

INTERIM REPORT

FOR THE SECOND QUARTER AND
THE FIRST HALF-YEAR 2010



Key figures according to IFRS at a glance

in T€		
	01.01. – 30.06.2010	01.01. – 30.06.2009
From the profit and loss account		
Revenue from rents and leases	11,840	11,076
Net rental incomes	10,916	10,276
Operating result	5,539	5,709
Financial result	-2,776	-2,315
EBITDA	9,210	9,168
EBDA	3,653	6,511
EBIT	5,603	5,973
Funds from operations (FFO)	6,371	5,325
Result for the period	46	3,316
From the balance sheet		
	30.06.2010	31.12.2009
Balance sheet total	294,777	298,589
Non-current assets	285,183	260,116
Equity capital	142,376	155,297
Equity ratio in %	48.3	52.0
REIT equity ratio in %	58.0	67.2
Loan to value (LTV) in %	37.2	34.3
On the HAMBORNER share		
	30.06.2010	30.06.2009
Earnings per share in €	0.00	0.15
Funds from operations (FFO) per share in €	0.28	0.23
Stock market price per no-par-value share in € (XETRA)	7.50	7.50
Price/FFO ratio	26.8	32.1
Market capitalisation	170,775	170,775
Other data		
	30.06.2010	31.12.2009
Fair value of the property portfolio	338,440	307,940
Net asset value (NAV)	216,624	236,057
Net asset value per share in €	9.51	10.37
Number of employees including the Managing Board	24	24

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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 August 2010.

Introduction of the Managing Board

Dear Shareholders,

While the year 2009 was still viewed in macroeconomic terms as significantly influenced by the deepest recession of the post-war period, sentiment improved over the course of the year and more cautious optimism spread. The economic situation as well as the situation on property investment markets continued to perform positively in the first half-year 2010 as well. Nevertheless, this trend still has no firm basis. The markets are still characterised by uncertainty - just as the crisis in Greece and the performance of the euro in the last few weeks and months showed.

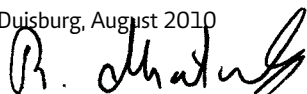
Strengths and weaknesses of the company particularly stand out, especially in this time. We are all the more pleased that we were able to report further growth again in the second quarter after the acquisitions in Erlangen, Hilden and Kamp-Lintfort already announced in the first quarter. Thus, we have acquired two retail trade projects with a volume of approximately €28 million in total in sought-after locations in Stuttgart and Freiburg. This involves two EDEKA wholesale markets, of which one was opened at the start of July 2010 and the other will probably be completed in 2012. Both properties are let for the long-term and provide attractive initial yields.

After the reporting date we signed purchase agreements for two further properties. These are a commercial building in the pedestrian zone in Bad Homburg and an office building in Ingolstadt. The purchase prices totalled around €25 million. Further investments are being examined.

We continue our good performance operationally as well. Net rent incomes are rising continuously due to the new investments, and with the traditionally low vacancy rate for HAMBORNER and the rent losses we expect the low level to continue. After the result was negative in the first quarter due to the special effect of the final levying of taxes, we are already showing a slightly positive result again for the half-year.

After a satisfactory start, we therefore look forward to the ongoing development of our first REIT year with optimism. We thank you for the confidence in the company, also expressed in our ordinary general shareholders' meeting on 10 June, and look forward to the ongoing exchange with you.

Duisburg, August 2010



Dr. Rüdiger Mrotzek



Hans Richard Schmitz

Interim management report

Macroeconomic environment

The economic data of the first half-year 2010 shows that the whole economy developed positively again in the Federal Republic of Germany. The recovery is gathering pace at present and is on an increasingly broader base. Increasing incoming orders from the domestic market and abroad are resulting in an increase in production and are contributing to improving capacity utilisation. A robust employment market trend follows from this, which is no longer borne solely by special effects, but is based on a real rise in employment.

Nevertheless, the debt crises of individual countries result in uncertainties on the financial markets and weigh down on the economic prospects. The financial consolidation course in the eurozone will impact on economic growth in the second half-year 2010 with a tendency to slow it down. However, there is no reason for excessive pessimism. A relapse into recession is to be feared at present neither for Germany nor for the entire eurozone.

