

Q3
2017

INTERIM REPORT AS AT 30 SEPTEMBER
2017

KEY FIGURES AT A GLANCE (IFRS)

€ thousand		
FROM THE INCOME STATEMENT	30 September 2017	30 September 2016
Income from rents and leases	54,638	45,341
Net rental income	48,865	41,191
Operating result	23,615	20,645
Financial result	-11,089	-10,657
EBITDA	48,121	41,277
EBDA	37,032	30,620
EBIT	26,794	24,734
Funds from operations (FFO)	33,853	26,531
Net profit for the period	15,705	14,077
FROM THE STATEMENT OF FINANCIAL POSITION	30 September 2017	31 December 2016
Total assets	1,125,260	1,006,760
Non-current assets	1,081,109	922,819
Equity	545,330	561,311
Equity ratio in %	48.5	55.8
REIT equity ratio in %	58.7	67.8
Loan-to-value (LTV) in %	40.0	30.1
ON HAMBORNER SHARES	30 September 2017	30 September 2016
Number of shares outstanding	79,717,645	79,717,645
Basic = diluted earnings per share in €	0.20	0.23
Funds from operations (FFO) per share in €	0.42	0.33
Stock price per share in € (Xetra)	9.15	9.42
Market capitalisation	729,416	750,940
THE HAMBORNER PORTFOLIO	30 September 2017	31 December 2016
Number of properties	72	69
Fair value of property portfolio	1,282,450	1,115,010
Vacancy rate in % (including rent guarantees)	1.5	1.3
Weighted remaining term of leases in years	6.5	6.7
OTHER DATA	30 September 2017	31 December 2016
Net asset value (NAV)	758,430	768,486
Net asset value per share in €	9.51	9.64
Number of employees including Management Board	39	34

CONTENTS

4	LETTER FROM THE MANAGEMENT BOARD
5	INTERIM MANAGEMENT REPORT
5	General Economic Conditions
5	Report on Result of Operations, Net Asset Situation and Financial Position
7	Risk Report
7	Forecast Report
8	Supplementary Report
9	CONDENSED INTERIM FINANCIAL STATEMENTS OF HAMBORNER REIT AG AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017
9	Condensed interim income statement
10	Condensed interim statement of comprehensive income
11	Condensed interim statement of financial position
13	Condensed interim statement of cash flows
14	Condensed interim statement of changes in equity
15	Notes on the condensed interim financial statements
17	RESPONSIBILITY STATEMENT
18	ADDITIONAL INFORMATION

The financial reporting of HAMBORNER REIT AG is in accordance with IFRS (International Financial Reporting Standards) as applicable in the European Union.

This interim report was published on 9 November 2017.

LETTER FROM THE MANAGEMENT BOARD

DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN,

We are delighted to today present the report on the first nine months of the 2017 financial year. HAMBORNER REIT AG has continued the good business performance of the first half of the year and systematically pursued its growth targets in the third quarter. Income from rents and leases increased by 20.5% year-on-year to €54.6 million in the first nine months of this financial year. Our key control figure, funds from operations or FFO, was €33.9 million as at the end of the third quarter, 27.6% above the previous year's figure.

After taking ownership of three properties in the first half of this year – the "O³" in Cologne, "Market Oberfranken" in Hallstadt/Bamberg and "Kaufland" in Berlin-Marzahn, we expanded our portfolio again in the third quarter. Ownership of an office property in Ratingen was transferred in July. The state-of-the-art, high quality property was built at an established office location this year and had a purchase price of €34.4 million. "Rondo Steinheim", another new build, was transferred to the HAMBORNER portfolio in mid-August. The purchase price for the retail centre completed in the summer was €37.5 million. The total investment volume by the end of September was therefore already around €180.6 million.

We also remained active as a seller in the past quarter. Our retail property in Minden was transferred to the buyer as at 1 September. The sale price was €4.5 million. Including the additions and disposals in the first nine months of this year, HAMBORNER had a portfolio of 72 properties with a fair value of more than €1.3 billion as at 30 September 2017.

At the beginning of November, the transfer of ownership of the now-completed office property in Kiel took place. The purchase agreement had already been signed last year. Moreover, the transfer of ownership of the property under construction in Passau is expected in the fourth quarter of 2017. We are therefore looking forward to the coming weeks and months.

