Deutsche Office

NINE-MONTH FINANCIAL REPORT 2015

TABLE OF CONTENTS

KEY FINANCIALS

INCOME-RELATED KEY FINANCIALS IN MILLION EUR (IFRS) AND EMPLOYEES	01/01-30/09/2015	01/01-30/09/2014*	DELTA IN %
Rental income	80.4	78.8	2.0
Net rental income	71.8	70.2	2.3
Earnings before interest and taxes (EBIT)	67.6	132.4	-48.9
Financial result	-22.5	-35.2	-36.1
Earnings for the period	40.7	94.8	-57.1
Earnings per share (in euros)	0.23	0.56	-58.9
EPRA earnings	33.4	33.6	0.6
EPRA earnings per share (in Euro)	0.19	0.20	5.0
Funds from Operations (FFO)	39.1	34.1	14.7
FFO per share (in euros)	0.22	0.20	10.0
Employees (headcount)	31	36	-13.9

BALANCE-SHEET-RELATED KEY FINANCIALS IN MILLION EUR (IFRS)	30/09/2015	31/12/2014	DELTA IN %
Investment properties	1,754.0	1,780.7	-1.5
Cash and cash equivalents	110.1	63.5	73.4
Total assets	1,901.7	1,951.3	-2.5
Equity	817.6	803.0	1.8
Equity ratio (as a percentage)	43.0	41.2	4.4
Total liabilities including derivatives	1,084.1	1,148.3	-5.6
Net debt	905.6	1,001.6	-9.6
Net Loan-to-Value (as a percentage)	50.9	53.5	-4.9
Net Asset Value (NAV)	817.6	803.0	1.8
NAV per share (in euros)	4.53	4.45	1.8
EPRA NAV per share (in euros)	4.71	4.74	-0.6
EPRA NNNAV per share (in euros)	4.53	4.45	1.8

OTHER KEY EPRA FINANCIALS	30/09/2015	31/12/2014	DELTA IN %
EPRA net initial yield (as a percentage)	5.3	5.2	1.9
EPRA “topped-up” net initial yield (as a percentage)	5.4	5.2	3.8

* With reference to the period-related data of the previous year/9M/2014, attention should be paid to the fact that, due to the merger at the end of January 2014, Prime Office REIT-AG has only been consolidated since February 2014. In addition, the 9M/2014 figures are influenced by income of EUR 115.4 million from the business combination due to the merger of Prime Office REIT-AG with the Company, as well as expenses of EUR 23.5 million in connection with the merger.

DO DEUTSCHE OFFICE AG IN 9M/2015* AT A GLANCE

- High letting volume in nine-month period 2015: Letting volume of approx. 92,000 square metres corresponds to approx. 10.3 percent of total lettable area.

- Strong letting performance: with new rental contracts for approx. 38,300 square metres and leases renewed for approx. 53,700 square metres.

- Significant improvement of vacancy rate: Vacancy rate was reduced from 19.2 percent as of 30 September 2014 to 15.2 percent as of 30 September 2015. Further improvement of vacancy rate to between 13 and 13.5 percent is expected by the end of 2015.

- The notarised contract for the acquisition of a fully let office property in Stuttgart with a gross initial yield of 13.9 percent was signed on 10 June 2015. The property's rights and obligations were transferred on 1 August 2015.

- Substantial growth of Funds from Operations (FFO) due to optimised financing terms and lower debt, as well as lower administrative expenses and higher rental cash flows: FFO increased by 15 percent to EUR 39.1 million or EUR 0.22 per share.

- Debt was further reduced, and the financial result significantly improved: Compared with 31 December 2014, the net loan-to-value ratio decreased by 2.6 percentage points to 50.9 percent as of 30 September 2015. Year-on-year, the financial result improved by 36.1 percent to EUR -22.5 million.

- Net Asset Value (NAV) increased as of 30 September 2015 to EUR 817.6 million or EUR 4.53 per share, compared with EUR 4.45 per share as of 31 December 2014. EPRA NAV amounted to EUR 4.71 per share.

- Guidance adjusted: For the full year 2015, the Executive Board continues to expect rental income of approx. EUR 107 million. Due to the measures implemented in Q3/2015 to improve the financial result, the Executive Board has increased its FFO forecast from EUR 52 million to approx. 54 million for fiscal 2015.

* With reference to the period-related data of the previous year/9M/2014, attention should be paid to the fact that, due to the merger at the end of January 2014, Prime Office REIT-AG has only been consolidated since February 2014.

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS OF DO DEUTSCHE OFFICE AG,
LADIES AND GENTLEMEN,

Through our joint efforts, we have successfully developed the Company over the past few years, and we have grown its business, in particular since our merger with Prime Office REIT-AG in January 2014.

In operational terms, this has led an optimised portfolio with a current market value of EUR 1.8 billion and a vacancy rate which we have reduced from 20 percent at the time of the merger to 15.2 percent, owing to our active asset management approach. In financial terms, we have increased funds from operations from quarter to quarter, so that we were able to increase our FFO guidance once again in the current fiscal year. For 2015, we now expect that funds from operations will increase to approx. EUR 54 million. In fiscal 2014, FFO had amounted to EUR 46.6 million, and in 2013, FFO were at EUR 41.9 million on a combined pro-forma basis.

We have also significantly improved the performance of Deutsche Office in terms of its balance sheet. We have reduced the net loan-to-value ratio, for instance, from 61.6 percent at year-end 2013 and 53.5 percent at year-end 2014 to 50.9 percent this year. In addition, we have reduced the weighted average interest rate to approx. 2.9 percent by means of various refinancing measures. In view of our solid financial foundation, the Annual General Meeting of Deutsche Office resolved in June 2015 to distribute a dividend of EUR 0.15 per share for the past fiscal year.

After the successful capital increase in February 2014, with an issue price of EU 2.80, the share price of Deutsche Office increased to a level of EUR 4.40 by May 2015. This means that the Deutsche Office share has significantly outperformed both the FTSE EPRA index – i.e. the leading European real estate index – and the German SDAX index, in particular since the beginning of 2015. In the current year, the share price of Deutsche Office even increased by approx. 48 percent by 30 September 2015.

The financial and operational performance of Deutsche Office has been confirmed in the first nine months of 2015. In addition to making considerable progress in reducing vacancies, we have made effective use of opportunities to sell properties. At the same time, we set our course for acquisitions, including the acquisition of a fully let office property in Stuttgart with a gross initial yield of 13.9 percent.

In the first three quarters, our asset management team let approx. 92,000 square metres, corresponding to 10.3 percent of our portfolio’s total lettable area. New leases accounted for a total of approx. 38,300 square metres and lease renewals for approx. 53,700 square metres. Overall, the average rent of new leases was approx. 3 percent above budget.

Aside from the operational and financial performance of Deutsche Office, our Company’s attention was focused in the nine-month period on the take-over bid of alstria office REIT-AG, Hamburg (“alstria office”) for all shares of Deutsche Office, which was announced in June 2015 and published on 21 August 2015. On 3 September 2015, the Executive Board and Supervisory Board published a reasoned opinion. Both boards have taken the view that the exchange offer submitted by alstria office is reasonable and that the transaction is in the interest of our Company, our shareholders and our other stakeholders.

By the end of the extended acceptance period on 21 October 2015, 90.6 percent of our shareholders had accepted the offer of alstria office. The take-over was completed on 27 October 2015 with the entry of the capital increase in the Commercial Register of alstria office.

After successfully developing and expanding Deutsche Office in the past few years and after the shareholders' clear acceptance of the take-over bid, we have decided to make use of the "change-of-control" clause in our service agreements and to resign from the Executive Board (effective as of 3 November 2015).

We would like to thank you sincerely for the confidence you have shown in us to this day and for supporting us in the implementation of our strategy. The employees of Deutsche Office will continue to be fully committed to achieving the goals of Deutsche Office also after the completion of the transaction with alstria office.

Sincerely,
The Executive Board of DO Deutsche Office AG

GROUP INTERIM MANAGEMENT REPORT

MARKET OVERVIEW

MACRO-ECONOMIC ENVIRONMENT

According to the International Monetary Fund’s (IMF) World Economic Outlook of October 2015, the growth of the world economy slowed down during the summer months, and the outlook for developing countries and emerging economies deteriorated. On the other hand, the IMF stated in its outlook that economic growth in the developed economies would accelerate slightly. Overall, the IMF adjusted its growth forecast downward in October 2015, after the downward adjustments already made in April and July this year. The IMF now expects global economic growth to amount to 3.1 percent in 2015. This means that the growth expected for 2015 is now slightly lower than in the previous year (3.4 percent).

The moderate acceleration of economic growth in the developed economies is due to a positive development in the euro area and Japan's return to growth. Overall, key positive drivers have been the drop in oil prices, the flexible monetary policies pursued by various central banks, the depreciation of some currencies and the continued decline in unemployment. On the other hand, falling oil and commodity prices are depressing growth in developing countries and emerging nations. For 2016, the IMF expects growth of 3.6 percent. However, this forecast is 0.2 percentage points below its forecast of July 2015. For the euro area, the forecast for 2015 remains unchanged. Here, the IMF expects economic growth of 1.5 percent.

