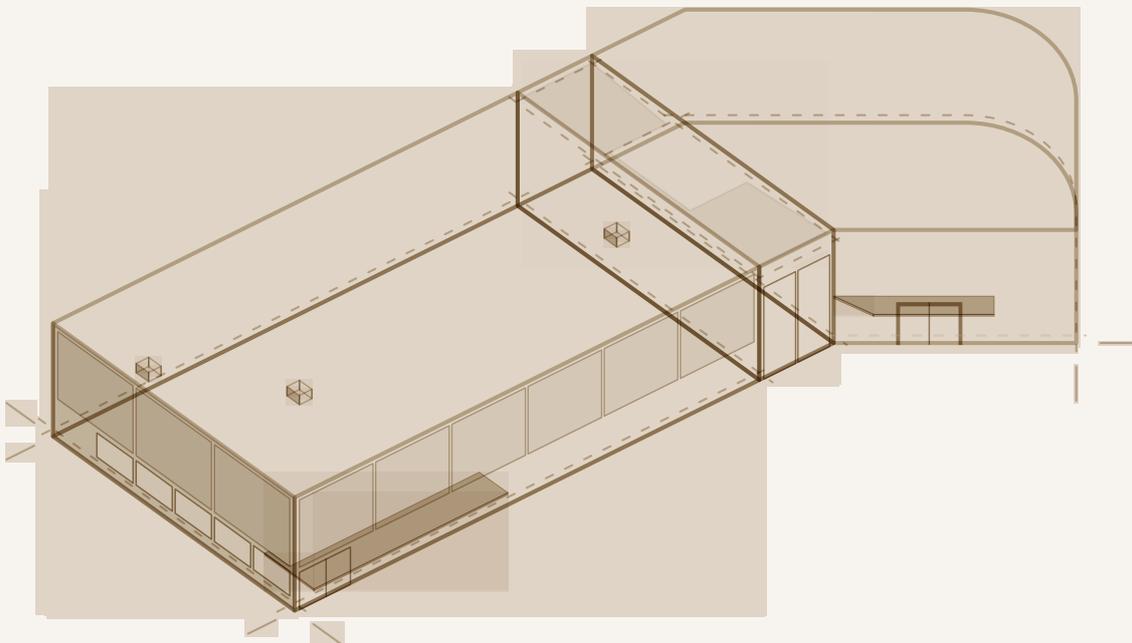


# INTERIM REPORT

Q3 2014

FOR THE THIRD QUARTER OF 2014  
AND THE FIRST NINE MONTHS OF 2014



## KEY FIGURES AT A GLANCE (IFRS)

<b>€ THOUSAND</b>		
<b>From the income statement</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
Income from rents and leases	34,940	33,669
Net rental income	31,977	31,007
Operating result	15,788	16,228
Financial result	-9,897	-8,925
EBITDA	38,938	28,888
EBDA	29,041	14,881
EBIT	26,111	16,578
Funds from operations (FFO)	18,718	18,606
Net profit for the period	16,214	7,653
<b>From the statement of financial position</b>	<b>30 September 2014</b>	<b>31 December 2013</b>
Total assets	620,649	631,712
Non-current assets	588,248	596,302
Equity	268,566	271,744
Equity ratio in %	43.3	43.0
REIT equity ratio in %	53.0	52.5
Loan-to-value (LTV) in %	43.3	43.7
<b>On HAMBORNER shares</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
Number of shares outstanding	45,493,333	45,493,333
Basic = diluted earnings per share in €	0.36	0.17
Funds from operations (FFO) per share in €	0.41	0.41
Stock price per share in € (XETRA)	8.12	7.22
Market capitalisation	369,406	328,462
<b>Other data</b>	<b>30 September 2014</b>	<b>31 December 2013</b>
Fair value of property portfolio	679,449	691,830
Net asset value (NAV)	373,732	375,337
Net asset value per share in €	8.22	8.25
Number of employees including Managing Board	28	27

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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 November 2014.

