

FINANCIAL RESULTS 2018

FEBRUARY 28, 2019



DISCLAIMER

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, general economic conditions, including in particular economic conditions in the alstria's core business and core markets, general competitive factors, the impact of acquisitions, including related integration issues, and reorganization measures. Furthermore, the development of financial markets, interest rate levels, currency exchange rates, as well as national and international changes in laws and regulations, in particular regarding tax matters, can have a corresponding impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

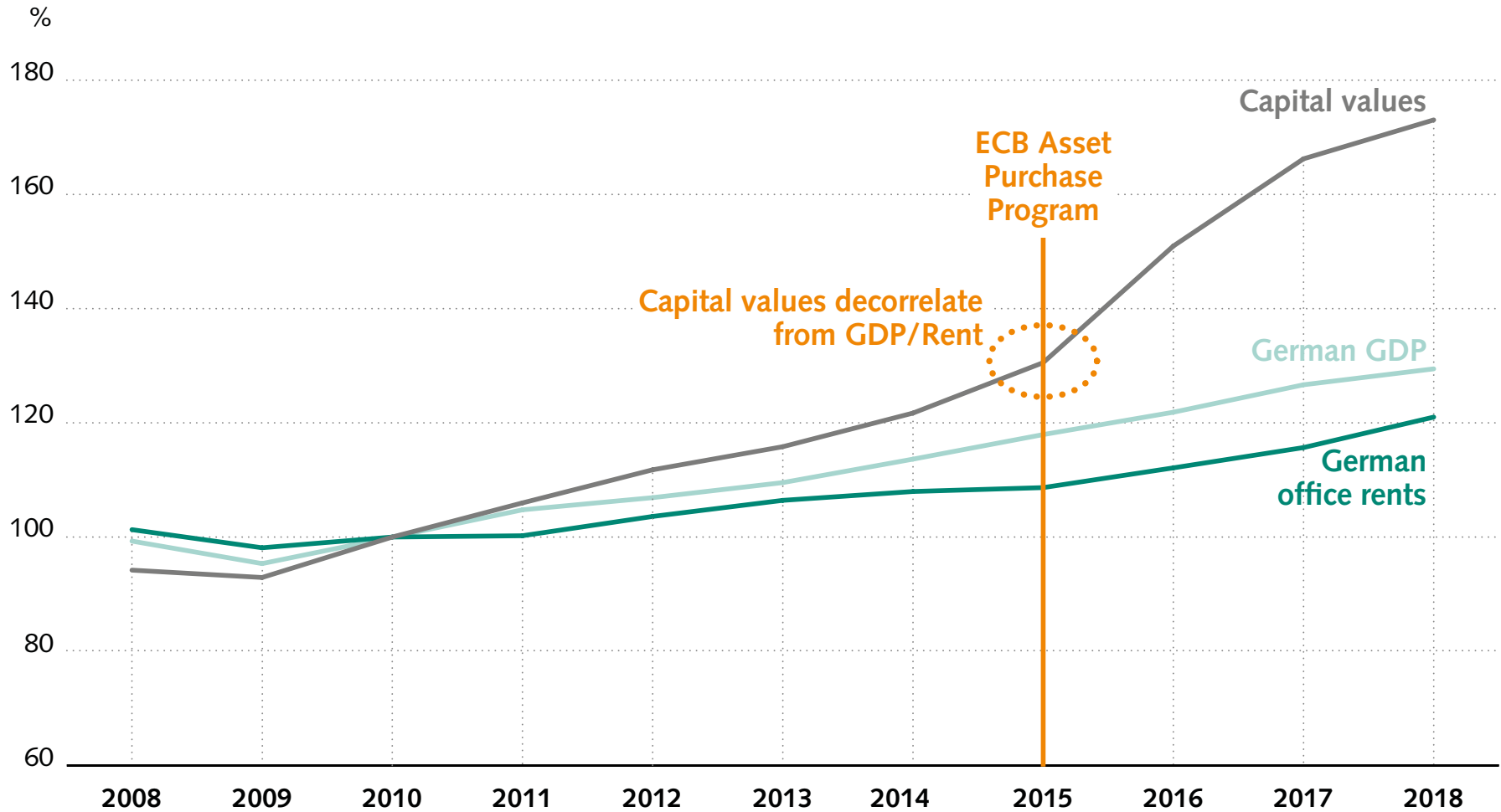
The company assumes no obligation to update any information contained herein.

AGENDA

- **General business update**
- Operations
- Key financials
- Appendix



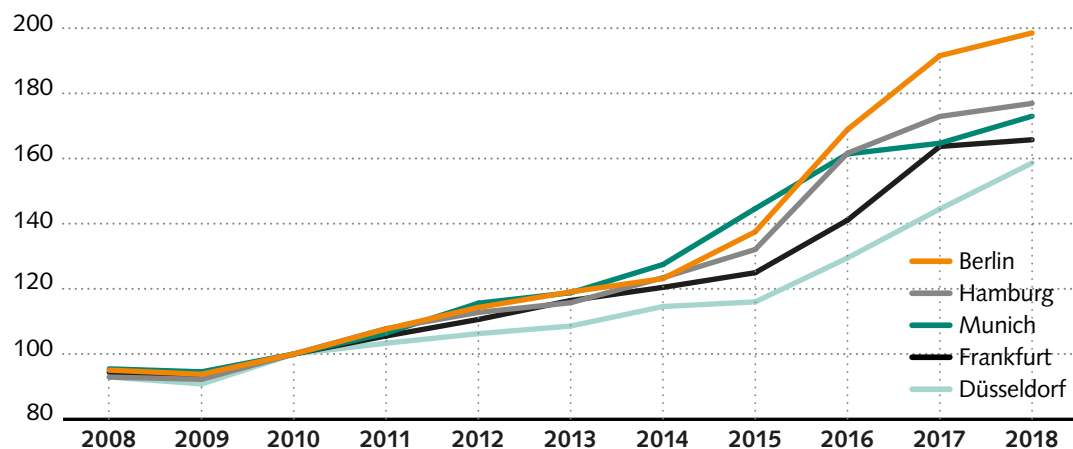
WHERE DO WE STAND IN THE CYCLE?



Source: Vdp Office rent Index, JLL Victor (capital values), destatis (GDP). All numbers in nominal amounts (2010 – Base 100).

