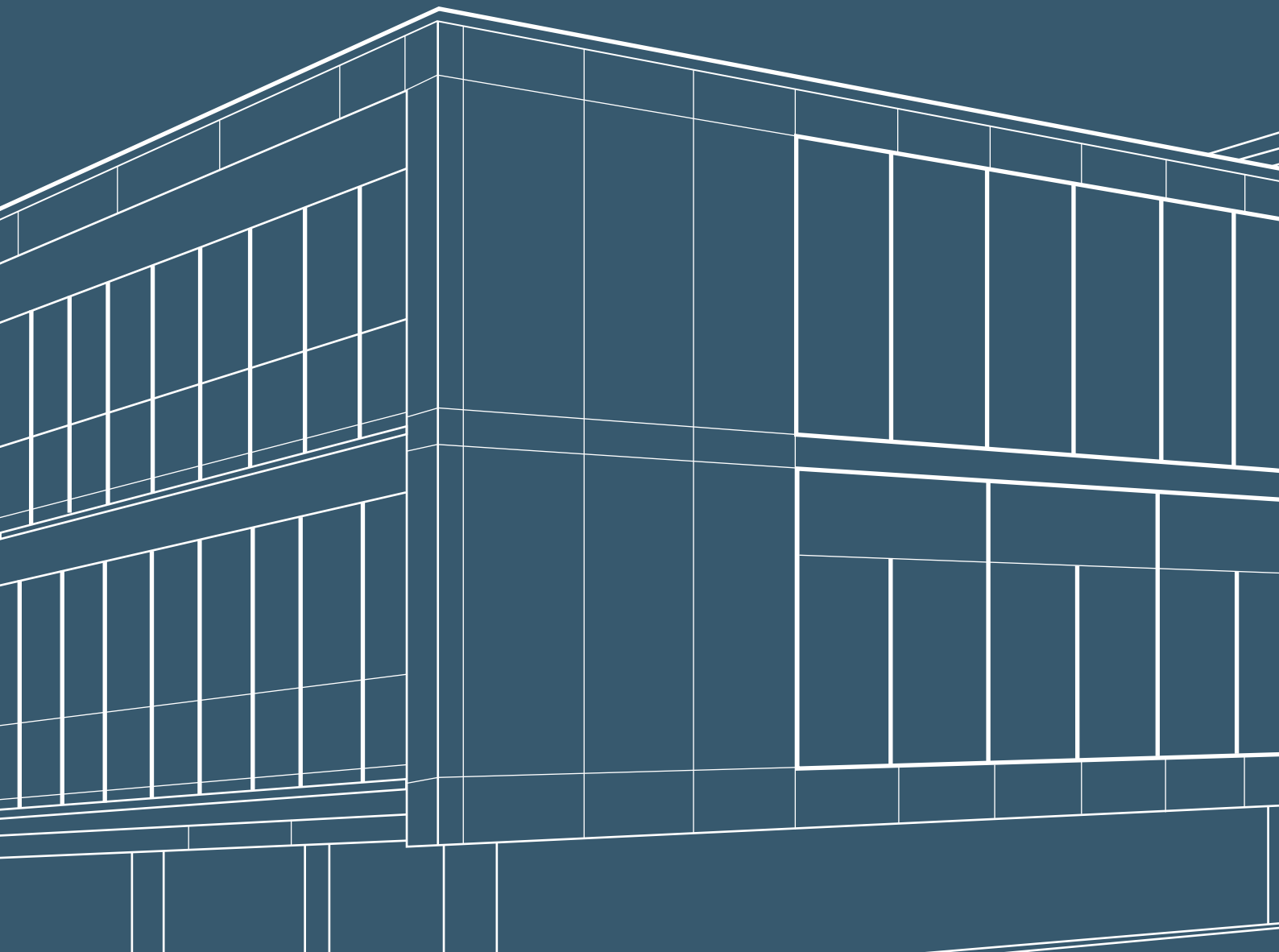


# INTERIM REPORT

FOR THE FIRST QUARTER 2010  
1.1.2010 – 31.3.2010



## Key figures according to IFRS at a glance

<b>From the profit and loss account</b>		<b>01.01. – 31.03. 2010</b>	<b>01.01. – 31.03. 2009</b>
Revenue from rents and leases	T€	5,815	5,446
Net rental incomes	T€	5,309	4,963
Operating result	T€	2,681	2,421
EBITDA	T€	4,517	4,247
EBDA	T€	385	2,970
EBIT	T€	2,745	2,685
Earnings in the quarter	T€	-1,387	1,408
Earnings per share	€	-0.06	0.06
Funds from operations (FFO)	T€	3,090	2,495
Funds from operations (FFO) per share	€	0.14	0.11
<b>From the balance sheet</b>		<b>31.03.2010</b>	<b>31.12.2009</b>
Balance sheet total	T€	296,934	298,589
Non-current assets	T€	270,470	260,116
Non-current assets held for sale	T€	996	0
Equity capital	T€	150,917	155,297
Equity ratio	%	50.8	52.0
REIT equity ratio	%	63.4	67.2
Loan to value (LTV)	%	32.4	34.3
Net asset value (NAV)* per share	€	9.77	10.37
<b>From the cash flow statement</b>		<b>01.01. – 31.03. 2010</b>	<b>01.01. – 31.03. 2009</b>
Cash flow from operating activity	T€	3,486	2,071
Cash flow from investment activity	T€	-14,633	-29,213
Cash flow from financing activities	T€	-2,645	16,027
Change in liquid funds	T€	-13,792	-11,115

\* Calculation is based on the values determined by an expert as of 31.12.2009

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The financial accounting of HAMBORNER REIT AG is carried out in accordance with IFRS (International Financial Reporting Standards) as they are to be applied in the European Union.

This interim report was issued on 12 May 2010.

## Introduction of the Managing Board

*Dear Shareholder,*

The year 2010 has started positively for HAMBORNER. After entry into the Commercial Register was effected on 18.02.2010, we are pleased to be able to present to you today our first interim report as a REIT company. There were also positive developments on the property transaction side. We were able to announce three acquisitions in the first quarter and to continue our targeted growth course as a result. Thus, we have acquired an office property in Erlangen, an OBI market in Hilden and a high street property in Kamp-Lintfort; all properties rented for the long-term with attractive initial yields at good locations. And our pipeline is still well filled – a sign also that the property market is recovering slowly after the strain of the past two years and high-quality properties are again increasingly offered at reasonable prices.

