alstria

HALF-YEAR FINANCIAL REPORT

as of June 30, 2018

GROUP FINANCIALS

EUR k	H1 2018	H1 2017	Change
Revenues and earnings			
Revenues	96,244	93,332	3.1 %
Net rental income	83,251	83,101	0.2 %
Consolidated profit for the period	62,518	78,579	–20.4 %
FFO[1]	58,069	56,603	2.6 %
Earnings per share (EUR)	0.36	0.51	–29.4 %
FFO per share (EUR)[1]	0.33	0.37	–10.8 %

[1] Excluding minorities.

EUR k	June 30, 2018	Dec. 31, 2017	Change
Balance sheet			
Investment property	3,455,633	3,331,858	3.7 %
Total assets	3,743,164	3,584,069	4.4 %
Equity	2,218,423	1,954,660	13.5 %
Liabilities	1,524,741	1,629,409	–6.4 %
Net asset value (NAV) per share (EUR)	12.50	12.70	–1.6 %
Net LTV (%)	34.7	40.0	–5.3 pp

G-REIT figures	June 30, 2018	Dec. 31, 2017	Change
G-REIT equity ratio (%)	63.2	57.1	6.1 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA-key figures[1]	H1 2018	H1 2017	Change
EPRA earnings per share (EUR)	0.35	0.37	–5.4 %
EPRA cost ratio A (%)[2]	23.5	20.0	3.5 pp
EPRA cost ratio B (%)[3]	18.8	15.9	2.9 pp

	June 30, 2018	Dec. 31, 2017	Change
EPRA NAV per share (EUR)	12.53	12.71	–1.4 %
EPRA NNNAV per share (EUR)	12.32	12.45	–1.0 %
EPRA net initial yield (%)	4.5	4.6	–0.1 pp
EPRA 'topped-up' net initial yield (%)	4.9	5.0	–0.1 pp
EPRA vacancy rate (%)	11.0	9.4	1.6 pp

[1] For further information, please refer to EPRA Best Practices Recommendations, www.epra.com.
[2] Including vacancy costs.
[3] Excluding vacancy costs.

CONTENT

CONSOLIDATED INTERIM MANAGEMENT REPORT

1. PORTFOLIO OVERVIEW

1.1 Key metrics of the portfolio

Key metrics	June 30, 2018	Dec. 31, 2017
Number of properties	116	116
Market value (EUR bn)[1]	3.5	3.4
Annual contractual rent (EUR m)	198.3	202.0
Valuation yield (%, contractual rent/market value)	5.7	5.9
Lettable area (m²)	1,599,400	1,570,100
EPRA vacancy rate (%)	11.0	9.4
WAULT (years)	4.9	4.7
Average value per m² (EUR)	2,153	2,171
Average rent/m² (EUR/month)	11.97	12.06

[1] Including fair value of owner-occupied properties.

1.2 Real estate operations

Letting metrics	H1 2018	H1 2017	Change
New leases (m²)[1]	36,500	46,500	–10,000
Renewals of leases (m²)	28,300	108,400	–80,100
Total	**64,800**	**154,900**	**–90,100**

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

During the first six months of financial year 2018, letting activities amounted to approximately 64,800 m² (as measured by new leases and lease extensions).

The signings of the following lease contracts had a substantial impact on the development of the new leases:

Asset	City	Lettable area (m²)	Net rent/m² (EUR)	Net rent p.a. (EUR k)	Lease length (years)	Rent free[1] (in % of lease length)
Elisabethstraße 5–11	Düsseldorf	4,400[2]	20.23	1,068	10.6	1.6
Am Wehrhahn 33	Düsseldorf	2,700	17.28	560	10.0	8.3
Am Wehrhahn 33	Düsseldorf	2,400	16.98	489	7.0	10.7
Süderstraße 24	Hamburg	1,900	11.62	265	3.0	8.3
Am Wehrhahn 33	Düsseldorf	1,900	17.02	388	10.0	7.5
Heidenkampsweg 99–101	Hamburg	1,800	12.04	260	5.0	0.0
Breitwiesenstraße 5–7	Stuttgart	1,700	12.11	247	5.0	0.0
Am Wehrhahn 33	Düsseldorf	1,500	16.16	291	10.0	8.3

[1] In % of the lease length.
[2] A 2,500 m² extension of an existing lease and a 1,900 m² new lease.

1.3 Regions and tenants

The core of alstria's investment portfolio is concentrated in the following regions:

Total portfolio by region (% of market value)	June 30, 2018	Dec. 31, 2017	Change (pp)
Hamburg	30	29	1
Rhine-Ruhr	29	29	0
Rhine-Main	20	21	–1
Stuttgart	13	12	1
Berlin	5	5	0
Others	3	4	–1

Another main characteristic of alstria's portfolio is its focus on a small number of major tenants:

alstria's main tenants (% of annual rent)	June 30, 2018	Dec. 31, 2017	Change (pp)
Daimler AG	12	12	0
City of Hamburg	12	12	0
GMG Generalmietgesellschaft	8	10	–2
HOCHTIEF Aktiengesellschaft	4	4	0
Bilfinger SE	3	3	0
Residenz am Dom gemeinn. Betriebsgesellschaft mbH	2	2	0
Hamburger Hochbahn AG[1)]	2	0	2
City of Berlin	1	1	0
Württembergische Lebens-versicherung AG	1	1	0
State of Baden-Württemberg	1	1	0
Others	54	54	0

[1)] Shown under the tenant 'City of Hamburg' as of December 31, 2017.

Furthermore, the focus is clearly on one asset class: Approximately 90 % of the total lettable area is office space*.

* Office and storage.

1.4 Transactions

The following transactions have an impact on financial year 2018:

Disposals

Asset	City	Disposal price (EUR k)	Gain to book value (EUR k)	Signing SPA	Transfer of benefits and burdens
Frankfurter Str. 71–75	Eschborn	16,200	500	Oct. 9, 2017	Q4 2018[1]
Eschersheimer Landstr. 55	Frankfurt	44,000	16,600	Dec. 21, 2017	Mar. 31, 2018
Lötzener Str. 3	Bremen	3,600	0	Jan. 26, 2018	June 30, 2018
Harburger Ring 17	Hamburg	10,000	750	Feb. 20, 2018	Q3 2018[1]
Total Disposals		**73,800**	**17,850**		

[1] Expected.

Acquisitions

Asset	City	Acquisition price (EUR k)[1]	Signing SPA	Transfer of benefits and burdens
Eichwiesenring 1	Stuttgart	28,000	Dec. 20, 2017	Apr. 1, 2018
Sonninstr. 26–28	Hamburg	54,584	Dec. 21, 2017	Feb. 1, 2018
Taunusstr. 45–47	Frankfurt	25,100	June 7, 2018	Aug. 1, 2018
Gustav-Nachtigal-Str. 5	Wiesbaden	7,675	July 27, 2018	Q4 2018[2]
Total Acquisitions		**115,359**		

[1] Excluding transaction costs.
[2] Expected.

