

Q2 2015

# INTERIM REPORT

FOR THE SECOND QUARTER OF  
2015 AND THE FIRST HALF OF 2015

## KEY FIGURES AT A GLANCE (IFRS)

€ thousand		
<b>FROM THE INCOME STATEMENT</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Income from rents and leases	24,747	23,333
Net rental income	22,726	21,472
Operating result	11,587	10,567
Financial result	-6,548	-6,602
EBITDA	20,502	27,128
EBDA	13,954	20,526
EBIT	11,587	18,442
Funds from operations (FFO)	13,954	12,651
Net profit for the period	5,039	11,840
<b>FROM THE STATEMENT OF FINANCIAL POSITION</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
Total assets	676,709	621,303
Non-current assets	664,921	607,779
Equity	296,483	270,195
Equity ratio in %	43.8	43.5
REIT equity ratio in %	52.9	53.1
Loan-to-value (LTV) in %	43.9	43.3
<b>ON HAMBORNER SHARES</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Number of shares outstanding	50,042,665	45,493,333
Basic = diluted earnings per share in €	0.10	0.26
Funds from operations (FFO) per share in €	0.28	0.28
Stock price per share in € (Xetra)	8.72	7.89
Market capitalisation	436,372	358,942
<b>OTHER DATA</b>	<b>30 June 2015</b>	<b>31 December 2014</b>
Fair value of property portfolio	780,840	717,490
Net asset value (NAV)	423,802	394,548
Net asset value per share in €	8.47	8.67
Number of employees including Managing Board	30	28



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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 12 August 2015.

## LETTER FROM THE MANAGING BOARD

DEAR SHAREHOLDERS,  
LADIES AND GENTLEMEN,

With the first six months now behind us, we are pleased to present our report on the first half of the year. After a successful year in 2014, the first half of 2015 has progressed well. In addition to two capital increases that dominated the first half of the year, operating activities have remained positive.

In February, we increased our share capital by 10% to enhance our equity base and to serve as a foundation for the company's further growth, and in doing so secured a new, long-term shareholder in the RAG Foundation. We then quickly invested most of that income of around €41 million in a retail centre in Celle. As our next step we resolved a further, larger capital increase in June 2015. This transaction, in which around 72% of shareholders exercised their pre-emption rights, generated gross issue proceeds of €101.7 million in the middle of July. For HAMBORNER this means new funds for investments of around €200 million.

Then on 16 July 2015, just a few days after the capital increase, we signed the purchase agreement for a retail centre in Fürth worth around €30 million with a gross initial yield of around 6.1%. On 31 July 2015, this was followed by the purchase agreement for a further retail centre in Gießen. The purchase price is around €32 million with a gross initial yield of around 7.3%. Furthermore, we are optimistic of investing the remaining funds within an appropriate timeframe in attractive properties.

Positive business performance is also reflected in our key performance indicators. Income from rents and leases increased by 6.1% year-on-year in the first six months of 2015. FFO, our key control parameter, rose by 10.3% in the first half of 2015 to €14.0 million. We are also confident for the rest of the year.

We would like to thank all our shareholders for the faith they have shown in us in the past few months, and specifically in the capital increase of June/July of this year. We look forward to a similarly successful second half of the year with you.

Duisburg, August 2015



Dr Rüdiger Mrotzek



Hans Richard Schmitz

# INTERIM MANAGEMENT REPORT

## General Economic Conditions

With forecast growth of 0.5% in the second quarter of 2015, the German economy – after a rise of 0.3% in the first quarter of this year – is on a moderate but solid upswing despite the crisis in Greece and the ongoing Ukraine conflict. The Institute for the World Economy (IfW) expects to see an increase in gross domestic product of 1.8% in 2015 as a whole. In 2016 growth is expected to accelerate further to 2.1%.

In addition to higher orders from abroad, benefiting not least from the current low level of the euro, the most important pillar of the German economy is still private consumer spending. This is mainly being aided by the positive development in employment and income. The unemployment rate is still at a low level at 6.2%. The number of people in employment has increased further as against the previous year. As a result of a further slide in energy prices in particular, consumer prices rose by only 0.3% by the end of the first half of 2015 compared to June 2014.