We would like to take this opportunity to thank you for your confidence, and we look forward to further success in the rest of the year.

Duisburg, November 2017



Dr Rüdiger Mrotzek



Hans Richard Schmitz

INTERIM MANAGEMENT REPORT

General Economic Conditions

The leading economic research institutes have raised their growth forecast for the German economy in 2017 from 1.5% to currently 1.9% in their autumn report. An increase in gross domestic product of 2.0% is expected for the coming year. Unlike in previous quarters, foreign trade was one of the main factors driving the strong growth alongside private consumer spending.

The labour market is still in good condition. The number of people in employment rose further to 44.5 million in September 2017 and is expected to climb to 45.2 million by 2018. The number of people out of work was 2.5 million at the end of September of this year. Institutes are forecasting an unemployment rate of 5.7% for 2017, gradually falling to 5.2% by 2019.

After low recent inflation, consumer prices are expected to rise a little more strongly by 1.7% to 1.8% in 2017.

Report on Result of Operations, Net Asset Situation and Financial Position

As expected, the result of operations, net asset situation and financial position of HAMBORNER REIT AG were good in the first nine months of 2017.

Result of Operations

Income from rents and leases amounted to €54,638 thousand by the end of September 2017 (previous year: €45,341 thousand). The increase as against the same period of the previous year was therefore €9,297 thousand or 20.5%. €9,865 thousand (21.8%) of this growth resulted from the property acquisitions of 2016 and the first nine months of the current financial year. The rental income from properties that were in our portfolio in both the first nine months of this year and the same period of 2016 (like-for-like) was on par with the previous year at €-13 thousand (0.0%). Rental income declined by a total of €555 thousand (1.2%) as a result of property disposals.

The economic vacancy rate including agreed rent guarantees was 1.5% in the first nine months of the reporting year (previous year: 1.4%). Not including rent guarantees, the vacancy rate was 1.7% (previous year: 1.7%).

The company generated income from passed-on incidental costs to tenants of €8,449 thousand, up €2,473 thousand (41.4%) on the figure for the same period of the previous year (€5,976 thousand). At the same time, expenses for the management of properties increased by €2,852 thousand (34.0%) to €11,252 thousand (previous year: €8,400 thousand) by the end of September 2017.

The expenses for the maintenance of the land and property portfolio amounted to €2,970 thousand for the first nine months of 2017, and were €1,244 thousand higher than in the previous year (€1,726 thousand). The expenses predominantly relate to minor ongoing maintenance and various planned measures. The increase in maintenance expenses compared to the previous year is due in particular to the larger property portfolio.

At €48,865 thousand, the net rental income derived from the above items is €7,674 thousand or 18.6% higher than the value for the same period of the previous year (€41,191 thousand).

Administrative and personnel expenses totalled €4,069 thousand in the reporting period, up €290 thousand or 7.7% on the previous year's level (€3,779 thousand). Administrative expenses increased by €38 thousand (4.2%) year-on-year. Personnel expenses climbed by €252 thousand or 8.8% at the same time. The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, declined further as a result of the low rise in administrative and personnel expenses relative to rental income, and was 7.4% (previous year: 8.3%).

Depreciation and amortisation expenses rose by €4,784 thousand to €21,327 thousand in the reporting period after €16,543 thousand in the same period of the previous year as a result of property acquisitions in particular.

Other operating income amounted to €957 thousand in the period from January to September (previous year: €554 thousand). This includes a compensation payment of €550 thousand from a tenant for the early termination of a rental agreement at the property in Linzer Str., Bremen. Furthermore, other operating income contains €43 thousand from the reversal of provisions and €364 thousand in compensation, reimbursements and expenses passed on in connection with property management.

Other operating expenses amounted to €811 thousand in the first nine months (previous year: €778 thousand). This item includes membership fees of €130 thousand (previous year: €110 thousand) and costs of public relations work of €127 thousand (previous year: €250 thousand). Furthermore, €219 thousand (previous year: €211 thousand) relates to input tax adjustments due to the conclusion of VAT-exempt leases (section 15a of the *Umsatzsteuergesetz* (UStG – German VAT Act), which were passed on to tenants or compensated for by corresponding rent adjustments.

Thus, as at 30 September 2017, the company generated an operating result of €23,615 thousand after €20,645 thousand in the same period of the previous year.