Overall, HAMBORNER REIT AG thus managed to expand its business activity in the first three months and to achieve a good operating income. Nevertheless, there is one point that adversely affects the overall result of the first quarter, in accordance with expectations. With admission into the REIT status and the associated permanent exemption from corporation and trade tax, the hidden reserves are to be determined and taxed once only (final levying of taxes). For this one-off effect and the tax prepayment to be expected, we have a liability to the extent of €16.6 million in the first quarter, which offsets the release of the deferred taxes amounting to €13.8 million. Overall, an extraordinary charge on earnings amounting to €-2.8 million therefore results from the final levying of taxes, which we had to absorb in the first quarter.

HAMBORNER still finds itself very well positioned in the competition. The company has a high equity ratio and loan agreements and refinancing arrangements concluded for the long-term as a basis for future value-creating growth.

After an excellent start, we therefore look forward to the ongoing development of our first REIT year with optimism. We thank you for your confidence in the company and are pleased with the exchange with you.

Duisburg, in May 2010

  
Dr. Rüdiger Mrotzek

  
Hans Richard Schmitz

## Interim management report

### Macroeconomic environment

The economic prospects for Germany are indeed brightening in the unanimous opinion of the leading economic research institutes, but the economic recovery in the eurozone is only making sluggish progress. However, a reversion into a recession is not to be feared for the time being in view of the still positive mood indicators.

The German labour market has turned out to be surprisingly robust up to now. Nevertheless, an increase in unemployment is not to be ruled out due to high excess capacities, increased wage costs and a number of company insolvencies that is still increasing in all probability.

### Report on the earnings, financial and asset situation

The earnings, financial and asset situation of HAMBORNER REIT AG developed satisfactorily overall in the first three months of the year 2010 adjusted for special items.

The revenues realised from the management of our properties amounted to 5,815 T€ up to 31 March 2010 and were thus 369 T€ above the comparative value of the previous year. The increase in rental incomes is attributed predominantly to the new investments of the previous year, which had an impact of approximately 485 T€ in the first quarter 2010. On the other hand, a decrease of 102 T€ was recorded in the like-for-like rents. The sale of our property in Bad Oeynhausen had an impact of 14 T€ against the comparative period of the previous year by a reduction in rents.

