

Financial results 2015

MARCH 30, 2016



Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, general economic conditions, including in particular economic conditions in the alstria's core business and core markets, general competitive factors, the impact of acquisitions, including related integration issues, and reorganization measures. Furthermore, the development of financial markets, interest rate levels, currency exchange rates, as well as national and international changes in laws and regulations, in particular regarding tax matters, can have a corresponding impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information contained herein.

Agenda

- Takeover of Deutsche Office
- Key financials
- Operations
- Outlook



alstria & Deutsche Office – a compelling transaction



OUR VIEW AT THE ANNOUNCEMENT DATE IN JUNE 2015

DEC. 31, 2015

alstria Deutsche Office

		Reported	Reported
Market capitalisation ¹⁾	EUR million	1,008	712
Portfolio			
Gross Asset Value Q1 2015	EUR million	1,692	1,705 ²⁾
Number of properties Q1 2015		74	51
Value per m ²	EUR	1,937	1,974 ²⁾
Financials			
Adj. IFRS Equity Q1 2015 ³⁾	EUR million	895	707 ²⁾
Adj. Net LTV Q1 2015 ³⁾	%	45.6	54.5 ^{2), 4)}
(REIT) Equity ratio ³⁾	%	52.9	41.5 ^{2), 4)}
Pro forma GRI (2015 forecast)	EUR million	98	105–107
Pro forma FFO (2015 forecast)	EUR million	49	50



alstria
Deutsche Office

Pro-forma combined
1,720
3,397 ²⁾
125
1,956 ²⁾
1,602 ²⁾
50.1 ^{2), 4)}
47.2 ^{2), 4)}
203–205
99

alstria

1,875
3,359
120
1,935
1,658
49.3
49.4
204 ⁵⁾
104 ⁵⁾

¹⁾ As of June 15, 2015.

²⁾ Adjusted for EUR 80 million mark-down of Deutsche Office's portfolio.

³⁾ Reported Q1 2015 financials adjusted for dividend payments.

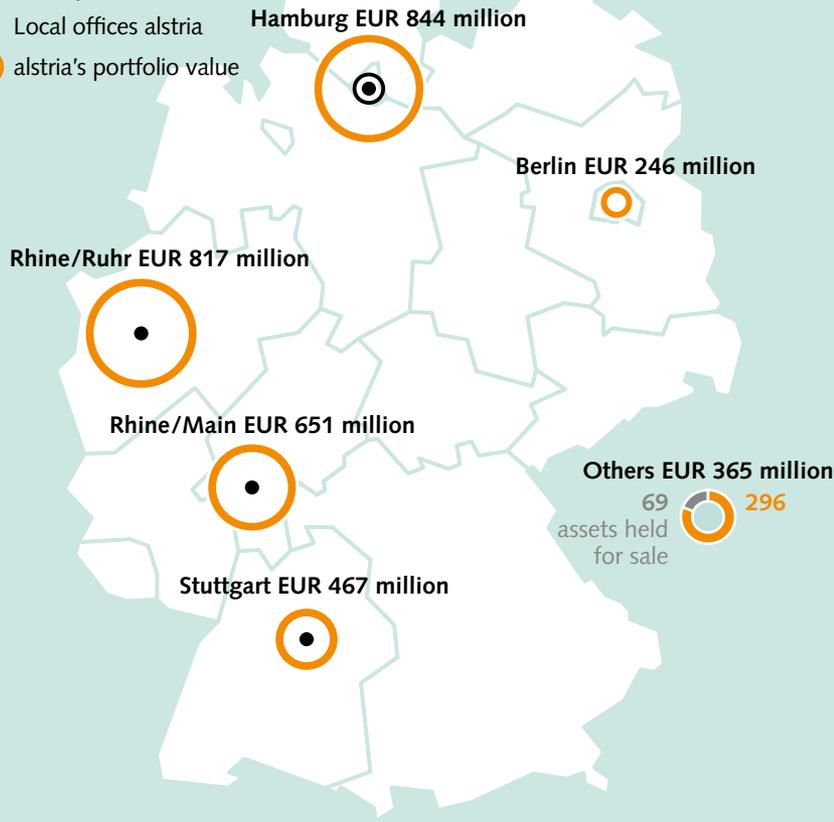
⁴⁾ Adjusted for EUR 34.8 million loan in connection with disposal of Westend Ensemble.

⁵⁾ Pro forma.

GEOGRAPHIC PORTFOLIO SPLIT AND PORTFOLIO VALUE*

as per December 31, 2015

- Headquarter alstria
- Local offices alstria
- alstria's portfolio value



* Including joint venture and prepaid property.

- › alstria achieves critical size in 5 of 6 major German office markets
- › The critical size in each submarket allows to open local offices and to run efficient subportfolios
- › Bigger portfolio diversifies geographical risk and single tenant risk
- › New portfolio volume creates economies of scale and will reduce alstria's cost ratio
- › Higher market capitalisation and better liquidity lead to lower cost of capital

Lower cost than anticipated



Breitwiesenstrasse, Stuttgart

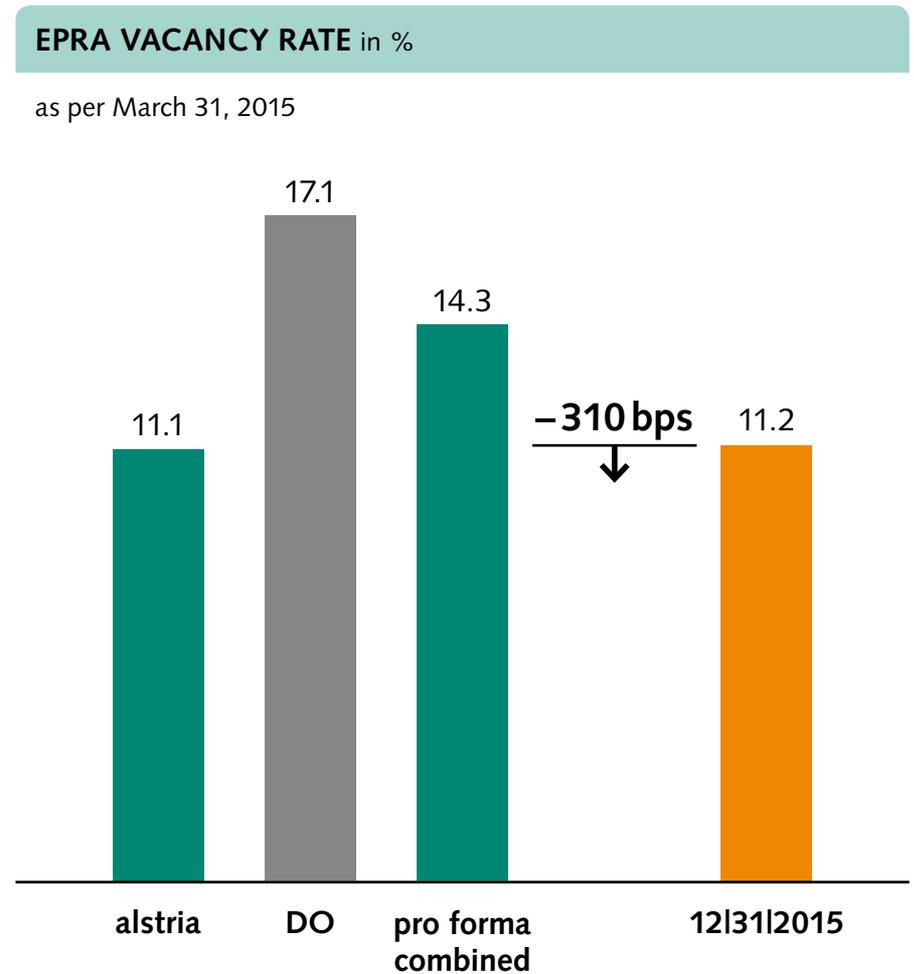
COSTS RELATED TO THE DO TRANSACTION

in EUR million	Anticipated costs	Realized costs by Dec. 31, 2015	Expected costs in 2016
Real estate transfer tax	20	–	–
Transaction costs	15	10.8 ¹⁾	–
<i>o/w Cost bridge loan</i>		3.8	–
<i>o/w Advisory fees</i>		7.0	–
Restructuring costs	15	14.2	7.2
<i>o/w Prepayment fees loans</i>		9.2	2.6
<i>o/w Reorganisation DO</i>		5.0	4.6
Swap breakage costs	50	35.7	0.8
Total costs	100	60.7	8.0

¹⁾ EUR 9.8 million booked in the P&L, EUR 1 million directly booked in the equity.

