alstria
First German REIT

INTERIM FINANCIAL REPORT

as at September 30, 2015

CONTENT

GROUP FINANCIALS

EUR k	Jan. 1 – Sept. 30, 2015	Jan. 1 – Sept. 30, 2014	Change (%)
Revenues and Earnings			
Revenues	72,758	76,755	–5.2
Net rental income	65,030	69,480[1]	–6.4
Consolidated profit/loss for the period	24,074	18,875[1]	27.5
FFO	36,894	37,902	–2.7
Earnings per share (EUR)	0.28	0.24	16.7
FFO per share (EUR)	0.42	0.48	–12.5

[1] Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's periods have been adjusted. See section 3 of the Notes for further information.

EUR k	Sept. 30, 2015	Dec. 31, 2014	Change (%)
Balance sheet			
Investment property	1,607,681	1,645,840	–2.3
Total assets	1,833,417	1,769,304	3.6
Equity	932,274	846,593	10.1
Liabilities	901,143	922,711	–2.3
Net asset value (NAV) per share (EUR)	10.70	10.71	–0.1
Diluted NAV per share (EUR)[1]	10.76	10.67	0.8
Net LTV (%)	46.0	50.4	–4.4 pp

[1] Dilution based on potential conversion of convertible bond.

G–REIT figures	Sept. 30, 2015	Dec. 31, 2014	Change (%)
G–REIT equity ratio (%)	54.2	50.2	4.0 pp
Revenues incl. other income from investment properties (%)	100	100	0.0 pp

EPRA[1] key figures	Jan. 1 – Sept. 30, 2015	Jan. 1 – Sept. 30, 2014[2]	Change
EPRA earnings per share (EUR)[3]	0.31	0.47	–34.0 %
EPRA cost ratio A (%)[4]	25.5	21.1	4.4 pp
EPRA cost ratio B (%)[5]	21.3	18.1	3.2 pp
	Sept. 30, 2015	**Dec.31, 2014**	**Change (%)**
EPRA NAV per share (EUR)	11.19	11.22	–0.3
EPRA NNNAV per share (EUR)	10.70	10.58	1.1
EPRA net initial yield (%)	4.7	4.8	–0.1 pp
EPRA ‘topped–up' net initial yield (%)	5.0	5.0	0.0 pp
EPRA vacancy rate (%)	10.4	11.0	–0.6 pp

[1] For further information, please refer to EPRA Best Practices Recommendations, www.epra.com.
[2] Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's periods have been adjusted. See section 3 of the Notes for further information
[3] The decline in the EPRA-earnings is mainly due to extraordinary effects in connection with the preparations of a transaction. (Please refer to section ‘other operating result' on page 7 for further details.)
[4] Including vacancy costs.
[5] Excluding vacancy costs.

1 Consolidated interim management report

PORTFOLIO OVERVIEW

Key metrics of the portfolio

Key metrics	September 30, 2015	December 31, 2014
Number of properties	75	74
Number of joint venture properties	1	1
Market value (EUR bn)[1]	1.7	1.7
Annual contractual rent (EUR m)	100.7	99.7
Valuation yield (in %, contractual rent/market value)	6.0	6.0
Lettable area (sqm)	878,800	875,100
Vacancy (% of lettable area)[2]	11.7	12.6
WAULT (years)	6.6	6.8
Average rent/sqm (EUR/month)	10.9	10.9

[1] Including fair value of owner-occupied properties.
[2] Contractual vacancy rate includes vacancies within assets that are part of the Company's development pipeline.

For a detailed description of alstria's portfolio, please refer to the Company Report 2014.

Real Estate Operations

Letting metrics	Jan. 1 – Sept. 30, 2015	Jan. 1 – Sept. 30, 2014	Change (sqm)
New leases (in sqm)[1]	28,800	46,700	–17,900
Renewals of leases (in sqm)	25,000	27,600	–2,600
Total	**53,800**	**74,300**	**–20,500**

[1] New leases refer to the letting of vacant space. The metric does not account for any lease renewals, prolongations or a tenant's exercise of its renewal option.

Vacancy metrics	Sept. 30, 2015	Dec. 31, 2014	Change
Vacancy rate (%)	11.7	12.6	–0.9 pp
EPRA vacancy rate (%)	10.4	11.0	–0.6 pp
Vacancy (sqm)	108,800	110,400	–1,600
thereof vacancy in development projects (sqm)	*24,700*	*19,600*	*5,100*

In the first three quarters of 2015 the rental result amounted to approximately 53,800 sqm (measured by new lettings as well as re-lettings).

A significant letting success was the initial lease to a new tenant in Berlin, Darwinstraße. The tenant signed an 11-year-lease for approximately 4,800 sqm of office and ancillary space. The lease will commence on December 1, 2015.

Furthermore, alstria contracted a new tenant for an asset in Hofmannstraße, Berlin, for approximately 1,700 sqm of office and ancillary space. The lease commenced on June 1, 2015.

Additional leases, with approximately 2,500 sqm of office and ancillary space, were signed with two tenants for offices in the Bamler-Service Park in Essen. Both leases already started on June 1, 2015 and will not expire before the end of 2020.

In August 2015 a new lease for 2,000 sqm of office and ancillary space in Düsseldorf, Elisabethstraße was signed. The lease is expected to start on December 1, 2015.

Regions and tenants

Selected regions form the core of alstria's investment portfolio.

Another main characteristic of alstria's portfolio is that it focusses on a small number of major tenants.

TOTAL PORTFOLIO BY REGIONS

% of market value	Sept. 30, 2015	Dec. 31, 2014	Change (pp)
Hamburg	42	42	0
Rhine-Ruhr	18	18	0
Stuttgart	17	17	0
Rhine-Main	7	7	0
Munich	4	4	0
Hanover	3	3	0
Berlin	2	2	0
Saxony	2	2	0
Others	5	5	0

ALSTRIA'S MAIN TENANTS

as a %age of annual rent	Sept. 30, 2015	Dec. 31, 2014	Change (pp)
City of Hamburg	29	29	0
Daimler AG	16	16	0
Bilfinger SE	6	6	0
Barmer GEK	3	3	0
Württembergische Lebensversicherungs AG	3	3	0
State of Baden-Württemberg	2	2	0
L'Oréal Deutschland GmbH	2	2	0
Siemens AG	2	2	0
HUK Coburg	1	1	0
ATOS Origin	1	0	1
Rheinmetall	0	2	–2
Others	35	34	1

In addition, the portfolio reflects alstria's clear focus on a particular asset class: office properties – 95 %* of the total lettable area is office space.

* Office and storage space.

Transactions

alstria´s investment decisions are based both on the analyses of local markets and the individual inspection of each asset. The latter is focussed on location, size and quality as compared to assets belonging to direct competitors and their long-term potential for value growth. alstria´s strategy is aimed at increasing its portfolio to a critical size at every respective location and to, at the same time, retract from those markets, which do not adhere to alstria´s core investment focus. Following this strategy alstria sold two assets in Munich with a total lettable area of 13,000 sqm, one asset in Frankfurt/Main with a total lettable area of 9,300 sqm and two assets in Ditzingen with a total lettable area of 24,000 sqm in the first three quarters of 2015. After the reporting period the Company signed a sale and purchase agreement for the sale of one asset in Magdeburg with a total lettable area of 7,500 sqm.

