

**HALF-YEAR FINANCIAL REPORT  
30 JUNE 2016**

Q2

2016

## KEY FIGURES AT A GLANCE (IFRS)

€ thousand		
<b>FROM THE INCOME STATEMENT</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
Income from rents and leases	29,924	24,747
Net rental income	26,934	22,726
Operating result	13,318	11,587
Financial result	-6,949	-6,548
EBITDA	26,701	20,502
EBDA	19,752	13,954
EBIT	15,782	11,587
Funds from operations (FFO)	17,288	13,954
Net profit for the period	8,833	5,039
<b>FROM THE STATEMENT OF FINANCIAL POSITION</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
Total assets	837,928	786,644
Non-current assets	804,921	752,046
Equity	389,074	406,074
Equity ratio in %	46.4	51.6
REIT equity ratio in %	56.9	61.5
Loan-to-value (LTV) in %	40.5	35.0
<b>ON HAMBORNER SHARES</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
Number of shares outstanding	62,002,613	50,042,665
Basic = diluted earnings per share in €	0.14	0.10
Funds from operations (FFO) per share in €	0.28	0.28
Stock price per share in € (Xetra)	9.73	8.72
Market capitalisation	603,285	436,372
<b>OTHER DATA</b>	<b>30 June 2016</b>	<b>31 December 2015</b>
Fair value of property portfolio	958,734	899,816
Net asset value (NAV)	553,783	564,707
Net asset value per share in €	8.93	9.11
Number of employees including Management Board	35	33



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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 10 August 2016.



## LETTER FROM THE MANAGEMENT BOARD

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

We are delighted to present our half-year financial report to you today. After our good performance in 2015 and the successful start to the 2016 financial year, we have also enjoyed a positive first half of the year.

After reporting the transfer of the Haerder Centre in Lübeck in the first quarter of this year, and thereby the largest single acquisition by the company to date, we expanded our portfolio again in the past second quarter. In June, the property acquired in Ditzingen in 2015 was transferred to the HAMBORNER portfolio. The DIY store completed in March has a rental area of around 10,000 m<sup>2</sup> and a lease for 20 years. The purchase price amounts to €13.7 million at a gross initial yield of approximately 7%.

Parallel to these acquisitions, we continued the sale of properties no longer consistent with strategy. The start of the year saw the transfers of the properties in Dinslaken, Duisburg and Solingen sold in 2015. Furthermore, in May 2016 we signed the purchase agreement for an office and commercial building in Essen with a provisional transfer date at the start of August. HAMBORNER had a portfolio of 68 properties with a fair value of €958.7 million as at 30 June 2016.

Business performance in the first half of the year was also positive and is reflected in our key performance indicators. Income from rents and leases of €29.9 million was generated in the first six months of this financial year, up 20.9% on the figure for the previous year. FFO, the key control parameter, rose by 23.9% to €17.3 million as at 30 June 2016.

Our Annual General Meeting was held on 28 April 2016 in Mülheim/Ruhr. It resolved a dividend of 42 cents per share for the 2015 financial year. This marks an increase of 5% as against 2014 and a dividend yield of 4.4% based on the year-end closing price for 2015.

We would like to take this opportunity to thank all our shareholders for their confidence, and we look forward to a successful second half of 2016.

Duisburg, July 2016



Dr Rüdiger Mrotzek



Hans Richard Schmitz

# INTERIM MANAGEMENT REPORT

## General Economic Conditions

After a good first quarter in 2016 with growth of 0.7% in gross domestic product, the upward momentum of the German economy slowed slightly in the second quarter with an expected increase of 0.3%. However, the future growth of the German economy could have been affected by the UK vote to leave the EU. While leading economic research institutes were still forecasting growth of between 1.5% and 1.9% for 2016 as a whole and of between 1.3% and 2.1% for 2017 immediately before the referendum, the repercussions for future growth of the UK leaving the EU are not currently foreseeable.

In addition to political uncertainty, the result of the Brexit referendum will also mean economic uncertainty well beyond the second half of the year.

In light of this, private consumer spending remains the key pillar of the German economy, and is benefiting from persistently slow increases in consumer prices (up 0.3% as against June 2015) and the good situation on the labour market. An average of 2.6 million people were unemployed in June 2016 according to the German Federal Employment Agency. This corresponds to an unemployment rate of 5.9%. The number of people in employment rose by 0.6 million as against the previous year to 43.6 million.