Following a deterioration in June 2015, the ifo Business Climate Index for trade and industry in Germany picked up during the summer months. The index increased from 107.4 points at mid-year to 108.5 points in September 2015. With an index of 114.0 points, the companies surveyed rated their overall situation as slightly better than in June 2015 (113.3 points). With a view to their business going forward, the companies’s outlook was even slightly more optimistic again. Between June and September 2015, the business outlook index increased by 1.2 points to 103.3 points. This means that all ifo indexes (climate, situation and outlook) have improved, both year-on-year and year-to-date.

According to its autumn forecast published in October 2015, the German government expects that the national economy will continue to grow. Despite the moderate prospects for the world economy, with weaker growth in China and in commodity-driven emerging nations, the German economy proves robust and well on track. Private consumption, which benefits considerably from the solid development of incomes and employment in Germany, continues to be a key driver of the sustained growth in Germany. For Germany, the German government’s growth forecast amounts to 1.7 percent for 2015. According to the autumn report of Germany’s leading economic research institutes, the German economy is expected to grow by 1.8 percent, while the OECD anticipates GDP growth of 1.6 percent and the IMF expects growth of 1.5 percent.

THE OFFICE PROPERTY MARKET IN GERMANY

Low interest rates, the low oil price level and the euro exchange rate which is advantageous for exports have led to good sentiment in the German economy overall, underpinned by positive corporate news. This environment has had a positive impact on the services sector which is important for the office property market, so that, according to the market report published by the international real estate consulting firm James Lang LaSalle (“JLL”) in October 2015, the German office property market and the office letting markets have continued to develop positively. JLL is optimistic with regard to the rest of the year and expects significant growth in Germany’s office letting and investment markets.

In the “Big 7” – Germany’s seven major office locations – cumulative office space take-up in the first nine months of the current fiscal year amounted to a total of 2.5 million square metres, which is approx. 18 percent above the previous year’s level. Office space take-up even accelerated compared with the first half of the year.

Nevertheless, regional differences continue to be significant. While the increase in office space take-up was most pronounced in Berlin (+47 percent) and Düsseldorf (+45 percent), the office space take-up in Stuttgart was at the same level as in the previous year. In Cologne, the shortfall of office space take-up, which still existed at mid-year, was compensated for by a strong third quarter. On the other hand, Hamburg moved to the end of the take-up ranking, with a decline of 5 percent year-on-year. Because of the strong environment and the positive development overall, JLL recently increased its cumulative office space take-up forecast for 2015 from 3.1 million square metres to 3.3 million square metres.

As of the end of September 2015, cumulative vacancies had continued to decrease to 6.2 million square metres, which is a decline by 12 percent year-on-year. After a vacancy rate of 7.3 percent at mid-year, vacancies have now dropped to a new all-time low of 6.9 percent. None of the Big-7 cities still has a vacancy rate above 10 percent, although regional differences continue to be significant: Frankfurt (9.6 percent) and Düsseldorf (9.1 percent) continue to have the highest vacancy rates, while Berlin (6.6 percent), Munich (6.4 percent), Hamburg (6.2 percent) and Cologne (5.9 percent) have much lower vacancy rates. Among the Big 7, Stuttgart continues to have the lowest vacancy rate. For the first time since the beginning of the year 2000 – the heyday of the new economy - the vacancy rate in Stuttgart has fallen below 5 percent. The strongest declines year-on-year were recorded in Düsseldorf (-18.8 percent), Berlin (-15.4 percent), Hamburg (-12.1 percent) and Frankfurt (-11.7 percent).

Aggregated across all locations, the JLL index for prime office rental values increased by +1.7 percent in Q3/2015 compared with the previous year. Prime rents increased by 4.5 percent in Berlin, by 3.1 percent in Munich, by 2.6 percent in Stuttgart, by 2.1 percent in Hamburg and by 1.4 percent in Frankfurt. Prime rents only decreased in Düsseldorf, declining in Q3/2015 by EUR 0.50 to EUR 26.0, while it remained unchanged in Cologne.

In the first nine months of 2015, the investment market in Germany continued to head for a new record level, with sales of approx. EUR 38.2 billion in the commercial property segment alone. This means that the transaction volume increased by 50 percent, compared with the previous year’s volume, which had already been very good. With a share of 54 percent of the transaction volume, foreign investors are particularly active in the German investment market. JLL anticipates sustained dynamic growth for the investment market, so that a transaction volume of EUR 55 billion is expected for the full year 2015 in the commercial property segment in Germany. This would not only be the sixth year-on-year increase in succession and a new record but it would also be significantly above the ten-year average of approx. EUR 29 billion.

PORTFOLIO REPORT

THE PROPERTY PORTFOLIO OF DEUTSCHE OFFICE AG

The office property portfolio of DO Deutsche Office AG (“Deutsche Office”) is characterised by nationwide properties and a widely diverse tenant base with a strong credit standing and tenants from various sectors. The properties in the portfolio are mainly located in Germany’s metropolitan regions and conurbations in the western part of the country. Combined with the potential to generate substantial value, this provides the basis for stable rental income, high profitability as well as a sustainable dividend potential and, at the same time, adequate risk diversification.

As of the reporting date on 30 September 2015, the Deutsche Office portfolio included a total of 50 investment properties with a market value of approx. EUR 1.8 billion and a total lettable area of approx. 890,067 square metres. For the properties recognised as Assets held for sale as of 31 December 2014, the rights and obligations were transferred in H1/2015. On 15 July 2015, a notarised purchase contract was signed for the "Immermannhof" property in Düsseldorf. Upon payment of the purchase price, the rights and obligations for this property were transferred to the purchaser on 31 August 2015. On 5 August 2015, a notarised purchase contract was signed for the “Potsdamer Platz” property in Bonn, so that the property was recognised as an Asset Held for Sale as of 30 September 2015. The rights and obligations have not yet been transferred. At the same time, we set our course for acquisitions and focused our efforts, inter alia, on the acquisition of an office property in Stuttgart. The notarised purchase contract for the fully let property, which we acquired with a gross initial yield of 13.9 percent, was signed in June 2015. Ownership was transferred on 1 August 2015.

In the course of the first nine months of the fiscal year, the vacancy rate was continually reduced to the current level of 15.2 percent. A vacancy rate of between 13 and 13.5 percent is expected by the end of 2015.

With more than 550 managed lease agreements and a weighted average lease term of 4.2 years, the annual rental income amounted to EUR 109.8 million in 2015, based on the lease agreements concluded as of the reporting date on 30 September 2015. On this basis, Gross Initial Yield amounted to 6.3 percent, while Net Yield amounted to 5.3 percent. As of 30 September 2015, the EPRA Net Yield of Deutsche Office amounted to 5.3 percent. The “topped-up” EPRA Net Yield was 5.4 percent. In the topped-up EPRA Net Yield, the calculated rent is adjusted for rent-free periods.

Approx. 83 percent of Deutsche Office’s total rental income (excluding other ancillary areas) is generated by renting out office properties; nursing homes account for 8 percent, retail space for approx. 4 percent, hotel space for 3 percent and logistics space for 2 percent. While the properties are spread out over various regions, 49 of the total of 50 properties are located in the western part of Germany. One property – the Treptowers – is located in Berlin.

A total of 72 percent of the properties of Deutsche Office are so-called “multi-tenant” properties. Only 28 percent or the properties of Deutsche Office are properties with only one tenant or one dominant principal tenant. Overall, the tenant structure varies. The majority of the properties are used by more than five tenants. Deutsche Office manages a total of approx. 550 lease agreements with tenants from a variety of sectors, which provides diversification. 23 percent of net cold rental income is generated with companies from the insurance sector, 17 percent with companies from the telecommunications sector, 12 percent with companies from the services sector, 11 percent with companies from the real estate sector, and 11 percent with companies from the health/pharmaceuticals sector.

MAJOR LETTING ACTIVITIES OF DO DEUTSCHE OFFICE AG

In the first nine months of the fiscal year 2015, Deutsche Office let a total of approx. 92,000 square metres, i.e. approx. 10.3 percent of the portfolio’s total lettable area. New leases accounted for a total of approx. 38,300 square metres and lease renewals for approx. 53,700 square metres.

In terms of lettings in the first nine months 2015, particular mention should be made of the lease agreement concluded for approx. 11,200 square metres of warehouse and office space in Bruchsal, the lease agreement for approx. 5,500 square metres in the “Heerdter Lohweg” property in Düsseldorf, the lease agreement for approx. 4,300 square meters in Ismaning near Munich, the lease agreement for approx. 2,800 square metres in Nuremberg, the lease agreement for approx. 2,500 square metres in the “SEESTERN 1” property in Düsseldorf and the lease agreement for approx. 1,500 square meters in the "KASTOR-TOWER" property in Frankfurt. The lease agreements in Düsseldorf and Frankfurt were concluded in extremely challenging letting markets, so that these agreements are particularly important for Deutsche Office.

