

**TÜBINGEN**

OUR PROPERTY IN  
EUGENSTRASSE

# Q2 2013 INTERIM REPORT

FOR THE SECOND QUARTER OF 2013  
AND THE FIRST HALF OF 2013

hamborner  
**REIT**

ZUKUNFT BRAUCHT SUBSTANZ



## KEY FIGURES AT A GLANCE (IFRS)

<b>€ THOUSAND</b>		
<b>From the income statement</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
Income from rents and leases	22,172	18,193
Net rental income	20,521	16,834
Operating result	11,027	8,890
Financial result	-5,767	-5,127
EBITDA	19,493	14,915
EBDA	13,726	9,781
EBIT	11,378	8,907
Funds from operations (FFO)	12,375	9,771
Net profit for the period	5,611	3,773
<b>From the statement of financial position</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Total assets	598,657	541,437
Non-current assets	592,505	511,352
Equity	267,321	276,752
Equity ratio in %	44.7	51.1
REIT equity ratio in %	51.9	60.3
Loan-to-value (LTV) in %	43.8	34.2
<b>On HAMBORNER shares</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
Basic = diluted earnings per share in €	0.12	0.11
Funds from operations (FFO) per share in €	0.27	0.29
Stock price per share in € (XETRA)	7.00	6.94
Market capitalisation	318,451	236,793
<b>Other data</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Fair value of investment property portfolio	673,830	579,510
Net asset value (NAV)	364,389	371,823
Net asset value per share in €	8.01	8.17
Number of employees including Managing Board	28	26

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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 8 August 2013.

## LETTER FROM THE MANAGING BOARD

Dear Shareholders,

The first six months of the year are already over and we are delighted to report to you today on the first half of 2013. As anticipated at the start of the year, HAMBORNER REIT AG continued to enjoy positive operating business and systematically continued its growth.

Right at the start of the year, we added the NuOffice property in Munich to our portfolio. We are particularly proud of this property's platinum LEED sustainability certificate. The LEED ("Leadership in Energy and Environmental Design") sustainability certificate system operated by the US institution Green Building defines standards for environmentally friendly, energy-efficient and low-impact buildings. NuOffice was awarded the highest rating in the world that has ever been presented in the LEED system for investor projects.

The office building on the EUREF site in Berlin was added to our portfolio in March. This property is also defined by its sustainability and pre-certified to LEED platinum status. In April we signed a purchase agreement for a retail and office property in Bayreuth as well. This property was similarly transferred to us at the start of June. Thus, we have increased the value of our portfolio by €94.3 million since the end of 2012 to €673.8 million. There has also been good progress on the OBI store in Hamburg that has already been acquired but is still under construction. We are confident that we will be able to add this property to our books in autumn as well.

Our Annual General Meeting was held in Mülheim an der Ruhr on 7 May 2013. Here, our shareholders granted us authorised capital of a maximum amount of 50% of the current share capital. Furthermore, the authorisation to issue warrant and convertible bonds was established. These authorisations create a foundation for further profitable growth by the company and reflect the confidence that HAMBORNER REIT AG's shareholders have in it, for which we would like to take this opportunity to thank you once again.

We are confident for the remaining months of the year. For 2013 as a whole, we are forecasting an increase of around 20% in rental and leasing income and striving to increase FFO by a range of 20% to 25%.

With this in mind, we look forward to a successful second half of 2013 and ongoing communication with you.

Duisburg, August 2013



Dr Rüdiger Mrotzek



Hans Richard Schmitz

### General Economic Conditions

The German economy continued the moderate recovery that it began in the first quarter. According to the German Institute for Economic Research (DIW Berlin), growth of 0.5% was achieved in the second quarter after 0.1% in the first. Nonetheless, the German economy is still operating within a difficult overall environment on account of the austerity policies in many EU countries following the euro crisis. In light of this, the Macroeconomic Policy Institute (IMK) lowered its growth forecast for 2013 as a whole from 0.9% to 0.3%. In 2014 gross domestic product should then increase by 0.8%.

