

COMPANY REPORT

2016

Real estate data &
Portfolio valuation

BUILDING YOUR FUTURE



alstria office REIT-AG
www.alstria.com
info@alstria.de

Bäckerbreitergang 75
20355 **Hamburg**, Germany
T +49 (0) 40 / 22 63 41-300
F +49 (0) 40 / 22 63 41-310

Elisabethstrasse 11
40217 **Düsseldorf**, Germany
T +49 (0) 211 / 30 12 16-600
F +49 (0) 211 / 30 12 16-615

Platz der Einheit 1
60327 **Frankfurt / Main**, Germany
T +49 (0) 69 / 153 256-740
F +49 (0) 69 / 153 256-745

Danneckerstrasse 37
70182 **Stuttgart**, Germany
T +49 (0) 711 / 33 50 01-50
F +49 (0) 711 / 33 50 01-55

alstria

Company Report 2016

PROF
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SOL
VENCY

TRANS
PAREN
CY

DIA
LOGUE

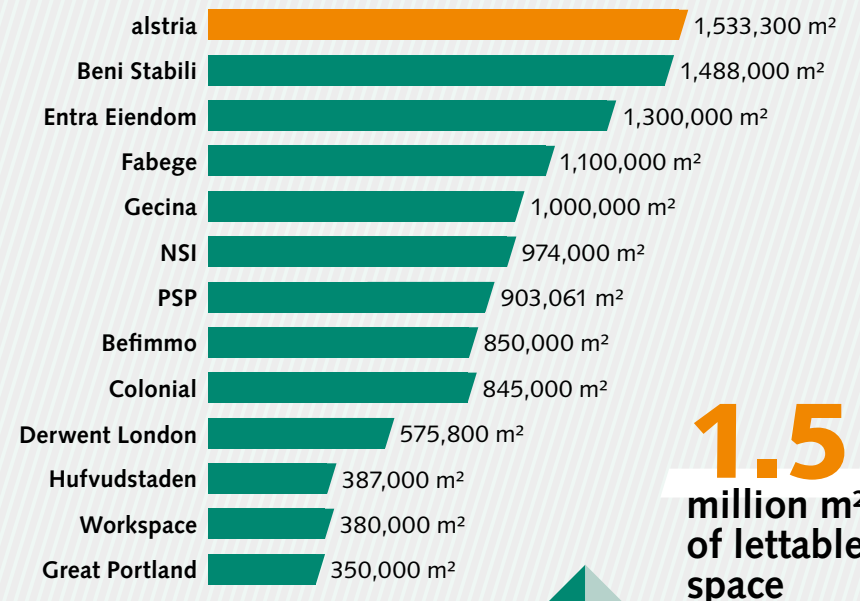
CONTI
NUITY

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PROFILE

LARGEST LISTED REAL ESTATE OPERATOR IN EUROPE

alstria office REIT-AG is the leading real-estate operator focusing solely on German office property in selected German markets. Our strategy is based on the ownership and an active management of our properties throughout their entire life cycle, strong added-value services to our customers and deep knowledge of the markets in which we operate. alstria strives for sustainable long-term value creation while taking advantage of short-term arbitrage of inefficiencies in the real estate markets. The portfolio comprises 108 buildings with a lettable area of 1.5 million m² and a total portfolio value of EUR 3.0 billion.

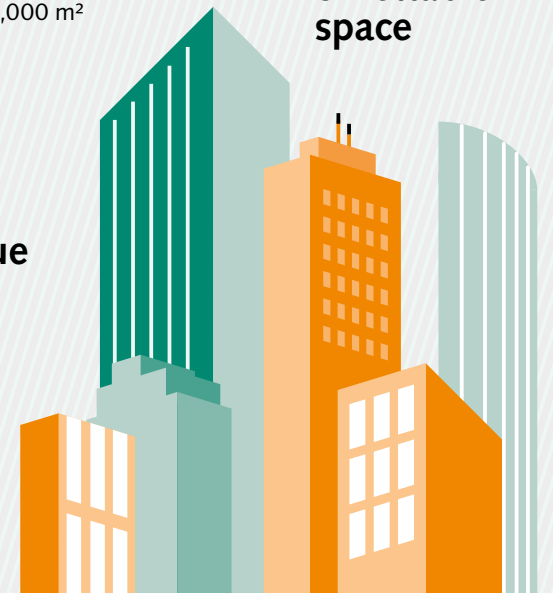


Source: Company information.

3.0
billion EUR
Portfolio value

108
Office buildings

1.5
million m²
of lettable
space



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Glossar
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ALSTRIA AT A GLANCE

Johanniswall 4, Hamburg

The 14,000 m² building is located in the inner city of Hamburg and leased to the City of Hamburg with a remaining lease term of 18 years.



KEY FIGURES – FIVE YEAR OVERVIEW

| EUR k | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|---------------|---------------|
| Revenues and earnings | | | | | |
| Revenues | 202,663 | 115,337 | 101,782 | 104,224 | 101,286 |
| Net rental income | 179,014 | 102,140 | 90,020 | 93,249 | 90,110 |
| Consolidated profit for the period | 176,872 | –110,970 | 36,953 | 38,945 | 39,911 |
| FFO | 116,410 | 59,397 | 47,626 | 45,328 | 43,571 |
| Earnings per share (EUR) | 1.16 | –1.15 | 0.47 | 0.49 | 0.51 |
| FFO per share (EUR) | 0.76 | 0.61 | 0.60 | 0.57 | 0.55 |
| Balance sheet | | | | | |
| | Dec. 31, 2016 | Dec. 31, 2015 | Dec. 31, 2014 | Dec. 31, 2013 | Dec. 31, 2012 |
| Investment property | 2,999,099 | 3,260,467 | 1,645,840 | 1,632,362 | 1,622,988 |
| Total assets | 3,382,633 | 3,850,580 | 1,769,304 | 1,785,679 | 1,786,893 |
| Equity | 1,728,438 | 1,619,377 | 846,593 | 844,114 | 829,287 |
| Liabilities | 1,654,195 | 2,192,916 | 922,711 | 941,565 | 957,606 |
| NAV per share (EUR) | 11.28 | 10.64 | 10.71 | 10.69 | 10.50 |
| Diluted NAV per share (EUR) ¹⁾ | 11.28 | 10.68 | 10.67 | 10.60 | n/a |
| Net LTV (%) | 40.9 | 49.3 | 50.4 | 50.7 | 47.8 |
| G-REIT key figures | | | | | |
| | Dec. 31, 2016 | Dec. 31, 2015 | Dec. 31, 2014 | Dec. 31, 2013 | Dec. 31, 2012 |
| G-REIT ratio (%) | 56.7 | 49.4 | 50.2 | 50.9 | 50.0 |
| Revenues plus other income from investment properties (%) | 100 | 100 | 100 | 100 | 100 |
| EPRA²⁾ key figures | | | | | |
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| EPRA earnings per share (EUR) | 0.57 | 0.42 | 0.59 | 0.57 | 0.55 |
| EPRA cost ratio A (%) ³⁾ | 20.6 | 26.1 | 22.9 | 21.7 | 21.6 |
| EPRA cost ratio B (%) ⁴⁾ | 16.6 | 22.1 | 19.8 | 18.6 | 18.5 |
| | Dec. 31, 2016 | Dec. 31, 2015 | Dec. 31, 2014 | Dec. 31, 2013 | Dec. 31, 2012 |
| EPRA NAV per share (EUR) | 11.31 | 10.91 | 11.22 | 10.97 | 10.98 |
| EPRA NNNNAV per share (EUR) | 10.81 | 10.66 | 10.58 | 10.55 | 10.50 |
| EPRA net initial yield (%) | 5.0 | 5.0 | 4.8 | 5.6 | 5.7 |
| EPRA 'topped-up' initial yield (%) | 5.4 | 5.3 | 5.0 | 5.8 | 5.7 |
| EPRA vacancy rate (%) | 9.2 | 11.2 | 11.0 | 6.8 | 8.0 |

¹⁾ Dilution based on potential conversion of convertible bond.

²⁾ For further information please refer to EPRA Best Practices Recommendations, www.epra.com.

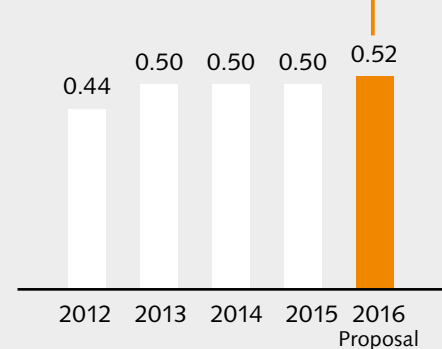
³⁾ Incl. vacancy costs.

⁴⁾ Excl. vacancy costs.

FINANCIAL HIGHLIGHTS

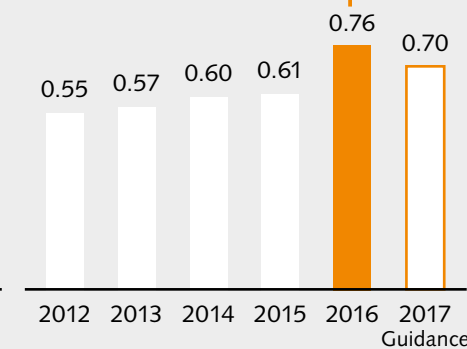
Dividend

0.52
EUR per share



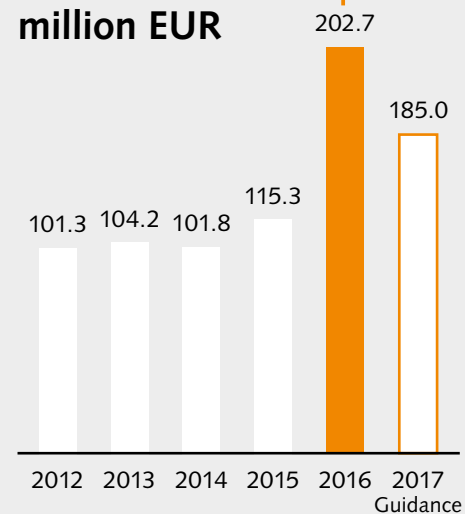
FFO

0.76
EUR per share



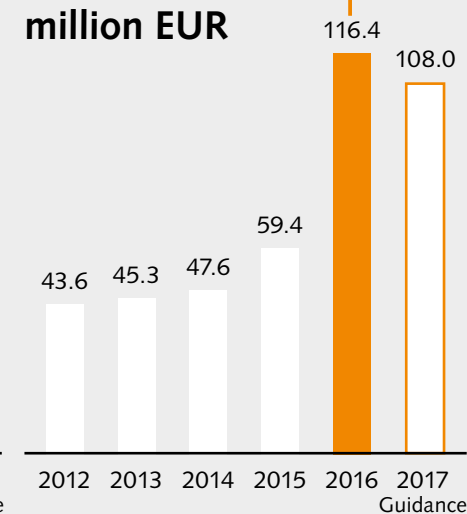
REVENUES

203
million EUR



FFO

116
million EUR



MANAGEMENT LETTER

*Dear ladies and gentlemen,
shareholders, business partners
and tenants,*

2016 was another good year for alstria. The delisting of Deutsche Office concluded its integration in early December. The simplified corporate structure will allow us to generate further efficiency gains going forward and deliver the synergies we announced with the takeover in 2015. We also made significant progress in the operating business. The EPRA vacancy rate is back to being below 10 %, mainly due to significant lettings in the former Deutsche Office portfolio following the implementation of alstria's leasing strategy. Our balance sheet strength has substantially improved over the past twelve months. At 40.9 %, we can report the lowest net LTV in alstria's corporate history, and at 56.7 %, the G-REIT equity ratio is higher than ever before. With the issuance of our second benchmark bond, we concluded the refinancing of the portfolio and reduced our average cost of debt to 2.2 %. Our revenues of EUR 203 million slightly exceeded our forecast of EUR 200 million, and with EUR 116 million, the FFO matched our guidance of EUR 115 million. The full achievement of our targets once again demonstrates the stability and predictability of our business model. Based on our achievements in 2016 and the confidence we have for the operating business going forward, we will propose an increase in our dividend by 4 % to EUR 0.52 per share to our next AGM in May 2017.

Our approach to real estate is much more than just 'buy and hold'. We are active asset managers, and our fully integrated organization puts us in a position to manage assets over their entire life cycle to benefit from the opportunities they offer at each moment in time. Value-creation opportunities lie in the repositioning of buildings, working out problems they might have and using in-house local knowledge to find tailor-made solutions for new and existing tenants.

This active asset-management approach is, on its face, more challenging than a simple 'buy and hold' strategy, but it is the only sustainable way to generate results over time. This has been proven by hard numbers. Over the past ten years, which is alstria's entire corporate history, we acquired, managed and disposed a portfolio of approximately EUR 1 billion, representing approximately 25 % of our total acquisition volume. On the disposed portfolio, we achieved an UIRR (unlevered internal rate of return) of 7.3 %, mainly driven by assets we actively managed. In this report, and as the first European real-estate company, we are publishing the full data for all assets we acquired, managed and sold in the market over the past ten years. We are proud of the results that the company has been achieved over time and are proud to raise the transparency bar in the listed universe to a new level. We are looking forward to discussing the results of our analysis and the prospects of our company with you over the coming months.

As there are many macroeconomic uncertainties, 2017 might be volatile. However, as we have proven in the past, alstria's business model is set up to weather possible storms in the financial markets. Due to the disposal of non-core properties in 2016, our revenues and FFO will decline compared to the prior year's level. We are currently scouting the market for reinvestment opportunities but are still and will always be cautious in our investment approach and strict in our underwriting.

Based on the current portfolio, we expect revenues to amount to EUR 185 million and the FFO to reach EUR 108 million. Despite lower revenues, the efficiency of our company will further improve. We will continue to focus on internal growth opportunities and further optimization of our portfolio.

Kind regards



Olivier Elamine
Chief Executive Officer (CEO)



Alexander Dexne
Chief Financial Officer (CFO)

BUSINESS MODEL

»To invest in real estate all you need is access to capital and a good network.«

»While this was true for many years, it is not sufficient anymore. Today you also need a strong operational capability to be successful in the real estate business.«

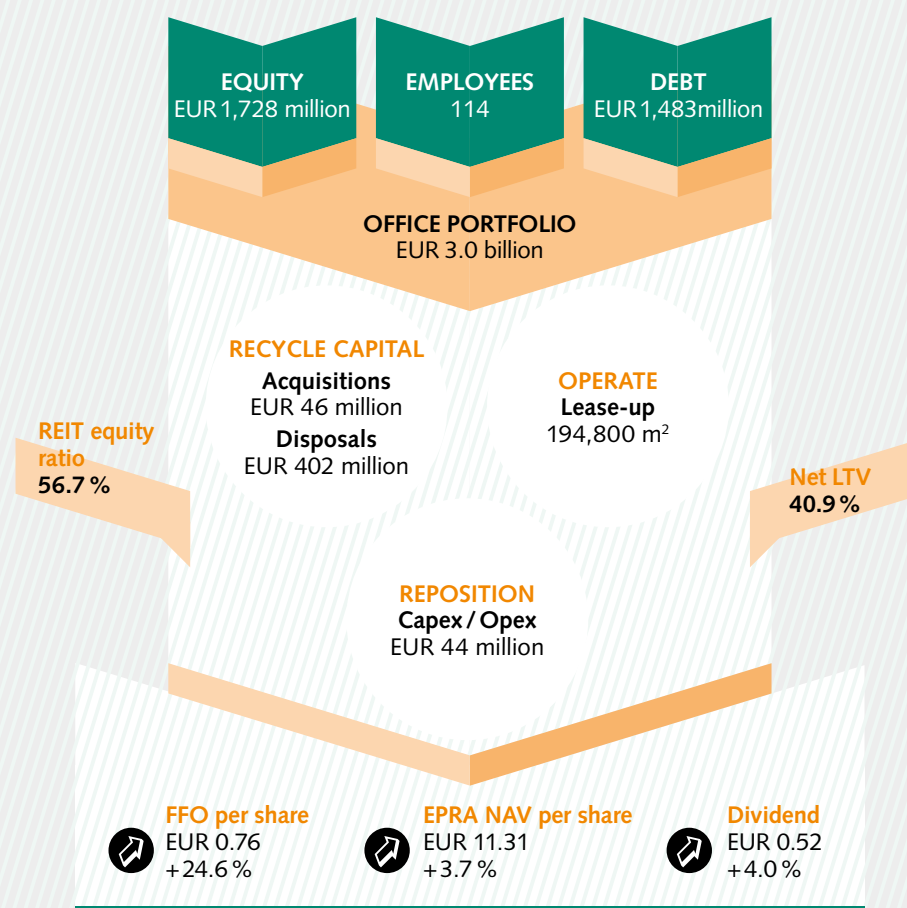
OUR PRINCIPAL OBJECTIVE

We create and manage efficient office space with enduring appeal to our tenants. For our shareholders, we strive to generate superior and sustainable risk-adjusted returns through the active management of our German real estate portfolio.

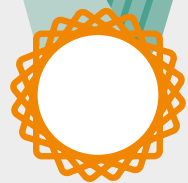
WE ARE AN ACTIVE ASSET MANAGER

We buy and manage office properties in Germany. As a long-term-oriented owner, we focus on the expansion and active management of our property portfolio. We have a fully integrated operating platform and manage the assets throughout their life cycle. Close relationships with our tenants, a high degree of social responsibility and dedicated employees ensure a sustainable revenue base. For our shareholders, our strategy facilitates a stable and predictable cash flow and adequate risk-adjusted returns. We carefully manage risks and consistently seize opportunities. Through the active management of our real estate portfolio and the balanced financing structure, we ensure the strength of our balance sheet, minimize the volatility of our earnings and optimize the risk-return profile of our company. Our investment policy is continuously adjusted to the market situation in order to unlock the best earnings opportunities and secure future returns.

WHAT GOES IN AND WHAT COMES OUT



TARGETS & ACHIEVEMENTS 2016



REDUCE VACANCY

9.2 %
EPRA vacancy rate

When we announced the takeover offer of Deutsche Office in mid-2015, the pro-forma EPRA vacancy rate of the combined portfolio stood at 14.3 %. Our target was to reduce this number to 10 %. With an EPRA vacancy rate of 9.2 % as per December 2016, we are ahead of our plan.



Reduction
in 2016

–200 bps

REFINANCE AND DE-LEVER

40.9 %
Net LTV

In 2016, we concluded the refinancing of Deutsche Office and reduced our cost of debt to 2.2 %, which is substantially below the level prior to the takeover. Moreover, we set ourselves the target of reducing the corporate LTV from around 50 % in 2015 to 45 %. As per December 31, 2016, our net LTV stood at 40.9 %.



Reduction
in 2016

–840 bps

STREAMLINE THE PORTFOLIO

402
EUR million
Disposals

With the takeover of Deutsche Office, we acquired a number of assets that did not fit in our portfolio, either because they were non-office properties or were located in regions outside of our strategic focus. In 2016, we successfully streamlined the portfolio and sold assets worth EUR 402 million at a gain to the recent book value of 7.8 %, representing an UIRR of 8.8 %.



Gain to
book value

7.8 %

IMPROVE EFFICIENCY

16.6 %
EPRA cost ratio

The combination of alstria and Deutsche Office allowed us to realize cost synergies. In 2016, we reduced our EPRA cost ratio to 16.6 % (December 31, 2015: 22.1 %).



Reduction
in 2016

–550 bps

PORTFOLIO KEY INFORMATION

GEOGRAPHIC PORTFOLIO SPLIT AND PORTFOLIO VALUE

as per December 31, 2016

- 📍 Headquarters
- Local offices

Total portfolio

- Investment volume: EUR 3.0 billion
- 🏠 Number of assets: 108
- 📐 Lettable space: 1.5 million m²

Hamburg

- EUR 818 million
- 🏠 32 assets
- 📐 335,000 m²

Rhine / Ruhr

- EUR 844 million
- 🏠 31 assets
- 📐 456,000 m²

Rhine / Main

- EUR 658 million
- 🏠 19 assets
- 📐 290,000 m²

Stuttgart

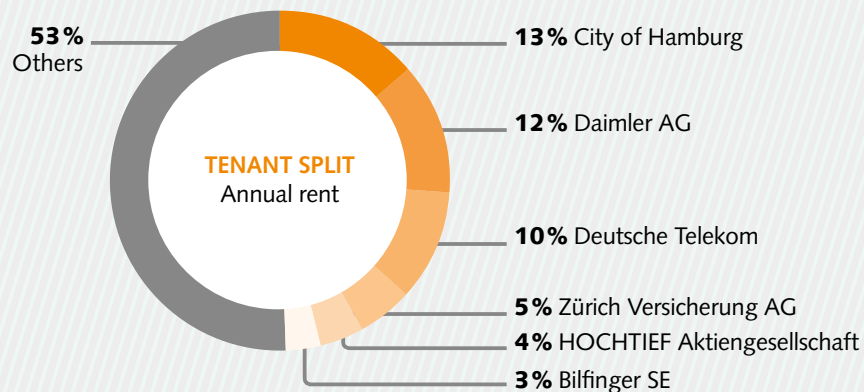
- EUR 425 million
- 🏠 11 assets
- 📐 262,000 m²

Berlin

- EUR 80 million
- 🏠 3 assets
- 📐 34,000 m²

Others

- EUR 196 million
- 🏠 12 assets
- 📐 148,000 m²



PORTFOLIO HIGHLIGHTS

| | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---------------|---------------|
| Number of properties | 108 | 120 |
| Number of joint venture properties | 1 | 1 |
| Market value (EUR m) ¹⁾ | 3,022 | 3,296 |
| Contractual rent (EUR m) | 188.4 | 208.3 |
| Valuation yield (%) | 6.2 | 6.3 |
| Approx. lettable area (m ²) | 1,524,300 | 1,724,100 |
| Vacancy (% of lettable area) | 11.3 | 11.8 |
| Lease length (years) | 4.9 | 5.2 |
| Average value per m ² (EUR) | 1,982 | 1,912 |
| Average rent per m ² (EUR per month) | 11.61 | 11.53 |

¹⁾ Excl. joint venture.

MOVEMENTS PROPERTY PORTFOLIO

| | EUR k |
|---|------------------|
| Investment properties as per Dec. 31, 2015 | 3,260,500 |
| + Transactions (book value) | -365,500 |
| o / w Acquisitions | 9,100 |
| o / w Disposals | -374,600 |
| + Capital expenditure | 31,300 |
| o / w Development portfolio ¹⁾ | 9,100 |
| o / w Investment portfolio | 22,200 |
| + Valuation result | 72,800 |
| o / w Development portfolio ¹⁾ | 22,100 |
| o / w Investment portfolio | 50,700 |
| = Investment properties as per Dec. 31, 2016 | 2,999,100 |
| + Assets held for sale | 14,700 |
| + Fair value of owner occupied properties as per Dec. 31, 2016 | 8,500 |
| = Total portfolio value as per Dec. 31, 2016 (A) | 3,022,300 |
| Market value joint venture²⁾ as per Dec. 31, 2015 | 54,200 |
| + Valuation result | 3,900 |
| + Capital expenditure | 1,300 |
| = Market value joint venture²⁾ as per Dec. 31, 2016 (B) | 59,400 |
| Total property value as per Dec. 31, 2016 (A+B) | 3,081,700 |

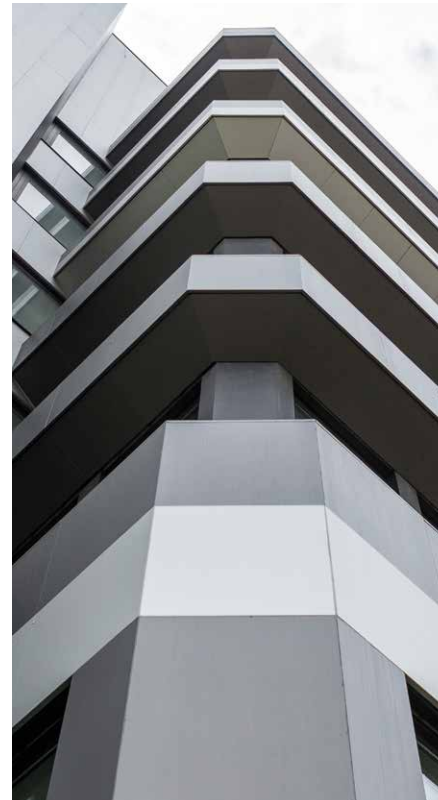
¹⁾ Assets classified as development assets as per Dec. 31, 2015 and 2016.

²⁾ Joint venture @ 49 % share.

PORTFOLIO MANAGEMENT

Emanuel-Leutze-Strasse 11, Düsseldorf

The multi-tenant building is located directly at the Rhine river and currently in the lease-up process.



RENTAL MANAGEMENT

» *Vacancy in a real estate portfolio is a bad thing.* «

» *Vacancy is the primary good we need in order to add value to our assets. Without it, we cannot operate properly. The vacancy rate is a misleading indicator for a real estate operator. The right indicator to look at is the average vacancy period in the portfolio.* «

OUR LEASING STRATEGY

Our assets are located in the major and liquid German office markets. In Hamburg, Düsseldorf, Frankfurt and Stuttgart we run local offices in order to be close to our assets and our tenants. Based on the expertise of our regional teams (consisting of assets managers, property managers and technicians), we actively manage the relationship to our tenants and take care of the buildings we operate. This strategy allows us to generate organic rental growth, even in a flat market environment, and thereby create value for our company and its shareholders.

DOES IT WORK? – YES, IT DOES. IN 2016 WE....

- ... leased 194,800 m².
- ... reduced our EPRA vacancy rate by 200 bps to 9.2 %.
- ... generated EUR 40 million of future rental income.
- ... realized a EPRA like-for-like rental growth of 4.6 %.

OUR LEASING PERFORMANCE 2016

EPRA LIKE-FOR-LIKE RENTAL GROWTH OF 4.6 %

The main impact on the change of our rental income stems from our transaction activities. Depending on if we are a net buyer or net seller in the period under review, our contractual rent goes up or down. Moreover, we are constantly improving our revenue base by using organic growth opportunities. Our sources for internal (like-for-like) growth are mainly our development projects, which allow us to command higher rents after conducting refurbishment measures in our buildings. Also, we deliberately buy vacancy in order to generate value by leasing the vacant space. This is usually the main impact for rental growth in our investment portfolio, as market rents in the broad market still tend to stay flat. The split-up shown in the tables below demonstrates that it takes an active asset management approach to generate rental growth.