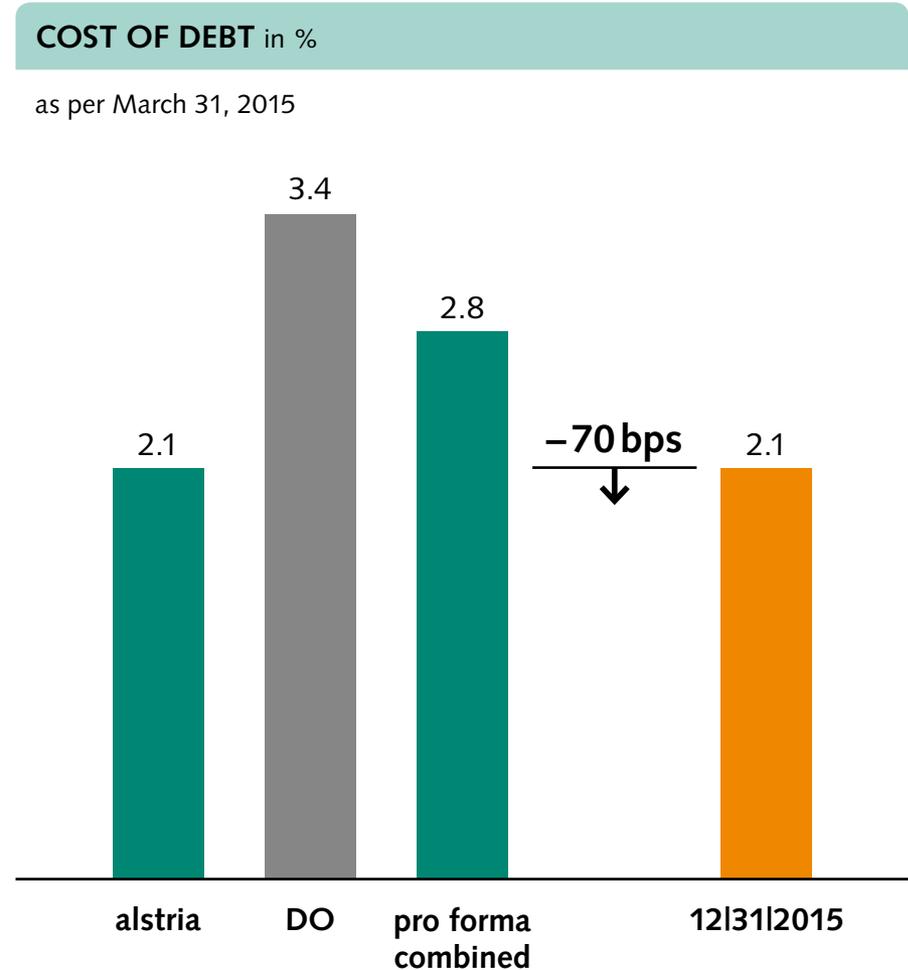
EPRA vacancy rate substantially down

- › Vacancy rate down by 310 bps since announcement of the transaction
- › Leasing business 2015 proves the strength of the combined entity
 - New leases: 76,300 m²
 - Lease extensions: 101,000 m²
- › Disposal of 30,600 m² of vacancy in the course of 2015



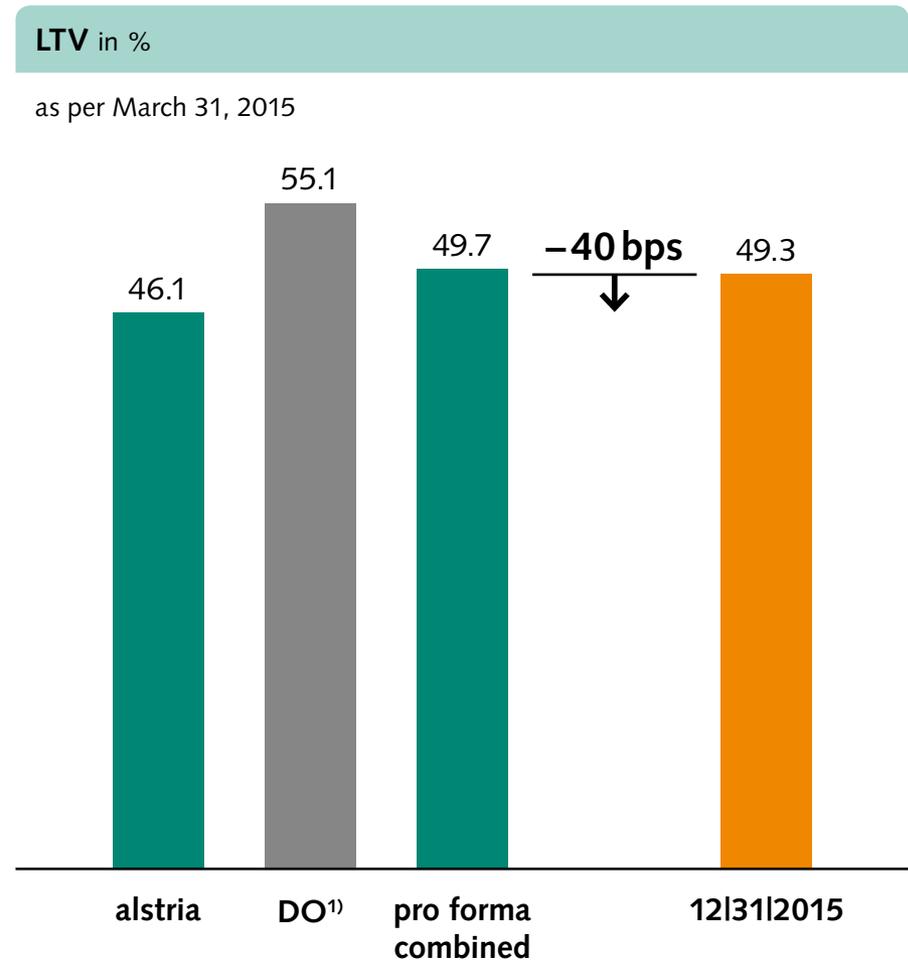
Cash cost of debt down to 2.1 %

- › Pro-forma combined cost of debt of 2.8 % as per December 31, 2014
- › Cost of debt reduced by 70 bps following termination of swaps and issuance of first corporate bond
- › Average debt maturity improved to 4.3 years



LTV down by 40 bps since acquisition

- › Preservation of conservative balance sheet structure was a precondition for any M&A activity
- › LTV of < 50 % maintained despite EUR 81 million devaluation of DO portfolio
- › alstria's LTV decreased by 40 bps compared to pre-announcement date

