

Fiscal Year 2016: Hahn Group shows profitable growth

- Management revenues up by about 18 percent
- pre-tax profit increases to EUR 6.5 million (2015: EUR 5.8 million)
- Equity increased by 7.7 percent to EUR 43.6 million
- Letting rate of 98.0 percent as of January 31, 2017

Bergisch Gladbach, March 30, 2017 - The Hahn Group benefited in 2016 from a continued favorable economic and capital market environment. Tenant demand for large-scale retail properties was very stable and resulted in a positive development of the real estate portfolio. New business with institutional investors and private customers also developed very positively. In the year 2016, the Hahn Group raised around EUR 249 million equity for its investment funds and realized a transaction volume of around EUR 360 million with third parties. In the period under review, three public AIFs and one open special AIF with a target investment volume of around EUR 570 million were issued.

All divisions contributed significantly to the Group's good earnings performance. The new business, management and investment segments achieved a positive operating result and met expectations. In new business and management the earnings expectations were even surpassed. Net income after taxes was also higher than the forecast published in the Annual Report 2015.

Michael Hahn, CEO: "We are very satisfied with the business development of the Hahn Group. In 2016, in particular, we were able to further expand our managed real estate assets with many new investments, thus creating the basis for a sustainably positive development of earnings. "

The real estate assets managed by Hahn Group increased to around EUR 2.75 billion as of the end of January, 2017 (previous year: EUR 2.45 billion). In 2016, the Asset Management division concluded lease agreements of around 93,000 m² of retail space. The letting rate as of the end of January, 2017, was around 98 percent.

Business development 2016 in figures

The result from the sale and marketing of real estate assets rose in the financial year 2016 from EUR 4.4 million to EUR 8.7 million. The significant increase is mainly due to a higher transaction volume with institutional vehicles as well as the conception and successful placement of three investment funds in the private funds business. The increase in revenues from management fees by EUR 2.3 million to EUR 15.0 million (previous year: EUR 12.7 million) is due to the new consolidation of subsidiaries, which further deepens the value creation chain of the Hahn Group in real estate management.

Gross profit increased to EUR 28.7 million (previous year: EUR 23.1 million), whereby earnings before tax and financial expenses of EUR 10.0 million were roughly on a par with the previous year of EUR 9.7 million. The financial result of EUR -3.5 million (previous year: EUR -3.9 million) reflects stable financial income of EUR 0.2 million and reduced financial expenses. The financial expenses are directly related to the short-term holding of properties for private funds during the year. Earnings before income taxes amounted to EUR 6.5 million (previous year: EUR 5.8 million). At EUR 4.1 million, consolidated earnings after taxes were within reach of the very good prior-year figure (previous year: EUR 4.9 million). The tax rate increase compared to the previous year is due to the absence of tax-free earnings components.

As of December 31, 2016, the balance sheet total increased by EUR 39.5 million year-on-year to EUR 130.0 million. This is largely attributable to higher current assets, the temporary increase of company holdings as well as the fund processing with its associated high liquidity level near the end of the business year. Intangible assets also rose as a result of the new consolidation of subsidiaries. At the balance sheet date of December 31, 2016, equity amounted to EUR 43.6 million (December 31, 2015: EUR 40.5 million).

On the basis of a sustainably good earnings situation, the Management Board and the Supervisory Board propose to the Annual General Meeting the payment of a dividend of EUR 0.19 per registered share.

Positive outlook

The Management Board of Hahn AG expects that the interest of institutional investors and wealthy private investors in managed real estate investments will remain constantly high due to the low yields of alternative investments as well as the high volatility of the stock markets. This is likely to lead to a continued high demand for investments in Hahn fund products.

Thomas Kuhlmann, Member of the Management Board: "We intend to continue our growth path in 2017. In the institutional fund business, we are planning with real estate investments of around EUR 230 million. The majority of these transactions will be carried out for institutional funds that have already been launched. In the business for private clients, we intend to offer at least three new investment funds with an investment volume of around EUR 60 million. "

On the basis of the assumptions and forecasts for the individual company segments, the Hahn Group's Management Board expects a net profit after taxes of between EUR 4 million and EUR 5 million.

The complete Annual Report 2016 can be found at www.hahnag.de.

The Hahn Group

For more than three decades already the Hahn Group has specialised as asset and investment manager on large-scale retail properties. In its company history, the Hahn Group has successfully issued about 180 property funds. The current assets under management total of about EUR 2.75 billion. Given its comprehensive expertise in real estate and asset management, the Hahn Group offers its private, semi-professional and professional investors a true USP in its market segment. The Group manages and controls the entire value-creation chain of the retail properties under its management at more than 160 different sites. This is creating value with retail space.

More information on the Hahn Group is available online at www.hahnag.de.

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