While the transfer of benefits and burdens of the asset in Siemensstraße, Ditzingen took place on October 31, 2015, the transfer of benefits and burdens of the remaining five assets will take place by the end of the year 2015 or in the course of 2016.

Furthermore, a sale and purchase agreement was signed for the acquisition of an asset in Düsseldorf. Ownership of the asset was transferred to the Company on September 3, 2015.

alstria performed the following transactions in 2015:

Asset	City	Sales price (EUR k)[1]	Annual rent (EUR k)[2]	Ø Avg. lease length (years)[2]	Signing SPA	Transfer of benefits and burdens
Disposals						
Siemensstr. 31–33 (Disposal of part of the plot)	Ditzingen	1,044	–	–	Mar. 03, 2015	May 11, 2015
Arnulfstr. 150[3]	Munich	16,500	–	–	June 18, 2015	Dec. 31, 2015[4]
Landshuter Allee 174[3]	Munich	14,000	72	2.5	June 11, 2015	May 31, 2016[4]
Emil-von-Behring-Str. 2[3]	Frankfurt/Main	12,800	998	5.1	July 09, 2015	Dec. 31, 2015[4]
Siemensstraße 31–33[3]	Ditzingen	19,200	1,537	4.2	Aug. 28, 2015	Oct. 31, 2015
Dieselstraße 18[3]	Ditzingen	12,685	888	20.0	Aug. 31, 2015	Mar. 31, 2016[4]
Halberstädter Str. 17	Magdeburg	6,200	717	2.5	Oct. 27, 2015	Nov. 30, 2015[4]
Total		**82,429**	**4,212**			
Acquisitions						
Karlstr. 123–127	Düsseldorf	11,576	743	8.3	July 01, 2015	Sept. 3, 2015
Total		**11,576**	**743**			

[1] Excluding transaction costs.
[2] At the time of transfer of benefits and burdens.
[3] Reported under assets held for sale on the balance sheet.
[4] Expected.

EARNINGS POSITION

Revenues

Revenues amounted to EUR 72,758 k in the first nine months of 2015. As expected, this was lower than in the respective prior year period (Q1–Q3 2014: EUR 76,755 k). This development was mainly caused by the expiry of leases concerning assets in Darwinstraße, Berlin, Hofmannstraße, Munich and Jagenbergstraße, Neuss, as well as the impact of the sales of fully let assets that took place in 2014. As a result, net rental income declined by EUR 4,450 k to EUR 65,030 k.

Real estate operating expenses

Real estate operating expenses amounted to EUR 7,937 k during the reporting period (Q1–Q3 2014: EUR 7,309 k*). The expense ratio increased from 9.5% in the first nine months of 2014 to 10.9% in the first nine months of 2015. This was mainly due to a fire-protection measure regarding an asset located in Munich and the revitalisation of the façade of an asset located in Düsseldorf, which were carried out in 2015.

Administrative and personnel expenses

Administrative expenses increased by EUR 503 k to EUR 4,279 k (Q1–Q3 2014: EUR 3,776 k).

Personnel expenses increased by EUR 2,027 k to EUR 7,631 k as compared to the prior nine months due to the remuneration for virtual shares which increased by EUR 1,887 k from EUR 440 k to EUR 2,327 k. The reason for this increase was the significantly positive development of the stock price of alstria office REIT-AG's shares in the first nine months of 2015.

Other operating results

The other operating result amounted to EUR −5,284 k in the first nine months of 2015 (Q1–Q3 2014: EUR 3,245 k). Other operating income of the previous nine-months period was mainly driven by a one-time compensation payment in conjunction with the expiry of a lease. In the current reporting period alstria received only fewer compensation payments. Furthermore, on June 16, 2015, the Management Board announced its intention to submit a take-over bid for another stock exchange listed company. This take-over incurred significant legal and consulting costs of EUR 5,699 k (please refer also to section 'Recent developments').

* Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's periods have been adjusted. See section 3 of the Notes for further information.

Financial results

With effective date July 20, 2015 the term of an interest rate swap with a notional amount of EUR 380,870 k and a swap rate of 2.99% ended. This interest rate swap has been replaced by an interest rate cap with an equal hedging volume of EUR 380,870 k and with a caprate of 0.00% (see also derivatives list on page 12). This resulted in a reduction of the interest rate by 2.99 percentage points starting on July 20, 2015. Moreover, interest expenses were positively affected by the continued decline of market interest rate level and a lower average amount of outstanding loans. Consequently, alstria's net financial result improved by EUR 4,230 k from EUR –26,318 k to EUR -22,088 k as compared to the first three quarters of 2014.

EUR k	January 1 – September 30, 2015	January 1 – September 30, 2014	Change (%)
Interest expenses syndicated loan	–6,476	–7,704	–15.9
Interest expenses other loans	–6,010	–6,925	–13.2
Interest result derivatives	–6,252	–8,008	–21.9
Interest expenses convertible bond	–3,369	–3,644	–7.5
Other interest expenses	–1	0	n/a
Interest expenses	**–22,108**	**–26,281**	**–15.9**
Interest income	54	102	–47.1
Other financial expenses	–34	–139	–75.5
Net financial result	**–22,088**	**–26,318**	**–16.1**

Valuation result of financial derivatives

The valuation of financial derivatives resulted in a net loss from fair value adjustments in an amount of EUR –7,719 k in the period from January 1 to September 30, 2015 (please refer to section 'Derivatives' on page 12f. for further details). An amount of EUR 9,604 k of this valuation loss is attributable to the derivative embedded in the convertible bond. The reason for this is the strong development of alstria's share price, which increases the market value of the potential repayment obligation in the case the convertible bond is converted. This is reflected in the negative fair value of the embedded derivative.

Due to the termination of an interest rate swap of a nominal value of EUR 380,870 k the negative fair value of the interest rate swap decreased to zero. In addition, the slight decrease of the yield curve, as compared to the end of the business year 2014 resulted in a valuation loss from interest rate derivatives. Overall, the valuation of derivative financial instruments resulted in a net loss of EUR –7,719 k.

Funds from operations (FFO)

EUR k	January 1 – September 30, 2015	January 1 – September 30, 2014
Pre-tax income (EBT)	**24,086**	**19,073[1]**
Net profit/loss from fair value adjustments on investment property	–120	0
Net profit/loss from fair value adjustments on financial derivatives	7,719	21,837
Profit/loss from the disposal of investment property	–5,593	–3,538
Other adjustments[2]	10,202	414
Fair value changes and other adjustments in joint ventures	600	116
Funds from operations (FFO)[3]	**36,894**	**37,902**
Maintenance and re-letting activities	–10,081	–7,433
Adjusted funds from operations (AFFO)[4]	**26,813**	**30,469**
Number of shares on the reporting date (k)	87,097	79,018
FFO per share (EUR k)	0.42	0.48

[1] The first time adoption of IFRIC 21 during the reporting period and its retrospective application resulted in earnings before income taxes of EUR 18,887 k for the period January 1 to September 30, 2014. For the determination of FFO the retrospective adjustment was not taken into account for reasons of continuity and materiality.

[2] Non-cash income or expenses and non-recurring effects. The main effect in the first quarter of 2015 was the increase in legal and consulting expenses by an amount of EUR 5,699 k, which were incurred in connection with the preparation of a takeover offer for another public company, as well as EUR 1,691 k for the non-cash expenses resulting from share based remuneration.