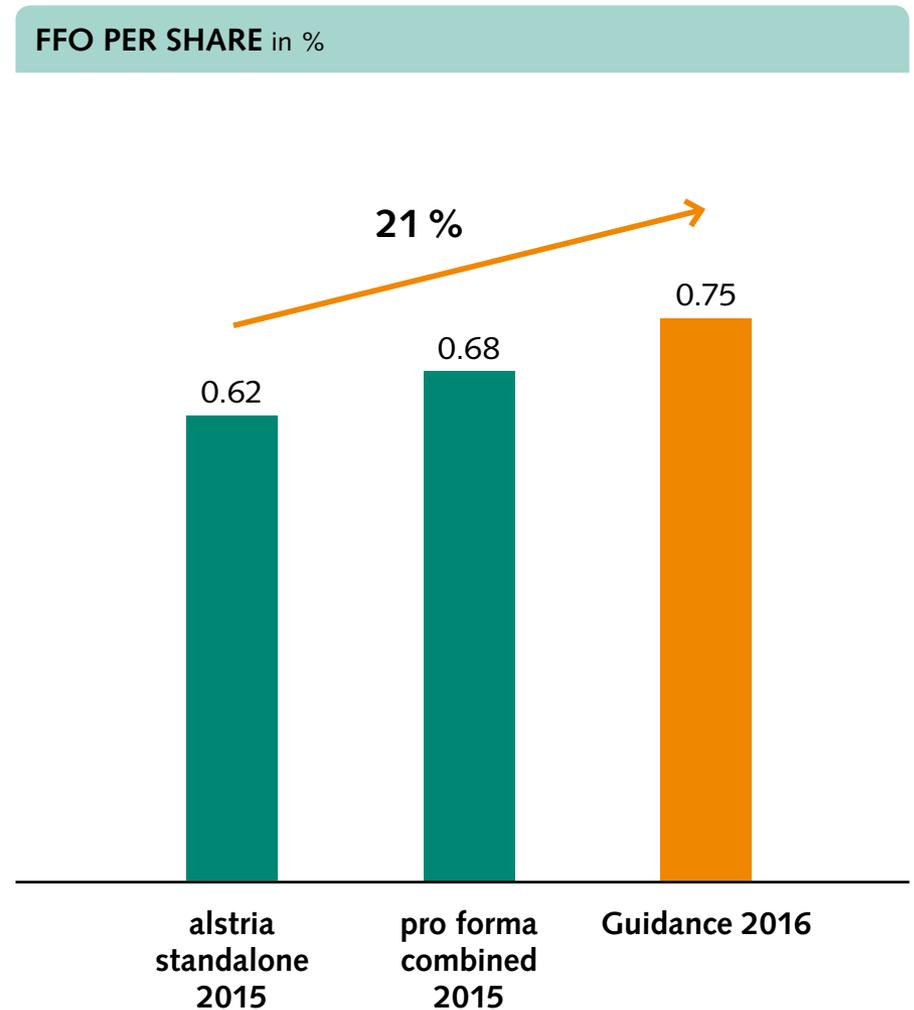


¹⁾ After EUR 81 million revaluation.

Transaction is highly FFO per share accretive



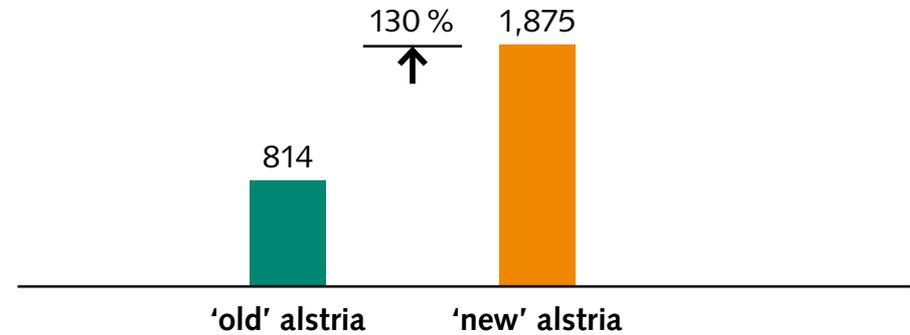
- › As indicated at the announcement date of the transaction the FFO per share will increase by > 20 %
- › Most of the operating synergies and savings on financing costs will materialize already in 2016



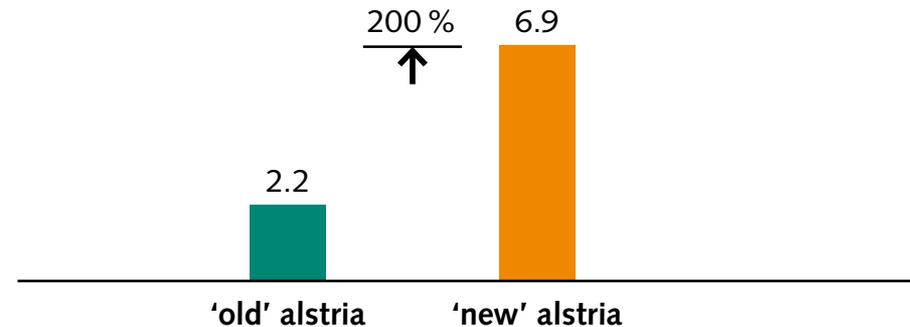
Better capital market profile

- › Issuance of 73.2 million new shares and positive share price performance significantly increased alstria's market capitalisation
- › Better capital market profile led to higher weightings in EPRA indices and membership in the German MidCap index (MDAX)

MARKET CAPITALISATION in EUR million



DAILY TURNOVER in EUR million



There is no Goodwill in real estate

CALCULATION OF GOODWILL

Technical purchase price

Number of new shares issued		65.1
Avg. issue price	EUR	12.64
Total	EUR million	822.7

Fair value Deutsche Office

IFRS equity as per acquisition date		716.6
– Minority interest		38.7
Total	EUR million	677.9

Goodwill	EUR million	144.8
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NAV costs of DO transaction

Number on new shares issued		65.1
alstria NAV post dividend	EUR	10.30
Total	EUR million	670.3

Transaction
is NAV
neutral

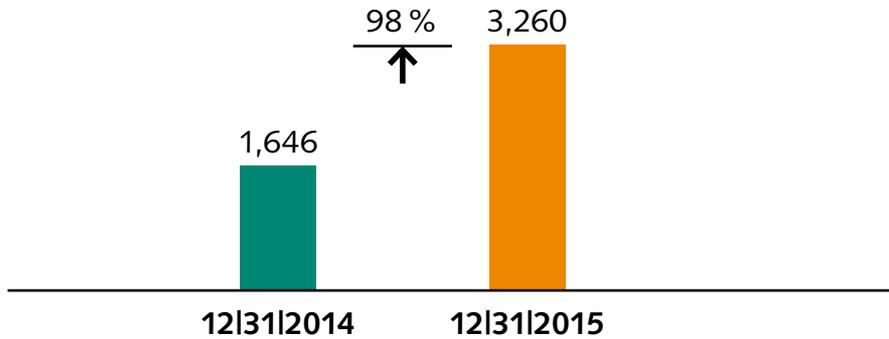
- › The comparison of the technical purchase price for the shares of DO (number of shares issued x issue price) and the fair market value of DO equity creates a goodwill and immediately increases the company's NAV
- › alstria follows the EPRA recommendation in terms of goodwill for the EPRA NAV, as well as for the IFRS NAV and wrote off the additional NAV which was created ex-nihilo by the accounting concept, but does not have any tangible reality

