



Press release

First half 2018 - Strong leasing momentum, increased guidance

- Revenues at EUR 96.2 m and funds from operations (FFO) at EUR 58.1 m
- Net LTV at 34.7% and REIT equity ratio at 63.2%
- Letting volume: 64,800 sqm
- Acquisition of two assets for a total consideration of EUR 35.8 m in the second quarter of 2018
- Increase of guidance 2018: revenues of EUR 190 m (prev.: EUR 187 m) and FFO of EUR 113 m (prev.: EUR 110 m)

Hamburg, August 6, 2018 - alstria office REIT-AG (symbol: AOX, ISIN: DE000A0LD2U1) reports on a successful first half of 2018.

Revenues of EUR 96.2 m and FFO of EUR 58.1 m

Despite the planned termination of leasing contracts, higher rental income following the acquisition of new properties led to an increase in alstria's rental income by 3.1% to EUR 96.2 m in the first half of 2018 compared to the prior year period.

Funds from operations (FFO) in the same period amounted to EUR 58.1 m (+2.6%) and were in line with the plan of the Company. The FFO margin of 60.3% (H1 2017: 60.6%) remained on a high level and is testimony to the profitability of the Company. The consolidated net result was EUR 62.5 m as of June 30, 2018 and compares to EUR 78.6 m in the prior year period. The change was mainly due to a EUR 23.3 m one-off capital gain following the disposal of the "Kaisergalerie" asset (Hamburg) in H1 2017.

Net LTV at 34.7%, EPRA NAV per share at EUR 12.53

In the first six months of 2018, alstria's equity grew by 13.5% to EUR 2,218 m compared to December 31, 2017. The dividend payment of EUR 92.2 m (EUR 0.52 per share) to the shareholders of the Company in the second quarter of 2018 was overcompensated by the net profit contribution in the first six months of the year (EUR 62.5 m), the capital increase in the first quarter 2018 (EUR 190.5 m) and the impact of the conversion of the convertible bond (EUR 98.6 m). alstria's EPRA NAV per share stood at EUR 12.53 per share as per June 30, 2018. The strength of alstria's balance sheet is demonstrated by a G-REIT equity ratio of 63.2% and the Company's net LTV of 34.7% as per June 30, 2018.

64,800 sqm of letting volume

The German leasing market remains liquid and alstria recorded a strong result in its letting performance in the first half of the year with new leases¹ of 36,500 sqm, as well as lease extensions of around 28,300 sqm. The EPRA vacancy rate² was slightly improving to 11.0% in the course of the second quarter 2018 (11.2% as per March 30, 2018).

Acquisition volume of EUR 123.2 m ytd and disposals of EUR 13.6 m

In the second quarter, alstria acquired two office buildings in Frankfurt and Wiesbaden with a combined lettable area of 14,700 sqm at a total AIC of EUR 35.8 m (EUR 2,400/sqm). The two assets are complementary to alstria's current portfolio and offer substantial reversion in the mid-term. They generate a combined rental income of EUR 1.2 m (EUR 13.7 per sqm) and have a total vacancy rate of 49%. These acquisitions bring the year-to-date acquisition volume to EUR 123.2 m. At the same time alstria has continued to streamline its portfolio and sold two assets located in Bremen and Harburg for a total consideration of EUR 13.6 m. These assets were sold at an average premium of 5.5% to the latest external valuation.

Increase of guidance for FY 2018

Based on the results of the first half, alstria increases its guidance for the FY 2018. Revenues are expected to amount to EUR 190 m (prev.: EUR 187 m) and the FFO is expected to reach EUR 113 m (prev.: EUR 110 m). The adjustment is due to the impact of new acquisitions and higher rental revenues linked to stronger indexation and a different timing in the closing of asset sales.

“In the first six months of 2018 our business developed according to plan”, said Olivier Elamine, CEO of alstria. “Our portfolio continued to deliver strong returns, underpinned by strong tenant demand in the markets in which we operate. We recorded the strongest tenant demand particularly for our development assets which offer high quality space in line with the changes we foresee in the corporate demand. The investment market remains challenging and we have continued to focus our attention on selective locations that we believe will benefit from mid-term re-rating, while continuing the streamlining of alstria's portfolio. Our capital recycling approach leads to an increase of our overall portfolio quality.”

Key financials at a glance

	H1 2018	H1 2017	Change
Revenues (EUR m)	96.2	93.3	3.1%
Funds from operations (FFO) (EUR m)	58.1	56.6	2.6%
FFO per share ³ (EUR)	0.33	0.37	-10.8%

	Jun. 30, 2018	Dec. 31, 2017	Change
Investment properties (EUR m)	3,456	3,332	3.7%
Cash at hand (EUR m)	178.1	102.1	74.5%
EPRA NAV per share (EUR)	12.53	12.71	-1.4%
G-REIT equity ratio (%)	63.2	57.1	6.1 pp
Net LTV ratio (%)	34.7	40.0	-5.3 pp

¹ Only includes new leases signed and disregards any lease renewals.

² EPRA vacancy rate disregards vacancy from development projects.

³ FFO per share based on 177.4 m shares for H1 2018 and 153.3 m shares for H1 2017.

Invitation to the conference call on August 7, 2018

The alstria management board, CEO Olivier Elamine and CFO Alexander Dexne, will present the H1 results during a conference call at 10:00 am (CET).

Please use one of the following dial-in numbers:

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Please note that you can watch the management's presentation live as a webcast on our website www.alstria.com. As soon as the conference call begins, the presentation slides will be available for download on our website.

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About alstria:

alstria office REIT-AG is an internally managed Real Estate Investment Trust (REIT) focused solely on acquiring, owning and managing office real estate in Germany. alstria was founded in January 2006 and was converted into the first German REIT in October 2007. Its headquarters are in Hamburg. The combination of alstria and Deutsche Office creates the leading listed German office real estate company with a combined portfolio of 116 office buildings comprising 1.6 million sqm of lettable space and representing a total portfolio value of approximately EUR 3.5 billion (as of June 30, 2018). The alstria office REIT-AG strategy is based on active asset and portfolio management as well as on establishing and maintaining good relationships with key customers and decision makers. alstria focuses on long-term real estate value creation.

Disclaimer:

This release constitutes neither an offer to sell nor a solicitation of an offer to buy any shares. As far as this press release contains forward-looking statements with respect to the business, financial condition and results of operations of alstria office REIT-AG (alstria), these statements are based on current expectations or beliefs of alstria's management. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those reflected in such forward-looking statements. Apart from other factors not mentioned here, differences could occur as a result of changes in the overall economic situation and the competitive environment - especially in the core business segments and markets of alstria. Also, the development of the financial markets and changes in national as well as international provisions particularly in the field of tax legislation and financial reporting standards could have an effect. Terrorist attacks and their consequences could increase the likelihood and the extent of differences. alstria undertakes no obligation to publicly release any revisions or updates to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.