Private consumer spending remains a key pillar of the German economy. This is being aided by the stable condition on the labour market. As a result of seasonal effects, the unemployment rate fell from 7.3% at the end of March 2013 to 6.6%. According to projections by the ifo Institute, consumer prices will rise by 1.6% in 2013, while an increase of 1.8% is forecast for 2014.

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

Against the backdrop of the general economic conditions, the result of operations, net asset situation and financial position of HAMBORNER REIT AG are as good as expected in the first half of 2013.

### Result of Operations

In the first half of 2013, we increased income from the management of our properties by €3,979 thousand or 21.9% as against the same period of the previous year to €22,172 thousand. At €4,312 thousand (23.7%), a key factor contributing to this rise was rent income from property additions in 2012 and the first half of 2013. Income was reduced by a total of €77 thousand (0.4%) as a result of disposals of let properties. The rental income from properties that were in our portfolio in both the first six months of 2012 and the reporting period (like-for-like) decreased slightly by €256 thousand (-1.4%). The income from charging incidental costs to tenants amounted to €2,384 thousand, up €772 thousand (47.9%) on the figure for the same period of the previous year.

The economic vacancy rate including agreed rent guarantees was 2.4% in the reporting period (previous year: 1.6%). Not including rent guarantees the vacancy rate was 3.7%, whereby the increase as against the previous year (1.7%) is due in particular to the properties acquired in Munich and Berlin in the first quarter, which were not fully let when transferred on account of first-time occupation. Also, the main tenant of an office property in Bremen has not renewed its lease. We have agreed multi-year rent guarantees with the sellers for the vacant areas in the Munich and Berlin properties, which are now almost fully let.

Expenses of €3,373 thousand were incurred for the management of our properties in the first six months of the reporting year (previous year: €2,374 thousand). This marks an increase of 42.1% and is primarily due to the larger property portfolio.

The expenses for the maintenance of our land and property portfolio amounted to €662 thousand as at 30 June 2013, up €65 thousand on the figure for the same period of the previous year (€597 thousand). As more extensive work has only just begun or is planned for the second half of the year, significantly higher maintenance expenses are anticipated in the second half of the financial year.

At €20,521 thousand, the net rental income derived from the above items is €3,687 thousand or 21.9% higher than the value for the same period of the previous year (€16,834 thousand).

Administrative and personnel costs together totalled €2,140 thousand, up €250 thousand or 13.2% on the previous year's level (€1,890 thousand). Here, administrative expenses rose by €92 thousand and personnel costs by €158 thousand). The operating cost ratio, i.e. administrative and personnel costs to rental and letting income, was therefore 9.7% (previous year: 10.4%).

Depreciation and amortisation expense climbed by €2,107 thousand in the reporting period to €8,115 thousand. In particular, this rise resulted from the increased size of the property portfolio.

Other operating income rose by €848 thousand in the first half of the reporting year to €1,102 thousand (previous year: €254 thousand). At €1,000 thousand, this essentially relates to compensation paid by a tenant for the early termination of its lease.

The other operating expenses increased by €41 thousand to €341 thousand. This item includes costs of legal and consulting costs of €113 thousand (previous year: €64 thousand), public relations work of €96 thousand (previous year: €92 thousand) and contributions of €65 thousand (previous year: €64 thousand).

As at 30 June 2013, the company generated an operating result of €11,027 thousand after €8,890 thousand in the same period of the previous year. This marks an increase of €2,137 thousand or 24.0%, which was influenced by the compensation payment mentioned above in addition to the higher contribution from the expansion of the property portfolio.

The result from the sale of investment property was €351 thousand (previous year: €17 thousand) in the first half of the reporting year and results from the disposal of a smaller space from our undeveloped land holdings at the start of the year.

The financial result amounted to €-5,767 thousand, down €640 thousand on the figure for the same period of the previous year (€-5,127 thousand). The reduction is primarily due to the further increase in the funds borrowed to finance the company's growth and the associated interest expenses of €5,793 thousand (previous year: €5,244 thousand). On the assets side, interest income dropped by €91 thousand as a result of the reduced liquidity and amounted to €26 thousand in the reporting period.

The first half of 2013 closed with a net profit for the period of €5,611 thousand after €3,773 thousand in the same period of the previous year. With 11,373,333 more shares outstanding year-on-year, this resulted in earnings per share of €0.12 after €0.11 in the first six months of the previous year.