## 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 half of 2016.

### Result of Operations

In the first half of 2016, income from rents and leases climbed by €5,177 thousand or 20.9% as against the same period of the previous year to €29,924 thousand. Income from property additions in 2015 and the first half of 2016 in particular contributed €5,360 thousand (21.7%) to this figure. The rental income from properties that were in our portfolio in both the first six months of 2015 and the reporting half-year (like-for-like) was also up significantly at €449 thousand (1.9%). As a result of property disposals, income declined by a total of €632 thousand (2.6%).

Taking into account agreed rent guarantees, the economic vacancy rate was a low 1.4% in the first half of the year (previous year: 2.5%). Not including rent guarantees the vacancy rate was 1.7% (previous year: 2.6%).

The income from passed-on incidental costs to tenants amounted to €3,930 thousand, €1,278 thousand (48.2%) higher than in the same period of the previous year (€2,652 thousand). Operating expenses for the management of our properties increased by €2,213 thousand (59.6%) to €5,925 thousand (previous year: €3,712 thousand) by the end of June 2016.

The expenses for the maintenance of our land and property portfolio amounted to €995 thousand in the first half of the year, up €34 thousand on the figure for the previous year (€961 thousand). The costs relate mainly to various minor planned measures and ongoing maintenance. In line with planning, larger measures will be carried out in the second half of the year.

At €26,934 thousand, the net rental income derived from the above items is €4,208 thousand or 18.5% higher than the value for the same period of the previous year (€22,726 thousand).

Administrative and personnel expenses totalled €2,595 thousand, up €186 thousand or 7.7% on the previous year's level (€2,409 thousand). Administrative expenses increased by €47 thousand (7.5%) as against the previous year and personnel expenses rose by €139 thousand (7.8%). The operating cost ratio, i.e. adminis-

trative 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 8.7% (previous year: 9.7%).

Depreciation and amortisation expenses rose by €2,004 thousand to €10,919 thousand in the reporting period after €8,915 thousand in the same period of the previous year as a result of property additions in particular.

Other operating income amounted €467 thousand in the first half of 2016 (previous year: €576 thousand). This included €169 thousand from the reversal of provisions and €188 thousand in compensation, reimbursements and expenses passed on in connection with property management.

Other operating expenses amounted to €569 thousand in the first half of 2016 (previous year: €391 thousand). This item includes costs of public relations of €156 thousand (previous year: €93 thousand) and membership fees of €109 thousand (previous year: €110 thousand). Furthermore, €141 thousand (previous year: €125 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.

The operating result amounted to €13,318 thousand as at the end of the first half of 2016 after €11,587 thousand in the same period of the previous year.

The company generated earnings in the amount of €2,464 thousand (previous year: €0 thousand) from the disposal of three properties in the first half of 2016.

The financial result is €-6,949 thousand as against €-6,548 thousand in the same period of the previous year. At €-6,950 thousand (previous year: €-6,554 thousand), the amounts for interest expenses included in this increased as against the same period of the previous year on account of the utilisation of further loans to finance property acquisitions in particular.

The first half of 2016 closed with comprehensive income for the period of €8,833 thousand after €5,039 thousand in the same period of the previous year. FFO (funds from operations), i.e. the operating result before depreciation and amortisation expenses and not including proceeds from disposals, increased by 23.9% and amounted to €17,288 thousand in the reporting period (previous year: €13,954 thousand). With 11,959,948 more shares outstanding than in the same period of the previous year, FFO per share is on par with the previous year at 28 cents. The increase in absolute FFO in the first half of the year as against the first half of 2015 is due essentially to the contributions by the properties added in 2015. As the additions mainly occurred in the second half of 2015, the rise in FFO in the first half of the year is particularly pronounced.

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

Besides the addition of the property in Lübeck reported in the first quarter of the reporting year, a DIY store in Ditzingen was transferred on 25 June 2016 (purchase price: €13.7 million). Thus, investments amounted to €62.8 million in total in the reporting period, not including incidental costs of acquisition.

The agreement for the sale of one smaller property no longer consistent with strategy in Essen was concluded on 10 May 2016. The total sale price is €3.3 million. Ownership is expected to transfer at the beginning of August 2016. The residual carrying amount of €1.6 million was reclassified to "Non-current assets held for sale". Together with the residual carrying amount of the property in Kassel, this item amounted to €2.3 million as at 30 June 2016.

The updated fair value of the developed property portfolio taking into account the above changes was €958.7 million as at the end of the quarter under review (31 December 2015: €899.8 million).