The company generated earnings of €3,179 thousand (previous year: €4,089 thousand) from the disposal of properties in the first three quarters. Gains on disposals in the reporting year relate to two properties in Duisburg and Minden and around 98 thousand m² of undeveloped land. The figure for the previous year related to the sale of four smaller portfolio properties.

The financial result is €-11,089 thousand as against €-10,657 thousand in the same period of the previous year. At €-11,169 thousand (previous year: €-10,659 thousand), the interest expenses included in the financial result increased as against the same period of the previous year on account of the utilisation of further loans to finance property acquisitions in particular.

A net profit for the period of €15,705 thousand was generated in the first nine months of the current year after €14,077 thousand in the same period of the previous year. Funds from operations (FFO), i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals, increased substantially by 27.6% and amounted to €33,853 thousand in the reporting period (previous year: €26,531 thousand). This corresponds to FFO per share of 42 cents (previous year: 33 cents).

Net Asset Situation and Financial Position

An office property in Cologne (purchase price: €48.9 million), "market Oberfranken" in Hallstadt/Bamberg (purchase price plus leasehold improvements yet to be implemented: €43.7 million) and a Kaufland store in Berlin (purchase price: €16.2 million) were added to the property portfolio in the first half of 2017.

The third quarter then saw the transfer of ownership of a newly built office property in Ratingen (purchase price: €34.4 million) and a retail centre in Hanau that opened in 2017 (purchase price: €37.5 million).

In terms of sales, ownership of one property in Minden was transferred to the buyer on 1 September 2017. The sale price was €4.5 million with a residual carrying amount of €3.9 million. The risks and rewards of ownership of the property in Duisburg, reported under "Non-current assets held for sale" as at 31 December 2016 were transferred on 1 April 2017. The sale price of €9.5 million was offset by a residual carrying amount of €7.2 million.

The updated fair value of the developed property portfolio taking into account the above changes was €1,282.5 million as at the end of the quarter under review (31 December 2016: €1,115.0 million).

The company had cash and cash equivalents of €41.5 million on 30 September 2017 (31 December 2016: €75.3 million). Cash outflows for investments in property assets (€183.7 million), dividend payments (€34.3 million) and interest and principal repayments for loans (€18.6 million) were essentially offset by cash inflows from operating activities (€42.8 million; previous year: €35.4 million) and the borrowing of loans (€145.5 million). Furthermore, there are other financing commitments of €75.4 million as at 30 September 2017.

In terms of equity and liabilities, equity amounted to €545.3 million as at 30 September 2017 after €561.3 million as at 31 December 2016. The reported equity ratio as at the end of the period was 48.5% after 55.8% as at 31 December 2016. The REIT equity ratio was 58.7% after 67.8% as at 31 December 2016.

Current and non-current financial liabilities increased by a net amount of €138.0 million as a result of the utilisation of loans to finance property acquisitions less scheduled repayments, and amounted to €552.4 million at the end of the reporting period after €414.5 million as at 31 December 2016. The average borrowing rate for loans in place and those agreed but not yet utilised as at 30 September 2017 is 2.6%.

The fair value of derivative financial instruments was €-3.1 million as at 30 September 2017, having improved further as against 31 December 2016 (€-5.5 million).

The net asset value (NAV) of the company was €758.4 million as at 30 September 2017 (31 December 2016: €768.5 million). This corresponds to NAV per share of €9.51 (31 December 2016: €9.64). NAV is determined by the fair values of the company's assets – essentially the value of properties – net of the borrowed capital.

Risk Report

As a property company with a portfolio spread across the whole of Germany, HAMBORNER REIT AG is exposed to a number of risks that could affect its result of operations, net assets situation and financial position. There are not currently any new significant changes in the assessment of risks to the business development of the company as against 31 December 2016. The comments made in the risk report in the 2016 management report therefore still apply.

No risks to the continuation of the company as a going concern are currently discernible.

Forecast Report

As an asset manager for commercial properties, HAMBORNER REIT AG held a portfolio of 72 properties as at 30 September 2017. In future, the company's strategy will be geared towards value-adding growth in the fields of retail, high street commercial properties and office properties.