Against this guardedly optimistic background, the earnings, financial and asset situation of HAMBORNER REIT AG has performed as described below.

Report on the earnings, financial and asset situation

The revenue from rents and leases amounted to a total of 11,840 T€ in the 1st half-year 2010 and was thus 764 T€ or approximately 6.9% above the corresponding period of the previous year. Rental incomes of 973 T€ from the properties acquired in 2009 and in the first half-year 2010 were mainly decisive for the increase. These additional revenues were offset by the apportionable rents for the properties sold in the previous year amounting to -28 T€. The rents from properties that were continuously in the portfolio both in the 1st half-year 2009 and in the half-year under review (like-for-like rents) decreased by -181 T€ on balance - or 1.9% - compared with the corresponding period of the previous year, due to rental markets still being under pressure.

Revenues from the passing-on of incidental costs in the context of existing rental agreements increased by 202 T€ against the comparative period in the 1st half-year 2010.

The vacancy rate of the reporting period amounted to 2.29% and thus improved by 1.41 % against the comparative value of the previous year (3.70%). Thus, the company also continues to show a low vacancy rate. Moreover, the vacancies related predominantly to newer properties in the portfolio, for which there were rent guarantees. Taking into account the rent guarantees, therefore, a revised vacancy rate of just 1.15% is calculated for the 1st half-year 2010 with a comparative value of 0.95% as of 30 June 2009.

Current operating costs for the management of our properties accrued to the extent of 1,819 T€ in the first half-year 2010. This figure exceeded the comparable figure of the corresponding period last year by 144 T€, mainly as a result of the enlargement of the property portfolio.

Expenses for the maintenance of the properties amounted to 452 T€ as of 30 June 2010 and were thus 182 T€ above the first half of the previous year. The reason for the increase was primarily the commencement of renovation work in the wake of a new letting in our Münster office building at Johann-Krane-Weg in the second quarter 2010.

The net rental incomes that result from the aforementioned items amounted to 10,916 T€ overall as of 30 June 2010 and thus exceeded the comparative value as of 30 June 2009 by 640 T€ or approximately 6%.

Administrative expenditure amounting to 428 T€ accrued in the first half-year 2010 and thus only marginally increased against the comparative figure for the previous year.

Personnel costs are declining slightly compared with the previous year's level and amounted to 1,314 T€. In this regard, the release of established bonus provisions was offset by increased expenditure for the pension scheme.

We show amortisations of intangible assets, tangible fixed assets and investment properties at 3,607 T€ in the first half-year 2010. The item increased by 412 T€ compared with the corresponding period last year (3,195 T€) due to investments in our property portfolio in the past year and in the half-year under review.

Under the other operating income in the half-year under review, we show mainly releases of provisions, building cost subsidies received and indemnification and compensation payments. The item amounted to 307 T€ and decreased by 489 T€ against the comparative figure for the previous year (796 T€), as the other operating income of the 1st half-year 2009 was influenced to the extent of 677 T€ combined by the proceeds from the sale of the investment in Montan GmbH and an earnout for the shares in Wohnbau Dinslaken GmbH already sold in 2008.

Other operating expenses amounted to 335 T€ and thus decreased by approximately 51 T€ compared with the corresponding period of the previous year.

The 1st half-year 2010 closed with an operating result of 5,539 T€, which was thus slightly below the comparative figure for the previous year by 170 T€ or approximately 3%, essentially due to the lower other operating income.

We achieved a result of 64 T€ up to 30 June 2010 from the sale of properties, whereas profits from property sales amounting to 250 T€ had an impact with an effect on earnings in the 1st half-year 2009.

Following conversion of the company into a Real Estate Investment Trust (REIT) and the sale of all investments carried out in this connection, the company no longer shows income from investments in 2010.

Interest payments, mainly associated with the further increase in borrowed funds for the financing of investments, rose (-2,853 T€ after -2,669 T€ in the 1st half-year 2009) and resulted in a decrease in the financial result to -2,776 T€. At the same time, the interest income in the 1st half-year 2010 decreased by 277 T€, compared with the corresponding period, due to the continuing low interest rate level on the investment side and as a result of the reduced cash position due to investments and the tax payment, and amounted to 77 T€.