2. EARNINGS POSITION

2.1 Funds from operations (FFO)

Funds from operations amounted to EUR 59,638 k (before minorities) or EUR 58,069 k (after minorities) in the first six months of 2018, compared to EUR 58,768 k (before minorities) or EUR 56,603 k (after minorities) in the first six months of 2017.

The slight increase mainly resulted from a better net financial result of EUR 2,111 k. Small opposite effects were the slightly higher administrative and personnel expenses compared to the previous-year period.

EUR k	H1 2018	H1 2017
Pre-tax income (EBT)	**62,467**	**78,876**
Net gain/loss from fair value adjustments on investment property	–1,387	–
Net gain/loss from fair value adjustments on financial derivatives	–2,455	2,884
Gain/loss from disposal of investment properties	–212	–1,177
Fair value and other adjustments in the joint venture	–	–23,296
Other adjustments[1]	1,225	1,481
Funds from operations (FFO)[2]	**59,638**	**58,768**
Attributable to minority shareholders	–1,569	–2,165
Attributable to alstria office REIT-AG shareholders	**58,069**	**56,603**
Maintenance and re-letting	–30,374	–18,073
Adjusted funds from operations (AFFO)[3]	**27,695**	**38,530**
Number of shares (k)	177,416	153,342
FFO per share (EUR)	0.33	0.37

[1] This is noncash income or expenses plus nonrecurring effects. The main effects during the first six months of 2017 were other operating income from a compensation payment by a tenant (EUR 5,000 k), expenses for the valuation of the limited partner capital (EUR 3,946 k), and costs related to the takeover of alstria office Prime (EUR 930 k). The main effects during the first six months of 2018 were other operating income from the reversal of a provision (EUR 2,250 k), and expenses for the valuation of the limited partner capital (EUR 1,709 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.

2.2 Revenues

Net rental revenues amounted to EUR 96,244 k in the first half of 2018 and thus increased compared to the respective previous-year period by EUR 2,912 k (H1 2017: EUR 93,332 k). The increase mainly results from the acquisition of assets during the second half of financial year 2017 and thus led to in higher rental income.

2.3 Real estate operating expenses

Real estate operating expenses consist of recoverable and non-recoverable operating costs and amounted to EUR 36,655 k during the reporting period (H1 2017: EUR 31,551 k). Non-recoverable operating costs increased in the amount of EUR 2,928 k from EUR 9,960 k to EUR 12,888 k. This corresponds to an expense ratio of 13.4 % in H1 2018 (H1 2017: 10.7 %). Thus, the net rental income of the Group slightly increased by EUR 150 k, reaching a total of EUR 83,251 k.

2.4 Administrative and personnel expenses

Administrative expenses amounted to EUR 4,251 k (H1 2017: EUR 4,232 k) and therefore approximately remained at the previous year's level. Personnel expenses were at EUR 7,562 k, compared to EUR 6,245 k in the first half of 2017. The increase in personnel expenses was mostly a result of an increase in salaries and bonuses by EUR 577 k to EUR 4,738 k, due to an increased number of employees in the first half of 2018 compared to the first half of 2017. Moreover, the remuneration for virtual shares increased by EUR 367 k to EUR 651 k.

2.5 Other operating result

The decrease of the other operating income during the first half of 2018 is mainly due to a compensation payment by a tenant in the amount of EUR 5,000 k in the first half of 2017. This was supplemented by EUR 2,886 k lower other operating expenses which were mainly burdened by the valuation of minorities in the previous-year period. Overall, the other operating result amounted to EUR 2,394 k in the first half of 2018 (H1 2017: EUR 1,477 k).

2.6 Net financial result

The improvement in the net financial result by EUR 2,111 k is the result of the restructuring activities of alstria's corporate bonds in the fourth quarter of the financial year 2017, which led to a reduction in the average interest rate (for further information, please see section 3.5, 'Financial liabilities').

EUR k	H1 2018	H1 2017
Interest expenses, corporate bonds	–10,488	–11,754
Interest expenses, convertible bond	–1,783	–2,607
Interest expenses, other loans	–1,703	–1,618
Interest expenses Schuldschein	–1,573	–1,591
Other interest expenses	–106	–294
Financial expenses	**–15,653**	**–17,864**
Financial income	366	458
Other financial expenses	–201	–193
Net financial result	**–15,488**	**–17,599**

2.7 Valuation result of financial derivatives

The valuation of financial derivatives resulted in a net gain from fair value adjustments in an amount of EUR 2,455 k during the period from January 1 to June 30, 2018 (please refer to section 3.2 for further details). The valuation gain essentially results from the derivative embedded in the convertible bond that was issued by the Company. The valuation gain of the embedded derivative is based on the declining development of alstria's share price during the first quarter of the financial year 2018, the period when the bond had been converted into shares of the Company. The market value of the converted shares was below the fair value of liabilities stated in the balance sheet for the convertible bond and the embedded derivative as of December 31, 2017.

2.8 Consolidated net result

alstria's consolidated net result amounted to EUR 62,518 k during the period under review, compared to EUR 78,579 k in the first half of 2017. Overall, lower financial expenses and an improved net loss from fair value adjustments on financial derivatives were overcompensated by a decrease of the share of the result of joint venture companies. alstria's share of earnings from joint venture companies in the first half of 2017 was mainly attributable to the sale of the Kaisergalerie asset in Hamburg. Undiluted earnings per share amounted to EUR 0.36 in the first six months of 2018 (H1 2017: EUR 0.51 per share).

3. FINANCIAL AND ASSET POSITION

3.1 Investment properties

The total value of investment properties amounted to EUR 3,455,633 k as of June 30, 2018, compared to EUR 3,331,858 k as of December 31, 2017.

	EUR k
Investment properties as of December 31, 2017	**3,331,858**
Investments	46,535
Acquisitions	77,084
Acquisition costs	4,279
Disposals	−3,600
Transfers to held for sale	−9,250
Transfers to property, plant, and equipment (owner-occupied properties)	−60
Transfers out of property, plant, and equipment (owner-occupied properties)	7,400
Net result from the adjustment of the fair value of investment property[1]	1,387
Investment properties as of June 30, 2018	**3,455,633**
Carrying amount of owner-occupied properties	18,133
Fair value of properties held for sale	26,200
Interest in joint venture	8,728
Carrying amount of immovable assets	**3,508,694**

[1] This is an income from the reversal of a provision for real estate transfer tax.

For a detailed description of the investment properties, please refer to the Annual Report 2017.

