

CONSOLIDATED INTERIM STATEMENT

as of March 31, 2017

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GROUP FINANCIALS

EUR k	Q1 2017	Q1 2016	Change (%)
Revenues and Earnings			
Revenues	45,410	51,066	-11.1
Net rental income	40,185	45,185	-11.1
Consolidated profit for the period ¹⁾	30,897	14,020	120.4
FFO ¹⁾	27,917	28,983	-3.7
Earnings per share (EUR) ¹⁾	0.20	0.09	122.2
FFO per share (EUR) ¹⁾	0.18	0.19	-5.3

¹⁾ Without minority shares.

EUR k	Mar. 31, 2017	Dec. 31, 2016	Change (%)
Balance Sheet			
Investment property	3,011,436	2,999,099	0.4
Total assets	3,390,478	3,382,633	0.2
Equity ¹⁾	1,759,598	1,728,438	1.8
Liabilities	1,630,880	1,654,195	-1.4
Net asset value (NAV) per share (EUR) ¹⁾	11.48	11.28	1.8
Diluted NAV per share (EUR) ^{1),2)}	11.45	11.28	1.5
Net LTV (%)	39.6	40.9	-1.3 pp

¹⁾ Without minority shares.

²⁾ Dilution based on potential conversion of convertible bond.

G-REIT Figures	Mar. 31, 2017	Dec. 31, 2016	Change (%)
G-REIT equity ratio (%)	57.7	56.7	1.0 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA ¹⁾ Key Figures	Q1 2017	Q1 2016	Change (%)
EPRA earnings per share (EUR)	0.17	0.18	5.6
EPRA cost ratio A (%) ²⁾	18.8	20.0	-1.2 pp
EPRA cost ratio B (%) ³⁾	13.1	15.4	-2.3pp
	Mar. 31, 2017	Dec. 31, 2016	Change (%)
EPRA NAV per share (EUR)	11.46	11.31	1.4
EPRA NNAV per share (EUR)	10.99	10.81	1.7
EPRA net initial yield (%)	5.1	5.0	0.1 pp
EPRA 'topped-up' net initial yield (%)	5.4	5.4	0.0 pp
EPRA vacancy rate (%)	9.1	9.2	-0.1 pp

¹⁾ For further information, please refer to EPRA Best Practices Recommendations, www.epra.com.

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

CONSOLIDATED INTERIM STATEMENT Q1 2017

1. KEY METRICS OF THE PORTFOLIO AND SIGNIFICANT EVENTS

Key Metrics	Mar. 31, 2017	Dec. 31, 2016
Number of properties	106	108
Number of joint venture properties	1	1
Market value (EUR bn) ¹⁾	3.0	3.0
Annual contractual rent (EUR m)	189.9	188.4
Valuation yield (contractual rent/market value)	6.3	6.2
Lettable area (m ²)	1,521,300	1,524,300
Vacancy (% of lettable area) ²⁾	11.0	11.3
WAULT (years)	4.9	4.9
Average rent/m ² (EUR/month)	11.7	11.6

¹⁾ Including fair value of owner-occupied properties.

²⁾ The contractual vacancy rate includes vacancies in assets of the Company's development pipeline.

Real Estate Operations

Letting metrics	Q1 2017	Q1 2016	Change (in m ²)
New leases (in m ²) ¹⁾	21,900	14,901	6,999
Renewals of leases (in m ²)	20,691	19,636	1,055
Total	42,591	34,537	8,054

¹⁾ New leases refer to letting of vacant space. This category does not include lease renewals, prolongations, or exercised renewal options.

In the first quarter of fiscal year 2017, letting activities (as measured by new leases and lease extensions) were at a good level.

A substantial impact on the positive development of the new leases was a new lease in Frankfurt, Platz der Einheit 1 (KASTOR TOWER). The lease for approximately 2,300 m² of office and ancillary space is expected to start on July 1, 2017, has a lease term of five years, and will generate an annual rent of EUR 0.5 million.