ECONOMIC REVIEW

RESULTS FROM OPERATIONS

When comparing the two six-month periods, it must be borne in mind that, due to the first-time consolidation of PO REIT on 21 January 2014, the January contribution of PO REIT was largely lacking in 9M/2014. In addition, the 9M/2014 figures include income of EUR 115.4 million from the business combination due to the merger of Prime Office REIT-AG with the Company as well as expenses of EUR 23.5 million in connection with the merger, in particular due to the provisions accrued for the property transfer tax due on the fictitious acquisition of the

Prime Office REIT-AG properties. Without these two special effects, earnings before taxes would have amounted to EUR 5.4 million in 9M/2014. Additional property transfer tax charges of EUR 6 million were recognised during the reporting period because of a decision given by Germany's Federal Constitutional Court in summer 2015 in respect of the difference in treatment with regard to the substitute basis of assessment applied to share transfers for property transfer tax purposes, compared with the standard basis of assessment applied to taxable purchases. This judgment is likely to lead to amendments to the property transfer tax assessment notices from the merger with Prime Office REIT-AG.

Due to the first-time consolidation as of 21 January 2014, nearly all the earnings contributions of the Prime Office REIT-AG properties for January 2014 (with net rental income of approx. EUR 2.4 million) were lacking in 9M/2015. Due to property sales in 2014 and in the nine-month period in 2015, the portfolio decreased by a total of six properties compared with 9M/2014, while one property in Stuttgart was acquired as of 1 August 2015. The decline in net rental income due to property sales was nearly fully offset by the reduction of vacancies.

EPRA EARNINGS

Year-on-year, EPRA earnings are nearly unchanged. Lost earnings contributions due to the divestment of properties were almost offset by the reduction of vacancies and a significantly improved financial result. The disposal proceeds and the proceeds from the cash capital increase in Q1/2014 were, to a large extent, used to repay loans, so that – in conjunction with the refinancing of the Homer and Herkules portfolios and the associated improvement of terms – the financial result improved significantly in 9M/2015. Due to the termination/change of a large number of interest rate swaps in Q3/2015, the financial result is expected to continue to improve in the final quarter of 2015.

IN MILLION EUR	9M/2015	9M/2014
Earnings for the period	**40.7**	**94.8**
(a) Changes in market value of investment properties	-11.3	24.4
(b) Gains/losses on investment property disposals	0.7	-2.4
(c) Income from business combination	0.0	-115.4
(d) Transaction costs associated with the merger and refinancing	6.0	24.1
(e) Changes in market value and extraordinary items from the redemption of derivative financial instruments	-4.1	5.8
(f) Deferred taxes related to EPRA adjustments	1.4	2.3
EPRA earnings	**33.4**	**33.6**
EPRA earnings per share[1] (in EUR)	0.19	0.20

1 Average number of outstanding shares used for calculation: 180,529,633 (9M/2014: 169,215,671)

FUNDS FROM OPERATIONS (FFO)

In the nine-month period of 2015, Funds from Operations (FFO) were approx. EUR 5.0 million above the FFO for 9M/2014, mainly due to lower administrative expenses and a significantly better financial result. In a pro-forma consolidation as of 1 January 2014, FFO for 9M/2014 would remain unchanged; however, Net rental income would amount to EUR 72.6 million, Administrative expenses would total EUR 7.6 million, and the Financial result would amount to EUR 31.0 million.

IN MILLION EUR	9M/2015	9M/2014
Rental income	80.4	78.8
Net property servicing expenses	-8.6	-8.6
Net rental income	71.8	70.2
Administrative expenses[1]	-6.2	-7.4
Other net income/expenses[1]	0.1	0.7
Financial result[1]	-26.6	-29.4
Funds from Operations (FFO)	39.1	34.1
FFO per share[2] (in EUR)	**0.22**	**0.20**

1 Adjusted for one-off and special effects
2 Average number of outstanding shares in 9M/2015: 180,529,633 (9M/2014: 169,215,671)

FFO were adjusted for non-sustained effects such as income on measurement of derivative financial instruments at fair value (EUR 4.1 million; 9M/2014: expenses of EUR 5.8 million), transaction costs (in particular property transfer tax) of the merger (EUR 6.0 million; 9M/2014: EUR 24.1 million), expenses in connection with the takeover by alstria office (EUR 2.1 million; 9M/2014: EUR 0 million) as well as expenses for settlement payments (EUR 0.9 million; 9M/2014: EUR 0 million). In the previous year, FFO were additionally adjusted for non-sustained effects such as income from first-time consolidation (EUR 115.4 million) and expenses in connection with the closure of the Munich office (EUR 0.5 million).

ASSETS AND FINANCIAL POSITION

Total Assets decreased compared with the Consolidated Balance Sheet as of 31 December 2014, in particular due to the disposal of four properties and the addition of only one property. The disposal proceeds were largely used to repay loans. In addition, the 2014 dividend of EUR 0.15 per share was paid out at the end of June 2015.

NET ASSET VALUE

IN MILLION EUR	30 SEP 2015	31 DEC 2014
Investment properties	1,754.1	1,780.7
Assets held for sale	23.9	92.8
Interest-bearing loans	-998.5	-1,050.5
Cash and cash equivalents	110.1	63.5
Other assets and liabilities	-72.0	-83.5
Net Asset Value (NAV)	**817.6**	**803.0**
Net Asset Value (NAV) per share[1] (in EUR)	4.53	4.45
Effects from the exercise of options, convertible participatory rights and other equity rights	0.0	0.0
Diluted NAV after the exercise of options, convertible participatory rights and other equity rights	**817.6**	**803.0**
Fair value of derivative financial instruments	32.1	51.9
Diluted EPRA NAV	**849.7**	**854.9**
Diluted EPRA NAV per share[1] (in EUR)	4.71	4.74
Fair value of derivative financial instruments	-32.1	-51.9
Diluted EPRA NNNAV	**817.6**	**803.0**
Diluted EPRA NNNAV per share[1] (in EUR)	4.53	4.45

1 Number of outstanding shares used for calculation: 180,529,633

LOAN-TO-VALUE RATIO (LTV)

IN MILLION EUR	30 SEP 2015	31 DEC 2014
Investment properties	1,754.1	1,780.7
Assets held for sale	23.9	92.8
Total property assets	**1,778.0**	**1,873.5**
Bank loans[1]	998.5	1,050.5
Cash and cash equivalents[2]	92.9	48.9
Net amount owed to banks	**905.6**	**1,001.6**
Net loan-to-value ratio	50.9%	53.5%

1 including loans of assets for sale
2 less cash reserved for property transfer tax

The change in property assets is mainly due to the disposal of four properties. Loan repayments from disposal proceeds as well as scheduled repayments, combined with growing property values, further improved the net loan-to-value ratio.

CASH FLOW

IN MILLION EUR	9M/2015	9M/2014
Cash flow from operating activities	61.1	49.4
Cash flow from investing activities	105.7	150.6
Cash flow from financing activities	-120.2	-178.4
Net change in cash and cash equivalents	**46.6**	**21.6**
Cash and cash equivalents at the beginning of the period	63.5	37.6
Cash and cash equivalents at the end of the period	**110.1**	**59.2**

Compared with 9M/2014, Cash flow from operating activities improved, in particular due to the transaction costs paid in the previous year. Following payments of EUR 11.4 million, cash funds include an amount of

EUR 17.2 million earmarked, as of 30 September 2015, for the property transfer tax payable from the merger with PO REIT.

REPORT ON RISKS AND OPPORTUNITIES

For details on the risks and opportunities associated with the development of the Company's future business, please see the information provided in the Risk Report and in the section on the opportunities of the Company's future development in the Management Report for the Company and the Group for fiscal 2014.

On 16 June 2015, alstria office REIT AG ("alstria office") announced that it would make a public exchange offer for all shares of Deutsche Office. With the entry of the capital increase of alstria office on 27 October 2015, the process of the take-over of Deutsche Office by alstria office was completed, with an acceptance rate of 90.6 percent at that time. Subsequent measures (which have already been announced) for the integration of Deutsche Office into the alstria office Group and for the creation of a REIT-compliant corporate structure will have a major impact on the Company's opportunities and risks, which cannot yet be conclusively assessed at this time. Results from operations, assets and financial positions will be affected in the next month due to settlement payments to the members of the Executive Board in connection with the announced use of the change of control clause as well as reorganisation cost especially due to termination of employee contracts, closing of the office in Cologne and changes in the corporate structure.

THE DEUTSCHE OFFICE SHARE

THE CAPITAL MARKET ENVIRONMENT OF THE DEUTSCHE OFFICE SHARE

The DAX, Germany's leading index, started the year 2015 at 9,764 points and gained in the course of Q1/2015. This positive trend was driven by economic growth in the euro zone, the positive impact of the low oil price on the economy and the start of the ECB's government bond purchase programme. Against this background, the DAX increased by a total of approx. 2,200 points to 11,966 points in the course of Q1/2015.