The taxes on income and profit shown in the reporting period essentially related to the final levying of taxes triggered by the admission of the company to its REIT status. With attainment of REIT status, the company is exempt from trade and corporation tax in the future. With admission to REIT status, however, the company's hidden reserves had to be revealed and subjected to the final levying of taxes. Against the tax liability already established for this in the first quarter 2010 of €16.6 million, we were able to release deferred taxes of €13.8 million on balance, so that a charge on earnings of approximately €2.8 million remained from this.

Therefore, a result for the period of 46 T€ resulted overall in the 1st half-year 2010, after 3,316 T€ in the first six months of the previous year. Earnings per share of €0.002 are derived from this. The earnings per share amounted to €0.15 in the corresponding period of the previous year.

The FFO per share disregarding sales proceeds amounted to approximately €0.28 for the 1st half-year 2010 (previous year: €0.23).

The balance sheet equity ratio as of 30 June 2010 is still comfortable and amounted to 48.3% after 52.0% as of 31 December 2009.

Three properties in Erlangen, Hilden and Kamp-Lintfort transferred into our ownership in the first half-year 2010. The corresponding purchase agreements were registered in December 2009 or in March 2010. We signed a further purchase agreement on 10 May 2010 regarding two EDEKA food retail centres in Stuttgart and Freiburg with a combined investment sum of €28 million and a total usable floor space of over 9,000 sq. m.. The market in Stuttgart had already transferred into our ownership after completion in July 2010. For the property in Freiburg, the transfer of ownership will only take place after completion - probably in 2012. There are long-term rental agreements with the EDEKA Group for both properties. The acquisition costs including incidental acquisition costs for the properties transferred into our ownership in the 1st half-year 2010 and the prepayments on the registered purchases amount to €32.4 million in the 1st half-year 2010.

Liquid funds reduced by €31.0 million, essentially due to the outflow of equity capital for the property investments, the outflow of liquidity borne in the second quarter 2010 for the exit tax and the payment of the dividend for the financial year 2009, and amount to €6.9 million at the end of the half-year under review.

On the liabilities side of the balance sheet, non-current and current financial liabilities and derivative financial instruments increased by €23.9 million compared with 31 December 2009 and amount to €137.6 million in total as of 30 June 2010.

Risk report

As a real estate company, HAMBORNER REIT AG with its nationwide property portfolio is exposed to various risks, which may have a negative impact on the earnings, financial and asset situation. There has been no fundamental change in the assessment of risks for future business development in the 1st half-year 2010. Therefore, the details provided in the section "Risk report" of the annual report 2009 continue to apply.

Risks jeopardising the company's continued existence are not discernible from today's perspective.

Forecast report

HAMBORNER REIT AG is a commercial real estate company operating nationwide and will also maintain this orientation in the future. The company's strategy is geared to value-creating growth in the "retail" and "office" property sectors. Even against the background of the continuing uncertain economic developments, we see no cause to deviate from the forecasts published in the annual report 2009. We expect a further increase in revenue from the management of properties and buildings for the full year 2010 compared with 2009, with a continued low vacancy rate. We expect stable operating business development overall for the 2nd half-year. However, maintenance expenses will turn out higher in the second half of the year than in the first six months due to measures started on existing properties according to the schedule.

Supplementary report

By notarial deed dated 18 May 2010, we sold the commercial and residential building in Hamm to a private investor as it no longer conformed to the strategy. The sale price obtained amounts to € 1 million. The fair value of the property determined by an expert as of 31 December 2009 was 960 T€. The property transferred into the ownership of the buyer on 1 July 2010. The property was shown in the item "Non-current assets held for sale" as of 30 June 2010.

The transfer of ownership for the food retail centre in Stuttgart-Zuffenhausen, acquired by an agreement dated 10 May 2010, occurred on 14 July 2010 according to plan.

A further purchase agreement for a commercial building in an A1 position of the pedestrian zone in Bad Homburg was concluded on July 20, 2010. The property contains a rental area of 3200 m², all of which has been let with the exception of a small office space and a few parking spaces. The initial annual rental income is approximately 860 T€. The transfer of possession is anticipated to take place in the fourth quarter of 2010.

On August 9 a purchase agreement for an office building in Ingolstadt was concluded. The property contains a rental area of 5600 m² and has been almost completely let. The main tenant is a software producer. The total annual rent is around 870 T€. The transfer of possession is also anticipated to take place in the fourth quarter of 2010.