The increase in revenues from the charge passed on to tenants from incidental costs by 119 T€ to 630 T€ is also attributable predominantly to the property acquisitions.

The vacancy rate is at a low level at 2.3%. The decrease by 1.3 percentage points against the comparable figure results essentially from the renting of office spaces empty in the first quarter 2009 in the Münster and Osnabrück properties. The vacancy rate adjusted by the rent guarantees amounts to 1.2% at the end of the quarter under review.

The ongoing operating expenses for our property portfolio amount to 908 T€ after 843 T€ in the first quarter of the previous year. The change is explained mainly by the extended property portfolio.

The expenses for property and building maintenance amount to 228 T€ in the reporting period (previous year: 151 T€). Maintenance costs will probably turn out higher in the following quarters due to measures that are just beginning.

The net rental incomes of the first quarter 2010 resulting from the items explained above amount to 5,309 T€ and were thus above the comparative figure for the previous year by 346 T€ or 7%.

The administrative expenditure of the quarter under review amounts to 173 T€ (previous year: 225 T€). This item includes expenses attributable to the Articles of Association to the extent of 71 T€ (previous year: 118 T€) and relevant costs of the management to the extent of 102 T€ (previous year: 107 T€).

Personnel costs amount to 584 T€ and are thus declining slightly against the comparative period of the previous year.

The investments of the past year in our property portfolio resulted in an increase in the amortisations of intangible assets, tangible fixed assets and investment properties compared with the previous period, by 210 T€ to 1,772 T€.

We show other operating income of 107 T€ in the reporting period, after 168 T€ in the comparable period. The collection of a building cost subsidy as well as higher releases of provisions in the quarter under review are more than compensated by the one-off proceeds from the sale of our investment in Montan GmbH in the 1st quarter 2009.

We show mainly legal and consultancy costs as well as premiums under the other operating expenses. Expenses to the extent of 206 T€ (previous year: 272 T€) accrued up to 31.03.2010.

The operating result amounts to 2,681 T€ and thus increased by 260 T€ or approximately 11% against the comparative period of the previous year. The increase arises essentially as the balance from the increase in rents and leases as well as the revenues from passed-on charges for incidental costs with a simultaneous increase in depreciations as a result of the property additions.

In the first quarter 2010, we achieved a result of 64 T€ due to sales from our undeveloped existing holding. The comparative value of the previous period amounted to 250 T€. After the sale of the last investment in 2009, HAMBORNER no longer obtains any income from investments. The income of 14 T€ shown in the comparative quarter 2009 related to the distribution of profit of Montan GmbH for its financial year 2007/2008. The earnings before income and taxes (EBIT) amounts to 2,745 T€ (previous year: 2,685 T€).

The financial result decreased by -308 T€ to -1,363 T€ due to a reduction in our liquid funds with a continuously decreasing interest rate level on the investment side and the raising of additional borrowed funds for the financing of investments. Overall, therefore, the earnings before tax (EBT) of the first quarter 2010 amount to 1,382 T€ (previous year: 1,630 T€).

The taxes on income and profit shown in the reporting period relate mainly to the final levying of taxes for the company due to admission into the REIT status and the accompanying future tax exemption. Deferred taxes of €13.8 million on balance were offset against the liability formed for this purpose in the first quarter 2010 amounting to €16.6 million, so that a charge on earnings of €2.8 million results from this.

In view of the final levying of taxes as a one-off special effect, the result for the period amounts to -1,387 T€ as of 31.03.2010, after 1,408 T€ in the comparative period of the previous year. Earnings per share of €-0.06 (previous year: €0.06) is derived from this. Adjusted for this one-off tax effect and disregarding sales proceeds and depreciations, an FFO of approximately €0.14 per share arises as a key figure for the operational business development, which is 23.8% above the comparative quarter of the previous year.

The company had already concluded a purchase agreement regarding an office property in Erlangen in December 2009. The property transferred into the ownership of our company on 18.02.2010. The recently built office building is fully let for the long-term. The acquisition costs amount to a total of €15.4 million including the incidental purchase expenses. The acquisition was effected initially from own funds. Therefore, the money holdings decreased significantly by €13.8 million in the first quarter 2010 compared with 31.12.2009 and amount to €24.2 million. The investment sum is refinanced in part by means of a long-term loan agreement already signed. Funds to the extent of €8.9 million accrue to us from this agreement in the second quarter 2010.