Dear Shareholders,

The third quarter of 2014 has already been over for several weeks and although we – on the reporting date today, in the middle of November – are already looking ahead to the approaching end of the year, we are delighted to present to you the report on the first nine months of 2014. As we reported at the first quarter and the first half of this year, HAMBORNER has enjoyed a solid business performance in recent months and systematically continued the course on which it has embarked of acquiring larger properties and selling smaller properties no longer consistent with strategy.

The first quarter saw the handover of a property in the pedestrianised zone of Bad Homburg. In April and May we signed purchase agreements for two properties under construction in Berlin (“T-Damm Center”) and Aachen. At the start of October we also acquired two further retail properties in city centre locations in Koblenz and Siegen, which were already transferred into our books as at 31 October 2014. In total, we have therefore signed purchase agreements for around €78 million this year. Thus, HAMBORNER had a portfolio of 67 properties with a value of €679.4 million as at 30 September 2014.

As part of the intended optimisation of our portfolio, we have sold seven smaller properties no longer consistent with strategy in Moers, Wuppertal, Hanover, Frankfurt, Berlin, Hamburg and Kamp-Lintfort for a combined purchase price of around €26 million.

Our performance indicators also reflect the positive trend in business. Essentially as a result of the property additions of last year and this year, and taking into account the properties sold, we increased rental and leasing income by 3.8% and FFO, an indicator for the sustainable performance of the company, by 0.6% as against the previous year in the first nine months.

Last year we published a sustainability report for the first time. A few weeks ago we posted the follow-up report, which was again audited by the GRI (Global Reporting Initiative), in the sustainability section of our website [www.hamborner.de](http://www.hamborner.de). We hope that this helps to make HAMBORNER REIT AG a little more transparent for you. We thank you for your trust and look forward to a continuing constructive discourse with you.

Duisburg, November 2014

  
Dr Rüdiger Mrotzek

  
Hans Richard Schmitz

### General Economic Conditions

In their autumn reports, the leading economic research institutions are forecasting significantly weaker growth for the German economy than previously anticipated. Experts are now forecasting growth of only 1.3% for 2014 as a whole rather than the 1.9% projected in the spring. The forecast for 2015 has been corrected downward from initially 2.0% to currently 1.2%. In particular, the weak domestic and international demand, not to mention the substantial risks as a result of the Ukraine conflict, have caused the economy to flounder.

The labour market has remained robust to date. The unemployment rate in September of this year was 6.5% and employment has risen further. An unemployment rate of 6.7% is expected for 2014 as a whole. For 2015 economic researchers are forecasting a slight increase to 6.8%. Consumer prices are expected to increase by only 1.0% in 2014 and 1.4% in 2015.

### 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 nine months of 2014.

#### Result of Operations

Management income from our properties amounted to €34,940 thousand by the end of September (previous year: €33,669 thousand). The increase as against the same period of the previous year was therefore €1,271 thousand or 3.8%. In particular, €2,135 thousand (6.3%) of this growth resulted from the property acquisitions of 2013 and the first nine months of the current financial year. Sales of properties reduced rental income by a total of €874 thousand (2.6%). The rental income from properties that were in our portfolio in both the first nine months of this year and same period of 2013 (like-for-like) was up slightly year-on-year at €10 thousand.

The economic vacancy rate including agreed rent guarantees was 2.4% in the first nine months of the reporting year (previous year: 2.5%). Not including rent guarantees the vacancy rate was 2.5%, whereby the decline as against the previous year (3.6%) is due in particular to the properties acquired in Munich and Berlin in the first quarter of the previous year, which were partially still vacant when transferred. Both properties are now fully let.

The income from passed-on incidental costs to tenants amounted to €4,002 thousand, up €372 thousand (10.2%) on the figure for the same period of the previous year (€3,630 thousand). At the same time, expenses for the management of our properties increased by €290 thousand (5.7%) to €5,384 thousand (previous year: €5,094 thousand) by the end of September 2014.