The company had cash and cash equivalents of €28.6 million on 30 June 2016 after €27.1 million as at 31 December 2015. Cash outflows for investments in the property portfolio (€-69.6 million), the dividend payment for the 2015 financial year (€-26.0 million) and interest and principal repayments for loans

(€-12.7 million) were essentially offset by cash inflows from operating activities (€22.4 million) and the borrowing of loans to finance property acquisitions (€79.7 million). Furthermore, the company has other finance commitments of €42.1 million at its disposal.

On the equity and liabilities side, equity amounted to €389.1 million as at 30 June 2016 after €406.1 million as at 31 December 2015. The reported equity ratio as at the end of the period was 46.4% after 51.6% as at 31 December 2015. The REIT equity ratio was 56.9% after 61.5% as at 31 December 2015.

Current and non-current financial liabilities increased by a net total of €73.6 million as a result of the utilisation of loans in the first half of 2016 in particular. They amounted to €417.9 million as at the end of the first half of the year after €344.3 million as at 31 December 2015. The average borrowing rate for loans in place and those agreed but not yet utilised is 3.2%.

The fair value of derivative financial instruments increased as against 31 December 2015 (€-8.2 million) and was €-7.3 million as at 30 June 2016.

The net asset value (NAV) of the company was €553.8 million thousand as at the end of the first half of the year (31 December 2015: €564.7 million). This corresponds to NAV per share of €8.93. The decline of €0.18 as against 31 December 2015 (€9.11) was largely as a result of the dividend of €0.42 per share distributed in April.

### Report on Risks and Opportunities

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, or opportunities for, the business development of the company as against 31 December 2015. The comments made in the report on risks and opportunities in the 2015 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 68 properties as at 30 June 2016. 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 2015 annual report. Without further potential investments, we are therefore assuming an increase in income from rents and leases at the top end of the previously forecast range of 13% to 15% for 2016 as a whole, combined with growth in operating earnings (FFO) of a similar amount. At around 62 million shares, this would mean FFO per share of approximately €0.54.

### Supplementary Report

We signed the purchase agreement for an office property in Kiel on 22 July 2016. The provisional purchase price of the property still under development is €20.9 million. Transfer of this property is expected after its completion in mid-2017.

The fixed interest rate for a loan taken out in 2007 to finance a property portfolio acquisition at the time expires on 30 October 2017. The interest rate for the remaining loan after the expiration of the interest rate was set by way of agreement dated 28 July 2016. The interest rate to be paid on the outstanding amount of the loan of around €25.7 million will decline from currently 5.16% to 1.10%. The newly agreed interest rate will remain in effect until 30 April 2026.

CONDENSED INTERIM FINANCIAL STATEMENTS OF HAMBORNER REIT AG AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2016

CONDENSED INTERIM INCOME STATEMENT

€ thousand	1 January – 30 June 2016	1 January – 30 June 2015	1 April – 30 June 2016	1 April – 30 June 2015
Income from rents and leases	29,924	24,747	15,257	12,846
Income from passed-on incidental costs to tenants	3,930	2,652	1,981	1,356
Real estate operating expenses	-5,925	-3,712	-3,340	-1,956
Property and building maintenance	-995	-961	-554	-581
<b>Net rental income</b>	<b>26,934</b>	<b>22,726</b>	<b>13,344</b>	<b>11,665</b>
Administrative expenses	-670	-623	-358	-329
Personnel expenses	-1,925	-1,786	-1,024	-763
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-10,919	-8,915	-5,561	-4,668
Other operating income	467	576	88	154
Other operating expenses	-569	-391	-218	-75
	<b>-13,616</b>	<b>-11,139</b>	<b>-7,073</b>	<b>-5,681</b>
<b>Operating result</b>	<b>13,318</b>	<b>11,587</b>	<b>6,271</b>	<b>5,984</b>
Result from the sale of investment property	2,464	0	0	0
<b>Earnings before interest and taxes (EBIT)</b>	<b>15,782</b>	<b>11,587</b>	<b>6,271</b>	<b>5,984</b>
Interest income	1	6	1	0
Interest expenses	-6,950	-6,554	-3,570	-3,342
<b>Financial result</b>	<b>-6,949</b>	<b>-6,548</b>	<b>-3,569</b>	<b>-3,342</b>
<b>Net profit for the period</b>	<b>8,833</b>	<b>5,039</b>	<b>2,702</b>	<b>2,642</b>
Basic = diluted earnings per share in €	0.14	0.10	0.04	0.05