We are standing by our basic estimates for future business prospects as published in the 2016 annual report. We are projecting an increase in income from rents and leases at the upper end of the previously forecast range of 18% to 20% for 2017 as a whole. We anticipate FFO of between around €44 million and €45 million. This would correspond to FFO per share of between around €0.55 and €0.56.

CONDENSED INTERIM FINANCIAL STATEMENTS OF HAMBORNER REIT AG AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

CONDENSED INTERIM INCOME STATEMENT

€ thousand	1 Jan. – 30 Sept. 2017	1 Jan. – 30 Sept. 2016	1 July – 30 Sept. 2017	1 July – 30 Sept. 2016
Income from rents and leases	54,638	45,341	18,811	15,417
Income from passed-on incidental costs to tenants	8,449	5,976	2,878	2,046
Real estate operating expenses	-11,252	-8,400	-3,537	-2,474
Property and building maintenance	-2,970	-1,726	-1,181	-731
Net rental income	48,865	41,191	16,971	14,258
Administrative expenses	-947	-909	-240	-239
Personnel expenses	-3,122	-2,870	-1,060	-946
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-21,327	-16,543	-7,465	-5,625
Other operating income	957	554	95	87
Other operating expenses	-811	-778	-232	-208
	-25,250	-20,546	-8,902	-6,931
Operating result	23,615	20,645	8,069	7,327
Result from the sale of investment property	3,179	4,089	575	1,625
Earnings before interest and taxes (EBIT)	26,794	24,734	8,644	8,952
Interest income	80	2	26	1
Interest expenses	-11,169	-10,659	-3,847	-3,709
Financial result	-11,089	-10,657	-3,821	-3,708
Net profit for the period	15,705	14,077	4,823	5,244
Basic = diluted earnings per share in €	0.20	0.23	0.06	0.08

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

€ thousand	1 Jan. – 30 Sept. 2017	1 Jan. – 30 Sept. 2016	1 July – 30 Sept. 2017	1 July – 30 Sept. 2016
Net profit for the period as per the income statement	15,705	14,077	4,823	5,244
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the re-valuation of derivative financial instruments	2,413	1,711	727	803
Items not subsequently reclassified to profit or loss:				
Actuarial gains/losses (-) on defined benefit obligations	180	-875	0	-175
Other comprehensive income for the period	2,593	836	727	628
Total comprehensive income for the period	18,298	14,913	5,550	5,872

Other comprehensive income relates to actuarial losses on defined benefit obligations and the effective portion of changes in the fair value of interest rate swaps used to manage the risk of interest rate fluctuations (cash flow hedge).

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION – ASSETS

€ thousand	30 September 2017	31 December 2016
NON-CURRENT ASSETS		
Intangible assets	502	488
Property, plant and equipment	3,221	3,017
Investment property	1,076,231	916,249
Advance payments on investment property	0	2,000
Financial assets	940	834
Other assets	215	231
	1,081,109	922,819
CURRENT ASSETS		
Trade receivables and other assets	2,652	1,412
Cash and cash equivalents	41,499	75,335
Non-current assets held for sale	0	7,194
	44,151	83,941
Total assets	1,125,260	1,006,760

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

€ thousand	30 September 2017	31 December 2016
EQUITY		
Issued capital	79,718	79,718
Capital reserves	391,194	391,194
Retained earnings	74,418	90,399
	545,330	561,311
NON-CURRENT LIABILITIES AND PROVISIONS		
Financial liabilities	514,071	393,588
Derivative financial instruments	2,480	4,402
Trade payables and other liabilities	1,840	2,327
Pension provisions	6,934	7,387
Other provisions	2,992	3,030
	528,317	410,734
CURRENT LIABILITIES AND PROVISIONS		
Financial liabilities	38,367	20,876
Derivative financial instruments	620	1,111
Trade payables and other liabilities	11,461	11,158
Other provisions	1,165	1,570
	51,613	34,715
Total equity, liabilities and provisions	1,125,260	1,006,760