A GERMAN WIDE PHENOMENON

CAPITAL VALUE GROWTH

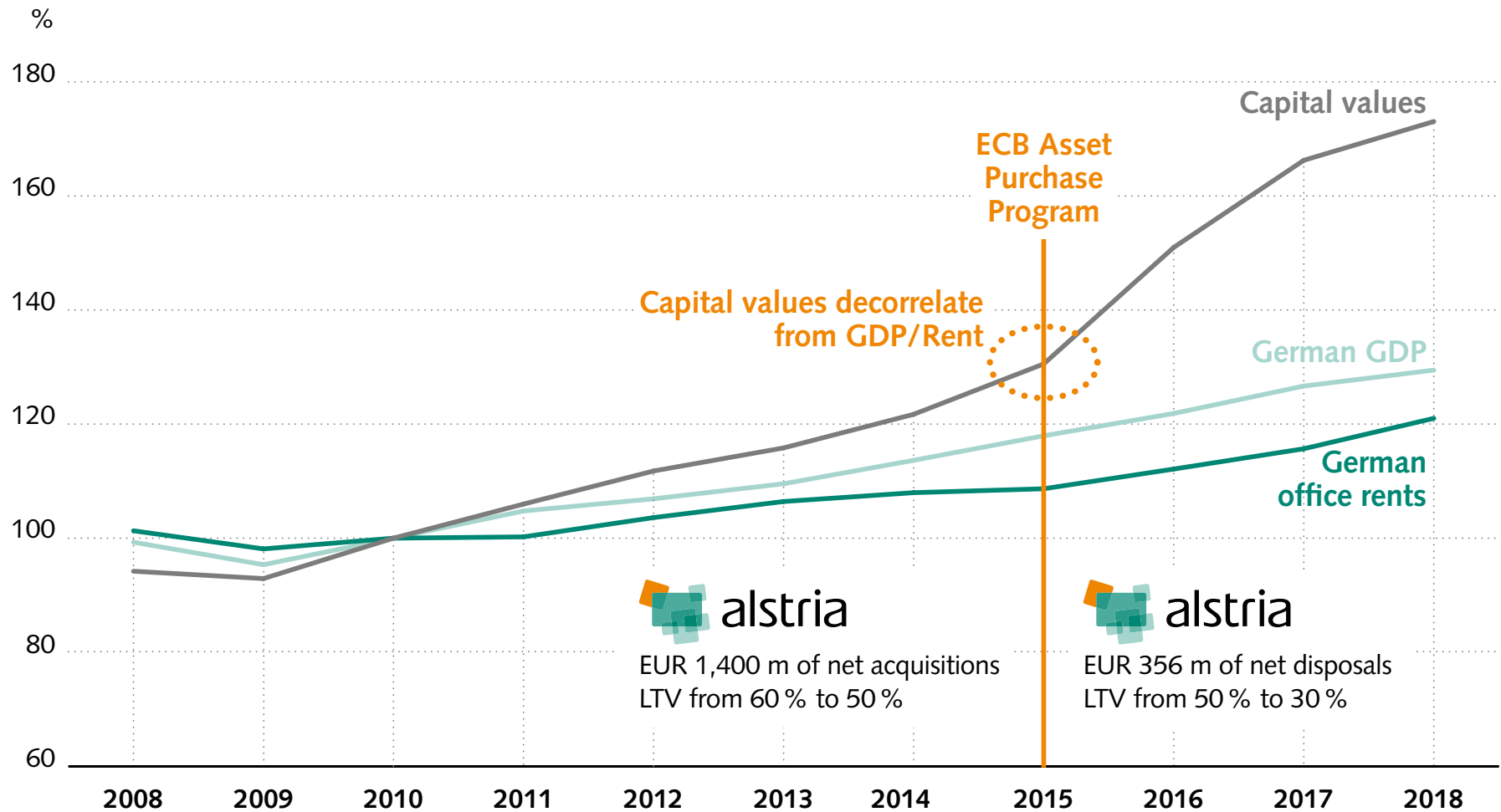


Source: BulwienGesa, JLL Victor index, Vdp.

GERMAN OFFICE MARKET

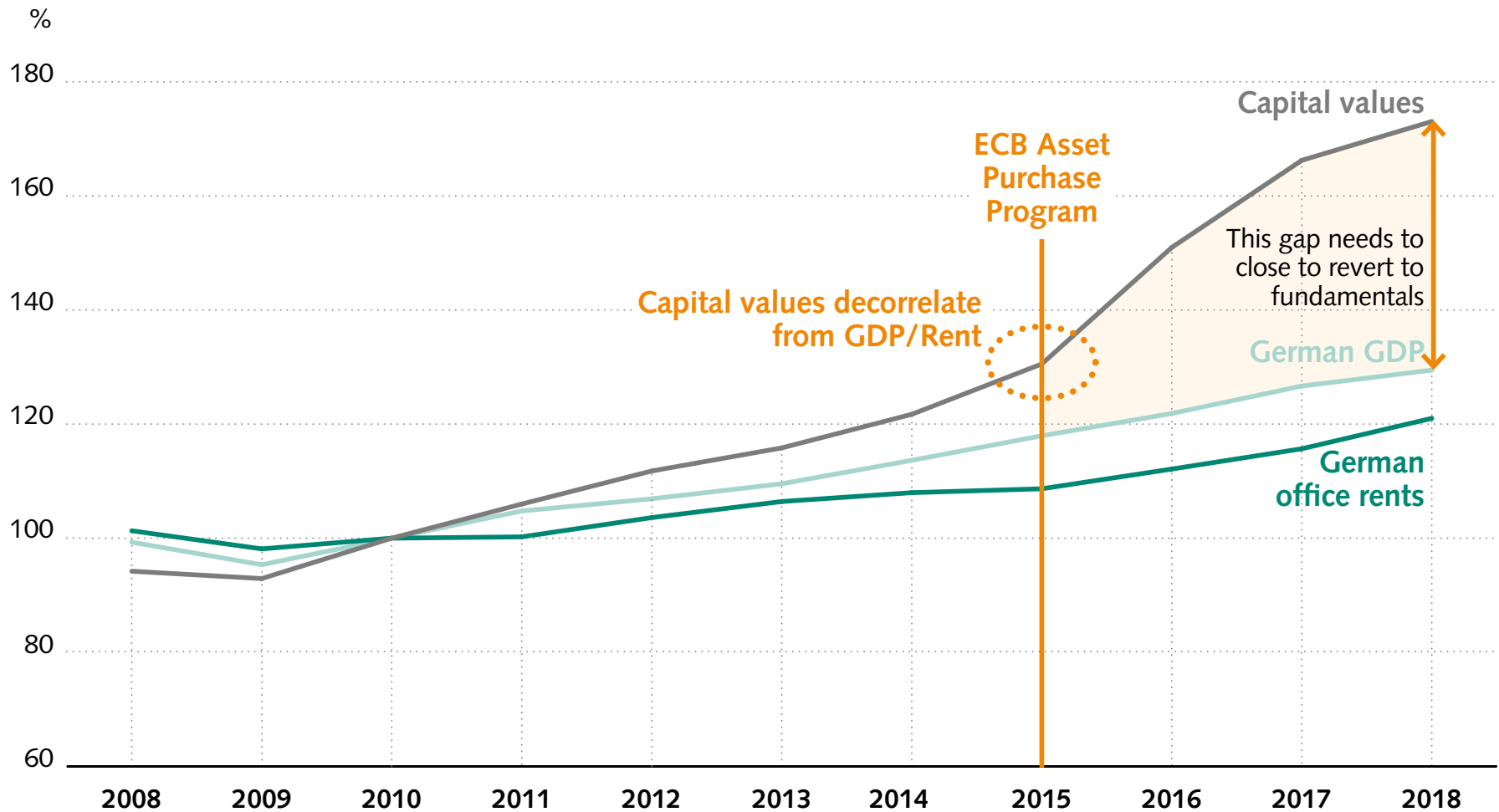
Compound annual growth 2008–2018	Capital values (%)	Rents (%)	Spread (%)
Germany	6.27	1.8	4.47
Berlin	7.65	2.8	4.85
Hamburg	6.65	1.9	4.75
Munich	6.13	1.5	4.63
Frankfurt	5.79	0.9	4.94
Düsseldorf	5.49	1.2	4.29

HOW DID IT AFFECT OUR CAPITAL ALLOCATION ?



Source: Vdp Office rent Index, JLL Victor (capital values), destatis (GDP). All numbers in nominal amounts (2010 – Base 100).

IT IS ALL ABOUT THE FUNDAMENTALS

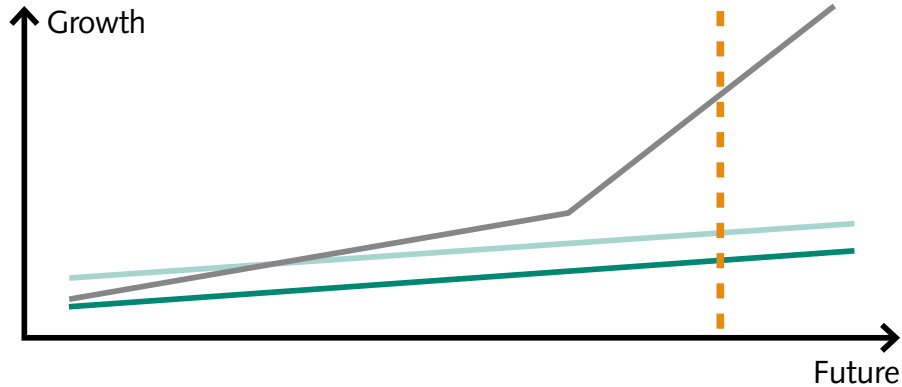


Source: Vdp Office rent Index, JLL Victor (capital values), destatis (GDP). All numbers in nominal amounts (2010 – Base 100).

