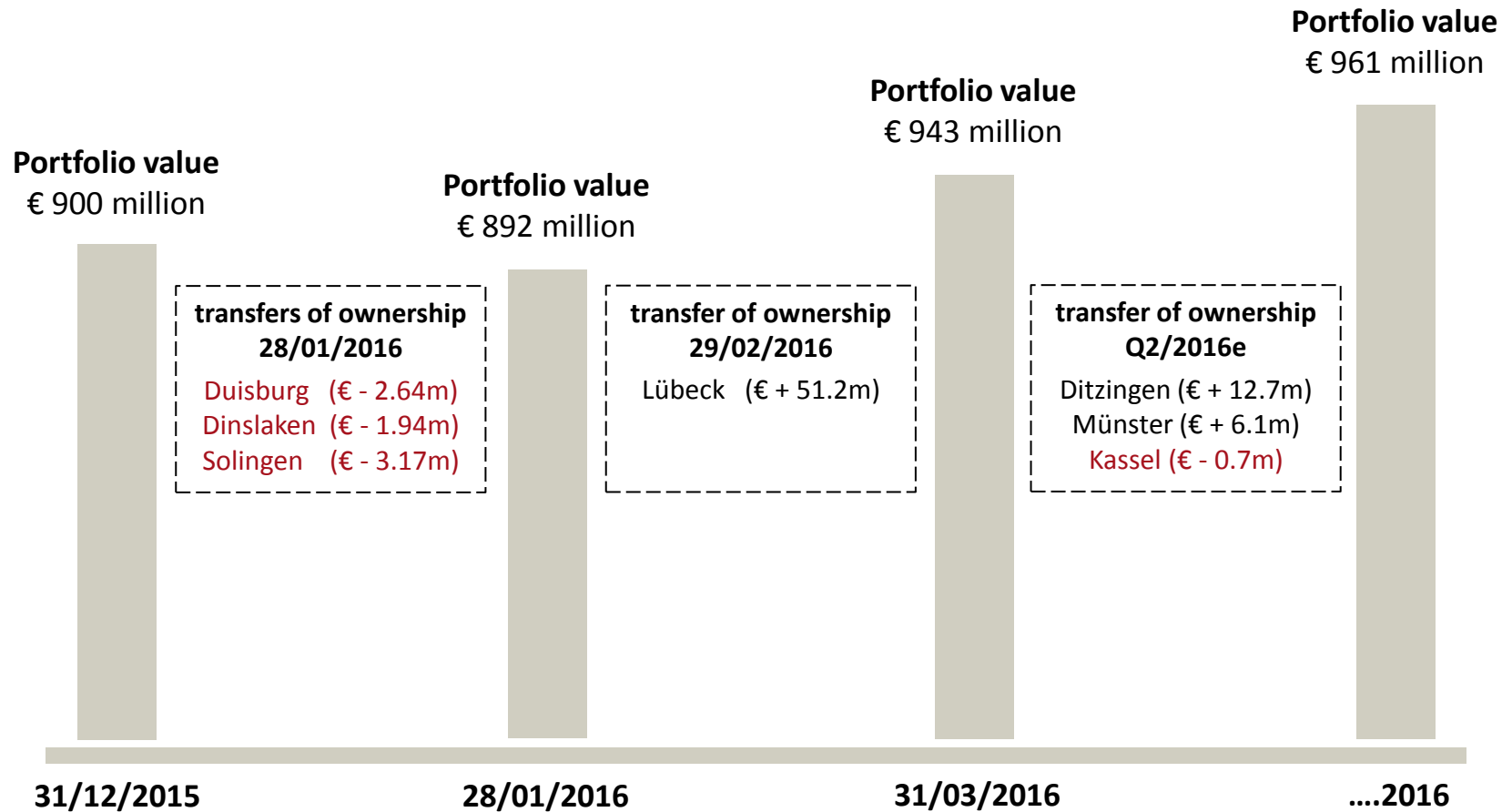
- Positive operational business development
- Increase of income from rents and leases: + 23.2%
- FFO increase: + 35.8%
- Vacancy rate: 1.2% (1.6% excl. rent guarantees)
- Transfer of possession of Haerder-Centre in Lübeck on 29/02/2016
- Total portfolio volume: approx. € 943 million
- NAV per share: € 9.22