FFO (funds from operations), i.e. the operating result before depreciation and amortisation expense and not including proceeds from disposals, amounted to €12,375 thousand in the first half of 2013 (previous year: €9,771 thousand), a surge of 26.7%. FFO is an indicator of the sustainable performance of the company. With this in mind, we adjusted FFO for the first half of the year by the non-recurring compensation payment mentioned above included in other operating income. FFO, and FFO per share in particular, is a key control parameter at HAMBORNER.

### **Net Asset Situation and Financial Position**

As well as the addition in the first quarter of the reporting year already reported on of the two office properties in Munich and Berlin, an office and retail property was transferred to the company for a purchase price of €18.5 million at the end of May. Thus, there were additions to our property portfolio in the first half of 2013 with a total purchase price volume of €91.7 million.

In January 2013, an area of 5,300 m<sup>2</sup> was transferred to a buyer from our undeveloped land holdings. The carrying amount of this space of €3 thousand was reported under "Non-current assets held for sale" as at 31 December 2012.

The updated market value of the developed property portfolio was €673.8 million as at 30 June 2013 (31 December 2012: €579.5 million).

On 30 June 2013 the company had cash and cash equivalents of €5.2 million after €29.3 million as at 31 December 2012. In particular, the decline of €24.1 million results from the dividend payment for the 2012 financial year (€18.2 million) and payments for investments in the property portfolio (€89.7 million). These effects were offset by inflows from operating activities (€18.9 million; previous year: €12.9 million) and the

borrowing of loans to finance property acquisitions in the amount of €74.0 million. Furthermore, the company has funding not yet utilised of €34.5 million at its disposal from loan agreements already concluded. These funds can be accessed immediately on fulfilment of the payout requirements.

In terms of equity and liabilities, equity amounted to €267.3 million as at 30 June 2013 after €276.8 million as at 31 December 2012. The reported equity ratio as at the end of the period was 44.7% after 51.1% as at 31 December 2012. The REIT equity ratio declined from 60.3% as at 31 December 2012 to 51.9% as at 30 June 2013.

Current and non-current financial liabilities rose by a net total of €70.3 million as a result in particular of the utilisation of property loans to finance property acquisitions less scheduled repayments, amounting to €301.0 million as at the end of the first half of the year after €230.7 million as at 31 December 2012.

The fair value of derivative financial instruments rose as against 31 December 2012 (€-15.2 million) to €-12.0 million as at 30 June 2013.

### **Risk Report**

As a property company with a portfolio covering 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. Currently, there were no significant changes in the assessment of risks to the business development of the company as against 31 December 2012. The comments made in the risk report of the 2012 management report therefore still apply.

The European Parliament has adopted the AIFM Directive, short for the Alternative Investment Fund Manager Directive, which must now be implemented in the national law of individual member states. As a result of the AIFM Directive, the European investment industry will be more closely regulated moving forward. More stringent supervisory and regulatory requirements will mean higher expenses. Following the final consultation letter by BaFin in the middle of June, REITs in Germany no longer fall within its scope per se. As with other listed property companies, this will depend on a case-by-case analysis. Thus, we are assuming that our company does not classify as an AIF.

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

### **Forecast**

As an asset manager for commercial properties, HAMBORNER REIT AG held a portfolio of 72 properties as at 30 June 2013. 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.

The Managing Board is standing by its basic estimates for future business prospects as published in the 2012 annual report. For 2013 as a whole, the Managing Board is striving for a further significant rise in rental income of around 20% as against the 2013 financial year with the vacancy rate to remain low. In addition, the company is anticipating a stable performance in operating business and intends to increase FFO by around 20% to 25% year-on-year as well in the 2013 financial year.

### **Supplementary Report**

There have been no reportable transactions with a material effect on the result of operations, net asset situation and financial position since the reporting date.