Interim financial statements of HAMBORNER REIT AG as of 30 June 2010

Profit and loss account

in T€	01.01. – 30.06.2010	01.01. – 30.06.2009	01.04.-30.06.2010	01.04.-30.06.2009
Income from rents and leases	11,840	11,076	6,025	5,630
Income from passing on incidental costs to tenants	1,347	1,145	718	634
Current operating expenses	-1,819	-1,675	-911	-832
Property and building maintenance	-452	-270	-224	-119
Net rental income	10,916	10,276	5,608	5,313
Administrative expenditure	-428	-413	-255	-188
Personnel costs	-1,314	-1,369	-729	-718
Amortisations of intangible assets, tangible fixed assets and properties held as a financial investment	-3,607	-3,195	-1,836	-1,633
Other operating income	307	796	200	628
Other operating expenses	-335	-386	-129	-114
	-5,377	-4,567	-2,749	-2,025
Operating result	5,539	5,709	2,859	3,288
Result from the sale of properties	64	250	0	0
Results from investments	0	14	0	0
Earnings before income and taxes (EBIT)	5,603	5,973	2,859	3,288
Interest income	77	354	29	137
Interest payments	-2,853	-2,669	-1,443	-1,397
Financial result	-2,776	-2,315	-1,414	-1,260
Earnings before tax (EBT)	2,827	3,658	1,445	2,028
Taxes on income and profit	-2,781	-342	-12	-120
Result for the period	46	3,316	1,433	1,908
Earnings per share (in €)	0.00	0.15	0.06	0.08

Statement of income and expense recognised in equity

in T€	01.01. – 30.06.2010	01.01. – 30.06.2009	01.04. – 30.06.2010	01.04. – 30.06.2009
Net earnings for the period	46	3,316	1,433	1,908
Adjustment of the revaluation reserve due to divestment	0	-129	0	0
Unrealised profits/losses (-) from the revaluation of derivative financial instruments	-3,302	-1,350	-1,548	1,051
Release of deferred taxes on derivative financial instruments	-1,240	0	0	0
Income/expense (-) recognised in equity	-4,542	-1,479	-1,548	1,051
Total result for the period	-4,496	1,837	-115	2,959

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 half-year 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€	June 30, 2010	Dec 31, 2009
Non-current assets		
Intangible assets	26	6
Tangible fixed assets	146	151
Properties held as a financial investment	284,620	257,386
Financial assets	32	38
Other assets	359	365
Deferred tax assets	0	2,170
	285,183	260,116
Current assets		
Trade receivables and other assets	1,073	487
Income tax receivables	46	44
Bank deposits and cash balances	6,940	37,942
	8,059	38,473
Non-current assets held for disposal	1,535	0
	9,594	38,473
Total assets	294,777	298,589

Balance sheet liabilities

in T€	June 30, 2010	Dec 31, 2009
Equity capital		
Subscribed capital	22,770	22,770
Retained earnings		
Legal reserve	2,277	2,277
Other retained earnings	104,575	104,575
Revaluation reserve	-11,136	-6,594
Unappropriated surplus		
Profit brought forward	23,844	27,196
Profit for the period	46	5,073
	23,890	32,269
	142,376	155,297
Non-current liabilities and provisions		
Financial liabilities and derivative financial instruments	133,013	109,052
Deferred tax liabilities	0	14,708
Trade accounts payable and other liabilities	3,961	4,075
Provisions for pensions	5,545	5,603
Other provisions	714	702
	143,233	134,140
Current liabilities and provisions		
Financial liabilities and derivative financial instruments	4,577	4,620
Income tax liabilities	24	402
Trade accounts payable and other liabilities	3,239	1,877
Other provisions	1,328	2,253
	9,168	9,152
Total equity capital, liabilities and provisions	294,777	298,589