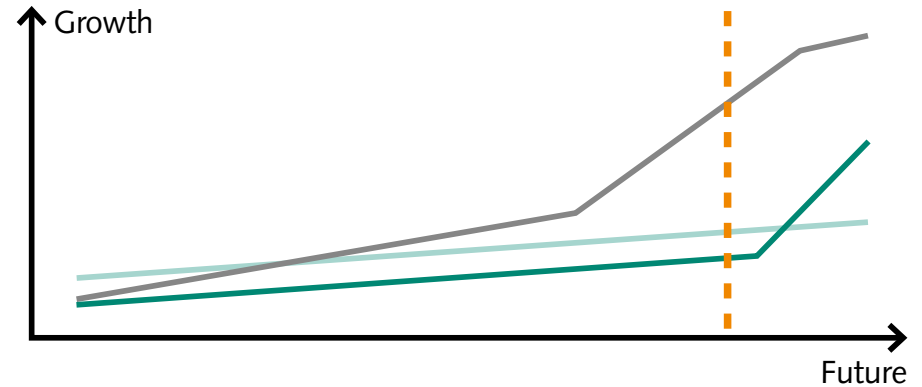
POSSIBLE OUTCOMES

— Capital values — German GDP — German office rents

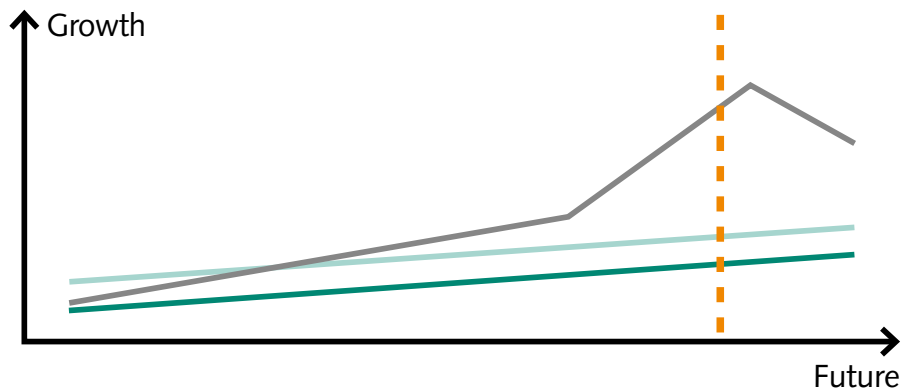
ECB STIMULUS CONTINUES



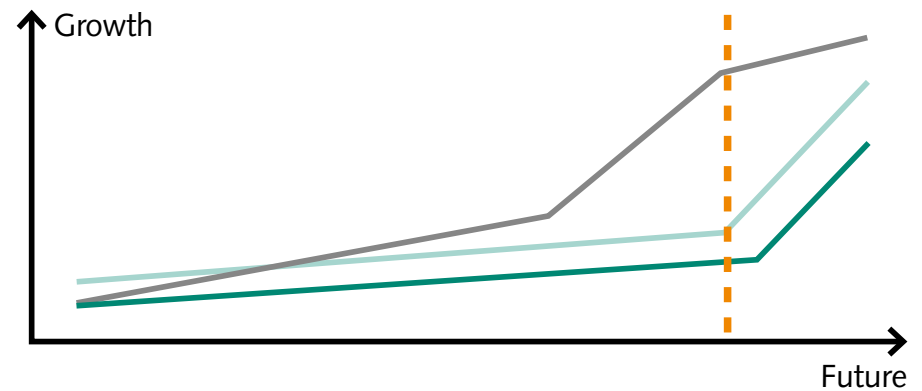
RENTAL GROWTH DECORRELATES FROM GDP



CAPITAL VALUES REVERT TO FUNDAMENTALS



GDP GROWTH ACCELERATES



READY TO SEIZE ANY SCENARIO

ECB STIMULUS CONTINUES

- › **Opportunity:** 1.6 million m² of office space
- › **Portfolio value:** ↗
- › **Yield:** ↘
- › **Cash flow growth:** Refurbishment projects
- › **Equity:** Follow capital market signals
- › **Debt:** Keep leverage low

RENTAL GROWTH DECORRELATES FROM GDP

- › **Opportunity:** 1.6 million m² of office space
- › **Portfolio value:** ↗
- › **Yield:** ↘
- › **Cash flow growth:** Rent reversion
- › **Equity:** Follow capital market signals
- › **Debt:** Keep leverage low

CAPITAL VALUES REVERT TO FUNDAMENTALS

- › **Opportunity:** Strong balance sheet
- › **Portfolio value:** ↘
- › **Yield:** ↗
- › **Cash flow growth:** Accretive acquisitions
- › **Equity:** Follow capital market signals
- › **Debt:** Increase leverage to buy more

GDP GROWTH ACCELERATES

- › **Opportunity:** 1.6 million m² of office space
- › **Portfolio value:** ↗
- › **Yield:** ↘
- › **Cash flow growth:**
Rent reversion, accretive acquisitions
- › **Equity:** Follow capital market signals
- › **Debt:** Increase leverage to buy more

WHERE ARE WE TODAY?

YOU ARE HERE

BUILDING OPPORTUNITIES	
ECB STIMULUS CONTINUES	RENTAL GROWTH DECORRELATES FROM GDP
<ul style="list-style-type: none">› Opportunity: 1.6 million m² of office space› Portfolio value: ↗› Yield: ↘› Cash-flow growth: Refurbishment projects› Equity: Follow capital market signals› Debt: keep leverage low	<ul style="list-style-type: none">› Opportunity: 1.6 million m² of office space› Portfolio value: ↗› Yield: ↘› Cash-flow growth: Rent reversion› Equity: Follow capital market signals› Debt: keep leverage low
CAPITAL VALUES REVERT TO FUNDAMENTALS	GDP GROWTH ACCELERATE
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alstria office REIT-AG Financial Results 2018 9

- › **Equity:** Discount to NAV → Net Seller
- › **Debt:** Deleveraging process successfully completed
- › **Cash flow improvement:** Vacancy reduction and refurbishments

AGENDA

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- › **Operations**
- › Key financials
- › Appendix

UNIQUE GERMAN OFFICE PORTFOLIO

GEOGRAPHIC PORTFOLIO SPLIT AND PORTFOLIO VALUE

as per December 31, 2018

Total portfolio

- Investment volume: EUR 3,985 million
- 🏠 Number of assets: 118
- ☒ Lettable space: 1,577,000 m²
- 📍 Headquarters
- Local offices

Hamburg

- EUR 1,223 million
- 🏠 37 assets
- ☒ 387,100 m²

Rhine-Ruhr

- EUR 1,114 million
- 🏠 36 assets
- ☒ 492,000 m²

Rhine-Main

- EUR 753 million
- 🏠 21 assets
- ☒ 295,500 m²

Stuttgart

- EUR 506 million
- 🏠 10 assets
- ☒ 221,600 m²

Berlin

- EUR 238 million
- 🏠 8 assets
- ☒ 74,700 m²

Others

- EUR 151 million
- 🏠 6 assets
- ☒ 106,100 m²

PORTFOLIO KEY FACTS

	Dec. 31, 2018	Dec. 31, 2017	Change
Contractual rent (EUR m)	197.0	202.0	–2.5 %
Valuation yield (%)	4.9	5.9	–100 bp
ERV (EUR m)	240.3	222.5	8.0 %
ERV yield (%)	6.0	6.6	–60 bp
Avg. value per m ² (EUR)	2,525	2,171	16.3 %

STRONG LETTING RESULT

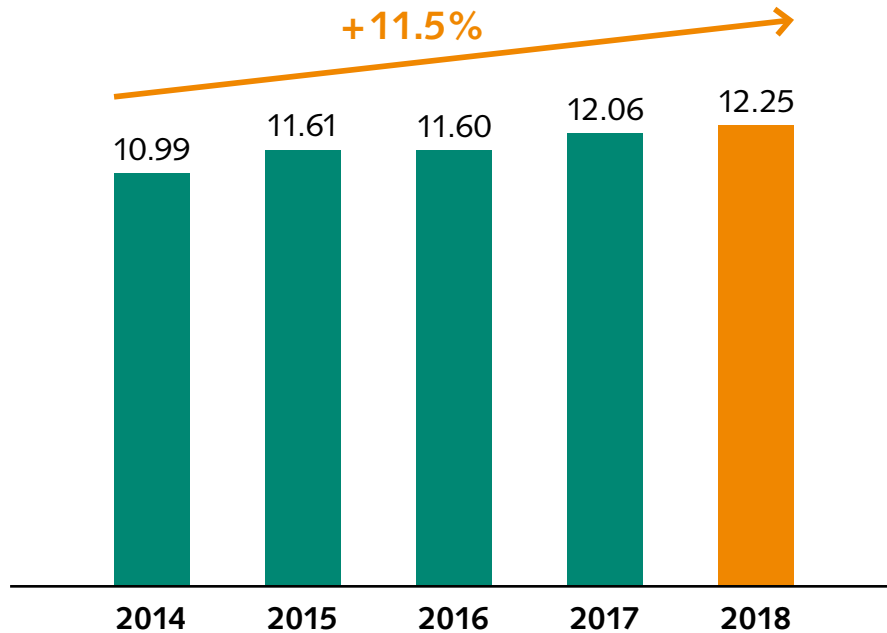


Elisabethstr. 5–11, Düsseldorf

- › **New leases: 110,800 m²**
 - Avg. rent: EUR 12.15 per m²
 - Avg. WAULT: 6.6 years
 - Rent free down to 3.7 % (from 4.7 %)
 - Future cash flow: EUR 120.1 m
- › **Lease renewals: 92,500 m²**
 - Avg. rent: EUR 11.39 per m²
 - Avg. WAULT: 3.2 years
 - Rent free down to 1.3 % (from 4.0 %)
 - Future cash flow: EUR 42.2 m
- › **EPRA Ifl rental growth: +3.6 %**
- › **Effective rent: +4.0 % to EUR 10.62 per m²**