As at 30 September 2014, the expenses for the maintenance of the land and property portfolio amounted to €1,581 thousand and were €383 thousand higher than in the previous year (€1,198 thousand). In particular, there were more significant projects in Karlsruhe and in connection with conversions for tenants at both properties in Bremen. Following a successful reletting, the areas were converted in line with the requirements of the new tenants.

At €31,977 thousand, the net rental income derived from the above items is €970 thousand or 3.1% higher than the value for the same period of the previous year (€31,007 thousand).

Administrative and personnel expenses together totalled €3,230 thousand in the reporting period, up €68 thousand or 2.2% on the previous year's level (€3,162 thousand). The operating cost ratio, i.e. administrative and personnel expenses to income from rents and leases, was therefore 9.2% (previous year: 9.4%).

Depreciation and amortisation expense climbed by €524 thousand in the reporting period to €12,827 thousand. Depreciation and amortisation expense includes impairment losses of €387 thousand on the property at Wiesdorfer Platz, Leverkusen and the property, since sold, in Ziethenstrasse, Hamburg.

Net other operating income and expenses amount to €-132 thousand after €686 thousand in the previous year. The change is due in particular to compensation of €1,000 thousand paid by a tenant in the previous year for the early termination of its lease. Other operating income for the first nine months of 2014 includes €140 thousand in reversals of provisions and certain liabilities. Among other things, other operating expenses included public relations work of €134 thousand (previous year: €157 thousand) and membership fees of €95 thousand (previous year: €65 thousand).

Thus, as at 30 September 2014, the company generated an operating result of €15,788 thousand after €16,228 thousand in the same period of the previous year. Despite the higher contribution to earnings from letting, the decline of €440 thousand or 2.7% was due in particular to the non-recurring compensation payment of €1,000 thousand reported under other operating income in the previous year.

The result from the sale of investment property was €10,323 thousand (previous year: €350 thousand) in the reporting period and results from the disposal of the properties in Moers, Wuppertal, Hanover and Frankfurt in the first half of the reporting year and in Berlin and Hamburg in the third quarter.

The financial result was €-9,897 thousand, down by €972 thousand on the figure for the same period of the previous year (€-8,925 thousand). The reduction is primarily due to the further increase in the funds borrowed to finance the company's growth and the associated interest expenses of €9,961 thousand (previous year: €8,956 thousand).

The first nine months of the current year closed with a net profit for the period of €16,214 thousand after €7,653 thousand in the same period of the previous year. This resulted in earnings per share of €0.36 after €0.17 in the first nine months of the previous year.

FFO (funds from operations), i.e. the operating result before depreciation and amortisation expense and not including income from disposals, increased by 0.6% and amounted to €18,718 thousand in the reporting period (previous year: €18,606 thousand). This corresponds to FFO per share of €0.41 (previous year: €0.41).

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

Along with the addition of the property in Bad Homburg at a purchase price of €7.9 million in the first quarter of the reporting year, in April of this year we signed the purchase agreement for a retail property in Berlin. The purchase price for this property yet to be built is provisionally €16.4 million. If fully let, this purchase price could increase to up to €18.9 million. The transfer of the property after its completion is expected at the end of 2015.

Furthermore, we signed the purchase agreement for an office property in Aachen in the second quarter. The purchase price for this property, which also has yet to be built, is €26.9 million. The transfer of rights and liabilities is expected to take place in the first quarter of 2015.

In the reporting year, we also continued to eliminate smaller properties no longer consistent with strategy from the property portfolio. In addition to the properties in Moers, Wuppertal and Hanover reported under "Non-current assets held for sale" as at 31 December 2013, we sold three further properties in Frankfurt, Berlin and Hamburg as at the end of the reporting period. We generated total income from the sales in 2014 of €22.9 million by 30 September 2014. This figure is offset by residual carrying amounts of €12.7 million.

Furthermore, in September we concluded the agreement for the sale of a retail property in Kamp-Lintfort at a purchase price of €3.4 million. The residual carrying amount of €3.0 million is accordingly reported under "Non-current assets held for sale".