## 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 2015.

### Result of Operations

In the first half of 2015, the income from rents and leases climbed by €1,414 thousand or 6.1% as against the same period of the previous year to €24,747 thousand. At €1,706 thousand (7.3%), income from property additions in 2014 and the first half of 2015 contributed to this significantly. The rental income from properties that were in our portfolio in both the first six months of 2014 and the reporting period (like-for-like) also increased slightly by €121 thousand (0.5%). As a result of property disposals in 2014, income from rents and leases declined by a total of €413 thousand (1.8%).

The economic vacancy rate including agreed rent guarantees was 2.5% in the first half of the reporting year (previous year: 2.5%). Not including rent guarantees the vacancy rate was 2.6% (previous year: 2.6%).

Income from passed-on incidental costs to tenants amounted to €2,652 thousand and was therefore down by €32 thousand (1.2%) on the figure for the same period of the previous year (€2,684 thousand), in particular on account of operating costs reimbursed to tenants for the past financial year. Expenses for the management of our properties increased by €196 thousand (5.6%) to €3,712 thousand (previous year: €3,516 thousand) by the end of June 2015.

The expenses for the maintenance of our land and property portfolio amounted to €961 thousand in the first half of 2015 and were therefore up by €68 thousand as against the figure for the same period of the previous year (€1,029 thousand). The costs predominantly relate to minor, ongoing maintenance and various smaller planned measures. Furthermore, in the first half of the year there were conversions for tenants in the property in Bremen, Linzer Str., for the areas newly let as at 1 July 2015. The costs of €1.4 million entailed were capitalised.

At €22,726 thousand, the net rental income derived from the above items is €1,254 thousand or 5.8% higher than the value for the same period of the previous year (€21,472 thousand).

Administrative and personnel expense together totalled €2,409 thousand, up €259 thousand or 12.0% on the previous year's level (€2,150 thousand). Administrative expense increased by €106 thousand (20.5%) as against the previous year, due in part to the higher costs for the Annual General Meeting. At the same time, personnel expense climbed by €153 thousand or 9.4%. The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, was therefore 9.7% (previous year: 9.2%).

In the reporting period, depreciation and amortisation expense climbed by €229 thousand to €8,915 thousand after €8,686 thousand in the same period of the previous year on account of the additions to the property portfolio. While there were no impairment losses in 2015, there were impairment losses of €387 thousand in the same period of the previous year.

Other operating expenses amounted to €391 thousand in the first half of 2015 (previous year: €414 thousand). Among other things, this item included public relations work of €93 thousand (previous year: €96 thousand) and membership fees of €110 thousand (previous year: €94 thousand). Furthermore, input tax adjustments due to the conclusion of VAT-exempt leases (section 15a of the *Umsatzsteuergesetz* (UStG – German VAT Act) accounted for €125 thousand (previous year: €164 thousand), all of which (previous year: €135 thousand) was passed on to the tenants in question (reported under other operating income). In addition to these expenses passed on, other operating income for the reporting period of €285 thousand related in particular to contractually agreed payments in connection with the acquisition of the property in Aachen as at the end of the first quarter. This property was transferred in line with the purchase agreement at the start of the year. Accordingly, this item increased by €231 thousand year-on-year to €576 thousand (previous year: €345 thousand).

The company generated an operating result of €11,587 thousand in the first half of 2015 after €10,567 thousand in the same period of the previous year.

There were no disposals as a result of sales of properties in the first half of 2015. There was a result from the sale of four properties of €7,875 thousand in the first half of the previous year.

The financial result was €-6,548 thousand, a slight improvement of €54 thousand as against the same period of the previous year (€-6,602 thousand). As no new loans were borrowed in the previous year and loans were only utilised in April in the current reporting period, the improvement is due in particular to the €100 thousand reduction in interest expenses (€-6,554 thousand in the first half of 2015 after €-6,654 thousand in the same period of the previous year).

The first half of 2015 closed with a net profit for the period of €5,039 thousand after €11,840 thousand in the same period of the previous year. The net profit for the period in the previous year was largely influenced by the result from the sale of investment property (€7,875 thousand).