Significant key figures for the first quarter 2016

Key figures	Q1 2016	Q1 2015	Change
Rental revenues	€ 14.7 million	€ 11.9 million	+ 23.2 %
Operating result	€ 7.0 million	€ 5.6 million	+ 25.8 %
Profit for the period	€ 6.1 million	€ 2.4 million	n/a
Funds from operations	€ 9.0 million	€ 6.6 million	+ 35.8 %
Funds from operations (FFO) per share	€ 0.15	€ 0.13	
Number of shares	62,002,613	50,042,665	
	31/03/2016	31/12/2015	
REIT equity ratio	59.6 %	61.5 %	- 1.9 %-points
Loan to value (LTV)	37.6 %	35.0 %	+ 2.6 %-points
Net asset value (NAV) per share	€ 9.22	€ 9.11	+ 1.2 %

Financial Figures / Financial Position

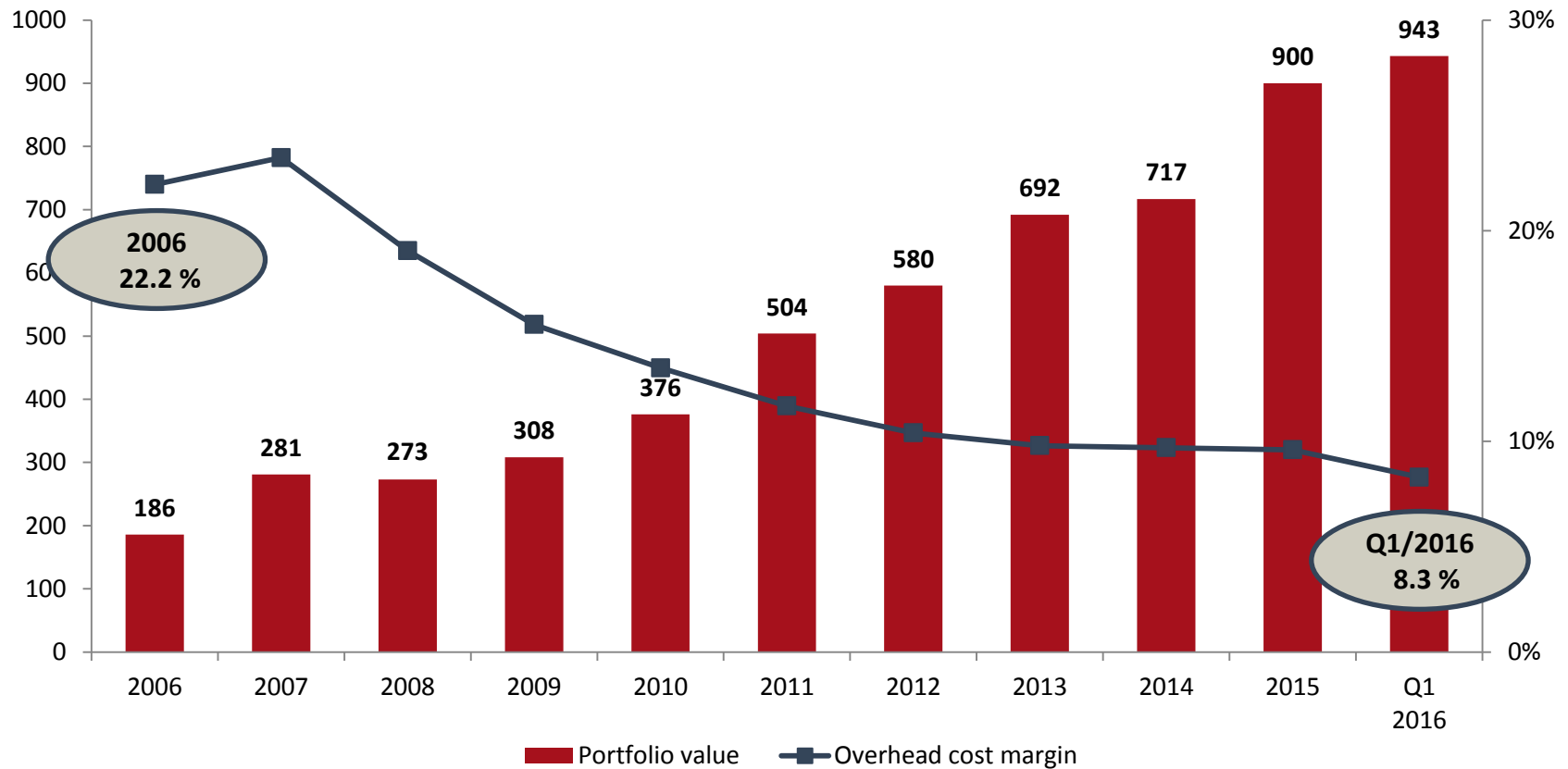