GROWTH OF AVERAGE RENT PER SQM

STEADY GROWTH OF AVG. RENT PER SQM



FIVE YEARS 2014–2018 (CAGR)

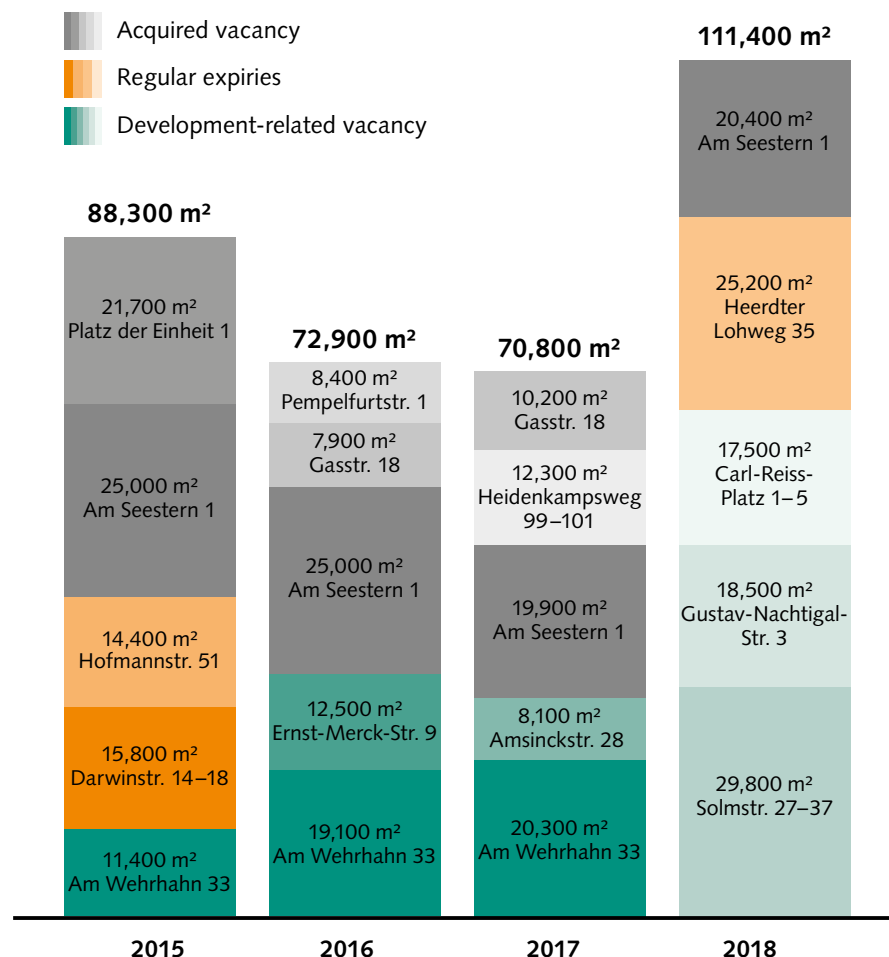
- › Avg. rent per m²: 2.8 %
- › CPI: 1.3 % p. a.
- › Avg. rent over CPI: 1.5 % p. a.

AVERAGE DOWN PERIOD OF 15.0 MONTHS

VACANCY

- › EPRA vacancy rate at 9.7 %
- › 104,100 m² development-related vacancy
- › Average down period improved to 15.0 months (from 18.8 months)
- › Positive letting performance continued in 2019

'TOP 5 VACANT' ASSETS 2015–2018



CAPEX / OPEX OF EUR 99.7 MILLION IN 2018

- › **Total capex:** EUR 86.4 m
- › **Total spendings on properties:**
EUR 99.7 m equals ca. 3.4% of portfolio value (ex. land value)

PROPERTY RELATED CAPEX / OPEX			
EUR k	2018	2017	2016
Acquisitions	107,300	259,500	46,350
Development capex	36,320	18,081	9,050
Investment portfolio capex	50,100	40,700	22,226
o / w Modernization capex	26,508	19,900	7,401
o / w Tenant fit-outs	21,200	17,900	11,527
o / w Broker fees	2,392	2,900	3,298
o / w Capitalized interest	0	0	0
Capital expenditure	86,420	58,781	31,277
Maintenance expenses ¹⁾	8,532	9,086	8,056
Running repairs ¹⁾	4,804	4,275	4,357
Operating expenditure	13,336	13,361	12,413
Total Capex/Opex	99,756	72,142	43,690

¹⁾Incl. in P&L and FFO.

EUR 0.34 PER SHARE FROM COMPLETED REFURBISHMENTS

DEVELOPMENTS

Adress	City	Lettable area (m²)	OMV at start of development (EUR k)	Total capex (EUR k)	Letting status as of Dec. 31, 2018 (%)	ERV on completion (EUR k)	All-in-cost yield (%)	OMV as of Dec. 31, 2018 (EUR K)	Valuation yield as of Dec. 31, 2018 (%)	Development gain (EUR)
			(A)	(B)		(C)	(C/(A+B))	(D)		(D – (A+B))
Am Wehrhahn 33	Düsseldorf	24,100	32,835	36,100	66.4	5,179	7.5	100,000	5.2	31,065
Ernst-Merck-Str. 9	Hamburg	17,800	32,300	19,300	93.8	3,281	6.4	80,000	4.1	28,400
Total		41,900	65,135	55,400	78.0	8,460	7.0	180,000	4.7	59,465

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

- Two developments completed in 2018
- Total capex of EUR 55.4 m
- Yield on capex: 7.0 %
- Development gain of EUR 59.5 m (EUR 0.34 per share)

AM WEHRHAHN 33, DÜSSELDORF



EUR 17.0 M RENT REVERSION / EUR 1 PER SHARE NAV POTENTIAL

DEVELOPMENTS

Adress	City	Lettable area (m²)	OMV at start of development (EUR k)	Total capex (EUR k)	Current rent (EUR k)	ERV on completion (EUR k)	Rent reversion (EUR k)	All-in-cost yield (%)	Expected OMV ¹⁾ (EUR k)	Expected development gain (EUR k)	Expected development gain per share (EUR)
Amsinckstr. 28	Hamburg	8,600	13,300	8,700	0	1,532	1,532	7.0	38,300	16,300	0.09
Amsinckstr. 34	Hamburg	6,600	9,700	7,000	220	1,207	987	7.2	30,175	13,475	0.08
Besenbinderhof 41	Hamburg	5,000	6,500	8,400	0	903	903	6.1	22,575	7,675	0.04
Carl-Reiß-Platz 1–5, TG	Mannheim	17,500	17,000	36,100	44	3,100	3,056	5.8	68,820	15,720	0.09
Gustav-Nachtigal-Str. 3–5	Wiesbaden	26,800	28,800	47,000	776	5,604	4,828	7.4	140,100	64,300	0.36
Kanzlerstr. 8	Düsseldorf	9,100	14,500	4,100	601	1,171	570	6.3	25,996	7,396	0.04
Solmsstr. 27–37	Frankfurt /M.	29,800	68,000	12,000	140	5,287	5,147	6.6	132,175	52,175	0.29
Total		103,400	157,800	123,300	1,781	18,804	17,023	6.7	458,141	177,041	1.00

¹⁾ Expected OMV at current market yield (4.0% for assets in Hamburg, Wiesbaden and Frankfurt, 4.5% for assets in Mannheim and Düsseldorf).

- 6.6 % of the portfolio under development
- Planned capex of EUR 123.3 m
- EUR 17.0 m rent reversion potential
- Expected all-in-cost yield of 6.7 %
- Current market yield of 4.0–4.5%
- Expected development gain of EUR 177 m (EUR 1.00 per share)

ACTIVE PORTFOLIO RECYCLING

ACQUISITIONS

Address	City	Acquisition price ¹⁾ (EUR k)	Lettable area (m ²)	Annual rent ²⁾ (EUR k)	Vacancy rate ²⁾ (%)
Taunusstr. 45–47	Frankfurt	26,900	7,100	1,000	3.0
Gustav-Nachtigal-Str. 5	Wiesbaden	8,200	7,600	500	36.5
Schinkestr. 20	Berlin	10,100	2,400	300	0.0
Uhlandstr. 85	Berlin	45,100	10,200	1,000	12.7
Handwerkstr. 4	Stuttgart	7,900	5,900	400	5.9
Lehrter Str. 17	Berlin	9,100	2,400	300	1.0
Total		107,300	35,600	3,500	16.6

¹⁾ Incl. transaction costs.