In addition, ownership of 92,000 m<sup>2</sup> of our undeveloped land holdings was transferred to the buyer in August. The sale price was €256 thousand.

The updated fair value of the developed property portfolio taking into account the above changes was €679.4 million as at the end of the quarter under review (31 December 2013: €691.8 million).

The company had liquid funds of €28.1 million as at 30 September 2014 after €28.2 million as at 31 December 2013. In particular, cash outflows related to the dividends paid for the 2013 financial year (€18.2 million), investments in the property portfolio (€14.1 million) and interest and principal repayments for our loans (€16.8 million). These were offset by proceeds from operating activities (€25.8 million; previous year: €27.2 million) and the purchase price payments received for the properties sold (€23.2 million). Furthermore, the company has funding not yet utilised of €17.5 million at its disposal from a loan agreement concluded for the pro rata financing of the property in Aachen. The loan can be accessed after fulfilment of the payout conditions.

On the equity and liabilities side, equity amounted to €268.6 million as at 30 September 2014 after €271.7 million as at 31 December 2013. The reported equity ratio as at the end of the reporting period was 43.3% after 43.0% as at 31 December 2013. The REIT equity ratio increased slightly from 52.5% as at 31 December 2013 to 53.0%.

As a result of scheduled repayments in particular, current and non-current financial liabilities decreased by €6.9 million and amounted to €324.6 million at the end of the reporting period after €331.5 million as at 31 December 2013.

The market value of derivative financial instruments fell slightly as against 31 December 2013 (€-10.8 million) to €-11.5 million as at 30 September 2014.

#### **Risk report**

As a property company with a portfolio covering the whole of Germany, HAMBORNER REIT AG is exposed to a number of risks that could affect its result of operations, net asset situation, and financial position. Currently, there were no significant changes in the assessment of risks to the business development of the company as against 31 December 2013. The comments made in the risk report of the 2013 management report therefore still apply.

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

#### **Forecast**

As an asset manager for commercial properties, HAMBORNER REIT AG held a portfolio of 67 properties as at 30 September 2014. In future, the company's strategy will be geared towards value-adding growth in the fields of retail, high street commercial properties and office properties.

The Managing Board is standing by its basic estimates and forecasts regarding future business prospects as published in the 2013 annual report. The sale of smaller properties no longer consistent with strategy has been highly successful to date. However, the disposals of the properties in Moers, Wuppertal, Hanover, Frankfurt, Berlin and Hamburg have also meant corresponding declines in rental income, with the result that the rise in rental income for the year as a whole forecast at the beginning of the year is likely to be a little more moderate. According to current estimates and taking into account further acquisitions and sales, we are aiming for a rise of 3% to 4%, with FFO for the current financial year to rise by a similar amount.

### **Supplementary Report**

At the start of October 2014 we signed a purchase agreement for the acquisition of two retail properties in Siegen and Koblenz. The purchase price was €24.0 million. Ownership of both properties was transferred on 31 October 2014.

## Income Statement

€ THOUSAND	1 JANUARY – 30 SEPTEMBER 2014	1 JANUARY – 30 SEPTEMBER 2013	1 JULY – 30 SEPTEMBER 2014	1 JULY – 30 SEPTEMBER 2013
Income from rents and leases	34,940	33,669	11,607	11,497
Income from passed-on incidental costs to tenants	4,002	3,630	1,319	1,246
Real estate operating expenses	-5,384	-5,094	-1,868	-1,721
Land and property maintenance	-1,581	-1,198	-553	-536
<b>Net rental income</b>	<b>31,977</b>	<b>31,007</b>	<b>10,505</b>	<b>10,486</b>
Administrative expenses	-753	-828	-235	-236
Personnel expenses	-2,477	-2,334	-844	-788
Amortisation of intangible assets, depreciation of property, plant and equipment and investment property	-12,827	-12,303	-4,141	-4,187
Other operating income	439	1,129	94	27
Other operating expenses	-571	-443	-157	-101
	<b>-16,189</b>	<b>-14,779</b>	<b>-5,283</b>	<b>-5,285</b>
<b>Operating result</b>	<b>15,788</b>	<b>16,228</b>	<b>5,222</b>	<b>5,201</b>
Result from the sale of investment property	10,323	350	2,447	0
<b>Earnings before interest and taxes (EBIT)</b>	<b>26,111</b>	<b>16,578</b>	<b>7,669</b>	<b>5,201</b>
Interest income	64	31	12	4
Interest expenses	-9,961	-8,956	-3,307	-3,163
<b>Financial result</b>	<b>-9,897</b>	<b>-8,925</b>	<b>-3,295</b>	<b>-3,159</b>
<b>Earnings before taxes (EBT)</b>	<b>16,214</b>	<b>7,653</b>	<b>4,374</b>	<b>2,042</b>
<b>Net profit for the period</b>	<b>16,214</b>	<b>7,653</b>	<b>4,374</b>	<b>2,042</b>
Basic = diluted earnings per share in €	0.36	0.17	0.10	0.04