[3] (A)FFO is not a measure of operating performance or liquidity under generally accepted accounting principles, in particular IFRS, and should not be considered as 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, (A)FFO or measures with similar names as presented by other companies may not necessarily be comparable to alstria's (A)FFO.

[4] The (A)FFO is equal to FFO, with adjustments made for capitalised capital expenditures and investments, which are made to maintain the quality of the underlying investment portfolio and expenses connected with concluding tenancy agreements.

Consolidated net result

alstria's consolidated net result amounted to EUR 24,074 k (Q1–Q3 2014: EUR 18,875 k*) in the period under review. The increase mainly resulted from a lower valuation loss in financial derivatives, which amounted to EUR 7,719 k in the first nine months of 2015 as compared to EUR 21,837 k in the first nine months of 2014 and lower financing costs (Q1–Q3 2015: EUR –22,108 k; Q1–Q3 2014: EUR –26,281 k) (please refere to section 'Valuation result of financial derivatives' on page 8 and section 'Derivatives' on page 12 for further information). However, a decline in revenues as well as in other operating result and an increase in both personnel and administrative expenses had a counter-effect on this result. Undiluted Earnings per share amounted to EUR 0.28 in the first nine months of 2015 (Q1–Q3 2014: EUR 0.24 per share).

* Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's periods have been adjusted. See section 3 of the Notes for further information.

FINANCIAL AND ASSET POSITION

Investment properties

	EUR k
Investment properties as at December 31, 2014	**1,645,840**
Investments	17,468
Acquisitions	12,705
Disposals	–1,000
Reclassifications	–67,452
Net loss/gain from fair value adjustments on investment property	120
Investment properties as at September 30, 2015	**1,607,681**
Carrying amount of owner-occupied properties	4,469
Fair value of properties held for sale	73,045
Interests in joint ventures	34,876
Carrying amount of immovable assets	**1,720,071**
Adjustments to fair value of owner-occupied properties	1,265
Fair value of immovable assets	**1,721,336**

alstria office REIT-AG applies the fair value model pursuant to IFRS 13 for revaluation purposes. External appraisals were obtained to determine the respective values as at June 30, 2015, which were provided by the independent appraiser Colliers International Valuation UK LLP. The valuation of investment properties resulted in an appreciation of EUR 120 k. A management review of the fair values as at September 30, 2015 resulted in a fair value increase of EUR 17,468 k for investment properties held on December 31, 2014. This amount relates to capitalised expenditure, which was invested in refurbishment and project developments in the first nine months of 2015. For a detailed description of the valuation process of the Company's assets, please refer to section 7 of the consolidated financial statements as at December 31, 2014.

The fair value of properties held for sale of an amount of EUR 73,045 k refers to the sale of five properties that were sold until by September 2015. Transfers of the respective benefits and burdens are expected to take place towards the end of 2015 and in 2016 (for further information, please refer to section 'Transactions').

For a detailed description of the investment properties, please refer to the Annual Report of 2014.

Financial liabilities

As at September 30, 2015 the loan agreements in place and the respective amounts drawn are as follows:

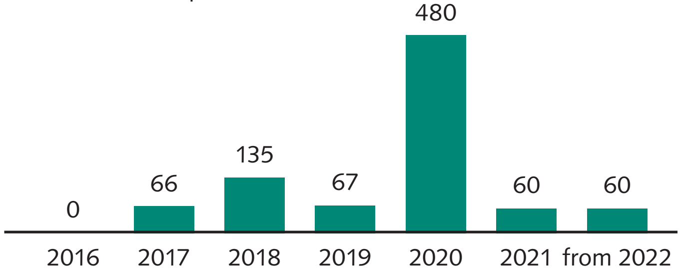
Liabilities	Maturity	Principal amount drawn as at September 30, 2015 (EUR k)	LTV as at September 30, 2015 (%)	LTV covenant (%)	Principal amount drawn as at Dec. 31, 2014 (EUR k)
Syndicated loan	Sep. 30, 2020	480,093	48.3	70.0	501,070
Non-recourse loan #1	Jan. 31, 2017	66,364	58.2	75.0	68,260
Loan #2	Sep. 30, 2019	67,000	44.9	65.0	67,000
Loan #3	Apr. 30, 2021	60,048	52.2	66.0	60,739
Loan #4	Mar. 28, 2024	60,000	50.7	75.0	60,000
Loan #5	Dec. 17, 2018	56,000	46.7	60.0	56,000
Non-recourse loan #6[1]	Dec. 31, 2014	–	–	–	2,617
Total loans		**789,505**	**49.0**	**–**	**815,686**
Convertible bond	June 14, 2018	79,200	–	–	79,400
Total		**868,705**	**51.9**	**–**	**895,086**

[1] Loan agreement terminated taking effect on December 31, 2014. Withdrawel did not occur before January 2, 2015.

	Sept. 30, 2015	Dec. 31, 2014
Average term to maturity of loans/convertible bond (years)	4.8	5.3

MATURITY PROFILE OF FINANCIAL DEBT

in EUR m, as at September 30, 2015[1]



[1] Excluding regular amortisation.

	January 1 – September 30, 2015	January 1 – September 30, 2014
Average cost of debt (% p.a.)	2.9	3.4

As at September 30, 2015 alstria was not in breach of any of its financial covenants.

For a detailed description of alstria's financial management, please refer to the Annual Report of 2014.

alstria held the following derivative financial instruments at the end of the reporting period:

Derivatives

			September 30, 2015		December 31, 2014	
Product	**Strike p.a.**	**Maturity date**	**Notional (EUR k)**	**Fair value (EUR k)**	**Notional (EUR k)**	**Fair value (EUR k)**
Cap	0.2500	Dec. 31, 2017	340,000	35	340,000	402
Cap	3.0000	Sept. 30, 2019	50,250	37	50,250	49
Cap	4.6000	Oct. 20, 2015	47,902	0	47,902	0
Swap	2.9900	July 20, 2015	–	–	380,870	–6,198
Financial derivatives – held for trading			**438,152**	**72**	**819,022**	**–5,747**
Cap	0.0000	Sept. 30, 2020	380,870	4,483	380,870[1]	5,874
Cap	3.0000	Apr. 30, 2021	48,038	195	48,591	147
Cap	3.0000	Mar. 29, 2024	10,900	146	10,900	140
Cap	3.0000	Dec. 17, 2018	56,000	30	56,000	31
Cap	3.2500	Dec. 31, 2015	11,026	0	11,155	0
Financial derivatives – cash flow hedges			**506,834**	**4,854**	**126,646**[1]	**6,192**
Total interest rate derivatives			**944,986**	**4,926**	**945,668**	**445**
Embedded derivative	n/a	June 14, 2018	8,241[2]	–23,030	8,092[2]	–13,488
Total				**–18,104**		**–13,043**

[1] Effective in a hedging relationship since July 20, 2015; held as Forward-cap as at 31.12.2014 and thus not included in the sum of the nominal value of the hedged loan volume.
[2] Underlying number of shares subject to conversion in thousand.

The value changes of the derivatives are reflected in various balance sheet items. The following table shows the change in financial derivatives since December 31, 2014.

