



CONSOLIDATED INTERIM STATEMENT

as of March 31, 2018

GROUP FINANCIALS

EUR k	Q1 2018	Q1 2017	Change
Revenues and Earnings			
Revenues	48,264	45,410	6.3 %
Net rental income	41,644	40,185	3.6 %
Consolidated profit for the period	32,352	30,897	4.7 %
FFO ¹⁾	29,765	27,917	6.6 %
Earnings per share (EUR)	0.20	0.20	0.0 %
FFO per share (EUR) ¹⁾	0.17	0.18	-5.6 %

¹⁾ Excluding minorities.

EUR k	Mar. 31, 2018	Dec. 31, 2017	Change
Balance Sheet			
Investment property	3,429,406	3,331,858	2.9 %
Total assets	3,809,564	3,584,069	6.3 %
Equity	2,278,229	1,954,660	16.6 %
Liabilities	1,531,335	1,629,409	-6.0 %
Net asset value (NAV) per share (EUR)	12.86	12.70	1.3 %
Diluted NAV per share (EUR) ¹⁾	12.86	12.69	1.3 %
Net LTV (%)	32.5	40.0	-7.5 pp

¹⁾ Dilution based on potential conversion of convertible bond.

G-REIT Figures	Mar. 31, 2018	Dec. 31, 2017	Change
G-REIT equity ratio (%)	65.4	57.1	8.3 pp
Revenues including other income from investment properties (%)	100	100	0.0 pp

EPRA-Key Figures ¹⁾	Q1 2018	Q1 2017	Change
EPRA earnings per share (EUR)	0.21	0.17	23.5 %
EPRA cost ratio A (%) ²⁾	23.2	18.8	-4.4 pp
EPRA cost ratio B (%) ³⁾	18.0	13.1	-4.9 pp

	Mar. 31, 2018	Dec. 31, 2017	Change
EPRA NAV per share (EUR)	12.85	12.71	1.1 %
EPRA NNNNAV per share (EUR)	12.69	12.45	1.9 %
EPRA net initial yield (%)	4.5	4.6	-0.1 pp
EPRA 'topped-up' net initial yield (%)	4.8	5.0	-0.2 pp
EPRA vacancy rate (%)	11.2	9.4	1.8 pp

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

²⁾ Including vacancy costs.

³⁾ Excluding vacancy costs.

CONSOLIDATED INTERIM STATEMENT

1. KEY METRICS OF THE PORTFOLIO AND SIGNIFICANT EVENTS

Key Metrics	Mar. 31, 2018	Dec. 31, 2017
Number of properties	116	116
Market value (EUR bn) ¹⁾	3.4	3.4
Annual contractual rent (EUR m)	199.4	202.0
Valuation yield (%, contractual rent/market value)	5.8	5.9
Lettable area (m ²)	1,586,400	1,570,100
EPRA vacancy rate (%)	11.2	9.4
WAULT (years)	4.6	4.7
Average rent/m ² (EUR/month)	12.0	12.1

¹⁾ Including fair value of owner-occupied properties.

Real Estate Operations

Letting metrics	Q1 2018	Q1 2017	Change (m ²)
New leases (m ²) ¹⁾	14,106	21,900	-7,794
Renewals of leases (m ²)	18,463	20,691	-2,228
Total	32,569	42,591	-10,022

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

During the first quarter of fiscal year 2018, letting activities amounted to approximately 32,600 m² (as measured by new leases and lease extensions).

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

Asset	City	Area ¹⁾ (m ²)	Annual rent (EUR k)	Lease length (years)	Beginning of lease contract
Süderstraße 24	Hamburg	1,900	265	3.0	March 1, 2018
Heidenkampsweg 99–101	Hamburg	1,800	260	5.0	June 1, 2018

¹⁾ Office and ancillary space.

Transactions

The following transactions have an impact on fiscal year 2018:

Asset	City	Sales price (EUR k) ¹⁾	Annual rent (EUR k) ²⁾	Ø Lease length (years) ²⁾	Signing SPA	Transfer of benefits and burdens
Disposals						
Frankfurter Str. 71–75	Eschborn	16,200	1,086	16.1	Oct. 9, 2017	June 30, 2018 ³⁾
Eschersheimer Landstr. 55	Frankfurt	44,000	1,625	1.8	Dec. 21, 2017	Mar. 31, 2018
Lötzener Str. 3	Bremen	3,600	323	2.5	Jan. 26, 2018	June 30, 2018 ³⁾
Harburger Ring 17	Hamburg	10,000	502	6.5	Feb. 20, 2018	Q3 2018 ³⁾
Total Disposals		73,800	3,536			
Acquisitions						
Eichwiesenring 1	Stuttgart	28,000	1,534	5.6	Dec. 20, 2017	Apr. 1, 2018
Sonninstr. 26–28	Hamburg	54,584	2,160	5.8	Dec. 21, 2017	Feb. 1, 2018
Total Acquisitions		82,584	3,694			

¹⁾ Excluding transaction costs.