A further purchase agreement regarding retail trade properties, likewise rented for the long-term, was notarially certified on 17 March 2010. The purchase price volume amounts to €15.1 million. From today's perspective, the properties will transfer into our ownership in the middle of the year.

As of 31.03.2010, the balance sheet equity ratio amounts to 50.8% compared with 52.0% as of 31.12.2009. The degree of equity capital coverage applicable in accordance with the German REIT Act amounts to 63.4% (31.12.2009: 67.2%).

### **Risk report**

The business activity of HAMBORNER REIT AG as a real estate company operating nationwide is inevitably subject to risks which may have consequences for the earnings, financial and asset situation of the company.

At the end of the first quarter 2010, no substantially different assessment has resulted, compared with the statements made in the 2009 management report, on the opportunities and risks that result from the business operations of the HAMBORNER Group. The statements made there in the "Risk report" therefore continue to apply unchanged.

From today's perspective also, risks jeopardising the company's continued existence are not discernible.

### **Forecast report**

HAMBORNER REIT AG is represented as a portfolio-holding real estate company with locations in the entire Federal Republic. The company's strategy is consistently directed at value-creating growth in the "retail" and "office" property sectors. At the end of the first quarter 2010, we are sticking without change to our forecasts published in the management report 2009.

For the full year 2010, we once again expect an increase in our net rental incomes with a continued above-average leasing ratio. For the year 2010, we expect an unchanged stable operating business development with a slowly recovering market environment and are sticking to our objective of sustainably increasing the FFO.

### **Supplementary report**

At the beginning of May 2010 the company made the advance payment of €16.6 million to the fiscal authorities for the final taxation amount for the 2009 calendar year.

By means of a notarised purchase agreement dated May 10, 2010 we acquired two EDEKA markets in Stuttgart and Freiburg with a usable floor space totalling approximately 9,300 m<sup>2</sup> together for a total purchase price of around €28 million. While the market in Stuttgart will be transferred into our possession after completion in the middle of this year, the completion and transfer of possession of the property in Freiburg is anticipated to take place in 2012. Both markets have been let to EDEKA over the long term.

## Interim financial statements of HAMBORNER REIT AG as of 31 March 2010

### Profit and loss account

in T€	01.01. – 31.03.2010	01.01. – 31.03.2009
Income from rents and leases	5,815	5,446
Income from passing on incidental costs to tenants	630	511
Current operating expenses	-908	-843
Property and building maintenance	-228	-151
<b>Net rental incomes</b>	<b>5,309</b>	<b>4,963</b>
Administrative expenditure	-173	-225
Personnel costs	-584	-651
Amortisations of intangible assets, tangible fixed assets and properties held as a financial investment	-1,772	-1,562
Other operating income	107	168
Other operating expenses	-206	-272
<b>Operating result</b>	<b>2,681</b>	<b>2,421</b>
Result from the sale of properties	64	250
Results from investments	0	14
<b>Earnings before income and taxes (EBIT)</b>	<b>2,745</b>	<b>2,685</b>
Interest income	48	217
Interest payments	-1,411	-1,272
<b>Financial result</b>	<b>-1,363</b>	<b>-1,055</b>
<b>Earnings before tax (EBT)</b>	<b>1,382</b>	<b>1,630</b>
Taxes on income and profit	-2,769	-222
<b>Earnings in the quarter</b>	<b>-1,387</b>	<b>1,408</b>
Earnings per share (in €)	-0.06	0.06
EBITDA (earnings before interest, taxes, depreciaton and amortisation)	4,517	4,247
EBDA (earnings before depreciation and amortisation)	385	2,970
EBIT (earnings before interest and taxes)	2,745	2,685



## Statement of income and expense recognised in equity

in T€	01.01. – 31.03. 2010	01.01. – 31.03. 2009
<b>Net earnings in the quarter</b>	<b>-1,387</b>	<b>1,408</b>
Adjustment of the revaluation reserve due to divestment	0	-129
Unrealised profits/losses (-) from the revaluation of derivative financial instruments	-1,753	-2,401
Release of deferred taxes on derivative financial instruments	-1,240	0
Income/expense (-) recognised in equity	-2,993	-2,530
<b>Total result in the quarter</b>	<b>-4,380</b>	<b>-1,122</b>

The expenses recorded directly in the equity capital relate to value changes from interest rate swaps, which are used for the management of risks from interest rate fluctuations. Corresponding market value changes are entered in the equity capital (revaluation reserve) without affecting the operating result, where adequate risk limitation efficiency is available and documented. In the quarter under review, the deferred taxes formed for this in the past were released as a result of the attainment of tax exemption and were also recorded in the revaluation reserve without affecting the operating result.