Cash flow statement

in T€	01.01. – 30.06.2010	01.01. – 30.06.2009
Cash flow from operating activity		
Result before tax (EBT)	2,827	3,658
Write-downs/write-ups (-)	3,607	3,195
Financial result	2,776	2,302
Change in provisions	-971	-1,066
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	-676
Other non-cash expenditure (+) / income (-)	8	-2
Change in receivables and other assets	-286	247
Change in liabilities	-37	-726
Dividend received	0	14
Interest inflows	95	533
Tax payments	-16,936	-1,055
	-8,969	6,174
Cash flow from investment activity		
Investments in intangible assets, tangible fixed assets and investment properties	-31,128	-29,883
Proceeds from disposals of tangible fixed assets, investment properties and non-current assets held for disposal	66	806
Proceeds from disposals of financial assets	6	139
	-31,056	-28,938
Cash flow from financing activity		
Dividend payments	-8,425	-7,970
Net inflow of funds from the acceptance of financial liabilities	22,640	18,400
Net outflow of funds for the repayment of financial liabilities	-2,004	-1,840
Interest outflows	-3,188	-2,802
	9,023	5,788
Changes in the cash fund	-31,002	-16,976
Cash fund on 1 January	37,942	54,012
Bank deposits and cash balances	37,942	54,012
Cash fund on 30 June	6,940	37,036
Bank deposits and cash balances	6,940	37,036

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	
Position at 1 January 2009	22,770	2,277	104,575	-4,737	17,824	17,341	160,050
Carry-forward to new account					17,341	-17,341	0
Distribution of profit for 2008					-7,969		-7,969
Income/expenses directly entered in the equity capital				-1,479			-1,479
Result for the period 01.01. – 30.06.2009						3,316	3,316
Overall result for the period 01.01. – 30.06.2009				-1,479		3,316	1,837
Position at 30 June 2009	22,770	2,277	104,575	-6,216	27,196	3,316	153,918
Income/expenses directly entered in the equity capital				-378			-378
Result for the period 01.07. – 31.12.2009						1,757	1,757
Overall result for the period 01.07. – 31.12.2009				-378		1,757	1,379
Position at 31 Dec 2009	22,770	2,277	104,575	-6,594	27,196	5,073	155,297
Carry-forward to new account					5,073	-5,073	0
Distribution of profit for 2009					-8,425		-8,425
Income/expenses directly entered in the equity capital				-4,542			-4,542
Result for the period 01.01. - 30.06.2010						46	46
Overall result for the period 01.01. – 30.06.2010				-4,542		46	-4,496
Position at 30 June 2010	22,770	2,277	104,575	-11,136	23,844	46	142,376

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 half-year 2010 was published on 12 August 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 30 June 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 30 June 2010 are based on the same accounting and valuation methods and calculation rules as the individual financial statements as of 31 December 2009. The income statement had already been adjusted in the individual financial statements for the financial year 2009 for better presentation of the earnings situation on the basis of the breakdown suggestions customary for real estate companies of the European Public Real Estate Association (EPRA). Therefore, in the present interim report, the figures of the corresponding period were adjusted to the current itemisation method.

The fair values of our properties determined by an expert as of 31 December 2009 were subjected to a critical review by us as of 30 June 2010. The value-influencing factors forming the basis of the valuation on the last balance sheet date have not significantly changed overall according to the outcome of this review in the 1st half-year 2010. The maintenance of the values determined as of 31 December 2009 therefore appears justified to us from today's perspective.

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 balance sheet date.

The present half-yearly financial report has been subjected to an audit review. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf was commissioned with this, commensurate with the resolution of the general shareholders' meeting on 10 June 2010. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft has issued an appropriate certificate on the result of the audit review, which is published with this report.

Significant transactions with closely associated companies and persons

Transactions subject to a reporting requirement have not prevailed in the first half-year 2010.

Explanatory notes for the income statement 1 January – 30 June 2010

Net rental incomes amounted to 10,916 T€ and therefore increased by 640 T€ against the comparative value of the previous period. This corresponds to a percentage increase of 6.2%.

Administrative expenditure amounted to 428 T€. The item increased slightly by 15 T€ against the comparative figure for the previous year.

Personnel costs decreased by 55 T€ overall in the 1st half-year 2010 and amount to 1,314 T€ (1st half-year 2009: 1,369 T€).

The property additions increased the amortisations of intangible assets, tangible fixed assets and investment properties to 3,607 T€ (1st half-year 2009: 3,195 T€).

The other operating income amounted to 307 T€ after 796 T€ as of 30 June 2009. The difference resulted mainly from the discontinuation of proceeds from investment sales, which positively affected the result in the corresponding period last year.