²⁾ At the time of the signing of the sales and purchase agreement.

³⁾ Expected.

2. KEY FIGURES FOR THE DEVELOPMENT OF EARNING POSITIONS

Funds from operations (FFO) amounted to EUR 30,608 k (before minorities) or EUR 29,765 k (after minorities) in the first quarter of 2018, compared to EUR 29,051 k (before minorities) or EUR 27,917 k (after minorities) in the first quarter of 2017.

The increase mainly resulted from an increase in net rental income of EUR 1,459 k. An opposite effect were the slightly higher administrative and personnel expenses compared to the prior year's quarter.

EUR k	Q1 2018	Q1 2017
Pre-tax income (EBT)	32,349	30,907
Net profit/loss from fair value adjustments on financial derivatives	-2,471	-3,679
Profit/loss from the disposal of investment properties	-560	-1,167
Other adjustments ¹⁾	1,290	2,990
Funds from operations (FFO)²⁾	30,608	29,051
Attributable to minority shareholders	-843	-1,134
Attributable to alstria office REIT-AG shareholders	29,765	27,917
Maintenance and re-letting	-16,369	-9,159
Adjusted funds from operations (AFFO)³⁾	13,396	18,758
Number of shares (k)	177,142	153,231
FFO per share (EUR k)	0.17	0.18

¹⁾ This is noncash income or expenses plus nonrecurring effects. The main effects during the first quarter of 2017 were the valuation of the limited partner capital (EUR 1,759 k), as well as costs related to the takeover of alstria office Prime (EUR 931 k). The main effects during the first quarter of 2018 were another operating income from the reversal of provisions (EUR 1,100 k), as well as expenses for the valuation of the limited partner capital (EUR 839 k).

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

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

The consolidated net result amounted to EUR 32,352 k in the reporting period and was higher than the consolidated net result from the first quarter of 2017 (EUR 30,897 k). An increase in the other operating result contributed substantially to the increase of the consolidated net result of the Group. The improved result is partially offset by a lower net result on disposals of investment property as well as a lower net loss from fair value adjustments on financial derivatives compared to the first quarter of 2017.

Rental revenues amounted to EUR 48,264 k during the first quarter of 2018 and thus increased by EUR 2,854 k compared to the revenues during the first quarter of the previous year (EUR 45,410 k). The increase mainly results from the acquisition of assets in 2017. Thus, the net rental income of the Group increased by EUR 1,459 k, reaching a total of EUR 41,644 k.

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

Investment properties

The total value of investment properties amounted to EUR 3,429,406 k as of March 31, 2018, compared to EUR 3,331,858 k as of December 31, 2017.

EUR k

Investment properties as of December 31, 2017	3,331,858
Investments	23,108
Acquisitions	54,584
Acquisition costs	2,725
Disposals	0
Reclassifications	-5,510
Net loss/gain from fair value adjustments on investment property	0
Investment portfolio as of March 31, 2018	3,406,765
Advance payments	22,641
Investment properties as of March 31, 2018	3,429,406
Carrying amount of owner-occupied properties	17,686
Fair value of properties held for sale	29,800
Interests in joint ventures	8,721
Carrying amount of immovable assets	3,485,613
Adjustments to fair value of owner-occupied properties	-2,299
Fair value of immovable assets	3,483,314

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

Further key figures of the assets position

As of March 31, 2018, alstria had cash and cash equivalents in the amount of EUR 265,585 k (December 31, 2017: EUR 102,078 k).

The total equity increased by EUR 323,569 k to EUR 2,278,229 k as of March 31, 2018 (December 31, 2017: EUR 1,954,660 k). Of this increase EUR 190,490 k is contributed to the capital increase which took place on January 31, 2018 as well as EUR 96,921 k to the conversions of the convertible bond taking place within the first quarter of 2018 (for further information, please refer to the consolidated statement of changes in equity).