## Balance sheet assets

in T€	March 31, 2010	Dec 31, 2009
<b>Non-current assets</b>		
Intangible assets	10	6
Tangible fixed assets	134	151
Properties held as a financial investment	269,929	257,386
Financial assets	35	38
Other assets	362	365
Deferred tax assets	0	2,170
	<b>270,470</b>	<b>260,116</b>
<b>Current assets</b>		
Trade receivables and other assets	1,026	487
Income tax receivables	292	44
Bank deposits and cash balances	24,150	37,942
	<b>25,468</b>	<b>38,473</b>
Non-current assets held for disposal	996	0
	<b>26,464</b>	<b>38,473</b>
<b>Total assets</b>	<b>296,934</b>	<b>298,589</b>

## Balance sheet liabilities

in T€	March 31, 2010	Dec 31, 2009
<b>Equity capital</b>		
Subscribed capital	22,770	22,770
Retained earnings		
Legal reserve	2,277	2,277
Other retained earnings	104,575	104,575
Revaluation reserve	-9,587	-6,594
	97,265	100,258
Unappropriated surplus		
Profit brought forward	32,269	27,196
Earnings in the quarter/profit for the financial year	-1,387	5,073
	30,882	32,269
	<b>150,917</b>	<b>155,297</b>
<b>Non-current liabilities and provisions</b>		
Financial liabilities and derivative financial instruments	110,027	109,052
Deferred tax liabilities	0	14,708
Trade accounts payable and other liabilities	3,978	4,075
Provisions for pensions	5,574	5,603
Other provisions	708	702
	<b>120,287</b>	<b>134,140</b>
<b>Current liabilities and provisions</b>		
Financial liabilities and derivative financial instruments	4,324	4,620
Income tax liabilities	16,831	402
Trade accounts payable and other liabilities	2,851	1,877
Other provisions	1,724	2,253
	<b>25,730</b>	<b>9,152</b>
<b>Total equity capital, liabilities and provisions</b>	<b>296,934</b>	<b>298,589</b>

## Cash flow statement

in T€	01.01. – 31.03.2010	01.01. – 31.03.2009
<b>Cash flow from operating activity</b>		
Result before tax (EBT)	1,382	1,630
Write-downs/write-ups (-)	1,772	1,562
Finanz- und Beteiligungsergebnis	1,363	1,041
Change in provisions	-552	-473
Book profits (-) / losses (+) (offset) from the disposal of tangible fixed assets, investment properties and non-current assets held for disposal	-52	-250
Book profits (-) / losses (+) (offset) from the disposal of financial assets	0	-129
Other non-cash expenditure (+) / income (-)	-89	-60
Change in receivables and other assets	-312	-563
Change in liabilities	269	-272
Dividend received	0	14
Interest inflows	71	359
Tax payments	-366	-788
	<b>3,486</b>	<b>2,071</b>
<b>Cash flow from investment activity</b>		
Investments in intangible assets, tangible fixed assets and investment properties	-14,702	-29,605
Proceeds from disposals of tangible fixed assets, investment properties and non-current assets held for disposal	66	258
Proceeds from disposals of financial assets	3	134
	<b>-14,633</b>	<b>-29,213</b>
<b>Cash flow from financing activity</b>		
Inflow of funds from the acceptance of financial liabilities	0	18,400
Outflow of funds for the repayment of financial liabilities	-1,036	-941
Interest outflows	-1,609	-1,432
	<b>-2,645</b>	<b>16,027</b>
<b>Changes in the cash fund</b>	<b>-13,792</b>	<b>-11,115</b>
<b>Cash fund on 1 January</b>	<b>37,942</b>	<b>54,012</b>
Bank deposits and cash balances	37,942	54,012
<b>Cash fund on 31 March</b>	<b>24,150</b>	<b>42,897</b>
Bank deposits and cash balances	24,150	42,897