The operating result amounted to 5,539 T€ and decreased by 170 T€.

We achieved a result of 64 T€ (1st half-year 2009: 250 T€) in the 1st half-year 2010 from the sale of properties. Whereas only undeveloped plots of land were sold in the reporting period, a developed plot of land used for agricultural purposes was sold in the corresponding period of the previous year.

Income from investments no longer accrues since we divested ourselves of all investments for fulfilment of the REIT requirements.

The financial result amounted to -2,776 T€ and was thus below the financial result of the 1st half-year 2009 by -461 T€. The decrease resulted mainly from the increased interest payments as a result of the higher borrowed funds due to business expansion.

The profit before tax of the 1st half-year 2010 amounted to 2,827 T€ and was thus below the comparative value of the previous year by 830 T€.

After deduction of the taxes on income of -2,781 T€ (1st half-year 2009: -342 T€), the result for the period amounted to 46 T€ after 3,316 T€ in the corresponding period of the previous year. The income tax burden of the 1st half-year 2010 resulted quite predominantly from the final levying of taxes after admission of the company to its REIT status.

Explanatory notes to the balance sheet as of 30 June 2010

Significant changes in the balance sheet items as of 30 June 2010 compared with the balance sheet on the reporting date of the previous financial year (31 December 2009) are explained below.

The change to the item "Investment properties" amounting to €27.2 million resulted as the balance from additions of €32.4 million, the reclassification to the item "Non-current assets held for sale" amounting to €1.5 million as well as disposals and depreciations in the reporting period amounting to €3.6 million.

The privilege of tax exemption for HAMBORNER REIT AG is associated with attainment of REIT status. As a result, the existing deferred taxes were offset against the tax burden from the final levying of taxes or released against the revaluation reserve without affecting the operating result.

In the area of current assets, the trade receivables and other assets increased by 586 T€ and amounted to 1,073 T€. The change resulted mainly from the accrual of payments made in advance for ground rents and interest on loans, as well as insurance premiums.

Bank deposits and cash balances as of 30 June 2010 decreased by €31 million and amount to €6.9 million, essentially due to the outflow of equity capital used for the property investments, the outflow of liquidity for the exit tax and the disbursement of the dividend for the financial year 2009.

The "Non-current assets held for sale" shown on 30 June 2010 related to the fair value of developed and undeveloped plots of land intended for sale. By notarial deed dated 18 May 2010, the commercial and residential building in Hamm from this item was sold. The achieved sale price amounts to €1 million. The property transferred into the ownership of the buyer on 1 July 2010. An amount of 539 T€ still remains in this item after disposal, which relates to undeveloped plots of land up for sale with agricultural and silvicultural use.

The revaluation reserve changed by -4,542 T€ compared with 31 December 2009, mainly as a result of the revaluation of interest rate derivatives, and amounts to -11,136 T€.

A dividend of 8,425 T€ was distributed from the profit brought forward of the previous year by resolution of the general shareholders' meeting of 10 June 2010. An unappropriated surplus to the extent of 23,890 T€ arises, taking into account a surplus for the period for the 1st half-year 2010 amounting to 46 T€.

Non-current and current financial liabilities and derivative financial instruments rose by €23.9 million. The increase resulted from the disbursement of long-term property financing amounting to €22.6 million for the current property additions and from the revaluation of interest rate derivatives as of 30 June 2010 at €3.3 million. On the other hand, redemption payments amounting to €2.0 million were made in the half-year under review.

Non-current and current trade accounts payable and other liabilities rose by 1,248 T€ to 7,200 T€. The increase resulted from land transfer tax liabilities for land purchases not yet executed, from property levies for the 1st half-year 2010 payable at mid-year and from purchase price retentions in connection with property acquisitions.

The payment of tax liabilities of previous assessment periods resulted in a decrease in the liabilities from taxes on income by 378 T€ to 24 T€ as of 30 June 2010.

The decrease in the non-current and current other provisions was based essentially on the change in provisions for bonus payments, for legal and consultancy costs, Supervisory Board remuneration and auditors' fees, as well as 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 cash flow from the operating activity showed a negative amount mainly due to the payments for the exit tax in the 1st half-year 2010.