Loans

The loan facilities in place as of March 31, 2018, are as follows:

Liabilities	Maturity	Principal amount	LTV as of	LTV	Principal amount
		drawn as of Mar. 31, 2018 (EUR k)	Mar. 31, 2018 covenant (%)	(%)	drawn as of Dec. 31, 2017 (EUR k)
Loan #1	June 28, 2024	67,000	37.0	55.0	67,000
Loan #2	Apr. 30, 2021	57,744	44.1	60.0	57,975
Loan #3	Mar. 28, 2024	45,900	38.1	60.0	45,900
Loan #4	June 30, 2026	56,000	37.4	65.0	56,000
Loan #5	July 31, 2021	15,074	32.2	60.0	15,113
Total secured loans		241,718	38.4	–	241,988
Bond #1	Mar. 24, 2021	326,800	–	–	326,800
Bond #2	Apr. 12, 2023	325,000	–	–	325,000
Bond #3	Nov. 15, 2027	350,000	–	–	350,000
Convertible bond	June 14, 2018	200	–	–	73,500
Schuldschein 10 y/fix	May 6, 2026	40,000	–	–	40,000
Schuldschein 7 y/fix	May 8, 2023	37,000	–	–	37,000
Schuldschein 4 y/fix	May 6, 2020	38,000	–	–	38,000
Schuldschein 7 y/variable	May 8, 2023	17,500	–	–	17,500
Schuldschein 4 y/variable	May 6, 2020	17,500	–	–	17,500
Revolving credit line	June 15, 2020	–	–	–	–
Total unsecured loans		1,152,000	–	–	1,225,300
Total		1,393,718	40.1		1,467,288
Net LTV			32.5		

4. COVENANT REPORT

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

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

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

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

Furthermore, alstria needs to maintain a ratio of the Consolidated Adjusted EBITDA over Net Cash Interest of no less than 1.80 to 1.00. The calculation and publication of the ratio should be done at every reporting date following the issuance of the bond, starting after the fifth reporting date. The publication first took place in the Annual Report 2016.

EUR k	Q2 2017 – Q1 2018 cumulative
Earnings Before Interest and Taxes (EBIT)	368,211
Net profit/loss from fair value adjustments to investment properties	–181,492
Net profit/loss from fair value adjustments to financial derivatives	10,541
Profit/loss from the disposal of investment properties	–19,087
Other adjustments ¹⁾	3,336
Fair value and other adjustments in joint venture	–30,121
Consolidated Adjusted EBITDA	151,388
Cash interest and other financing charges	–31,491
One-off financing charges	5,035
Net Cash Interest	–26,456
Consolidated Coverage Ratio (min. 1.80 to 1.00)	5.72

¹⁾ Depreciation and amortization and nonrecurring or exceptional items.

As of March 31, 2018, no covenants under the loan agreements and/or the terms and conditions of the bonds/the Schuldschein have been breached.

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

5. RECENT DEVELOPMENTS AND OUTLOOK

Recent developments

On April 12, 2018, alstria announced signing of a new lease for a 2,400 m² office and ancillary space for its development asset Momentum (Am Wehrhahn 33, Düsseldorf). The new lease contract will start on December 1, 2018, and has a maturity of ten years.

Moreover, on April 30, 2018, alstria announced signing of two additional new leases for its development asset Momentum. The first tenant will lease up 1,900 m² office and ancillary space. The 10-year lease will start on March 1, 2019. The second lease comprises 1,400 m² office and ancillary space and was signed for a 5.5 year lease-term. This lease will start on October 1, 2018.

Please refer to the table on page 4 for more details regarding the transactions that have an impact on the current financial year 2018.

Outlook

The first quarter of financial year 2018 proceeded as expected. The statements and forecasts presented in the Group Management Report 2017 concerning the expected development of the Group for financial year 2018 are still valid. Based on the recent transactions and contractual rents, alstria still expects revenues in the amount of EUR 187 m and a FFO of EUR 110 m for fiscal year 2018.

Risk management

The Group is exposed through its business to various risks. For further details, please refer to the Annual Report 2017.

The overall risk situation of alstria has not changed.

DISCLAIMER

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

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to March 31, 2018

EUR k	Q1 2018	Q1 2017
Revenues	48,264	45,410
Income less expenses from passed on operating expenses	-367	91
Real estate operating costs	-6,253	-5,316
Net Rental Income	41,644	40,185
Administrative expenses	-2,136	-1,937
Personnel expenses	-3,506	-2,451
Other operating income	3,378	1,969
Other operating expenses	-1,524	-3,403
Gain from disposal of investment property	560	1,167
Net Operating Result	38,416	35,530
Net financial result	-8,600	-8,624
Share of the result of joint venture	62	322
Net gain from fair value adjustments on financial derivatives	2,471	3,679
Pre-Tax Income (EBT)	32,349	30,907
Income tax expense	3	-10
Consolidated Profit for the period	32,352	30,897
Attributable to:		
Owners of the company	32,352	30,897
Earnings per share in EUR		
<i>based on the profit attributable to alstria's shareholders</i>		
Basic earnings per share	0.20	0.20
Diluted earnings per share	0.19	0.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2018

EUR k	Q1 2018	Q1 2017
Consolidated profit for the period	32,352	30,897
Items which might be reclassified to the income statement in a future period:		
Additions to the revaluation surplus	3,485	0
Other comprehensive result for the period:	3,485	0
Total comprehensive result for the period:	35,897	30,897
Total comprehensive profit/ loss attributable to:		
Owners of the company	35,837	30,897