CHANGE IN RENTAL INCOME (1 YEAR PERIOD)

| | EUR k | % |
|---|----------------|--------------|
| Contractual rent as per Dec. 31, 2015¹⁾ | 210,608 | 100.0 |
| Transactions (Dec. 31, 2015–Dec. 31, 2016) | –26,555 | –12.6 |
| o / w Rents from acquired assets | 526 | 0.2 |
| o / w Rents from disposed assets | –27,081 | –12.9 |
| Development portfolio (Dec. 31, 2015–Dec. 31, 2016) | –2,598 | –1.2 |
| o / w New leases ²⁾ | 184 | 0.1 |
| o / w Lease terminations ³⁾ | –2,782 | –1.3 |
| Investment portfolio (Dec. 31, 2015–Dec. 31, 2016) | 6,971 | 3.3 |
| o / w New leases | 10,179 | 4.8 |
| o / w Lease expiries | –3,208 | –1.5 |
| Contractual rent as per Dec. 31, 2016 | 188,426 | 89.5 |

¹⁾ Incl. rental income for Gasstr. 18 (Hamburg), which was accounted as prepaid property as per December 31, 2015.

²⁾ Completed development assets in 2016.

³⁾ Development assets 2016 mainly in process of vacation.

CHANGE IN RENTAL INCOME (2 YEAR PERIOD)

| | EUR k | % |
|---|---------------|--------------|
| Contractual rent as per Dec. 31, 2014 | 99,652 | 100.0 |
| Transactions (Dec. 31, 2014–Dec. 31, 2016) | –3,527 | –3.5 |
| o / w Rents from acquired assets | 3,340 | 3.4 |
| o / w Rents from disposed assets | –6,868 | –6.9 |
| Development portfolio (Dec. 31, 2014–Dec. 31, 2016) | –2,669 | –2.7 |
| o / w New leases ¹⁾ | 923 | 0.9 |
| o / w Lease terminations ²⁾ | –3,591 | –3.6 |
| Investment portfolio (Dec. 31, 2014–Dec. 31, 2016) | 4,626 | 4.6 |
| o / w New leases | 6,821 | 6.8 |
| o / w Lease expiries | –2,196 | –2.2 |
| Contractual rent as per Dec. 31, 2016 | 98,081 | 98.4 |

¹⁾ Completed development assets in 2015 and 2016.

²⁾ Development assets 2015 and 2016 vacated for refurbishment purposes.



CHANGE IN RENTAL INCOME (2 YEAR PERIOD PRO FORMA¹⁾)

| | EUR k | % |
|---|----------------|--------------|
| Contractual rent as per Dec. 31, 2014 | 203,936 | 100.0 |
| Transactions (Dec. 31, 2014–Dec. 31, 2016) | –23,069 | –11.3 |
| o / w Rents from acquired assets | 7,128 | 3.5 |
| o / w Rents from disposed assets | –30,197 | –14.8 |
| Development portfolio (Dec. 31, 2014–Dec. 31, 2016) | –2,669 | –1.3 |
| o / w New leases ²⁾ | 923 | 0.5 |
| o / w Lease terminations ³⁾ | –3,591 | –1.8 |
| Investment portfolio (Dec. 31, 2014–Dec. 31, 2016) | 10,228 | 5.0 |
| o / w New leases | 14,110 | 6.9 |
| o / w Lease expiries | –3,882 | –1.9 |
| Contractual rent as per Dec. 31, 2016 | 188,426 | 92.4 |

¹⁾ alstria and Deutsche Office combined.

²⁾ Completed development assets in 2015 and 2016.

³⁾ Development assets 2015 and 2016 vacated for refurbishment purposes.



EFFECTIVE RENT UP TO EUR 9.98 PER m²

The base rent of a leasing contract is what is usually communicated. However, more meaningful for the profitability of a real estate company is the effective rent. We calculate our effective rent by deducting all costs relating to a new lease, comprising cost for the fit-out of the space according to tenant needs (tenant improvements), broker fees and rent concessions (rent-free periods). In 2016, new leasing contracts started for a lettable office area of 53,600 m². The weighted average net effective rent for the new leases amounted to EUR 9.98 per m², and the weighted average lease length (WAULT) was 5.0 years. Therefore, alstria generated a total future rental income of EUR 37.9 million (2015: EUR 56.2 million) through the new leases.

WEIGHTED AVERAGE EFFECTIVE RENT

| per m ² in EUR (new leases) | 2016 | 2015 | 2014 |
|---|-------------|-------------|--------------|
| Base rent | 12.08 | 11.55 | 14.84 |
| Tenant fit-outs | –1.29 | –1.28 | –1.10 |
| Broker fees | –0.52 | –0.08 | –0.19 |
| Rent concessions | –0.29 | –0.32 | –0.14 |
| Effective rent | 9.98 | 9.87 | 13.40 |
| Weighted average lease term (in years) | 5.0 | 7.5 | 11.1 |

EPRA VACANCY RATE DOWN BY 200 bps

Based on the ongoing strengths of the German economy, the leasing market remained very liquid in the course of 2016. The net absorption of 25,400 m² and the net disposal of 5,900 m² of vacancy led to a decline of the EPRA vacancy rate by 200 bps to 9.2 % as per December 31, 2016. Going forward, we expect the vacancy rate to float between 8 % and 12 %, depending on how much vacancy we buy, how many fully leased assets we sell and how many buildings we have under development. We are constantly optimizing the cash flow of our buildings, which requires a certain amount of vacancy for us to work on in order to create value.

VACANCY SCHEDULE

| Investment property | m ² | Vacancy rate ¹⁾ (%) |
|--|----------------------|--------------------------------|
| Total lettable area – Dec. 31, 2015 | (A) 1,684,900 | |
| + Acquired space ²⁾ | 29,500 | |
| – Disposed space ³⁾ | –189,200 | |
| + Net new built space | 700 | |
| – Remeasurements | –1,600 | |
| Total lettable area – Dec. 31, 2016 | (C) 1,524,300 | |
| Vacancy – Dec. 31, 2015 | (B) 198,300 | 11.8 (B/A) |
| + Acquired vacancy | 9,100 | |
| – Disposed vacancy | –15,000 | |
| + Expiries and breaks | 174,100 | |
| – Renewals | –118,200 | |
| – New leases | –76,600 | |
| = Vacancy – Dec. 31, 2016 | (D) 171,700 | 11.3 (D/C) |
| o / w Developments | 35,200 | |
| EPRA vacancy rate⁴⁾ | | 9.2 |



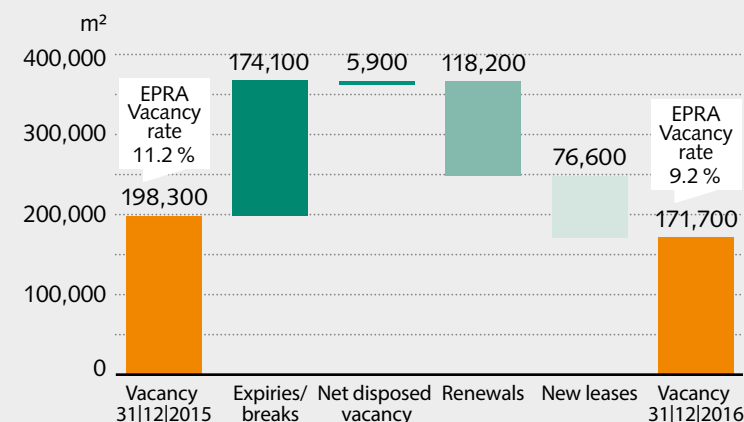
¹⁾ Excl. joint venture.

²⁾ Incl. Gasstr. 18, Hamburg, classified as prepaid property as per Dec. 31, 2015.

³⁾ Disposed assets excl. held for sale as of Dec. 31, 2016.

⁴⁾ Detailed calculation see Table 7 page 111.

NET ABSORPTION OF 25,400 m²



TRANSACTIONS

»As long as there is a positive spread between initial yield and cost of debt a real estate company should buy.«

»Real estate is not a fixed income investment. It is a depreciating asset that requires active management. We do underwrite our assets on UIRR based on full life cycle assessments. Not on initial yield or carry trade considerations.«

OUR CAPITAL RECYCLING STRATEGY

Acquisitions and disposals of real estate assets are part of our core business. We buy real estate assets that offer opportunities in the large liquid office markets in Germany. Potential acquisition targets undergo rigorous due diligence and have to perform on an unlevered basis. Our pricing discipline has remained unchanged, regardless of the current low interest rate environment. If prices are too high, we also take a net-seller position in order to benefit from the market environment. When we acquire real estate assets, we strive for internal rates of return (on an unlevered basis) of 6 % to 12 %, depending on the individual risk of the property. The lower end of the range characterizes a well-let property in an inner city location. The upper end of the range is more the property located on the city fringe with a short lease and / or need for refurbishment.

CAN CAPITAL RECYCLING BE SUCCESSFUL? – YES, IT CAN. IN 2016 WE...

- ... sold assets worth EUR 402 million.
- ... realized an average gain to the recent valuation of 7.8 %.
- ... used the proceeds to substantially de-lever our balance sheet.
- ... achieved an average UIRR of 8.8 % over the holding period.

OUR CAPITAL RECYCLING PERFORMANCE

DISPOSAL VOLUME OF EUR 402 MILLION

Over the course of 2016, we sold 13 buildings for a total consideration of EUR 402 million. Most of it was non-core assets from the acquired portfolio of Deutsche Office, either because the properties did not fit into the asset class office or because they were located in a region that does not fit into our strategy. The sale of the 85,000 m² office building 'An den Treptowers 3' in Berlin was a substantial step to reduce our balance sheet risk. We sold the buildings at an average gain to recent book value of 7.8 %, which again proves the conservative character of our balance sheet. Over the course of the year, we also acquired two assets in Hamburg and Berlin in line with our underwriting criteria. In 2017, we will continue our proven capital recycling strategy.

DISPOSALS

| Asset | City | Disposal price (EUR k) | Lettable area (m ²) | Annual rent (EUR k) | Vacancy rate (%) | Gain to book value (EUR k) |
|--------------------------------------|-------------|------------------------|---------------------------------|---------------------|------------------|----------------------------|
| Wandsbeker Chaussee 220 | Hamburg | 5,920 | 3,200 | 78 | 79.7 | 2,620 |
| Taunusstr. 34–36 | Munich | 26,830 | 11,200 | 1,774 | 0.0 | 430 |
| An den Treptowers 3 | Berlin | 228,431 | 85,400 | 13,996 | 0.9 | 19,131 |
| Ludwig-Erhard-Str. 49 | Leipzig | 9,450 | 6,300 | 832 | 0.0 | 550 |
| Gutenbergstr. 1 | Ismaning | 14,100 | 12,200 | 1,050 | 20.3 | 1,300 |
| Oskar-Messter-Str. 22–24 | Ismaning | 18,400 | 12,400 | 1,304 | 17.2 | 1,700 |
| Bahnhofstr. 1–5 | Heilbronn | 33,650 | 14,800 | 2,161 | 0.1 | 5,250 |
| Feldstr. 16 | Weiterstadt | 7,350 | 14,200 | 442 | 27.8 | 650 |
| Nägelsbachstr. 26 | Erlangen | 11,200 | 11,600 | 1,377 | 5.3 | –7,300 |
| Lina-Ammon-Str. 19 | Nuremberg | 15,100 | 11,200 | 1,075 | 23.0 | 0 |
| Richard-Wagner-Platz 1 | Nuremberg | 17,000 | 6,800 | 998 | 1.1 | 2,600 |
| Max-Eyth-Str. 2 ¹⁾ | Dortmund | 4,200 | 0 | 4 | 0.0 | 400 |
| Zellescher Weg 21–25 a ¹⁾ | Dresden | 10,500 | 6,500 | 695 | 1.1 | 1,800 |
| Total | | 402,131 | 195,800 | 25,786 | 7.8 | 29,131 |

¹⁾ Accounted as assets held for sale as per Dec. 31, 2016.

ACQUISITIONS

| Asset name | City | Acquisition price ¹⁾ (EUR k) | Lettable area (m ²) | Annual rent (EUR k) | Vacancy rate (%) |
|----------------------|---------|---|---------------------------------|---------------------|------------------|
| Gasstr. 18 | Hamburg | 38,000 | 25,100 | 2,336 | 31.6 |
| Tempelhofer Damm 164 | Berlin | 8,350 | 4,000 | 526 | 29.7 |
| Total | | 46,350 | 29,100 | 2,862 | 31.4 |

¹⁾ Excl. transaction costs.

UNLEVERED RETURN OF 8.8 % IN 2016

We measure the performance of our assets over their entire holding period on the basis on an unlevered internal rate of return (UIRR). Through their holding period, the disposed buildings generated an unlevered profit of EUR 59 million and achieved an UIRR (including rent collected and capex spend) of 8.8 %. This is in line with our underwriting criteria.

ACHIEVED UNLEVERED IRR'S

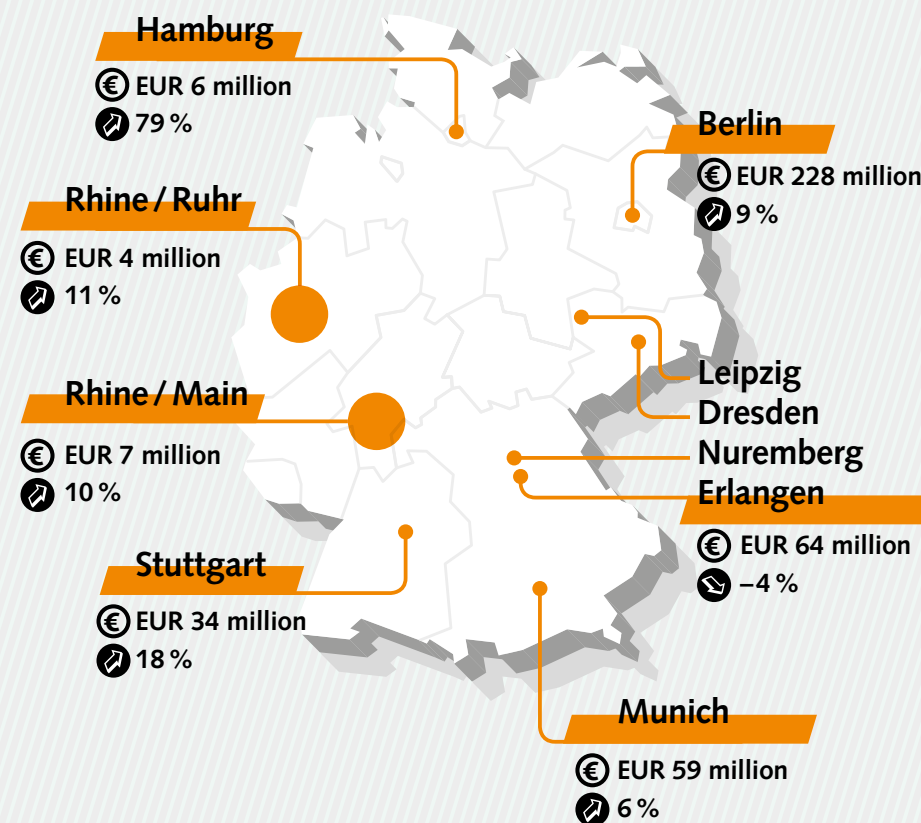
| Asset name | Acquisition price (EUR k) | Holding period | Rent collected (EUR k) | Capex (EUR k) | Disposal price (EUR k) | UIRR ¹⁾ (%) | Unlevered profit (EUR k) |
|------------------------------------|---------------------------|----------------|------------------------|---------------|------------------------|------------------------|--------------------------|
| Wandsbeker Chaussee 220, Hamburg | 5,671 | 2007–16 | 3,026 | 226 | 5,920 | 6.4 | 3,049 |
| Taunusstr. 34–36, Munich | 26,400 | 2015–16 | 1,404 | 28 | 26,830 | 6.9 | 1,806 |
| An den Treptowers 3, Berlin | 209,300 | 2015–16 | 12,188 | 965 | 228,431 | 14.7 | 30,354 |
| Ludwig-Erhard-Str. 49, Leipzig | 10,307 | 2007–16 | 7,746 | 267 | 9,450 | 6.9 | 6,622 |
| Gutenbergstr. 1, Ismaning | 12,800 | 2015–16 | 917 | 465 | 14,100 | 13.9 | 1,752 |
| Oskar-Messter-Str. 22–24, Ismaning | 16,700 | 2015–16 | 1,445 | 8 | 18,400 | 19.0 | 3,137 |
| Bahnhofstr. 1–5, Heilbronn | 28,400 | 2015–16 | 2,224 | 654 | 33,650 | 24.3 | 6,820 |
| Feldstr. 16, Weiterstadt | 6,700 | 2015–16 | 385 | 33 | 7,350 | 15.1 | 1,002 |
| Nägelsbachstr. 26, Erlangen | 18,500 | 2015–16 | 1,526 | 949 | 11,200 | –36.8 | –6,722 |
| Lina-Ammon-Str. 19, Nuremberg | 15,100 | 2015–16 | 1,191 | 0 | 15,100 | 8.0 | 1,191 |
| Richard-Wagner-Platz 1, Nuremberg | 14,400 | 2015–16 | 1,106 | 221 | 17,000 | 24.5 | 3,485 |
| Max-Eyth-Str. 2, Dortmund | 7,791 | 2007–16 | 434 | 73 | 4,200 | –6.1 | –2,805 |
| Zellescher Weg 21–25 a, Dresden | 8,576 | 2006–16 | 7,977 | 212 | 10,500 | 11.0 | 9,689 |
| Total | 380,645 | | 41,571 | 4,103 | 402,131 | 8.8 | 58,954 |

¹⁾ Incl. 6 % transaction costs (excl. DO assets) and 5 % real estate operating expenses.

IT NEEDS LOCAL KNOWLEDGE TO TURN OPPORTUNITIES INTO VALUE

Total disposals 2016

- € Disposal volume: EUR 402 million
- 📈 Gain to book value: 7.8 %
- Average UIRR: 8.8 %



CAPITAL EXPENDITURE

»A new building is better than an old one, as it requires less capex.«

»The speed of depreciation of a real estate asset is not correlated to its age, but rather to the amount of technology that is embedded in it. The more technology, the faster the obsolescence.«

OUR LIFE CYCLE STRATEGY

As a long-term real estate investor, we hold the assets over their entire life cycle. Therefore, we continuously invest in our buildings in order to maintain the quality of our assets. We also conduct heavy duty refurbishments, as at some stage, every building requires substantial development measures in order to start a new life. Over the past years, we built up internal capacities in order to carry out challenging refurbishments. At any given moment in time, we have a number of assets under development, i.e. existing buildings are undergoing a substantial refurbishment process in order to upgrade the buildings to modern standards. Based on our deep real estate knowledge and our local expertise, we are in the position to take the development risk, which is usually rewarded with the respective development profit.

IS CAPEX REWARDING? – YES, IT IS. IN 2016 WE...

- ... concluded our developments of Mundsburg Center and Harburger Ring in Hamburg. Rents will go up by EUR 1.0 million, and the combined value of the properties increased by EUR 17.7 million.
- ... started construction on our 'Wehrhahn-Center' Project in Düsseldorf, which will be highly value accretive and will be delivered in the first half of 2018.
- ... vacated and started construction on our 'Bieberhaus' project in Hamburg, which will lead to a substantial increase in rents after delivery in 2018.

OUR DEVELOPMENT PIPELINE

CAPEX / OPEX VOLUME OF EUR 44 MILLION

The total amount spent for substantial and value-enhancing capex measures was EUR 9.1 million in 2016. This amount is volatile from one year to another because it depends on the projects themselves and their current position in their life cycle. In 2016, we transferred two development projects in Hamburg (Mundsburg Center at Hamburger Strasse 1–15 and Harburger Ring 17) from our development portfolio to the investment portfolio. The combined capex on both developments was EUR 16.2 million, and the expected incremental rent (compared to the situation before the refurbishment) amounts to EUR 1.0 million. The yield on cost for the projects concluded in 2016 is 6.3 % and therefore meets our return expectations. In 2017, we will continue to invest around EUR 50 million into our development pipeline.

In our standing investment portfolio (like-for-like), we invest money within the context of new lettings. Capex related to new leases amounted to EUR 22.2 million in 2016 and was up compared to the prior year period. Of the capitalized amount relating to new lettings, the major part was related to tenant fit-outs (EUR 11.5 million) and broker fees (EUR 3.3 million). In general, we do not capitalize interest or personnel cost. Furthermore, we spent opex on our buildings through smaller refurbishments (EUR 8.1 million) and ongoing repairs (EUR 4.4 million), which are recognized in our P&L and our FFO. All in all, we spent a total of EUR 43.7 million (excluding acquisitions) on our assets in 2016.

PROPERTY RELATED CAPEX / OPEX

| EUR k | 2016 | 2015 |
|--|---------------|---------------|
| Acquisitions | 46,350 | 11,576 |
| Development capex | 9,050 | 29,952 |
| Like-for-like portfolio capex (re-letting) | 22,226 | 11,733 |
| o / w Tenant fit-outs | 11,527 | 9,582 |
| o / w Broker fees | 3,298 | 744 |
| o / w capitalised interest | 0 | 0 |
| o / w other cost | 7,401 | 1,407 |
| Capital expenditure | 31,277 | 41,686 |
| Maintenance expenses ¹⁾ | 8,056 | 4,280 |
| Running repairs ¹⁾ | 4,357 | 1,605 |
| Operating expenditure | 12,413 | 5,885 |
| Total Capex / Opex | 43,690 | 47,570 |

¹⁾ Incl. in P&L and FFO.

DEVELOPMENTS

| Asset name | City | Status | Acquisition price ¹⁾ (EUR k) | Rent collected ¹⁾ (EUR k) | Cost to date (EUR k) | Book value as per Dec. 31, 2016 (EUR k) | Cost to complete (EUR k) | Total capex (EUR k) | Forecast total cost (EUR k) | ERV on completion (EUR k) | Forecast completion date |
|--------------------|------------|--------------|--|---|-------------------------|---|--------------------------------|------------------------|-----------------------------------|---------------------------------|--------------------------------|
| Am Wehrhahn 33 | Düsseldorf | Construction | 29,400 | 10,076 | 3,500 | 55,250 | 31,600 | 35,100 | 64,500 | 4,640 | Q1 2018 |
| Ernst-Merck-Str. 9 | Hamburg | Construction | 44,600 | 16,657 | 700 | 32,835 | 18,000 | 18,700 | 63,300 | 2,700 | Q1 2018 |
| Amsinckstr. 28 | Hamburg | Planning | 14,000 | 8,331 | 0 | 12,975 | n/a | n/a | n/a | n/a | n/a |
| Amsinckstr. 34 | Hamburg | Planning | 10,700 | 6,303 | 0 | 9,620 | n/a | n/a | n/a | n/a | n/a |
| Total | | | 98,700 | 41,366 | 4,200 | 110,680 | 49,600 | 53,800 | 127,800 | 7,340 | |

¹⁾ Incl. transaction costs of 6 % and real estate operating expenses of 5 %.

4 % OF THE TOTAL PORTFOLIO IS CURRENTLY UNDER DEVELOPMENT

In 2017, we will continue to work on our existing development pipeline, which currently comprises four buildings with a total lettable area of 55,100 m². Our main project is the 30-year-old Wehrhahn Center located in the inner city of Düsseldorf, which we acquired in 2012. The 23,200 m² office building is undergoing a substantial refurbishment. The refurbishment will include a complete restructuring of the office and retail space, the installation of a new facade and a possible use of available land in the backyard of the building. All in all, we plan to invest EUR 35 million into the building over the next two years. The second biggest development, Bieberhaus (Ernst-Merck-Str. 9), is located in the inner city of Hamburg. Here, we are upgrading 12,000 m² of office space to modern standards.

BIEBERHAUS – ERNST-MERCK-STRASSE 9, HAMBURG

The Bieberhaus is a historical building located in the inner city of Hamburg. After the refurbishment of the Ohnsorg theatre in 2010 we started to modernize the 12,000 m² of office space.



YESTERDAY: WEHRHAHN CENTER – TODAY: MOMENTUM

The former Wehrhahn Center, which was built in 1983, is situated in the well-established city submarket. alstria acquired the complex of buildings, which consists of five interconnected parts, as part of a portfolio transaction. While the basement of each building hosts retail areas, the other six stories contain office space. The two underground car parks, which are situated in two of the basements, provide space for 487 vehicles. Since the office spaces no longer meet the current demands regarding building services and flexibility, alstria decided to fundamentally revitalize the building. This comprises, among others, the total gutting of the building down to the shell construction and the application of a new façade with a modern axis grid, which allows a highly flexible and complete restructuring of the office floorplans. The new building technology corresponds to the highly flexible new design. Apart from the office areas, the new two-story entrances will be highlighted. Partial heightening of particular building parts, efficient building equipment and the design of roof terraces will heighten the lettable area. The refurbishment, which started in March 2016, is expected to be completed in the first half of 2018. The new name is Momentum.



VALUATION

»Yield compression is driving values.«

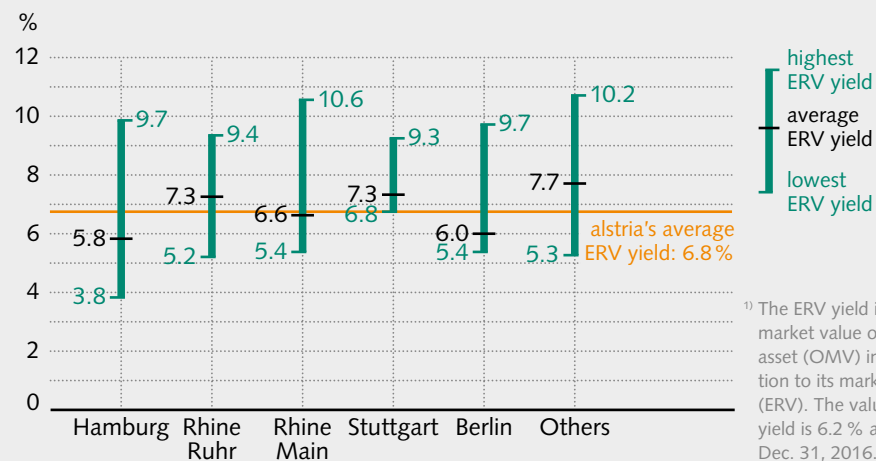
»Yield compression reflects change in the underlying real estate market which is outside of the control of the company. We focus our attention on what we can control, and underwrite our assets assuming no movement in the underlying markets. If yield compression happens, it only enhances our returns.«

YIELDS RANGE FROM 3.8 % TO 10.6 %

The graph below illustrates the ERV yields of our portfolio (excluding development projects). The bar represents the range between the asset with the lowest yield and the building with the highest yield in the respective region. The yield within the range represents the average ERV yield of the respective local sub-portfolio. Usually, the lower end of the range represents assets with longer term leases and the higher end of the range represents the valuation of properties with shorter leases in each region.