Agenda

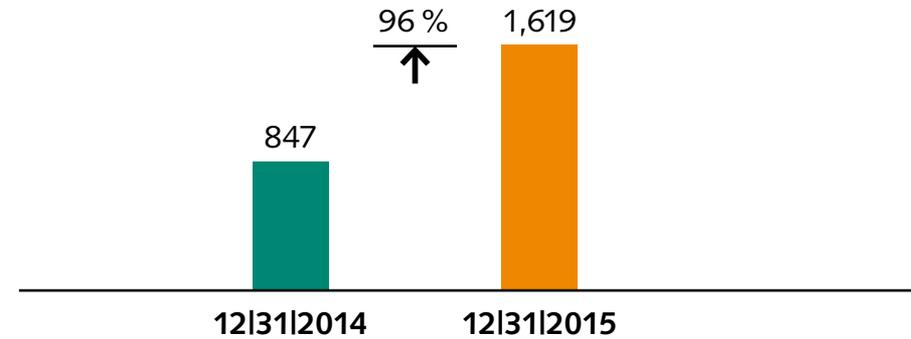
- › Takeover of Deutsche Office
- › **Key financials**
- › Operations
- › Outlook



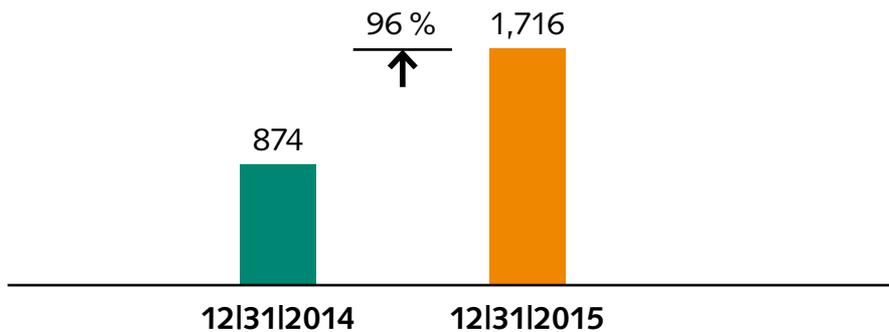
INVESTMENT PROPERTY in EUR m



EQUITY in EUR m



LONG-TERM DEBT in EUR m



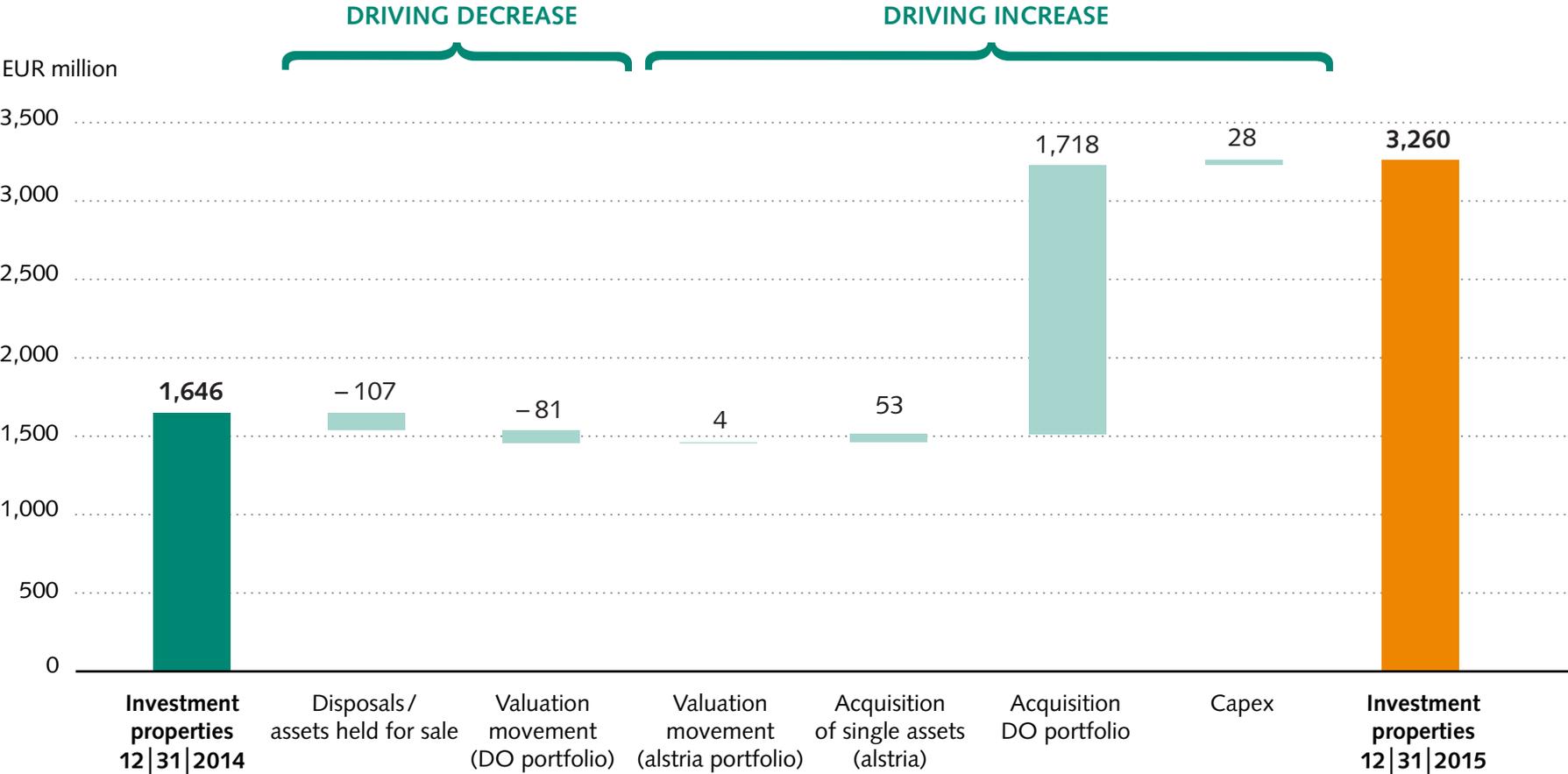
RATIOS

- › G-REIT equity ratio: 49.4 %
- › Net LTV: 49.3 %
- › EPRA NAV per share: EUR 10.91