CONDENSED INTERIM STATEMENT OF CASH FLOWS

€ thousand	1 Jan. – 30 Sept. 2017	1 Jan. – 30 Sept. 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	15,705	14,077
Financial result	11,089	10,657
Depreciation, amortisation and impairment (+)/write-ups (-)	21,327	16,543
Change in provisions	-811	-824
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-3,185	-4,090
Change in receivables and other assets not attributable to investing or financing activities	-1,250	-935
Change in liabilities not attributable to investing or financing activities	-38	-67
	42,837	35,361
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in intangible assets, property, plant and equipment and investment property	-183,734	-153,956
Proceeds from disposals of property, plant and equipment and investment property	14,298	11,010
Proceeds from disposals of financial assets	11	3
Proceeds from the short-term financial management of cash investments	50,000	0
Payments relating to the short-term financial management of cash investments	0	-50,000
Interest received	106	2
	-119,319	-192,941
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-34,279	-26,041
Proceeds from borrowings of financial liabilities	145,500	81,770
Repayments of borrowings	-7,805	-9,440
Proceeds from capital increases	0	166,521
Payments for costs of capital increases	0	-3,071
Payments for cash collateral for financial liabilities	-4,191	0
Interest payments	-10,770	-10,383
	88,455	199,356
Changes in cash funds	11,973	41,776
Cash funds on 1 January (= cash and cash equivalents)	25,335	27,133
Cash and cash equivalents (with a remaining term of up to three months)	25,335	27,133
Fixed-term deposits (with a remaining term of more than three months)	50,000	0
Cash and cash equivalents on 1 January	75,335	27,133
Cash funds on 30 September	37,308	68,909
Cash and cash equivalents (with a remaining term of up to three months)	37,308	68,909
Fixed-term deposits (with a remaining term of more than three months)	0	50,000
Restricted cash and cash equivalents	4,191	0
Cash and cash equivalents on 30 September	41,499	118,909

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

€ thousand	Issued capital	Capital reserves	Retained earnings		Total equity
			Revaluation surplus	Other retained earnings	
As at 1 January 2016	62,003	247,259	-12,057	108,869	406,074
Distribution of profit for 2015 (€0.42 per share)				-26,041	-26,041
Capital increases	17,715	148,806			166,521
Costs of capital increases		-4,893			-4,893
Net profit for the period 1 Jan. – 30 September 2016				14,077	14,077
Other comprehensive income 1 Jan. – 30 September 2016			836		836
Total comprehensive income 1 Jan. – 30 September 2016			836	14,077	14,913
As at 30 September 2016	79,718	391,172	-11,221	96,905	556,574
Costs of capital increases		22			22
Net profit for the period 1 Oct. – 31 Dec. 2016				3,344	3,344
Other comprehensive income 1 Oct. – 31 Dec. 2016			1,371		1,371
Total comprehensive income 1 Oct. – 31 Dec. 2016			1,371	3,344	4,715
As at 31 December 2016	79,718	391,194	-9,850	100,249	561,311
Distribution of profit for 2016 (€0.43 per share)				-34,279	-34,279
Net profit for the period 1 Jan. – 30 September 2017				15,705	15,705
Other comprehensive income 1 Jan. – 30 September 2017			2,593		2,593
Total comprehensive income 1 Jan. – 30 September 2017			2,593	15,705	18,298
As at 30 September 2017	79,718	391,194	-7,257	81,675	545,330

NOTES ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

Information on HAMBORNER

HAMBORNER REIT AG is a listed corporation (SCN 601300) headquartered in Duisburg, Germany. This interim report of HAMBORNER REIT AG for the first nine months of 2017 was published on 9 November 2017. The interim financial statements have been prepared in euro (€), whereby all amounts – unless stated otherwise – are reported in thousands of euro (€ thousand). Minor rounding differences may occur in totals and percentages.

Principles of Reporting

This interim report of HAMBORNER REIT AG as at and for the period ended 30 September 2017 has been prepared in accordance with those International Financial Reporting Standards (IFRS (including IAS 34)) applicable to interim financial reporting as adopted by the European Union, the requirements of the German Accounting Standard No. 16 of DRSC (German Accounting Standards Committee) on interim reporting and in accordance with the requirements of section 37w of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The presentation of information in these interim financial statements has been condensed compared to the separate IFRS financial statements as at 31 December 2016, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The interim financial statements as at and for the period ended 30 September 2017 are based on the same accounting policies as the separate IFRS financial statements as at 31 December 2016. The accounting standards applicable from 1 January 2017 that have been endorsed by the EU and revised were complied with. However, the application of these accounting standards had no significant impact on the interim financial statements.