3.2 Derivatives

The following derivative financial instruments were in place at the end of the reporting period:

			June 30, 2018		Dec. 31, 2017	
Product	**Strike p.a. (%)**	**Maturity date**	**Notional (EUR k)**	**Fair value (EUR k)**	**Notional (EUR k)**	**Fair value (EUR k)**
Cap	3.0000	Sept. 30, 2019	50,250	0	50,250	0
Financial derivatives – held for trading			**50,250**	**0**	**50,250**	**0**
Cap	3.0000	Apr. 30, 2021	46,011	3	46,380	14
Cap	3.0000	Dec. 17, 2018	56,000	0	56,000	0
Financial derivatives – cash flow hedges			**102,011**	**3**	**102,380**	**14**
Total interest rate derivatives			**152,261**	**3**	**152,630**	**14**
Embedded derivative	n/a	June 14, 2018	0	0	7,987[1]	−27,529
Total				**3**		**−27,515**

[1] Underlying number of shares subject to conversion in thousand.

The value changes of the financial derivatives are reflected in various balance sheet items.

The following table shows the changes in their values since January 1, 2018:

	Financial assets		Financial liabilities		
EUR k	**Noncurrent**	**Current**	**Noncurrent**	**Current**	**Total**
Hedging instruments as of January 1, 2018	**14**	**0**	**0**	**–27,529**	**–27,515**
Ineffective change in fair value cash flow hedges	–11	0	0	0	–11
Net result from fair value changes in financial derivatives not qualifying for cash flow hedging	0	0	0	2,466	2,466
Termination	0	0	0	25,063	25,063
Hedging instruments as of June 30, 2018	**3**	**0**	**0**	**0**	**3**

Overall, ineffective value losses (EUR –11 k) and gains on hedges not qualified for cash flow hedging (EUR 2,466 k) resulted in a total gain of EUR 2,455 k (H1 2017: loss of EUR 2,884 k), which is presented as the net result from fair value adjustments to financial derivatives in the income statement. For a detailed description of the hedging instruments, please refer to the appendix of the consolidated financial statements as of December 31, 2017.

3.3 Cash position

Cash and cash equivalents increased in the amount of EUR 76,060 k from EUR 102,078 k to EUR 178,138 k during the reporting period. The increase was mainly driven by a capital increase in January 2018, resulting in a cash inflow of EUR 190,490 k. On the other hand, the net cash used in financing activities was affected by the dividend payment of EUR 92,170 k while net cash used in investing activities amounted to EUR 72,423 k. A positive cash flow of EUR 50,776 k was generated from operating activities.

3.4 Equity metrics

	June 30, 2018	Dec. 31, 2017	Change
Equity (EUR k)	2,218,423	1,954,660	13.5 %
NAV per share (EUR)	12.50	12.70	–1.6 %
Equity ratio (%)	59.3	54.5	4.7 pp
G-REIT equity ratio (%)[1]	63.2	57.1	6.1 pp

[1] This is defined as total equity divided by the carrying amount of immovable assets. The minimum requirement according to G-REIT regulations is 45 %.

Compared to December 31, 2017 equity increased to EUR 2,218,423 k as of June 30, 2018. Of this increase, EUR 190,490 k was contributed to the capital increase, which took place on January 31, 2018, and EUR 98,562 k was contributed to the conversions of the convertible bond taking place within the first half of 2018. The period's profit contributed to a higher equity of EUR 62,518 k. On the other hand, dividend payments decreased the equity by EUR 92,170 k (for further information, please refer to the consolidated statement of changes in equity and the corresponding notes).

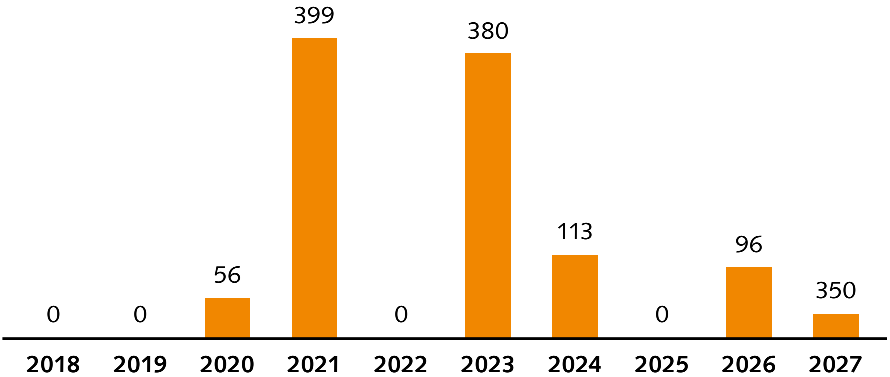
3.5 Financial liabilities

The loan facilities in place as of June 30, 2018, are as follows:

Liabilities	Maturity	Principal amount drawn as of June 30, 2018 (EUR k)	LTV as of June 30, 2018 (%)	LTV covenant (%)	Principal amount drawn as of Dec. 31, 2017 (EUR k)
Loan #1	June 28, 2024	67,000	37.0	65.0	67,000
Loan #2	Apr. 30, 2021	57,514	43.9	63.0	57,975
Loan #3	Mar. 28, 2024	45,900	38.1	75.0	45,900
Loan #4	June 30, 2026	56,000	37.3	65.0	56,000
Loan #5	July 31, 2021	15,035	32.1	60.0	15,113
Total secured loans		**241,449**	**38.4**	**–**	**241,988**
Bond #1	Mar. 24, 2021	326,800	–	–	326,800
Bond #2	Apr. 12, 2023	325,000	–	–	325,000
Bond #3	Nov. 15, 2027	350,000	–	–	350,000
Convertible bond	June 14, 2018	–	–	–	73,500
Schuldschein 10 y/fix	May 6, 2026	40,000	–	–	40,000
Schuldschein 7 y/fix	May 8, 2023	37,000	–	–	37,000
Schuldschein 4 y/fix	May 6, 2020	38,000	–	–	38,000
Schuldschein 7 y/variable	May 8, 2023	17,500	–	–	17,500
Schuldschein 4 y/variable	May 6, 2020	17,500	–	–	17,500
Revolving credit line	June 15, 2020	–	–	–	–
Total unsecured loans		**1,151,800**	**–**	**–**	**1,225,300**
Total		**1,393,249**	**39.8**	**–**	**1,467,288**
Net LTV			**34.7**		

Cash cost of debt	**June 30, 2018**			**Dec. 31, 2017**		
	Nominal amount (EUR k)	**Ø Cost of debt (%)**	**Average maturity (years)**	**Nominal amount (EUR k)**	**Ø Cost of debt (%)**	**Average maturity (years)**
Bank debt	241,449	1.3	5.5	241,988	1.3	6.0
Bonds	1,001,800	1.9	5.8	1,001,800	1.9	6.3
Schuldschein	150,000	2.0	4.6	150,000	2.0	5.1
Convertible bond	–	–	–	73,500	2.8	0.5
Total	**1,393,249**	**1.8**	**5.6**	**1,467,288**	**1.9**	**5.8**

Maturity profile of financial debt[1)]
as of June 30, 2018 in EUR million



[1)] Excluding regular amortization.