RANGE OF ERV YIELDS¹⁾ IN ALSTRIA'S PORTFOLIO

as per December 31, 2016



¹⁾ The ERV yield is the market value of the asset (OMV) in relation to its market rent (ERV). The valuation yield is 6.2 % as per Dec. 31, 2016.

NET VALUATION UPLIFT OF EUR 0.50 PER SHARE

At least once a year, we do an external audit by Colliers International and CBRE for our entire real estate portfolio (for the valuation report, see page 76–105). For the total portfolio, the annual revaluation process led to a total uplift of EUR 76.7 million in the course of 2016 (including JV). 61 buildings experienced an increase in value amounting to EUR 119.2 million in total, while 40 buildings were devalued at a total amount of EUR 42.5 million. Meaningful valuation gains related to the projects with significant capex spending and /or new leases. Valuation losses usually reflect shorter lease contracts. Market-driven yield compression did not have a major impact on our valuation levels.



Darwinstr. 14–18, Berlin

The value of the building increased by EUR 32.9 million (+ 107 %) after the signing of a 10 year lease with the city of Berlin (current yield 5.4 %).



Solmsstr. 27–37, Frankfurt am Main

The value of the building decreased by EUR 8.1 million (–9.9 %) after the tenant terminated the existing lease (current yield: 6.75 %).



PORTFOLIO OVERVIEW

| | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015/2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|---|--------------------------------|----------------------|-----------------|------------------------------|----------------------------|----------------------------|-------------------|------------------|--|---|
| Total portfolio on balance sheet | 1,524,300 | 1,211,700 | 171,700 | 188,426,100 | 203,814,900 | 3,022,340,000 | 31,277,000 | 4.9 | 2.4 | 4.2 |
| JV (49 % share) off balance sheet | 9,000 | 6,400 | 300 | 2,623,000 | 2,725,600 | 59,437,000 | 1,342,500 | 8.3 | 1.5 | 9.6 |
| Total portfolio | 1,533,300 | 1,218,100 | 172,000 | 191,049,100 | 206,540,500 | 3,081,777,000 | 32,619,500 | 5.0 | 2.4 | 4.3 |

INVESTMENT PORTFOLIO

| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015/2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|--|---------|----------|--------------------------------|----------------------|-----------------|------------------------------|----------------------------|----------------------------|------------------|------------------|--|---|
| Hamburg | | | | | | | | | | | | |
| Alte Königstrasse 29–39 | Hamburg | Colliers | 4,300 | 3,600 | 0 | 592,800 | 568,200 | 11,580,000 | 0 | 9.4 | 0.0 | 2.3 |
| Alter Steinweg 4 / Wexstrasse 7 | Hamburg | Colliers | 32,000 | 28,000 | 0 | 4,176,700 | 4,749,500 | 92,815,000 | 833,200 | 9.4 | 0.0 | 6.0 |
| Bäckerbreitergang 73–75 ²⁾ | Hamburg | Colliers | 2,700 | 2,600 | 0 | 183,300 | 548,400 | 9,475,000 | 7,000 | 1.7 | –1.7 | 7.7 |
| Basselweg 73 | Hamburg | Colliers | 2,700 | 1,900 | 0 | 275,600 | 291,600 | 5,330,000 | 0 | 8.6 | 0.5 | 4.5 |
| Besenbinderhof 41 | Hamburg | Colliers | 5,000 | 3,500 | 0 | 562,600 | 502,800 | 6,820,000 | 1,800 | 1.7 | 3.0 | –1.9 |
| Borsteler Chaussee 111–113 | Hamburg | CBRE | 6,800 | 3,600 | 100 | 751,700 | 740,200 | 12,400,000 | 32,000 | 3.9 | 1.1 | 10.7 |
| Buxtehuder Strasse 9, 9a, 11, 11a | Hamburg | Colliers | 7,700 | 5,100 | 1,500 | 579,100 | 616,800 | 10,450,000 | 0 | 9.4 | 0.0 | 4.5 |
| Drehbahn 36 | Hamburg | Colliers | 25,700 | 20,200 | 0 | 3,431,400 | 3,528,000 | 80,500,000 | 0 | 19.4 | 0.0 | 6.2 |
| Garstedter Weg 13 | Hamburg | Colliers | 3,600 | 2,700 | 0 | 363,100 | 360,000 | 6,550,000 | 0 | 4.4 | 0.0 | 0.0 |
| Gasstrasse 18 | Hamburg | Colliers | 25,100 | 19,300 | 7,900 | 2,063,600 | 3,648,900 | 37,000,000 | 365,300 | 2.9 | –11.7 | –2.6 |
| Grindelberg 62–66 | Hamburg | Colliers | 18,400 | 17,400 | 0 | 2,197,900 | 2,238,000 | 44,320,000 | 0 | 9.4 | 0.0 | 6.5 |
| Hamburger Strasse 1–15 (MOT) | Hamburg | Colliers | 9,500 | 8,300 | 400 | 1,809,900 | 1,772,200 | 26,245,000 | 225,500 | 5.5 | 6.1 | 7.1 |
| Hamburger Strasse 1–15 (MUC) | Hamburg | Colliers | 12,700 | 0 | 900 | 2,158,300 | 2,617,500 | 35,950,000 | 1,731,100 | 6.7 | –10.3 | 11.0 |
| Hammer Steindamm 129 | Hamburg | Colliers | 7,200 | 6,300 | 0 | 576,900 | 633,000 | 10,700,000 | 0 | 9.4 | 0.0 | 2.9 |
| Harburger Ring 17 | Hamburg | Colliers | 3,500 | 1,700 | 400 | 444,000 | 524,800 | 7,100,000 | 2,909,200 | 6.5 | > 100 | 136.7 |
| Heidenkampsweg 51–57 | Hamburg | CBRE | 10,200 | 9,400 | 1,300 | 1,330,500 | 1,456,300 | 23,200,000 | 767,000 | 3.9 | 4.2 | 4.5 |
| Herthastrasse 20 | Hamburg | Colliers | 3,300 | 2,700 | 0 | 312,200 | 334,800 | 5,565,000 | 0 | 4.4 | 0.0 | 1.2 |
| Johanniswall 4 | Hamburg | Colliers | 14,100 | 10,500 | 0 | 1,813,000 | 1,693,900 | 44,250,000 | 0 | 17.8 | 0.0 | 3.6 |
| Kaiser-Wilhelm-Strasse 79–87 | Hamburg | Colliers | 5,600 | 4,300 | 100 | 1,115,800 | 1,131,400 | 21,000,000 | 382,200 | 3.8 | 7.6 | 5.0 |
| Kattunbleiche 19 | Hamburg | Colliers | 12,400 | 9,800 | 0 | 1,598,200 | 1,434,000 | 35,530,000 | 125,200 | 19.4 | 0.0 | 2.7 |
| Ludwig-Rosenberg-Ring 41 | Hamburg | Colliers | 5,000 | 3,600 | 0 | 479,800 | 566,400 | 6,845,000 | 0 | 0.1 | 0.0 | –0.4 |
| Max-Brauer-Allee 89–91 | Hamburg | Colliers | 9,800 | 7,000 | 0 | 951,500 | 957,000 | 19,225,000 | 0 | 9.4 | 0.0 | 5.0 |
| Nagelsweg 41–45 | Hamburg | Colliers | 6,700 | 6,000 | 0 | 909,400 | 997,200 | 14,745,000 | 0 | 3.2 | 0.0 | 1.9 |
| Öjendorfer Weg 9–11 | Hamburg | Colliers | 6,100 | 5,900 | 0 | 592,800 | 684,200 | 10,425,000 | 3,100 | 9.4 | 0.0 | 4.3 |
| Rahlstedter Strasse 151–157 | Hamburg | Colliers | 2,900 | 2,900 | 0 | 306,700 | 324,000 | 5,225,000 | 57,800 | 9.4 | 0.0 | 0.3 |
| Schaartor 1 | Hamburg | Colliers | 5,200 | 4,400 | 0 | 913,500 | 904,200 | 17,650,000 | –124,900 | 5.2 | 0.2 | –1.9 |
| Steinstrasse 10 | Hamburg | Colliers | 26,800 | 22,200 | 0 | 3,432,300 | 3,336,000 | 76,000,000 | 0 | 9.4 | 0.0 | 5.1 |
| Steinstrasse 5–7 | Hamburg | Colliers | 22,000 | 17,800 | 3,000 | 3,609,900 | 4,519,400 | 74,250,000 | 6,500 | 10.1 | –9.6 | –1.0 |
| Süderstrasse 24 | Hamburg | Colliers | 6,500 | 6,200 | 0 | 849,700 | 810,700 | 11,835,000 | 300 | 1.9 | 2.0 | 2.9 |
| Total | | | 303,500 | 236,900 | 15,600 | 38,382,200 | 42,489,400 | 762,980,000 | 7,322,300 | 9.2 | –0.5 | 4.5 |
| Grosse Bleichen 23–27 ³⁾ (JV, off balance sheet) | Hamburg | Colliers | 9,000 | 6,400 | 300 | 2,623,000 | 2,725,600 | 59,437,000 | 1,342,500 | 1.9 | 1.5 | 9.6 |
| Total (incl. Joint venture) | | | 312,500 | 243,300 | 15,900 | 41,005,200 | 45,215,000 | 822,417,000 | 8,664,800 | 9.2 | –0.4 | 4.9 |

¹⁾ According to the year-end valuation from Colliers International UK LLP and CBRE GmbH.

²⁾ Own used property, partly classified as property, plant and equipment.

³⁾ Joint venture asset (accounted at 49 %).

INVESTMENT PORTFOLIO

| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015/2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|-------------------------------------|----------------|----------|--------------------------------|----------------------|-----------------|------------------------------|----------------------------|----------------------------|------------------|------------------|--|---|
| Rhine-Ruhr | | | | | | | | | | | | |
| Alfredstrasse 234–238 | Essen | CBRE | 30,300 | 27,700 | 0 | 5,664,600 | 3,877,900 | 70,500,000 | 0 | 3.0 | 0.0 | –2.2 |
| Am Seestern 1 | Düsseldorf | CBRE | 36,200 | 31,800 | 24,200 | 1,159,600 | 5,310,700 | 55,100,000 | 833,800 | 4.6 | 23.6 | –5.3 |
| An den Dominikanern 6 | Cologne | CBRE | 27,500 | 0 | 0 | 3,176,700 | 3,867,500 | 63,900,000 | 0 | 3.6 | –15.4 | 6.0 |
| Bamlerstrasse 1–5 | Essen | Colliers | 33,900 | 29,100 | 800 | 3,805,300 | 3,545,700 | 50,500,000 | 330,100 | 3.9 | 2.9 | 3.1 |
| Berliner Strasse 91 | Ratingen | CBRE | 33,900 | 24,100 | 5,900 | 3,842,100 | 3,936,600 | 51,300,000 | 413,000 | 7.4 | 3.5 | 0.8 |
| Carl-Schurz-Strasse 2 | Neuss | CBRE | 12,700 | 12,700 | 500 | 1,263,100 | 1,222,500 | 13,500,000 | 115,100 | 2.7 | –4.2 | 0.0 |
| Earl-Bakken-Platz 1 | Meerbusch | CBRE | 8,000 | 7,200 | 0 | 1,380,800 | 964,100 | 15,000,000 | 0 | 2.7 | 0.0 | –3.2 |
| Elisabethstrasse 5–11 ²⁾ | Düsseldorf | Colliers | 10,800 | 9,500 | 700 | 1,971,300 | 1,948,900 | 36,450,000 | 53,200 | 6.2 | –0.6 | 5.7 |
| Emanuel-Leutze-Strasse 11 | Düsseldorf | Colliers | 8,100 | 7,300 | 4,800 | 436,500 | 1,009,500 | 11,055,000 | 806,800 | 1.5 | 115.9 | 7.1 |
| Friedrichstrasse 19 | Düsseldorf | Colliers | 2,200 | 1,300 | 200 | 335,500 | 368,300 | 4,850,000 | 78,600 | 5.0 | 4.1 | 1.8 |
| Gartenstrasse 2 | Düsseldorf | CBRE | 5,000 | 5,000 | 300 | 961,400 | 867,800 | 13,000,000 | 121,000 | 3.9 | 4.4 | 3.2 |
| Gathe 78 | Wuppertal | Colliers | 8,400 | 4,100 | 500 | 897,700 | 872,200 | 10,500,000 | 102,100 | 4.4 | 8.4 | –4.5 |
| Georg-Glock-Strasse 18 | Düsseldorf | Colliers | 10,400 | 9,800 | 0 | 2,103,300 | 1,815,600 | 25,500,000 | 0 | 1.0 | 0.0 | 0.0 |
| Gereonsdriesch 13 | Cologne | Colliers | 2,500 | 2,100 | 0 | 355,900 | 352,100 | 5,500,000 | 0 | 1.2 | 0.1 | 3.8 |
| Graf-Adolf-Strasse 67–69 | Düsseldorf | CBRE | 5,400 | 3,300 | 1,400 | 472,800 | 578,100 | 7,500,000 | 14,400 | 3.2 | –2.6 | 0.0 |
| Hansaallee 247 | Düsseldorf | Colliers | 4,400 | 4,300 | 400 | 582,700 | 725,700 | 9,500,000 | 15,600 | 3.9 | 8.2 | 2.2 |
| Hans-Böckler-Strasse 36 | Düsseldorf | Colliers | 7,700 | 6,500 | 0 | 975,500 | 1,018,700 | 19,550,000 | 0 | 12.1 | 4.2 | 8.6 |
| Heerdter Lohweg 35 | Düsseldorf | CBRE | 37,700 | 33,700 | 7,500 | 5,083,100 | 5,505,400 | 76,500,000 | 309,500 | 1.4 | –7.4 | –4.0 |
| Horbeller Strasse 11 | Cologne | Colliers | 6,300 | 5,800 | 0 | 646,100 | 743,600 | 8,350,000 | 125,800 | 2.0 | 1.0 | 9.9 |
| Immermannstrasse 40 | Düsseldorf | Colliers | 8,200 | 7,200 | 1,000 | 1,073,400 | 1,482,500 | 17,125,000 | 278,200 | 2.0 | 9.6 | 2.4 |
| Ivo-Beucker-Strasse 43 | Düsseldorf | Colliers | 8,000 | 7,700 | 0 | 1,013,300 | 1,075,300 | 11,500,000 | 0 | 2.7 | 1.5 | 4.5 |
| Jagenbergstrasse 1 | Neuss | Colliers | 20,400 | 18,100 | 4,500 | 1,503,800 | 1,879,800 | 21,700,000 | 0 | 4.8 | 8.9 | –8.1 |
| Josef-Wulff-Strasse 75 | Recklinghausen | CBRE | 19,900 | 0 | 0 | 1,900,000 | 2,263,400 | 31,000,000 | 0 | 4.2 | 0.0 | 0.0 |
| Kaistrasse 16, 16a, 18 | Düsseldorf | Colliers | 9,300 | 8,900 | 1,300 | 1,841,400 | 2,047,500 | 28,700,000 | 490,500 | 3.2 | 44.0 | 4.2 |
| Kampstrasse 36 | Dortmund | CBRE | 3,200 | 1,400 | 1,700 | 372,700 | 607,800 | 9,300,000 | 0 | 3.3 | –17.9 | –2.1 |
| Karlstrasse 123–127 | Düsseldorf | Colliers | 5,700 | 5,200 | 0 | 750,100 | 792,000 | 12,000,000 | 0 | 6.5 | 0.2 | 4.3 |
| Maarweg 165 | Cologne | CBRE | 22,800 | 20,400 | 3,800 | 2,707,900 | 3,106,900 | 45,000,000 | 423,900 | 2.5 | 2.8 | 3.0 |
| Max-Eyth-Strasse 2 ³⁾ | Dortmund | Colliers | 0 | 6,600 | 0 | 3,500 | 0 | 4,200,000 | 0 | 1.0 | 0.0 | 10.5 |
| Opernplatz 2 | Essen | CBRE | 24,300 | 24,300 | 0 | 2,801,700 | 2,128,400 | 36,200,000 | 0 | 6.0 | 9.6 | 0.0 |
| Pempelfurtstrasse 1 | Ratingen | CBRE | 19,100 | 17,000 | 8,400 | 1,379,800 | 1,807,300 | 24,400,000 | 84,100 | 3.7 | 2.2 | 0.0 |
| Total | | | 432,300 | 335,500 | 67,900 | 50,461,600 | 55,721,800 | 789,180,000 | 4,595,700 | 3.9 | 1.8 | 0.6 |

¹⁾ According to the year-end valuation from Colliers International UK LLP and CBRE GmbH.

²⁾ Own used property, partly classified as property, plant and equipment.

³⁾ Accounted as asset held for sale.

INVESTMENT PORTFOLIO

| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015/2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|-----------------------------------|--------------|----------|--------------------------------|----------------------|-----------------|------------------------------|----------------------------|----------------------------|------------------|------------------|--|---|
| Rhine-Main | | | | | | | | | | | | |
| Am Hauptbahnhof 6 | Frankfurt | CBRE | 7,700 | 5,900 | 500 | 1,460,900 | 1,441,600 | 25,100,000 | 27,800 | 4.3 | -0.1 | 3.7 |
| Berner Strasse 119 | Frankfurt | CBRE | 14,700 | 12,600 | 2,900 | 1,464,500 | 1,515,200 | 20,400,000 | 439,300 | 5.2 | 11.9 | 2.5 |
| Deutsche Telekom Allee 7 | Darmstadt | CBRE | 24,700 | 23,300 | 0 | 3,539,400 | 3,381,100 | 46,700,000 | 0 | 3.4 | 1.0 | -1.5 |
| Eschersheimer Landstrasse 55 | Frankfurt | CBRE | 8,700 | 8,100 | 4,100 | 1,596,000 | 1,726,900 | 27,400,000 | 5,000 | 2.7 | -2.1 | 0.4 |
| Frankfurter Strasse 71-75 | Eschborn | CBRE | 6,700 | 2,300 | 1,400 | 1,000,200 | 1,291,500 | 15,700,000 | 119,700 | 17.8 | -12.0 | 0.0 |
| Goldsteinstrasse 114 | Frankfurt | Colliers | 8,400 | 7,900 | 6,800 | 229,900 | 1,154,400 | 15,330,000 | 0 | 4.3 | -79.2 | 2.2 |
| Gustav-Nachtigal-Strasse 3 | Wiesbaden | Colliers | 18,500 | 16,500 | 0 | 2,626,400 | 2,157,500 | 27,750,000 | 3,400 | 1.2 | 0.4 | 0.0 |
| Gustav-Nachtigal-Strasse 4 | Wiesbaden | Colliers | 800 | 700 | 800 | 27,600 | 114,300 | 1,260,000 | 0 | 4.2 | -4.3 | 0.0 |
| Hauptstrasse 45 | Dreieich | CBRE | 8,100 | 6,600 | 100 | 1,360,700 | 993,900 | 23,000,000 | 1,100 | 10.8 | 1.3 | 11.7 |
| Instenburger Strasse 16 | Frankfurt | Colliers | 13,200 | 13,000 | 0 | 1,777,300 | 1,764,600 | 27,490,000 | 231,600 | 5.0 | 19.1 | 4.1 |
| Mainzer Landstrasse 33a | Frankfurt | Colliers | 3,200 | 2,800 | 1,200 | 402,200 | 577,600 | 9,600,000 | 462,900 | 3.9 | 273.2 | -0.4 |
| Mergenthalerallee 45-47 | Eschborn | CBRE | 5,100 | 4,800 | 2,700 | 219,000 | 532,500 | 5,300,000 | 0 | 1.3 | 22.7 | -1.9 |
| Olof-Palme-Strasse 37 | Frankfurt | CBRE | 10,400 | 9,300 | 0 | 1,495,600 | 1,486,800 | 21,500,000 | 0 | 4.0 | 0.0 | 4.9 |
| Platz der Einheit 1 ²⁾ | Frankfurt | CBRE | 30,600 | 28,700 | 7,900 | 5,792,500 | 6,463,500 | 120,200,000 | 2,840,200 | 5.1 | 144.4 | 21.3 |
| Siemensstrasse 9 | Neu-Isenburg | Colliers | 9,600 | 9,300 | 1,300 | 1,128,200 | 1,161,600 | 11,000,000 | 206,100 | 3.2 | 5.9 | -0.9 |
| Solmsstrasse 27-37 | Frankfurt | CBRE | 29,800 | 27,400 | 0 | 7,102,400 | 4,993,600 | 74,000,000 | 0 | 1.2 | 0.0 | -9.9 |
| Stresemannallee 30 | Frankfurt | Colliers | 9,000 | 8,900 | 2,000 | 1,037,900 | 1,162,500 | 15,935,000 | 82,000 | 6.1 | 5.1 | -0.4 |
| T-Online-Allee 1 | Darmstadt | CBRE | 71,900 | 59,400 | 0 | 12,404,900 | 10,668,300 | 149,400,000 | 0 | 2.9 | 1.0 | -2.0 |
| Wilhelminenstrasse 25 | Darmstadt | CBRE | 8,400 | 3,500 | 1,000 | 1,229,500 | 1,395,500 | 21,300,000 | 305,200 | 2.7 | -8.2 | -5.8 |
| Total | | | 289,500 | 251,000 | 32,700 | 45,895,100 | 43,982,900 | 658,365,000 | 4,724,300 | 3.7 | 7.9 | 2.2 |
| Stuttgart | | | | | | | | | | | | |
| Breitwiesenstrasse 5-7 | Stuttgart | CBRE | 25,400 | 20,200 | 200 | 3,036,300 | 3,055,300 | 44,700,000 | 0 | 2.8 | 0.0 | 0.2 |
| Carl-Benz-Strasse 15 | Ludwigsburg | CBRE | 32,500 | 4,100 | 1,700 | 1,670,800 | 1,532,100 | 19,600,000 | 0 | 5.5 | 0.1 | 1.6 |
| Epplerstrasse 225 | Stuttgart | Colliers | 107,500 | 107,500 | 0 | 15,671,100 | 15,269,900 | 220,000,000 | 448,900 | 3.4 | 0.0 | -2.2 |
| Hanns-Klemm-Strasse 45 | Böblingen | CBRE | 14,900 | 14,100 | 0 | 1,896,700 | 1,693,100 | 23,700,000 | 0 | 3.5 | 0.0 | 10.7 |
| Hauptstätter Strasse 65-67 | Stuttgart | Colliers | 8,700 | 7,700 | 0 | 1,712,200 | 1,727,600 | 20,600,000 | 0 | 1.1 | 0.1 | 3.0 |
| Ingersheimer Strasse 20 | Stuttgart | CBRE | 12,300 | 10,800 | 600 | 1,687,200 | 1,662,300 | 22,100,000 | 4,700 | 1.2 | 0.7 | -3.1 |
| Kupferstrasse 36 | Stuttgart | CBRE | 5,400 | 5,000 | 1,200 | 464,700 | 502,900 | 6,300,000 | 0 | 2.4 | 0.3 | 1.6 |
| Kurze Strasse 40 | Filderstadt | CBRE | 5,300 | 4,500 | 0 | 596,700 | 516,100 | 7,000,000 | 77,900 | 2.2 | 26.4 | 7.7 |
| Rotebühlstrasse 98-100 | Stuttgart | Colliers | 8,400 | 6,400 | 0 | 1,351,300 | 1,366,300 | 18,975,000 | 0 | 4.2 | 0.0 | 2.4 |
| Vaihinger Str. 131 | Stuttgart | CBRE | 21,400 | 18,500 | 0 | 3,787,700 | 2,792,200 | 30,200,000 | 0 | 0.8 | 0.0 | 2.0 |
| Vichystrasse 7-9 | Bruchsal | CBRE | 20,200 | 4,200 | 2,800 | 1,052,000 | 1,078,300 | 12,200,000 | 0 | 3.3 | 0.9 | -3.2 |
| Total | | | 262,000 | 203,000 | 6,500 | 32,926,700 | 31,196,100 | 425,375,000 | 531,500 | 2.9 | 0.5 | -0.3 |
| Berlin | | | | | | | | | | | | |
| Darwinstrasse 14-18 | Berlin | Colliers | 21,500 | 20,100 | 0 | 3,352,300 | 3,449,400 | 63,500,000 | 8,567,400 | 10.0 | 342.5 | 107.5 |
| Holzhauser Strasse 175-177 | Berlin | Colliers | 7,700 | 7,700 | 1,800 | 592,300 | 729,200 | 7,500,000 | 73,200 | 2.3 | 28.2 | 9.5 |
| Total | | | 29,200 | 27,800 | 1,800 | 3,944,600 | 4,178,600 | 71,000,000 | 8,640,600 | 8.8 | 223.5 | 89.6 |

¹⁾ According to the year-end valuation from Colliers International UK LLP and CBRE GmbH.²⁾ Own used property, partly classified as property, plant and equipment.