²⁾ At the time of the signing of the SPA.

- › Selling assets in the fringe and periphery at 30.1 % premium
- › Buying assets at the core with strong reversion potential

DISPOSALS

Address	City	Disposal price (EUR k)	Lettable area (m ²)	Annual rent ¹⁾ (EUR k)	Vacancy rate (%)	Gain to book value (EUR k)
Harburger Ring 17	Hamburg	10,000	3,600	500	0.0	750
Lötzenener Str. 3	Bremen	3,600	5,000	300	12.7	0
Washingtonstr. 16	Dresden	28,100	20,500	1,600	11.0	11,100
Gathe 78	Wuppertal	9,100	8,400	900	12.7	100
Jagenbergstr. 1	Neuss	23,400	20,400	1,600	18.1	4,400
Brödermannsweg 5–9 ²⁾	Hamburg	4,300	1,300	100	1.0	1,800
Total		78,500	59,200	5,000	12.8	18,150

¹⁾ At the time of the signing of the SPA.

²⁾ Residential part of the asset Borsteler Chaussee 111–113 / Brödermannsweg 1–9, Hamburg.

UHLANDSTR. 85, BERLIN



RECENT ACQUISITIONS

UHLANDSTR. 85, BERLIN



> Key data

- Lettable area: 10,200 m²
- Vacancy: 12.7 %
- Acquisition price: EUR 45.1 m
- In-place rent: EUR 1.0 m
(EUR 8.50/m²)
- ERV: EUR 2.8 m
(EUR 22.80/m²)

LEHRTER STR. 17, BERLIN



> Key data

- Lettable area: 2,400 m²
- Vacancy: 0 %
- Acquisition price: EUR 9.1 m
- In-place rent: EUR 0.3 m
(EUR 10.50/m²)
- ERV: EUR 0.5 m
(EUR 18.50/m²)