EUR k	Cash flow-hedge reserve	Financial assets	Financial liabilities		Total
		Non-current	Non-current	Current	
Hedging instruments as at January 1, 2015	**−3,095**	**6,643**	**−13,488**	**−6,198**	**−13,043**
Ineffective change in fair values of cash flow hedges	0	−1,338	0	0	−1,338
Net result from fair value changes in financial derivatives not qualified for cash flow hedging	0	−379	−9,604	6,167	−3,816
Reclassification of cumulated loss from equity to income statement	2,565	0	0	0	0
Changes in accrued interest due to financial derivatives	0	0		31	31
Terminations	0	0	62	0	62
Hedging instruments as at September 30, 2015	**−530**	**4,926**	**−23,030**	**0**	**−18,104**

Overall, ineffective value losses (EUR −1,338 k), losses on hedges not qualified for cash flow hedging (EUR −3,816 k) and reclassifications of an amount of EUR 2,565 k, resulted in a total loss of EUR 7,719 k (Q1–Q3 2014: loss of EUR 21,837 k). It is presented as the net result from fair value adjustments on financial derivatives. The reclassified amount of EUR 2,565 k relates to the cumulated losses from cash flow hedges, for which the initially hedged transaction is no longer expected to occur due to a premature repayment of the loans in question.

For a detailed description of the hedging instruments, please refer to the appendix of the consolidated financial report as at December 31, 2014.

Cash position

Cash and cash equivalents increased from EUR 63,145 k to EUR 92,282 k in the reporting period. The increase primarily resulted from the capital increase carried out during the first quarter, leading to a cash inflow of EUR 101,542 k after having deducted paid placement costs of EUR 1,339 k. The payment of the dividend resulted in a cash outflow of EUR 43,470 k and the repayment of loans in a cash outflow of EUR 26,382 k. Investing activities resulted in net cash outflows of EUR 28,270 k, whereas a positive cash flow of EUR 25,717 k was generated from operating activities.

Equity metrics

	Sept. 30, 2015	Dec. 31, 2014	Change
Equity (EUR k)	932,274	846,593	10.1 %
Number of shares (k)	87,097	79,018	8,079
NAV per share (EUR)	10.70	10.71	–0.1 %
Equity ratio (%)	50.8	47.8	3.0 pp
G-REIT equity ratio (%)[1)]	54.2	50.2	4.0 pp

[1)] Is defined as total equity divided by the carrying amount of immovable assets. Minimum requirement according to G-REIT regulation: 45%.

The increase in equity at the balance sheet date by EUR 85,681 k to EUR 932,274 k is mainly based on a placement of 7,901,847 new non-par bearer shares in March 2015. Due to this capital increase equity increased by EUR 101,542 k. Furthermore, the profit of the period resulted in an equity increase of EUR 24,074 k. This development was partially offset by the dividend payment of EUR 43,470 k in May 2015. (For further information please refer to the consolidated statement of changes in equity and the corresponding notes).

RISK AND OPPORTUNITY REPORT

The risks and opportunities to which alstria is exposed are described in detail in alstria's Annual Report 2014.

On June 16, 2015 alstria's Management Board announced its intention to acquire the shares of DO Deutsche Office AG by means of a share swap for new alstria shares. The required capital increase in kind was approved by majority vote of the Extraordinary General Meeting held on July 23, 2015. The takeover bid was accepted by 90.6% of the shareholders of DO Deutsche Office AG. The registration of the new alstria shares took place on October 27, 2015, so alstria office REIT-AG has become the majority shareholder of the DO Deutsche Office AG. The Deutsche Office subgroup is to be consolidated from this date onwards. The takeover of the DO Deutsche Office AG created both, opportunities and risks. Opportunities are essentially a sustainable realization of anticipated synergies and economies of scope that alstria office REIT-AG expects to realize. This assessment is based on plans and estimates based on publicly available information on the DO Deutsche Office AG and on alstria office REIT-AG's own reflections at this stage. These plans and estimates may prove to be incorrect, if the underlying assumptions prove to be incorrect or incomplete. In particular DO Deutsche Office AG's integration could not proceed as planned or result in higher costs than anticipated. In addition, the acquisition of control of the DO Deutsche Office AG could trigger change-of-control clauses in contracts of DO Deutsche Office AG, in particular, concerning its financing agreements. Although the banks have waived their special termination right for the loan contracts, it is intended to refinance the Deutsche Office's loans in a timely manner before the end of their regular term. Thus, there is a risk that the financing conditions achievable will be less favorable than expected. In matters of taxation, the planned estimates and assumptions could prove to be incorrect in terms of the acquisition-related real estate transfer tax as well as in terms of payable income taxes. The latter may become applicable in the course of including the DO Deutsche Office Group under the REIT regime. All of the former could result in the actual expenses being higher than anticipated.

Further changes to the risk situation as compared to the risk situation described in the consolidated financial statements in 2014 were not recorded in the reporting period.

RECENT DEVELOPMENTS AND FINANCIAL TARGETS

Recent developments

On June 16, 2015, the Management Board of alstria office REIT-AG announced its intention to take over the shares of DO Deutsche Office AG by means of an exchange into new alstria shares. At the Extraordinary General Meeting held on July 23, 2015 the shareholders of the Company decided on a capital increase of up to 68,781,791 of new shares by way of contribution in kind, acting by a qualified majority.

On August 21, 2015, alstria published the offer document for its voluntary public takeover offer. After the acceptance period, which expired on October 2, 2015, the minimum acceptance rate of 69.6% had been exceeded and the respective closing condition had therefore been fulfilled. Until the end of the additional acceptance period on October 21, 2015, the takeover offer had been accepted for a total of 163,563,065 Deutsche Office Shares. This corresponds to approximately 90.6 % of the total share capital and the voting rights in Deutsche Office. Based on an exchange rate of 0.381 new alstria shares for one DO share, 62,317,526 new alstria shares were issued. The implementation of the capital increase was registered in the Commercial Register on October 27, 2015. Upon registration the alstria obtained control over the DO Deutsche Office AG which is furthermore consolidated into the alstria Group on this day for the first time and from thereon.

Please see www.alstria.de for more details and the relevant voting results.

On October 27, 2015, the Company signed a sale and purchase agreement for the sale of one asset in Magdeburg with a total lettable area of 7,500 sqm. The transfer of benefits and burdens is expected to take place by the end of November 2015.

The transfer of benefits and burdens of the asset at Siemensstraße, Ditzingen, which had been sold in August 2015, took place on October 31, 2015.

Financial targets

alstria mainly focuses on the following financial performance indicators: revenues and FFO. Revenues mostly include rental income, which is in line with the letting activities of the Company. FFO reflects the operational result from real estate management without consideration of effects from valuation or any other non-cash expenses/income or non-recurring effects.*

alstria's revenue and FFO forecasts for 2015 are impacted positively by the first-time consolidation of DO Deutsche Office AG on

* Please refer to section 'Funds from operations (FFO)' on page 9.

October 27, 2015. Based on DO Deutsche Office AG's revenue and FFO forecast for 2015, which amount to EUR 107 m and EUR 54 m respectively, alstria's revenue forecast increases by EUR 18 m to EUR 116 m for the financial year 2015. As a consequence, the FFO is expected to increase by EUR 10 m to EUR 59 m. Any other forecasts or statements presented in the annual statement of 2014 regarding the prospective development of the Company for financial year 2015 have not changed substantially.

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.