However, the performance of the DAX was mixed in Q2/2015. While Germany's leading index reached a new all-time high of 12,390 points in the first half of April 2015, the crises in Greece and in Ukraine, as well as the resulting uncertainty had an increasingly adverse impact on the capital markets. This was exacerbated by the unexpected correction of the bond markets in May 2015. Within a very short period of time, the yield on German government bonds increased from just above zero to nearly 1 percent. Overall, the second quarter of 2015 was characterised by growing uncertainty and increasing volatility. The DAX closed on 30 June 2015 at a level which was 1,446 points below the all-time high of 10,944 points in April.

In the third quarter, the DAX declined once again. While Germany's leading index stayed above the 11,500 points mark at the beginning of the quarter, the weakening Chinese economy depressed the DAX to a level of 9,648 points on 24 August. Although the leading index has recovered from this low since then, the DAX was at 9,660 points at the end of Q3, amplified by the manipulation scandal concerning Volkswagen.

The share price performance of Deutsche Office has been very positive since the beginning of 2015. However, since June 2015, it has been influenced by the voluntary take-over bid by alstria office, which had been announced on 16 June 2015 and published on 21 August 2015.

The Annual General Meeting of Deutsche Office was held on 17 June 2015 in Cologne. A total of 74.8 percent of the share capital was represented at the Annual General Meeting. All the agenda items were widely approved by the shareholders, with majorities of between 98.0 and 99.9 percent. This also included the resolution on the distribution of a dividend of EUR 0.15 per share for fiscal 2014. The dividend was fully paid from the tax contribution account within the meaning of Section 27 KStG (Körperschaftssteuergesetz – German Corporate Income Tax Act), i.e. from contributions not made to nominal capital. The payment was therefore made without deducting capital gains tax or the Solidarity Surcharge.

In accordance with Section 27 of Germany’s Securities Acquistion and Takeover Act (“WpÜG”), the Executive Board and the Supervisory Board of Deutsche Office delivered a reasoned statement on 3 September 2015 on the public exchange offer of alstria office, followed by a supplementary statement on 9 September 2015. The Executive Board and the Supervisory Board of Deutsche Office take the view that – taking into consideration the statement delivered, the general circumstances in connection with the offer as well as the bidder’s objectives and intentions within the meaning of Section 31(1) WpÜG – the consideration offered by the bidder is reasonable and that the transaction is in the interest of Deutsche Office, its shareholders and the other stakeholders. For this reason, and in view of the statements made in the statement, the Executive Board and the Supervisory Board recommended that all Deutsche Office shareholders should accept the offer.

SHAREHOLDER STRUCTURE

As of the 30 September 2015 reporting date, the shareholder structure was as follows: Both Oaktree Capital Group Holdings GP, LLC and Ironsides Partners LLC held more than 3 percent of the Deutsche Office shares, with 60.5 percent and 4.5 percent, respectively. The Company’s shareholder base is characterised by a high proportion of international and specialised institutional investors with a primary investment focus on property companies.

The free float (positions < 5 percent) amounted to 39.5 percent on 30 September 2015.

STATEMENT OF EVENTS AFTER THE REPORTING DATE

EVENTS AFTER THE REPORTING DATE

Within the first acceptance period, which extended until 2 October 2015 (first cut-off date), alstria office issued an ad-hoc statement on 2 October 2015 in which it announced that the required minimum acceptance rate of 69.6 percent had been exceeded and that, consequently, the relevant offer condition had been fulfilled.

In accordance with Section 23(1) sentence 1(2) WpÜG, alstria office announced on 7 October 2015 that an acceptance rate of 85.173 percent had been reached by the first cut-off date. Including the Deutsche Office shares from financial or other instruments resulting from a so-called “undertaking agreement” concluded with the majority shareholders of Deutsche Office, the first acceptance rate amounts to 90.573 percent.

On 8 October 2015, Deutsche Börse announced that Deutsche Office no longer fulfilled the minimum criterion of 10-percent free-float shares required under the index rules because the free float had dropped to 9.45 percent. Deutsche Börse AG decided to implement an unscheduled change in the SDAX index, so that Deutsche Office was replaced in the SDAX by ADO Properties S.A., effective as of 13 October 2015.

In accordance with Section 23(1) sentence 1(2) WpÜG, alstria office announced on 26 October 2015 that an acceptance rate had increased to 90.6 percent by the end of the additional acceptance period on 21 October (second cut-off date) within the framework of the exchange offer made by alstria office. In accordance with Section 21(1) of Germany’s Securities Trading Act (WpHG), a corresponding notification of voting rights was sent to the Company on 28 October 2015.

The capital increase against non-cash contributions was entered in the Commercial Register of alstria office on 27 October 2015, which was the final condition for the completion of the voluntary takeover bid.

OUTLOOK

MACROECONOMIC DEVELOPMENT

The buoyancy of Germany’s domestic economy remains intact, so that economic growth in Germany is expected to continue to accelerate in the current year. This positive trend is supported by the German economy’s continuing strong competitiveness and other stimulating factors like the weak euro and the low oil price. The German government’s growth forecast for Germany amounts to 1.7 percent for the year 2015. According to the autumn report of Germany’s leading economic research institutes, the German economy is expected to grow by 1.8 percent, while the OECD anticipates GDP growth of 1.6 percent and the IMF expects growth of 1.5 percent. However, external risks have increased in the recent past.

DEVELOPMENT OF THE PROPERTY SECTOR IN GERMANY

JLL continues to expect a positive development, both for the office letting markets and for the investment market. Because of foreign investors’ interest, which continues to grow, and pressure to invest available capital, JLL now expects that the transaction volume will increase to more than EUR 55 billion in 2015.

Risks are posed by the uncertainty – which has recently increased – with regard to the future development of the world economy and by the unresolved geopolitical crises.

PROJECTION: OUTLOOK 2015

The Executive Board has adjusted its guidance for fiscal year 2015. Based on Deutsche Office’s current portfolio, the Executive Board continues to expect approx. EUR 107 million in rental income from investment properties. Due to the measures implemented in Q3/2015 to improve the financial result, the Executive Board has increased its FFO forecast from EUR 52 million to approx. 54 million for fiscal 2015.

As described in the reasoned statement published by the Executive Board and the Supervisory Board of Deutsche Office on 3 September 2015, additional legal and personnel changes can be expected due to the change in the shareholder structure.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

IN EUR K	NOTES	01/01 – 30/09/2015	01/01 – 30/09/2014
Rental income from investment properties	5.1	80,415	78,844
Service charge income		15,950	18,990
Property servicing expenses[1]	5.2	-24,576	-27,650
Net rental income		71,789	70,184
Administrative expenses	5.3	-7,129	-7,864
Other income	5.4	1,036	117,134
Other expenses	5.5	-8,694	-25,133
Interim result		57,002	154,321
Investment property disposal proceeds		154,300	121,950
Investment property disposal expenses		-155,004	-119,538
Gain/loss on disposal of properties	5.6	-704	2,412
Gain/loss on measurement at fair value	6.1	11,265	-24,350
Earnings before interest and taxes		67,563	132,383
Financial income	5.8	4,096	70
Finance costs	5.7	-26,582	-35,267
Earnings before taxes		45,077	97,186
Income taxes	6.6	-4,382	-2,356
Earnings for the period		40,695	94,830
Of which attributable to:			
Shareholders of the parent company		40,695	94,830
Earnings per share			
Basic and diluted earnings per share (in EUR)	5.9	0.23	0.56

1 The comparative figures were aggregated, and the name of the item was combined and adjusted (please see information provided in the Notes to the Consolidated Financial Statements as of 31 December 2014).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN EUR K	NOTES	01/01 – 30/09/2015	01/01 – 30/09/2014
Earnings for the period		40.695	94.830
Other comprehensive income to be reclassified to the income statement in subsequent periods:			
Unrecognised gains/losses from derivative financial instruments	6.5	1,111	-11,625
Tax effects from items of other comprehensive income		-176	1,840
Other comprehensive income after taxes		935	-9,785
Consolidated total comprehensive income		41,630	85,045
Of which attributable to:			
Shareholders of the parent company		41,630	85,045

CONSOLIDATED BALANCE SHEET

IN EUR K ASSETS	NOTES	30/09/2015	31/12/2014
Investment properties	6.1	1,754,125	1,780,660
Intangible assets		416	534
Property, plant and equipment		228	335
Derivative financial instruments, non-current portion	6.5	77	2,002
Non-current assets		**1,754,846**	**1,783,531**
Derivative financial instruments, current portion	6.5	38	493
Trade receivables		10,817	9,399
Other receivables and other assets		1.968	1,491
Income tax receivables		68	78
Cash and cash equivalents		110,057	63,503
Subtotal current assets		**122,948**	**74,964**
Assets held for sale	6.2	23,920	92,800
Current assets		**146,868**	**167,764**
		1,901,714	**1,951,295**