HANDWERKSTR. 4, STUTTART

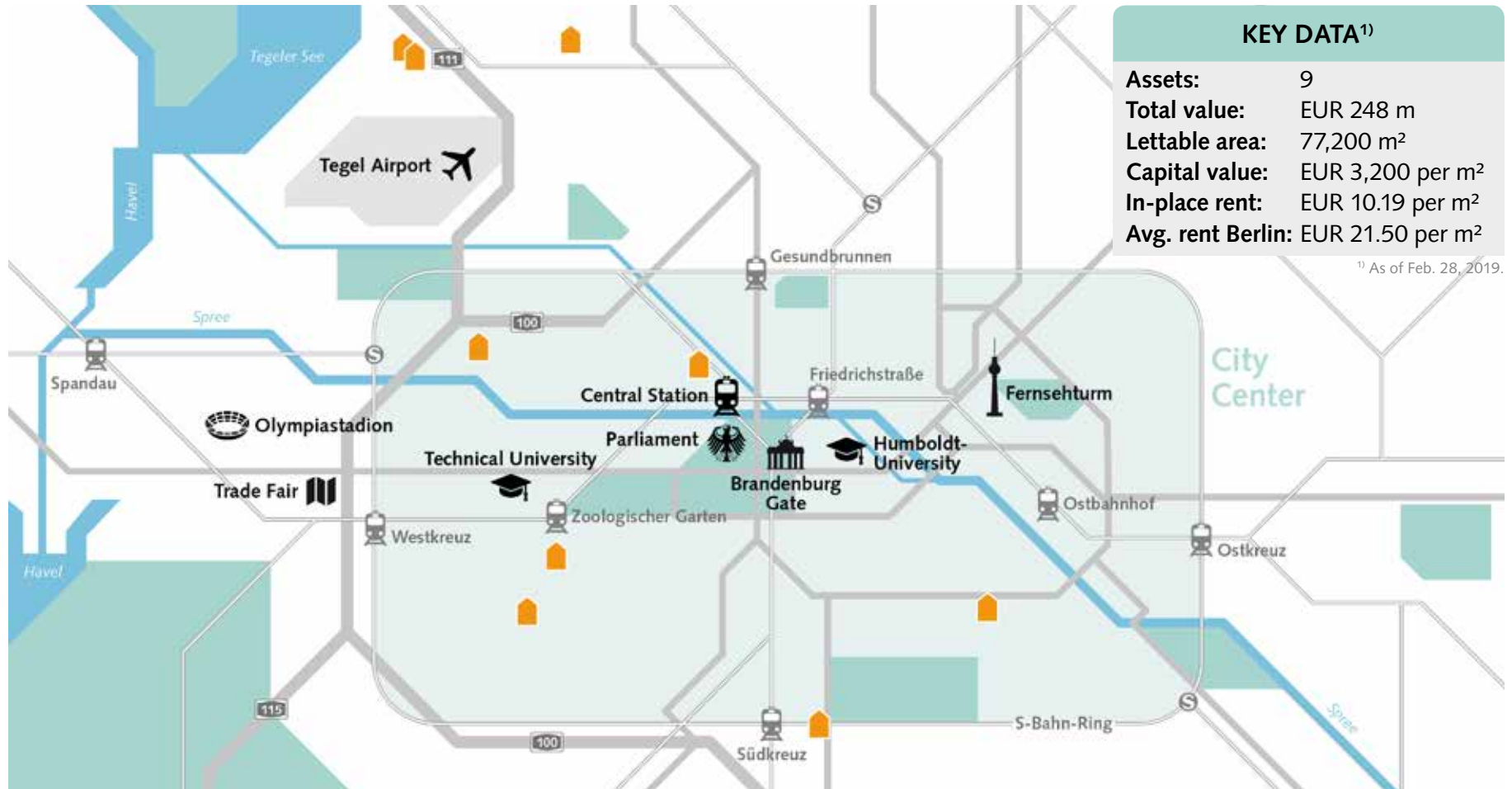


Source: ©2019 Google

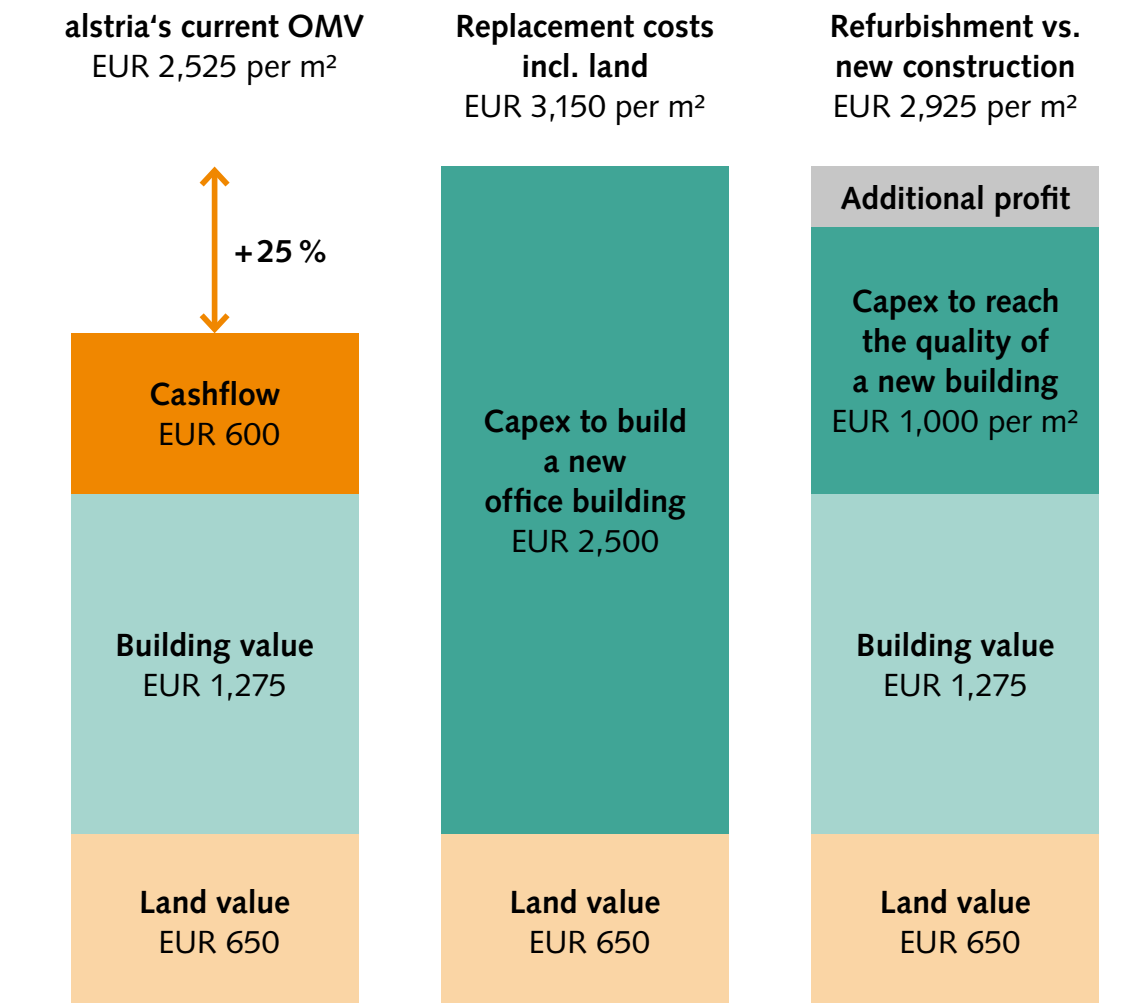
> Key data

- Lettable area: 5,900 m²
- Vacancy: 5.9 %
- Acquisition price: EUR 7.9 m
- In-place rent: EUR 0.4 m
(EUR 6.00/m²)
- ERV: EUR 1.0 m
(EUR 13.70/m²)

ALSTRIA'S BERLIN PORTFOLIO



VALUE PER SQM SUBSTANTIALLY BELOW REPLACEMENT COSTS



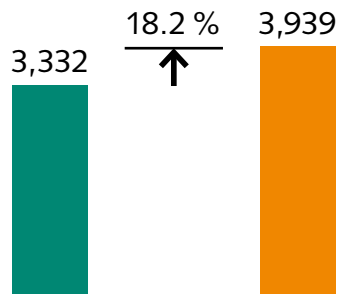
AGENDA

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- › Operations
- › **Key financials**
- › Appendix