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at March 31, 2018

ASSETS

EUR k	Mar. 31, 2018	Dec. 31, 2017
Non-Current Assets		
Investment property	3,429,406	3,331,858
Equity-accounted investments	8,720	8,659
Property, plant and equipment	19,169	22,442
Intangible assets	282	313
Financial assets	36,567	36,567
Derivatives	8	14
Total Non-Current Assets	3,494,152	3,399,853
Current Assets		
Trade receivables	13,033	7,153
Tax receivables	43	25
Other receivables	6,951	14,760
Cash and cash equivalents	265,585	102,078
<i>thereof restricted</i>	<i>0</i>	<i>0</i>
Assets held for sale	29,800	60,200
Total Current Assets	315,412	184,216
Total Assets	3,809,564	3,584,069

EQUITY AND LIABILITIES

EUR k	Mar. 31, 2018	Dec. 31, 2017
Equity		
Share capital	177,142	153,962
Capital surplus	1,627,868	1,363,316
Retained earnings	469,734	437,382
Revaluation surplus	3,485	0
Total Equity	2,278,229	1,954,660
Non-Current Liabilities		
Liabilities minority interests	54,673	53,834
Long-term loans, net of current portion	1,382,210	1,381,965
Other provisions	694	1,499
Other liabilities	3,960	4,408
Total Non-Current Liabilities	1,441,537	1,441,706
Current Liabilities		
Liabilities minority interests	38	47
Short-term loans	12,842	86,450
Trade payables	8,140	7,268
Profit participation rights	538	538
Derivatives	69	27,529
Liabilities of current tax	13,685	13,675
Other provisions	2,548	2,992
Other current liabilities	51,938	49,204
Total Current Liabilities	89,798	187,703
Total Liabilities	1,531,335	1,629,409
Total Equity and Liabilities	3,809,564	3,584,069

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from January 1 to March 31, 2018

EUR k	Q1 2018	Q1 2017
1. Operating activities		
Consolidated profit for the period	32,352	30,897
Interest income	-182	-229
Interest expense	8,783	8,853
Result from income taxes	-3	10
Unrealized valuation movements	-1,694	-2,316
Other non-cash expenses (+)/income(-)	244	1,406
Gain (-)/Loss (+) on disposal of fixed assets	-560	-1,165
Depreciation and impairment of fixed assets (+)	178	126
Decrease (+)/Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities	-2,918	-4,269
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities	-4,235	-2,130
Cash generated from operations	31,965	31,183
Interest received	182	229
Interest paid	-8,577	-12,615
Income tax received (+)/paid (-)	13	-10
Net cash generated from operating activities	23,583	18,787
2. Investing activities		
Acquisition of investment properties	-92,007	-13,494
Proceeds from sale of investment properties	44,000	44,840
Payment of transaction cost in relation to the sale of investment properties	-130	0
Acquisition of other property, plant and equipment	-789	-122
Net cash used in / generated from investing activities	-48,926	31,224

EUR k	Q1 2018	Q1 2017
3. Financing activities		
Cash received from equity contributions	193,072	0
Payment of transaction costs of issue of shares	-2,582	0
Payment for the acquisition of minority interest	-9	-10,646
Payments of the redemption of bonds and borrowings	-1,631	-10,869
Net cash used in / generated from financing activities	188,850	-21,515
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	163,507	28,496
Cash and cash equivalents at the beginning of the period	102,078	247,489
Cash and cash equivalents at the end of the period <i>(thereof restricted: EUR 0; previous year: EUR 0)</i>	265,585	275,985

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to March 31, 2018

EUR k	Share capital	Capital surplus	Retained earnings	Revaluation surplus	Total Equity
As of January 1, 2018	153,962	1,363,316	437,382	0	1,954,660
Changes Q1 2018					
Consolidated profit	0	0	32,352	0	32,352
Other comprehensive income	0	0	0	3,485	3,485
Total comprehensive income	0	0	32,352	3,485	35,837
Proceeds from shares issued against contribution in cash	15,323	175,167	0	0	190,490
Share-based remuneration	0	321	0	0	321
Conversion of convertible bond	7,857	89,064	0	0	96,921
As of March 31, 2018	177,142	1,627,868	469,734	3,485	2,278,229

for the period from January 1 to March 31, 2017

EUR k	Share capital	Capital surplus	Retained earnings	Total Equity
As of January 1, 2017	153,231	1,434,812	140,395	1,728,438
Changes in Q1 2017				
Consolidated profit	0	0	30,897	30,897
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	30,897	30,897
Share-based remuneration	0	263	0	263
As of March 31, 2017	153,231	1,435,075	171,292	1,759,598

BUILDING YOUR FUTURE

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