INVESTMENT PORTFOLIO

| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015/2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|---------------------------------------|----------------|----------|--------------------------|-------------------|----------------|------------------------|-------------------------|-------------------------|-------------------|---------------|------------------------------------|-------------------------------------|
| Others | | | | | | | | | | | | |
| Arndtstrasse 1 | Hanover | Colliers | 10,900 | 7,300 | 0 | 1,238,000 | 1,235,900 | 23,450,000 | 373,400 | 15.0 | 1.3 | 2.0 |
| Balgebrückstrasse 13 – 15 | Bremen | CBRE | 4,000 | 3,600 | 0 | 331,800 | 338,800 | 3,790,000 | 10,400 | 2.7 | 0.8 | 0.8 |
| Carl-Reiß-Platz 1 – 5 | Mannheim | Colliers | 17,500 | 14,800 | 0 | 1,717,200 | 1,767,300 | 23,000,000 | 38,700 | 1.2 | 0.5 | 0.2 |
| Carl-Reiß-Platz TG | Mannheim | Colliers | 0 | 0 | 0 | 145,900 | 174,000 | 1,550,000 | 0 | 1.8 | 1.1 | 0.0 |
| Doktorweg 2 – 4 | Detmold | Colliers | 9,800 | 7,800 | 0 | 814,500 | 909,500 | 11,000,000 | 16,400 | 4.2 | –2.2 | 0.1 |
| Frauenstrasse 5 – 9 | Trier | CBRE | 16,900 | 900 | 500 | 1,703,700 | 2,094,900 | 25,600,000 | 8,000 | 2.9 | 41.7 | 1.2 |
| Friedrich-Scholl-Platz 1 | Karlsruhe | Colliers | 26,800 | 26,800 | 0 | 2,615,600 | 2,712,000 | 43,200,000 | 236,900 | 9.0 | 0.0 | 6.4 |
| Lötzeener Strasse 3 | Bremen | CBRE | 5,000 | 3,600 | 600 | 317,500 | 284,200 | 3,220,000 | 0 | 3.0 | 0.9 | –0.9 |
| Stiftsplatz 5 | Kaiserslautern | CBRE | 9,300 | 5,100 | 2,300 | 885,800 | 948,000 | 11,400,000 | 65,500 | 3.4 | 2.1 | –4.2 |
| Washingtonstrasse 16 / 16 a | Dresden | Colliers | 20,500 | 17,300 | 5,700 | 1,290,200 | 1,702,700 | 16,750,000 | 241,300 | 3.0 | 18.3 | –0.4 |
| Werner-von-Siemens-Platz 1 | Laatzten | Colliers | 21,100 | 18,000 | 1,600 | 1,781,600 | 2,193,100 | 22,500,000 | 11,800 | 1.5 | 0.6 | –8.5 |
| Zellescher Weg 21 – 25a ²⁾ | Dresden | Colliers | 6,500 | 5,200 | 100 | 695,000 | 614,600 | 10,500,000 | 0 | 1.9 | –0.2 | 20.7 |
| Total | | | 148,300 | 110,400 | 10,800 | 13,536,800 | 14,975,000 | 195,960,000 | 1,002,400 | 4.8 | 5.8 | 1.3 |
| Total investment portfolio | | | | | | | | | | | | |
| | | | 1,473,800 | 1,171,000 | 135,600 | 187,770,000 | 195,269,400 | 2,962,297,000 | 28,159,300 | 4.9 | 4.3 | 3.2 |

¹⁾ According to the year-end valuation from Colliers International UK LLP and CBRE GmbH.

²⁾ Accounted as asset held for sale.

ACQUISITIONS

| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Transfer of benefits and burden | Δ OMV ²⁾ (2015/2016) (%) |
|---------------------------|--------|--------|--------------------------|-------------------|--------------|------------------------|-------------------------|-------------------------|-------------|---------------|---------------------------------|-------------------------------------|
| Tempelhofer Damm 146 | Berlin | CBRE | 4,400 | 1,700 | 1,200 | 526,300 | 606,600 | 8,800,000 | 0 | 7.6 | Nov. 1, 2016 | n/a |
| Total acquisitions | | | 4,400 | 1,700 | 1,200 | 526,300 | 606,600 | 8,800,000 | 0 | 7.6 | n/a | n/a |

¹⁾ According to the year-end valuation from CBRE GmbH.

DEVELOPMENT ASSETS

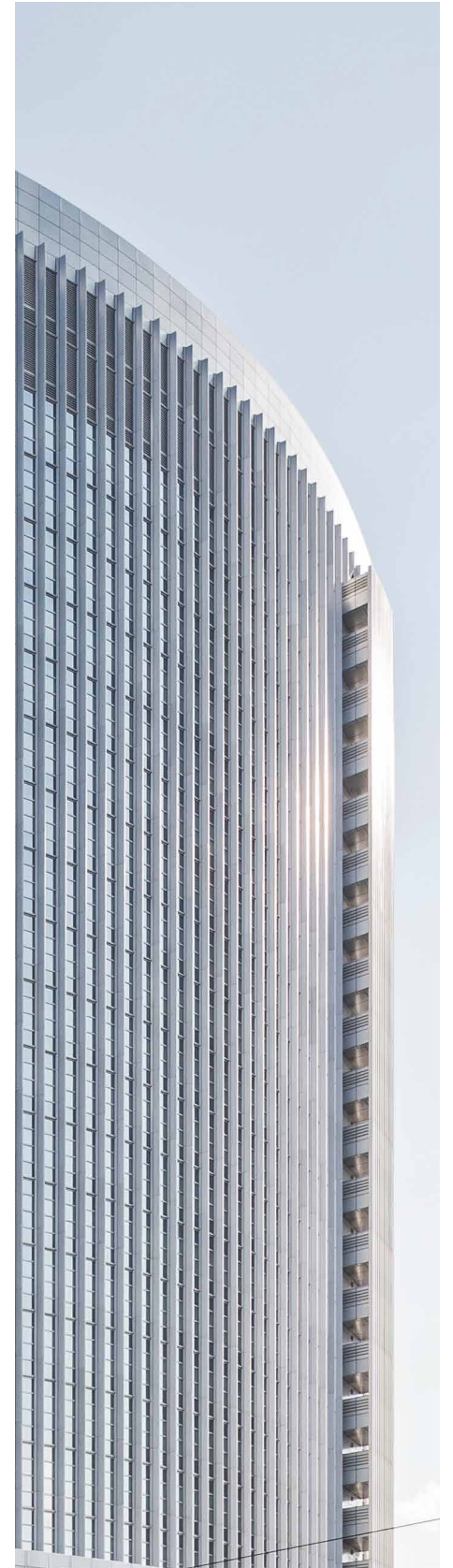
| Asset name | City | Valuer | Total lettable area (m²) | Office space (m²) | Vacancy (m²) | Contractual rent (EUR) | ERV ¹⁾ (EUR) | OMV ¹⁾ (EUR) | Capex (EUR) | Wault (years) | Δ Contractual rent (2015 vs. 2016) (%) | Δ OMV ²⁾ (2015/2016) (%) |
|------------------------------------|------------|----------|--------------------------|-------------------|---------------|------------------------|-------------------------|-------------------------|------------------|---------------|--|-------------------------------------|
| Am Wehrhahn 33 | Düsseldorf | Colliers | 23,200 | 17,000 | 19,100 | 1,071,800 | 5,437,400 | 55,250,000 | 3,410,300 | 4.8 | –52.0 | 71.1 |
| Ernst-Merck-Strasse 9 | Hamburg | Colliers | 17,600 | 14,700 | 12,500 | 409,300 | 2,932,800 | 32,835,000 | 999,600 | 4.7 | –79.9 | 1.3 |
| Amsinckstrasse 28 | Hamburg | Colliers | 8,100 | 7,800 | 2,000 | 745,100 | 1,296,400 | 12,975,000 | 43,500 | 0.6 | –25.7 | –2.4 |
| Amsinckstrasse 34 | Hamburg | Colliers | 6,200 | 5,900 | 1,700 | 526,600 | 997,900 | 9,620,000 | 6,800 | 0.7 | –31.3 | –0.8 |
| Total development portfolio | | | 55,100 | 45,400 | 35,300 | 2,752,800 | 10,664,500 | 110,680,000 | 4,460,200 | 2.9 | –54.4 | 26.2 |

¹⁾ According to the year-end valuation from Colliers International UK LLP and CBRE GmbH.

10 YEARS OF TRACK RECORD IN REVIEW

Platz der Einheit 1, Frankfurt am Main

The Kastor tower is located in the inner city of Frankfurt and was part of the Deutsche Office portfolio. The occupancy rate increased from 29% to 74% in 2016.



10 YEARS OF TRACK RECORD IN REVIEW

»It is very difficult to track the real performance of a real estate company as the consolidated data blurs the overall picture.«

»We agree with this statement. This is why we are taking the step in terms of transparency of publishing the unlevered returns of all the assets we have sold over the last 10 years, and commit to continue publishing this information in the future. We believe this raises the transparency to a complete new level.«

PORTFOLIO GROWTH IS NICE, BUT MAKING MONEY IN THE LONG TERM IS EVEN MORE IMPORTANT

Buying assets is easy. You just need to pay more for the assets in the market than your competitors. Growing the asset base, revenues and profits always looks nice. However, even more important is to have a strategy to make money in the long term. We buy and operate office real estate in Germany. As part of our core business, we also sell buildings in order to crystallize values for our shareholders, to recycle capital and to optimize our returns. A disposal of properties in the market is also a reality check because only a transaction in the market between a buyer and seller at arm's length proves whether the book value on the balance sheet was right or wrong.

ACTIVE ASSET MANAGEMENT MAKES THE DIFFERENCE

Over the past 10 years (which is alstria's entire corporate history), we sold 62 assets for around EUR 1.1 billion. Some assets were sold right after they were acquired because they were usually part of a portfolio and did not match our investment criteria regarding asset class or location. Some assets we held over a longer period of time in order to maximize their value by spending capex, finding new tenants and optimizing the cash flow. In some cases, we also sold assets because somebody came along and offered a price for a building that made it attractive for us to sell. A full list of our disposed assets can be found in the appendix (pages 112–115). We publish the initial acquisition price (including related acquisition costs), the capex we spent on the building over the holding period, the rental income (after real estate costs) and the final disposal price, providing maximum transparency on how we run our business and how we generate profits for our shareholders.

DOES AN ACTIVE ASSET MANAGEMENT LEAD TO BETTER RESULTS? – YES, IT DEFINITELY DOES. OVER THE PAST 10 YEARS WE ...

- ... acquired, operated and sold 62 assets all over Germany.
- ... paid a total of EUR 1,001 million (including transaction cost).
- ... invested a total of EUR 60 million into the assets.
- ... collected a total net rent of EUR 220 million.
- ... sold the assets for a total consideration of EUR 1.1 billion (average holding period of 4.6 years).
- ... achieved an UIRR (unlevered internal rate of return) of 7.3 % on this portfolio.
- ... achieved an UIRR of 5.8 % on the 'just traded' assets.
- ... achieved an UIRR of 9.1 % on the 'actively managed' assets.

THIS RESULT WAS POSSIBLE BECAUSE WE...

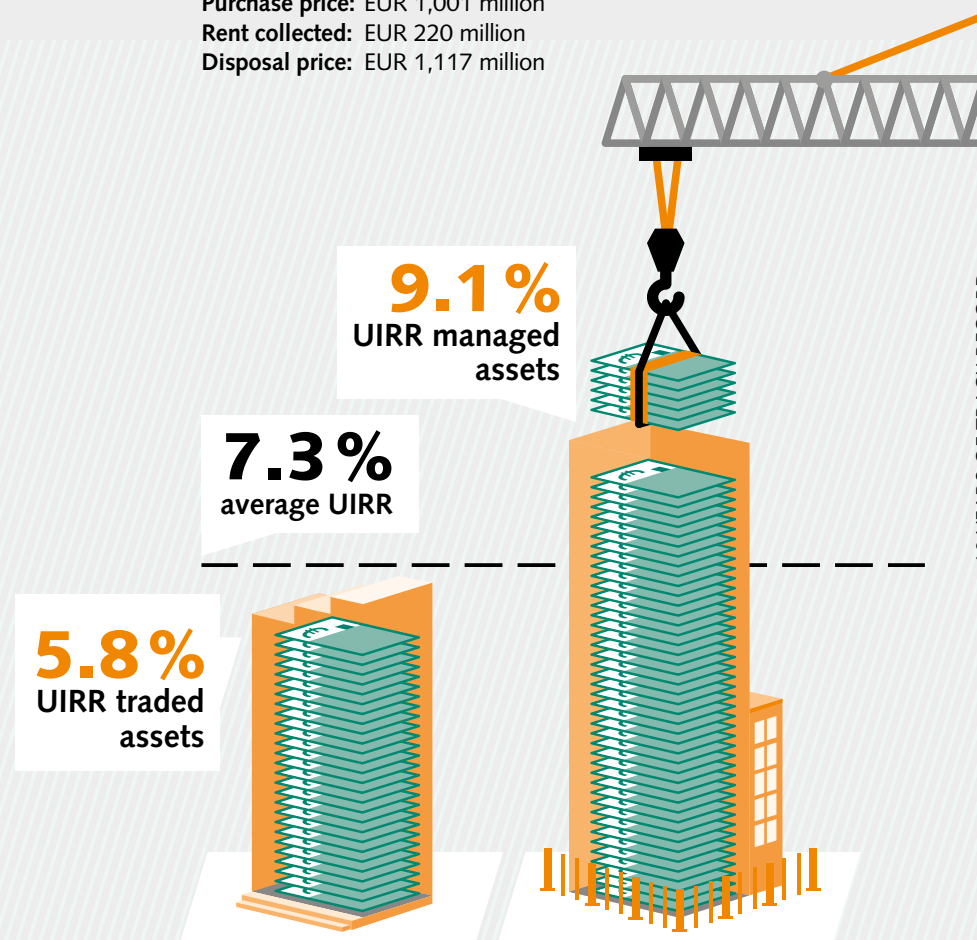
- ... have strict underwriting criteria and do not overpay the assets.
- ... do not assume any market-driven rental growth.
- ... are realistic about capex requirements.
- ... are able to handle the real estate risk and seize opportunities.

› A full list of our disposed assets can be found in the appendix (pages 112–115).

BUY, OPERATE, SELL: CREATING SHAREHOLDER VALUE WITH GERMAN OFFICE PROPERTIES

Total portfolio sold 2006–2016

Assets disposed: 62
UIRR: 7.3 %
Purchase price: EUR 1,001 million
Rent collected: EUR 220 million
Disposal price: EUR 1,117 million



We have achieved substantially higher returns on assets which we actively managed compared to assets we have solely traded. This is testimony to the key importance of an active management approach compared to being a simple trading approach.

BUSINESS DEVELOPMENT

Ernst-Merck-Strasse 9, Hamburg

The Bieberhaus is a historical building located in the inner city of Hamburg. The 12,000 m² of office space is currently under development.



P&L, FFO AND CASHFLOW

»A real estate company should continuously grow its asset base, revenues and FFO.«

»The most important factor for a real estate company is to grow sustainably. This is only possible if one adopts strict underwriting discipline, and refrains from buying outside of set boundaries.«

OUR BUSINESS APPROACH

Based on the active asset management of our properties, we continuously strive to optimize the cash flow of our real estate portfolio. With regard to our cost base, we have a strong focus on cost efficiency, as this also determines the competitiveness of the company in the market. Currently, we run a fully integrated company with 114 employees, out of which around 75 % are working on the assets. Over the past years, we were able to steadily grow our FFO, which fully reflects the operating cash flow of our company. Due to accretive acquisitions and our active asset management, the FFO per share also grew steadily over time.

DOES THE OPTIMIZATION OF THE CORPORATE STRUCTURE BEAR FRUITS? – YES, IT DOES. IN 2016 WE...

- ... reduced the EPRA cost ratio by 550 bps to 16.6 %.
- ... increased the FFO by 25 % to EUR 0.76 per share .
- ... generated an operating cash flow of EUR 120 million, which is in line with our FFO.

FINANCIAL PERFORMANCE

P&L

From an operational perspective, alstria absolutely developed according to plan in the reporting period, and we again delivered on the guidance we gave to the market. Our revenues of EUR 202.7 million exceeded the forecast of EUR 200 million, and funds from operations (FFO) of EUR 116.4 million were also in line with the guidance we published at the beginning of the year.

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to December 31, 2016

| EUR k | 2016 | 2015 |
|---|----------------|------------------|
| Revenues | 202,663 | 115,337 |
| Income less expenses from passed-on operating expenses | – 204 | – 423 |
| Real estate operating expenses | – 23,445 | – 12,774 |
| Net rental income | 179,014 | 102,140 |
| Administrative expenses | – 8,464 | – 6,383 |
| Personnel expenses | – 12,683 | – 12,068 |
| Other operating income | 5,417 | 4,043 |
| Other operating expenses | – 14,445 | – 13,859 |
| Goodwill impairment | 0 | – 144,795 |
| Net result from fair value adjustments on investment property | 72,806 | – 4,192 |
| Gain on disposal of investment property | 25,464 | 12,655 |
| Net operating result | 247,109 | – 62,459 |
| Net financial result | – 50,794 | – 43,333 |
| Share of the result of joint ventures | 5,480 | 1,988 |
| Net result from fair value adjustments on financial derivatives | – 8,101 | – 6,763 |
| Pre-tax income (EBT) | 193,694 | – 110,567 |
| Income tax expense | – 11,318 | – 812 |
| Consolidated profit / loss for the period | 182,376 | – 111,379 |
| Attributable to: | | |
| Shareholder of alstria office REIT-AG | 176,872 | – 110,970 |
| Noncontrolling interests | 5,504 | – 409 |
| Earnings per share (EUR) | | |
| Basic earnings per share | 1.16 | – 1.15 |
| Diluted earnings per share | 1.11 | – 1.04 |

FFO AND AFFO

The increase in funds from operations by 96.0 % to EUR 116.4 million was mainly driven by the first-time consolidation of Deutsche Office. The FFO per share increased substantially from EUR 0.61 in 2015 to EUR 0.76 in 2016. alstria's AFFO (adjusted funds from operations) increased by 117.8 % to EUR 94.2 million (EUR 0.61 per share). The measure AFFO adjusts FFO for non-expensed capital expenditures that aim at maintaining the quality of the underlying investment portfolio or its cash flow. The adjustments mainly comprised alstria's capitalized capex measures due to tenant-specific property adjustments, which were spent to support the lease-up process.

The adjustments from IFRS number to FFO mainly contained the following items:

- › We deducted EUR 76.7 million (including JV) of non-cash property valuation gains.
- › We deducted EUR 25.5 million of non-recurring disposal gains.
- › We added back EUR 11.6 million of non-recurring other operating expenses related to the integration of Deutsche Office.
- › We added back EUR 10.0 million of financial expenses due to their non-cash or non-recurring character.
- › We added back EUR 8.1 million of non-cash valuation movements in our financial derivatives.

RECONCILIATION FROM P&L TO FFO

for the period from January 1 to December 31, 2016

| EUR k | IFRS P&L 2016 | Adjust- ments | FFO 2016 |
|--|------------------|------------------|----------------|
| Revenues | 202,663 | 0 | 202,663 |
| Income less expenses from passed on operating expenses | –204 | 0 | –204 |
| Real estate operating expenses | –23,445 | 0 | –23,445 |
| Net rental income | 179,014 | 0 | 179,014 |
| Administrative expenses | –8,464 | 678 | –7,786 |
| Personnel expenses | –12,683 | 488 | –12,195 |
| Other operating income | 5,417 | –931 | 4,486 |
| Other operating expenses | –14,445 | 11,607 | –2,838 |
| Net gain / loss from fair value adjustments on investment property | 72,806 | –72,806 | 0 |
| Gain / loss on disposal of investment properties | 25,464 | –25,464 | 0 |
| Net operating result | 247,109 | –86,428 | 160,681 |
| Net financial result | –50,794 | 10,042 | –40,752 |
| Share of the result of joint venture | 5,480 | –3,852 | 1,628 |
| Net loss from fair value adjustments on financial derivatives | –8,101 | 8,101 | 0 |
| Pretax income / FFO | 193,694 | –72,137 | 121,557 |
| Income tax | –11,318 | 11,318 | 0 |
| Consolidated profit for the period | 182,376 | –60,819 | 121,557 |
| Minority interest | –5,504 | 356 | –5,148 |
| Consolidated profit for the period (after minorities) | 176,872 | –60,463 | 116,410 |
| Maintenance and reletting | | | –22,226 |
| Adjusted funds from operations (AFFO) ¹⁾ | | | 94,184 |
| Number of shares outstanding (k) | | | 153,231 |
| FFO per share (EUR) | | | 0.76 |
| AFFO per share (EUR) | | | 0.61 |

¹⁾ (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, no standard definition exists for (A)FFO. Thus, the (A)FFO or measures with similar names as presented by other companies may not necessarily be comparable to the Company's (A)FFO.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2016

| EUR k | 2016 | 2015 |
|---|----------------|----------------|
| 1. Cash flows from operating activities | | |
| Consolidated profit/loss for the period | 182,376 | -111,379 |
| Interest income | -535 | -128 |
| Interest expense | 51,329 | 43,461 |
| Result from income taxes | 11,318 | 812 |
| Unrealised valuation movements | -69,947 | 8,952 |
| Goodwill impairment | 0 | 144,795 |
| Other non-cash income (-)/expenses (+) | 494 | 2,329 |
| Gain (-)/loss (+) on disposal of investment properties | -25,464 | -12,654 |
| Depreciation and impairment of fixed assets (+) | 678 | 426 |
| Increase (-)/decrease (+) in trade receivables and other assets not attributed to investing or financing activities | 4,202 | 2,642 |
| Increase (+)/decrease (-) in trade payables and other liabilities not attributed to investing or financing activities | -7,293 | 1,916 |
| Cash generated from operations | 147,158 | 81,172 |
| Interest received | 64 | 128 |
| Interest paid | -26,695 | -35,559 |
| Income taxes paid | -32 | -110 |
| Net cash generated from operating activities | 120,495 | 45,631 |
| 2. Cash flows from investing activities | | |
| Acquisition of investment properties | -43,740 | -78,531 |
| Proceeds from sale of investment properties | 426,764 | 80,698 |
| Payment of transaction cost in relation to the sale of investment properties | -4,771 | -1,980 |
| Acquisition of other property, plant and equipment | -499 | -142 |
| Proceeds from the equity release of interests in joint ventures | 0 | 12,636 |
| Payments for capital contributions in affiliates | -1,000 | 0 |
| Payments for investment in financial assets | -34,803 | 0 |
| Net cash due to business combination | 0 | 116,029 |
| Net cash generated from investing activities | 341,951 | 128,710 |

| EUR k | 2016 | 2015 |
|--|-----------------|----------------|
| 3. Cash flows from financing activities | | |
| Cash received from cash equity contributions | 34,803 | 102,725 |
| Payments of transaction costs for capital contributions in cash and in kind | 0 | -2,336 |
| Payments for the acquisition of minority interests | -113 | 0 |
| Proceeds from the issuing of a 'Schuldschein' | 150,000 | 0 |
| Proceeds from the issue of a corporate bond | 500,000 | 500,000 |
| Payments of dividends | -76,564 | -43,470 |
| Payments of the redemption of bonds and borrowings | -1,273,926 | -292,512 |
| Payments of transaction costs for taking out loans | -6,817 | 5,899 |
| Payments for the termination / change of financial derivatives | -2,593 | -35,741 |
| Net cash used in / generated from financing activities | -675,210 | 222,767 |
| 4. Cash and cash equivalents at the end of the period | | |
| Change in cash and cash equivalents (subtotal of 1 to 3) | -212,764 | 397,108 |
| Cash and cash equivalents at the beginning of the period | 460,253 | 63,145 |
| Cash and cash equivalents at the end of the period <i>thereof restricted: EUR 0 k; previous year: EUR 32,036 k</i> | 247,489 | 460,253 |

BALANCE SHEET

»If interest rates are low a property company should gear up to capture the positive carry between interest rates and real estate yields.«

»Low interest rates have been driving FFO growth across our industry. The main challenge ahead of us will be to hedge for interest rate increase. The best way to do this is to continue to reduce leverage.«

OUR FINANCING STRATEGY

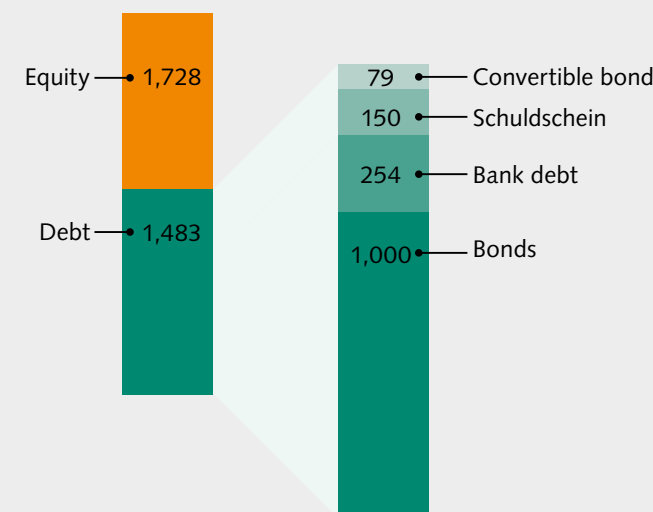
A real estate company needs a solid balance sheet and access to different sources of financing. Over the past years, we built up a positive reputation in the capital market and positioned alstria as a reliable and solid investment target. Our REIT status clearly helps in this respect because the REIT is a globally established trademark and stands for a solid financing structure. The quality of our balance sheet steadily improved over time, and we remain on our path to further de-lever the company going forward. Based on our BBB rating by Standard & Poors, we currently have access to different sources of financing including equity, corporate bonds, convertible bonds and bank debt.

IS A SOLID BALANCE SHEET BENEFICIAL FOR THE SHAREHOLDERS? – WE BELIEVE IT IS. IN 2016 WE...

- ... increased the IFRS NAV by 6.7 % to EUR 11.28 per share.
- ... reduced alstria's net LTV by 840 bps to 40.9 %.
- ... concluded the refinancing of Deutsche Office by the issuance of our second benchmark bond over EUR 500 million.
- ... reduced the average cash cost of debt to 2.0 % on a corporate level.

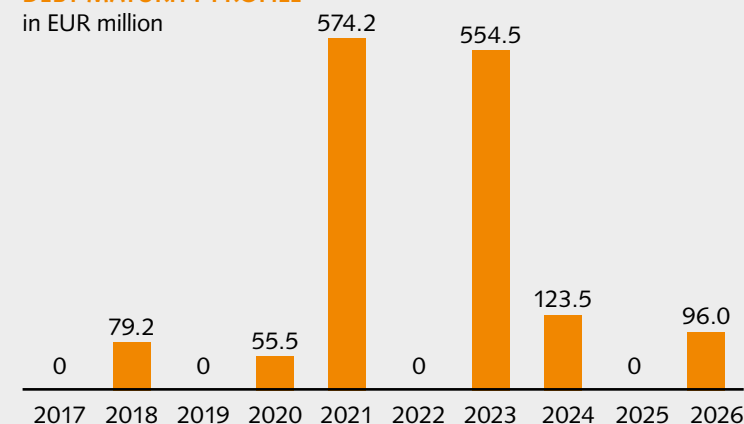
SOURCES OF FINANCING

in EUR million



DEBT MATURITY PROFILE

in EUR million



CASH COST OF DEBT

as per December 31, 2016

| | Nominal amount (EUR k) | Cost of debt (%) | Average maturity (years) |
|------------------|---------------------------|---------------------|-----------------------------|
| Bank debt | 253.7 | 1.43 | 7.0 |
| Bond | 1,000.0 | 2.19 | 5.3 |
| Schuldschein | 150.0 | 2.11 | 6.0 |
| Convertible bond | 79.2 | 2.75 | 1.5 |
| Total | 1,482.9 | 2.04 | 5.4 |

BALANCE SHEET RATIOS FURTHER IMPROVED

In 2016, we were a net-seller and disposed assets worth EUR 402 million. We used the main part of the proceeds to substantially reduce our bank loans, leading to a significant improvement of our balance sheet quality. Our REIT-equity ratio of 56.7 % clearly exceeds our legal requirement of 45 %, and our net LTV fell to 40.9 % as per December 31, 2016. The average maturity of our financial debt stood at 5.4 years as per December 31, 2016.