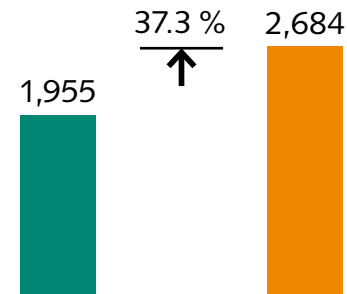
SELECTED BALANCE SHEET POSITIONS

INVESTMENT PROPERTY in EUR million



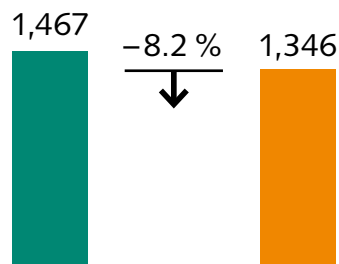
Dec. 31, 2017 Dec. 31, 2018

EQUITY in EUR million



Dec. 31, 2017 Dec. 31, 2018

FINANCIAL DEBT in EUR million

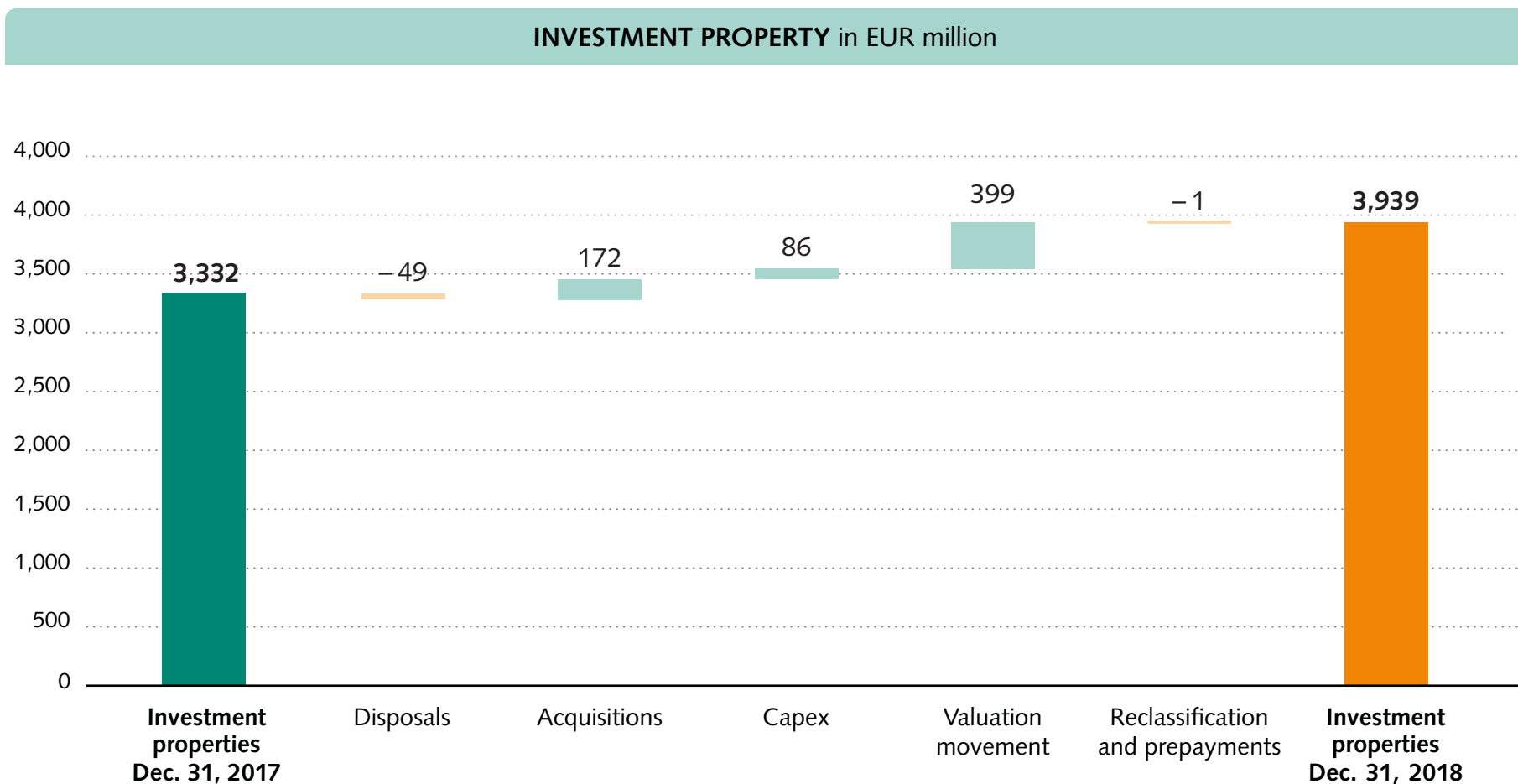


Dec. 31, 2017 Dec. 31, 2018

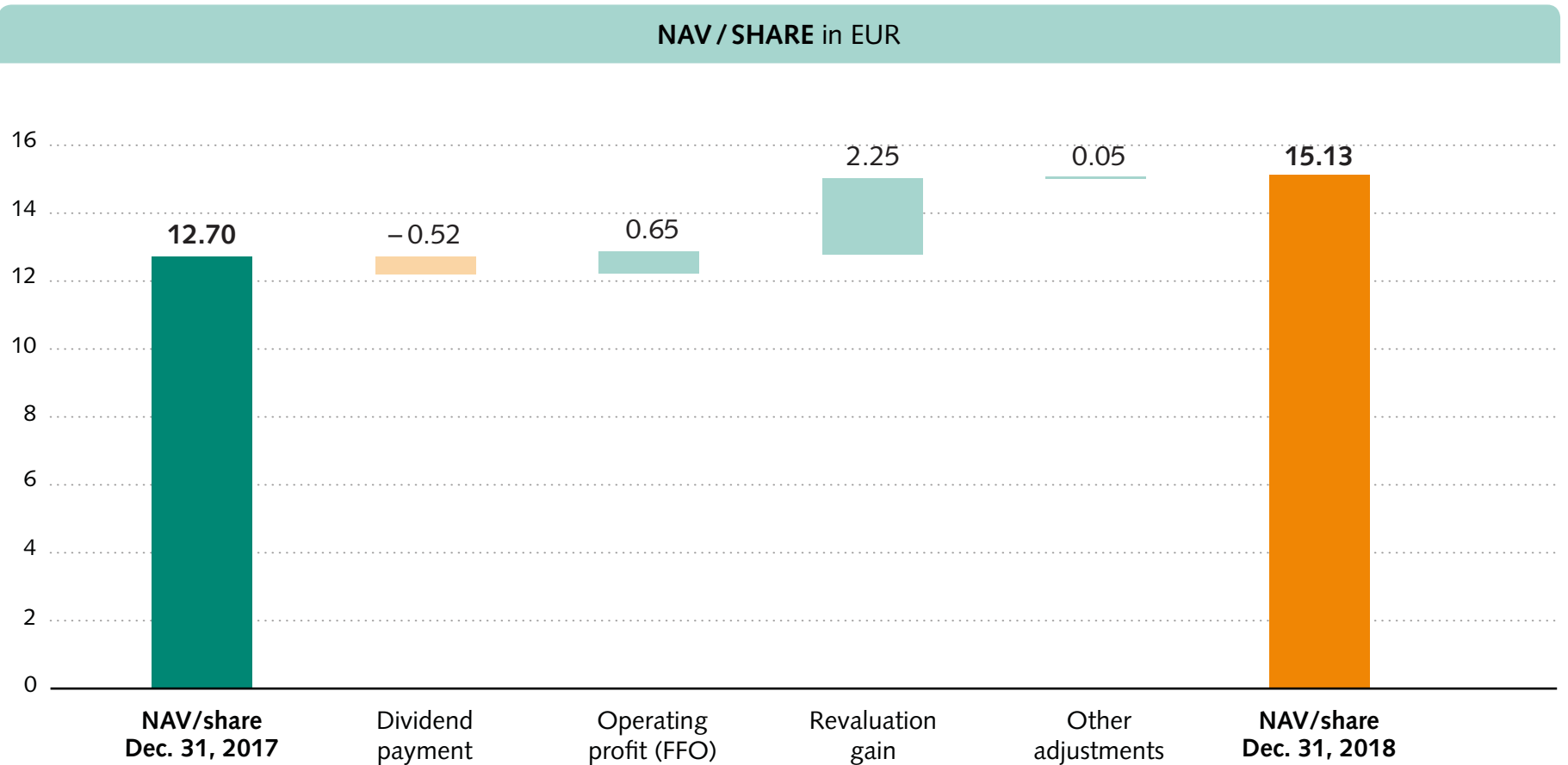
RATIOS

- › G-REIT equity ratio: 67.2 %
- › Net LTV: 30.4 %
- › EPRA NAV per share:
up by 19.1 % (EUR 2.43) to EUR 15.14

INVESTMENT PROPERTIES BRIDGE

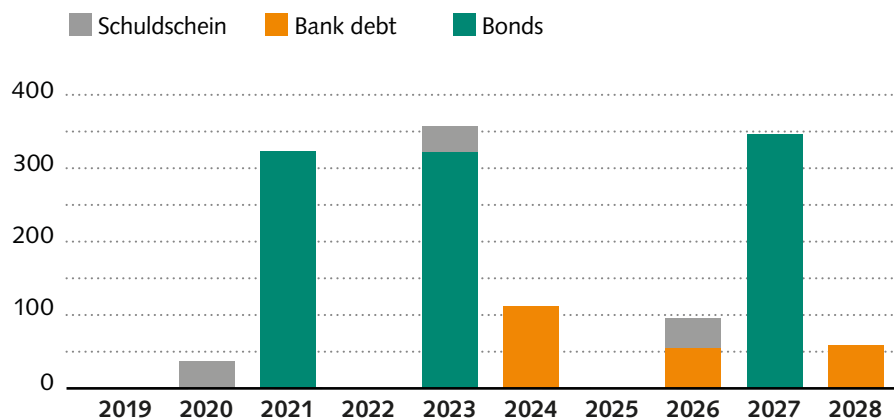


NAV/SHARE UP TO EUR 15.13

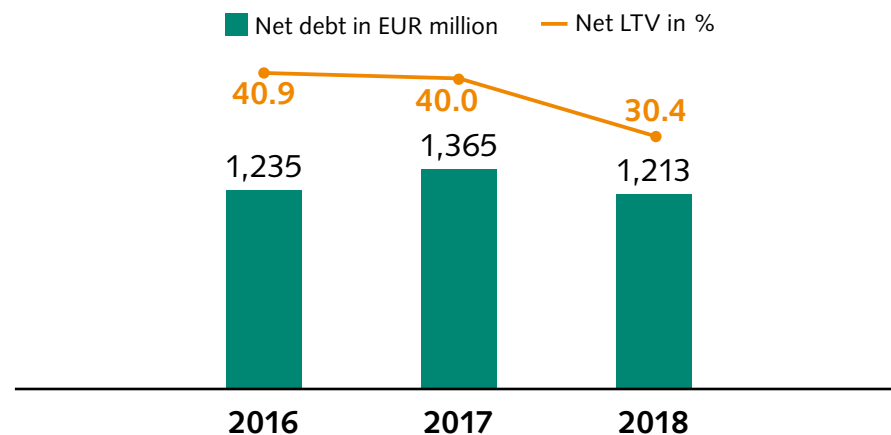


FINANCIAL DEBT FURTHER DOWN

DEBT MATURITY PROFILE in EUR million



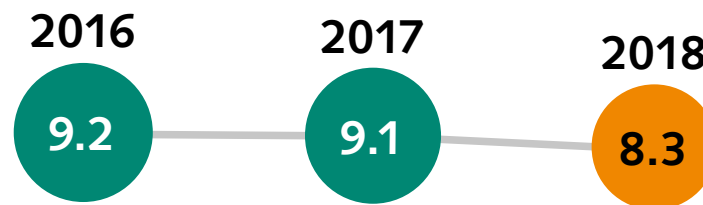
NET DEBT AND NET LTV



COMPOSITION OF DEBT

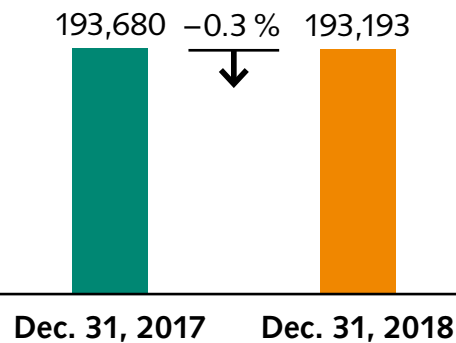
	Nominal amount (EUR k)	Cost of debt (%)	Average maturity (years)
Bank debt	228.9	1.1	7.1
Bonds	1,001.8	1.9	5.3
Schuldschein	115.0	2.2	4.5
Total	1,345.7	1.8	5.5