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 %

In the first half of 2018, alstria did not incur any Financial Indebtedness.

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of no less than 1.80 to 1.00. The calculation and publication of the ratio should be done at every reporting date following the issuance of the bond, starting after the fifth reporting date.

EUR k	Q3 2017 – Q2 2018 cumulative
Earnings Before Interest and Taxes (EBIT)	**348,272**
Net gain/loss from fair value adjustments to investment property	−182,878
Net gain/loss from fair value adjustments to financial derivatives	3,995
Gain/loss from the disposal of investment properties	−18,727
Other adjustments[1)]	5,458
Fair value and other adjustments in the joint venture	−6,825
Consolidated Adjusted EBITDA	**149,295**
Cash interest and other financing charges	−34,872
One-off financing charges	4,835
Net Cash Interest	**−30,037**
Consolidated Coverage Ratio (min. 1.80 to 1.00)	**4.97**

[1)] Depreciation and amortization and nonrecurring or exceptional items.

As of June 30, 2018, no covenants under the loan agreements and/or the terms and conditions of the bonds and Schuldschein have been breached.

* The following section refers to the Terms and Conditions of the Fixed Rate Notes, issued on November 24, 2015, April 12, 2016, and on November 15, 2017, as well as to the Terms and Conditions of the Schuldschein, issued on May 6, 2016 (for further information, please refer to www.alstria.de). Capitalized terms have the meanings defined in the Terms and Conditions.

4. RISK AND OPPORTUNITY REPORT

The risks and opportunities to which alstria is exposed are described in detail in alstria's Annual Report 2017. There have been no changes to the status presented in that report.

5. FINANCIAL TARGETS

alstria proactively focuses on the following key financial performance indicators: revenues and FFO. Revenues comprise rental income and recoverable operating costs derived from the Company's leasing activities. FFO is the funds from operations and is derived from real estate management. It excludes valuation effects and other adjustments, such as non-cash expenses/income and non-recurring effects.*

Due to the deviation of expected transfers of benefits and burdens of the purchased and sold assets as well as the indexation of substantial lease contracts, alstria's original revenue and FFO forecasts for 2018 increase in the most part. As a result, the revenue forecast increases by EUR 3 million from EUR 187 million to EUR 190 million for financial year 2018. Hence, the FFO forecast increases by EUR 3 million from EUR 110 million to EUR 113 million. Any other forecasts or statements presented in the annual statement 2017 regarding the prospective development of the Company for financial year 2018 have not changed substantially.

6. 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.

*Please refer to section 2.1.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2018

EUR k	Notes	Q2 2018	Q2 2017	H1 2018	H1 2017
Net rental revenues		47,980	47,922	96,244	93,332
Revenues from service charge income		8,500	7,446	23,662	21,320
Real estate operating costs		−14,873	−12,453	−36,655	−31,551
Net Rental Income		**41,607**	**42,915**	**83,251**	**83,101**
Administrative expenses		−2,115	−2,295	−4,251	−4,232
Personnel expenses	6.1	−4,056	−3,794	−7,562	−6,245
Other operating income	6.2	1,963	5,311	5,341	7,280
Other operating expenses	6.2	−1,423	−2,430	−2,947	−5,833
Net gain / loss from fair value adjustments on investment property		1,387	0	1,387	0
Gain on disposal of investment property	7.1	−349	11	212	1,177
Net Operating Result		**37,014**	**39,718**	**75,431**	**75,248**
Net financial result	6.3	−6,887	−8,975	−15,488	−17,599
Share of the result of joint venture		8	23,789	69	24,111
Net loss from fair value adjustments on financial derivatives		−16	−6,563	2,455	−2,884
Pre-Tax Income (EBT)		**30,119**	**47,969**	**62,467**	**78,876**
Income tax expense	6.4	48	−287	51	−297
Consolidated Profit for the period		**30,167**	**47,682**	**62,518**	**78,579**
Attributable to:					
Owners of the company		30,167	47,682	62,518	78,579
Earnings per share in EUR					
based on the profit attributable to alstria's shareholders					
Basic earnings per share	6.5	0.17	0.31	0.36	0.51
Diluted earnings per share	6.5	0.17	0.30	0.36	0.49

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2018

EUR k	Notes	Q2 2018	Q2 2017	H1 2018	H1 2017
Consolidated Profit for the period		**30,167**	**47,682**	**62,518**	**78,579**
Items that will not be reclassified to the income statement in a future period:					
Additions in the revaluation surplus	8.1	0	0	3,485	0
Other Comprehensive Result for the period		**0**	**0**	**3,485**	**0**
Total Comprehensive Result for the period		**30,167**	**47,682**	**66,003**	**78,579**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2018

Assets

EUR k	Notes	June 30, 2018	Dec. 31, 2017
Non-Current Assets			
Investment property	7.1	3,455,633	3,331,858
Equity-accounted investments		8,728	8,659
Property, plant and equipment		19,577	22,442
Intangible assets		368	313
Financial assets	7.3	36,567	36,567
Derivatives		3	14
Total Non-Current Assets		**3,520,876**	**3,399,853**
Current Assets			
Trade receivables		7,641	7,153
Tax receivables		43	25
Other receivables		10,266	14,760
Cash and cash equivalents	7.2	178,138	102,078
thereof restricted		*0*	*0*
Assets held for sale	7.1	26,200	60,200
Total Current Assets		**222,288**	**184,216**
Total Assets		**3,743,164**	**3,584,069**

Equity and liabilities

EUR k	Notes	June 31, 2018	Dec. 31, 2017
Equity			
Share capital	8.1	177,416	153,962
Capital surplus	8.1	1,537,791	1,363,316
Retained earnings		499,731	437,382
Revaluation surplus	8.1	3,485	0
Total Equity		**2,218,423**	**1,954,660**
Non-Current Liabilities			
Liabilities minority interests		55,480	53,834
Long-term loans, net of current portion	8.2	1,382,457	1,381,965
Other provisions		839	1,499
Other liabilities		4,577	4,408
Total Non-Current Liabilities		**1,443,353**	**1,441,706**
Current Liabilities			
Liabilities minority interests		47	47
Short-term loans	8.2	8,525	86,450
Trade payables		7,286	7,268
Profit participation rights	12	628	538
Derivatives		0	27,529
Liabilities of current tax		11,605	13,675
Other provisions	8.3	5,430	2,992
Other current liabilities		47,867	49,204
Total Current Liabilities		**81,388**	**187,703**
Total Liabilities		**1,524,741**	**1,629,409**
Total Equity and Liabilities		**3,743,164**	**3,584,069**