IN EUR K EQUITY AND LIABILITIES	NOTES	30/09/2015	31/12/2014
Subscribed capital		180,530	180,530
Capital reserve		401,930	401,930
Other reserves		-11,114	-12,049
Retained earnings		246,229	232,613
Equity attributable to shareholders of the parent company		817,575	803,024
Total equity		**817,575**	**803,024**
Interest-bearing loans, non-current portion	6.4	899,151	972,279
Derivative financial instruments, non-current portion	6.5	24,640	42,221
Deferred tax liabilities		940	4,320
Non-current liabilities		**924,731**	**1,018,820**
Interest-bearing loans, current portion	6.4	99,346	78,173
Derivative financial instruments, current portion	6.5	7,540	12,153
Trade receivables		18,591	14,610
Income tax liabilities	6.6	8,113	750
Other liabilities	6.7	25,818	23,765
Current liabilities		**159,408**	**129,451**
		1,901,714	**1,951,295**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			OTHER RESERVES		
IN EUR K	SUBSCRIBED CAPITAL	CAPITAL RESERVES	CASH FLOW HEDGE RESERVE	RETAINED EARNINGS[1]	TOTAL
Equity as of 1 January 2014	82,000	287,432	-1,150	26,727	395,009
Income for the period				94,830	94,830
Other comprehensive income			-9,785		-9,785
Consolidated total comprehensive income			**-9,785**	**94,830**	**85,045**
Capital increase due to business combination	51,941	114,219			166,160
Cash capital increase	46,588	83,859			130,447
Costs of capital increase net of taxes		-2,613			-2,613
Equity as of 30 September 2014	180,530	482,897	-10,935	121,557	774,049
Equity as of 1 January 2015	180,530	401,930	-12,049	232,613	803,024
Income for the period				**40,695**	**40,695**
Other comprehensive income			935		935
Consolidated total comprehensive income			**935**	**40,695**	**41,630**
Dividend payment				**-27,079**	-27,079
Equity as of 30 September 2015	**180,530**	**401,930**	**-11,114**	**246,229**	**817,575**

1 Adjusted as of 1 January 2014 due to the change in reporting from deferred taxes to tax losses carried forward; please see Notes to Consolidated Financial Statements as of 31 December 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR K	NOTES	01/01 – 30/09/2015	01/01 – 30/09/2014
1. Cash flow from operating activities			
Earnings before taxes		45,077	97,186
Adjustments for reconciliation of earnings before taxes to net cash flows			
Gain/loss on measurement at fair value		-11,265	24,350
Income from business combination	4	0	-115,388
Other non-cash income and expenses		385	687
Depreciation and loss from disposal of fixed assets		159	153
Gain/loss on the disposal of investment properties		704	-2,412
Transaction costs for refinancing		0	820
Finance costs	5.7	26,582	35,267
Financial income	5.8	-4,096	-70
Change in net current assets			
Change in trade receivables		-1,417	935
Change in other receivables and assets		-476	-280
Change in income tax receivables		9	-51
Change in trade payables		3,981	-7,606
Change in other liabilities		1,716	15,824
Tax refunds/taxes paid		-238	-25
Cash flow from operating activities		**61,121**	**49,390**
2. Cash flow from investing activities			
Proceeds from divestments of investment properties	6.2	154,300	121,950
Payments made in connection with the divestment of investment properties		-2,366	-11
Payments for investments in investment properties	6.1	-46,277	-16,292
Net cash due to business combination	4	0	45,000
Cash flow from investing activities		**105,657**	**150,647**
3. Cash flow from financing activities			
Dividends paid to shareholders of the parent company	6.3	-27,079	0
Interest paid		-25,857	-31,033
Interest received		6	70
Payments made for termination/change in interest rate swaps	6.5	-16,912	-16,690
Proceeds from interest-rate swaps	6.5	2,399	3,730
Repayment of loans		-68,227	-1,051,336
Loans		15,500	795,000
Paid transaction costs for loans / refinancing		-54	-5,598
Proceeds from cash capital increase		0	130,447
Paid transaction costs for cash capital increase		0	-3,029
Cash flow from financing activities		**-120,224**	**-178,439**
Net change in cash and cash equivalents		46,554	21,598
Cash and cash equivalents at the beginning of the period		63,503	37,606
Cash and cash equivalents at the end of the period		**110,057**	**59,204**

NOTES TO THE CONDENSED CONSOLIDAATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2015

1. CORPORATE INFORMATION

DO Deutsche Office AG (hereinafter referred to as the “Company” or “Deutsche Office”) was founded on 20 June 2006. It is registered at the Cologne District Court under number HRB 67370. The registered domicile of all companies in the Deutsche Office Group is Maarweg 165, 50825 Köln, Germany.

The Company and its subsidiaries (the “Group” or “Deutsche Office Group”) are engaged in the acquisition and management of real estate and investment companies. The principal focus of these business operations is Germany. The Group owns properties located throughout Germany, and its portfolio consists primarily of office and retail premises, including two hotels and three nursing homes.

Four of the 54 properties owned by Deutsche Office as of 31 December 2014 were transferred, with all the rights and obligations, to the purchasers in the nine-month period of 2015. One property was acquired as of 1 August 2015. As of 30 September 2015, the Group’s portfolio included a total of 51 properties, of which 1 property was classified as Asset Held for Sale. In this respect, please see the Notes under “6.2. Assets held for sale”.

On 21 August 2015, alstria office REIT-AG, Hamburg (alstria office) published the Offer Document for its voluntary public take-over bid (in the form of an exchange offer) to the shareholders of Deutsche Office for the acquisition of all no-par-value bearer shares of Deutsche Office. The offer was accepted by a majority of the shareholders, and the conditions for the completion of the offer have been fulfilled. The ordinary capital increase of alstria office was entered in the Commercial Register on 27 October 2015, which made alstria office the majority shareholder of Deutsche Office. Because of the current majority shareholdings, Deutsche Office will be included for the first time in the consolidated financial statements of alstria office as of 27 October 2015.

2. ACCOUNTING AND VALUATION PRINCIPLES

2.1. PREPARATION OF THE FINANCIAL STATEMENTS

The Condensed Consolidated Interim Financial Statements (hereinafter also referred to as “Interim Financial Statements”) for the period from 1 January to 30 September 2015 were drawn up in accordance with IAS 34 as applicable in the EU. The Interim Financial Statements have not been audited or submitted for review by an auditor.

These Interim Financial Statements do not contain all the information and data required in year-end consolidated financial statements and must therefore be read in conjunction with the Consolidated Financial Statements as of 31 December 2014.

The Interim Financial Statements consistently apply the principle of historical cost. Exceptions to this rule are investment properties and financial derivatives, which are recorded at fair value.

The Interim Financial Statements have been drawn up in euros. Unless otherwise indicated, all values have been rounded up or down to units of a thousand euros (EUR k). In some cases, this may result in minor discrepancies in the tables included in these Interim Financial Statements and in the totals provided in the Notes.

Due to the merger with Prime Office REIT-AG, Munich (PO REIT), implemented in the previous year on 21 January 2014, Group data for the nine-month period in 2015 are comparable to a limited extent only with figures posted for 9M/2014.

The Group’s business operations are largely unaffected by seasonal factors and the economic cycle.

2.2. KEY FINANCIAL REPORTING STANDARDS

The financial reporting methods used to draw up the Consolidated Financial Statements as at 31 December 2014 have been retained unchanged for these Interim Financial Statements.

2.3. SCOPE OF CONSOLIDATION

The Interim Financial Statements represent the financial statements of the Company and its subsidiaries as at 30 September 2015. The financial statements of subsidiaries were drawn up on the basis of the same uniform accounting and valuation methods as the financial statements of the parent company.

In addition to Deutsche Office, the scope of consolidation comprises companies in which Deutsche Office directly or indirectly holds the majority of voting rights. The consolidated group consists of the Company, 3 domestic subsidiaries and 101 domestic second-tier subsidiaries (on 31 December 2014: 2 domestic subsidiaries and 101 domestic second-tier subsidiaries). One subsidiary as well as one second-tier subsidiary are new entities which were established in the first half of 2015. The two companies were consolidated in the Company's Consolidated Financial Statements for the first time as of 21 May 2015 and 28 May 2015, respectively. In the course of the interim reporting period, one second-tier subsidiary was accreted to another second-tier subsidiary.

2.4. KEY ESTIMATES AND ASSUMPTIONS

When drawing up the Interim Financial Statements, management applies discretionary decisions, estimates and assumptions which influence the end-of-period figures for reported earnings, expenses, assets and debts as well as disclosed contingencies. The uncertainties inherent in these assumptions and estimates could, however, result in future periods in substantial adjustments to the book values of the assets or debts concerned.

3. SEGMENT REPORTING

The nature of the services provided by the Company derives exclusively from its leasing operations. In geographical terms, the Company operates solely in the German market and has only one segment, i.e. "investment property", consisting essentially of office properties which are owned by the Company but let to tenants rather than being used by the Company itself. The properties within this segment form the basis for the Company's earnings. There is no differentiation between client groups as the Company has only commercial properties in its portfolio.

The properties are all separately monitored in order to assess the profitability of each property in the segment individually and to make timely decisions about the performance of the segment.

The rental income derived in net base rent from two tenants accounted for 24.1 percent of the Group's total rental income in this nine-month period (9M/2014: 23.4 percent). Both tenants are of an excellent standing; their credit risk can be rated as minimal.