Furthermore, alstria signed a new lease in Hamburg, Bieberhaus, for approximately 5,900 m² of office and ancillary space. The ten-year lease will start on May 1, 2018, and generates an annual rental income of EUR 1.3 million.

Transactions

alstria performed the following transactions in the first quarter of 2017:

Asset	City	Sales price (EUR k) ¹⁾	Annual rent (EUR k) ²⁾	Ø Lease length (years) ²⁾	Signing SPA	Transfer of benefits and burdens
Disposals						
Max-Eyth-Straße 2	Dortmund	4,200	4	0.8	Oct. 14, 2016	Feb. 28, 2017
Zellescher Weg 21–25a	Dresden	10,500	695	1.9	Dec. 15, 2016	Feb. 1, 2017
Total disposals		14,700	699			
Acquisitions						
Friedrich-List-Straße 20	Essen	18,500	1,478	3.0	Mar. 2, 2017	Apr. 22, 2017
Total acquisitions		18,500	1,478			

¹⁾ Excluding transaction costs.

²⁾ At the time of the transfer of benefits and burdens.

2. KEY FIGURES FOR THE DEVELOPMENT OF EARNING POSITION

Rental revenues amounted to EUR 45.4 million in the first quarter of 2017 and thus decreased by EUR 5.7 million compared to the revenues in the first quarter of the previous year (EUR 51.1 million). The decrease mainly results from the disposal of assets in 2016. As a result, net rental income of the Group decreased by EUR 5.0 million to EUR 40.2 million.

The consolidated net result amounted to EUR 30.9 million in the reporting period and was higher than the consolidated net result of the first quarter of 2016 (EUR 14.6 million). Lower financial expenses as well as an improved net loss from fair value adjustments on financial derivatives contributed substantially to the increase of the consolidated net result of the Group.

Funds from operations amounted to EUR 29.1 million (of which EUR 1.1 million is attributable to minorities) and were thus EUR 0.7 million lower than funds from operations in the previous year's reporting period (EUR 29.8 million). The main reason for the decrease in FFO is the reduced net rental income due to the disposal of assets in 2016. This was partially offset by a reduction of financing costs in an amount of approximately EUR 4.0 million.

EUR k	Q1 2017	Q1 2016
Pre-tax income (EBT)	30,907	14,561
Net profit/loss from fair value adjustments on financial derivatives	-3,679	12,888
Profit/loss from the disposal of investment property	-1,167	11
Other adjustments ¹⁾	2,990	2,367
Funds from operations (FFO)²⁾	29,051	29,827
Attributable to minority shareholders	-1,134	-844
Attributable to alstria office REIT-AG shareholders	27,917	28,983
Maintenance and reletting	-9,159	-2,768
Adjusted funds from operations (AFFO)³⁾	18,758	26,215
Number of shares (k)	153,231	152,164
FFO per share (EUR k) ⁴⁾	0.18	0.19

¹⁾ This is noncash income or expenses plus nonrecurring effects. The main effect in the first quarter of 2016 were costs related to the takeover of alstria office Prime (EUR 1,180 k). The main effects in the first quarter of 2017 were the valuation of the limited partner capital (EUR 1,759 k) as well as costs related to the takeover of alstria office Prime (EUR 931 k).

²⁾ (A)FFO is not a measure of operating performance or liquidity under generally accepted accounting principles, in particular IFRS, and it should not be considered an alternative to the Company's income or cash-flow measures as determined in accordance with IFRS. Furthermore, there is no standard definition for (A)FFO. Thus, alstria's (A)FFO values and the measures with similar names presented by other companies may not be comparable.

³⁾ AFFO is equal to FFO after adjustments are made for capital expenditures used to maintain the quality of the underlying investment portfolio and expenses for lease-ups.

3. KEY FIGURES FOR THE DEVELOPMENT OF THE FINANCIAL AND ASSETS POSITION

Investment properties

The total value of investment properties amounted to EUR 3.0 billion as of March 31, 2017, in comparison to EUR 3.0 billion as of December 31, 2016.