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from January 1 to June 30, 2018

EUR k	Notes	H1 2018	H1 2017
1. Operating activities			
Consolidated profit for the period		62,518	78,579
Interest income	6.3	−366	−458
Interest expense	6.3	15,854	18,057
Result from income taxes	6.4	−51	287
Unrealized valuation movements		−1,027	−17,441
Other non-cash expenses (+)/income(–)		2,503	1,257
Gain (–)/Loss (+) on disposal of fixed assets		−1,387	−1,177
Depreciation and impairment of fixed assets (+)		384	252
Decrease (+)/increase (–) in trade receivables and other assets that are not attributed to investing or financing activities		−3,451	811
Decrease (–)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		−3,309	−2,085
Cash generated from operations		**71,668**	**78,082**
Interest received		366	458
Interest paid		−19,249	−28,345
Income tax received (+)/paid (–)		−2,019	−11
Net cash generated from operating activities		**50,776**	**50,184**
2. Investing activities			
Acquisition of investment properties	7.1	−119,785	−212,849
Proceeds from sale of investment properties	7.1	48,987	44,852
Payment of transaction cost in relation to the sale of investment properties		−138	0
Acquisition of other property, plant and equipment		−1,487	−163
Net cash used in investing activities		**−72,423**	**−168,160**

EUR k		H1 2018	H1 2017
3. Financing activities			
Cash received from equity contributions	8.1	193,071	0
Payment of transaction costs of issue of shares	8.1	–2,581	0
Payment for the acquisition of minority interest		–64	–16,957
Proceeds from the issue of bonds and borrowings		0	30,000
Payments of dividends	9	–92,170	–79,680
Payments of the redemption of bonds and borrowings		–539	–11,137
Payments for the acquisition/redemption/adjustment of financial derivatives		0	59
Net cash generated from/used in financing activities		**97,717**	**–77,715**
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		76,060	–195,691
Cash and cash equivalents at the beginning of the period		102,078	247,489
Cash and cash equivalents at the end of the period *(thereof restricted: EUR 0; previous year: EUR 0)*	7.2	**178,138**	**51,798**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2018

EUR k	Notes	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of January 1, 2018		**153,962**	**1,363,316**	**437,382**	**0**	**1,954,660**
Changes H1 2018						
Consolidated profit		0	0	62,518	0	62,518
Other comprehensive income		0	0	0	3,485	3,485
Total comprehensive income	8.1	**0**	**0**	**62,518**	**3,485**	**66,003**
First-time adoption from IFRS 9	3	0	0	–169	0	–169
Payments of dividends	9	0	–92,167	0	0	–92,167
Proceeds from shares issued against contribution in cash	8.1	15,323	175,167	0	0	190,490
Share-based remuneration	12	0	759	0	0	759
Conversion of convertible participation rights	8.1	144	144	0	0	288
Conversion of convertible bond	8.1	7,987	90,575	0	0	98,562
As of June 30, 2018	8.1	**177,416**	**1,537,791**	**499,731**	**3,485**	**2,218,423**

for the period from January 1 to June 30, 2017

EUR k	Notes	Share capital	Capital surplus	Retained earnings	Total Equity
As of January 1, 2017		**153,231**	**1,434,812**	**140,395**	**1,728,438**
Changes in H1 2017					
Consolidated profit		0	0	78,579	78,579
Other comprehensive income		0	0	0	0
Total comprehensive income		**0**	**0**	**78,579**	**78,579**
Payments of dividends	9	0	−79,680	0	−79,680
Share-based remuneration	12	0	502	0	502
Conversion of convertible participation rights	8.1	111	111	0	222
As of June 30, 2017	8.1	**153,342**	**1,355,745**	**218,974**	**1,728,061**

NOTES

alstria office REIT-AG, Hamburg
Notes to the condensed interim consolidated financial statements as of June 30, 2018

1. Corporate information

alstria office REIT-AG (hereinafter referred to as 'the Company' or 'alstria office REIT-AG', together with its subsidiaries, referred to as 'alstria' or 'the Group'), is a German stock corporation based in Hamburg. The Group's principal activities are described in detail in Section 1 of the Notes to the consolidated financial statements for the financial year ending on December 31, 2017.

The condensed interim consolidated financial statements for the period from January 1, 2018, to June 30, 2018 (hereinafter referred to as the 'consolidated interim financial statements'), were authorised for publication by a resolution of the Company's Management Board on August 3, 2018.

2. Basis of preparation

These consolidated interim financial statements were prepared in accordance with IAS 34, 'Interim Financial Reporting'. They do not contain all the disclosures and explanations which are required in the annual financial statements; they should therefore be read in conjunction with the consolidated financial statements as of December 31, 2017.

These condensed interim consolidated financial statements have not been audited, but they have been reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg.

3. Significant accounting policies

The applied accounting policies are consistent with the policies applied and outlined in the Group's annual financial statements for the year ending on December 31, 2017.

The following new interpretations and amendments to standards and interpretations are mandatory for the financial reporting period beginning on January 1, 2018.

EU Endorsement	Standard / Interpretation	Content	Applicable for f/y beginning on/after	Effects
Nov. 22, 2016	IFRS 9	New standard 'Financial instruments: classification and measurement'	Jan. 1, 2018	No material effects
Sep. 22, 2016	IFRS 15	New standard 'Revenue from contracts with customers'	Jan. 1, 2016	Presentation
Feb. 26, 2018	Amendments to IFRS 2	Classification and measurement of share-based payment transactions	Jan. 1, 2018	None
Nov. 3, 2017	Amendments to IFRS 4	Applying IFRS 9 financial instruments with IFRS 4 insurance contracts	Jan. 1, 2018	None
March 14, 2018	Amendments to IAS 40	Transfers of investment property	Jan. 1, 2018	Currently None
Feb. 7, 2018	Annual Improvements to IFRSs	Improvements to IFRSs 2014 – 2016	Jan. 1, 2017/ Jan. 1, 2018	None
March 23, 2018	IFRIC 22	Foreign currency transactions and advance consideration	Jan. 1, 2018	None
Oct. 31, 2017	IFRS 15	Clarifications issued for IFRS 15, 'Revenue from Contracts with Customers'	Jan. 1, 2018	None

IFRS 15 Revenue contracts with customers
In May 2014, the International Accounting Standards Board (IASB) published IFRS15 Revenue from Contracts with Customers. IFRS 15 replaces the previous IFRS regulations on revenue recognition: e.g. IAS 18 and IAS 11. The goal of the new standard on revenue recognition is to present the multitude of regulations previously contained in various standards and interpretations in a uniform revenue recognition model. The standard provides a five-step model to determine the amount of revenue and the time of realization.