SCHAARTOR 1

2 Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2015

EUR k	Notes	July 1 – Sept. 30, 2015	July 1 – Sept. 30, 2014[1]	Jan. 1 – Sept. 30, 2015	Jan. 1 – Sept. 30, 2014[1]
Revenues		24,434	25,283	72,758	76,755
Income less expenses from passed on operating expenses		226	85	208	34
Real estate operating costs		−2,949	−1,721	−7,937	−7,309
Net Rental Income		**21,711**	**23,647**	**65,029**	**69,480**
Administrative expenses		−1,311	−1,210	−4,279	−3,776
Personnel expenses	6.1	−1,706	−1,857	−7,631	−5,604
Other operating income		981	1,298	2,647	3,565
Other operating expenses	6.2	−4,076	−61	−7,931	−320
Net gain/loss from fair value adjustments on investment property		0	0	120	0
Gain/loss on disposal of investment property	7.1	3,919	3,358	5,593	3,538
Net Operating Result		**19,518**	**25,175**	**53,548**	**66,883**
Net financial result	6.3	−5,990	−8,555	−22,088	−26,318
Share of the result of joint venture		390	−322	345	159
Net loss from fair value adjustments on financial derivatives		−4,900	−4,266	−7,719	−21,837
Pre-Tax Income (EBT)		**9,018**	**12,032**	**24,086**	**18,887**
Income tax expense	6.4	−5	−4	−12	−12
Consolidated loss/profit for the period		**9,013**	**12,028**	**24,074**	**18,875**
Attributable to:					
Shareholders		9,013	12,028	24,074	18,875
Earnings per share in EUR					
Basic earnings per share	6.5	0.10	0.15	0.28	0.24
Diluted earnings per share	6.5	0.10	0.15	0.28	0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2015

EUR k	Notes	July 1 – Sept. 30, 2015	July 1 – Sept. 30, 2014[1)]	Jan. 1 – Sept. 30, 2015	Jan. 1 – Sept. 30, 2014[1)]
Consolidated loss/profit for the period		**9,013**	**12,028**	**24,074**	**18,875**
Items which might be reclassified to the income statement in a future period:					
Cash flow hedges	*8.1*	*0*	*0*	*0*	*99*
Reclassification from Cashflow Hedging Reserve	*8.1*	*817*	*888*	*2,565*	*3,247*
Other comprehensive result for the period:		**817**	**888**	**2,565**	**3,346**
Total comprehensive result for the period:		**9,830**	**12,916**	**26,639**	**22,221**

[1)] Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's period July 1 to September 30, 2015 and January 1 to September 30, 2015 have been adjusted. See section 3 of the Notes for further information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2015

Assets

EUR k	Notes	September 30, 2015	December 31, 2014
Non-Current Assets			
Investment property	7.1	1,607,681	1,645,840
Equity-accounted investments		34,876	34,534
Property, plant and equipment		4,966	5,085
Intangible assets		268	344
Derivatives	8.3	4,926	6,643
Total Non-Current Assets		**1,652,717**	**1,692,446**
Current Assets			
Assets held for sale	7.1	73,045	0
Trade receivables		4,689	3,498
Accounts receivable from joint ventures		0	88
Other receivables		10,684	10,127
Cash and cash equivalents	7.2	92,282	63,145
Total Current Assets		**180,700**	**76,858**
Total Assets		**1,833,417**	**1,769,304**

Equity and liabilities

EUR k	Notes	September 30, 2015	December 31, 2014
Equity	8.1		
Share capital		87,097	79,018
Capital surplus		742,655	691,693
Hedging reserve		–530	–3,095
Retained earnings		103,052	78,977
Total Equity		**932,274**	**846,593**
Non-Current Liabilities			
Long-term loans, net of curent portion	8.2	839,482	874,025
Derivatives	8.3	23,030	13,488
Other provisions		3,431	3,628
Other liabilities		1,855	2,036
Total Non-Current Liabilities		**867,798**	**893,177**
Current Liabilities			
Short-term loans	8.2	16,751	7,702
Trade payables		3,931	4,389
Profit participation rights	12	371	424
Derivatives	8.3	0	6,198
Other provisions		1,518	461
Other current liabilities		10,774	10,360
Total Current Liabilities		**33,345**	**29,534**
Total Liabilities		**901,143**	**922,711**
Total Equity and Liabilities		**1,833,417**	**1,769,304**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2015

EUR k	Notes	January 1 – September 30, 2015	January 1 – September 30, 2014[1]
1. Operating activities			
Consolidated profit for the period		24,074	18,875
Unrealized valuation movements		7,597	21,777
Interest income	6.3	–54	–102
Interest expense	6.3	22,142	26,420
Result from income taxes		12	12
Other non-cash expenses (+)		382	–806
Gain (–)/Loss (+) on disposal of fixed assets		–5,593	–3,538
Depreciation and impairment of fixed assets (+)		295	314
Decrease (+)/Increase (–) in trade receivables and other assets that are not attributed to investing or financing activities		–1,764	–1,744
Decrease (–)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		–131	185
Cash generated from operations		**46,959**	**61,393**
Interest received		54	102
Interest paid		–21,285	–24,293
Income tax paid		–12	–12
Net cash generated from operating activities		**25,717**	**37,190**
2.Investing activities			
Acquisition of investment properties	7.1	–30,217	–23,970
Proceeds from sale of investment properties		2,044	9,450
Payment of transaction cost in relation to the sale of investment properties		0	–131
Acquisition of other property, plant and equipment		–100	–231
Proceeds from the equity release of interests in joint ventures		3	1,470
Payments for capital contribution in joint ventures		0	–2,205
Net cash used in investing activities		**–28,270**	**–15,617**
3. Financing activities			
Cash received from equity contributions	8.1	102,881	170
Payment of transaction costs of issue of shares	8.1	–1,339	0
Proceeds from the issue of bonds and borrowings		0	43,723
Proceeds from the issue of a convertible bond		0	79,400
Payments of dividends	15	–43,470	–39,467
Payments for the acquisition/termination of financial derivatives		0	–2,007
Payments of the redemption of bonds and borrowings		–26,382	–130,519
Payments of transaction costs		0	–740
Net cash generated from/used in financing activities		**31,690**	**–49,440**
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		29,137	–27,867
Cash and cash equivalents at the beginning of the period		63,145	82,782
Cash and cash equivalents at the end of the period *thereof restricted: EUR 0 k; previous year: EUR 0 k*	7.2	**92,282**	**54,915**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2015

EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Retained earnings	Total Equity
As at January 1, 2015		**79,018**	**691,693**	**–3,095**	**78,977**	**846,593**
Changes in Q1–Q3 2015						
Consolidated profit		0	0	0	24,075	24,075
Other comprehensive income		0	0	2,565	0	2,565
Total comprehensive income		**0**	**0**	**2,565**	**24,075**	**26,640**
Payments of dividends	9	0	–43,470	0	0	–43,470
Share-based remuneration (convertible profit participation program)	12	0	550	0	0	550
Proceeds from shares issued	8.1	7,903	94,822	0	0	102,725
Transaction costs of issue of shares	8.1	0	–1,339	0	0	–1,339
Conversion of convertible participation rights		156	156	0	0	312
Conversion of convertible bond	8.1	20	243	0	0	263
As of September 30, 2015	8.1	**87,097**	**742,655**	**–530**	**103,052**	**932,274**

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2014[1)]

EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Retained earnings	Total Equity
As at January 1, 2014		**78,933**	**730,486**	**–7,329**	**42,024**	**844,114**
Changes in Q1–Q3 2014						
Consolidated profit		0	0	0	18,875	18,875
Other comprehensive income		0	0	3,346	0	3,346
Total comprehensive income		**0**	**0**	**3,346**	**18,875**	**22,221**
Changes in the consolidated group						
Payments of dividends	9	0	–39,467	0	0	–39,467
Share-based remuneration (convertible profit participation program)	12	0	430	0	0	430
Conversion of convertible participation rights		85	85	0	0	170
As at September 30, 2014	8.1	**79,018**	**691,534**	**–3,983**	**60,899**	**827,468**

[1)] Due to the initial and the retrospective application of IFRIC 21, the comparative figures of the prior year's period July 1 to September 30, 2015 and January 1 to September 30, 2015 have been adjusted. See section 3 of the Notes for further information.