Portfolio doubled



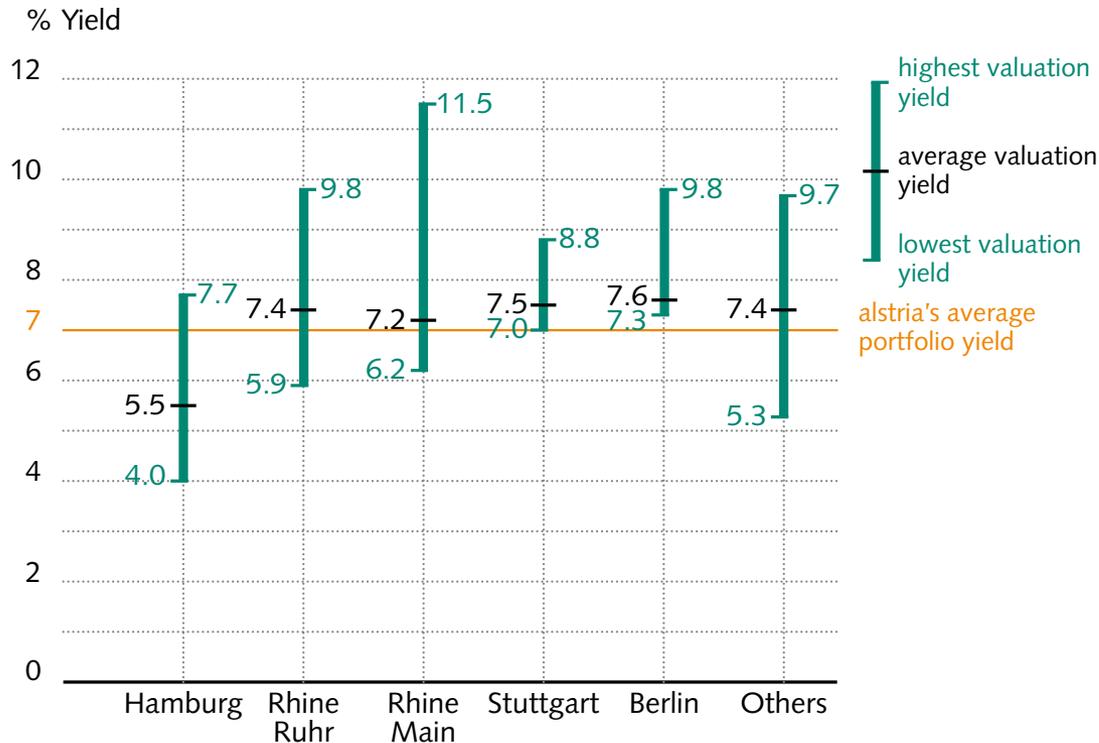
PROPERTY BRIDGE



Valuation yields range from 4.0% to 11.5%

RANGE OF VALUATION YIELDS IN ALSTRIA'S PORTFOLIO

as per December 31, 2015



LOWEST YIELD IN THE PORTFOLIO: 4.0 %



Johanniswall 4, Hamburg

Location: Inner city of Hamburg
 Tenant: City of Hamburg
 WAULT: 18.8 years

HIGHEST YIELD IN THE PORTFOLIO: 11.5 %



Siemensstrasse 9, Neu-Isenburg

Location: City fringe of Frankfurt
 Tenant: Multi-tenant
 WAULT: 2.8 years

¹⁾ The valuation yield is the market value of the asset (OMV) in relation to its market rent (ERV).

Issuance of corporate bond improves maturity profile



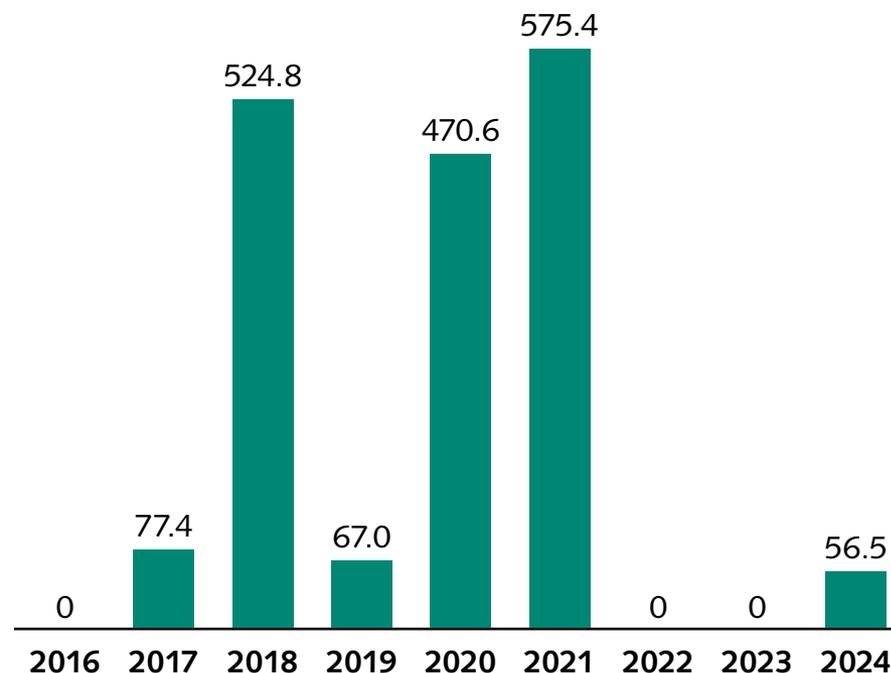
- › Average debt maturity: 4.3 years
- › Net LTV: 49.3 %
- › Average cost of debt 2015: 2.8 %

CASH COST OF DEBT (DEC. 31, 2015) in EUR million

	Nominal amount (EUR k)	Cost of debt (%)	Average maturity (years)
Bank of debt	1,192.7	2.07	4.0
Bond	500.0	2.25	5.2
Convertible bond	79.2	2.75	2.5
Total	1,771.9	2.14	4.3

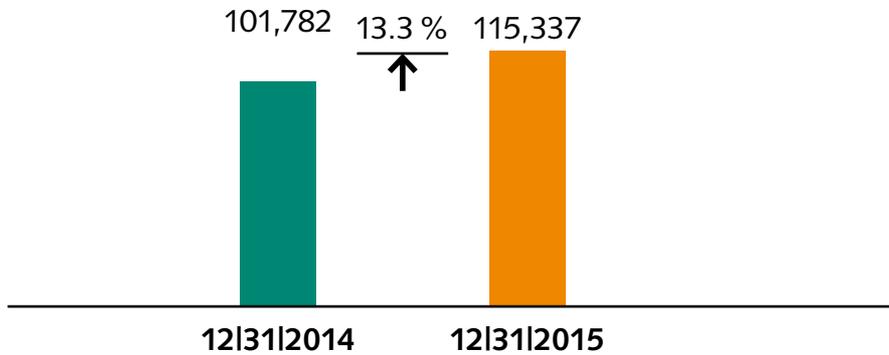
Note: A loan amount of EUR 331.9 million was repaid on Feb. 22, 2016.

ALSTRIA'S DEBT MATURITY PROFILE in EUR million

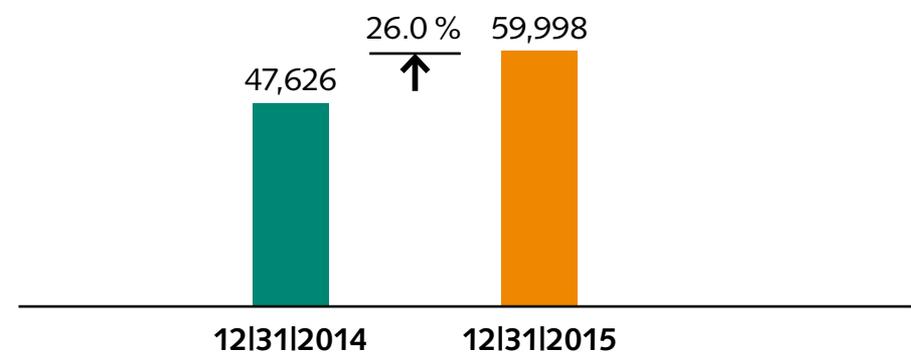


Selected profit & loss positions

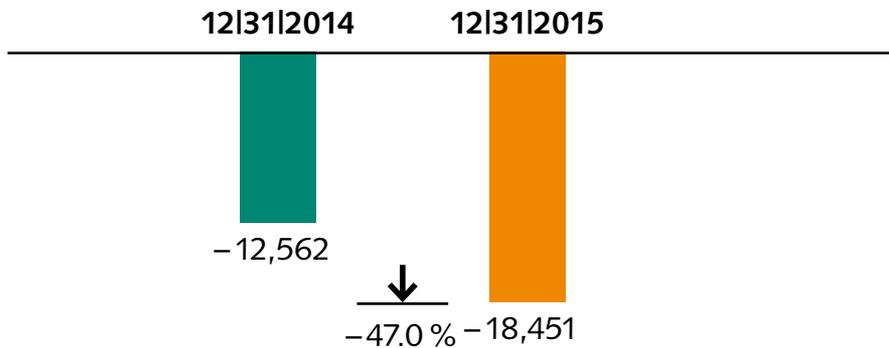
GROSS RENTAL INCOME in EUR k



FUNDS FROM OPERATIONS (FFO) in EUR k



SG&A in EUR k



RATIOS

- › FFO per share: EUR 0.61
- › FFO margin: 52.0 %
- › EPRA cost ratio¹⁾: 20.1 %

¹⁾ Adjusted for EUR 1,200 k severance payments.