4. BUSINESS COMBINATION IN THE PREVIOUS YEAR

In 9M/2014, the merger with PO REIT was recognised as a business combination as of 21 January 2014. The PO REIT merger was effected through the issue of 51,941,345 new shares in the Company. The acquisition costs for the undertaking (fair value of the total consideration transferred) amounted to a total of EUR 166,160 k. The business acquisition gave rise to a gain of EUR 115,338 k from first-time consolidation (negative goodwill), recognised in the Consolidated Statement of Income under Other Operating Income. The fair values for the acquired assets and liabilities were subjected to a reassessment as of 31 March 2014, which did not lead to any change in the fair values.

5. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

5.1. RENTAL INCOME FROM INVESTMENT PROPERTIES

Rental income from investment properties can be broken down as follows:

IN EUR K	9M/2015	9M/2014
Renal income from property leases	77,667	75,883
Rental income from garages	5,461	5,369
Rent-free periods	-2,713	-2,408
	80,415	78,844

The increase in rental income from investment properties was mainly due to the fact that the January 2014 rental income of EUR 2,827 k was largely lacking in 9M/2014 because of the first-time consolidation of PO REIT on 21 January 2014. The pro-forma decline is due to the disposal of properties, which was not fully offset by the reduction of vacancies and rental increases.

5.2. PROPERTY SERVICING EXPENSES

Unlike in 9M/2014, recoverable service charge expenses and non-recoverable service charge expenses were combined and posted as “property servicing expenses”. In this respect, please see the Notes to the Consolidated Financial Statements as of 31 December 2014.

Property servicing expenses can be broken down as follows:

IN EUR K	9M/2015	9M/2014[1]
Maintenance costs	4,916	5,130
Property tax	4,069	5,983
Hot water and heating costs	2,387	2,511
Porter, reception, janitor costs, security	2,352	2,490
Electricity costs	2,308	2,613
Property management	1,477	1,670
Non-deductible input tax	1,038	1,145
Insurance	1,022	1,068
Cleaning costs	1,019	983
Water	734	847
Winter clearance, street cleaning, external maintenance, irrigation	706	813
Refuse and waste disposal	500	456
Other	2,048	1,941
Total	24,576	27,650

1 Adjusted due to change in reporting. Please see Notes to Consolidated Financial Statements as of 31 December 2014.

Due to the application of IFRIC 21, the property tax charge includes EUR 1,149 k (9M/2014: EUR 1,100 k), which was recognised as liabilities for the outstanding property tax due in the second half of the fiscal year for the properties in the Group’s portfolio. Receivables of EUR 896 k (9M/2014: EUR 851 k) were capitalised, reflecting the amount to be refunded in future by tenants in the context of the settlement of service charges. The balance of EUR 253 k (9M/2014: EUR 249 k) is vacancy costs. In the previous year, a property tax charge of EUR 1,987 k was incurred before the reporting period, which was levied following a reassessment and which was fully passed on to tenants. These prior-period expenses as well as the declining number of properties compared with 9M/2014 largely explain the decrease in property servicing expenses.

Property servicing expenses include vacancy costs of EUR 3,686 k (9M/2014: EUR 5,080 k), non-recoverable expenses of EUR 756 k (9M/2014: EUR 1,211 k) due to rental contract clauses, as well as non-recoverable expenses of EUR 2,698 k (9M/2014: EUR 3,000 k) under the Ordinance on the Statement of Operating Costs.

5.3. ADMINISTRATIVE EXPENSES

IN EUR K	9M/2015	9M/2014
Personnel expenses	4,474	3,784
Legal and consulting fees	614	631
Accounting and auditing costs	397	433
IT costs	357	450
Depreciation/amortisation	185	251
Travel expenses	170	238
Insurance/contributions and levies	150	241
Costs of experts	101	166
Other	681	1,670
Total	7,129	7,864

The increase in personnel expenses was primarily due to settlement payments agreed in connection with the early departure of a member of the Executive Board as of 30 April 2015. The settlement includes the contractual remuneration until the end of the contractually agreed term as a member of the Executive Board on 31 December 2015, the variable remuneration for 2015, and the redemption of the share-based remuneration.

The charge for pension provisions amounts to EUR 17 k in the current fiscal year (9M/2014: EUR 17 k).

5.4. OTHER INCOME

Other Income of EUR 1,036 k (9M/2014: EUR 117,134 k) essentially consists of EUR 300 k (9M/2014: EUR 0 k) in income from a reorganisation agreement concluded with alstria office in September. In view of the future take-over by alstria office and the associated task of jointly establishing the most efficient corporate structure possible, Deutsche Office committed itself in the reorganisation agreement to legal and structural measures to achieve this new corporate structure. In return, alstria office will refund the legal and consulting fees in connection with the reorganisation up to a maximum amount of EUR 300 k.

In addition, Other Income essentially consists of income from insurance recoveries amounting to EUR 233 k (9M/2014: EUR 317 k) and income from the redemption of restoration obligations and compensation payments amounting to EUR 183 k (9M/2014: EUR 696 k). In 9M/2014, Other Income essentially consisted of the gain from the business combination amounting to EUR 115,388 k.

5.5. OTHER EXPENSES

Other Expenses can be broken down as follows:

IN EUR K	9M/2015	9M/2014
Transaction costs of the merger with PO REIT	6,000	23,556
Costs associated with the take-over by alstria office	2.063	0
Valuation allowances on receivables and losses on receivables	285	444
Non-deductible input tax	240	257
Expenses for refinancing loans	0	572
Other	106	304
Total	8,694	25,133

The transaction costs of the merger with PO REIT include the property transfer tax due in connection with the merger with PO REIT, which was increased by EUR 6,000 k during the interim reporting period, in a response to a decision given by Germany’s Federal Constitutional Court in respect of the difference in treatment with regard to substitute basis of assessment applied to share deals for property transfer tax purposes, compared with the standard basis of assessment (which is usually higher) applied to taxable purchases. It is likely therefore that, after the adoption of the 2015 Tax Amendment Act, share deals will be retroactively subject to income-based valuation, which is usually higher, and that the property transfer tax assessment notices from the merger with Prime Office REIT-AG will be amended accordingly.

The costs associated with the take-over by alstria office are mainly due to costs incurred in connection with the reasoned statement prepared in accordance with Section 27 of Germany's Securities Acquisition and Takeover Act (WpÜG), in particular the costs of the fairness opinion as well as other legal and consulting fees.

5.6. GAIN/LOSS ON DISPOSAL OF PROPERTIES

In the nine-month period ended on 30 September 2015, the “Hohenzollernring” property in Cologne (transfer of rights and obligations on 31 January 2015), the “Gutleutstrasse” property in Frankfurt/Main (transfer of rights and obligations on 31 March 2015),the “Ludwig-Erhard-Anlage” property in Frankfurt/Main (transfer of rights and obligations on 30 April 2015) and the “Immermannstrasse” property in Düsseldorf (transfer of rights and obligations on 31 August 2015) were transferred to the purchasers.

The sales prices of the properties transferred in 2015 amounted to a total of EUR 154,300 k (9M/2014: EUR 121,950 k), with carrying amounts of EUR 153,050 k (9M/2014: EUR 119,527 k) and expenses from the disposal of the properties amounting to EUR 1,954 k (9M/2014: EUR 11 k).

5.7. FINANCE COSTS

Finance Costs can be broken down as follows:

IN EUR K	9M/2015	9M/2014
Interest expenses Herkules portfolio loan	10,004	10,362
Interest expenses Homer portfolio loan	7,130	8,688
Interest expenses Prime Office portfolio loan	9,416	10,447
Expenses from derivative financial instruments	0	5,770
Other	32	0
Total	**26,582**	**35,267**

Interest expenses for the Herkules loan decreased only slightly year-on-year because, while the amount of the loan was significantly reduced, the hedging ratio increased because of the maintenance of swaps and because the loan had not been hedged in 9M/2014 for a period of approx. 7 weeks. Interest expenses for the Homer loan fell significantly year-on-year due to improved credit terms following the refinancing carried out. The improved credit terms became effective in 9M/2014 as of 19 February 2014. The credit terms for the Homer portfolio will continue to improve because of the adjustment of interest-rate hedges in the third quarter of the fiscal year. In this respect, please see the Notes under 6.5 “Derivative financial instruments”.

Although the January 2014 interest expenses were largely lacking in 9M/2014 because of the first-time consolidation of PO REIT on 21 January 2014, the interest expenses for the Prime Office portfolio were reduced. The reduction was mainly due to the general decline in interest rates year-on-year and to the disposal of the “Ludwig-Erhard-Anlage” property in Frankfurt/Main and the associated early redemption of the loan in April 2015.

The termination of interest-rate hedges in Q3/2015 will only have a pro-rata-temporis effect in the current quarter. In this respect, please see the Notes under 6.5 “Derivative financial instruments”.

5.8. FINANCIAL INCOME

The significant increase in financial income was mainly due to income from changes in fair values of interest rate hedges which did not qualify for cash flow hedge accounting (EUR 4,090 k; 9M/2014: EUR 0). In this respect, please see Notes under “6.5. Derivative financial instruments”.

5.9. EARNINGS PER SHARE

To determine basic earnings per share, the net profit for the year attributable to holders of ordinary shares in the parent company is divided by the weighted number of ordinary shares outstanding during the year.