Notes to the condensed interim consolidated financial statements

as at September 30, 2015

1 CORPORATE INFORMATION

alstria office REIT-AG, Hamburg, (hereinafter referred to as the 'Company' or 'alstria office REIT-AG' and, together with its subsidiaries, 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, 2014.

The condensed interim consolidated financial statements for the period from January 1, 2015 to September 30, 2015 (hereinafter referred to as the 'consolidated interim financial statements') were authorised for publication by resolution of the Company's Management Board on November 2, 2015.

2 BASIS OF PREPARATION

These consolidated interim financial statements were prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not contain all of the disclosures and explanations required in the annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2014.

These condensed interim consolidated financial statements have not been audited.

3 SIGNIFICANT ACCOUNTING POLICIES

The applied accounting policies are consistent with the policies applied in the Group's annual financial statements for the year ending on December 31, 2014, and as outlined in those annual financial statements.

The following new interpretations and amendments to standards and interpretations are mandatory for the first time for the financial reporting period beginning on January 1, 2015:

EU-Endorsement	Standards / Interpretation	Content	Applicable for f/y beginning on/after	Effects
June 13, 2014	IFRIC 21	New interpretation 'taxes	June 17, 2014	None
Dec. 18, 2014	Annual Improvements to IFRSs	Improvements to IFRSs 2011–2013	January 1, 2015	None

The initial application of IFRIC 21 'levies' has mainly resulted in changes in the accounting for trade receivables and other liabilities. Accordingly, trade receivables contain deferred property taxes of an amount of EUR 717 k that can be charged to the tenants. Trade payables have been reduced by EUR 150 k. Other current liabilities report the yet unpaid land taxes attributable to 2015 in the amountr of EUR 1,040 k. The balance of TEUR 173 k is recognised as vacancy costs reported under the real estate operating costs. The retrospective application of IFRIC 21 results in an increase in real estate operating costs of EUR 187 k for the first three quarter of 2014.

The following new standards, interpretations and amendments to published standards have been issued but are not effective for the financial year 2015 and have not been applied by the Group prior to becoming mandatory:

EU-Endorsement	Standards / Interpre-tationen	Content	Applicable for f/y beginning on/after	Effects
not yet endorsed	IFRS 9	New Standard 'Financial instruments: classification and measurement'	Jan. 1, 2018	No material effects
not yet endorsed	IFRS 14	New Standard 'Regulatory deferral accounts'	Jan. 1, 2016	None
not yet endorsed	IFRS 15	New Standard 'Revenue from contracts with customers'	Jan. 1, 2018	Notes disclosure
not yet endorsed	Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	Jan. 1, 2016	None
not yet endorsed	Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Jan. 1, 2016	Under review
not yet endorsed	Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	Jan. 1, 2016	None
not yet endorsed	Amendments to IAS 1	Disclosure initiative	Jan. 1, 2016	Notes disclosure
not yet endorsed	Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation	Jan. 1, 2016	None
not yet endorsed	Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	Jan. 1, 2016	None
Dec. 17, 2014	Amendments to IAS 19	Defined benefit plans: employee contributions (Amendments to IAS 19 'Employee Benefits')	Feb. 1, 2015	None
not yet endorsed	Amendments to IAS 27	Equity method in separate financial statements	Jan. 1, 2016	None

Dec. 17, 2014	Annual Improvements to IFRSs	Improvements to IFRSs 2010–2012	Feb. 1, 2015	None
not yet endorsed	Annual Improvements to IFRSs	Improvements to IFRSs 2012–2014	Jan. 1, 2016	Under review

The IASB did not issue any new standards and interpretations and amendments to published standards and interpretations between December 31, 2014 and the date of preparation of these interim consolidated financial statements.

4 CONSOLIDATED GROUP

There have been no changes to the consolidated Group since the preparation of the consolidated financial statements as at December 31, 2014.

5 KEY JUDGEMENTS AND ESTIMATES

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items that have an effect on the amount of and the disclosures concerning assets, liabilities, income and expenses. Actual amounts may vary from these estimates.

6 NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.1 Personnel expenses

EUR k	**January 1 – September 30, 2015**	**January 1 – September 30, 2014**
Salaries and wages	3,027	2,993
Social insurance contribution	504	479
Bonuses	935	948
Expenses for share-based compensation	2,941	942
thereof relating to virtual shares	*2,327*	*440*
thereof relating to the convertible profit participation certificates	*614*	*502*
Amounts for retirement provisions and disability insurance of the members of the Management Board	150	156
Other	74	86
Total	**7,631**	**5,604**

The increase in personnel expenses mainly resulted from the remuneration due to virtual shares that increased by EUR 1,887 k from EUR 440 k to EUR 2,327 k as compared to the first nine month in 2014. The reason for this increase is the significantly positive development of the stock price of alstria office REIT-AG's shares in the first three quarter of 2015. Expenses due to the share-based remuneration resulting from virtual shares are not paid out until their time of exercise at each end of the term, respectively. The actual cash amount of such remuneration therefore depends on the further development of the share price. Personal expenses increased by EUR 140 k adjusted for share-based compensation.

6.2 Other operating expenses

On June 16, 2015, the Board announced its intention to submit a takeover-bid for a listed company. The preparation for the implementation of the acquisition, resulted in legal and consulting expenses of EUR 6,954 k. EUR 5,699 k of these expenses are included in other operating expenses and make up the main part of the increase in other operating expenses by EUR 7.611 k from EUR 320 k in the first three quarter of 2014 to EUR 7.931 k in the first three quarter of 2015.

An amount of EUR 1,255 k representing the difference between EUR 6,954 k legal and consulting fees for the takeover and the amount of EUR 5,699 k included in 'other operating expenses', is attributable to the implementation of the capital increase by way of contribution in kind. It will be accounted for in assets as part of the item 'receivables and other assets' until the capital increase has been implemented, As soon an this has occured, it will directly be recognized in equity as a part of capital reserves.

6.3 Financial result

For details on the net financial result and the development of the loans, please refer to the section 'Financial and asset position' 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 German corporation tax (Körperschaftsteuer – KSt) and German trade tax (Gewerbesteuer – GewSt).

Minor tax payment obligations may arise on an affiliate level for affiliates serving as a general partner of a partnership or REIT service companies.