From pretax-profit to FFO

FFO for the period from January 1 to December 31, 2015

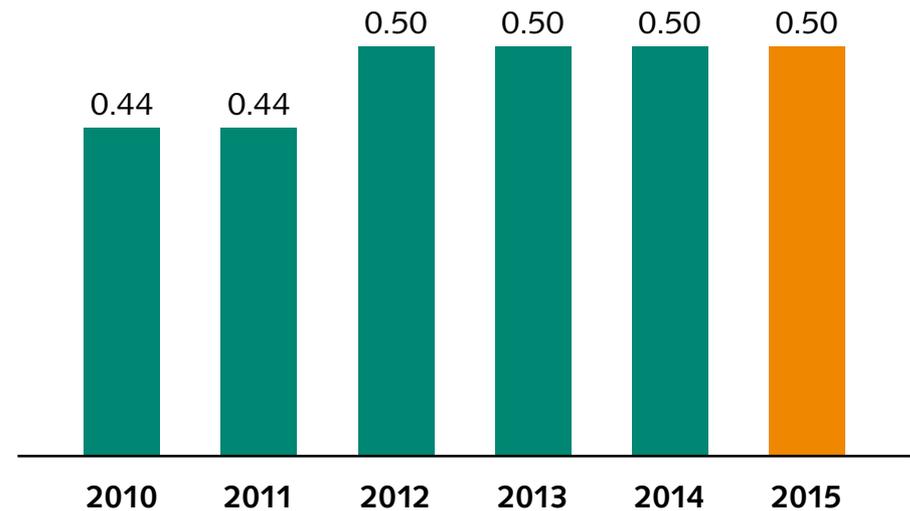
EUR k	2015	2014
Pre-tax income (EBT)	-110,568	36,972
Net profit from fair value adjustments on investment property	4,192	-824
Net loss from fair value adjustments on financial derivatives	6,763	27,461
Profit on disposal of investment property	-12,655	-4,566
Fair value adjustments in joint ventures	-1,301	-12,179
Other adjustments ¹⁾	173,567	762
o/w Amortisation of Goodwill	144,795	
o/w Legal and advisory costs in conjunction with the takeover	9,765	
o/w Prepayment fees for the premature termination of loans	9,162	
o/w Other adjustments	9,845	
o/w Reorganisation of DO	5,032	
o/w Other non-cash-items	4,813	
Funds from operations (FFO)²⁾	59,998	47,626
o/w minority interest	-601	-
o/w attributable to shareholders	59,397	-
Maintenance capex	-16,162	-9,452
Adjusted funds from operations (AFFO)²⁾	43,235	38,174
Weighted average number of shares (in k)	96,718	79,018
FFO per share (EUR)	0.61	0.60

Costs related to acquisition
of Deutsche Office

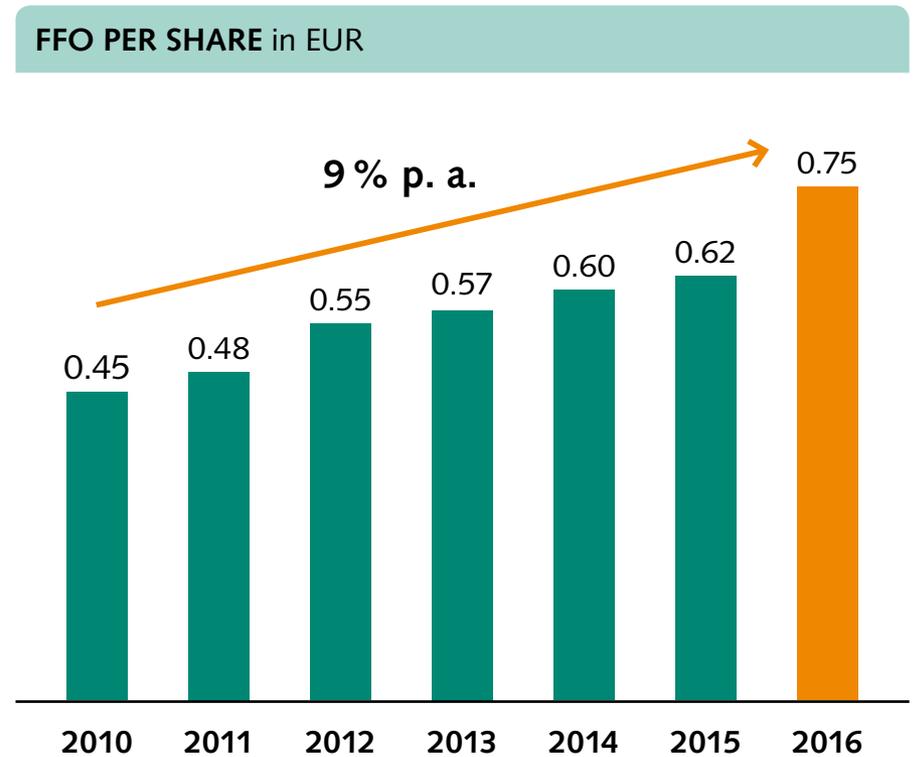
Dividend proposal of EUR 0.50 per share

- › Proposal of stable dividend for FY 2015
- › Payout ratio of 82 %
- › Dividend yield of 4 %
- › Increase of dividend over the next years depends on operational progress in the property portfolio

DIVIDEND PER SHARE in EUR



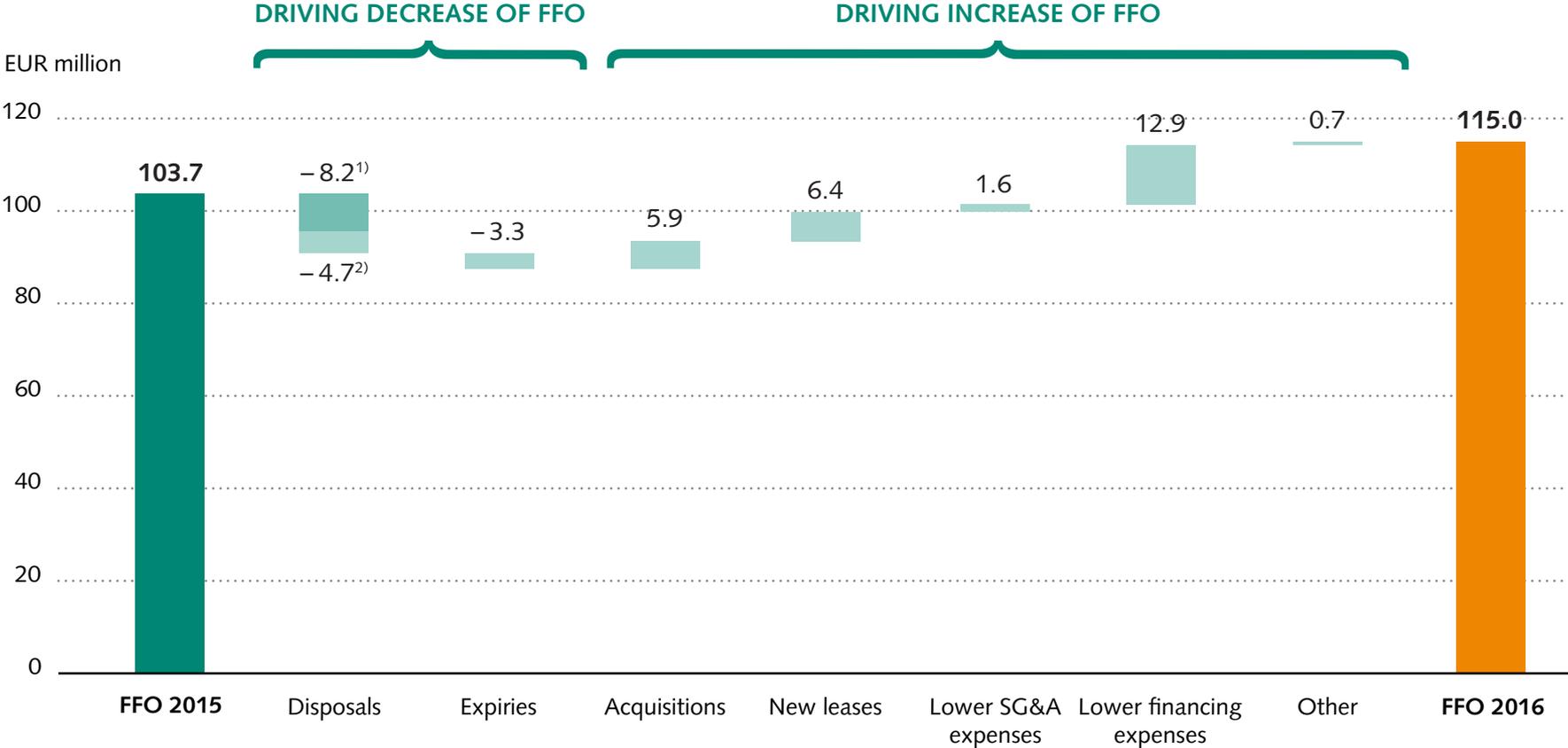
- › Expected revenues: EUR 200 million
- › Expected FFO: EUR 115 million
EUR 0.75 per share
- › Increase of FFO margin to > 57 %
- › Average FFO growth of 9 % p. a.