This interim report was neither audited by an auditor in accordance with section 317 HGB nor reviewed by an auditor.

In the opinion of the Management Board, the interim report contains all the significant information needed to understand the changes in the result of operations, net asset situation and financial position of HAMBORNER REIT AG since the last annual financial statements as at and for the year ended 31 December 2016. The significant changes and transactions in the reporting period are presented in the interim management report of this document.

Material Transactions in the First Nine Months of 2017

The risks and rewards of ownership of the properties in Cologne (2 January 2017), Hallstadt (23 March 2017), Berlin (31 March 2017), Ratingen (11 July 2017) and Hanau (17 August 2017) were transferred in the first nine months of the reporting year. The investment volume not including incidental costs of acquisition amounted to €180.6 million.

The risks and rewards of ownership of the property in Duisburg, Kasserfelder Kreisel, reported under “Non-current assets held for sale” as at 31 December 2016 were transferred on 29 January 2017. Furthermore, a property in Minden was sold and the risks and rewards of ownership were transferred as at 1 September 2017.

Other Selected Notes

During the process of preparing these interim financial statements, we reviewed the fair values of our investment properties as calculated by an independent expert as at 31 December 2016. The review did not identify any factors affecting the fair value of those properties that would have led to a significantly different valuation. Therefore, the estimated fair values calculated by an expert as at 31 December 2016 continue to be reasonable for these interim financial statements. Property additions in Cologne, Hallstadt, Berlin, Ratingen and Hanau after 31 December 2016 were also valued by an independent expert and included in the fair value measurement disclosure accordingly.

On 30 September 2017, there were obligations arising from notarised purchase agreements for properties in Kiel and Passau to pay a total purchase price of €37.0 million. The purchase prices will fall due on fulfilment of the conditions defined in the purchase agreement.

Owing to the rise in capital market interest rates, the discount rate used to measure pension obligations already increased to 1.75% as at 30 June 2017 (31 December 2016: 1.53%). This interest adjustment caused pension provisions to fall by €180 thousand, which was recognised in the revaluation surplus.

With the exception of derivatives recognised at fair value, all assets and liabilities are measured at amortised cost.

For the assets and liabilities recognised at amortised cost, except for the financial liabilities, the carrying amounts of the financial assets and liabilities in the statement of financial position are a good approximation of their fair value.

The fair values of financial liabilities are equal to the present values of the payments associated with the liabilities, taking into account the current interest rate parameters (level 2 under IFRS 13) as at the end of each reporting period, and amount to €570,014 thousand as at 30 September 2017 (31 December 2016: €441,464 thousand).

The derivative financial instruments reported in the statement of financial position are measured at fair value. These are exclusively interest hedges. The fair values result from discounting the expected future cash flows over the residual term of the contracts on the basis of observable market interest rates or yield curves (level 2 under IFRS 13).

To replace collateral in the form of property liens for a loan borrowed in 2009 to finance the Kasslerfelder Kreisel property in Duisburg sold in the reporting year, an amount of €4,191 thousand was transferred to an account pledged to the financing bank. This amount is reported under "Cash and cash equivalents". As the company cannot access the pledged account directly, the corresponding amount does not constitute cash funds in accordance with IAS 7. For this reason, the "Cash and cash equivalents" item in the statement of financial position and the cash funds shown in the statement of cash flows as at 30 September 2017 differ by an amount of €4,191 thousand.

Significant Related Party Transactions

There were no reportable transactions with related parties in the 2017 reporting period.

Events after the End of the Reporting Period

Ownership of an office property in Kiel was transferred to the company on 2 November 2017. The purchase price amounts to €22.2 million with annual rental income of €1.2 million.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial statements give a true and fair view of the net asset situation, financial position and result of operations of the company, and the interim management report of the company includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company for the remaining months of the financial year.