FFO (funds from operations), i.e. the operating result before depreciation and amortisation expense and not including proceeds from disposals, increased by 10.3% and amounted to €13,954 thousand in the reporting period (previous year: €12,651 thousand). With 4,549,332 more shares outstanding than in the same period of the previous year, this corresponds to FFO per share of 28 cents (previous year: 28 cents).

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

Along with the addition of the property in Aachen reported in the first quarter of the reporting year, a retail property in Celle was transferred on 16 April 2015. The purchase price not including incidental costs of acquisition was €35.2 million.

The carrying amounts of the properties in Düren and Kassel of €2.5 million were reported under non-current assets held for sale as at 30 June 2015. Agreements to sell these properties were already signed at the end of 2014 and in the first quarter of 2015 respectively. We expect to transfer them at the end of 2015 and in early 2016.

The updated fair value of the developed property portfolio taking into account the above changes was €780.8 million as at the end of the quarter under review (31 December 2014: €717.5 million).

On 30 June 2015 the company had cash and cash equivalents of €7.4 million. The change in cash and cash equivalents as against 31 December 2014 (€10.4 million) is due in particular to cash outflows for investments in the property portfolio (€-66.0 million), the dividend payment for the 2014 financial year

(€-20.0 million) and interest and principal repayments for our loans (€-11.3 million). The cash outflows were essentially offset by cash inflows from the capital increase in February (€40.8 million), the borrowing of loans to finance property acquisitions (€32.9 million) and from operating activities (€20.8 million). Furthermore, the company concluded further loan agreements in May of this year. After satisfying payout requirements, the company will have funds of €36.6 million at its disposal. The loans were concluded at an interest rate of 1.58% for a 10-year duration.

As a result of the capital increase in February 2015 in particular, equity rose to €296.5 million as at 30 June 2015 after €270.2 million as at 31 December 2014. The reported equity ratio as at the end of the period was 43.8% after 43.5% as at 31 December 2014. The REIT equity ratio declined slightly from 53.1% as at 31 December 2014 to 52.9% as at 30 June 2015.

As a result of the utilisation of loans to finance our property acquisitions less scheduled repayments in particular, current and non-current financial liabilities rose by a net amount of €28.0 million to €350.2 million as at the end of the first half of the year after €322.2 million as at 31 December 2014.

The fair value of derivative financial instruments rose slightly as against 31 December 2014 (€-11.0 million) to €-9.2 million as at 30 June 2015.

The net asset value (NAV) of the company was €423.8 million as at the end of the first half of the year (31 December 2014: €394.5 million). This corresponds to NAV per share of €8.47. The decline of €0.20 as against 31 December 2014 (€8.67) was largely as a result of the dividend of €0.40 per share distributed in May.

## Risk Report

As a property company with a portfolio spread across the whole of Germany, HAMBORNER REIT AG is exposed to a number of risks that could affect its result of operations, net asset situation and financial position. We are not currently anticipating any significant changes in the assessment of risks to the business development of the company as against 31 December 2014. The comments made in the risk report of the 2014 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 70 properties as at 30 June 2015. 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 2014 annual report. Without further investments from capital increases, we are therefore assuming an increase in income from rents and leases of 4% to 5% for 2015 as a whole, combined with a slight increase in operating earnings (FFO). After the capital increase in February we forecast a rise in income from rents and leases of 8% to 10% and an absolute increase in FFO of a similar amount. This would have resulted in FFO per share of roughly the same amount (54 cents) as the previous year. After the further capital increase implemented in July, the number of shares increased by around 12.0 million to a total of approximately €62.0 million. Without changes in rental income as a result of further sales or acquisitions, FFO per share would have been notionally reduced to around 44 cents on account of the higher number of shares. A possible increase in this figure is dependent essentially on when the acquisitions after the capital increase in July are added to the portfolio.