## Statement of Comprehensive Income

€ THOUSAND	1 JANUARY – 30 SEPTEMBER 2014	1 JANUARY – 30 SEPTEMBER 2013	1 JULY – 30 SEPTEMBER 2014	1 JULY – 30 SEPTEMBER 2013
<b>Net profit for the period as per income statement</b>	<b>16,214</b>	<b>7,653</b>	<b>4,374</b>	<b>2,042</b>
Items reclassified to profit or loss in future if certain conditions are met:				
Unrealised gains/losses (-) on the revaluation of derivative financial instruments	-629	3,758	70	603
Items not reclassified to profit or loss in future:				
Actuarial gains/losses (-) on defined benefit obligations	-566	0	0	0
<b>Other comprehensive income for the period</b>	<b>-1,195</b>	<b>3,758</b>	<b>70</b>	<b>603</b>
<b>Total comprehensive income for the period</b>	<b>15,019</b>	<b>11,411</b>	<b>4,444</b>	<b>2,645</b>

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

## Statement of Financial Position – Assets

€ THOUSAND	30 SEPTEMBER 2014	31 DECEMBER 2013
<b>Non-current assets</b>		
Intangible assets	12	13
Property, plant and equipment	113	135
Investment property	587,374	595,423
Financial assets	468	434
Other assets	281	297
	<b>588,248</b>	<b>596,302</b>
<b>Current assets</b>		
Trade receivables and other assets	1,342	801
Cash and cash equivalents	28,075	28,154
Non-current assets held for sale	2,984	6,455
	<b>32,401</b>	<b>35,410</b>
<b>Total assets</b>	<b>620,649</b>	<b>631,712</b>



## Statement of Financial Position – Equity and Liabilities

€ THOUSAND	30 SEPTEMBER 2014	31 DECEMBER 2013
<b>Equity</b>		
Issued capital	45,493	45,493
Capital reserves	124,279	124,279
Retained earnings		
Other retained earnings	81,565	81,565
Revaluation surplus	-15,422	-14,227
	66,143	67,338
Net retained profits		
Profit carryforward	16,437	16,330
Net profit for the period	16,214	8,521
Withdrawal from other retained earnings	0	9,783
	32,651	34,634
	<b>268,566</b>	<b>271,744</b>
<b>Non-current liabilities and provisions</b>		
Financial liabilities	314,307	321,345
Derivative financial instruments	11,468	10,840
Trade payables and other liabilities	2,014	2,254
Pension provisions	7,790	7,491
Other provisions	1,940	1,926
	<b>337,519</b>	<b>343,856</b>
<b>Current liabilities and provisions</b>		
Financial liabilities	10,260	10,176
Income tax liabilities	0	19
Trade payables and other liabilities	3,236	4,710
Other provisions	1,068	1,207
	<b>14,564</b>	<b>16,112</b>
<b>Total equity and liabilities</b>	<b>620,649</b>	<b>631,712</b>