BALANCE SHEET RATIOS

| EUR k | 2016 | 2015 |
|--|-------------|-------------|
| Investment properties | 2,999,099 | 3,260,467 |
| Carrying amount of owner occupied properties | 5,967 | 4,448 |
| Assets held for sale | 14,700 | 69,143 |
| Equity value of JV (A) | 30,381 | 23,900 |
| Carrying amount of immovable assets (B) | 3,050,147 | 3,357,958 |
| Adjustments to fair value of owner occupied properties | 2,575 | 1,382 |
| Fair value of immovable assets (C) | 3,052,722 | 3,359,340 |
| Cash on balance sheet (D) | 247,489 | 460,253 |
| IFRS equity (E) | 1,728,438 | 1,657,664 |
| Interest bearing debt (F) | 1,482,864 | 2,103,764 |
| G-REIT equity ratio (%) (E) / (B) | 56.7 | 49.4 |
| Corporate LTV (%) (F) / (B-A) | 49.1 | 63.1 |
| Corporate Net LTV (%) (F-D) / (B-A) | 40.9 | 49.3 |

NET ASSET VALUE PER SHARE GREW BY 6.7 %

Our net asset value per share increased to EUR 11.28 per share in 2016. The revaluation of the property portfolio contributed EUR 0.49 per share and the operating profit more than covered the dividend payment in May 2016.

MOVEMENT IN NET ASSET VALUE (NAV)

| | EUR k | EUR per share |
|--|------------------|---------------|
| IFRS NAV as per Dec. 31, 2015 | 1,619,377 | 10.64 |
| Portfolio revaluation ¹⁾ | 76,658 | 0.50 |
| Profit on disposals | 25,464 | 0.17 |
| Adjusted profit for the year | 74,750 | 0.49 |
| Dividend payment | -76,564 | -0.50 |
| Net proceeds from capital increase | 11,811 | 0.08 |
| Share-based remuneration | -3,058 | -0.02 |
| IFRS NAV as per Dec. 31, 2016 | 1,728,438 | 11.28 |
| EPRA NAV as per Dec. 31, 2016²⁾ | 1,827,742 | 11.31 |
| EPRA NNNNAV as per Dec. 31, 2016²⁾ | 1,748,101 | 10.81 |

¹⁾ Incl. Joint Venture.

²⁾ Calculation see Table 5, page 114.

OUTLOOK 2017

Based on the current portfolio, alstria is expecting revenues of EUR 185 million in 2017. The decrease compared to the business year 2016 is due to the disposal of assets. The FFO is expected to amount to EUR 108 million, which represents a FFO margin of 58 %.

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 risk and uncertainty. Actual developments may differ from those predicted in these statements.

CONSOLIDATED BALANCE SHEET

as per December 31, 2016

Assets

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|---|------------------|------------------|
| Non-current assets | | |
| Investment property | 2,999,099 | 3,260,467 |
| Equity-accounted investments | 30,381 | 23,900 |
| Property, plant and equipment | 6,858 | 5,161 |
| Intangible assets | 329 | 607 |
| Financial assets | 34,803 | 0 |
| Derivatives | 109 | 8,462 |
| Total non-current assets | 3,071,579 | 3,298,597 |
| Current assets | | |
| Trade receivables | 7,257 | 12,578 |
| Accounts receivable from joint ventures | 5 | 0 |
| Income tax receivables | 25 | 226 |
| Other receivables | 41,578 | 9,783 |
| Cash and cash equivalents | 247,489 | 460,253 |
| <i>thereof restricted</i> | 0 | 32,036 |
| Assets held for sale | 14,700 | 69,143 |
| Total current assets | 311,054 | 551,983 |
| Total assets | 3,382,633 | 3,850,580 |

- › For the full consolidated financial statement and notes please see our Annual report 2016 which is available on our website
› www.alstria.com/en/investors

Equity and liabilities

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| Equity | | |
| Share capital | 153,231 | 152,164 |
| Capital surplus | 1,434,812 | 1,499,477 |
| Hedging reserve | 0 | -270 |
| Retained earnings | 140,395 | -31,994 |
| Equity attributable to shareholders | 1,728,438 | 1,619,377 |
| Minorities | 0 | 38,287 |
| Total equity | 1,728,438 | 1,657,664 |
| Non-current liabilities | | |
| Liabilities minority interest | 58,458 | 0 |
| Long-term loans, net of current portion | 1,466,521 | 1,715,590 |
| Derivatives | 20,099 | 23,208 |
| Other provisions | 1,313 | 3,221 |
| Other liabilities | 2,808 | 1,854 |
| Deferred tax liabilities | 0 | 132 |
| Total non-current liabilities | 1,549,199 | 1,744,005 |
| Current liabilities | | |
| Liabilities minority interest | 12,966 | 0 |
| Short-term loans | 19,330 | 376,402 |
| Trade payables | 4,584 | 9,415 |
| Profit participation rights | 421 | 362 |
| Income tax liabilities | 20,104 | 8,687 |
| Other provisions | 2,257 | 1,794 |
| Other current liabilities | 45,334 | 52,251 |
| Total current liabilities | 104,996 | 448,911 |
| Total liabilities | 1,654,195 | 2,192,916 |
| Total equity and liabilities | 3,382,633 | 3,850,580 |

EPRA KEY PERFORMANCE INDICATORS

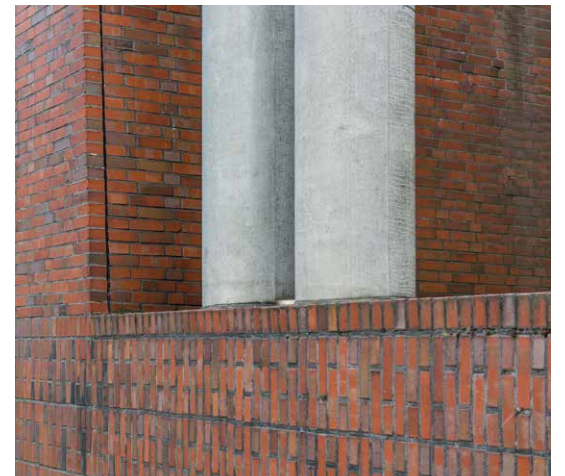
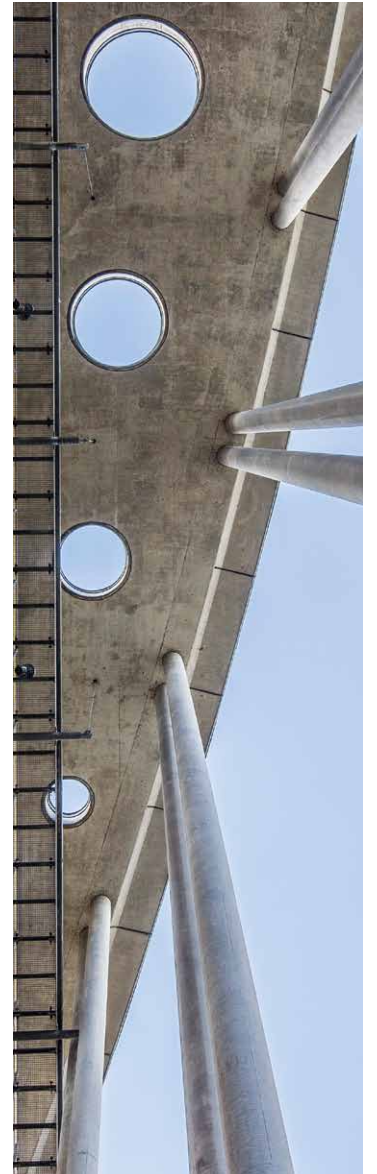


| Performance measure | 2016 | 2015 | Definition | Calculation on page | Purpose |
|----------------------------------|--------------------|--------------------|--|---------------------|---|
| EPRA earnings per share (EUR) | 0.57 | 0.42 | Earnings from operational activities. | 110, Table 6 | A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings. |
| EPRA NAV per share (EUR) | 11.31 | 10.91 | Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model. | 110, Table 5 | Makes adjustments to IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy. |
| EPRA NNNAV per share (EUR) | 10.81 | 10.66 | EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes. | 110, Table 5 | Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate company. |
| EPRA Net initial yield (NIY) (%) | 5.0 | 5.0 | Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. | 108, Table 2 | A comparable measure for portfolio valuations. |
| EPRA 'topped up' NIY (%) | 5.4 | 5.3 | This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents). | 108, Table 2 | A comparable measure for portfolio valuations. |
| EPRA vacancy (%) | 9.2 | 11.2 | Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio. | 111, Table 7 | A 'pure' (%) measure of investment property space that is vacant, based on ERV. |
| EPRA cost ratios (%) | A: 20.6 B: 16.6 | A: 21.6 B: 22.1 | Administrative & operating costs (including [A] & excluding [B] costs of direct vacancy) divided by gross rental income. | 111, Table 8 | A key measure to enable meaningful measurement of the changes in a company's operating costs. |

ALSTRIA'S SHARE

Amsinckstrasse 28, Hamburg

The building is located in the inner city of Hamburg and will be refurbished in 2017/2018.



ALSTRIA'S SHARE

»Has the acquisition of Deutsche Office changed alstria's capital market profile?«

»The market capitalization has almost doubled, the liquidity of the share has tripled and we substantially broadened our shareholder base.«

OUR CAPITAL MARKET STRATEGY

alstria has built up a positive reputation in the capital market over the past years. Our communication with investors, analysts, the press and other interested stakeholders is based on transparency, reliability and continuity. Our disclosure policy on financial and non-financial information meets the highest international standards, and due to our very stable business model, we are able to deliver on our communicated targets.

IN 2016 WE...

- ... achieved the EPRA Gold Award for best reporting standards and financial communication.
- ... held more than 250 face-to-face meetings with investors at 20 roadshows and conferences.
- ... outperformed the EPRA Europe index by 510 bps in 2016.

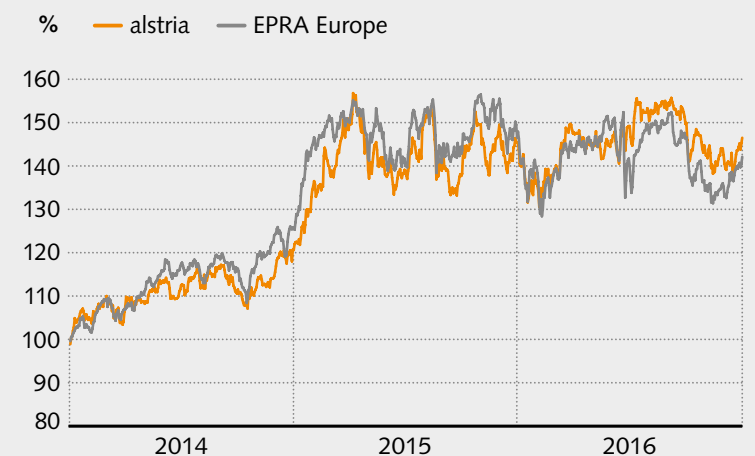
KEY SHARE DATA

| | |
|---------------------|--|
| 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, MDAX, RX REIT Index, GPR 250 Index Series, GPR 250 REIT Index Series |
| Designated Sponsors | Oddo Seydler Bank |

TSR 2014–2016: 13.9 %

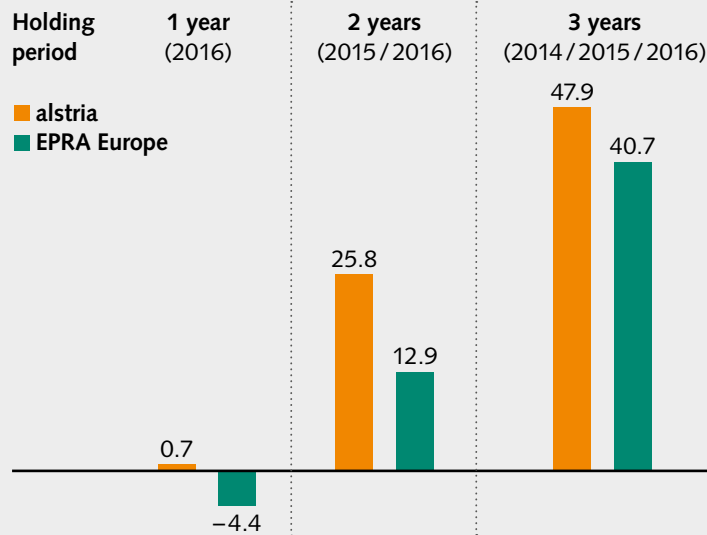
alstria measures its shareholder value creation by Total Shareholder Return (TRS). The TSR includes the share price performance plus dividends. For the year 2016, alstria's TSR amounted to 0.7 %, as the share price decreased slightly in line with the broad market. As the real estate business requires a long-term view, the multi-year performance is also an important indicator for the attractiveness of our share. Over the past three years (2014–2016), the compound annual TSR was 13.9 % and therefore proves the strength of our business model.

SHARE PRICE DEVELOPMENT



ANNUALIZED TOTAL SHAREHOLDER RETURN¹⁾ (DIVIDEND REINVESTED)

in %



¹⁾ Source: alstria calculation and data from EPRA website.

Free-Float
100%

SHAREHOLDER STRUCTURE

Following the takeover of Deutsche Office, Oaktree Capital, with 25.4 %, became a substantial shareholder in alstria. Over the course of 2016, Oaktree sold its stake in the broad market, bringing alstria's free float to 100 % (according to definition of Deutsche Börse). More than 95 % of our shares are held by institutional investors, being mainly large pension funds and specialized real estate investors. As of year-end 2016, alstria's top 20 investors held around 60 % of the outstanding shares. Geographically, around 30 % of alstria's shareholders are located in the United States, while 25 % are based in the United Kingdom. Another 15 % of our shareholders are based in France, 10 % in the Netherlands and 5 % each in Switzerland and Germany. The internationalized shareholder structure is related to the REIT status of our company, as the REIT is a globally established trademark for listed real estate companies.

SHARE PRICE

| | | Dec. 31, 2016 | Dec. 31, 2015 |
|--------------------------------------|----------|---------------|---------------|
| Number of shares | thousand | 153,231 | 152,164 |
| thereof outstanding | thousand | 153,231 | 152,164 |
| Closing price ¹⁾ | EUR | 11.91 | 12.32 |
| Market capitalisation | EUR k | 1,824,981 | 1,874,660 |
| Free float | % | 100.0 | 74.6 |
| | | 2016 | 2015 |
| Average daily trading volume (XETRA) | EUR k | 3,729 | 2,935 |
| Share price: high ¹⁾ | EUR | 12.70 | 13.85 |
| Share price: low ¹⁾ | EUR | 10.93 | 10.55 |

¹⁾ Xetra closing share price.

COVERAGE BY ANALYSTS

The interest of analysts and financial journalists in the development of alstria office REIT-AG remained high in 2016. In total, 16 investment banks and brokers published reports on a regular basis during the year. alstria therefore remained one of the best covered companies in the German MDAX.

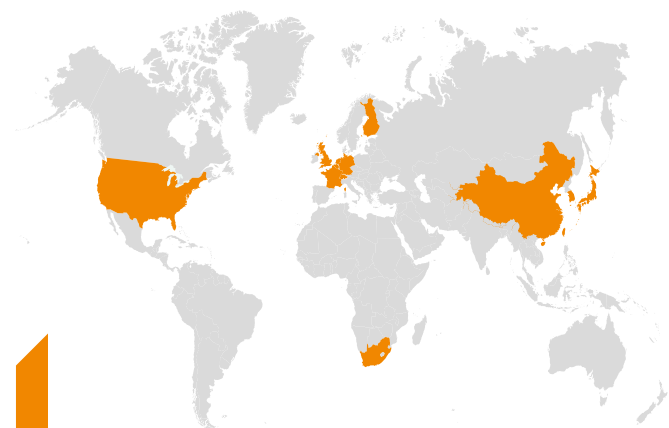
INVESTMENT BANKS AND ANALYSTS

| | |
|--------------------------|-------------------|
| Baader Bank | André Remke |
| Bankhaus Lampe | Dr. Georg Kanders |
| Berenberg Bank | Kai Klose |
| Deutsche Bank | Markus Scheufler |
| HSBC Trinkaus & Burkardt | Thomas Martin |
| J. P. Morgan | Tim Leckie |
| Kempfen & Co | Remco Simon |
| Kepler | Thomas Neuhold |
| Metzler Equities | Jochen Schmitt |
| Morgan Stanley | Bianca Riemer |
| NordLB | Michael Seufert |
| Société Générale | Marc Mozzi |
| Solventis | Ulf van Lengerich |
| UBS | Osmaan Malik |
| Victoria Partners | Bernd Janssen |
| Warburg Research | Andreas Pläsier |

INVESTOR RELATIONS ACTIVITIES

In 2016, our investor relations activities continued to focus on informing investors, financial analysts and the business press about alstria's development and its market environment. Management roadshows and participation in numerous investment conferences all around the globe ensured a constant dialogue between the company and its shareholders. Over the course of the year, we had more than 250 meetings with investors and analysts at home and abroad. With respect to the issuance of our two benchmark bonds (volume EUR 500 million each), the debt capital market is also part of our IR activities. In addition to our presence at roadshows and conferences, we carried out a number of site visits to our properties, mainly in Hamburg, Düsseldorf and Frankfurt.

Digital communication with investors has always been key for alstria. Any interested person is invited to listen into a live streaming of alstria's results presentation via the company's website. Relevant information on alstria can be found at any time on our website > www.alstria.com/investors. We are also offering the opportunity for a direct chat with alstria via our website in order to make communication between our company and its stakeholders as convenient as possible.



SUSTAINABLE ENGAGEMENT

Alfredstrasse 236, Essen

The asset was part of Deutsche Office portfolio and is leased to Hochtief with a remaining lease-term of 3 years.



SUSTAINABLE ENGAGEMENT

»Why is alstria investing in sustainability?«

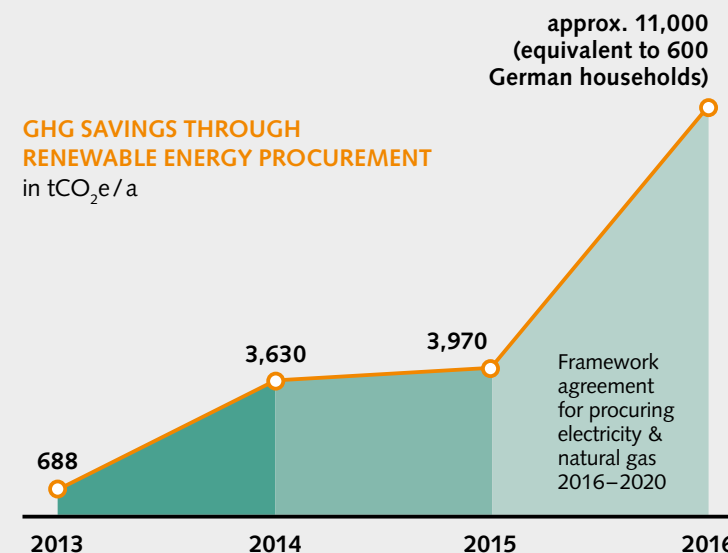
»Because it makes sense – it benefits us, it benefits our tenants and additionally we are helping to improve the overall environment. It's a win-win-win situation.«

OUR SUSTAINABILITY STRATEGY

We define sustainability as the actions we take to promote and safeguard the environmental, social and economic interests of our stakeholder groups – including investors, tenants, employees and communities in which we operate – for the long term. Our sustainability approach is embedded in every decision across all levels of the organization. Pursuing a path of continuous improvement and innovation is what we believe sustainability is all about. Driving a sustainable portfolio investment has a positive effect on all of our major business areas. This can lead to an increased client demand, reduced speed of obsolescence, reduced vacancy rate, reduced rates of depreciating and lower operational costs. At the same time, delivering buildings in a better performing condition than they were received contributes in reducing their carbon footprint. In addition, more than in any other business, our success is directly linked to the location on which we invest. Thus, we have a vested interest in the strong development of the local community.

IS SUSTAINABILITY PROFITABLE? –YES, IT IS. IN 2016 WE...

- ... were sector and country leader for our environmental performance.
- ... centralized the procurement of renewable energy across the whole portfolio and reduced our costs per m² by EUR 0.59.
- ... improved our ISO 50001 energy management system.
- ... ran a third-party assurance to our environmental consumption data.



ENVIRONMENTAL PERFORMANCE 2016

SECTOR & COUNTRY LEADER

Our consistent endeavor to reduce the carbon footprint of our operations was again recognized by the Carbon Disclosure Project (CDP). We became the leader in the real estate sector in Europe and we were included among the best five companies in Germany.

PROCUREMENT OF RENEWABLE ENERGY

Over the course of 2016, we have successfully implemented a framework agreement for centralizing the procurement of renewable energy and carbon neutral gas across our portfolio. This contract covers all landlord shared services of our properties as well as our own corporate offices. Due to this action, we were able to minimize our carbon footprint by approx. 11,000 tCO₂e, which corresponds to powering approx. 600 German households.

ENERGY MANAGEMENT SYSTEM

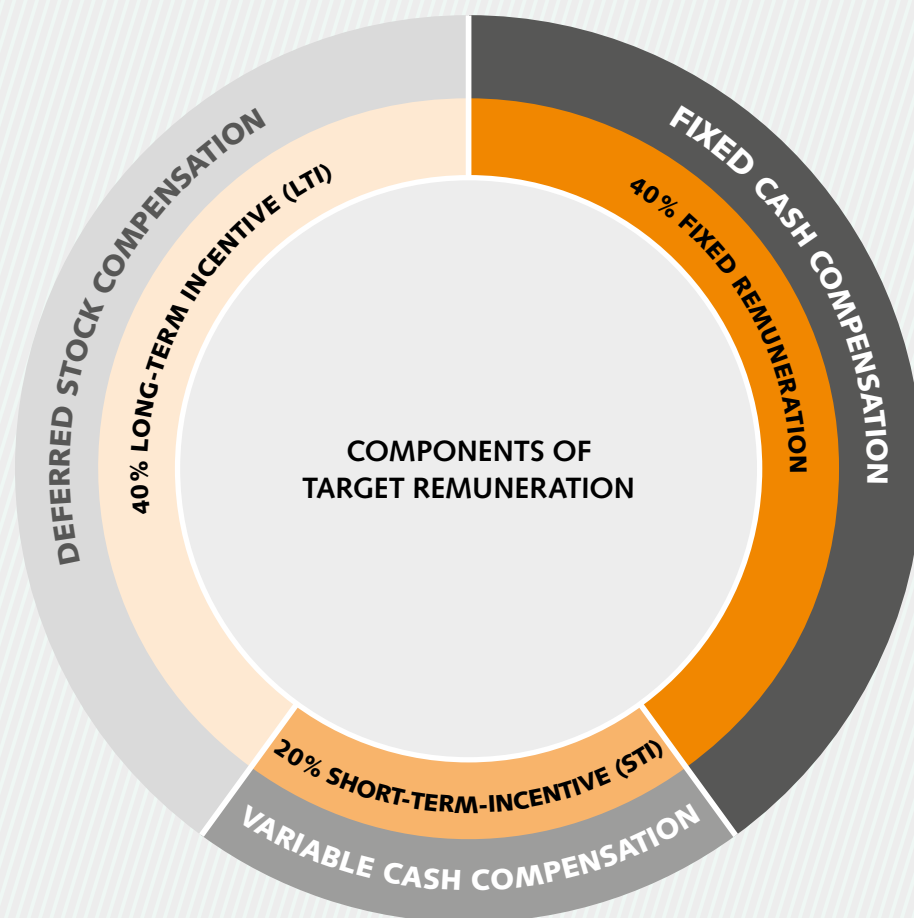
In July 2015, we were the first real estate company in Europe to obtain an ISO 50001 certification for our operational processes. In 2016, we continued to apply the ISO 50001 standard to our own offices and hereby determine applicable energy-efficient measures to the whole portfolio.

IMPROVED REPORTING

We have reported on our non-financial data since 2009. Reporting with transparency is not what we wish for but what we do. In 2016, we decided to run a third-party assurance for all our energy consumption data. The full assurance report can be found in Appendix C of the Sustainability Report 2015 / 2016 (pages 92–93).

MANAGEMENT COMPENSATION SCHEME

TRANSPARENT AND IN-LINE WITH
SHAREHOLDERS INTEREST



➤ More detailed information on management compensation can be found in the Annual Report 2016.

40% FIXED REMUNERATION

➤ All cash

BASIC SALARY

20% SHORT-TERM-INCENTIVE (STI)

VARIABLE REMUNERATION

➤ All cash

PERFORMANCE MEASURE

FFO PER SHARE

Like-for-like budgeted FFO per share, adjusted by impact of material acquisitions and disposals

40% LONG-TERM INCENTIVE (LTI)

VARIABLE REMUNERATION

Stock awards (holding period of 4 years)

PERFORMANCE MEASURE

75% Relative total shareholder return (TSR)

Total shareholder return relative to FTSE EPRA / NAREIT Developed Europe Index

25% Absolute total shareholder return (TSR)

Absolute total shareholder return

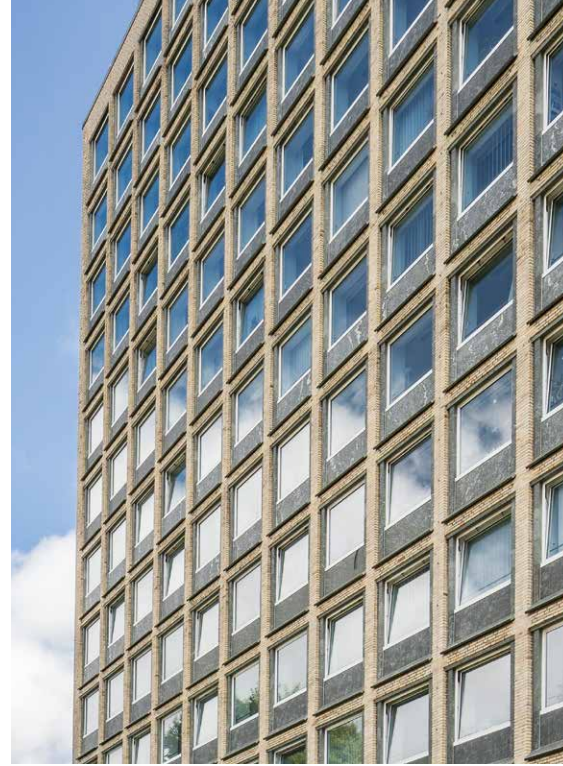
Share ownership guidelines:

Investment of three times annual fixed remuneration in company shares.