## Supplementary Report

The Managing Board of the company resolved on 24 June 2015, with the approval of the Supervisory Board on the same date, to carry out a capital increase against cash contributions with shareholders' pre-emption rights in effect. Share capital was to be increased against cash contributions, partially utilising authorised capital and issuing up to 16,680,888 new no-par-value bearer shares, each accounting for a notional amount of €1.00 of the share capital and entitled to participate in dividends in full from 1 January 2015. In line with the subscription ratio of three to one, shareholders had the opportunity to subscribe to one new share at a subscription price of €8.50 for every three shares already held. The subscription period ended on 8 July 2015. Shareholders of HAMBORNER REIT AG subscribed to 11,959,948 shares, 71.7% of those on offer. The company generated gross issue proceeds of €101.7 million from the capital increase. On entry of the new shares in the commercial register on 9 July 2015, the share capital of the company therefore increased by €11,959,948 from €50,042,665 to €62,002,613.

The purchase agreement for the acquisition of the retail centre in Fürth was notarised on 16 July 2015. The purchase price was €30.2 million. The property will contribute around €1.8 million to annual rental income and is expected to be transferred to the company in the second half of the year.

The purchase agreement for a further retail centre in Gießen was concluded on 31 July 2015. The purchase price was around €32 million. The annualised rent amounts to around €2.3 million. Transfer of this property is also expected in the second half of 2015.



INTERIM FINANCIAL STATEMENTS OF HAMBORNER REIT AG AS AT AND  
FOR THE SIX MONTHS ENDING 30 JUNE 2015

INTERIM CONDENSED INCOME STATEMENT

€ thousand	1 January – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2015	1 April – 30 June 2014
Income from rents and leases	24,747	23,333	12,846	11,636
Income from passed-on incidental costs to tenants	2,652	2,684	1,356	1,367
Real estate operating expenses	-3,712	-3,516	-1,956	-1,865
Property and building maintenance	-961	-1,029	-581	-560
<b>Net rental income</b>	<b>22,726</b>	<b>21,472</b>	<b>11,665</b>	<b>10,578</b>
Administrative expenses	-623	-517	-329	-234
Personnel expenses	-1,786	-1,633	-763	-817
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-8,915	-8,686	-4,668	-4,236
Other operating income	576	345	154	158
Other operating expenses	-391	-414	-75	-103
	<b>-11,139</b>	<b>-10,905</b>	<b>-5,681</b>	<b>-5,232</b>
<b>Operating result</b>	<b>11,587</b>	<b>10,567</b>	<b>5,984</b>	<b>5,346</b>
Result from the sale of investment property	0	7,875	0	3,467
<b>Earnings before interest and taxes (EBIT)</b>	<b>11,587</b>	<b>18,442</b>	<b>5,984</b>	<b>8,813</b>
Interest income	6	52	0	24
Interest expenses	-6,554	-6,654	-3,342	-3,329
<b>Financial result</b>	<b>-6,548</b>	<b>-6,602</b>	<b>-3,342</b>	<b>-3,305</b>
<b>Net profit for the period</b>	<b>5,039</b>	<b>11,840</b>	<b>2,642</b>	<b>5,508</b>
Basic = diluted earnings per share in €	0.10	0.26	0.05	0.12

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

€ thousand	1 January – 30 June 2015	1 January – 30 June 2014	1 April – 30 June 2015	1 April – 30 June 2014
<b>Net profit for the period as per the income statement</b>	<b>5,039</b>	<b>11,840</b>	<b>2,642</b>	<b>5,508</b>
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the revaluation of derivative financial instruments	1,755	-699	1,253	-329
Items not subsequently reclassified to profit or loss:				
Actuarial gains/losses (-) on defined benefit obligations	0	-566	0	-566
<b>Other comprehensive income for the period</b>	<b>1,755</b>	<b>-1,265</b>	<b>1,253</b>	<b>-895</b>
<b>Total comprehensive income for the period</b>	<b>6,794</b>	<b>10,575</b>	<b>3,895</b>	<b>4,613</b>

Other comprehensive income for the period relates to actuarial losses on defined benefit obligations and changes in the fair value of interest rate swaps used to manage the risk of interest rate fluctuations. Corresponding changes in market value are recognised in equity if they are sufficiently effective and this is documented.