EUR k	
Investment properties as of December 31, 2016	2,999,099
Investments	13,494
Acquisitions	0
Disposals	0
Reclassifications	-1,157
Net loss/gain from fair value adjustments on investment property	0
Investment properties as of March 31, 2017	3,011,436
Carrying amount of owner occupied properties	7,096
Fair value of properties held for sale	0
Interests in joint ventures	30,704
Carrying amount of immovable assets	3,049,236
Adjustments to fair value of owner occupied properties	-43
Fair value of immovable assets	3,049,193

For a detailed description of the investment properties, please refer to the Annual Report 2016.

Further key figures of the assets position

As of March 31, 2017, alstria had cash and cash equivalents in the amount of EUR 276.0 million (December 31, 2016: EUR 247.5 million).

Total equity increased to EUR 1,759.6 million as of March 31, 2017 (December 31, 2016: EUR 1,728.4 million).

Loans

As of March 31, 2017, the loan facilities in place are as follows:

Liabilities	Maturity	Principal amount	LTV as of	LTV	Principal amount
		drawn as of Mar. 31, 2017 EUR k	Mar. 31, 2017 %	covenant %	drawn as of Dec. 31, 2016 EUR k
Loan #1	June 28, 2024	67,000	39.1	65.0	67,000
Loan #2	Apr. 30, 2021	58,666	48.8	64.0	58,896
Loan #3	June 30, 2026	56,000	44.0	65.0	56,000
Loan #4	Mar. 28, 2024	45,900	47.0	75.0	56,500
Loan #5	July 31, 2021	15,229	50.4	60.0	15,268
Total loans		242,795	44.4	-	253,664
Bond #1	Mar. 24, 2021	500,000	-	-	500,000
Bond #2	Apr. 12, 2023	500,000	-	-	500,000
Convertible bond	June 14, 2018	79,200	-	-	79,200
Schuldschein 10y/fix	May 06, 2026	40,000	-	-	40,000
Schuldschein 7y/fix	May 08, 2023	37,000	-	-	37,000
Schuldschein 4y/fix	May 06, 2020	38,000	-	-	38,000
Schuldschein 7y/ variable	May 08, 2023	17,500	-	-	17,500
Schuldschein 4y/ variable	May 06, 2020	17,500	-	-	17,500
Total		1,471,995	48.9	-	1,482,864
Net LTV			39.6		

4. COVENANT REPORT

Compliance with and calculation of the Covenants referring to §11 of the Terms and Conditions*

In case of the incurrence of new Financial Indebtedness that is not drawn for the purpose of refinancing existing liabilities, alstria needs to comply with the following covenants:

- › The ratio of the Consolidated Net Financial Indebtedness over Total Assets will not exceed 60%
- › The ratio of the Secured Consolidated Net Financial Indebtedness over Total Assets will not exceed 45%
- › The ratio of Unencumbered Assets over Unsecured Consolidated Net Financial Indebtedness will be more than 150%

From the issuance date of the first bond (November 24, 2015), alstria incurred two further Financial Indebtednesses to refinance existing Secured Financial Indebtedness.

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of not less than 1.80 to 1.00. The calculation and publication of the ratio should be done at every reporting date and starting after the fifth reporting date following the issuance of the bond, first in the annual report 2016.

EUR k	Q2 2016 – Q1 2017 cumulative
Earnings Before Interest and Taxes (EBIT)	256,819
Net profit/loss from fair value adjustments to investment properties	–72,806
Net profit/loss from fair value adjustments to financial derivatives	–8,466
Profit/loss from the disposal of investment properties	–26,642
Other adjustments ¹⁾	13,385
Fair value and other adjustments in joint venture	–3,852
Consolidated Adjusted EBITDA	158,438
Cash interest and other financing charges	–27,462
One-off financing charges	1,617
Net Cash Interest	–25,845
Consolidated Coverage Ratio (min. 1.80 to 1.00)	6.13

¹⁾ Depreciation and amortization and nonrecurring or exceptional items.