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

€ thousand	1 January – 30 June 2016	1 January – 30 June 2015	1 April – 30 June 2016	1 April – 30 June 2015
<b>Net profit for the period as per the income statement</b>	<b>8,833</b>	<b>5,039</b>	<b>2,702</b>	<b>2,642</b>
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the revaluation of derivative financial instruments	908	1,755	855	1,253
Items not subsequently reclassified to profit or loss:				
Actuarial gains/losses (-) on defined benefit obligations	-700	0	-700	0
<b>Other comprehensive income for the period</b>	<b>208</b>	<b>1,755</b>	<b>155</b>	<b>1,253</b>
<b>Total comprehensive income for the period</b>	<b>9,041</b>	<b>6,794</b>	<b>2,857</b>	<b>3,895</b>

Other comprehensive income for the period 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 June 2016	31 December 2015
<b>NON-CURRENT ASSETS</b>		
Intangible assets	503	63
Property, plant and equipment	2,564	2,153
Investment property	800,849	748,824
Financial assets	763	753
Other assets	242	253
	<b>804,921</b>	<b>752,046</b>
<b>CURRENT ASSETS</b>		
Trade receivables and other assets	2,089	1,488
Cash and cash equivalents	28,583	27,133
Non-current assets held for sale	2,335	5,977
	<b>33,007</b>	<b>34,598</b>
<b>Total assets</b>	<b>837,928</b>	<b>786,644</b>

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

€ thousand	30 June 2016	31 December 2015
<b>EQUITY</b>		
Issued capital	62,003	62,003
Capital reserves	247,259	247,259
Retained earnings	50,965	50,757
Net retained profits	28,847	46,055
	<b>389,074</b>	<b>406,074</b>
<b>NON-CURRENT LIABILITIES AND PROVISIONS</b>		
Financial liabilities	399,325	328,197
Derivative financial instruments	7,332	8,240
Trade payables and other liabilities	2,412	4,520
Pension provisions	7,742	7,220
Other provisions	2,923	3,085
	<b>419,734</b>	<b>351,262</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Financial liabilities	18,596	16,138
Trade payables and other liabilities	9,237	11,526
Other provisions	1,287	1,644
	<b>29,120</b>	<b>29,308</b>
<b>Total equity, liabilities and provisions</b>	<b>837,928</b>	<b>786,644</b>

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

€ thousand	1 January – 30 June 2016	1 January – 30 June 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	8,833	5,039
Financial result	6,949	6,548
Depreciation, amortisation and impairment (+)/write-ups (-)	10,919	8,915
Change in provisions	-792	-356
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-2,464	0
Change in receivables and other assets not attributable to investing or financing activities	-780	-640
Change in liabilities not attributable to investing or financing activities	-312	1,292
	<b>22,353</b>	<b>20,798</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in intangible assets, property, plant and equipment and investment property	-69,551	-66,026
Proceeds from disposals of property, plant and equipment and investment property	7,746	35
Proceeds from disposals of financial assets	2	2
Interest received	1	6
	<b>-61,802</b>	<b>-65,983</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-26,041	-20,017
Proceeds from borrowings of financial liabilities	79,670	32,900
Repayments of borrowings	-5,954	-4,884
Proceeds from capital increase	0	40,912
Payments for costs of capital increase	0	-360
Interest payments	-6,776	-6,369
	<b>40,899</b>	<b>42,182</b>
<b>Changes in cash and cash equivalents</b>	<b>1,450</b>	<b>-3,003</b>
<b>Cash and cash equivalents on 1 January</b>	<b>27,133</b>	<b>10,374</b>
<b>Cash and cash equivalents on 30 June</b>	<b>28,583</b>	<b>7,371</b>