At the end of the first half of the year, alstria completed the analysis of the effects of the first application of IFRS 15. As part of the conclusion – also considering the establishing industry practice – it emerged that alstria assumes a principal position with regard to the service charge costs of letting and that these ancillary costs charged to the tenants are to be presented as revenues. The costs incurred relating to the provision of services in this context are presented as real estate operating expenses. A change in net rental income does not result.

Because of this change, revenues in the first half of 2018 increase by EUR 23,662 k (Q2 2018 by EUR 8,500 k), while real estate expenses increase by EUR 23,767 k (Q2 2018 by EUR 8,237 k) compared to the IFRSs to be applied until December 31, 2017. Since alstria applies the retrospective approach with regard to the first-time application of IFRS 15, the comparative information in the financial statements for the first half of 2018 has been adjusted for the corresponding periods of the 2017 financial year. Revenues in the first half of 2017 increased by EUR 21,320 k (Q2 2017 by EUR 7,466 k); real estate operating expenses are increased by EUR 21,591 k (Q2 2017 by EUR 7,808 k) compared to the accounting method to be applied until December 31, 2017.

Expenses and income from service charges in accordance with IFRS 15 are now presented gross, but their amount does not change. Therefore, the first-time application of IFRS 15 has no impact on the earnings position of the Group.

The first-time application of IFRS 9 led to an additional write-down of trade receivables in the amount of EUR 169 k. The value adjustment was recognized as a first-time effect from IFRS 9 in retained earnings.

The following new standards, interpretations and amendments to the published standards have been issued, but they are not in effect for the 2018 financial year and have not been applied by the Group prior to becoming mandatory:

EU Endorsement	Standard / Interpretation	Content	Applicable for f/y beginning on/after	Effects
Oct. 31, 2017	IFRS 16	New standard 'Leases'	Jan. 1, 2019	No material effects
Not yet endorsed	IFRS 17	New standard 'Insurance contracts'	Jan. 1, 2021	None
March 22, 2018	Amendments to IFRS 9	Prepayment Features with negative Compensation	Jan. 1, 2019	None
Not yet endorsed	Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	Jan. 1, 2019	None
Not yet endorsed	Amendments to IAS 40	Amended by Long-term Interests in Associates and Joint Ventures	Jan. 1, 2019	Currently None
Not yet endorsed	Annual Improvements to IFRSs	Improvements to IFRSs 2015–2017	Jan. 1, 2019	None
Not yet endorsed	IFRIC 23	Uncertainty over Income Tax Treatments	Jan. 1, 2019	Currently None

IFRS 16 Leases

IFRS 16 provides the accounting practices for leases. According to IFRS 16, some payment entitlements from lease agreements represent cost allocations that do not provide additional benefits for the customer. These include property tax, building insurance and allowances for asset management services. With the application of IFRS 16, the service charges to be paid by the lessee will be divided between all leasing and non-leasing components identified in the contract. This will result in extended disclosure requirements in the notes to the consolidated financial statements.

In addition, the first-time application of IFRS 16 is not expected to have a significant impact on the presentation of the net assets, financial and earnings position of the Company, as the Group has mainly concluded office leases for their investment properties and thus acts as lessor. The scope of the transactions agreed by the company as lessee, however, is of minor scope.

No significant impact on financial reporting is expected from the other new standards and amendments to the existing standards listed above.

4. Consolidated group

There have been no changes to the consolidated Group since the preparation of the consolidated financial statements as of December 31, 2017.

5. Key judgements and estimates

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items. These assumptions and estimates affect the amounts of the disclosures concerning assets, liabilities, income and expenses. Actual amounts may vary from these estimates. There were no changes compared to the key judgments and estimates described in the consolidated financial statements for the year ended December 31, 2017.

6. Notes to the consolidated income statement

6.1 Personnel expenses

EUR k	H1 2018 (unaudited)	H1 2017 (unaudited)
Salaries and wages	3,827	3,451
Social insurance contribution	724	643
Bonuses	1,207	994
Expenses for share-based compensation	1,528	948
thereof relating to virtual shares	*651*	*285*
thereof relating to convertible profit participation certificates	*877*	*663*
Amounts for retirement provisions and disability insurance for the members of the Management Board	134	122
Other	142	87
Total	**7,562**	**6,245**

6.2 Other operating income and expenses

Other operating income includes the reversal of provisions and compensation payments made by tenants in the course of lease termination. Other operating expenses for the reporting period mainly comprise the valuation result for the valuation of the liability for non-controlling interests limited partnership capital.

6.3 Financial result

For details on the net financial results and on the loans' development, please refer to the 'Financial and asset position' section in the interim management report.

6.4 Income taxes

As a consequence of its status as a G-REIT, alstria office REIT-AG is exempt from the German corporation tax (Körperschaftsteuer) and trade tax (Gewerbesteuer). With the change of legal form of the alstria office Prime companies, with a tax effect in the 2017 financial year, the alstria office Prime Group was transferred to the tax-exempt REIT structure.

Tax payment obligations may arise for affiliates serving as general partners in a partnership or for REIT service companies as well as on the basis of tax field audits for fiscal periods before inclusion in the REIT structure.

6.5 Earnings per share

The tables below show the income and share data used in the earnings per share computations:

Basic earnings per share	H1 2018 (unaudited)	H1 2017 (unaudited)
Profit attributable to shareholders (EUR k)	62,518	78,579
Average number of outstanding shares (thousands)	171,308	153,241
Basic earnings per share (EUR)	0.36	0.51

The potential conversion of the shares inherent in the convertible bond could dilute basic earnings per share in the future:

Diluted earnings per share	H1 2018 (unaudited)	H1 2017 (unaudited)
Diluted profit attributable to shareholders (EUR k)	62,768	79,659
Average number of diluted shares (thousands)	174,682	161,848
Diluted earnings per share (EUR)	0.36	0.49

7. Notes to the consolidated balance sheet – Assets

7.1 Investment property

Pursuant to IFRS 13, alstria office REIT-AG uses the fair-value model for revaluation purposes. External appraisals were obtained to determine the respective values as of December 31, 2017. For a detailed description of the process for determining the asset value, please refer to Section 2.4 of the consolidated financial statements as of December 31, 2017. A reconciliation of the changes in investment properties since December 31, 2017, can also be found on page 10 of the interim consolidated financial statements as of June 30, 2018.

In the first half of the year 2018, alstria office REIT-AG signed a notary agreement for the acquisition of one investment property that was transferred to alstria on August 1, 2018.

On the disposal side notary agreements for the sale of two properties had been signed in the first six month of 2018. While one of the properties was transferred to the buyer in the reporting period, the other property is categorized as held for sale as of the balance sheet date.

In addition, one of the two properties which were held for sale at the end of the previous year has been transferred to the buyer.