FFO guidance bridge



FFO GUIDANCE BRIDGE

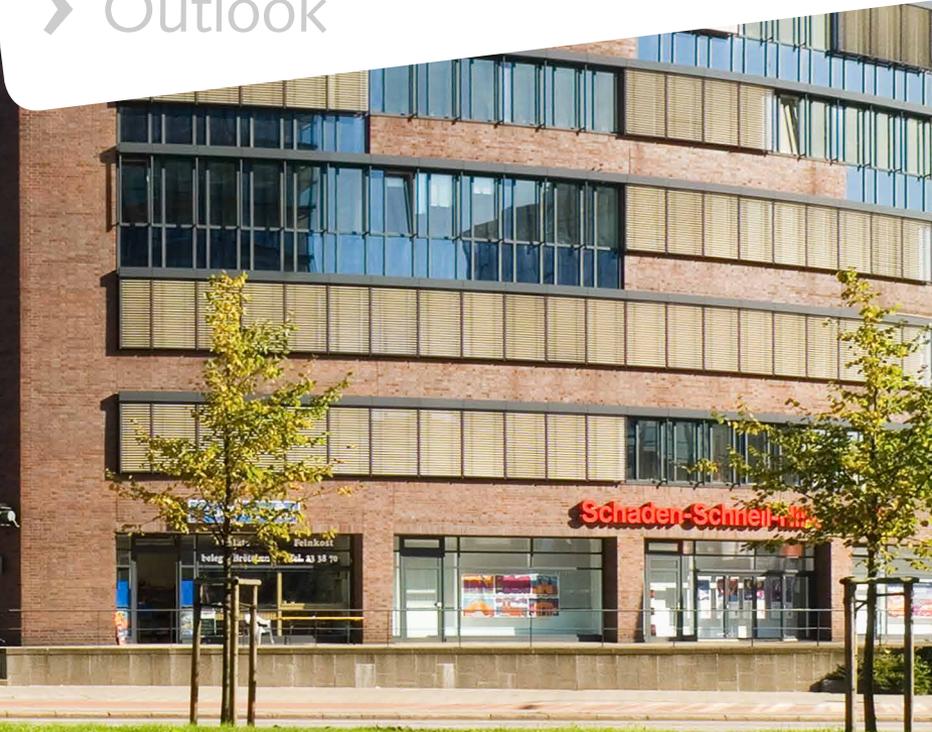


¹⁾ Disposals executed in 2015.

²⁾ Disposals planned for 2016.

Agenda

- › Takeover of Deutsche Office
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- › Two assets added to the portfolio in Düsseldorf and Hamburg (total consideration: EUR 50 million)
- › Seven assets sold for EUR 126 million plus one asset sold from the DO portfolio for EUR 4 million
- › Average gain to book value of 12.7 %
- › Exit from the Munich market after disposal of three assets from the alstria portfolio (disposal price EUR 75 million, 19.5 % gain to book value after partial repositioning to residential assets)
- › Average UIIR on disposals in 2015 of 4.6 %
- › Average holding period 7 years

DISPOSALS



Hofmannstr. 51, Munich

Holding period: 2007–2015
UIIR: 6.2 %



Arnulfstr. 150, Munich

Holding period: 2007–2015
UIIR: 6.6 %

ACQUISITIONS



Karlstr. 123-127, Düsseldorf

Acquisition price: EUR 11.2 million
Fully let, WAULT 7.5 years
Yield: 6.7 %



Gasstr. 18, Hamburg

Acquisition price: EUR 38.0 million
26 % vacancy, WAULT 3.2 years
Yield: 6.1 %

Vacancy rate substantially down

- › Total vacancy rate of 11.8 %
 - New leases: 76,300 m²
 - Extended leases: 101,000 m²
- › Vacancy alstria portfolio down from 12.6 % to 10.4 % in 2015
- › Vacancy DO portfolio down from 16.4 % to 13.0 % in 2015
- › EPRA vacancy rate at 11.2 % (14.3 % at acquisition date)

VACANCY SCHEDULE

Investment property		m ²	Vacancy rate ¹⁾ (%)	
Total lettable area – Jan. 1, 2015	(A)	875,100		
Available for lease – Jan. 1, 2015	(B)	110,500	12.6	(B/A)
+ Acquired space		925,800		
<i>thereof Deutsche Office as per Dec. 31, 2014)</i>		898,700		
– Disposed space ²⁾		–114,100		
+ Net new built space		600		
– Remeasurements		–2,500		
Total lettable area – Dec. 31, 2015	(C)	1,684,900		
+ Acquired vacancy		147,400		
<i>thereof Deutsche Office as per Dec. 31, 2014)</i>		147,400		
– Disposed vacancy		–30,600		
+ Expiries		148,300		
– Renewals		–101,000		
– New leases		–76,300		
= Available for lease – Dec. 31, 2015	(D)	198,300	11.8	(D/C)
of which developments		27,600		
EPRA vacancy rate			11.2	

¹⁾ Excluding joint venture.

²⁾ Including assets held for sale as per Dec. 31, 2015.

Contractual rent doubled

- › L-f-I rental growth of 0.9 % on 2015
- › New leases started for 55,900 m² in 2015 (alstria portfolio)
- › Effective rent of 9.87 per m²
- › Average lease term of 7.5 years
- › EUR 56 million of future rents secured in 2015

BREAKDOWN OF CHANGE IN RENTAL INCOME

	EUR k	%
Contractual rent as of Dec. 31, 2014	99,652	100
Transactions (Dec. 31, 2014–Dec. 31, 2015)	107,760	108.1
Deutsche Office portfolio	110,787	
Single asset acquisitions (alstria)	749	
Single asset disposals (alstria)	–3,776	
L-f-I-change ¹⁾ (Dec. 31, 2014–Dec. 31, 2015)	860	0.9
Investment portfolio – New leases	2,813	
Investment portfolio – Lease expiries	–1,658	
Development portfolio ²⁾ – New leases	325	
Development portfolio ³⁾ – Lease terminations	–620	
Contractual rent as at Dec. 31, 2015	208,272	94.4

¹⁾ Development assets 2015 (alstria Portfolio).