## Income Statement

€ THOUSAND	1 JANUARY – 30 JUNE 2013	1 JANUARY – 30 JUNE 2012	1 APRIL – 30 JUNE 2013	1 APRIL – 30 JUNE 2012
Income from rents and leases	22,172	18,193	11,299	9,222
Income from passed-on incidental costs to tenants	2,384	1,612	1,281	826
Real estate operating expenses	-3,373	-2,374	-1,762	-1,155
Property and building maintenance	-662	-597	-390	-334
<b>Net rental income</b>	<b>20,521</b>	<b>16,834</b>	<b>10,428</b>	<b>8,559</b>
Administrative expenses	-593	-501	-328	-305
Personnel costs	-1,547	-1,389	-791	-673
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-8,115	-6,008	-4,341	-3,053
Other operating income	1,102	254	45	53
Other operating expenses	-341	-300	-117	-118
	<b>-9,494</b>	<b>-7,944</b>	<b>-5,532</b>	<b>-4,096</b>
<b>Operating result</b>	<b>11,027</b>	<b>8,890</b>	<b>4,896</b>	<b>4,463</b>
Result from the sale of investment property	351	17	0	0
<b>Earnings before interest and taxes (EBIT)</b>	<b>11,378</b>	<b>8,907</b>	<b>4,896</b>	<b>4,463</b>
Interest income	26	117	3	40
Interest expenses	-5,793	-5,244	-3,014	-2,636
<b>Financial result</b>	<b>-5,767</b>	<b>-5,127</b>	<b>-3,011</b>	<b>-2,596</b>
<b>Earnings before taxes (EBT)</b>	<b>5,611</b>	<b>3,780</b>	<b>1,885</b>	<b>1,867</b>
Income taxes	0	-7	0	-7
<b>Net profit for the period</b>	<b>5,611</b>	<b>3,773</b>	<b>1,885</b>	<b>1,860</b>
Basic = diluted earnings per share (in €)	0.12	0.11	0.04	0.05

## Statement of Comprehensive Income

€ THOUSAND	1 JANUARY – 30 JUNE 2013	1 JANUARY – 30 JUNE 2012	1 APRIL – 30 JUNE 2013	1 APRIL – 30 JUNE 2012
<b>Net profit for the period as per the income statement</b>	<b>5,611</b>	<b>3,773</b>	<b>1,885</b>	<b>1,860</b>
Items reclassified to profit or loss in the future if certain conditions are met:				
Unrealised gains/losses (-) on the revaluation of derivative financial instruments	3,155	-1,448	1,904	-958
Other comprehensive income for the period	3,155	-1,448	1,904	-958
<b>Total comprehensive income for the period</b>	<b>8,766</b>	<b>2,325</b>	<b>3,789</b>	<b>902</b>

Other comprehensive income for the period relates to changes in the fair value of interest rate swaps used to manage the risk of interest fluctuations. Corresponding changes in fair value are recognised in the revaluation surplus if they are sufficiently effective and this is documented.

## Statement of Financial Position – Assets

€ THOUSAND	30 JUNE 2013	31 DECEMBER 2012
<b>Non-current assets</b>		
Intangible assets	7	14
Property, plant and equipment	143	159
Investment property	592,033	510,834
Financial assets	14	24
Other assets	308	321
	<b>592,505</b>	<b>511,352</b>
<b>Current assets</b>		
Trade receivables and other assets	902	769
Income tax receivables	7	7
Bank deposits and cash balances	5,243	29,306
Non-current assets held for sale	0	3
	<b>6,152</b>	<b>30,085</b>
<b>Total assets</b>	<b>598,657</b>	<b>541,437</b>



## Statement of Financial Position – Equity and Liabilities

€ THOUSAND	30 JUNE 2013	31 DECEMBER 2012
<b>Equity</b>		
Issued capital	45,493	45,493
Capital reserves	124,279	124,279
Retained earnings		
Other retained earnings	91,348	91,348
Revaluation surplus	-15,740	-18,895
	75,608	72,453
Net retained profits		
Profit carryforward	16,330	12,496
Net profit for the period	5,611	7,741
Withdrawal from other retained earnings	0	14,290
	21,941	34,527
	<b>267,321</b>	<b>276,752</b>
<b>Non-current liabilities and provisions</b>		
Financial liabilities	292,009	222,990
Derivative financial instruments	11,885	14,838
Trade payables and other liabilities	3,079	2,013
Pension provisions	7,975	8,160
Other provisions	1,576	1,566
	<b>316,524</b>	<b>249,567</b>
<b>Current liabilities and provisions</b>		
Financial liabilities	8,988	7,707
Derivative financial instruments	164	367
Income tax liabilities	19	18
Trade payables and other liabilities	4,114	4,314
Other provisions	1,527	2,712
	<b>14,812</b>	<b>15,118</b>
<b>Total equity and liabilities</b>	<b>598,657</b>	<b>541,437</b>