## Statement of Cash Flows

€ THOUSAND	1 JANUARY – 30 SEPTEMBER 2014	1 JANUARY – 30 SEPTEMBER 2013
<b>Cash flow from operating activities</b>		
Earnings before taxes (EBT)	16,214	7,653
Financial result	9,897	8,925
Depreciation, amortisation and impairment (+)/write-ups (-)	12,827	12,303
Change in provisions	-579	-685
Gains (-)/losses (+) (net) on the disposal of property, plant and equipment and investment property	-10,488	-350
Change in receivables and other assets not attributable to investing or financing activities	-402	-401
Change in liabilities not attributable to investing or financing activities	-1,690	-388
Interest received	64	108
Tax payments	-19	0
	<b>25,824</b>	<b>27,165</b>
<b>Cash flow from investing activities</b>		
Investments in intangible assets, property, plant and equipment and investment property	-14,069	-90,359
Proceeds from disposals of property, plant and equipment and investment property	23,186	354
Proceeds from disposals of financial assets	3	12
Proceeds relating to the short-term financial management of cash investments	0	15,000
	<b>9,120</b>	<b>-74,993</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-18,197	-18,197
Proceeds from borrowings of financial liabilities	0	86,059
Repayments of borrowings	-6,879	-5,415
Interest payments	-9,947	-9,514
	<b>-35,023</b>	<b>52,933</b>
<b>Changes in cash and cash equivalents</b>	<b>-79</b>	<b>5,105</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>28,154</b>	<b>29,127</b>
Cash and cash equivalents (with a remaining term of up to three months)	28,154	14,127
Fixed-term deposits (with a remaining term of more than three months)	0	15,000
<b>Cash and cash equivalents</b>	<b>28,154</b>	<b>29,127</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>28,075</b>	<b>19,232</b>
Cash and cash equivalents (with a remaining term of up to three months)	28,075	19,232
<b>Cash and cash equivalents</b>	<b>28,075</b>	<b>19,232</b>



## 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 2013</b>	<b>45,493</b>	<b>124,279</b>	<b>91,348</b>	<b>-18,895</b>	<b>12,496</b>	<b>7,741</b>	<b>14,290</b>	<b>276,752</b>
Carryforward to new account					22,031	-7,741	-14,290	0
Distribution of profit for 2012					-18,197			-18,197
Other comprehensive income for the period 1 January – 30 September 2013				3,758				3,758
Net profit for the period 1 January – 30 September 2013						7,653		7,653
<b>Total comprehensive income for the period 1 January – 30 September 2013</b>				<b>3,758</b>		<b>7,653</b>		<b>11,411</b>
<b>As at 30 September 2013</b>	<b>45,493</b>	<b>124,279</b>	<b>91,348</b>	<b>-15,137</b>	<b>16,330</b>	<b>7,653</b>	<b>0</b>	<b>269,966</b>
Other comprehensive income for the period 1 October – 31 December 2013				910				910
Withdrawal from other re- tained earnings			-9,783				9,783	0
Net profit for the period 1 October – 31 December 2013						868		868
<b>Total comprehensive income for the period 1 October – 31 December 2013</b>				<b>910</b>		<b>868</b>		<b>1,778</b>
<b>As at 31 December 2013</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					-18,197			-18,197
Other comprehensive income for the period 1 January – 30 September 2014				-1,195				-1,195
Net profit for the period 1 January – 30 September 2014						16,214		16,214
<b>Total comprehensive income for the period 1 January – 30 September 2014</b>				<b>-1,195</b>		<b>16,214</b>		<b>15,019</b>
<b>As at 30 September 2014</b>	<b>45,493</b>	<b>124,279</b>	<b>81,565</b>	<b>-15,422</b>	<b>16,437</b>	<b>16,214</b>	<b>0</b>	<b>268,566</b>

## Notes on the Interim Financial Statements

### Information on HAMBORNER

HAMBORNER REIT AG is a listed corporation (SCN 601300) headquartered in Duisburg, Germany. This interim report of HAMBORNER REIT AG for the third quarter of 2014 was published on 12 November 2014. The interim financial statements have been prepared in euro (€), whereby all amounts – unless stated otherwise – are reported in thousands of euro (€ thousand). Minor rounding differences may occur in totals and percentages.