Portfolio development 2016



Financial Figures / Financial Position

Benefitting from economies of scale

Portfolio value (€ million) and overhead cost margin*

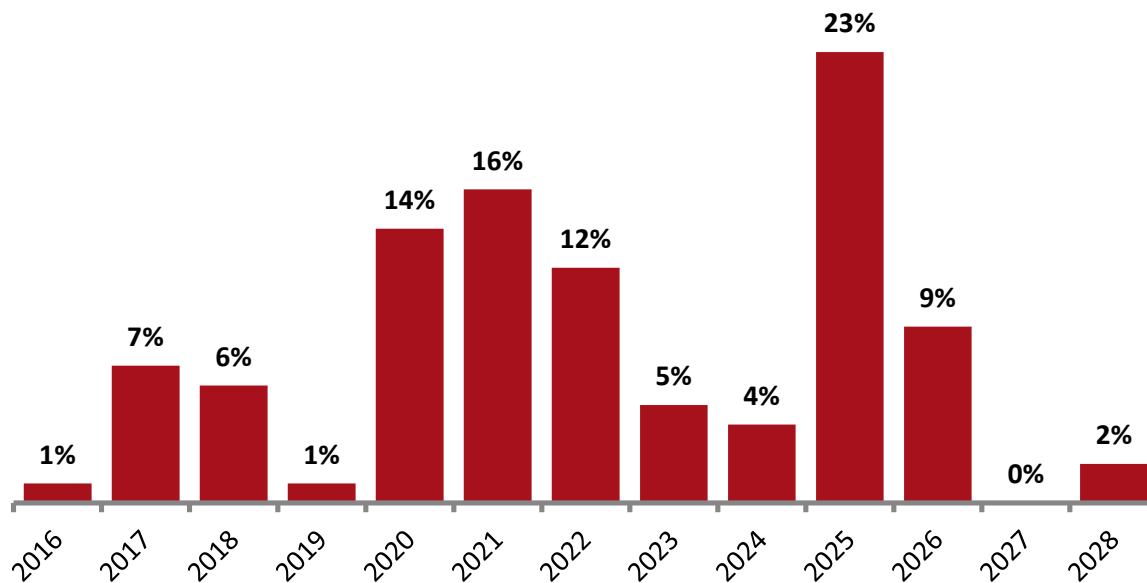


* Personnel and administrative costs divided by income from rents and leases.

Financial Figures / Financial Position

Stable and predictable cost of debt

Expiration of fixed interest rates (31/03/2016)



- Financial debt: € 384.2 million
- Liquid funds: € 28.3 million
- LTV: 37.6 %
- REIT equity ratio: 59.6 %

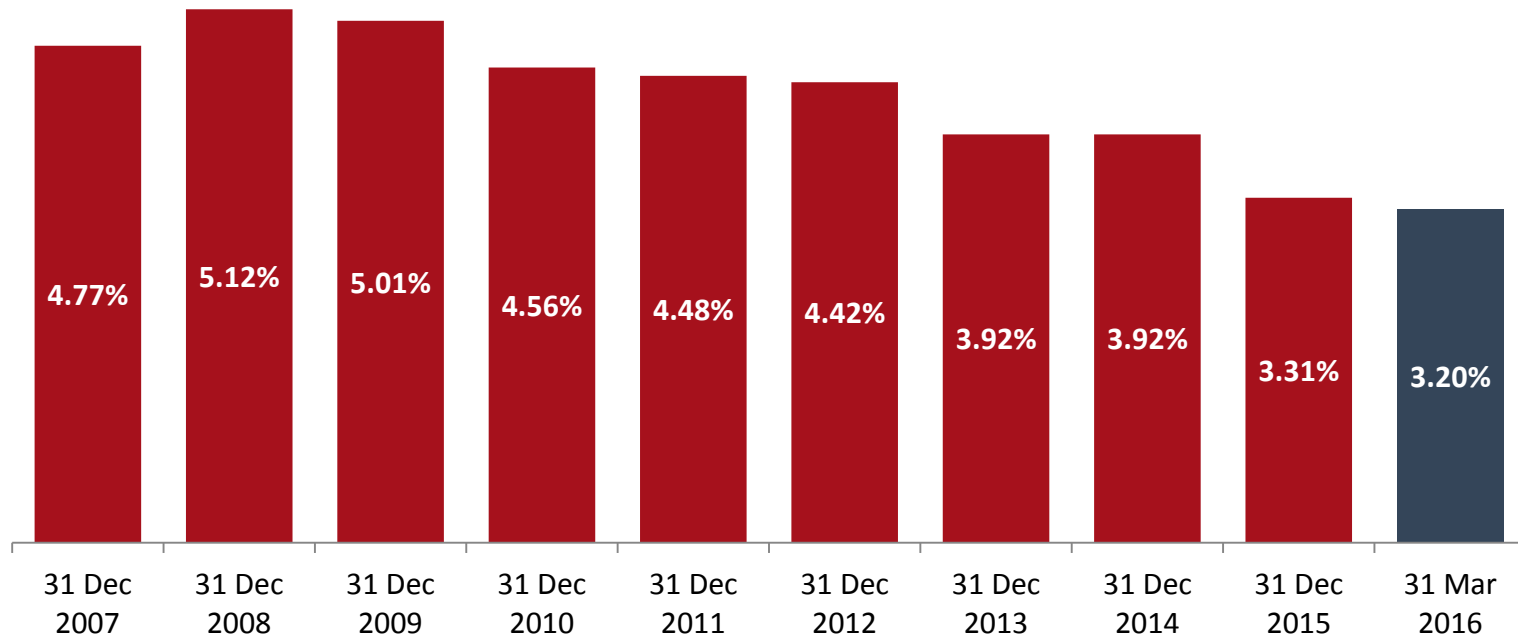
- Average maturity of fixed interest rates: 6.5 years
- Average cost of debt: 3.2 %