In the calculation of the cash flow from the investment 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 amounting to €9.0 million essentially resulted from the borrowing for the properties purchased in the 1st half-year 2010, taking into account interest payments and scheduled redemption payments. In addition, approximately €8.4 million was distributed to the shareholders of the company in the reporting period.

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 August 2010

The Managing Board



Dr. Rüdiger Mrotzek



Hans Richard Schmitz

Certification after audit review

To the HAMBORNER REIT AG, Duisburg

We have reviewed the condensed interim financial statements – comprising the income statement and the statement of income and expense recognized in equity, the balance sheet, the cash flow statement, the statement of changes in equity and selected explanatory notes – together with the interim management report of the HAMBORNER REIT AG, Duisburg, for the period from January 1 to June 30, 2010, that are part of the semi annual financial report pursuant to Article 37w paragraph 2 WpHG (Wertpapierhandelsgesetz: German Securities Trading Act). The preparation of the condensed interim financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the European Union (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 company's management. Our responsibility is to issue a report on the condensed interim financial statements and on the interim management report based on our review.

We conducted our review of the condensed interim financial statements and of the interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). 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, 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 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 management reports.

Düsseldorf, August 12, 2010

Deloitte & Touche GmbH

Wirtschaftsprüfungsgesellschaft

(Harnacke)

(Lüdke)

Wirtschaftsprüfer

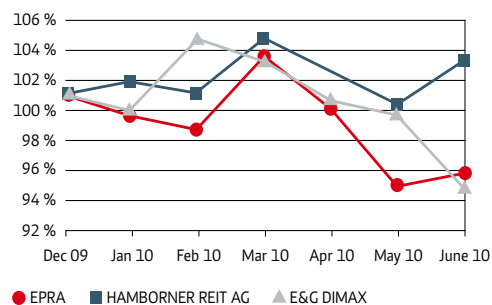
Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

Supplementary information

The HAMBORNER REIT AG share



After a favourable start to the year 2010 and a recovery after the crisis years 2008 and 2009, the emergence of further uncertainties – especially in the eurozone – clouded sentiment on the stock markets in Germany again.

This influence was also to be felt with the HAMBORNER share. After the value held its ground very well in the first three months of this year, the price was slightly on the decline over the course of the second quarter again. After a closing price of €8.14 as of 31.12.2009, the share closed with a price of €7.50 at the half-year 2010 (after payment of a dividend of €0.37 on 11.06.2010). The market capitalisation was €170.8 million on that reporting date.

The "E&G DIMAX" published by the banking firm Ellwanger & Geiger rose slightly in comparison in that period by approximately 2.7%, the EPRA index fell by approximately 6.6% and the DAX fell by approximately 1.4%.

Name/acronym	HAMBORNER REIT AG / HAB
Security Identification Number/ISIN	601300 / DE0006013006
Number of shares	22,770,000 units
Share capital	€22,770,000
Transparency standard	Prime standard
Designated sponsor	DZ-Bank and West LB
Free float	35.69%
Market capitalisation	€170.8 million

We also continued our Investor Relations activities at a high level in the second quarter, in order to foster existing contacts with shareholders and to gain potential investors at roadshows and conferences. Thus, we were in Brussels, Zurich, London and Frankfurt and conducted direct discussions with investors there and presented the HAMBORNER REIT.

Special attention will be paid to our Investor Relations activity in the 2nd half-year 2010 as well. In addition to further roadshows, we will be represented, inter alia, at the Property Share Initiative in October and at the German Equity Forum in Frankfurt am Main in November.

The annual general shareholders' meeting took place in Mülheim an der Ruhr on 10 June 2010. The resolution proposals were approved by the votes represented with a large majority. We have provided the speeches, the presentation and the vote results of the general shareholders' meeting for you on our homepage www.hamborner.de in the area Investor Relations/General Shareholders' Meeting.

Financial Calendar 2010/2011

12 August 2010	Interim report for 1st half-year 2010
11 November 2010	Interim report for 3rd quarter 2010
29 March 2011	Annual report 2010
12 May 2011	Interim report for 1st quarter 2011
17 May 2011	Annual general shareholders' meeting 2011
18 May 2011	Payment of dividend for the financial year 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:

August 2010

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