## Statement of changes in the equity capital

in T€	Retained earnings				Unappropriated surplus		Total equity capital
	Subscribed capital	Legal reserve	Other retained earnings	Revaluation reserve	Carry-forward	Surplus	
<b>Position at 1 January 2009</b>	<b>22,770</b>	<b>2,277</b>	<b>104,575</b>	<b>-4,737</b>	<b>17,824</b>	<b>17,341</b>	<b>160,050</b>
Carry-forward to new account					17,341	-17,341	0
Income/expenses directly entered in the equity capital				-2,530			-2,530
Surplus for the period 01.01. – 31.03.2009						1,408	1,408
<b>Overall result for the period 01.01. – 31.03.2009</b>				<b>-2,530</b>		<b>1,408</b>	<b>-1,122</b>
<b>Position at 31 March 2009</b>	<b>22,770</b>	<b>2,277</b>	<b>104,575</b>	<b>-7,267</b>	<b>35,165</b>	<b>1,408</b>	<b>158,928</b>
Distribution of profit for 2008					-7,969		-7,969
Income/expenses directly entered in the equity capital				673			673
Surplus for the period 01.04. – 31.12.2009						3,665	3,665
<b>Overall result for the period 01.04. – 31.12.2009</b>				<b>673</b>		<b>3,665</b>	<b>4,338</b>
<b>Position at 31 December 2009</b>	<b>22,770</b>	<b>2,277</b>	<b>104,575</b>	<b>-6,594</b>	<b>27,196</b>	<b>5,073</b>	<b>155,297</b>
Carry-forward to new account					5,073	-5,073	0
Income/expenses directly entered in the equity capital				-2,993			-2,993
Surplus for the period 01.01. – 31.03.2010						-1,387	-1,387
<b>Overall result for the period 01.01. – 31.03.2010</b>				<b>-2,993</b>		<b>-1,387</b>	<b>-4,380</b>
<b>Position at 31 March 2010</b>	<b>22,770</b>	<b>2,277</b>	<b>104,575</b>	<b>-9,587</b>	<b>32,269</b>	<b>-1,387</b>	<b>150,917</b>

## Notes to the interim financial statements

### Information on HAMBORNER

HAMBORNER REIT AG is a stock exchange-listed public limited company (Security Identification Number 601300) with its registered office in Duisburg, Germany. The present interim report of HAMBORNER REIT AG for the first quarter 2010 was published on 12 May 2010. The interim financial statements are prepared in euro (€), whereby all amounts – unless otherwise stated – are shown in thousands of euro (T€). Minor differences may arise with computations of totals and percentage figures due to rounding.

### Fundamental principles of reporting

This interim report of HAMBORNER REIT AG as of 31 March 2010 is consistent with the International Financial Reporting Standards (IFRS), as applicable in the European Union. It was prepared above all in compliance with the provisions of International Accounting Standard 34 on interim reporting as well as the requirements of German Accounting Standard No. 16 of the Accounting Standards Committee of Germany (DRSC, Deutsches Rechnungslegungs Standards Committee e.V.) on interim reporting and takes into account the requirements of Arts. 37w and 37x of the German Securities Trading Act (WpHG). It contains a reduced scope of report compared with the individual financial statements.

The interim financial statements as of 31 March 2010 are based on the same accounting and valuation methods and calculation rules as the individual financial statements as of 31 December 2009.

The fair values of our properties determined by an expert as of 31 December 2009 were reviewed by us as of 31 March 2010 on the basis of spot checks. Since the last balance sheet date, no value-influencing circumstances have arisen from today's perspective, which would have resulted in a significantly different valuation. The maintenance of the values determined by an expert as of 31 December 2009 therefore appears justified to us.

The Managing Board is satisfied that the interim report contains all significant information required to fully explain the changes in the earnings, financial and asset situation of HAMBORNER REIT AG since the last financial statements.

### Significant transactions with closely associated companies and persons

Transactions subject to a reporting requirement have not prevailed in the period from 01.01. to 31.03.2010.

### Explanatory notes for the income statement 1 January – 31 March 2010

Net rental incomes increased by approximately 7% to 5,309 T€ overall against the comparative figure for the previous year.