As of March 31, 2017, no covenants under the loan agreements and/or the terms and conditions of the bonds/the Schuldschein have been breached.

* The following section refers to the Terms and Conditions of the Fixed Rate Notes, issued on November 24, 2015, and on May 6, 2016 as well as to the Terms and Conditions of the Schuldschein issued on April 12, 2016 (for further information, please refer to www.alstria.de). Capitalized terms have the meanings defined in the Terms and Conditions.

5. RECENT DEVELOPMENTS AND OUTLOOK

Recent developments

On April 24, 2017, alstria signed an agreement for the acquisition of a portfolio of twelve office buildings in Hamburg, Düsseldorf, and Berlin for a total consideration of EUR 168.5 million. The transfers of benefits and burdens are expected for mid-2017.

Please refer to the table on page 4 for more details regarding the transactions that took place in the current financial year 2017.

Outlook

The first quarter of financial year 2017 proceeded as expected. Based on these results alstria confirms its guidance for the financial year 2017: revenues in the amount of EUR 185 million and a FFO of EUR 108 million. Nevertheless, the closing of the transaction mentioned above will have a positive impact on the performance of the Company. For the time being, upon closing of the transaction, the statements and forecasts presented in the Group management report of 2016 concerning the expected development of the Group for financial year 2017 are still valid.

Risk management

The Group is exposed through its business to various risks. For further details, please refer to the Annual Report 2016.

The overall risk situation of alstria has not changed.

DISCLAIMER

The management report contains statements relating to anticipated future developments. These statements are based on current assessments and are, by their very nature, exposed to risks and uncertainty. Actual developments may differ from those predicted in these statements.

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to March 31, 2017

EUR k	Q1 2017	Q1 2016
Revenues	45,410	51,066
Income less expenses from passed on operating expenses	91	-342
Real estate operating costs	-5,316	-5,539
Net Rental Income	40,185	45,185
Administrative expenses	-1,937	-2,011
Personnel expenses	-2,451	-3,386
Other operating income	1,969	1,770
Other operating expenses	-3,403	-1,852
Gain/loss from disposal of investment property	1,167	-11
Net Operating Result	35,530	39,695
Net financial result	-8,624	-12,639
Share of the result of joint venture	322	393
Net gain/loss from fair value adjustments on financial derivatives	3,679	-12,888
Pre-Tax Income (EBT)	30,907	14,561
Income tax expense	-10	42
Consolidated Profit for the period	30,897	14,603
Attributable to:		
Owners of the company	30,897	14,020
Noncontrolling interest	0	583
Earnings per share in EUR		
<i>based on the profit attributable to alstria's shareholders</i>		
Basic earnings per share	0.20	0.09
Diluted earnings per share	0.19	0.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2017

EUR k	Q1 2017	Q1 2016
Consolidated profit for the period	30,897	14,603
Items which might be reclassified to the income statement in a future period:		
<i>Reclassification from Cashflow Hedging Reserve</i>	0	21
Other comprehensive result for the period:	0	21
Total comprehensive result for the period:	30,897	14,624
Total comprehensive profit attributable to:		
Owners of the company	30,897	14,041
Noncontrolling interest	0	583

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31, 2017

ASSETS

EUR k	Mar. 31, 2017	Dec. 31, 2016
Non-Current Assets		
Investment property	3,011,436	2,999,099
Equity-accounted investments	30,704	30,381
Property, plant and equipment	8,054	6,858
Intangible assets	285	329
Financial assets	34,803	34,803
Derivatives	119	109
Total Non-Current Assets	3,085,401	3,071,579
Current Assets		
Trade receivables	14,124	7,257
Derivatives	2	5
Tax receivables	25	25
Other receivables	14,941	41,578
Cash and cash equivalents	275,985	247,489
<i>thereof restricted</i>	0	0
Assets held for sale	0	14,700
Total Current Assets	305,077	311,054
Total Assets	3,390,478	3,382,633