Since there are no equity instruments with dilutive effect, the diluted earnings per share are equal to the undiluted earnings per share.

The weighted number of shares was 180,529,633 as of 30 September 2015 (9M/2014: 169,215,671 shares).

6. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1. INVESTMENT PROPERTIES

IN EUR K	30/09/2015	31/12/2014
As at 1 January	1,780,660	1,299,410
Additions due to business combination	0	579,138
Addition from purchase	29,102	0
Disposals from sales	-59,772	-18,689
Value-increasing investments during the year	17,175	20,359
Rent smoothing effect due to the application of SIC 15	-385	-1,146
Unrealised gains on measurement at fair value	20,634	32,097
Unrealised losses on measurement at fair value	-9,369	-37,709
Reclassification as assets held for sale	-23,920	-92,800
As at 30 September 2015 / 31 December 2014	**1,754,125**	**1,780,660**

At 30 September 2015, the investment properties of the Homer and Herkules portfolios were recognised at fair value, following an indicative valuation update by an external expert.

The validity of the detailed valuations as of 31 December 2014 of the properties in the Prime Office portfolio was internally reviewed. The Executive Board concluded from this exercise that there have been no significant changes in the factors that affect valuation. In light of this finding, the values established for the properties of the Prime Office portfolio as of 31 December 2014 were retained without modification for the Interim Financial Statements as of 30 September 2015. For properties undergoing investment beyond the usual level of maintenance and repair, the values determined as at 31 December 2014 have been increased by the amount of the investment.

The purchase contract for the acquisition of the office property on “Vaihinger Strasse” in Stuttgart was signed on 10 June 2015. The effectiveness of the purchase contract was subject to a condition precedent, which was met on 6 July 2015. The rights and obligations were transferred 1 August 2015. The purchase price of the property amounts to EUR 27,200 k. The incidental acquisition costs amount to EUR 1,902 k, with the property transfer tax accounting for a large part (EUR 1,352 k). Upon initial recognition, the property was therefore valued at EUR 29,102 k.

All the investment properties measured at fair value have been classified as level 3 in the hierarchy of fair values.

6.2. ASSETS HELD FOR SALE

On the balance sheet as of 30 September 2015, the following investment properties are recognised as “Assets held for sale”:

IN EUR K	Notarised on	Gross sales proceeds/ sales price	Fair value/ recognised under IFRS 5	Gain on measurement at fair value
Property				
“Potsdamer Platz” in Bonn	5 August 2015	24,000	23,920	1,346

The rights and obligations for this property will probably be transferred in Q4/2015. The gain recognised on measurement at fair value when the property was classified as an Asset Held for Sale is reported in the Statement of Income in the “Gain/loss on measurement at fair value”.

The rights and obligations for the “Hohenzollernring” property in Cologne (EUR 8,000 k) and the “Gutleutstrasse” property in Frankfurt/Main (EUR 7,300 k), which are recognised under this item and which were sold under purchase agreements of 21 November 2014 and 26 November 2014, respectively, were transferred on 31 January 2015 and 31 March 2015, respectively. The “Ludwig-Erhard-Anlage” property in Frankfurt/Main, which is also recognised under this item and which was sold under a purchase agreement of 29 January 2015, was transferred to the purchaser on 30 April 2015 (EUR 77,500 k).

6.3. EQUITY

Please see Consolidated Statement of Changes in Equity for detailed information on changes in equity.

At the Company’s Annual General Meeting on 17 June 2015, the shareholders adopted a resolution for the distribution of a dividend of EUR 27,079 k (EUR 0.15 per share). The dividend was paid out on 18 June 2015.

6.4. INTEREST-BEARING LOANS

PORTFOLIO/PROPERTY	YEARS TO MATURITY	EFFECTIVE INTEREST RATE P.A.[1]	SHORT-TERM			LONG-TERM LOAN	TOTAL SHORT-TERM AND LONG-TERM
			LOAN	ACCRUED INTEREST	TOTAL		
30 September 2015			EUR k	EUR k	EUR k	EUR k	EUR k
Herkules refinancing loan	4.22	EURIBOR + 2.11%	55,481	1,373	56,854	323,563	380,417
Homer refinancing loan	3.00	EURIBOR + 2.00%	25,009	645	25,654	332,799	358,453
Prime Office portfolio							
Düsseldorf, Stuttgart, Nuremberg	3.25	EURIBOR + 1.90%	1,024	0	1,024	52,419	53,443
Darmstadt, T-Online	4.17	EURIBOR + 1.80%	3,688	0	3,688	77,318	81,006
Darmstadt, T-Systems	4.25	EURIBOR + 1.80%	439	0	439	21,898	22,337
Essen, Alfredstrasse	1.75	EURIBOR + 1.44%	931	0	931	41,367	42,298
Essen, Opernplatz	2.25	EURIBOR + 1.65%	602	0	602	18,029	18,631
Meerbusch	0.25	EURIBOR + 0.9%	9,636	0	9,636	0	9,636
Heilbronn	1.75	EURIBOR + 1.44%	372	0	372	16,495	16,867
Stuttgart, Vaihinger Strasse	5.84	EURIBOR + 1.15 %	146	0	146	15,263	15,409
Weighted average	3.56						
Total			**97,328**	**2,018**	**99,346**	**899,151**	**998,497**
31 December 2014							
Herkules refinancing loan	5.02	EURIBOR + 2.11%	16,666	1,424	18,090	382,904	400,994
Homer refinancing loan	3.75	EURIBOR + 2.00%	7,024	864	7,888	356,052	363,940
Prime Office portfolio							
Düsseldorf, Stuttgart, Nuremberg	4.00	EURIBOR + 1.90%	1,023	0	1,023	53,187	54,210
Darmstadt, T-Online	4.92	EURIBOR + 1.80%	3,687	0	3,687	80,584	84,271
Darmstadt, T-Systems	5.00	EURIBOR + 1.80%	438	0	438	22,228	22,666
Essen, Alfredstrasse	2.50	EURIBOR + 1.44%	932	0	932	42,065	42,997
Essen, Opernplatz	3.00	EURIBOR + 1.65%	580	0	580	18,485	19,065
Frankfurt, Ludwig-Erhard-Anlage	3.00	4.35%	35,418	0	35,418	0	35,418
Meerbusch	1.00	EURIBOR + 0.9%	9,745	0	9,745	0	9,745
Heilbronn	2.50	EURIBOR + 1.44%	372	0	372	16,774	17,146
Weighted average	4.23						
Total			**75,885**	**2,288**	**78,173**	**972,279**	**1,050,452**

1 3-month EURIBOR

Since the purchase price for the “Ludwig-Erhard-Anlage” property in Frankfurt/Main was received on 23 April 2015, the loan of EUR 34.8 million for this property was fully repaid on 30 April 2015.

The contract for the loan of EUR 15,500 k designed to finance the “Vaihinger Strasse” property in Stuttgart was signed on 10 July 2015. The payment was drawn on 31 July 2015. The loan will run until 31 July 2021. The loan is to be repaid in equal instalments of EUR 39 k per calendar quarter. The transaction costs of EUR 54 k relating to the financing loan were deducted from the nominal amount of the loan at the time of disbursement using the effective interest-rate method and will be recognised in the Income Statement over the term of the loan.

6.5. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments include interest-rate swaps and interest caps, which are used to manage potential interest-rate risks arising from the Group's operations and its sources of finance. The fair value of the derivative financial instruments, all of which fall into valuation hierarchy level 2, was determined by an independent expert using a simplified discounted cash flow model.

As of 30 September 2015 (31 December 2014), the fair values of the interest-rate hedges were as follows:

IN EUR K			30/09/2015	31/12/2014
Interest-related contracts	Fixed rate/ cap rate p.a. as of 30 September 2015	Nominal value	Fair value	Fair value
Herkules portfolio				
Swaps	0.9375%	156,752	-4,292	-4,596
Swap	1.3280%	173,048	-8,910	-9,718
Homer portfolio				
Swaps	0.4450%	117,000	-1,454	-6,442
Caps	1.2500%	175,032	115	7
Prime Office portfolio				
Darmstadt (T-Online-Allee)				
Swap	3.7700%	81,070	-11,252	-13,104
Darmstadt (Deutsche-Telekom-Allee)				
Swap	5.2000%	22,425	-4,500	-5,228
Stuttgart (Breitwiesenstrasse)				
Swap	1.0320%	19,547	-690	-2,537
Nuremberg (Richard-Wagner-Platz)				
Swap	1.0320%	7,001	-247	-908
Düsseldorf (Am Seestern)				
Swap	0.9245%	26,884	-835	-3,370
Meerbusch (Earl-Bakken-Platz)				
Swap	*	*	*	-399
Essen (Opernplatz)				
Swap	*	*	*	-1,616
Essen (Alfredstrasse)				
Swap	*	*	*	-2,000
Cap	*	*	*	0
Heilbronn (Bahnhofstrasse)				
Swap	*	*	*	-797
Cap	*	*	*	0
Swap to Swap (payer swap)	*	*	*	-3,659
Swap to Swap (receiver swap)	*	*	*	2,488
Total positive fair value			115	2,495
Total negative fair value			-32,180	-54,374
Total nominal value		**778,759**		

* terminated as of 15 September 2015

During the entire reporting period for which the hedging relationship was defined, the interest-rate hedges for the Homer portfolio and the Prime Office portfolio did not qualify for cash flow hedge accounting. Gains from changes in fair values are therefore reported immediately in the Income Statement. The income amounting to EUR 4,090 k is recognised under Financial Income.