The administrative expenditure amounts to 173 T€ after 225 T€ in the corresponding period of the previous year.

Personnel costs decreased by 67 T€ to 584 T€ in the reporting period.

Amortisations of intangible assets, tangible fixed assets and investment properties increased to 1,772 T€ (01.01.-31.03.2009: 1,562 T€) due to the property additions of the previous year.

The other operating income amounts to 107 T€. It results essentially from building cost subsidies received and releases of provisions.

Other operating expenses fell by 66 T€ and amount to 206 T€.

Operating results as of 31.03.2010 increased by 260 T€ and amount to 2,681 T€.

We achieved a result from the sale of properties to the extent of 64 T€ (previous year: 250 T€) in the first quarter 2010 due to the sale of two undeveloped plots of land from our existing portfolio.

In order to comply with the requirements for the attainment of the REIT status, all non-REIT-compliant investments were sold in previous years. Consequently, HAMBORNER will achieve no further income from investments.

The financial result amounts to -1,363 T€ and was thus below the comparative value of the previous year by -308 T€. The decrease results mainly from the increased interest payments for the higher borrowed funds due to business expansion.

The current interim financial statements show a profit before tax of 1,382 T€ after 1,630 T€ in the comparative quarter of the previous year.

The taxes on income and profit shown in the reporting period result mainly from the final levying of taxes for the company as of 31.12.2009. With admission into the REIT status, HAMBORNER REIT AG is henceforth exempt from income tax at the company level.

After deduction of taxes on income of -2,769 T€ (previous year: -222 T€), a quarterly result amounting to -1,387 T€ arises, after 1,408 T€ in the corresponding period of the previous year.

#### **Explanatory notes to the balance sheet as of 31 March 2010**

Significant changes in the balance sheet items as of 31 March compared with the balance sheet at the close of the previous financial year (31 December 2009) are explained below.

Investment properties increased to €269.9 million. The increase amounting to €12.5 million arises as the balance from additions of €15.3 million, disposals and depreciations in the reporting period of €1.8 million combined as well as the reclassification into the item "Non-current assets held for sale" amounting to €1.0 million. €.

The prerogative of tax exemption for our company is associated with attainment of the REIT status. As a result, the existing de-ferred taxes were offset against the final levying of taxes or released against the revaluation reserve without affecting the operating result.

Trade receivables and other assets increased by €0.5 million due to the accrual of ground rent and loan interest as of 31.03.2010 and amount to €1.0 million.

We show the advance payments for corporation tax and business tax already made for 2010 under income tax receivables.

The bank deposits and cash balances as of 31 March 2010 decreased by €13.8 million, mainly due to the outflow of the equity capital used for the property investments, and amount to €24.2 million.

As of March 31, 2010 we show the commercial and residential property in Hamm, which is currently offered for sale, under the item "Non-current assets held for sale".

As a result of revaluation of the interest rate derivatives as well as the release of the deferred taxes established in this connection up to 31.12.2009, the revaluation reserve changed by €- 3.0 million and amounts to €-9.6 million.

Taking into account a result for the period from 01.01. to 31.03.2010 amounting to €-1.4 million as well as a profit carried forward of €32.3 million, an unappropriated surplus amounting to €30.9 million arises in the first quarter 2010. €.

The non-current and current financial liabilities and derivative financial instruments have increased by €0.7 million. The increase arises in the main from the revaluation of the interest rate derivatives as of 31 March 2010 to the extent of €1.7 million. On the other hand, redemption payments amounting to €1.0 million were made in the reporting period.

For the tax payments anticipated in the context of the final levying of taxes, we have allocated a liability from taxes on income of €16.6 million as of 31.03.2010.

The decrease in the non-current and current other provisions is mainly attributable to the change in provisions for legal and consultancy costs, provisions linked to the Articles of Association and legal form as well as provisions for outstanding invoices.

**Explanatory notes to the cash flow statement**

The development of cash flows is shown in the cash flow statement, separated according to cash inflows and money outflows from the operating activity, the investment activity and the financing activity.

The additions in the tangible fixed assets were reduced by the investments not yet impacting on cash flow, which essentially result from payments not yet due for land transfer tax and from purchase price retentions.

The cash flow from the financing activity comprises the money outflows from interest payments and scheduled loan repayments.