Duisburg, 9 November 2017

The Management Board



Dr Rüdiger Mrotzek



Hans Richard Schmitz

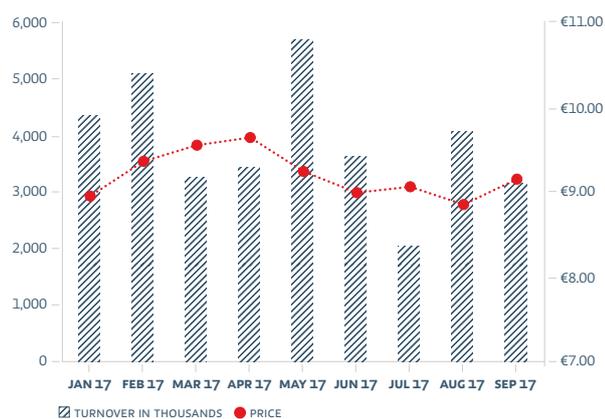
ADDITIONAL INFORMATION

General Development on the Capital Market

The German stock markets had performed well by the end of the third quarter of 2017. After the DAX closed at 12,325 points as at the end of the first half of the year, the benchmark index initially did not continue the positive development of the first half of the year and experienced minor losses in the months of July and August. Geopolitical events, such as the North Korea conflict, and uncertainty regarding the result of Germany's elections, caused the DAX to drop below 12,000 points at times at the end of August.

The OECD's higher economic forecast in particular improved sentiment on German stock markets in September, allowing them to recover from the losses of the previous two months. Overall, the DAX rose by 4.1% in the third quarter and ended the quarter at 12,829 points.

HAMBORNER REIT AG shares

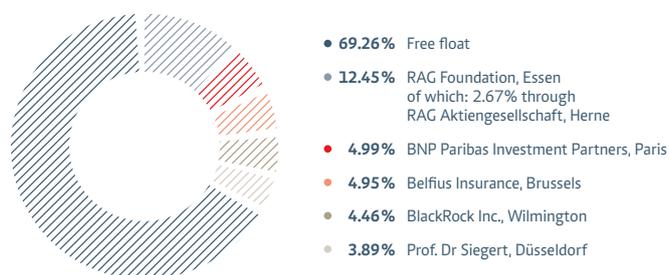


In line with the performance of the DAX, HAMBORNER's shares initially did not continue on their trajectory from the first half of the year. After being quoted at €8.99 as at the end of the first half of the year, the shares fell to their low for the first nine months of €8.77 at the end of August. The shares were therefore below NAV, which was €9.42 as at the end of the first half of the year. However, the shares made up for the losses in the following month of September, closing the quarter at €9.15. The shares therefore rose by 1.8% in the third quarter.

The trading volume of HAMBORNER shares has developed very well over the course of 2017. An average of around 182,000 shares were traded per day in the first nine months of this year. This figure had been 122,000 in the same period of the previous year. The average trading volume was 142,000 shares per day in the third quarter of 2017 (same quarter of previous year: 135,000). Market capitalisation was around €729 million at the end of September.

Name/code	HAMBORNER REIT AG/ HAB
SCN/ISIN	601300/ DE0006013006
Number of shares	79,717,645
Share capital	€79,717,645
Index	SDAX/EPRA Index
Designated sponsor	HSBC
Free float	69.26%
Market capitalisation	€729.4 million

Shareholder structure as at 30 September 2017



General Information

Transparency and reporting are the watchwords of our investor relations activities. The latest information, presentation documents and corporate disclosures can therefore be accessed at any time on our homepage www.hamborner.de in the Investor Relations section.

There you can also join our mailing list to receive a newsletter with all the key information on our company directly by e-mail.

FINANCIAL CALENDAR 2017/2018

9 November 2017	Quarterly financial report 30 September 2017
21 March 2018	Annual report 2017
25 April 2018	Quarterly financial report 31 March 2018
26 April 2018	Annual General Meeting 2018
2 May 2018	Payment of dividend for the 2017 financial year
9 August 2018	Half-year financial report 30 June 2018
8 November 2018	Quarterly financial report 30 September 2018

Forward-looking Statements

This report contains forward-looking statements, e.g. on general economic developments in Germany and the company's own probable business performance. These statements are based on current assumptions and estimates by the Management Board, which were made diligently on the basis of all information available at the respective time. If the assumptions on which statements and forecasts are based are not accurate, the actual results may differ from those currently anticipated.

CREDITS

Published by:

The Managing Board of HAMBORNER REIT AG, Duisburg

Date of publication:

November 2017

HAMBORNER REIT AG

Goethestrasse 45
47166 Duisburg, Germany
Tel.: +49 203 54405-0
Fax: +49 203 54405-49
info@hamborner.de
www.hamborner.de