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION – ASSETS

€ thousand	30 June 2015	31 December 2014
<b>NON-CURRENT ASSETS</b>		
Intangible assets	7	10
Property, plant and equipment	766	150
Investment property	663,374	606,849
Financial assets	510	495
Other assets	264	275
	<b>664,921</b>	<b>607,779</b>
<b>CURRENT ASSETS</b>		
Trade receivables and other assets	1,891	1,320
Cash and cash equivalents	7,371	10,374
Non-current assets held for sale	2,526	1,830
	<b>11,788</b>	<b>13,524</b>
<b>Total assets</b>	<b>676,709</b>	<b>621,303</b>

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

€ thousand	30 June 2015	31 December 2014
<b>EQUITY</b>		
Issued capital	50,043	45,493
Capital reserves	159,240	124,279
Retained earnings	66,275	64,520
Net retained profits	20,925	35,903
	<b>296,483</b>	<b>270,195</b>
<b>NON-CURRENT LIABILITIES AND PROVISIONS</b>		
Financial liabilities	337,931	311,469
Derivative financial instruments	9,242	10,997
Trade payables and other liabilities	2,250	1,956
Pension provisions	7,273	7,452
Other provisions	2,923	3,059
	<b>359,619</b>	<b>334,933</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Financial liabilities	12,318	10,760
Trade payables and other liabilities	7,389	4,557
Other provisions	900	858
	<b>20,607</b>	<b>16,175</b>
<b>Total equity and liabilities</b>	<b>676,709</b>	<b>621,303</b>

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

€ thousand	1 January – 30 June 2015	1 January – 30 June 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	5,039	11,840
Financial result	6,548	6,602
Depreciation, amortisation and impairment (+)/write-ups (-)	8,915	8,686
Change in provisions	-356	-623
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	0	-8,041
Change in receivables and other assets not attributable to investing or financing activities	-640	-186
Change in liabilities not attributable to investing or financing activities	1,292	2,250
Interest received	6	34
Tax payments	0	-19
	<b>20,804</b>	<b>20,543</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in intangible assets, property, plant and equipment and investment property	-66,026	-13,252
Proceeds from disposals of property, plant and equipment and investment property	35	16,160
Proceeds from disposals of financial assets	2	2
	<b>-65,989</b>	<b>2,910</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-20,017	-18,197
Proceeds from borrowings of financial liabilities	32,900	0
Repayments of borrowings	-4,884	-4,797
Proceeds from the capital increase	40,912	0
Payments for the costs of the capital increase	-360	0
Interest payments	-6,369	-6,865
	<b>42,182</b>	<b>-29,859</b>
<b>Changes in cash and cash equivalents</b>	<b>-3,003</b>	<b>-6,406</b>
<b>Cash and cash equivalents on 1 January</b>	<b>10,374</b>	<b>28,154</b>
<b>Cash and cash equivalents on 30 June</b>	<b>7,371</b>	<b>21,748</b>

## INTERIM CONDENSED 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 2014</b>	<b>45,493</b>	<b>124,279</b>	<b>81,565</b>	<b>-14,227</b>	<b>16,330</b>	<b>8,521</b>	<b>9,783</b>	<b>271,744</b>
Carryforward to new account					18,304	-8,521	-9,783	0
Distribution of profit for 2013 (€0.40 per share)					-18,197			-18,197
Other comprehensive income for the period 1 January – 30 June 2014				-1,265				-1,265
Net profit for the period 1 January – 30 June 2014						11,840		11,840
<b>Total comprehensive income for the period 1 January – 30 June 2014</b>				<b>-1,265</b>		<b>11,840</b>		<b>10,575</b>
<b>As at 30 June 2014</b>	<b>45,493</b>	<b>124,279</b>	<b>81,565</b>	<b>-15,492</b>	<b>16,437</b>	<b>11,840</b>	<b>0</b>	<b>264,122</b>
Other comprehensive income for the period 1 July – 31 December 2014				804				804
Withdrawal from other retained earnings			-2,357				2,357	0
Net profit for the period 1 July – 31 December 2014						5,269		5,269
<b>Total comprehensive income for the period 1 July – 31 December 2014</b>				<b>804</b>		<b>5,269</b>		<b>6,073</b>
<b>As at 31 December 2014</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>

## NOTES ON THE INTERIM CONDENSED 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 2015 was published on 12 August 2015. 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

These IAS34 Interim Financial Statements of HAMBORNER REIT AG as at and for the half-year ended 30 June 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union for interim financial reporting (IAS 34) 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 sections 37w and 37x of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The scope of its reporting has been condensed compared to the separate financial statements as at 31 December 2014.