## Assurance of the legal representatives

We declare, to the best of our knowledge, that the interim financial statements convey a picture of the net worth, financial position and earnings of the company corresponding to the actual circumstances in accordance with the accounting principles to be applied for interim reporting and that, in the interim management report, the course of business including the operating results and the position of the company are portrayed in such a way that a picture corresponding to the actual circumstances is conveyed and the significant opportunities and risks for the probable development of the company in the remaining financial year are described.

Duisburg, 12 May 2010

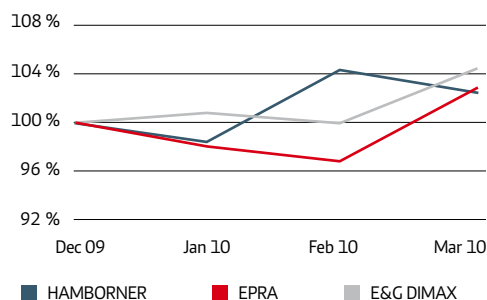
The Managing Board

Dr. Rüdiger Mrotzek

Hans Richard Schmitz

## Supplementary information

### The HAMBORNER REIT AG share



In the first quarter 2010, stock markets globally have continued their upward trend after an initially significant correction. The indices still fell somewhat up to the beginning of February, but were able to recover again after that.

The HAMBORNER share has performed well in the first three months of this year. After a closing price of €8.14 as of 31.12.2009, the share closed at a price of €8.35 (+2.6%) on 31.03.2010. The market capitalisation was approximately €190.1 million on that reporting date.

In comparison, the "E&G DIMAX" published by the banking firm Ellwanger & Geiger rose by approximately 4.3% in the first quarter, the EPRA index by approximately 2.9% and the DAX by approximately 1.7%.

We primarily attribute the good trend in the share price performance to the confidence of investors in the company in addition to the general improvement on the stock markets. The conversion of HAMBORNER into a Real Estate Investment Trust could be successfully implemented. The publication of the business figures for the year 2009 also brought additional stability into the share price. With admission into the REIT segment of Deutsche Börse on 22.02.2010, the share now achieved closing prices of up to €8.60 and a positive trend is also discernible in the first quarter in relation to the increase in the trade volume.

<b>Name/acronym</b>	HAMBORNER REIT AG / HAB
<b>Security Identification Number/ISIN</b>	601300 / DE0006013006
<b>Number of shares</b>	22,770,000 units
<b>Share capital</b>	€22,770,000
<b>Transparency standard</b>	Prime standard
<b>Designated sponsors</b>	DZ-Bank
<b>Free float</b>	35.69%
<b>Market capitalisation</b>	€190.1 million

HAMBORNER has been a member of EPRA since January 2010. The eponymous European Public Real Estate Association is an organisation with its headquarters in Brussels, which represents the interests of the large European property companies in public. Just as in previous years, HAMBORNER is orientated to the standards recommended by EPRA for the purposes of greatest transparency and comparability in the determination of important ratios.

In addition, investor relations activities are still being continuously expanded. Here, attendance at investor and specialist conferences as well as the running of road shows are, inter alia, the focal point of our plans. Furthermore, in the course of the reorganisation of our website, the company now also has an English-language homepage with which we make information accessible to our international contacts quickly and clearly.

### Financial Calendar 2010/2011

<b>12 May 2010</b>	Interim report for 1st quarter 2010
<b>10 June 2010</b>	Annual general shareholders' meeting 2010
<b>11 June 2010</b>	Payment of dividend for the 2009 financial year
<b>12 August 2010</b>	Interim report for 1st half-year 2010
<b>11 November 2010</b>	Interim report for 3rd quarter 2010
<b>29 March 2011</b>	Annual report 2010

### Forward-looking statements

The present report contains statements directed at the future, e.g. on the macroeconomic development in Germany, on the future situation of the property industry and on our own probable overall development. These statements are based on current assumptions and estimates of the Managing Board, which were carefully made on the basis of all information available at the present time. Should the assumptions underlying the statements and forecasts not come true, actual results may differ from those currently anticipated.

This report also appears in German. The consolidated financial statements were prepared and adopted in German. The English publication is a translation of the German financial statements. The German version shall prevail.

### Publisher's note

**Publisher:**

The Managing Board of HAMBORNER REIT AG, Duisburg

**Position at:**

May 2010

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