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	January 1 – September 30, 2015	January 1 – September 30, 2014
Profit attributable to the shareholders (EUR k)	24,074	18,875
Average number of shares outstanding (thousands)	84,539	78,966
Basic earnings per share (EUR)	0.28	0,24

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

Diluted earnings per share	January 1 – September 30, 2015	January 1 – September 30, 2014
Diluted profit attributable to the shareholders (EUR k)	25,704	20,490
Average diluted number of shares (thousands)	92,780	87,058
Diluted earnings per share (EUR)	0.28	0,24

7 NOTES TO THE CONSOLIDATED BALANCE SHEET – ASSETS

7.1 Investment property

alstria office REIT-AG uses the fair value model pursuant to IFRS 13 for revaluation purposes. External appraisals were obtained to determine the respective values as at June 30, 2015 resulting in fair value increases of EUR 120 k. A management review of the fair values on as at September 30, 2015, i.e. the reporting date of the consolidated interim financial statements, resulted in a fair value increase of a total of EUR 17,468 k for investment properties held on December 31, 2014. This amount relates to capitalised expenditure, which was invested in refurbishment and project developments in the first nine months of 2015. For a detailed description of the determination process of the asset value, please refer to section 7 of the consolidated financial statements as at December 31, 2014. A reconciliation of the properties held as investment properties since December 31, 2014, can be found in the interim consolidated financial statements as at September 30, 2015.

Until the balance sheet date, the Company signed notarial purchase contracts for the sale of five properties. As at September 30, 2015 the properties are incorporated in ‘assets held for sale’ at a fair value of EUR 73,045 k.

In addition a plot of land forming part of an existing investment property was transferred to the buyer at a transaction price of EUR 1,044 k.

Furthermore, a property in Dusseldorf was acquired at a transaction price of EUR 11,576 k. The transfer of benefits and burdens took place in the third quarter.

7.2 Cash and cash equivalents

Cash and cash equivalents in an amount of EUR 92,282 k refer to cash at banks. The cash amount is not subject to any restrictions.

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 7,901,487 new shares were issued for cash considerations and increased alstria office REIT-AG's share capital by EUR 7,901,487. The capital increase was registered in the commercial register on March 26, 2015.

Two shares of a notional amount of EUR 200 k in the convertible bond issued by the company were converted in the first quarter of 2015. The conversion resulted in an issue of 20,382 new shares by using the conditionally increased capital provided for such purposes (Conditional Capital 2013).

In total and due to the two capital measures stated above, the alstria office REIT-AG's share capital increased by EUR 7,922,229.00 to EUR 86,940,716.00 as compared to December 31, 2014. It is represented by 86,940,716 non-par value bearer shares as at March 31, 2015.

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 13.00 per share. The issue proceeds exceeded the nominal share capital by EUR 94,822 k and were recognised in capital reserves. After having deducted placement costs of EUR 1,339 k caused by the share placements, the increase of the capital reserve amounted to a net EUR 93,483 k.

The share premium resulting from the partial conversion of the convertible bond amounted to EUR 243 k. It was also transferred to the capital reserve. The conversion of 156,000 profit participation rights resulted in an increase in the capital reserves of EUR 156 k.

Treasury shares

On September 30, 2015, the Company held no treasury shares.

Cash flow hedging reserve

This reserve includes the cumulated portion of the gain or loss on hedging instruments within the cash flow hedge that has been determined to be an effective hedge. The net change of EUR 2,565 k relates to reclassifications of cumulated devaluations of cash flow hedges, for which the forecasted and hedged transactions are no longer expected to occur due to a redemption of loans prior to their maturity.

8.2 Financial liabilities

As at September 30, 2015 alstria's total interest-bearing debt, which mainly consists of loan balances drawn and the convertible bond, amounted to EUR 868,705 k (December 31, 2014: EUR 895,086 k). The lower carrying amount of EUR 856,233 k (EUR 853,111 k non-current and EUR 3,122 k current) takes into account interest liabilities and transaction costs which are allocated according to the effective interest rate method at the time of taking out the loans in question. Financial liabilities with a maturity of up to one year are recognised as current loans.

After having exercised of the conversion rights for a notional value of EUR 200 k, an amount of EUR 79,200 k of the convertible bond remains included in the financial liabilities.

For a detailed description of the loans, loan terms and loan securities, please refer to the 'Financial liabilities' section in the interim Group management report for the second quarter of 2015 and section 11.2 of the consolidated financial statements as at December 31, 2014.

8.3 Derivative financial instruments

Derivative financial instruments are comprised of interest swaps and caps. The purpose of these financial derivatives is to hedge the Group against interest rate risks arising from the Group's business activities and its sources of financing. In addition, they comprise an embedded derivative resulting from the issue of a convertible bond.

The fair value of the derivative financial instruments was determined by an independent expert by discounting the expected future cash flows at prevailing market interest rates.

For a more detailed description of the Group's derivative financial instruments and the presentation of their fair values please refer to section 'Financial liabilities' on page 12 of the interim Group management report.

All of the Group's financial instruments, which are recognised in the balance sheet at fair value, are valued by applying the level 2 valuation approach. This, however, only applies to the Group's financial derivatives, as none of the other financial instruments are recognised in the balance sheet at fair value. The fair value determination of the Group's financial derivatives is based on forward interest rates, which are derived from observable yield curves.

9 DIVIDEND PAID

	2015	2014
Dividends on ordinary shares[1] in EUR k (not recognised as a liability as at September 30)	43,470	39,467
Dividend per share (EUR)	0.50	0.50

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

The alstria office REIT-AG's Annual General Meeting held on May 6, 2015 resolved to distribute dividends totalling EUR 43,470 k (EUR 0.50 per outstanding share). The dividend was distributed on May 7, 2015.

10 EMPLOYEES

In the period from January 1 to September 30, 2015, the Company on average employed 64 employees (January 1 to September 30, 2014: average of 62 people). The average number of employees was calculated based on the total number of employees at the end of each month. On September 30, 2015, 67 people (December 31, 2014: 63 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. The 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). The remuneration comprises both a cash-settled and a share-based component, respectively.

The following table shows the development of the virtual shares up until September 30, 2015:

Number of virtual shares	January 1 – September 30, 2015 (unaudited)		January 1 – December 31, 2014 (audited)	
	LTI	STI	LTI	STI
As at January 1	**339,516**	**23,831**	**353,779**	**25,989**
Granted in the reporting period	72,926	9,763	84,746	10,753
Terminated in the reporting period	–76,702	–13,078	–99,009	–12,911
As at September 30 / December 31	**335,740**	**20,516**	**339,516**	**23,831**

In the first nine months of 2015, the LTI and the STI generated remuneration expenses of a total balance of EUR 2,327 k (Q1–Q3 2014: expenses of EUR 440 k). In addition they resulted in provisions amounting to EUR 3,181 k at the end of the reporting period (December 31, 2014: EUR 1,490 k). 76,702 virtual shares from the LTI and 13,078 virtual shares from the STI were exercised in the first quarter of 2015, resulting in payments of EUR 636 k. The Group recognises liabilities arising from vested virtual shares as an item within other provisions. Please refer to section 18 of the consolidated financial statements as at December 31, 2014 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 as established by the Supervisory Board of alstria office REIT-AG.