- Banks
 - Institutional banks
 - Cooperative banks
 - Saving banks
 - Insurance companies

Financial Figures / Financial Position

Lower marginal funding costs

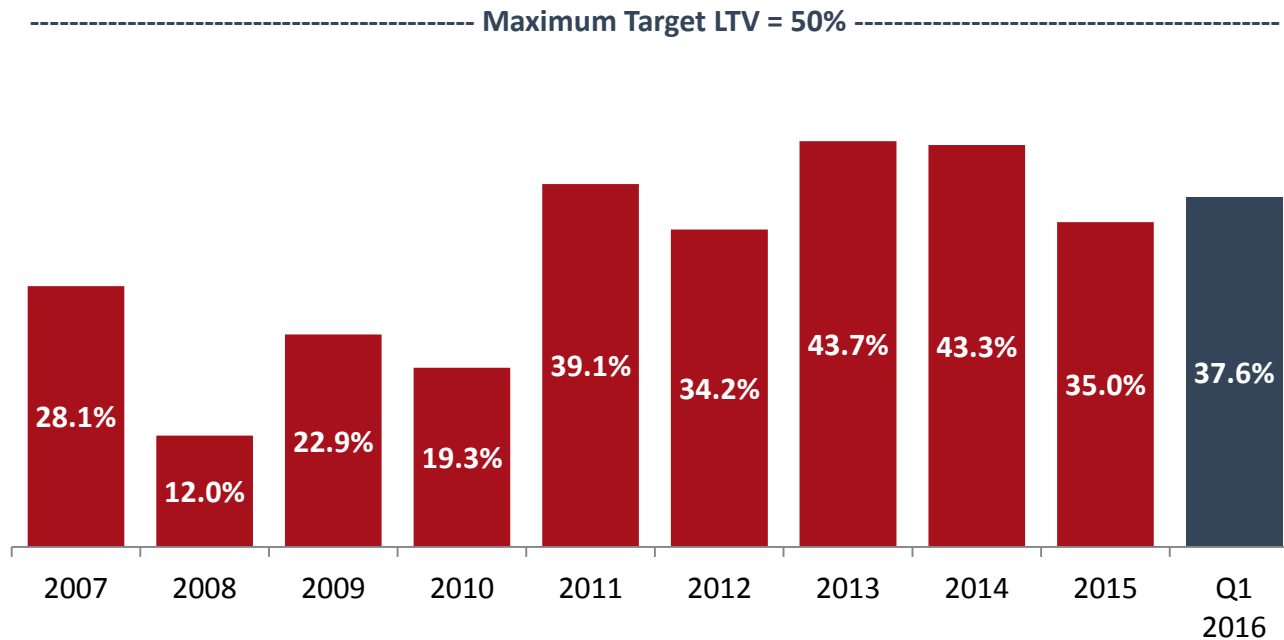
Average cost of debt



Financial Figures / Financial Position

Low LTV, equity ratio well within REIT criteria

Loan-to-value (%)