VALUATION REPORTS

Grindelberg 62–66, Hamburg

The building is leased to the City of Hamburg with a remaining lease-term of 9.4 years.



VALUATION REPORT

alstria office REIT-AG
as at 31 December 2016

The Directors

alstria office REIT-AG
Bäckerbreitergang 75
20355 Hamburg
Germany

Prepared by

Colliers International
Valuation UK LLP
50 George Street
London W1U 7GA

DDI > +44 207 344 6609
MOBILE > +44 7768 500 202
MAIN > +44 207 935 4499
FAX > +44 207 344 6539
EMAIL > chris.fowler-tutt@colliers.com

For the attention of Olivier Elamine and Alexander Dexne

Dear Sirs

ALSTRIA OFFICE REIT AG (THE 'COMPANY')
A PORTFOLIO OF 66 PROPERTIES (THE 'PORTFOLIO')
VALUATION DATE: 31 DECEMBER 2016

INTRODUCTION

In accordance with the instruction letter dated 17 October 2016, forming *Appendix II* to this report, we have considered the Properties owned by the Company referred to in *Appendix III* to this report, in order to provide you with our opinion of the Fair Value of the Portfolio, as at 31 December 2016. The purpose of this valuation is for use in the Company's balance sheets, debt covenant calculation and inclusion within the Company's financial year end accounts.

This report should be read in conjunction with the individual Property reports prepared by us at the time of each acquisition.

We have pleasure in presenting our report.

STATUS OF VALUER AND CONFLICTS OF INTEREST

The Properties have been valued by suitably qualified surveyors who fall within the requirements as to competence as set out in PS 2.3 of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) January 2014 (the 'Red Book') issued by the Royal Institution of Chartered Surveyors (the 'RICS') and who are valuers registered in accordance with the RICS Valuer Registration Scheme ('VRS'). We confirm that Colliers International complies with the requirements of independence and objectivity under PS 2.4 and that we have no conflict of interest in acting on the Company's behalf in this matter. We confirm that we have undertaken the valuations acting as independent valuers, qualified for the purpose of this instruction.

COMPLIANCE WITH RICS VALUATION STANDARDS

We confirm the valuations have been made in accordance with the appropriate sections of the Valuation Standards ('VS') contained within the 'Red Book' prepared by the 'RICS'.

The International Valuation Standards Council ('IVSC') publishes and periodically reviews the International Valuation Standards ('IVS'), which set out internationally accepted, high level valuation principles and definitions. These have been adopted and supplemented by the RICS, and are reflected in Red Book editions. Thus, the RICS considers that a valuation that is undertaken in accordance with the Red Book will also be compliant with IVS.

We confirm that our valuation complies with the requirements of IAS 40 – Investment Property. Where an entity opts to account for investment property using the Fair Value model, IVSC considers that the requirements of the model are met by the Valuer adopting Fair Value.

We further confirm that our methodology complies with IFRS 13 with regards to transaction costs.

IFRS 13 states:

The price in the principal (or most advantageous) market used to measure the Market Value of the asset or liability shall not be adjusted for transaction costs. Transaction costs shall be accounted for in accordance with other IFRSs. Transaction costs are not characteristic of an asset or a liability; rather they are specific to a transaction and will differ depending on how an entity enters into a transaction for the asset or liability.

1. The standard valuation methodology allows for purchaser's costs to be added to the market value to arrive at a gross market value so that a net return to the purchaser can be calculated. Comparables are analysed in this way so there is uniformity across the market. As such the Fair Value reported reflects the actual price paid and does not include purchase or disposal costs.
2. The net yields that are adopted are based upon the net return to the purchaser which includes their costs. This is logical as the purchaser would wish to reflect his total acquisition costs in determining his actual return.

3. The example below illustrates the approach:

Actual Market Transaction (example)

| | |
|----------------------------|--|
| Sale Price | € 25,000,000 |
| Purchaser's costs at 6 % | € 1,500,000 |
| Net passing income | € 1,250,000 |
| Analysed net initial yield | 4.72 % Net annual income / (Sale price + purchaser's costs) |

Valuation Approach Using Net Initial Yield

| | |
|---|---|
| Net passing income | € 1,250,000 |
| Net initial yield adopted | 4.72 % derived from the analysis of market transaction |
| Capitalisation of net income using Net Initial Yield | € 26,500,000 |
| Deduction of purchaser's costs to arrive at Market Value | € 25,000,000 Market Value is equivalent to 'unadjusted transaction price in the market' – and is not adjusted for disposal costs. |

Our General Assumptions and Definitions form *Appendix I* to this report.

SOURCES OF INFORMATION

We have relied upon the information provided to us, which is identified, together with the source, in the relevant sections of this report. Unless stated otherwise, we have assumed that the information provided is accurate and that we have been supplied with all the information that has a material effect upon the value of the individual Properties. Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be an unspecified impact upon value.

INSPECTIONS

All Properties are subject to a full inspection at the time of acquisition and are then subject to a full inspection on a rolling basis as required for the annual year end valuations. Approximately one third of the Portfolio is inspected each year.

The following Properties were inspected in September 2016:

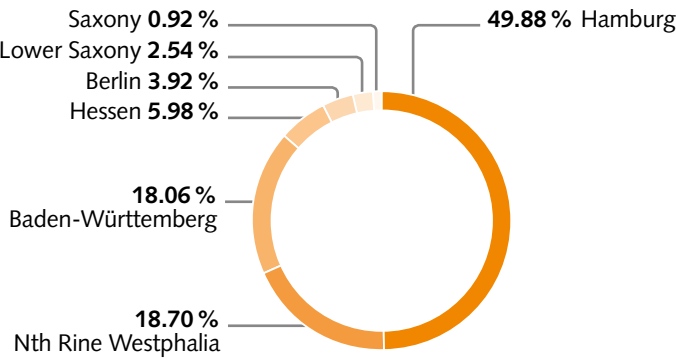
| Asset Number | Asset | City |
|--------------|---|------------|
| 2020 | Alter Steinweg 4 / Wexstrasse 7 | Hamburg |
| 2032 | Ernst-Merck-Strasse 9 | Hamburg |
| 2033 | Garstedter Weg 13 | Hamburg |
| 2036 | Grindelberg 62–66 | Hamburg |
| 2055 | Harburger Ring 17 | Hamburg |
| 2071 | Jagenbergstrasse 1 | Neuss |
| 2073 | Bäckerbreitengang 73 | Hamburg |
| 2074 | Bamlerstrasse 1–5 | Essen |
| 2075 | Darwinstrasse 14–18 / Quedlinburger Strasse 2 | Berlin |
| 2079 | Carl-Reiss-Platz 1–5 | Mannheim |
| 2081 | Holzhauser Strasse 175–177 | Berlin |
| 2085 | Gustav-Nachtigal-Strasse 3 | Wiesbaden |
| 2086 | Carl-Reiß-Platz TG | Mannheim |
| 2088 | Gustav-Nachtigal-Strasse 4 | Wiesbaden |
| 2089 | Nagelsweg 41–45 | Hamburg |
| 2092 | Doktorweg 2–4 / Bismarckstrasse 3 | Detmold |
| 2105 | Rotebühlstrasse 98–100 | Stuttgart |
| 2106 | Hamburger Strasse 1–15 (MOT) | Hamburg |
| 2107 | Hamburger Strasse 1–15 (MUC) | Hamburg |
| 2115 | Hauptstätter Strasse 65–67 | Stuttgart |
| 2116 | Immermannstrasse 40 / Charlottenstrasse 100 | Düsseldorf |
| 2118 | Elisabethstrasse 5–11 | Düsseldorf |

With regard to those Properties that were not inspected, the Company has confirmed to us that since our last inspections there have been no material changes to the physical attributes of the Properties and their surrounding areas that could impact upon their value, other than those that may have been disclosed as part the valuation process. Our Valuation is therefore made on the assumption that this is correct.

THE PORTFOLIO AND ITS LOCATION

The Portfolio comprises 66 investment Properties, predominately offices, located throughout Germany. The regional location profile of the Portfolio by Fair Value across Germany by State is illustrated below. It can be seen that the three largest concentrations of investment property are held in the City of Hamburg (49.88 %), North Rhine Westphalia (18.70 %) and Baden-Württemberg (18.06 %). Properties are in the most part located in or close to the business districts of the following cities: Berlin, Düsseldorf, Detmold, Essen, Frankfurt, Hannover, Karlsruhe, Köln, Mannheim, Neu-Isenburg, Neuss, Stuttgart, Wiesbaden and Wuppertal.

ALSTRIA OFFICE REIT AG: FAIR VALUE BY FEDERAL STATE



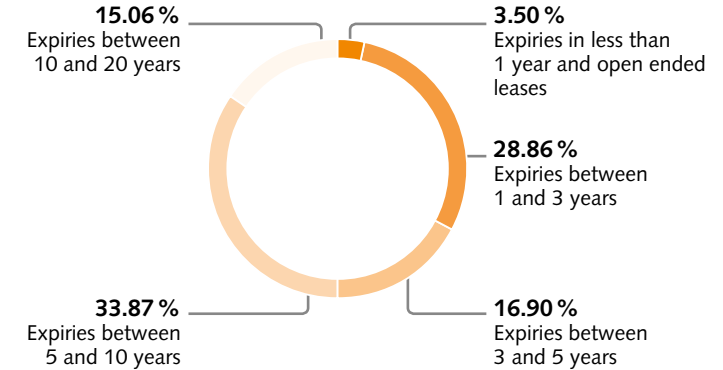
The following four assets have been sold during 2016:

| Asset Number | Asset | City |
|--------------|--------------------------|----------|
| 2004 | Zellescher Weg 21–25 | Dresden |
| 2009 | Ludwig-Erhard-Strasse 49 | Leipzig |
| 2056 | Wandsbeker Chaussee 220 | Hamburg |
| 2067 | Max-Eyth-Strasse 2 | Dortmund |

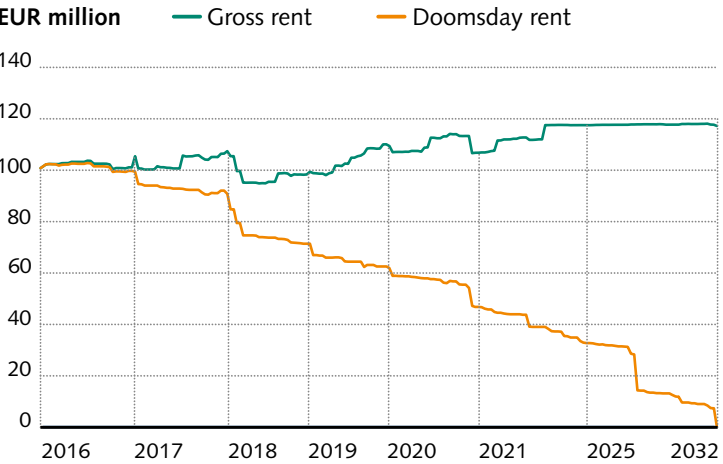
ALSTRIA OFFICE REIT-AG DECEMBER 2016:
GROSS RENT BY LEASE EXPIRY

An analysis of the lease expiry terms demonstrates that the majority of the income is secured for the following periods:

| Portfolio Lease Expiry Profile | Gross Rent (€) | Percentage % |
|--|----------------|--------------|
| Expiries in less than 1 year and open ended leases | 3,448,524 | 3.50 |
| Expiries between 1 and 3 years | 30,175,068 | 28.86 |
| Expiries between 3 and 5 years | 16,625,124 | 16.90 |
| Expiries between 5 and 10 years | 33,329,484 | 33.87 |
| Expiries between 10 and 20 years | 14,818,944 | 15.06 |



To illustrate the strength of the income over the life span of the Portfolio the graph shows tenancies in the current income stream pattern until June 2036 with the red line depicting how this would decline if no leases were renewed. The positive aspect of this analysis is that the decline is broadly even with no occurrence of sudden falls albeit that in 2017 / 18 and June 2026 the decline of gross income is greater than the average.



FLOOR AREAS

In accordance with the instruction letter we have not measured the Properties and have relied upon the floor areas and car parking stated in the most recent tenancy schedule provided by the Company. Nevertheless, during the course of our inspections we did seek to ensure, where possible, that the areas provided were consistent with the accommodation inspected. We are not aware of any major inconsistencies in this regard but would emphasise that we cannot provide any warranty as to the accuracy of the floor areas provided.

TENURE

We have been provided with the following reports, which we have had regard to in arriving at our opinions of value:

| Title | Date |
|---|-------------------|
| Due Diligence Report | 12 December 2005 |
| Draft Due Diligence Report | 26 September 2006 |
| Summary of Major Findings | 27 September 2005 |
| Legal Due Diligence Report | 26 September 2006 |
| Preliminary Legal and tax Due Diligence Report | 28 September 2006 |
| Legal Due Diligence Report | 24 October 2006 |
| Legal Due Diligence Report | 16 July 2007 |
| Legal Due Diligence Report | 31 October 2007 |
| Draft Preliminary Key Issues Report for Legal Due Diligence | 14 November 2007 |
| Red Flag List of Legal Due Diligence | 14 December 2007 |
| Preliminary Legal Due Diligence Report | 1 April 2008 |
| Draft Preliminary Key Issues List | 8 December 2010 |
| Draft Preliminary Key Issues List | 25 January 2011 |
| Legal Due Diligence Report – third draft | 6 June 2011 |
| Preliminary Key Issues List | 18 July 2011 |
| Legal Due Diligence Report | 12 February 2012 |
| Final Key Issues List | 21 May 2013 |
| Due Diligence Report | 24 June 2013 |
| Legal Due Diligence Report | 16 September 2014 |
| Provisional Due Diligence Report | 10 November 2015 |

The above reports were prepared by the Company’s lawyers: Alpers & Stenger, Hogan Lovells, Freshfields Bruckhaus Deringer, and trüon Rechtsanwälte. Our valuations assume that, with the exception of the matters disclosed within the aforementioned reports, there are no unusual, onerous or restrictive covenants in the titles which are likely to affect the value.

LETTINGS

We have relied upon the letting details contained within the following reports prepared by the Company’s lawyers Alpers & Stenger, Hogan Lovells, Freshfields Bruckhaus Deringer, and trüon Rechtsanwälte:

| Title | Date |
|---|-------------------|
| Due Diligence Report | 12 December 2005 |
| Draft Due Diligence Report | 26 September 2006 |
| Summary of Major Findings | 27 September 2005 |
| Legal Due Diligence Report | 26 September 2006 |
| Preliminary Legal and tax Due Diligence Report | 28 September 2006 |
| Legal Due Diligence Report | 24 October 2006 |
| Legal Due Diligence Report | 16 July 2007 |
| Legal Due Diligence Report | 31 October 2007 |
| Draft Preliminary Key Issues Report for Legal Due Diligence | 14 November 2007 |
| Red Flag List of Legal Due Diligence | 14 December 2007 |
| Preliminary Legal Due Diligence Report | 1 April 2008 |
| Draft Preliminary Key Issues List | 8 December 2010 |
| Draft Preliminary Key Issues List | 25 January 2011 |
| Legal Due Diligence Report – third draft | 6 June 2011 |
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| Final Key Issues List | 21 May 2013 |
| Due Diligence Report | 24 June 2013 |
| Legal Due Diligence Report | 16 September 2014 |
| Provisional Due Diligence Report | 10 November 2015 |

In circumstances where there have been tenant changes we have relied solely upon the summary letting details provided by the Company. We have assumed all tenant information provided to be accurate, up-to-date and complete.

RENT ROLL

We have been provided with rent rolls effective as at 31 December 2016 which we have relied upon in arriving at our opinions of Fair Value. We have assumed all information provided to be accurate, up-to-date and complete.

With regard to the two assets where the Company has offices:

- › 2073: Bäckerbreitergang 75, Hamburg, and
- › 2118: Elisabethstrasse 5–11, Düsseldorf

we have agreed to make the Special Assumption that the Company occupy the accommodation on a typical commercial Fach und Dach lease for a term of 5 year commencing on the valuation date, and are paying a Market Rent. This Special Assumption is made on the basis that the Company undertakes to enter such a lease should either of these Properties be sold.

CONDITION

We have not carried out building surveys of the Properties and neither have we tested the drainage or service installations in the buildings as this was outside the scope of our instructions. If there is significant capital expenditure required on a Property this sum will have been identified from either the technical due diligence reports referred to below or notified to us by the Company, and deducted from the value reported. At an aggregate level we have made a total CAPEX deduction for identified works in the sum of €69,482,400 in our valuation. This sum is allocated for the period 2017 to 2019 and includes €25,100,000 and €16,150,000 for major redevelopment works at Am Wehrhahn 33, Düsseldorf and Bieberhaus, Ernst-Merck-Str. 9, Hamburg respectively. We have been provided with the following reports prepared on the Company's behalf by URS Deutschland GmbH (URS):

| Title | Date |
|---|------------------|
| Technical Due Diligence Report | 19 December 2005 |
| Technical and Environmental Due Diligence Assessment | 25 August 2006 |
| Intermediate Environmental Bullet Point Report | 9 October 2006 |
| Structural Property Survey | 19 October 2006 |
| Technical Due Diligence Report | 29 December 2006 |
| Technical and Environmental Due Diligence Assessment Revised Final Report | 7 November 2007 |
| Technical and Environmental Due Diligence Assessment | 13 November 2007 |
| Technical and Environmental Due Diligence Assessment Reports | 21 December 2007 |
| Technical and Environmental Due Diligence Assessments | 22 December 2007 |
| Technical and Environmental Due Diligence Assessments | 31 August 2010 |

Additionally, we have been provided with the following reports, prepared on behalf of the Company, either by ARGOS Projektmanagement GmbH, Arcadis, Valteq or Drees & Sommer:

| Title | Date |
|--|--------------------------|
| Technical Due Diligence Assessment | 1 April 2008 |
| Technical and Environmental Due Diligence Draft Report | 28 July 2011 |
| Quick Check – Technical Due Diligence Report | 2 April 2011 |
| Technical Due Diligence Quick Check Report | 5 April 2011 |
| Technical Due Diligence Schedule | 6 April 2011 |
| Technical Due Diligence Schedule | 7 April 2011 |
| Technical Due Diligence Report (Red-Flag-DD) | 12,13 & 14 February 2012 |
| Technical Due Diligence Report (Red Flag Report) | 24 April 2013 |
| Technical Due Diligence Report | 26 June 2013 |
| Technical Due Diligence Report | 28 July 2013 |
| Technical Due Diligence Report | 4 September 2014 |
| Technical Due Diligence Report | 23 November 2014 |

ENVIRONMENTAL MATTERS

We have been provided with the following reports, prepared on the Company's behalf by URS Deutschland GmbH (URS), which we have relied upon in arriving at our opinions of value:

| Title | Date |
|---|------------------|
| Technical Due Diligence Report | 19 December 2005 |
| Technical and Environmental Due Diligence Assessment | 25 August 2006 |
| Intermediate Environmental Bullet Point Report | 9 October 2006 |
| Structural Property Survey | 19 October 2006 |
| Technical Due Diligence Report | 29 December 2006 |
| Technical and Environmental Due Diligence Assessment Revised Final Report | 7 November 2007 |
| Technical and Environmental Due Diligence Assessment | 13 November 2007 |
| Technical and Environmental Due Diligence Assessment Reports | 21 December 2007 |
| Technical and Environmental Due Diligence Assessments | 22 December 2007 |
| Technical and Environmental Due Diligence Assessments | 31 August 2010 |

Additionally, we have been provided with the following reports, prepared on behalf of the Company, either by ARGOS Projektmanagement GmbH, Arcadis, DEKRA or Drees & Sommer:

| Title | Date |
|--|--------------------------|
| Technical Due Diligence Assessment | 1 April 2008 |
| Technical and Environmental Due Diligence Draft Report | 28 July 2011 |
| Quick Check – Technical Due Diligence Report | 2 April 2011 |
| Technical Due Diligence Quick Check Report | 5 April 2011 |
| Technical Due Diligence Schedule | 6 April 2011 |
| Technical Due Diligence Schedule | 7 April 2011 |
| Technical Due Diligence Report (Red-Flag-DD) | 12,13 & 14 February 2012 |
| Environmental Due Diligence, Phase I | 23 August 2012 |

TOWN PLANNING

Upon acquisition the following due diligence reports were reviewed. We have not made any formal searches or enquiries in respect of the Properties and are, therefore, unable to accept any responsibility in this connection. However, as and when required we will undertake informal enquiries of the local planning authority.

| Title | Date |
|---|-------------------|
| Due Diligence Report | 12 December 2005 |
| Draft Due Diligence Report | 26 September 2006 |
| Summary of Major Findings | 27 September 2005 |
| Legal Due Diligence Report | 26 September 2006 |
| Preliminary Legal and tax Due Diligence Report | 28 September 2006 |
| Legal Due Diligence Report | 24 October 2006 |
| Legal Due Diligence Report | 16 July 2007 |
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| Draft Preliminary Key Issues Report for Legal Due Diligence | 14 November 2007 |
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| Draft Preliminary Key Issues List | 25 January 2011 |
| Legal Due Diligence Report – third draft | 6 June 2011 |
| Preliminary Key Issues List | 18 July 2011 |
| Legal Due Diligence Report | 12 February 2012 |
| Final Key Issue List | 21 May 2013 |
| Due Diligence Report | 24 June 2013 |
| Legal Due Diligence Report | 16 September 2014 |
| Provisional Due Diligence Report | 10 November 2015 |

The above were prepared by the Company's lawyers, Alpers & Stenger, Hogan Lovells, Freshfields Bruckhaus Deringer, and trüon Rechtsanwälte for formal search information, town planning and permit issues and we have had regard to this information in arriving at our opinions of Fair Value.

MARKET APPROACH

In preparing our valuations we have taken into account market trends in the respective localities and except where you have advised us to the contrary, or our other enquiries have alerted us to this, we have assumed that there have been no material changes to any of the Properties or their surroundings that might have a material effect on value, since the time of our last inspection.

In arriving at our opinions of Fair Value we have had regard to comparable investment transactions in determining the net initial yield and equivalent yield which we have adopted in capitalising the current income stream. Where Properties have less than 5 years of term certain left we have adopted income void periods which range from 6 to 24 months, depending upon the type of property, prior to re-letting.

In respect of indefinite leases where you have advised that tenants are 'holding over' we have assumed a further year of income followed by a suitable void period.

For certain large Properties we have adopted a structural void ranging from 5 % to 10 %, depending on the vacancy rate at the date of valuation. Generally, across the portfolio we have adopted an income void period of 3 to 6 months for car parking.

In addition, where appropriate, we have allowed for capital expenditure either to undertake works necessary to re-let Properties at the end of the lease or deal with extraordinary items of disrepair that are the responsibility of the lessor.

We are of the opinion that the Portfolio as a whole or each of its individual assets would appeal to a wide range of national purchasers including funds, property companies and institutions. It would also be of interest to overseas investors attracted by a combination of long dated high quality income and Properties with the opportunity to add value through active asset management. We consider that demand for the Portfolio would be strong.

FREE AND HANSEATIC CITY OF HAMBURG INDEXED RENT

We are informed by the Company that 18 Free and Hanseatic City of Hamburg lease contracts from 2006 contain a provision whereby the indexation of rent can be tested biannually to determine whether CPI has risen by at least 5 points (index 2000 = 100) compared to the previous indexation year.

We have been advised by the Company that the indexation threshold will be met in 2017. Consequently, the current rent for FHH within these properties will increase by 6.7 % with effect from 1 April 2018.

To reflect the added value attributable to the indexation we have agreed with the Company to adopt the assumption that the majority of vendors would top up the day one income of the relevant property for a period of 15 months so as to make the yield profile more reflective of the forecasted cashflow. Therefore, our valuation model allows for a day one CAPEX cost equal to the difference between the actual passing rent and the indexed rent, which in aggregate total amounts to €1,886,667.

The 18 Properties are as follows:

| Asset No | Asset | City |
|----------|-----------------------------------|---------|
| 2020 | Alter Steinweg 4 / Wexstrasse 7 | Hamburg |
| 2021 | Drehbahn 36 | Hamburg |
| 2023 | Steinstrasse 10 | Hamburg |
| 2024 | Alte Koenigstrasse 29–39 | Hamburg |
| 2027 | Basselweg 73 | Hamburg |
| 2029 | Buxtehuder Strasse 9, 9a, 11, 11a | Hamburg |
| 2033 | Garstedter Weg 13 | Hamburg |
| 2036 | Grindelberg 62–66 | Hamburg |
| 2037 | Hammer Steindamm 129 | Hamburg |
| 2038 | Herthastrasse 20 | Hamburg |
| 2039 | Johanniswall 4 | Hamburg |
| 2041 | Kattunbleiche 19 | Hamburg |
| 2044 | Ludwig-Rosenberg-Ring 41 | Hamburg |
| 2045 | Max-Brauer-Allee 89–91 | Hamburg |
| 2046 | Oejendorfer Weg 9–11 | Hamburg |
| 2050 | Rahlstedter Strasse 151–157 | Hamburg |
| 2053 | Steinstrasse 5–7 | Hamburg |
| 2062 | Grosse Bleichen 23–27 | Hamburg |

NON-RECOVERABLE EXPENSES

In the absence of actual costings, when arriving at our opinion of value, we have made a total deduction of 5 % from the Market Rent to allow for non-recoverable costs. We are assured by the Company that this amount is consistent with the sums that they are incurring in the management of these properties. Such costs relate to items which cannot be recovered from the tenant and generally includes the expense of maintaining and repairing all structural components of the property and associated access roads, as well as being financially responsible for maintenance and repair items and management expenses etc. However, it does not include tenant improvement measures that have been taken into consideration. Moreover, for the purposes of this valuation we have been provided with updated planned CAPEX details by the Company which we have deducted from our valuation on the basis of a day one deduction.

PURCHASER'S COSTS

This comprises the relevant federal state Real Estate Transfer Tax ranging between 3.5 % and 6.5 %, together with a total of 1.5 % agent's fee and legal fee. In practice for the larger Properties brokers would be prepared to accept a lower fee than that adopted by us in our valuation models. Nevertheless, given the practical difficulties of determining the appropriate fee on a property by property basis we consider that this is a prudent approach to assessing purchaser's costs. The only exception to this approach is in relation to the Daimler HQ investment property in Stuttgart. The high value of this asset means that on a sale we are satisfied that combined agents and lawyers' fees would be less than 1.5 %.