EQUITY AND LIABILITIES

EUR k	Mar. 31, 2017	Dec. 31, 2016
Equity		
Share capital	153,231	153,231
Capital surplus	1,435,075	1,434,812
Retained earnings	171,292	140,395
Total Equity	1,759,598	1,728,438
Non-Current Liabilities		
Liabilities minority interests	50,972	58,458
Long-term loans, net of current portion	1,456,929	1,466,521
Derivatives	16,427	20,099
Other provisions	263	1,313
Other liabilities	3,194	2,808
Total Non-Current Liabilities	1,527,785	1,549,199
Current Liabilities		
Liabilities minority interests	11,553	12,966
Short-term loans	14,227	19,330
Trade payables	6,214	4,584
Profit participation rights	421	421
Liabilities of current tax	20,104	20,104
Other provisions	1,916	2,257
Other current liabilities	48,660	45,334
Total Current Liabilities	103,095	104,996
Total Liabilities	1,630,880	1,654,195
Total Equity and Liabilities	3,390,478	3,382,633

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from January 1 to March 31, 2017

EUR k	Q1 2017	Q1 2016
1. Operating activities		
Consolidated profit for the period	30,897	14,603
Interest income	-229	-18
Interest expense	8,853	12,657
Result from income taxes	10	-42
Unrealized valuation movements	-2,316	12,495
Other non-cash expenses (+)/income(-)	1,406	11
Gain (-)/Loss (+) on disposal of fixed assets	-1,165	0
Depreciation and impairment of fixed assets (+)	126	168
Decrease (+)/Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities	-4,269	-3,832
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities	-2,130	4,212
Cash generated from operations	31,183	35,168
Interest received	229	18
Interest paid	-12,615	-11,573
Income tax received (+)/paid (-)	-10	42
Net cash generated from operating activities	18,787	23,655
2. Investing activities		
Acquisition of investment properties	-13,494	-9,702
Proceeds from sale of investment properties	44,840	0
Acquisition of other property, plant and equipment	-122	-17
Net cash generated from/used in investing activities	31,224	-9,719

EUR k	Q1 2017	Q1 2016
3. Financing activities		
Payment for the acquisition of minority interests	-10,646	0
Payments of the redemption of bonds and borrowings	-10,869	-343,189
Payments for the acquisition / redemption / adjustment of financial derivatives	0	-3,231
Net cash used in / generated from financing activities	-21,515	-346,420
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	28,496	-332,484
Cash and cash equivalents at the beginning of the period	247,489	460,253
Cash and cash equivalents at the end of the period <i>(thereof restricted: EUR 0; previous year: EUR 15,126 k)</i>	275,985	127,769

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to March 31, 2017

EUR k	Share capital	Capital surplus	Retained earnings	Equity of alstria shareholders	Non-controlling interests	Total Equity
As of Jan. 1, 2017	153,231	1,434,812	140,395	1,728,438	0	1,728,438
Changes Q1 2017						
Consolidated profit	0	0	30,897	30,897	0	30,897
Total comprehensive income	0	0	30,897	30,897	0	30,897
Share-based remuneration	0	263	0	263	0	263
As of Mar. 31, 2017	153,231	1,435,075	171,292	1,759,598	0	1,759,598

for the period from January 1 to March 31, 2016

EUR k	Share capital	Capital surplus	Hedging reserve	Retained earnings	Equity of alstria shareholders	Non-controlling interests	Total Equity
As of Jan. 1, 2016	152,164	1,499,477	-270	-31,994	1,619,377	38,287	1,657,664
Changes in Q1 2016							
Consolidated profit	0	0	0	14,020	14,020	583	14,603
Other comprehensive income	0	0	21	0	21	0	21
Total comprehensive income	0	0	21	14,020	14,041	583	14,624
Share-based remuneration	0	202	0	0	202	0	202
As of Mar. 31, 2016	152,164	1,499,679	-249	-17,974	1,633,620	38,870	1,672,490

BUILDING YOUR FUTURE



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