The interim financial statements as at 30 June 2015 are based on the same accounting policies as the separate IFRS financial statements as at 31 December 2014. The accounting standards applicable from 1 January 2015 that have been endorsed by the EU and revised were complied with. However, 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 2015, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, was commissioned to perform the review. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft prepared a corresponding certification 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.

### Material Transactions in the First Half of 2015

The properties in Aachen (31 March 2015) and Celle (16 April 2015) were transferred to the company's portfolio in the first quarter of 2015. The purchase prices not including incidental costs of acquisition together amounted to €62.1 million.

On the basis of the authorisation of the Annual General Meeting on 7 May 2013, the Managing Board, with the approval of the Supervisory Board, increased share capital from Authorised Capital II by issuing 4,549,332 new shares against cash contributions with existing shareholders' pre-emption rights disapplied. As a result, the issued capital rose from €45,493,333 to €50,042,665. The new shares are entitled to dividends in full from 1 January 2014. The capital increase was entered in the commercial register on 20 February 2015. The costs of this capital increase amounted to €72 thousand and were deducted directly from equity as a reduction of capital reserves in accordance with IAS 32.35.

Upfront costs of €1,329 thousand were incurred in the second quarter of 2015 in preparation for a further capital increase resolved by the Managing Board on 24 June 2015. In line with IFRS provisions, these costs were also deducted directly from equity and recognised in the capital reserves.

### 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 2014. The write-downs for modernisation expenses in the context of reletting vacant space in the amount of €0.2 million assessed by the surveyor for the property in Bremen, Linzer Str., were reversed as at 31 December 2014 as the corresponding work was completed by the end of the reporting period. 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 published as at 31 December 2014 in these interim financial statements. Property additions in Aachen and Celle after 31 December 2014 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 (level 2 under IFRS 13) as at the end of the reporting period, and amount to €374,756 thousand as at 30 June of this year (31 December 2014: €349,650 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 13).

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

There were no reportable transactions with related parties in the first half of 2015.





## 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, 6 August 2015

The Managing Board



Dr Rüdiger Mrotzek



Hans Richard Schmitz



## CERTIFICATE OF REVIEW

To HAMBORNER REIT AG, Duisburg

We have reviewed the condensed interim consolidated financial statements, comprising the income statement, statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and selected notes, together with the interim management report of HAMBORNER REIT AG, Duisburg, for the period from 1 January to 30 June 2015, which are part of the half-year financial report in accordance with section 37w of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim Group management report in accordance with the requirements of the WpHG applicable to interim Group management reports, is the responsibility of the Managing Board of the company. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed interim consolidated 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 consolidated 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 Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports. A review is primarily limited 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 consolidated 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, 6 August 2015

Deloitte & Touche GmbH

Wirtschaftsprüfungsgesellschaft

(Künemann)

Wirtschaftsprüfer (German Public Auditor)

(Leber)

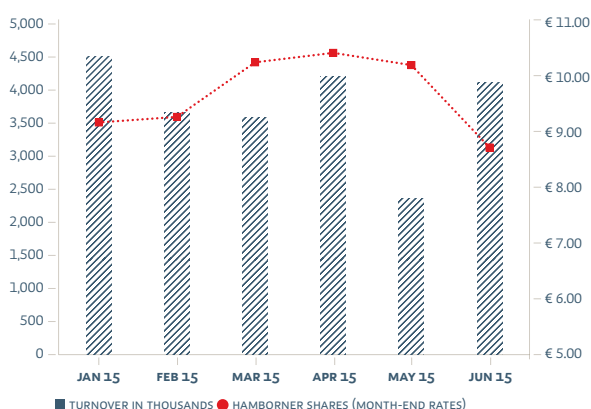
Wirtschaftsprüfer (German Public Auditor)

## ADDITIONAL INFORMATION

### General Development on the Capital Market

The international stock markets were highly volatile in the second quarter. This was also true of the DAX. After beginning the quarter at 12,001 points, the German benchmark index took a turbulent trip to reach an all-time high of 12,390 points on 10 April 2015, but was only at 10,945 points on 30 June 2015. The reasons for the decline and the uncertainty among capital market participants were the crisis in Ukraine, the sanctions in Russia, the slowdown in growth and the turbulence on the Chinese market. However, the doubt over Greece's future in the euro zone probably had the biggest effect on the decline on the stock markets and the DAX in particular.