MARKET RENT

In preparing our valuations we have made an analysis of the Market Rent of the Properties and compared it to the passing rent. Any difference between the Market Rent and the passing rent has been taken into consideration in our valuations.

FAIR VALUE

We are of the opinion that the aggregate Fair Value, as at 31 December 2016, of these 66 investment Properties is **€1,812,530,000 (One billion eight hundred and twelve million five hundred and thirty thousand Euros)**. The aggregate net yields are as follows:

| Yield | % |
|-----------------------|------|
| Initial | 4.63 |
| Equivalent | 5.36 |
| Reversion (Dec. 2022) | 5.56 |

We confirm that all of the foregoing opinions of value reflect current real estate transfer taxes which range between 3.5 % and 6.5 % according to the State in which the individual Properties are situated.

The aggregate Value of the Portfolio is the sum of the individual Fair Values. This aggregate figure makes no allowance for any effect that placing the whole Portfolio on the market may have on the overall realisation. The fair value of the Portfolio sold as in a single transaction would not necessarily be the same as the aggregate figure reported.

A schedule of Fair Values for each Property forms *Appendix III* to this report.

DISCLOSURES

In accordance with UK Valuation Standard 4.3 we confirm the following:

- i. Colliers International has valued this Portfolio since 2006.
- ii. The total fees earned in the latest financial year from the Company amounted to substantially less than 5 % of our Company turnover.
- iii. We are not aware of any non-valuation fee earning work being undertaken by Colliers International for the Company.

LIABILITY AND PUBLICATION

This report is private and confidential and for the sole use of alstria office REIT-AG for publication in its reports and accounts.

We do not accept any responsibility to any third party for the whole or any part of its contents.

Neither the whole nor any part of this valuation or any reference thereto may be included within any published document, circular or statement or disclosed in anyway without our prior written consent to the form and context in which it may appear. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

For the avoidance of doubt, this report is provided by Colliers International Valuation UK LLP and no partner, member or employee assumes any individual responsibility for it nor shall owe a duty of care in respect of it.

Colliers International has relied upon property data supplied by the Company which we assume to be true and accurate. Colliers International takes no responsibility for inaccurate Company supplied data and subsequent conclusions related to such data.

Yours faithfully

Christopher J Fowler-Tutt BSc MRICS
Director
RICS Registered Valuer
Colliers International Valuation UK LLP

Adrian Camp BSc (Hons) MRICS
Director
RICS Registered Valuer
Colliers International Valuation UK LLP

EXCERPT FROM THE VALUATION REPORT*

alstria office Prime Portfolio

Valuation date: 31 December 2016

Instruction Party

alstria office Prime Portfolio GmbH & Co. KG
Bäckerbreitengang 75
20355 Hamburg
Germany

Prepared by

CBRE GmbH
Bockenheimer Landstrasse 24
60323 Frankfurt am Main
Germany

Zentrale > +49 (0) 69 170077-0

FAX > +49 (0) 69 170077-73

PART I – OPINION OF VALUE

INSTRUCTION / PROPERTIES

CBRE GmbH ('CBRE') has been appointed to undertake a valuation of 40 commercial properties of alstria office Prime Portfolio GmbH & Co. KG. CBRE prepared a report (the 'Report') in German.

PURPOSE OF VALUATION

We acknowledge that our Report will be used by the Principal as one of many sources to determine the value of the subject properties for internal purposes.

ADDRESSEE

This valuation statement is addressed to and may be relied upon by:
alstria office Prime Portfolio GmbH & Co. KG
Bäckerbreitengang 75
20355 Hamburg
Germany

RELIANCE / DISCLOSURE

A copy of the valuation report may be disclosed without liability to the auditors of the Principle on a non-reliance basis.

PUBLICATION

Subject to the other terms of this instruction, neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

*The excerpt from the valuation report at hand solely serves informative purposes and excludes any liability. A comprehensive derivation and justification of the market values and the valuation assumptions upon which the values are based can only occur in combination with the complete valuation report.

DATE OF INSPECTION

The properties were inspected for the purpose of the valuation as at 31 December 2015. Each component of the portfolio was inspected (dated between 2 September and 22 October 2015) if possible, both, externally and internally (on the basis of an adequate sample of rooms which it is assumed were typical of the remainder).

PROPERTIES

Please refer to Appendix B 'Valuation Overview' for a complete list of all subject properties.

DATE OF VALUATION

31 December 2016

MARKET VALUE (ROUNDED)

On the assumption that there are no unusual factors of which we are unaware and on the basis of the comments and assumptions specified in this report, CBRE is of the opinion that, as at the date of valuation, 31 December 2016, the Market Value of the respective freehold interest in the subject properties, rounded on asset-to-asset basis, is:

1,307,610,000 EUR

(One Billion Three Hundred and Seven Million Six Hundred and Ten Thousand EUR)

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Please refer to Part III of the Valuation Report and Appendix B 'Valuation Overview' for further details on a valuation unit basis.

MARKET INSTABILITY

In accordance with valuation practice guidance – applications VPGA 9 of the RICS Valuation Standards, we would draw your attention to the following comment regarding current market conditions.

Going forward, we would draw your attention to the fact that the current volatility in the global financial system has created a significant degree of turbulence in commercial real estate markets across the world. Furthermore, the lack of liquidity in the capital markets means that it may be very difficult to achieve a sale of property assets in the short-term.

We would therefore recommend that the situation and the valuations are kept under regular review, and that specific marketing advice is obtained should you wish to effect a disposal.

COMPLIANCE WITH VALUATION STANDARDS

This valuation has been prepared in accordance with the RICS Valuation – Professional Standards, Ninth Edition (Red Book), published by the Royal Institution of Chartered Surveyors January 2014. The property details on which each valuation is based are as set out in this report.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation(s) competently.

CAPITAL VALUES

The property has been valued to 'Market Value' in accordance with VPS 4 of the Red Book (Ninth Edition) which is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

CURRENCY

The reporting currency is EUR.

SOURCES OF INFORMATION

This valuation has been substantially and mainly based upon the information and documents supplied to us by the Principal or third parties instructed by the Principal as well as our inspections of the properties. Please refer to Appendix D 'Sources of Information' for a sample overview of the data rooms, to which CBRE has been provided access to for each property. Additional information were obtained during the Q&A process. All conclusions made by CBRE as regards the condition and the actual characteristics of the land and buildings have been based exclusively on our inspection of the subject properties and on the documents and information provided.

Documents and Information provided

CBRE has assumed that it was provided with all information and documents that were relevant to CBRE in carrying out this appraisal report. We have assumed that the information and documentation had unrestricted validity and relevance as at the date of valuation. We have not checked the relevant documents and information with respect to the above-mentioned issues.

Inspection

CBRE had access to the subject properties in order to carry out the inspection. We have not carried out any building surveys. The properties have not been measured as part of CBRE's inspection nor have the services or other installations been tested. All of CBRE's conclusions resulting from the inspection are based purely on visual investigations without any assertion as to their completeness.

Investigations that might cause damage to the subject properties have not been carried out. Statements about parts of the structure or materials that are covered or otherwise inaccessible are based on the information or documents provided or on assumptions. In particular, structural surveys and technical investigations of any defects or damage of the properties, which may exist, have not been carried out.

Deleterious Material etc.

Since no information to the contrary has been brought to our attention, we have assumed that there are no building materials or structures and no characteristics of the site that could endanger or have a deleterious effect on either the fitness of the subject properties for its purpose or the health of its occupiers and users. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

Site Conditions

We did not carry out investigations on site in order to determine the suitability of ground conditions and services, nor did we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuations were carried out on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of a property which may have redevelopment potential, we have assumed that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems.

Furthermore, we have assumed in such circumstances that no unusual costs will be incurring in the demolition and removal of any existing structure on the property.

Environmental Contamination

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are not contaminated and that no contaminative or potentially contaminative use is, or has ever been, carried out at the properties. Since no information to the contrary has been brought to our attention, we are not aware of any environmental audit or other environmental investigations or soil surveys which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination.

As we had not been specifically instructed, we have not undertaken any investigation into the past or present uses of either the properties or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

Legal Requirements /

Consents and Authorisation for the Use of the Property

An investigation of the compliance of the properties with legal requirements (including (permanent) planning consent, building permit, acceptance, restrictions, building, fire, health and safety regulations etc.) or with any existing private-law provisions or agreements relating to the existence and use of the site and building has not been carried out.

In preparing our valuations, we have assumed that all necessary consents and authorisations for the use of the properties and the processes carried out at the properties are in existence, will continue to subsist and are not subject to any onerous conditions.

Taxes, Contributions, Charges

Since no information to the contrary has been brought to our attention, we have assumed that all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.

Insurance Policy

Since no information to the contrary has been brought to our attention, we have assumed that the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

Statements by Public Officials

In accordance with established legal practice, we have not regarded statements by public officials, particularly regarding factual information, as binding. We do not assume any liability for the application of any such statements or information in the subject appraisal report.

Assumptions regarding the Future

For the purpose of determining the Market Value of the subject properties, we have assumed that the existing business will continue (as regards both manner and extent of usage of the subject properties) for the remainder of the useful life determined for the buildings, or that comparable businesses would be available to take over the use of the subject properties. Where there is high voltage electricity supply apparatus within close proximity to the properties, unless, otherwise stated, we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

Tenants

No investigations have been carried out concerning either the status of payments of any contractually agreed rent or ground rent at the date of valuation, or of the creditworthiness of any tenant(s). Since no information to the contrary has been brought to our attention, we have assumed that there are no outstanding rental payments and that there are no reservations concerning the creditworthiness of any of the tenants.

Pending Litigation, Legal Restrictions

(Easements on Real Estate, Rent Regulation etc.)

Since no information to the contrary has been brought to our attention, we have assumed that the properties are free from any pending litigation, that the ownership is unencumbered and that there are no other legal restrictions such as easements on real estate, rent regulations, restrictive covenants in leases or other outgoings which might adversely affect value.

Subsidies

Since no information to the contrary has been brought to our attention, we have assumed that there are no circumstances related to subsidies or grants that might influence the value of the properties.

Important

Should any of the information or assumptions on which the valuation is based be subsequently found incorrect or incomplete, our calculations may need to be amended and the valuation figure may also be incorrect and should be re-evaluated. We therefore cannot accept any liability for the correctness of this assessment or for any loss or damage resulting there from.

VERIFICATION

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our valuation statement and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the properties reflecting current market conditions, there are certain risks, which may be or may become uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

CONFLICT OF INTEREST

We hereby confirm that we have no existing potential conflict of interest in providing the valuation report, either with the Principal or with the properties.

Furthermore, we confirm that we will not benefit (other than from receipt of the valuation fee) from this valuation instruction.

INSURANCE AND LIABILITY

The liability of CBRE, of a legal representative or an agent is restricted to gross negligence and willful intent.

The liability restriction referred to in the first paragraph shall not apply, if and as far as product liability claims are present, if the existence of a defect has been maliciously concealed, if a guarantee has been assumed and / or in case of a personal injury, death or damage to personal health. The liability restriction referred to in the first paragraph shall not apply in cases of negligence, if and as far as the damage is covered by an insurance of CBRE. However, in this case, the liability of CBRE shall be limited to a maximum amount of EUR 20,000,000.00.

The liability restriction referred to in the first paragraph shall not be applicable in cases of negligence, if essential Contractual obligations (so-called 'cardinal duties', the satisfaction of which enables the proper execution of the Contract at all and on which the Client relies and may as a rule rely on its compliance) have been violated. However, the liability for essential Contractual obligations is limited to the reimbursement of the foreseeable, typically occurring damages. In this case, the liability of CBRE is limited to a maximum amount of EUR 20,000,000.00.

ASSIGNATION OF RIGHTS

The addressees of the agreement, based upon which this report has been prepared, shall not be entitled to assign their rights under the agreement – in total or in part – to any third party or parties, unless it was explicitly specified otherwise in the agreement.

PLACE OF PERFORMANCE AND JURISDICTION

The agreement, on which the preparation of this report is based, is governed by and construed in accordance with the laws of Germany. In the event that there is any conflict between the English legal meaning and the German legal meaning of this Contract or any part hereof, the German legal meaning shall prevail. The place of performance and jurisdiction for disputes arising from this contractual relationship shall be Frankfurt am Main, Germany.

LEGAL NOTICE

This valuation report (the 'Report') has been prepared by CBRE Valuation ('CBRE') exclusively for alstria office Prime Portfolio GmbH & Co. KG, Bäckerbreitergang 75, 20355 Hamburg (the 'Client') in accordance with the terms of the instruction letter dated 17 October 2016 ('the Instruction'). The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and whether in contract, tort, negligence or otherwise shall not exceed the lower of: EUR 20 million (Fifteen million Euro); and CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

PART II, APPENDIX A – VALUATION APPROACH AND VALUATION ASSUMPTION

1 VALUATION APPROACH

1.1 H&T (Hardcore & Top Slice)

In determining the market value for residential properties we have applied the Hardcore and Top Slice Method (H&T). Using the H&T method, the cash flows from the property are divided into two blocks with the cash flow of each block being calculated individually and being summed up subsequently.

The H&T method is a static calculation approach which makes no explicit reflection of rental growth: the effects of rental growth and potential changes in other market and financial factors are implicit in the yield, which is normally obtained from the analysis of comparable transactions. Hardcore considers the cash flow as at the date of valuation until the expiry of the existing lease and therefore considers the contractual rents. Management and maintenance costs as well as other unrecoverable costs of the owner are deducted from the current achievable gross annual yield (Gross Income). The remaining Net Income is capitalized by the annuity factor.

Top slice marks the second phase from the beginning of reletting, if required under consideration of an appropriate vacancy period. The calculation of cash flows is based on the estimated market rent. The costs of any outstanding repairs ('deferred maintenance') or other capital costs that would be immediately incurred are deducted from the total capital value. Future capital costs (e.g. renovation or refurbishment before renewed letting) are estimated and discounted for an appropriate period before being deducted.

After the deduction of the purchaser's costs (real property transfer tax, notary and agent costs) and immediately required capital expenditure, the result is the Net Value.

1.2 Market Value

The properties have been valued to 'Market Value' in accordance with VPS 4 of the Red Book which is defined as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

No allowances have been made for any expenses of realisation nor for taxation, which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, or of any mortgages, debentures or other charges.

1.3 Rental Values

Rental values indicated in this report are those which have been adopted by us as appropriate in assessing the letting potential of the properties, subject to market conditions that are either current or expected in the short term. They are mainly based on recent lease agreements within the properties, our experience of the markets and our knowledge of actual comparable market activity.

2 GENERAL VALUATION ASSUMPTIONS

2.1 The Property

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Tenant-specific process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

2.2 Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- › there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties;
- › the properties are free from rot, infestation, structural or latent defect;
- › no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the properties.

2.3 Environmental Matters

In accordance with our instruction we have assumed that the subject properties are not contaminated and that no contaminative or potentially contaminative use is, or has ever been, carried out at the properties. In the absence of any information to the contrary, we have assumed that:

- › the Property is not contaminated and is not adversely affected by any existing or proposed environmental law,
- › all uses and any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

Since no information to the contrary has been brought to our attention, we are not aware of any environmental audit or other environmental investigations or soil surveys which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination.

Neither have we undertaken any investigations into the past or present uses of either the properties or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

2.4 Floor Areas

For the purpose of our valuation we have not measured the properties but have relied on the floor areas as state in the tenancy lists as well as the schedules of area that were provided to us within by the Principal.

2.5 Title, Tenure, Planning and Lettings

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that

- › the properties possess a good and marketable title free from any onerous or hampering restrictions or conditions.
- › all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use.
- › the properties are not adversely affected by town planning or road proposals.
- › all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations.
- › there are no user restrictions or other restrictive covenants in leases which would adversely affect value.
- › vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of commercial tenants and made an allowance for the risk of default, depending on the size and sector of the tenants, in the estimated market rent.

2.6 Infrastructure & Services

It is assumed that all the sites are serviced within the meaning of paragraph 123 of the German statutory building code (Baugesetzbuch § 123) i.e. that they are connected to the road system, service mains (water, electricity, gas and district heat) and sewers (for both waste and surface water) and that refuse collection was provided.

2.7 Taxes, Insurance

In undertaking our valuation, we have assumed that

- › all public taxes, contributions, charges etc. which could have an effect on value will have been levied and paid as at the date of valuation.
- › the subject properties are covered by a valid insurance policy that is adequate both in terms of the sum assured and the types of potential loss covered.

Other expenditure or tax consequences that may occur when the transaction is completed or upon resale were not considered by us.

2.8 VAT

In the case of the subject properties there are leases to tenants that do not pay VAT to the landlord. As a result, the input tax on the costs associated with the turnover, such as capital expenditure, non-transferable ancillary costs, management costs and letting fees cannot be deducted. These costs have therefore been reflected as gross costs for the purposes of this valuation. In doing so, the current VAT rate of 19 % has been adopted. Depending on the type of use, on re-letting it has mainly been assumed that the tenant would be subject to VAT, so that the landlord would be able to exercise the VAT option or the relinquishment of tax exemption on a new letting.

2.9 Purchaser's Costs

The following purchaser's costs have been assumed with regards to the size of the subject properties:

Notary and legal fees: The allowance for each individual property of 0.25 % to 0.75 % is in line with average costs for notarizing a purchase contract (compulsory under German law), land registry costs and miscellaneous legal charges and depends on the volume of the individual property.

Agent's fees: In the German market it is common for the purchaser to be responsible for paying all or at least part of the agent's fees. We have therefore adopted a level for each individual property of 1.00 % to 2.00 %.

Land transfer tax: Under German tax law, a transfer tax based on the purchase price has to be paid on property purchase. This is generally paid by the purchaser. The tax rate is different in each of the German federal states, at the date of valuation the rate is between 3.0 % and 6.5 %.

3 SPECIFIC VALUATION ASSUMPTIONS

Under German law, management and repair costs are transferable to commercial tenants. In case of the subject properties the vast majority of the commercial leases contain an allocation of maintenance and repair obligations between landlord and tenant that meet a commercial lease standard: the tenant is responsible for or at least obliged to bear the costs of maintenance and repair within the leased premises and of a share of costs for maintenance and repair of common facilities. All relevant commercial leases contain a cap for maintenance and repair costs of common areas and technical facilities to be borne by the tenant.

3.1 Non-recoverable Costs for Management

In accordance with your instruction we have assumed 5 % of operating costs with regard to the gross market rental income of the subject property which corresponds to cost assumptions at market conditions for mixed-use commercial properties. The different and individual features of each property are shown in the calculation by means of the equivalent yield.

3.2 Deferred Maintenance

Based upon the inspection as well as the documents and information provided by the client we have assumed that the continuing repair and maintenance of the properties have been carry out accordingly. Based upon the capex schedule provided by the client, costs for the repair of damages and / or deferred maintenance have been deducted from the market value in our valuation. The total costs for repair measures amount to 10,166,500 EUR corresponding to a share of 0.5 % measured by the combined portfolio value.

3.3 Permanent Void Allowance / Structural Vacancy

At the date of valuation the alstria office Prime Portfolio has a total vacancy area of 93,984 m². We have appointed 1.500 sq m of this area as a structural vacancy. The Portfolio thus has a cumulative vacancy rate of approximately 13 %.

3.4 Void Period for currently vacant Space / Future Void Periods on Re-Letting

Depending on the quality of situation and the respective property, the current rental situation and the local vacancy rate we have assumed an initial downtime until structural vacancy and on re-letting of rental units currently occupied as well as for future vacant accommodation the void periods for the different types of uses as follows:

| Use | Initial Void Period | Continuing Void Period |
|------------------|---------------------|------------------------|
| Office | 9 – 24 months | 9 – 24 months |
| Retail | 6 – 18 months | 6 – 18 months |
| Residential | 6 – 18 months | 6 – 18 months |
| Storage | 9 – 24 months | 9 – 24 months |
| Restaurant | 12 – 24 months | 12 – 24 months |
| Other Areas | 12 – 24 months | 12 – 24 months |
| Nursing Home | 12 – 15 months | 12 – 15 months |
| Warehouse | 12 – 18 months | 12 – 18 months |
| Hotel | 12 – 24 months | 12 – 18 months |
| Parking internal | 9 – 24 months | 9 – 24 months |
| Parking external | 12 – 24 months | 12 – 24 months |

Our assumptions are based on experience of the local property market and depending on the quality of situation, the respective condition of the individual property and the current rental situation.

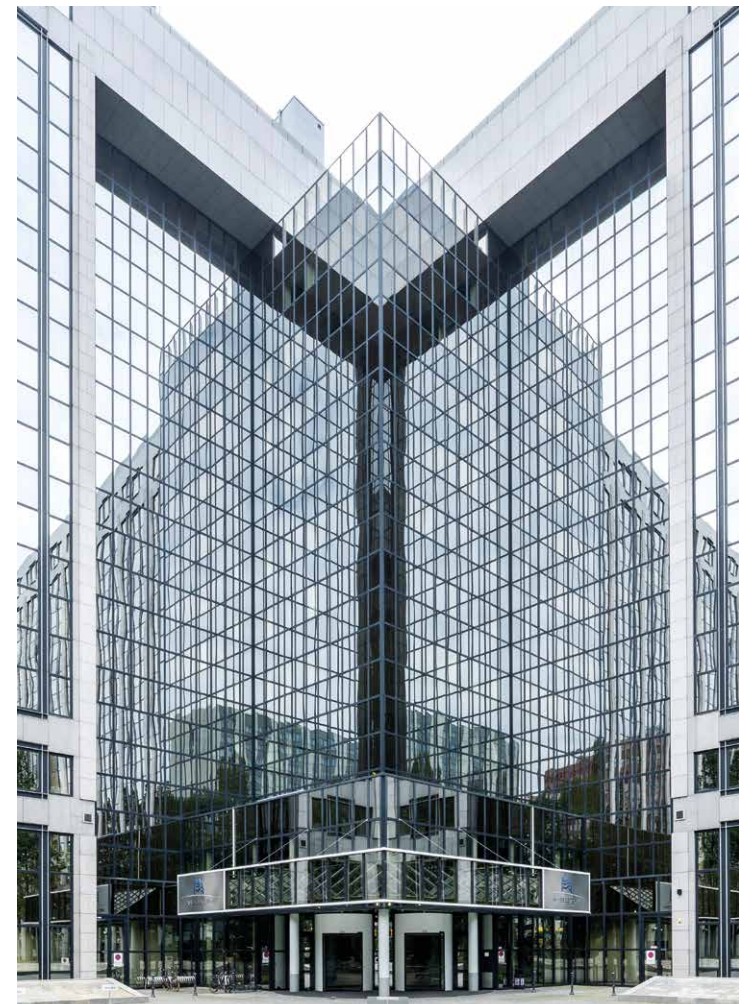
3.5 Market Rent (ERV)

The market rents adopted are in accordance with the results of the recent lease agreements (12 months), our internal CBRE rental data base and other internal sources, the internet data base Immodaten.de (asking rents) and the local lokal acting market participants. Taking into account market conditions, as well as the advantages and disadvantages of the individual location and the property characteristics, so far as they have an effect on the letting ability we have adopted market rental values on a property basis. At date of valuation the aggregated Current Gross Rental Income on portfolio level was 90,629,288 EUR p. a. (excluding vacant space).

APPENDIX

Am Seestern 1, Düsseldorf

The building is located in Düsseldorf-Seestern and was part of the Deutsche Office portfolio.



ADDITIONAL SHAREHOLDER INFORMATION

CALCULATION OF PORTFOLIO YIELDS

alstria's calculation

Table 1

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| Portfolio value | | |
| Investment properties (on balance sheet) | 2,999,099 | 3,220,467 |
| Value of own used property | 8,542 | 5,829 |
| Assets held for sale | 14,700 | 69,143 |
| Total portfolio value (A) | 3,022,341 | 3,295,533 |
| Income | | |
| Contractual rent (B) | 188,426 | 208,272 |
| Real estate operating expenses (5 %) | -9,421 | -10,414 |
| Contractual net rent (C) | 179,005 | 197,858 |
| Yield (%) (B / A) | 6.2 | 6.3 |
| Net yield (%) (C / A) | 5.9 | 6.0 |

EPRA calculation



Table 2

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| Portfolio value | | |
| Investment properties (on balance sheet) | 2,999,099 | 3,220,467 |
| Value of JV (49 % share) | 59,437 | 54,243 |
| Trading property | 14,700 | 69,143 |
| Development assets | -110,680 | -144,157 |
| Completed portfolio | 2,962,556 | 3,239,696 |
| Acquisition cost | 192,566 | 208,272 |
| Gross up completed property portfolio valuation (A) | 3,155,122 | 3,450,276 |
| Income | | |
| Contractual rent | 191,050 | 210,857 |
| Contactual rent developments | -2,753 | -8,382 |
| Contractual rent (excluding developments) | 188,297 | 202,475 |
| Rent-free periods | -10,780 | -10,822 |
| Annualised cash passing rent | 177,517 | 191,653 |
| Property outgoings | -18,830 | -20,247 |
| Annualised net cash rents (B) | 158,687 | 171,406 |
| Rent free periods | 10,780 | 10,822 |
| 'topped-up' net annulised rent (C) | 169,467 | 182,227 |
| EPRA Net initial yield (%) (B / A) | 5.0 | 5.0 |
| EPRA 'topped-up' Net initial yield (%) (C / A) | 5.4 | 5.3 |

Table 3 Colliers' calculation (historical alstria portfolio)

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| Portfolio value | | |
| Investment properties (on balance sheet) | 1,683,862 | 1,579,351 |
| Acquired asset ¹⁾ | 0 | 38,000 |
| Value of own used property | 7,368 | 5,829 |
| Total portfolio | 1,691,230 | 1,623,180 |
| Value of JV (100 %) | 121,300 | 110,700 |
| Net valuation | 1,812,530 | 1,733,880 |
| Acquisition cost | 118,272 | 112,306 |
| Capital cost | 71,369 | 52,447 |
| Gross value (A) | 2,002,171 | 1,898,634 |
| Income | | |
| Initial passing gross rents | 98,397 | 101,072 |
| Non-recoverable expenses | -5,650 | 5,083 |
| Initial net rents (B) | 92,747 | 95,989 |
| Reversions | 18,297 | 14,704 |
| Estimated net rents (C) | 111,044 | 110,693 |
| Net initial yield (%) (B / A) | 4.63 | 5.06 |
| Reversionary yield (%) (C / A) | 5.56 | 5.83 |
| Equivalent yield (%) | 5.36 | 5.65 |

¹⁾ Gasstrasse 18, Hamburg.