### Principles of Reporting

This interim report of HAMBORNER REIT AG as at 30 September 2014 is in accordance with IFRS (International Financial Reporting Standards) as applicable in the European Union. In particular, it was prepared in line with the regulations of International Accounting Standard (IAS) 34 on interim reporting and the requirements of the German Accounting Standard No. 16 of DRSC (German Accounting Standards Committee) on interim reporting and in accordance with the requirements of section 37w and 37x of 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 2013.

With the exception of the matter explained below, the interim financial statements as at 30 September 2014 are based on the same accounting policies as the separate IFRS financial statements as at 31 December 2013. The accounting standards applicable from 1 January 2014 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.

Owing to the decline in capital market interest rates, the discounting rate used to measure pension obligations was reduced to 2.5% (31 December 2013: 3.2%). The increase in pension provisions of €566 thousand resulting from this interest adjustment was already recognised outside profit and loss in the second quarter of 2014.

Total financial liabilities reported as at 31 December 2013 amounted to €331,521 thousand. In the statement of financial position, current financial liabilities were reported too low by €2,693 thousand and non-current financial liabilities too high by the same amount. In this interim report, the comparative figures as at 31 December 2013 were restated as correctly presented under note (18) of the notes to the IFRS financial statements as at 31 December 2013.

This interim report was neither audited by an auditor in accordance with section 317 HGB nor reviewed by an auditor.

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 reporting period are presented in the interim management report of this document.

### Other Selected Notes

In the process of preparing these interim financial statements, we reviewed the fair values of our properties as calculated by expert opinion as at 31 December 2013. The write-downs for modernisation work of €2.1 million assessed by the surveyor for the properties in Duisburg and Freiburg as at 31 December 2013 were reversed as the corresponding work was completed by the end of the reporting period. Furthermore, owing to the difficult letting situation, we wrote down the fair value of a property in Leverkusen by €0.7 million in the first quarter of 2014. As a result of these adjustments, there was a total positive change in measurement as against the end of 2013 not shown in the statement of financial position of €1.4 million. The review did not identify any further factors affecting their value that would have led to a significantly different valuation. It therefore currently appears justified to retain the values for these properties as calculated by expert opinion as at 31 December 2013 in these interim financial statements. The property addition in Bad Homburg after 31 December 2013 was also valued by an expert and included in reporting accordingly.

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

Under assets and liabilities recognised at amortised cost, except for the financial liabilities, the carrying amounts of the financial assets and liabilities in the statement of financial position are a good approximation of their fair value.

The fair values of financial liabilities are equal to the present values of the payments associated with the liabilities, taking into account the current interest rate parameters as at the end of the reporting period, and amount to €350,291 thousand as at 30 September of this year (31 December 2013: €342,206 thousand).

The derivative financial instruments reported in the statement of financial position are measured at fair value. These are exclusively interest hedges. The market values calculated by banks result from discounting the expected future cash flows over the residual term of the contracts on the basis of observable market interest rates or yield curves (level 2 under IFRS 7).

### **Significant Related Party Transactions**

There were no reportable transactions with related parties in the 2014 reporting period.