²⁾ Development assets 2015 mainly in process of vacation.

EFFECTIVE RENT (ALSTRIA PORTFOLIO)

Weighted average effective rent per m ² / month in EUR (new lease)	2015	2014	2013
Base rent	11.55	14.84	10.93
Tenant fit-outs	–1.28	–1.10	–1.22
Broker fees	–0.08	–0.19	–0.20
Rent concessions	–0.32	–0.15	–0.52
Effective rent	9.87	13.40	8.99
Weighted average lease term (in years)	7.5	11.1	7.4

Developments

- › Mundsburg Center development completed in 2015
 - Valuation gain of 4.6 million
 - Incremental rent EUR 0.8 million
 - Incremental yield on cost: 7.1 %
 - Total yield on cost 8.5 %

CHANGE IN RENTAL INCOME (ALSTRIA PORTFOLIO)

EUR k	2015	2014	2013	2012
Development	20,802	23,782	6,520	9,072
o/w: Tenant fit-outs	9,150	0	0	0
Re-letting	11,733	9,452	7,963	3,795
o/w: Tenant fit-outs	9,582	6,191	4,684	2,239
o/w: Broker fees	744	2,011	391	834
o/w: Capitalised interest	0	0	0	0
o/w: Other cost	1,407	1,250	2,888	722
Maintenance ¹⁾	4,280	5,156	5,218	4,900
Running repairs ¹⁾	1,605	1,656	1,253	1,203
Total	38,420	40,046	20,954	18,970

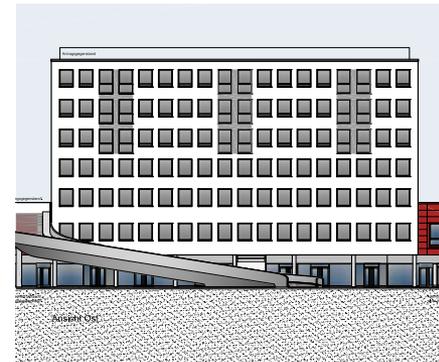
¹⁾ Included in the P&L/FFO.



Hamburger Str.1, Hamburg
95 % let
Total CAPEX EUR 11.2 million



Am Wehrhahn 33, Düsseldorf
Construction will start mid 2016
Total CAPEX EUR 33 million

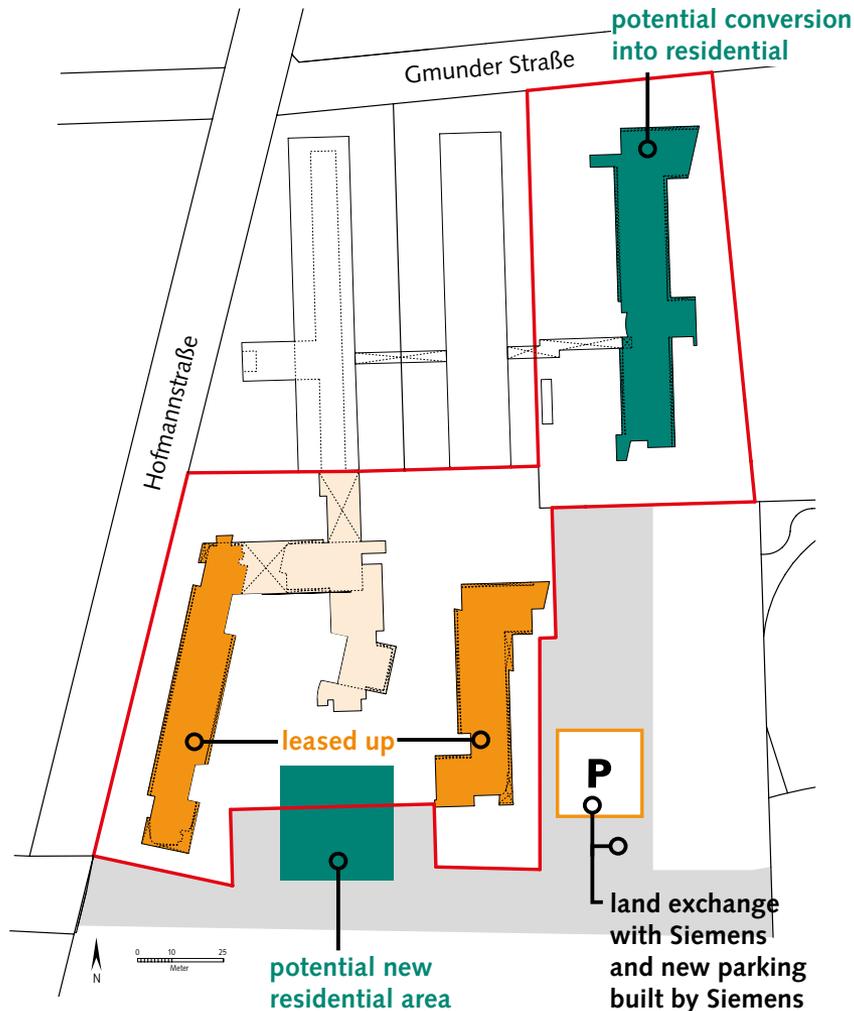


Harburger Ring 17, Hamburg
Construction almost finished
Total CAPEX EUR 4.2 million



Wandsbeker Chaussee, Hamburg
Possible change of use from office to residential

Project Hofmannstr. 51, Munich



- › Asset was vacated by Siemens in Sept. 2014
- › Rapid lease up of 5,200 m²
- › Swap of land with Siemens to optimize the usage of the plot
- › Preparation for partiell change of use from office to residential
- › Disposal for EUR 44.4 million
- › Gain of 30.6 % to 2014 appraised value
- › UIRR of 6.2 % over the holding period (2007 – 2015)

Project Hagebau, Ditzingen



— new plot

 Hagebau

- - - old plot

 existing office space

 land to be sold to
the city of Ditzingen

- › Office building was sold for EUR 19.2 million after extension of the lease
- › 8.4 % gain to book value
- › Change of use of available land was used for the development of a DIY store with an annual rental income of EUR 0.9 million
- › Capex: EUR 9 million
- › Sold for a total consideration of EUR 12.7 million UIRR: 15.6 %

ALSTRIA LEADS INDUSTRY IN EMISSIONS CUTS



- › CDP Climate Action Award 2015 received
- › Second in the CDP European Real Estate Sector Leader Index
- › Top 10 in the CDP Germany Leader Index
- › Substantial reduction (–87 %) of GHG emissions

ALSTRIA GOES 100% RENEWABLE



- › alstria has joined as the first REIT the RE100 campaign
- › One of two real estate (Land Securities) and one of four German companies (BMW, Commerzbank & SAP)
- › In total 56 influential supporters (i. e. Google, Nike and Coca-Cola)
- › Committed to procure 100 % of electricity from renewable sources by 2017

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Hauptstrasse, Dreieich

- › Increase of FFO for the seventh year in a row by 9 % p. a. on average
- › 2016: Focus on realization of efficiency gains and streamlining of the portfolio / capital recycling
- › Leasing market expected to remain fluid which will support vacancy reduction
- › Larger portfolio offers more refurbishment opportunities

SHARE

ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
Indizes	FTSE EPRA / NAREIT Global Real Estate Index Series, FTSE EPRA / NAREIT Europe Real Estate Index Series, MDAX, German REIT Index
Number of shares	152.2 million
Free float	74.6 %

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Corporate
Responsibility

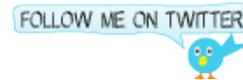
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