Number of Certificates

Granting date of tranche	June 9, 2011	June 7, 2013	May 22, 2014	May 7, 2015	Total
January 1, 2015	**59,500**	**96,800**	**107,250**	**0**	**263,550**
Expired due to termination of employment	0	−300	−1,000	0	−1,300
	−59,500	−96,500	0	0	−156,000
	0	0	0	121,000	121,000
September 30, 2015	**0**	**0**	**106,250**	**121,000**	**227,250**

For a detailed description of the employee profit participation rights programme, please refer to section 19 of the consolidated financial statements as at December 31, 2014.

13 RELATED PARTIES

No significant legal transactions were executed with respect to related parties during the reporting period, with the exception of granting virtual shares 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

At the Extraordinary General Meeting held on July 23, 2015 the shareholders of the Company decided on a capital increase of up to 68,781,791 nominal value bearer shares (new shares) by way of contribution in kind acting by a qualified majority. The new shares have been offered to the shareholders of DO Deutsche Office AG in exchange for 180,530 thousand or 100% of their DO Deutsche Office AG shares (DO shares). The acceptance period ended at midnight on October 21, 2015. In total 163,563 thousand DO shares were handed in for exchange. Based on the exchange rate of 0.381 new alstria shares for one DO share, 62,317 thousand new alstria shares were issued. The exchange rate was based on the ratio of the adjusted IFRS NAVs (net asset value) of both companies as at March 31, 2015. As a result, the share capital of alstria office REIT-AG increased by EUR 62,317 k. The registration of the new alstria shares in the Commercial Register of the Hamburg District Court [Amtsgericht] took place on October 27, 2015. Upon entry of the new alstria shares in the Commercial Register, the Company obtained control over DO Deutsche Office AG, so that the business combination between alstria

Deutsche Office and the Group became effective on October 27, 2015 (acquisition date).

alstria office REIT-AG acquired 90.6% of the shares of DO Deutsche Office AG. The remaining 9.4% of the shares were not acquired and are subsequently reported as the item ‘minority interests’ in the future.

The purchase price alstria paid for the acquired shares in Deutsche Office is equivelant to the fair value of the consideration. Based on the closing price of alstria's shares on the acquisition date of EUR 12.66 per share and the number of new alstria shares transferred, the purchase price for the acquired shares amounted to EUR 788,940 k. Contingent consideration and indemnification assets were not agreed. The acquired company, the DO Deutsche Office AG, Cologne, has as business purpose the acquisition and management of office and retail properties in Germany. The DO Deutsche Office AG Group (Deutsche Office) has according to its latest published consolidated interim financial statements of DO Deutsche Office AG as at June 30, 2015, a property portfolio with a fair value of EUR 1,792 million. For the business year 2015, the Deutsche Office expected rental revenues of EUR 107 million and an operating profit (funds from operations, FFO) of EUR 54 million.

Besides the anticipated efficiency gains and an improved financing structure, the main reason for the acquisition was to expand alstria’s market leadership in the field of office real estate, based on a combined entity portfolio of a value of approximately EUR 3.5 billion. The acquisition took place immediately prior to the preparation of these interim consolidated financial statements. At present, we do not yet possess the necessary information to disclose any additional information as required by IFRS 3 ‘business combinations’. This includes the consolidated interim financial statements of Deutsche Office as at October 31, 2015. These are required to be able to prepare the first time consolidated balance sheet and are not yet available. Therefore, this information cannot yet be presented in these consolidated interim financial statements. The information missing refers to the determination of goodwill arising from anticipated synergies, disclosures with respect to the acquired receivables, assets, balance-sheet liabilities and contingent liabilities, as well as disclosures on the valuation of minority interests.

After the end of the reporting period, i.e. September 30, 2015 furthermore a notarial purchase agreement for the sale of a property was concluded at a transaction price of EUR 6,200 k.

15 MANAGEMENT BOARD

As at September 30, 2015, the members of the Company's Management Board are:

- Mr Olivier Elamine (Chief Executive Officer)
- 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 Annual General Meeting of the shareholders.

As at September 30, 2015, the members of the Supervisory Board are:

- Mr Alexander Stuhlmann (Chairman)
- Dr Johannes Conradi (Vice-Chairman until October 27, 2015)
- Mr Benoît Hérault
- Mr Roger Lee (until October 27, 2015)
- Mr Richard Mully
- Ms Marianne Voigt

From October 27, 2015 onwards:

- Mr Hermann T. Dambach (Vice-Chairman since October 27, 2015)

At the Extraordinary General Meeting of the Company held on July 23, 2015 , the shareholders elected Mr Herman T. Dambach, director at Oaktree GmbH, Bad Homburg, as member of the supervisory board of alstria office REIT-AG effective with the completion of the exchange offer as described in section 14.

At this same Extraordinary General Meeting the supervisory board member Mr. Roger Lee declared to resign from office as member of the supervisory board effective with completion of the exchange offer.

The completion of the exchange offer took place with the registration of the new alstria shares in the commercial register of the local court, on October 27, 2015.

Hamburg, Germany, November 2, 2015

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

3 Management compliance statement

‘We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group. Furthermore, we confirm that the group management report gives a true and fair view of business performance, including the results of operations and the economic position of the Group, and describes the main opportunities and risks and anticipated development of the Group in accordance with the applicable financial reporting framework.’

Hamburg, Germany, November 2, 2015

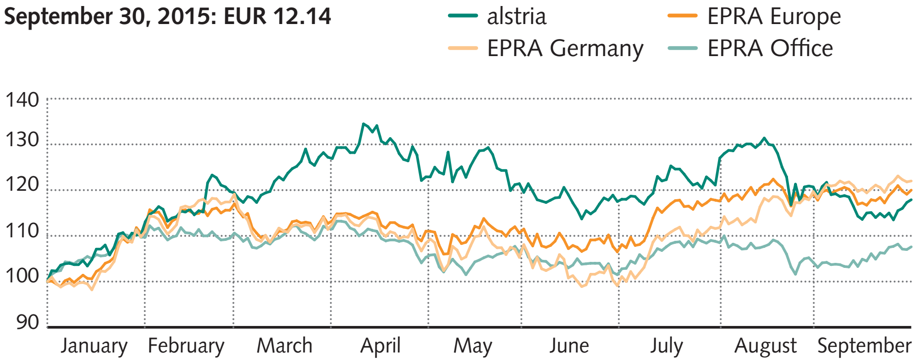
Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Executive Officer

4 alstria's share

SHARE PRICE DEVELOPMENT

September 30, 2015: EUR 12.14



KEY SHARE DATA

ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
Prime sector	Prime Standard, Frankfurt
Indices	FTSE EPRA/NAREIT Global Real Estate Index Series FTSE EPRA/NAREIT Europe Real Estate Index Series SDAX Index
Designated sponsors	Oddo Seydler Bank AG

		September 30, 2015	**December 31, 2014**
Number of shares	thousand	87,097	79,018
thereof outstanding	*thousand*	*87,097*	*79,018*
Closing price[1]	EUR	11.64	10.30
Market capitalisation	EUR k	1,013,809	813,885
Free float	percent	96	95
		January 1 – September 30, 2015	**January 1 – September 30, 2014**
Average daily trading volume (all exchange and OTC)[2]	EUR k	6,343	1,856
thereof XETRA	*EUR k*	*3,052*	*1,017*
Share price: high[1]	EUR	13.85	10.23
Share price: low[1]	EUR	10.55	9.05

[1] Xetra closing share price.
[2] Source: Bloomberg.

5 Events 2016

May 12, 2016	**Annual General Meeting** Hamburg

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