## Statement of Cash Flows

€ THOUSAND	1 JANUARY – 30 JUNE 2013	1 JANUARY – 30 JUNE 2012
<b>Cash flow from operating activities</b>		
Earnings before taxes (EBT)	5,611	3,780
Financial result	5,767	5,127
Depreciation, amortisation and impairment (+)/write-ups (-)	8,115	6,008
Change in provisions	-1,492	-956
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-351	-66
Change in receivables and other assets not attributable to investing or financing activities	-127	-2
Change in liabilities not attributable to investing or financing activities	1,296	121
Interest received	106	106
Tax payments	0	-1,232
	<b>18,925</b>	<b>12,886</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets, property, plant and equipment and investment property	-89,740	-20,749
Proceeds from disposals of property, plant and equipment and investment property	354	7,732
Proceeds from disposals of financial assets	10	3
Proceeds relating to the short-term financial management of cash investments	15,000	0
	<b>-74,376</b>	<b>-13,014</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-18,197	-13,648
Proceeds from borrowings of financial liabilities	74,000	11,250
Repayments of borrowings	-3,312	-2,797
Payments for the costs of the capital increase	0	-357
Interest payments	-6,103	-5,011
	<b>46,388</b>	<b>-10,563</b>
<b>Changes in cash and cash equivalents</b>	<b>-9,063</b>	<b>-10,691</b>
<b>Cash and cash equivalents on 1 January</b>	<b>14,306</b>	<b>18,685</b>
Bank deposits and cash balances (with a remaining term of up to three months)	14,306	18,685
Fixed-term deposits (with a remaining term of more than three months)	15,000	0
<b>Bank deposits and cash balances</b>	<b>29,306</b>	<b>18,685</b>
<b>Cash and cash equivalents on 30 June</b>	<b>5,243</b>	<b>7,994</b>
Bank deposits and cash balances (with a remaining term of up to three months)	5,243	7,994
<b>Bank deposits and cash balances</b>	<b>5,243</b>	<b>7,994</b>



## Statement of Changes in Equity

€ THOUSAND	ISSUED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS		NET RETAINED PROFITS			TOTAL EQUITY
			OTHER RETAINED EARNINGS	REVALUA- TION SURPLUS	PROFIT CARRYFOR- WARD	NET PROFIT FOR THE PERIOD	WITHDRAW- AL FROM OTHER RETAINED EARNINGS	
<b>As at 1 January 2012</b>	<b>34,120</b>	<b>64,285</b>	<b>105,638</b>	<b>-15,056</b>	<b>17,064</b>	<b>7,865</b>	<b>1,215</b>	<b>215,131</b>
Carryforward to new account					9,080	-7,865	-1,215	0
Distribution of profit for 2011					-13,648			-13,648
Costs of capital increase		-921						-921
Other comprehensive income for the period 1 January – 30 June 2012				-1,448				-1,448
Net profit for the period 1 January – 30 June 2012						3,773		3,773
<b>Total comprehensive income for the period 1 January – 30 June 2012</b>				<b>-1,448</b>		<b>3,773</b>		<b>2,325</b>
<b>As at 30 June 2012</b>	<b>34,120</b>	<b>63,364</b>	<b>105,638</b>	<b>-16,504</b>	<b>12,496</b>	<b>3,773</b>	<b>0</b>	<b>202,887</b>
Capital increase	11,373	62,553						73,926
Costs of capital increase		-1,638						-1,638
Other comprehensive income for the period 1 July – 31 December 2012				-2,391				-2,391
Withdrawal from other retained earnings			-14,290				14,290	0
Net profit of the period 1 July – 31 December 2012						3,968		3,968
<b>Total comprehensive income for the period 1 July – 31 December 2012</b>				<b>-2,391</b>		<b>3,968</b>		<b>1,577</b>
<b>As at 31 December 2012</b>	<b>45,493</b>	<b>124,279</b>	<b>91,348</b>	<b>-18,895</b>	<b>12,496</b>	<b>7,741</b>	<b>14,290</b>	<b>276,752</b>
Carryforward to new account					22,031	-7,741	-14,290	0
Distribution of profit for 2012					-18,197			-18,197
Other comprehensive income for the period 1 January – 30 June 2013				3,155				3,155
Net profit for the period 1 January – 30 June 2013						5,611		5,611
<b>Total comprehensive income for the period 1 January – 30 June 2013</b>				<b>3,155</b>		<b>5,611</b>		<b>8,766</b>
<b>As at 30 June 2013</b>	<b>45,493</b>	<b>124,279</b>	<b>91,348</b>	<b>-15,740</b>	<b>16,330</b>	<b>5,611</b>	<b>0</b>	<b>267,321</b>