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

€ thousand	Issued capital	Capital reserves	Retained earnings		Net retained profits			Total equity
			Other retained earnings	Revaluation surplus	Profit carry-forward	Net profit for the period	Withdrawal from other retained earnings	
<b>As at 1 January 2015</b>	<b>45,493</b>	<b>124,279</b>	<b>79,208</b>	<b>-14,688</b>	<b>16,437</b>	<b>17,109</b>	<b>2,357</b>	<b>270,195</b>
Carryforward to new account					19,466	-17,109	-2,357	0
Distribution of profit for 2014 (€0.40 per share)					-20,017			-20,017
Capital increase	4,550	36,362						40,912
Costs of capital increase		-1,401						-1,401
Other comprehensive income for the period 1 January – 30 June 2015				1,755				1,755
Net profit for the period 1 January – 30 June 2015						5,039		5,039
<b>Total comprehensive income for the period 1 January – 30 June 2015</b>				<b>1,755</b>		<b>5,039</b>		<b>6,794</b>
<b>As at 30 June 2015</b>	<b>50,043</b>	<b>159,240</b>	<b>79,208</b>	<b>-12,933</b>	<b>15,886</b>	<b>5,039</b>	<b>0</b>	<b>296,483</b>
Capital increase	11,960	89,700						101,660
Costs of capital increase		-1,681						-1,681
Other comprehensive income for the period 1 July – 31 December 2015				876				876
Withdrawal from other retained earnings			-16,394				16,394	0
Net profit for the period 1 July – 31 December 2015						8,736		8,736
<b>Total comprehensive income for the period 1 July – 31 December 2015</b>				<b>876</b>		<b>8,736</b>		<b>9,612</b>
<b>As at 31 December 2015</b>	<b>62,003</b>	<b>247,259</b>	<b>62,814</b>	<b>-12,057</b>	<b>15,886</b>	<b>13,775</b>	<b>16,394</b>	<b>406,074</b>
Carryforward to new account					30,169	-13,775	-16,394	0
Distribution of profit for 2015 (€0.42 per share)					-26,041			-26,041
Other comprehensive income for the period 1 January – 30 June 2016				208				208
Net profit for the period 1 January – 30 June 2016						8,833		8,833
<b>Total comprehensive income for the period 1 January – 30 June 2016</b>				<b>208</b>		<b>8,833</b>		<b>9,041</b>
<b>As at 30 June 2016</b>	<b>62,003</b>	<b>247,259</b>	<b>62,814</b>	<b>-11,849</b>	<b>20,014</b>	<b>8,833</b>	<b>0</b>	<b>389,074</b>

## 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 half of 2016 was published on 10 August 2016. 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 June 2016 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 2015, 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 June 2016 are based on the same accounting policies as the separate IFRS financial statements as at 31 December 2015. The accounting standards applicable from 1 January 2016 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 subject to a review. In accordance with the resolutions of the Annual General Meeting on 28 April 2016, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, was commissioned to perform the review. Deloitte GmbH Wirtschaftsprüfungsgesellschaft prepared a corresponding review report that has been published with this report.

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 2015. The significant changes and transactions in the first half of the year are presented in the interim management report of this document.

### Material Transactions in the First Half of 2016

Risks and rewards of ownership of the properties in Lübeck (29 February 2016) and Ditzingen (25 June 2016) were transferred to the company's portfolio in the first half of 2016. The purchase prices not including incidental costs of acquisition together amounted to €62.8 million.

Risks and rewards of ownership of the properties in Dinslaken, Duisburg and Solingen reported under “Non-current assets held for sale” as at 31 December 2015 were transferred to the buyer on 29 January 2016.

### 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 2015. The fair value of the property in Essen reported under “Non-current assets held for sale” increased by €64 thousand and was adjusted in line with the purchase price. The review did not identify any further factors affecting the fair value of those properties existing at 31 December 2015 that would have led to a significantly different valuation as at 30 June 2016. Therefore, the estimated fair values as at 31 December 2015 continue to be reasonable as at 30 June 2016 for these interim financial statements. Property additions in Lübeck and Ditzingen after 31 December 2015 were also valued by an independent expert and included in the fair value measurement disclosure accordingly.

Owing to the decline in capital market interest rates, the discount rate used to measure pension obligations was reduced to 1.2% as at 30 June 2016 (31 December 2015: 2.0%). This interest adjustment caused pension provisions to rise by €700 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 €453,478 thousand as at 30 June 2016 (31 December 2015: €372,477 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).

#### **Significant Related Party Transactions**

There were no reportable transactions with related parties in the first half of 2016.

## 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, 29 July 2016

The Management Board



Dr Rüdiger Mrotzek



Hans Richard Schmitz





## REVIEW REPORT

To HAMBORNER REIT AG, Duisburg

We have reviewed the condensed interim financial statements, comprising the condensed income statement, the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of cash flows, the condensed statement of changes in equity and related notes, together with the interim management report of HAMBORNER REIT AG, Duisburg, for the period from 1 January to 30 June 2016, which 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) for interim reporting, as adopted by the EU, and the interim management report in accordance with the provisions of the German Securities Trading Act applicable to interim management reports is the responsibility of the Management Board of the company. Our responsibility is to issue a certificate on the condensed interim financial statements and the management report based on our review.

We conducted 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 – Institute of Public Auditors in Germany). Those standards require that we plan and perform the review such 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 those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group 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. As, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit opinion.