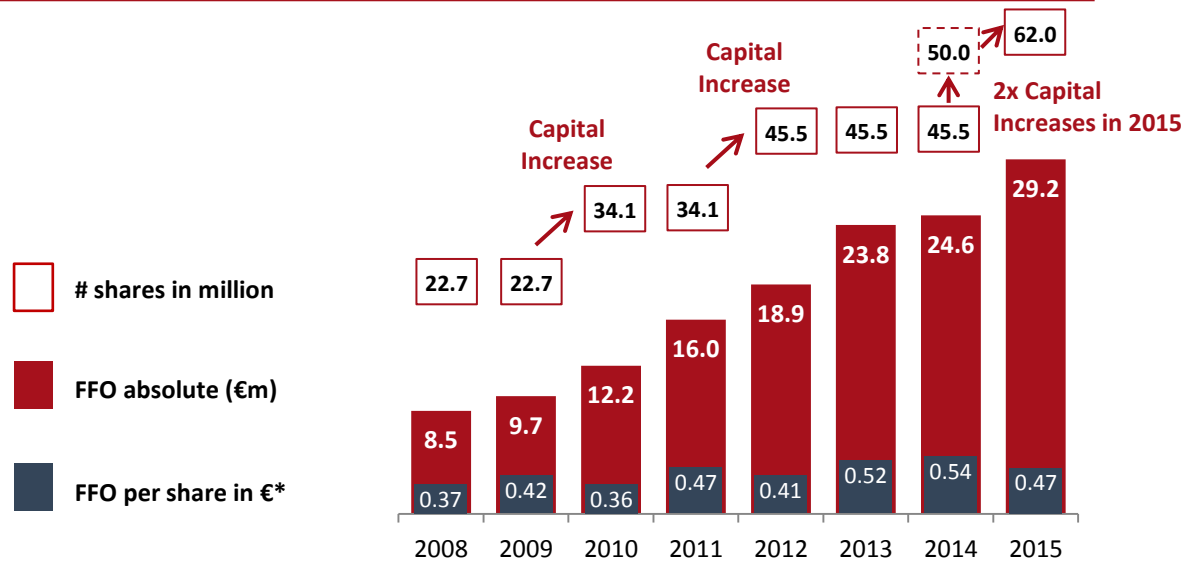
Figures:

- LTV
31/03/2016: 37.6%
- REIT equity ratio
31/03/2016: 59.6%

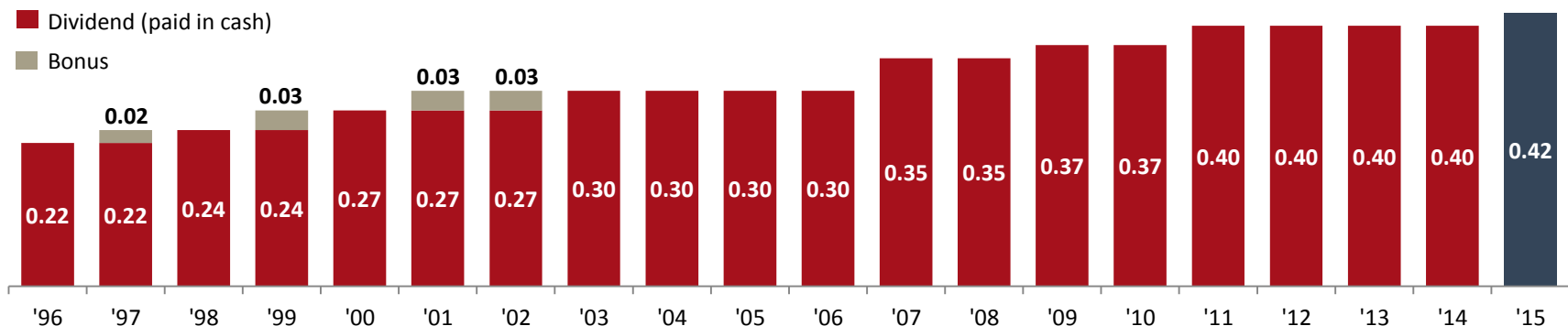
Financial Figures / Financial Position

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 and outlook

1. Conclusion/Summary

- Successful first quarter 2016
- Positive development of operational business
- Transfer of possession of Haerder-Centre in Lübeck on 29/02/2016
- Purchase contract signed for office property in Münster
- Disposal of three smaller properties in Dinslaken, Solingen and Duisburg

2. Forecast 2016

- Expected growth in rental income and FFO between 13% and 15 %
- FFO per share round about € 0.54 (62m shares)
- 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

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→ **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	
Interim Report for 1st half 2016	10 August 2016
Interim Report for 3rd quarter 2016	8 November 2016
Annual report 2016	28 March 2017
Interim Report for 1st quarter 2017	09 May 2017
AGM 2017	10 May 2017

Many thanks for your attention!

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