## Notes on the 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 half of 2013 was published on 8 August 2013. 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 30 June 2013 is in accordance with IFRS (International Financial Reporting Standards) as applicable in the European Union. In particular, it was prepared in line with the regulations of International Accounting Standard 34 on interim reporting and 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 and 37x of Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The scope of its reporting has been condensed compared to the separate financial statements as at 31 December 2012.

The interim financial statements as at 30 June 2013 are based on the same accounting policies as the separate IFRS financial statements as at 31 December 2012. The accounting standards applicable from 1 January 2013 that have been endorsed by the EU and revised were complied with. However, with the exception of additional disclosures on financial instruments in accordance with IAS 34.16A (j) in the notes, they had no significant effect on the presentation of the interim financial statements.

This half-year financial report was reviewed by an auditor. In accordance with the resolutions of the Annual General Meeting on 7 May 2013, the audit engagement was awarded to Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft issued a report on the findings of its review that has been published with this report.

In the opinion of the Managing 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 end of the last reporting period. The significant changes and transactions in the first half of the year are presented in the interim management report of this document.

### Other selected notes

In the process of preparing these interim financial statements, we reviewed the fair values of our properties as calculated by expert opinion as at 31 December 2012. We reduced the market value of a property in Oberhausen by €350 thousand as against 31 December 2012. The review did not identify any further factors affecting their value that would have led to a significantly different valuation. It therefore currently appears justified to retain the values for these properties as calculated by expert opinion as at 31 December 2012 in these interim financial statements. Property additions after 31 December 2012 were also valued by an expert and included in reporting accordingly.

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

Under 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 as at the end of the reporting period, and amount to €312,928 thousand as at 30 June of this year (31 December 2012: €245,700 thousand).

The derivative financial instruments reported in the statement of financial position are measured at fair value. These are exclusively interest hedges. The market values calculated by banks 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 7).

By way of resolution by the Annual General Meeting on 7 May 2013, HAMBORNER was granted authorised capital in that amount of 50% of its current share capital and the authorisation to issue warrant and convertible bonds (contingent capital) for its further growth. These resolutions are anticipatory and the authorisations have a term of five years.

#### **Significant related party transactions**

There were no reportable transactions with related parties in the first half of 2013.

## 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 assets, liabilities, financial position and profit or loss 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, 8 August 2013

The Managing Board



Dr Rüdiger Mrotzek

Hans Richard Schmitz

## REPORT ON AUDIT REVIEW

To HAMBORNER REIT AG, Duisburg

We have reviewed the condensed interim financial statements of HAMBORNER REIT AG, Duisburg – comprising the income statement and statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and selected notes to the financial statements – for the period from 1 January to 30 June 2013 that are part of the half-year financial report in accordance with section 37w(2) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The preparation of the condensed interim financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim management report in accordance with the requirements of the WpHG applicable to interim management reports, is the responsibility of the Managing Board of the company. Our responsibility is to issue a report on the condensed interim financial statements and on the interim management report based on our review.

We performed our review of the condensed interim financial statements and the interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim financial statements of HAMBORNER REIT AG, Duisburg, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim management reports.