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 those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports.

Düsseldorf, 29 July 2016

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Künemann)  
Wirtschaftsprüfer (German Public Auditor)

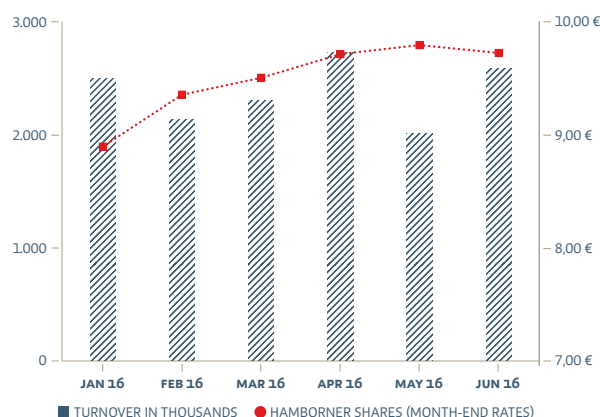
(Neu)  
Wirtschaftsprüfer (German Public Auditor)

## ADDITIONAL INFORMATION

### General Development on the Capital Market

The international stock markets were again defined by severe uncertainty in the second quarter of 2016. After beginning the quarter at 9,965 points, the German benchmark index reached its highest level of 10,435 points on 21 April 2016. This positive performance was primarily driven by the stable economic environment and the zero-interest policy of the European Central Bank. The second half of the quarter was dominated by the doubt over the outcome of the UK referendum on leaving the EU. Following the Brexit vote, global stock markets plummeted and the DAX fell to a low of 9,268 points on 27 June 2016. However, the losses were partially compensated by the end of the quarter and the DAX closed at 9,680 points as at 30 June 2016.

### HAMBORNER REIT AG shares

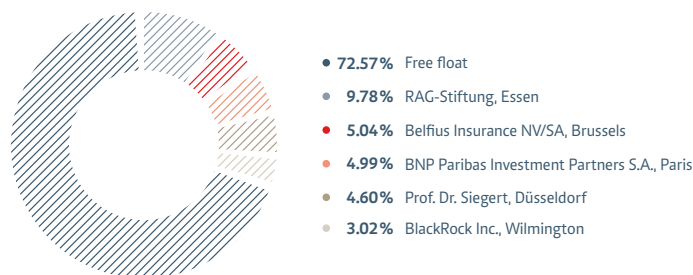


Despite the uncertainty and high volatility on the markets, the price performance of HAMBORNER shares was relatively stable in the past quarter. After the shares had been quoted at €9.51 as at the start of the quarter, their price climbed to a high for the first half of the year of €9.88 by the middle of April. Following the distribution of the dividend for the 2015 financial year of €0.42 per share on 29 April 2016, the ex-dividend price quickly recovered. Even after the disruption of the international markets in the wake of the Brexit vote, HAMBORNER's shares remained firm and were priced €9.73 as at 30 June 2016. This corresponds to an increase of 2.3% as against the start of the quarter.

Stock turnover was up slightly on the first quarter of 2016 (average: around 112,000) in the past three months with an average of around 115,000 shares traded per day, thereby remaining at a good level. Market capitalisation was around €603 million as at 30 June 2016.

<b>Name/code</b>	HAMBORNER REIT AG/HAB
<b>SCN/ISIN</b>	601300/DE0006013006
<b>Number of shares</b>	62,002,613
<b>Share capital</b>	€62,002,613
<b>Index</b>	SDAX/EPRA index
<b>Designated sponsor</b>	HSBC
<b>Free float</b>	72.57%
<b>Market capitalisation</b>	€603.3 million

### Shareholder Structure as at 30 June 2016



### Annual General Meeting 2016

Our Annual General Meeting was held on 28 April 2016 in Mülheim/Ruhr. It resolved a dividend of 42 cents per share for the 2015 financial year. The dividend yield based on the closing price as at 31 December 2015 was therefore around 4.4%.

### General Information

Transparency and reporting are highly important in our investor relations activities. Information on resolutions by 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 with all the key information on our company directly by e-mail.



## FINANCIAL CALENDAR 2015/2016

10 August 2016	Half-year financial report 30 June 2016
10 November 2016	Quarterly financial report 30 September 2016
28 March 2017	Annual report 2016
9 May 2017	Quarterly financial report 31 March 2017
10 May 2017	Annual General Meeting 2017

### 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.



## PUBLICATION DETAILS

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The Managing Board of HAMBORNER REIT AG, Duisburg

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