A reconciliation of the investment properties for the reporting period is shown in the following table:

	EUR k
Investment properties as of December 31, 2017	**3,331,858**
Investments	46,535
Acquisitions	77,084
Acquisition costs	4,279
Disposals	–3,600
Transfers to held for sale	–9,250
Transfers to property, plant, and equipment (owner-occupied properties)	–60
Transfers out of property, plant, and equipment (owner-occupied properties)	7,400
Net result from the adjustment of the fair value of investment property[1)]	1,387
Investment properties as of June 30, 2018	**3,455,633**

[1)] This is an income from the reversal of a provision for real estate transfer tax.

7.2 Cash and cash equivalents

Cash and cash equivalents, which refer to cash held at banks, are in the amount of EUR 178,138 k. This amount is not subject to any restrictions.

7.3 Financial assets

The financial assets of EUR 36,567 k relate to long-term bank deposits with a maturity until the business year 2021.

8. Notes to the consolidated balance sheet – Equity and liabilities

8.1 Equity

Please refer to the consolidated statement of changes in equity for details.

Share capital

A total of 15,323,121 new shares were issued for cash considerations and increased alstria office REIT-AG's share capital by EUR 15,323,121. The capital increase was registered in the commercial register on January 31, 2018.

The conversion of profit participation rights (Note 12) in the second quarter of 2018 resulted in the issuance of 143,750 new shares by making use of the conditionally increased capital provided for such purposes.

All 735 shares of the convertible bond, existing as of prior year's balance sheet date, with a notional amount of EUR 73,500 k were converted in the course of the first half year. The conversion resulted in an issuance of 7,987,972 new shares by making use of the conditionally increased capital provided for such purposes (Conditional Capital 2013).

In total, due to the capital measures stated above, alstria office REIT-AG's share capital increased to EUR 177,416,497 (EUR 23,454,843 higher than on December 31, 2017). As of June 30, 2018, it is represented by 177,416,497 no-par value bearer shares.

The following table shows the reconciliation of the number of shares outstanding:

Number of shares	H1 2018 (unaudited)	2017 (audited)
Shares outstanding on Jan. 1	**153,961,654**	**153,231,217**
Issue of new shares against capital contribution in cash	15,323,121	0
Conversion of convertible bond	7,987,972	619,437
Conversion of convertible participation rights	143,750	111,000
As of June 30/Dec. 31	**177,416,497**	**153,961,654**

The majority of the Company's shares are in free float.

Capital reserve
The new shares generated from the capital increase were placed on the capital markets and sold at a price of EUR 12.60 per share. The issue proceeds exceeded the nominal share capital by EUR 177,749 k and were recognised in capital reserves. After having deducted placement costs of EUR 2,582 k caused by the share placements, the increase of the capital reserve amounted to a net EUR 175,167 k.

The share premium resulting from the conversion of 143,750 profit-participation rights resulted in an increase in capital reserves of EUR 144 k.

The share premium resulting from the conversion of the convertible bond amounted to EUR 90,575 k. It was recognized in the capital reserve.

Revaluation Surplus
Following the relocation of the headquarters within Hamburg in the first quarter of the financial year, the office space that had previously been used as owner-occupied property again became investment property and was remeasured at fair value. The fair value revaluation resulted in an increase in the carrying amount of these areas in the amount of EUR 3,485 k. The increase in value was recognized in other comprehensive income and allocated to the revaluation surplus.

Treasury shares
As of June 30, 2018, the Company held no treasury shares.

8.2 Financial liabilities

As of June 30, 2018, alstria's total interest-bearing debt, which consists of corporate bonds and loan balances drawn, amounted to EUR 1,393,248 k (as of December 31, 2017, it was EUR 1,467,287 k). The lower carrying amount of EUR 1,390,982 k (non-current: EUR 1,382,457 k; current: EUR 8,525 k) takes into account the interest liabilities and transaction costs which are allocated according to the effective interest rate method at the time when the loans in question were taken out. Financial liabilities with a maturity of up to one year are recognised as current loans. The fair value of non-current and current financial liabilities amounted to EUR 1,427,674 k as of the reporting date.

While the convertible bond with a nominal value of EUR 73,500 k as of December 31, 2017 expired on June 30, 2018 due to conversion, corporate bonds remain unchanged at a nominal amount of EUR 1,001,800 k.

For a detailed description of the loans, including their terms and securities, please refer to the 'Financial liabilities' section in the Group's interim management report for the second quarter of 2018 (see page 12) and to Section 7.3 of the consolidated financial statements as of December 31, 2017.

8.3 Other Provisions

In addition to the provisions for virtual shares (see Section 11), short-term provisions for legal disputes amounting to EUR 4,051 k were made.

9. Dividends paid

	2018 (unaudited)	2017 (audited)
Dividends on ordinary shares[1] in EUR k (not recognised as a liability as of June 30)	92,170	79,680
Dividend per share (EUR)	0.52	0.52

[1] Refers to all shares at the dividend payment date.

The alstria office REIT-AG Annual General Meeting, held on April 26, 2018, resolved to distribute dividends totalling EUR 92,170 k (EUR 0.52 per outstanding share). The dividends were distributed on May 2, 2018.

10. Employees

In the period from January 1 to June 30, 2018, the Company had, on average, 128 employees (average for January 1 to June 30, 2017: 118 people). The average number of employees was calculated based on the total number of employees at the end of each month. On June 30, 2018, 136 people (December 31, 2017: 121 people) were employed at alstria office REIT-AG, not including the Management Board.

11. Share-based remuneration

A share-based remuneration system was implemented for members of the Management Board as part of alstria's success-based remuneration. This share-based remuneration is made up of a long-term component, the Long-Term Incentive Plan (LTI), and a short-term component, the Short-Term Incentive Plan (STI). In addition, there is a cash-settled component.

The development of the virtual shares through June 30, 2018, is shown in the following table:

Number of virtual shares	H1 2018 (unaudited)		2017 (audited)	
	LTI	STI	LTI	STI
As of Jan. 1	**295,434**	**20,166**	**312,104**	**20,580**
Granted in the reporting period	63,042	8,313	69,444	9,349
Terminated in the reporting period	−84,746	−10,817	−86,114	−9,763
As of June 30 / Dec. 31	**273,730**	**17,662**	**295,434**	**20,166**

In the first half of 2018, the LTI and the STI generated remuneration expenses with a total balance of EUR 651 k (expenses in H1 2017: EUR 285 k). In addition, the LTI and STI resulted in provisions amounting to EUR 1,940 k at the end of the reporting period (December 31, 2017: EUR 2,866 k). 84,746 virtual shares from the LTI and 10,817 virtual shares from the STI were exercised in the first quarter of 2018, resulting in payments of EUR 1,555 k. The Group recognises the obligation arising from vested virtual shares that were issued as cash-settled share-based payments as items within other provisions. The 63,042 virtual shares issued under the LTI in the reporting period are equity-settled share-based payments, the change in value of which is taken into account in the capital reserve. Please refer to Section 13.1 of the consolidated financial statements as of December 31, 2017, for a detailed description of the employee profit participation rights programme.