## 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, 12 November 2014

The Managing Board



Dr Rüdiger Mrotzek

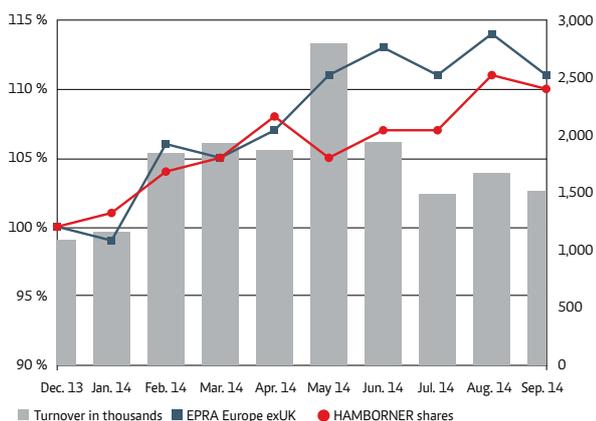


Hans Richard Schmitz

### General Development on the Capital Market

After 2013 ended amicably on the capital market, the first six months of the year were characterised by several upward and downward fluctuations. The Ukraine crisis brought pressure to bear on share prices once again. However, the DAX reached its highest point for the year to date of 10,051 points in the middle of June. This positive development is attributed by experts mainly to the interest and monetary policies of the central banks. Volatility on the stock markets then increased again in the third quarter. Negative economic data from Germany, Europe and the ongoing conflict between Russia and Ukraine weighed heavily on the market. A further cut in the key interest rate by the European Central Bank to a record low of 0.05% failed to counter the general uncertainty this caused. The DAX lost a total of 0.8% in the first nine months and closed at 9,474 points as at 30 September 2014.

### HAMBORNER REIT AG Shares



HAMBORNER's shares performed well overall in the first nine months of 2014. In the first half of the year the shares rose to a price of €7.89 despite the payment of the dividend of €0.40 per share at the beginning of May. This corresponds to an increase of 7.5% based on the year-end closing price for 2013. The positive development continued in the third quarter and the shares temporarily rose to €8.27 – above NAV – before losing a little ground at the end of September and ultimately closing at €8.12 as at 30 September 2014 (up 10.6%). The mark-down as against the net asset value (NAV) of €8.22 per share was therefore 1.2%. After the end of the reporting period, at the start of the fourth quarter, the situation on the capital market deteriorated significantly on account of new economic reports. Our shares were no exception to this. The general development on the stock markets until the end of the year remains to be seen.

### Sustainability Report

After presenting our first sustainability report last year, we are delighted that the follow-up report has been available in the sustainability section of our website [www.hamborner.de](http://www.hamborner.de) for several weeks. In our sustainability reporting, we would like to share with you our understanding of the interconnectedness of the economic, ecological and social dimensions of sustainable corporate governance, and to further enhance our claim to transparent reporting. Of course, we will also send you a bound copy on request - please just contact us.

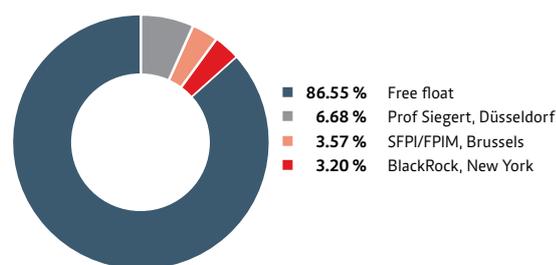
### General Information

Transparency and reporting are the watchwords of our investor relations activities. The latest information, presentation documents and corporate disclosures can therefore be accessed at any time on our homepage [www.hamborner.de](http://www.hamborner.de) in the Investor Relations section.

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

<b>Name/code</b>	HAMBORNER REIT AG/ HAB
<b>SCN/ISIN</b>	601300/ DE0006013006
<b>Number of shares</b>	45,493,333
<b>Share capital</b>	€45,493,333
<b>Index</b>	SDAX/EPRA Index
<b>Designated sponsor</b>	HSBC
<b>Free float</b>	86.55%
<b>Market capitalisation</b>	€369.4 million

### Shareholder Structure as at 30 September 2014



ISIN: DE0006013006  
SCN: 601300

## Financial Calendar 2014/2015

12 November 2014	Interim report for Q3 2014
25 March 2015	Annual report 2014
5 May 2015	Interim report for Q1 2015
7 May 2015	Annual General Meeting 2015

## Forward-looking Statements

This report contains forward-looking statements, e.g. on general economic developments in Germany and the company's own probable business performance. These statements are based on current assumptions and estimates by the Managing Board, which were made diligently on the basis of all information available at the respective time. If the assumptions on which statements and forecasts are based are not accurate, the actual results may differ from those currently anticipated.

## Imprint

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### As at:

November 2014

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