The interest-rate hedges for the Herkules portfolio qualify for hedge accounting and were highly effective during the entire reporting period. Losses on hedging instruments amounting to EUR 1,111 k are recognised as Other Comprehensive Income in the Cash Flow Hedge Reserve.

The fixed rates for the swaps used to hedge the loans for the Stuttgart/Nuremberg/Düsseldorf properties were reduced by 1.993 percentage points, effective as of 30 June 2015, against one-off payments to the swap counterparty, totalling EUR 5,000 k. The redemption amount was paid on 8 June 2015.

The fixed interest rates of the swaps used to hedge the loan for the Homer portfolio were reduced by 1.2125 percentage points, effective as of 31 August 2015, against one-off payments totalling EUR 4,500 k. The redemption amounts were paid on 18 and 21 September 2015.

The interest-rate hedges used to hedge the loans designed to finance the properties in Meerbusch, Essen and Heilbronn were terminated early, effective as of 30 June and 31 August 2015. The redemption amounts for the swaps mit negative fair values totalled EUR 7,412 k, while EUR 2,400 k was recognised from the redemption of the swaps and caps with positive fair values. The redemption amounts were paid on 17 September 2015.

All the adjustments cited above have already been included in the table above.

6.6. INCOME TAX LIABILITIES

The income tax liabilities are mainly due to the tax charge resulting from the disclosure of hidden reserves as part of the reorganisation measures associated with the take-over by alstria office.

6.7. OTHER LIABILITIES

As of 30 September 2015, Other Liabilities mainly include the liability for the property transfer tax of EUR 17,299 k (31 December 2014: EUR 14,667 k) paid in connection with the business combination with PO REIT. During the interim reporting period, the liability for the property transfer tax was increased by EUR 6,000 k. In this respect, please see the Notes under 5.5 “Other expenses”.

In addition, Other Liabilities include rent paid in advance by tenants (EUR 2,618 k; 31 December 2014: EUR 2,517 k), rent deposits received (EUR 2,269 k; 31 December 2014: EUR 2,584 k), pension obligations (EUR 1,630 k; 31 December 2014: EUR 1,495 k) and security deposits (EUR 957 k; 31 December 2014: EUR 980 k).

7. OTHER NOTES

7.1. OTHER FINANCIAL OBLIGATIONS

Obligations amount to EUR 7,958 k (31 December 2014: EUR 4,723 k) from contracts already awarded for initiated or planned investment projects or from contractual agreements with tenants and other business partners.

7.2. CONTINGENT ASSETS

There were no contingent assets on the balance sheet date.

7.3. CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and Cash Equivalents as shown in the Statement of Cash Flows include all payment resources derived from bank balances.

7.4. RELATED PARTY DISCLOSURES

No significant changes have occurred since the disclosures on related entities and individuals made for 31 December 2014. At the reporting date for the Consolidated Interim Financial Statements, Deutsche Office was still controlled by a foreign entity, Oaktree Capital Group Holdings GP, LLC, Los Angeles, California, USA (the “Holding Company”). This control is exercised via several intermediate companies, controlled by the Holding Company, which in turn have several investment companies under their control (collectively known as “Oaktree Capital”). The investment companies with a direct shareholding in the Company collectively hold an interest of more than 50 percent in the Company’s share capital. In connection with its exchange offer, altria office concluded an undertaking agreement with Oaktree Capital on 16 June 2015. Under this undertaking agreement, Oaktree Capital has tendered its Deutsche Office shares on the terms of the exchange offer, except for a maximum share of 5.4 percent of the Deutsche Office share capital.

7.5. HEADCOUNT

In the period from 1 January to 30 September 2015, the Company retained an average of 31 employees (9M/2014: 36 employees).

7.6. EXECUTIVE BOARD

As at 30 September 2015, the Company's Executive Board consisted of Mr Jürgen Overath, Hennef, and Mr Christof Okulla, Cologne. On 24 March 2015, the Company appointed Mr Christof Okulla, Cologne, to the Executive Board, effective as of 1 May 2015 for a term of four years. Mr Alexander von Cramm left the Executive Board as of 30 April 2015. Please see the Notes under "5.3 Administrative expenses" for the settlement agreed in this context.

In the event of a change in control each member of the Executive Board is entitled to terminate his contract with a termination period of three months. If he exercises his right, he will receive a serverance payment equal to his annual remuneration for three years, but not more than the gross payments that would have been paid until the contract expired.

7.7. SUPERVISORY BOARD

As at 30 September 2015, the composition of the Supervisory Board was as follows:

- Hermann T. Dambach (Chairman), Managing Director of Oaktree GmbH, Frankfurt/Main
- Uwe E. Flach (Deputy Chairman), management consultant
- Caleb Kramer, Managing Director of Oaktree Capital Management L.P and Oaktree Capital Group LLC, London
- Edward P. Scharfenberg, lawyer
- Nebil Senman, Co-Managing Partner of Griffin Real Estate Sp.z.o.o., Warsaw, Poland
- Prof. Dr. Harald Wiedmann, auditor, lawyer, tax consultant

7.8. EVENTS SINCE 30 SEPTEMBER 2015

Takeover by alstria office REIT-AG

On 21 August 2015, alstria office REIT-AG, Hamburg (alstria office) published the Offer Document for its voluntary public take-over bid (in the form of an exchange offer) to the shareholders of Deutsche Office for the acquisition of all no-par-value bearer shares of Deutsche Office. The offer has been accepted by a majority of the shareholders, and the conditions for the completion of the offer have been fulfilled. The ordinary capital increase of alstria office was entered in the Commercial Register on 27 October 2015, which made alstria office the majority shareholder of Deutsche Office. Because of the current majority shareholdings, Deutsche Office will be included for the first time in the consolidated financial statements of alstria office as of 27 October 2015.

As described in the reasoned opinion published by the Executive Board and the Supervisory Board of Deutsche Office on 3 September 2015, additional legal and personnel changes can be expected due to the change in the shareholder structure. With respect to the change in control clauses of the board members we refer to note 7.6 “Executive Board”.

Scope of consolidation

A total of 33 second-tier subsidiaries in the legal form of a partnership were accreted by way of accrual to the relevant limited partner by the departure of the relevant general partner. The Company’s scope of consolidation has therefore decreased by 33 entities and consists of 3 domestic subsidiaries and 68 second-tier subsidiaries as of 1 October 2015.

Cologne, 2 November 2015

The Executive Board

Jürgen Overath	Christof Okulla
Speaker of the Board	Chief Financial Officer

STATEMENT OF RESPONSIBILITY

"We hereby certify that, to the best of our knowledge and in accordance with the applicable rules on financial reporting, the Consolidated Interim Financial Statements for the period ended 30 September 2015 give a true and fair view of the net assets, financial position and results of operations, and that the Group's Management Report provides a true and fair view of the Group's business performance including the Group's results of operations and current status, and sets out the material opportunities and risks associated with the Group's expected development."

Cologne, 2 November 2015

The Executive Board

Jürgen Overath	Christof Okulla
Speaker of the Board	Chief Financial Officer

INFORMATION ON THE DO DEUTSCHE OFFICE AG SHARE

Start of trading on 2 January 2015	EUR 2.97
XETRA closing price on 30 September 2015	EUR 4.39
Low/high price in reporting period	EUR 2.87 / EUR 4.86
Market capitalisation on 30 September 2015	EUR 792.4 million
Official market	Prime Standard, Frankfurt and XETRA
Number of shares	180,529,633
Ticker symbol	PMOX
Securities identification number (WKN)	PRME02
ISIN	DE000PRME020, DE000PRME038
Designated sponsors	Baader Bank, ODDO Seydler

CONTACT
DO Deutsche Office AG
Maarweg 165
50825 Köln
Phone: +49. 221. 888 29 100
Fax: +49. 221. 888 29 199
Email: info@deutsche-office.de
www.deutsche-office.de

IR & PR CONTACT
Richard Berg
Head of Investor Relations & Corporate Communications

Phone: +49. 221. 888 29 160
Fax: +49. 221. 888 29 199
rberg@deutsche-office.de

The IR App of Deutsche Office is a mobile publications centre for iPhones and iPads. You can use this app for mobile access to our most important publications – anywhere and anytime. You can download the **Deutsche Office IR App** free of charge in the Apple store.

IMPRINT
Publisher: The Executive Board of Deutsche Office AG, Cologne
Concept and design: Kirchhoff Consult AG, Hamburg
November 2015

DO DEUTSCHE OFFICE AG

Maarweg 165
50825 Köln

Phone. +49-(0)221-88829-100
Fax +49-(0)221-88829-199

info@deutsche-office.de
www.deutsche-office.de