### HAMBORNER REIT AG Shares



HAMBORNER's shares performed very well in the opening months of the year and reached their highest point for the year to date of €11.41 on 15 April 2015. The shares were therefore quoted well above NAV in the first half of the year, which was at €8.81 as at the end of the first quarter. However, the high price level slipped away in the weeks that preceded the end of the first half of the year. The price dropped to €8.72 by 30 June 2015, an increase of 7.1% compared to the end of 2014 and up 2.1% on NAV as at the same date (€8.47). The drop in prices in the interim is no doubt due to the general disquiet on the stock markets as a result of the Greece crisis, the dividend payment of 40 cents per share at the start of May and the announcement of the capital increase on 24 June 2015. Market capitalisation at the end of June was around €436 million.

The development in share turnover remained positive with further increases. With an average of 181,634 shares traded

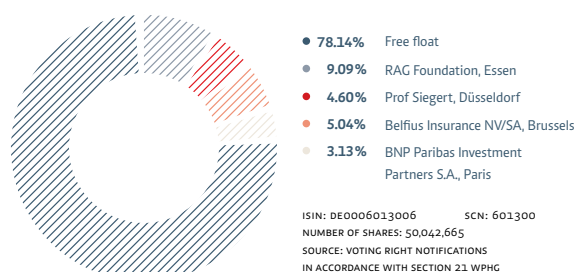
per day in the first half of 2015, we are still at a positive level.

### Annual General Meeting 2015

Our Annual General Meeting was held at Mülheim/Ruhr on 7 May 2015. It resolved the distribution of a dividend of 40 cents per share for the 2014 financial year. The dividend yield based on the closing price as at 31 December 2014 was therefore 4.9%.

<b>Name/code</b>	HAMBORNER REIT AG/ HAB
<b>SCN/ISIN</b>	601300/ DE0006013006
<b>Number of shares</b>	50,042,665
<b>Share capital</b>	€50,042,665
<b>Index</b>	SDAX/EPRA Index
<b>Designated sponsor</b>	HSBC
<b>Free float</b>	78.14%
<b>Market capitalisation</b>	€436.4 million

### Shareholder Structure as at 30 June 2015



### Capital Increases in February and July 2015

On 18 February 2015 the Managing Board and the Supervisory Board resolved a capital increase from authorised capital of 10% of the share capital. The 4,549,332 new shares were subscribed to at a subscription price of €8.99 per share by a fund of the RAG Foundation, Essen, which therefore became currently the company's single largest shareholder. The gross issue proceeds from the subscription to new shares amounted to €40,912 thousand.

The Managing Board and the Supervisory Board next resolved a capital increase against cash contributions with shareholders' pre-emption rights in effect on 24 June 2015. Share capital was to be increased with the partial utilisation

of authorised capital and the issue of up to 16,680,888 new shares. In line with the subscription ratio of three to one, shareholders had the opportunity to subscribe to one new share at a subscription price of €8.50 for every three shares already held. The subscription period ended on 8 July 2015. Shareholders of HAMBORNER REIT AG subscribed to 11,959,948 shares, 71.7% of those on offer. The company generated gross issue proceeds of €101.7 million from the capital increase. On entry of the new shares in the commercial register on 9 July 2015, the share capital of the company therefore increased by €11,959,948 from €50,042,665 to €62,002,613.

### **General Information**

Transparency and reporting are highly important to our investor relations activities. 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) under investor relations. Here you can also join our mailing list to receive a newsletter containing all the key information on our company directly by e-mail.



## FINANCIAL CALENDAR 2015/2016

12 August 2015	Interim report for 1st half 2015
10 November 2015	Interim report for Q3 2015
22 March 2016	Annual report 2015
27 April 2016	Interim report for Q1 2016
28 April 2016	Annual General Meeting 2016

### 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.



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