12. Convertible profit participation rights program

During the reporting period, the following share-based payment agreements (certificates) were in place with respect to the convertible profit participation rights scheme which the Supervisory Board of alstria office REIT-AG established.

Number of certificates

Granting date of tranche	May 18, 2016	May 19, 2017	April 27, 2018	Total
Jan. 1, 2018	**143,750**	**179,675**	**0**	**323,425**
Converted	−143,750	0	0	**−143,750**
Newly granted certificates	0	0	206,575	**206,575**
June 30, 2018	**0**	**179,675**	**206,575**	**386,250**

For a detailed description of the employee profit participation rights programme, please refer to Section 13.2 of the consolidated financial statements as of December 31, 2017.

13. Related parties

No significant legal transactions were executed with respect to related parties during the reporting period, except for virtual shares being granted to the members of the Company's Management Board, as laid out in detail in note 11.

14. Significant events after the end of the reporting period

On July 27, 2018, the purchase agreement for the acquisition of an office property in Wiesbaden was signed. The transaction volume amounts to EUR 7,675 k. The transfer of benefits and burdens is expected in the third quarter of the financial year.

15. Management board

As of June 30, 2018, the members of the Company's Management Board are Mr Olivier Elamine (Chief Executive Officer) and Mr Alexander Dexne (Chief Financial Officer).

16. Supervisory board

Pursuant to section 9 of the Company's Articles of Association, the Supervisory Board consists of six members, all of whom are elected by the shareholders at the Annual General Meeting.

The members of the Supervisory Board, as of June 30, 2018, are listed below:

Dr Johannes Conradi (Chairman)
Mr Richard Mully (Vice-Chairman)
Mr Bernhard Düttmann
Ms Stefanie Frensch
Mr Benoît Hérault
Ms Marianne Voigt

Hamburg, Germany, August 3, 2018

Olivier Elamine Chief Executive Officer	Alexander Dexne Chief Financial Officer

MANAGEMENT COMPLIANCE STATEMENT

'To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.'

Hamburg, Germany, August 3, 2018

Olivier Elamine Chief Executive Officer	Alexander Dexne Chief Financial Officer

REVIEW REPORT

To the alstria office REIT-AG, Hamburg

We have reviewed the condensed interim consolidated financial statements of the alstria office REIT-AG, Hamburg – comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity and the notes to the condensed interim consolidated financial statements as at June 30, 2018 – together with the interim group management report of the alstria office REIT-AG, Hamburg, for the period from January 1 to June 30, 2018, that are part of the semi annual financial report according to § 115 WpHG ['Wertpapierhandelsgesetz': 'German Securities Trading Act']. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 '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 Company's management. 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 performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so 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 IAS 34, '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 limited primarily 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 have not been prepared, in material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU, or 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.

Hamburg, August 3, 2018

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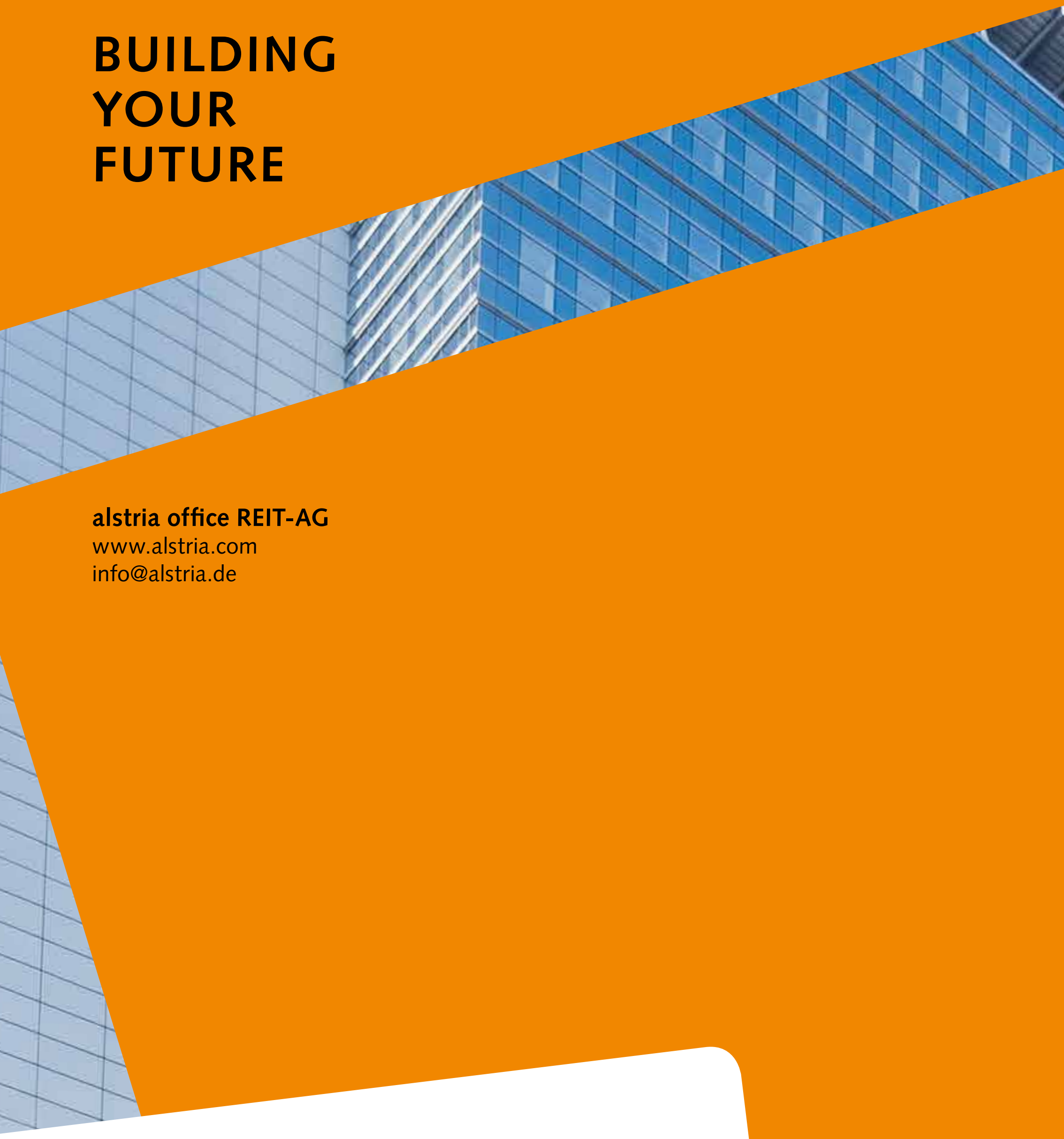

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