Düsseldorf, 8 August 2013

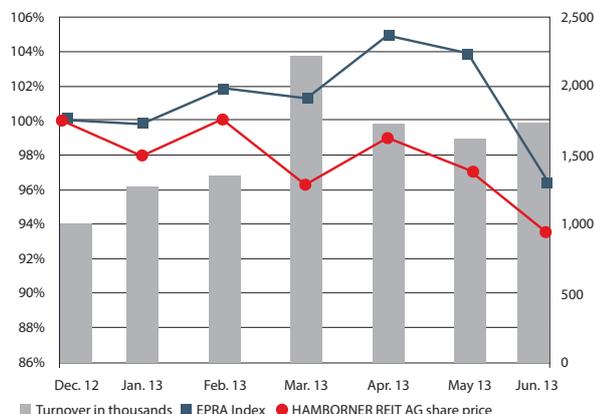
Deloitte & Touche GmbH

Auditing firm

(Harnacke)  
Auditor

(Greschner)  
Auditor

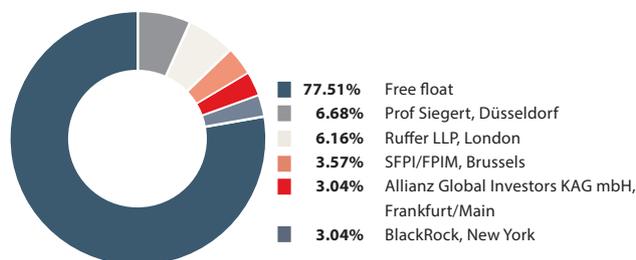
**HAMBORNER REIT AG Shares**



After 2012 ended quite positively for the stock market and the situation on the European financial markets had initially settled, the DAX rose by more than 12% between the start of the year and its record high achieved in the middle of May. Following a slip in prices, the German benchmark index ended the first half of the year back under the 8,000-point line and closed only 4.5% up on its level at the start of the year.

The performance of HAMBORNER’s shares varied considerably in the first six months of 2013. After a good start at the beginning of the year, the shares came under pressure in the opening months and lost a total of 3.7% in the first quarter despite the company’s positive operating business and healthy figures. The price then recovered slightly in the days and weeks leading to the Annual General Meeting in May, and even the post-dividend drop of 40 cents after the meeting was quickly almost fully recovered by a gratifying price increase. However, the price then fell again in June and the shares closed at €7.00 (down 6.4% since the end of 2012). The mark-down of €1.01 compared to the net asset value (NAV) of €8.01 per share was therefore 12.6%.

**Shareholder structure as at 30 June 2013**



We still do not find this development in our share price to be satisfactory – especially given our good operating business, the solid structure of the company and the positive forecasts for 2013 as a whole. We will therefore continue to actively seek talks with analysts and investors in the second half of the year as well, and present and discuss the strategy of HAMBORNER REIT AG at a number of roadshows and conferences.

**Annual General Meeting 2013**

Our Annual General Meeting was held in Mülheim an der Ruhr on 7 May 2013. The distribution of a dividend of 40 cents per share for the 2012 financial year was resolved. The dividend yield in relation to the closing share price as at 31 December 2012 was therefore 5.3%.

**General Information**

Transparency and reporting are a top priority for our investor relations work. Information on the resolutions of the Annual General Meeting, general presentation documents and all corporate disclosures can therefore be accessed at any time on our homepage [www.hamborner.de](http://www.hamborner.de) in the Investor Relations section.

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

<b>Name/code</b>	HAMBORNER REIT AG/ HAB
<b>SCN/ISIN</b>	601300/ DE0006013006
<b>Number of shares</b>	45,493,333
<b>Share capital</b>	€45,493,333
<b>Index</b>	SDAX/EPRA Index
<b>Designated sponsors</b>	HSBC
<b>Free float</b>	77.51%
<b>Market capitalisation</b>	€318.5 million

## Financial Calendar 2013/2014

8 August 2013	Interim report for 1st half of 2013
12 November 2013	Interim report for Q3 2013
26 March 2014	Annual report 2013
5 May 2014	Interim report for Q1 2014
6 May 2014	Annual General Meeting 2014

## 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 Managing 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.

## Imprint

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### As at:

August 2013

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