Table 4 CBRE calculation (historical DO portfolio)

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| Portfolio value | | |
| Investment properties (on balance sheet) | 1,315,237 | 1,645,080 |
| Value of own used property | 1,173 | 0 |
| Total portfolio | 1,316,410 | 1,645,080 |
| Acquisition cost | 98,034 | 119,358 |
| Capital cost | 23,200 | n/a |
| Gross value (A) | 1,437,644 | 1,764,438 |
| Income | | |
| Initial passing gross rents | 89,090 | 101,357 |
| Non-recoverable expenses | -4,562 | 11,173 |
| Initial net rents (B) | 84,528 | 112,530 |
| Reversions | 2,146 | 5,329 |
| Estimated net rents (C) | 86,674 | 117,859 |
| Net initial yield (%) (B / A) | 5.88 | 5.74 |
| Reversionary yield (%) (C / A) | 6.03 | 6.38 |
| Equivalent yield (%) | 6.03 | 6.68 |

CALCULATION OF EPRA KPI'S

EPRA NAV per share



Table 5

| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|--|------------------|------------------|
| NAV (IFRS equity ex. minority interest) | 1,728,438 | 1,619,377 |
| Share 'A' (outstanding shares) | 153,231 | 152,164 |
| NAV per share (EUR) | 11.28 | 10.64 |
| Effect of exercise of options, convertibles and other equity interests | 94,677 | 94,466 |
| 'New' Shares B | 8,408 | 8,241 |
| Share A + B | 161,640 | 160,405 |
| Diluted NAV, after the exercise of options, convertibles and other equity interests | 1,823,115 | 1,713,844 |
| Diluted NAV per share (EUR) | 11.28 | 10.68 |
| Revaluation of investment properties (if IAS 40 cost option is used) | 2,575 | 1,382 |
| Fair value adjustments of financial instruments | 2,052 | 35,143 |
| Fair value adjustments of joint ventures | 0 | 0 |
| Deferred tax | 0 | 132 |
| EPRA NAV | 1,827,742 | 1,750,501 |
| Minority interest | 0 | 58 |
| EPRA NAV (excl. minority interest) | 1,827,742 | 1,750,443 |
| EPRA NAV per share (EUR) | 11.31 | 10.91 |
| Fair value of financial instruments | -2,052 | -35,143 |
| Fair value of debt | -76,563 | -4,238 |
| Fair value adjustments of joint ventures | -1,025 | -318 |
| Deferred tax | 0 | -132 |
| EPRA NNNAV | 1,748,101 | 1,710,611 |
| EPRA NNNAV per share (EUR) | 10.81 | 10.66 |

EPRA earnings & earnings per share



Table 6

| EUR k | 2016 | 2015 |
|--|----------------|-----------------|
| Earnings per IFRS income statement | 182,376 | -111,378 |
| (a) Changes in value of investment properties, development properties held for investment and other interests | -72,806 | 4,192 |
| (b) Profits or losses on disposal of investment properties, development properties held for investment and other interests | -25,464 | -12,655 |
| (c) Tax on profits or losses on disposals | 2,000 | 0 |
| (d) Goodwill impairment | 0 | 144,795 |
| (e) Changes in fair value of financial instruments | 8,101 | 6,763 |
| (f) Acquisition costs on share deals | 664 | 10,740 |
| (g) Deferred tax in respect to EPRA adjustments | -132 | 8 |
| (h) Adjustments (a) to (c) above in respect of joint ventures | -3,852 | -1,301 |
| (i) Non-controlling interest on adjustments | -3,769 | -65 |
| EPRA earnings | 87,119 | 41,099 |
| EPRA earnings per share (EUR) | 0.57 | 0.42 |

Table 7 EPRA vacancy rate



| EUR k | Dec. 31, 2016 | Dec. 31, 2015 |
|------------------------------|---------------|---------------|
| Estimated rental value (ERV) | 195,876 | 222,605 |
| ERV of vacant space | 18,026 | 24,848 |
| Vacancy rate (%) | 9.2 | 11.2 |

Table 8 EPRA cost ratio



| EUR k | 2016 | 2015 |
|--|----------------|----------------|
| Administrative / operating expense line per IFRS income statement | -44,592 | -31,226 |
| Service fees / recharges | -204 | -424 |
| Management fees | 3,623 | 1,140 |
| Other operating income / recharges intended to cover overhead expenses | 0 | 0 |
| Share of joint ventures expenses | -461 | -307 |
| Exclude: | | |
| Investment Property Depreciation | 134 | 90 |
| Ground rent costs | 0 | 0 |
| EPRA Costs (including direct vacancy costs) (A) | -41,500 | -30,727 |
| Direct vacancy costs | 7,950 | 4,689 |
| EPRA Costs (excluding direct vacancy costs) (B) | -33,550 | -26,038 |
| Gross Rental Income less ground rents | 202,663 | 115,337 |
| Less: service fee and service charge costs components of gross rental income | -3,623 | 424 |
| Add: Share of joint ventures | 2,478 | 2,044 |
| Gross rental income (C) | 201,518 | 117,805 |
| EPRA cost ratio (%) (including direct vacancy costs) (A / C) | 20.6 | 26.1 |
| EPRA cost ratio (%) (excluding direct vacancy costs) (B / C) | 16.6 | 22.1 |
| thereof: | | |
| SG&A cost (%) | 8.9 | 15.2 |
| Real estate operating cost (%) | 7.7 | 6.9 |

Table 9

UNLEVERED RETURNS (UIRR) 2006–2017

| Asset name | City | Region | Ownership start | Disposal date | Total lettable area (m²) | Gross purchase price ¹⁾ (EUR k) | Rent Collected ²⁾ (EUR k) | Capex (EUR k) | Disposal proceeds (EUR k) | Unlevered profit (EUR k) | UIRR (%) |
|---------------------------------|-------------|------------|-----------------|---------------|--------------------------|--|--------------------------------------|---------------|---------------------------|--------------------------|----------|
| Zellescher Weg 18–25 a | Dresden | Others | 01.04.2006 | 31.01.2017 | 6,539 | 8,576 | 7,977 | 212 | 10,500 | 9,689 | 11.0 |
| Feldstrasse 16 | Weiterstadt | Rhine-Main | 01.11.2015 | 31.12.2016 | 14,200 | 6,700 | 385 | 33 | 7,350 | 1,002 | 15.1 |
| Gutenbergstrasse 1 | Ismaning | Munich | 01.11.2015 | 31.12.2016 | 12,200 | 12,800 | 917 | 465 | 14,100 | 1,752 | 13.9 |
| Oskar-Messter-Strasse 22 a–24 a | Ismaning | Munich | 01.11.2015 | 31.12.2016 | 12,400 | 16,700 | 1,445 | 8 | 18,400 | 3,137 | 19.0 |
| Nägelsbachstrasse 26 | Erlangen | Others | 01.11.2015 | 31.12.2016 | 11,600 | 18,500 | 1,526 | 949 | 11,200 | –6,722 | –36.8 |
| Lina-Ammon-Strasse 19 | Nuremberg | Others | 01.11.2015 | 31.12.2016 | 11,200 | 15,100 | 1,191 | 0 | 15,100 | 1,191 | 8.0 |
| Richard-Wagner-Platz 1 | Nuremberg | Others | 01.11.2015 | 31.12.2016 | 6,800 | 14,400 | 1,106 | 221 | 17,000 | 3,485 | 24.5 |
| Bahnhofstrasse 1–5 | Heilbronn | Stuttgart | 01.11.2015 | 30.11.2016 | 14,700 | 28,400 | 2,224 | 654 | 33,650 | 6,820 | 24.3 |
| An den Treptowers 3 | Berlin | Berlin | 01.11.2015 | 30.09.2016 | 85,400 | 209,300 | 12,188 | 965 | 228,431 | 30,354 | 14.7 |
| Ludwig-Erhard-Strasse 49 | Leipzig | Others | 01.04.2006 | 30.09.2016 | 6,290 | 10,307 | 7,746 | 267 | 9,450 | 6,622 | 6.9 |
| Taunusstrasse 34–36 | Munich | Munich | 01.11.2015 | 31.08.2016 | 11,200 | 26,400 | 1,404 | 28 | 26,830 | 1,806 | 6.9 |
| Wandsbeker Chaussee 220 | Hamburg | Hamburg | 01.01.2007 | 30.06.2016 | 3,156 | 5,671 | 3,026 | 226 | 5,920 | 3,049 | 6.4 |
| Max-Eyth-Strasse 2 | Dortmund | Rhine-Ruhr | 01.10.2007 | 31.12.2016 | 7,042 | 7,791 | 434 | 73 | 4,200 | –2,805 | –6.1 |
| Landshuter Allee 174 | Munich | Munich | 05.06.2007 | 30.06.2016 | 7,151 | 11,342 | 3,071 | 1,849 | 14,000 | 3,881 | 4.3 |
| Hofmannstrasse 51 | Munich | Munich | 01.04.2007 | 30.06.2016 | 22,151 | 41,764 | 21,009 | 782 | 44,987 | 23,450 | 6.2 |
| Dieselstrasse 18 | Ditzingen | Stuttgart | 01.04.2007 | 25.06.2016 | 9,639 | 3,100 | 0 | 8,986 | 13,395 | 1,309 | 34.1 |
| Emil-von-Behring-Strasse 2 | Frankfurt | Rhine-Main | 01.04.2007 | 31.12.2015 | 9,308 | 15,370 | 9,254 | 3,696 | 12,800 | 2,988 | 2.9 |
| Arnulfstrasse 150 | Munich | Munich | 01.04.2006 | 31.12.2015 | 5,871 | 16,258 | 8,074 | 138 | 16,500 | 8,177 | 6.6 |
| Halberstädter Strasse 17 | Magdeburg | Others | 01.04.2006 | 30.11.2015 | 7,527 | 10,417 | 5,089 | 304 | 6,200 | 568 | 0.8 |
| Siemensstrasse 31–33 | Ditzingen | Stuttgart | 01.04.2007 | 01.11.2015 | 15,051 | 28,620 | 12,097 | 900 | 22,300 | 4,878 | 2.5 |
| Englische Planke 2 | Hamburg | Hamburg | 01.04.2011 | 31.12.2014 | 4,623 | 12,065 | 2,804 | 431 | 15,530 | 5,838 | 15.2 |
| Hamburger Strasse 43–49 | Hamburg | Hamburg | 28.12.2006 | 30.11.2014 | 21,777 | 36,010 | 18,227 | 401 | 41,662 | 23,478 | 9.1 |
| Spitzweidenweg 107 | Jena | Others | 03.03.2008 | 31.10.2014 | 2,880 | 1,993 | 1,064 | 106 | 1,415 | 380 | 3.7 |
| Ernstthaldestrasse 17 | Stuttgart | Stuttgart | 03.03.2008 | 31.05.2014 | 2,472 | 2,714 | 1,663 | 662 | 3,300 | 1,587 | 10.0 |
| Max-Brauer-Allee 41–43 | Hamburg | Hamburg | 01.06.2008 | 31.03.2014 | 3,226 | 4,569 | 1,665 | 852 | 6,150 | 2,395 | 7.2 |
| Joliot-Curie-Platz 29–30 | Halle | Others | 02.05.2008 | 31.12.2013 | 1,080 | 1,325 | 475 | 19 | 610 | –259 | –5.3 |
| Bornbarch 2–12 | Norderstedt | Hamburg | 01.05.2012 | 31.12.2013 | 12,351 | 6,466 | 1,357 | 660 | 10,320 | 4,552 | 68.8 |
| Johannesstrasse 164–165 | Erfurt | Others | 01.04.2006 | 31.10.2013 | 5,846 | 8,127 | 3,791 | 187 | 5,850 | 1,328 | 2.7 |
| Am Roten Berg 5 | Erfurt | Others | 03.03.2008 | 31.07.2013 | 5,284 | 2,756 | 791 | 35 | 1,060 | –940 | –9.7 |
| Schweinfurter Strasse 4 | Würzburg | Others | 01.01.2007 | 30.06.2013 | 5,076 | 7,950 | 2,875 | 161 | 4,530 | –706 | –1.9 |
| Helene-Lange-Strasse 6 / 7 | Potsdam | Others | 01.04.2006 | 30.06.2013 | 3,292 | 6,866 | 2,705 | 232 | 5,700 | 1,307 | 3.0 |
| Kanalstrasse 44 | Hamburg | Hamburg | 03.03.2008 | 31.05.2013 | 8,094 | 10,854 | 4,624 | 488 | 15,000 | 8,281 | 14.3 |
| Lothar-Streit-Strasse 10b | Zwickau | Others | 01.04.2006 | 23.05.2013 | 1,034 | 1,583 | 599 | 30 | 350 | –665 | –11.6 |
| Benrather Schlossallee 29–33 | Düsseldorf | Rhine-Ruhr | 01.04.2008 | 01.02.2013 | 4,941 | 8,684 | 2,614 | 510 | 7,620 | 1,040 | 2.7 |
| Zwinglistrasse 11 / 13 | Dresden | Others | 03.03.2008 | 31.12.2012 | 2,924 | 1,982 | 725 | 31 | 2,640 | 1,352 | 15.4 |
| Schopenstehl 24 | Hamburg | Hamburg | 01.08.2009 | 30.06.2012 | 2,122 | 3,509 | 498 | 999 | 5,040 | 1,031 | 8.0 |
| Am Gräslein 12 | Nuremberg | Others | 01.04.2006 | 31.03.2012 | 2,708 | 3,769 | 1,344 | 71 | 3,400 | 904 | 4.3 |
| Poststrasse 11 | Hamburg | Hamburg | 01.06.2006 | 30.03.2012 | 7,356 | 36,302 | 5,211 | 30,100 | 120,839 | 59,648 | 17.0 |
| Bertha-von-Suttner-Platz 17 | Bonn | Rhine-Ruhr | 01.04.2006 | 30.09.2011 | 1,388 | 1,624 | 990 | 50 | 2,100 | 1,416 | 16.7 |
| Kümmellstrasse 5–7 | Hamburg | Hamburg | 01.06.2006 | 09.11.2010 | 15,666 | 26,325 | 6,094 | 305 | 25,279 | 4,744 | 4.6 |
| Lenhartzstrasse 28 | Hamburg | Hamburg | 01.06.2006 | 09.11.2010 | 1,131 | 1,788 | 466 | 23 | 4,221 | 2,875 | 28.8 |

¹⁾ Incl. 6 % transaction costs.²⁾ Incl. 5 % real estate operating expenses.

UNLEVERED RETURNS (UIRR) 2006–2017

| Asset name | City | Region | Ownership start | Disposal date | Total lettable area (m²) | Gross purchase price ¹⁾ (EUR k) | Rent Collected ²⁾ (EUR k) | Capex (EUR k) | Disposal proceeds (EUR k) | Unlevered profit (EUR k) | UIRR (%) |
|--------------------------------|------------|------------|-----------------|---------------|--------------------------------|--|--|------------------|---------------------------------|--------------------------------|-------------|
| Schloßstrasse 60 | Hamburg | Hamburg | 01.06.2006 | 22.09.2010 | 11,945 | 15,141 | 4,009 | 200 | 17,001 | 5,669 | 9.1 |
| Steckelhörn 12 | Hamburg | Hamburg | 01.06.2006 | 22.09.2010 | 14,720 | 36,616 | 7,797 | 390 | 35,200 | 5,992 | 4.2 |
| Gänsemarkt 36 | Hamburg | Hamburg | 01.06.2006 | 31.03.2010 | 20,900 | 66,341 | 12,889 | 644 | 68,700 | 14,603 | 5.5 |
| Gorch-Fock-Wall 15, 17 | Hamburg | Hamburg | 01.06.2006 | 31.03.2010 | 7,700 | 16,013 | 3,368 | 168 | 15,500 | 2,686 | 4.3 |
| Eserwallstrasse 1 – 3 | Augsburg | Others | 01.04.2006 | 31.12.2009 | 5,564 | 10,583 | 2,510 | 126 | 10,556 | 2,358 | 7.7 |
| Rheinstrasse 23 | Darmstadt | Rhine-Main | 01.04.2006 | 31.12.2009 | 2,696 | 5,060 | 1,132 | 57 | 4,197 | 212 | 1.5 |
| Mecumstrasse 10 | Düsseldorf | Rhine-Ruhr | 01.04.2006 | 31.12.2009 | 8,638 | 21,452 | 4,377 | 219 | 18,128 | 834 | 1.4 |
| Vahrenwalder Strasse 133 | Hannover | Others | 01.04.2006 | 31.12.2009 | 7,142 | 16,869 | 3,529 | 176 | 18,587 | 5,071 | 10.2 |
| Bonner Strasse 351 / 351 a | Cologne | Rhine-Ruhr | 01.04.2006 | 31.12.2009 | 10,907 | 23,192 | 5,259 | 263 | 21,736 | 3,541 | 5.4 |
| Steubenstrasse 72 – 74 | Mannheim | Rhine-Main | 01.04.2006 | 31.12.2009 | 4,070 | 7,898 | 1,896 | 95 | 7,844 | 1,748 | 7.6 |
| Regensburger Strasse 223 – 231 | Nuremberg | Others | 01.04.2006 | 31.12.2009 | 8,938 | 15,489 | 3,582 | 179 | 14,877 | 2,791 | 6.3 |
| Poststrasse 51 | Hamburg | Hamburg | 01.06.2006 | 07.10.2009 | 1,681 | 7,347 | 1,283 | 64 | 6,500 | 372 | 1.8 |
| Eppendorfer Landstrasse 59 | Hamburg | Hamburg | 01.06.2006 | 30.09.2009 | 3,293 | 7,423 | 1,228 | 61 | 6,622 | 365 | 1.7 |
| Ottenser Marktplatz 10 / 12 | Hamburg | Hamburg | 01.06.2006 | 30.09.2009 | 934 | 2,687 | 470 | 24 | 2,375 | 134 | 1.8 |
| Marburger Strasse 10 | Berlin | Berlin | 01.04.2008 | 29.09.2009 | 6,219 | 13,155 | 1,350 | 37 | 12,950 | 1,108 | 3.9 |
| Gorch-Fock-Wall 11 | Hamburg | Hamburg | 01.06.2006 | 30.06.2009 | 8,693 | 20,405 | 2,886 | 144 | 19,600 | 1,936 | 3.3 |
| Nikolaistrasse 16 | Leipzig | Others | 01.01.2007 | 30.11.2008 | 1,191 | 2,438 | 363 | 18 | 2,000 | –93 | –2.0 |
| Düsternstrasse 10 | Hamburg | Hamburg | 01.06.2006 | 31.10.2008 | 2,156 | 4,463 | 583 | 29 | 4,950 | 1,040 | 11.6 |
| Osterbekstrasse 96 | Hamburg | Hamburg | 01.06.2006 | 30.09.2008 | 7,393 | 10,067 | 1,126 | 56 | 11,000 | 2,003 | 9.9 |
| Richard-Strauß-Allee 10 – 14 a | Wuppertal | Rhine-Ruhr | 01.04.2006 | 13.07.2007 | 1,258 | 1,394 | 139 | 7 | 1,545 | 284 | 21.3 |
| Schellenbecker Strasse 15 – 21 | Wuppertal | Rhine-Ruhr | 01.04.2006 | 13.07.2007 | 1,854 | 1,944 | 177 | 9 | 2,155 | 379 | 20.5 |
| Total | | | | | 532,590 | 1,000,753 | 220,703 | 59,974 | 1,117,376 | 277,352 | 7.3 |

¹⁾ Incl. 6 % transaction costs.
²⁾ Incl. 5 % real estate operating expenses.

Disclaimer: The data shown in the table above can differ from the IFRS accounting numbers.

APPENDIX

APPENDIX

GLOSSARY

| | |
|------------------------------------|---|
| AFFO | The adjusted funds from operations (AFFO) is equal to the FFO (funds from operations) with adjustments made for capital expenditures used to maintain the quality of the underlying investment portfolio. |
| Annual financial statements | The annual financial statements include the balance sheet and the profit and loss account of a company. In respect of a joint stock company, these are prepared by the Management Board, audited by a chartered accountant for compliance and checked by the Supervisory Board. |
| Annual General Meeting | At least once a year the shareholders of a joint stock company convene for the Annual General Meeting. This meeting elects the Supervisory Board and the balance sheet auditor. It passes resolutions on the appropriation of the annual profit shown, on measures for raising capital, on changes to the articles of association and other fundamental issues; it is the only body which can approve the decisions made by the Supervisory Board and the Management Board. |
| Asset management | Value-driven management and / or optimization of real estate investments through letting management, refurbishment, repositioning and tenant management. |
| Average cost of debt | The cost of finance expressed as a percentage of the weighted average of borrowings during the period. |
| Cash flow | The cash flow statement shows how the cash and cash equivalents of the Group changed in the course of the financial year as a result of cash received and paid. In accordance with IAS 7, a distinction is made between cash flows from operating activities and cash flows from investing and financing activities. |
| CO₂ | Carbon dioxide, a gas produced primarily through the combustion of fossil fuels, is believed to be the main cause of climate change. |
| Completed developments | Completed developments consist of those properties previously included in the development programme, which have been transferred to the investment portfolio from the development programme during the reporting period. |
| Contractual rent | At a given date, the contractual rent reflects the total annualised rent taking into consideration all signed rental contracts. |
| Contractual vacancy rate | Contractual vacancy rate is the amount of space as a per cent of the total area of the portfolio on which there is no current or future signed lease contract. |
| Coverage | Information provided on a listed public company by banks and financial analysts in the form of studies and research reports. |

Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

CSR

The German Share Index (DAX) reflects the value trend of the 30 most important German shares. In addition to the market prices, the dividend payments are also included here. DAX began at the end of 1987 with a value of 1,000.

DAX

The development program together with proposed developments.

Development pipeline

The share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares he holds.

Dividend

The European Public Real Estate Association is an organization that represents the interests of the major European property management companies and supports the development and market presence of European public property companies.

EPRA

The estimated market rental value of the total lettable space in a property, after deducting head and equity rents, calculated by the Group's external valuers.

ERV

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value for alstria's investment properties is reviewed regularly by external appraisers.

Fair value (or open market value [OMV])

alstria calculates Funds From Operations as EBT, decreased / increased by the net gain / loss from fair value adjustment on investment property, decreased / increased by the net gain / loss from fair value adjustment on financial derivatives, increased / reduced by the profit / loss on disposal of investment property, decreased / increased by the net gain / loss from fair value adjustments on investment property of joint ventures, decreased / increased by non-recurring items, plus non-cash-expenses and less cash taxes paid.

FFO

Real Estate Investment Trusts are public listed companies, fully tax-transparent, which solely invest in properties.

G-REIT

The international financial reporting standards (IFRS) are adopted by the International Accounting Standards Board (IASB). The objective is to achieve uniformity and transparency in the accounting principles that are used by companies and other organisations worldwide for financial reporting. IFRS have applied to listed companies since January 1, 2005.

IFRS

| | |
|---------------------------------------|--|
| Investment property | Property, land and buildings, which are held as financial investments to earn rents or for growth and not used for the Company's own purpose. The value of the investment property is determined according to IAS 40. |
| Joint venture | Legally independent entity formed between two or more parties to undertake economic activity together. It is jointly controlled by the parties under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each party's consent. |
| LTV and Net LTV | alstria calculates loan to value (LTV) by dividing the total loans outstanding to finance investment properties by the value of all mortgaged investment properties. The calculation of alstria's Net LTV also deducts the available non-restricted cash on the respective balance sheet date, which is deducted from the gross debt amount. |
| MDAX | Mid Cap Index; it contains, with variable weighting, the prices of the 50 most important, in terms of market capitalization and turnover, German joint stock companies which are not included in DAX30. In addition to dividend payments, subscription right proceeds are also included when calculating the index. |
| NAV (net asset value) | Reflects the economic equity of the Company. It is calculated from the value of assets less debt. |
| NNNAV (triple net asset value) | The Company computes NNNAV as total equity as reported in the IFRS consolidated statement of financial position, which accounts for the carrying amount and the fair value of financial instruments and financial liabilities, adjusted for hidden reserves and hidden losses in immovable assets and financial liabilities. |
| Office building | Property where at least 75 % of the lettable area is destined for office use (disregarding potential ground-floor retail). |
| Passing rent | Annual gross rental income as per a certain date, excluding the net effects of straight-lining for lease incentives. |
| Performance | The term performance describes the percentage appreciation of an investment or a securites portfolio during a given period. |
| Pre-let | A lease signed with a tenant prior to completion of a development. |
| Property management | Property management is the management of real estate assets including the processes, systems and manpower required to manage the life cycle of a building. |
| Roadshows | Corporate presentations to institutional investors. |

The term 'share' describes both the membership rights (holding in the joint stock company) and the security that embodies these rights. The holder of a share (shareholder) is a 'sharer' in the assets of the joint stock company. Their rights are protected by the regulations contained in the Companies Act.

Share

The capital stipulated in a corporation's articles of association. The articles also specify the number of shares into which the share capital is divided. The Company issues shares in the amount of its share capital.

Share capital

An individual, community or organization that affects or is affected by some aspect of an organization's products, operations, markets, industries and outcomes.

Stakeholder

The Supervisory Board is one of the three executive bodies of a joint stock company: Annual General Meeting, Management Board and Supervisory Board. The Supervisory Board appoints the Management Board and provides supervision and advice regarding management of the company's business.

Supervisory Board

Alignment of an organisation's products and services with stakeholder expectations, thereby adding economic, environmental and social value.

Sustainability

Any incentive offered to occupiers to enter into a lease. Typically the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs.

Tenant incentives

Dividends and capital growth in the share price, expressed as a percentage of the share price at the beginning of the year.

TSR (Total shareholder return)

A principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.

Transparency

The Unlevered internal rate of return (UIRR) is a key indicator to assess the attractiveness of an investment. It is the rate needed to discount the unlevered sum of the future cash flow to equal the initial investment.

UIRR

Vacant space refers to the sum of all lettable space that at the end of a calendar year is unoccupied or offered for lease.

Vacant space

An electronic stock exchange trading system that uses the open order book and thus increases transparency.

XETRA

Key performance indicator, which is determined at a given date by the contractual rent in relation to the fair value of the property.

Yield

IMPRINT

alstria office REIT-AG is a member of DIRK (Deutscher Investor Relations Verband, the German Investor Relations Association).

Other reports issued by alstria office REIT-AG are posted on the Company's website.

Forward-looking statements

This annual report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based not occur, or if risks should arise the actual results could differ materially from the results currently expected.

Picture Credits

Annika Feuss

Design & Layout

Teresa Henkel

Contact Investor Relations

Ralf Dibbern

T +49 (0) 40 / 22 63 41-329

E rdibbern@alstria.de

<https://www.alstria.com/en/investors>

Social media



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