NET DEBT / EBITDA

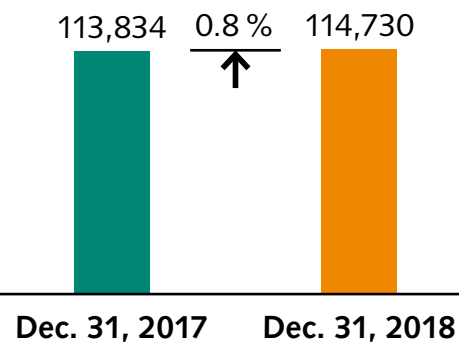


FINANCIALS: SELECTED PROFIT & LOSS POSITIONS

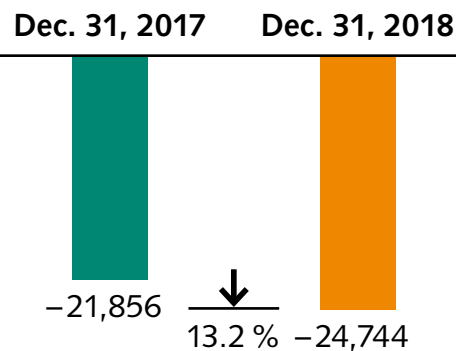
GROSS RENTAL INCOME in EUR k



FUNDS FROM OPERATIONS (FFO) in EUR k



SG&A in EUR k



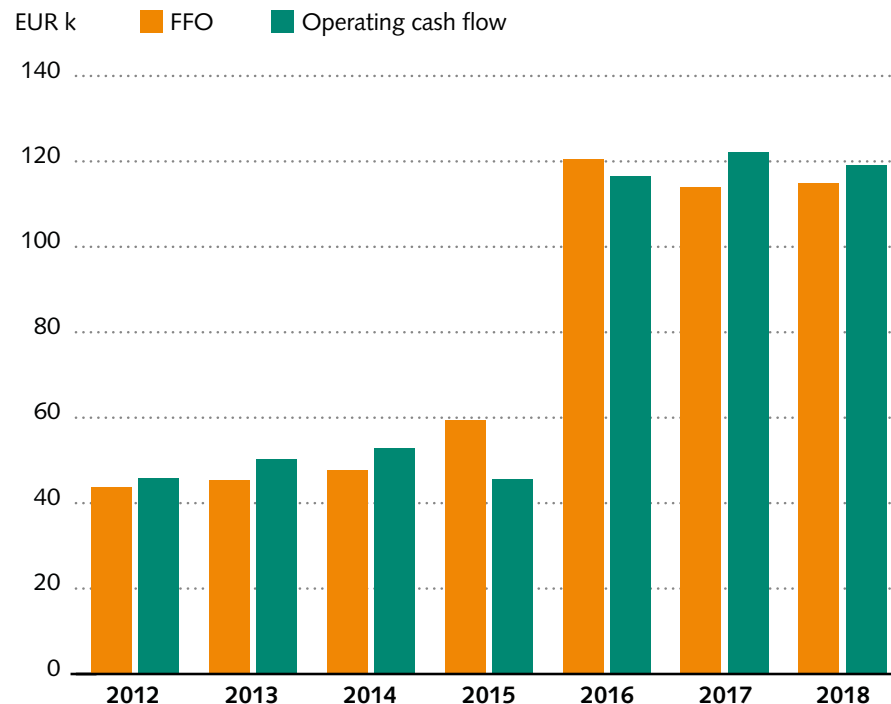
RATIOS

- › FFO per share: EUR 0.65
- › FFO margin: 59.4 %
- › EPRA cost ratio: 19.0 %

FFO IN LINE WITH OPERATING CASH FLOW

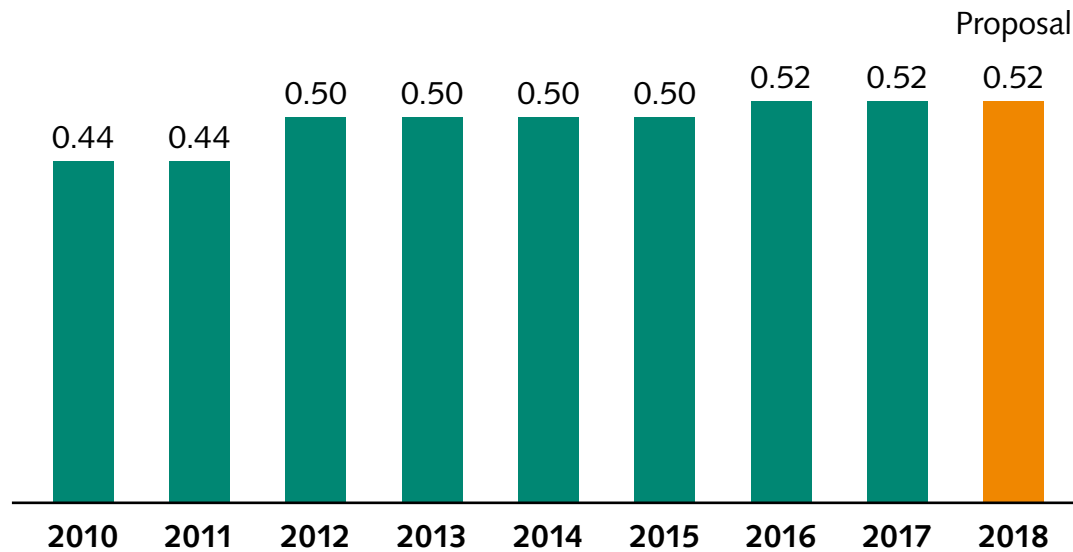
- › FFO per share: EUR 0.65
- › Operating cash flow per share: EUR 0.67
- › EPRA EPS: EUR 0.62
- › Over the past seven years the operating cash flow was 101 % of the FFO

OPERATING CASH FLOW IN LINE WITH FFO in EUR k



DIVIDEND OF EUR 0.52 PER SHARE

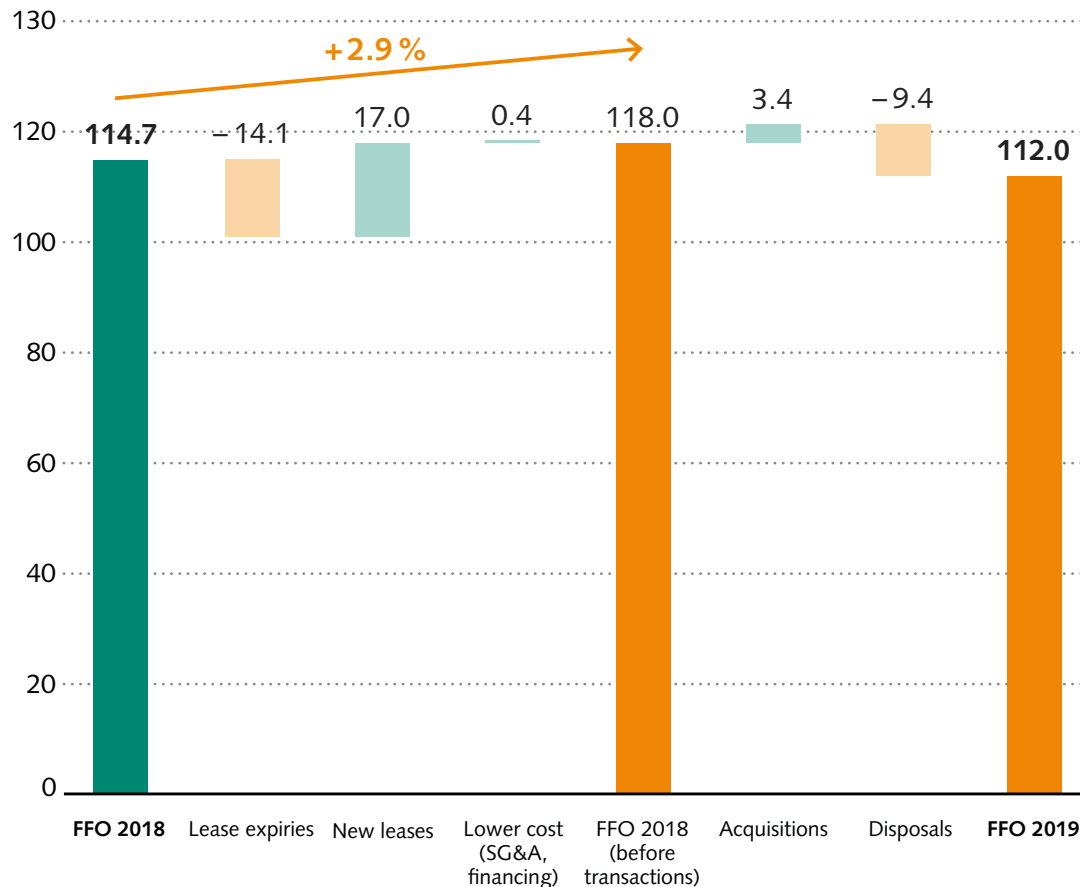
DIVIDEND PER SHARE in EUR



- Proposal of a stable dividend of EUR 0.52
- Dividend yield of 4.3 % based on VWAP of EUR 12.14
- Dividend payout of EUR 92.2 m

GUIDANCE 2019

FFO GUIDANCE BRIDGE in EUR million



- › Revenues and FFO expected to decline by EUR 2.7 m due to disposal of properties
- › Revenues: EUR 190 m
- › FFO: EUR 112 m
- › FFO margin ca. 59 %
- › FFO / share: EUR 0.63

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ALSTRIA'S SHARE

SHARE

ISIN	DE000A0LD2U1
Symbol	AOX
Market segment	Financial Services
Industry group	Real Estate
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
Number of shares	177.4 million
Free float	100 %

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WHERE DO WE GO FROM THERE?

TWO POTENTIAL OUTCOMES

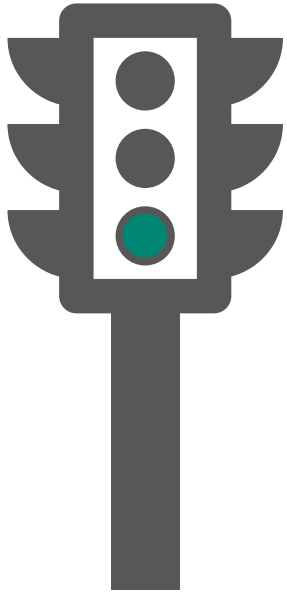
Sustain or increased capital values

- › Rental growth accelerate:
GDP growth accelerate
or
Rental growth decorrelate from GDP
- › ECB resume / accelerate QE increasing yield chasing capital flow from fixed income to real estate

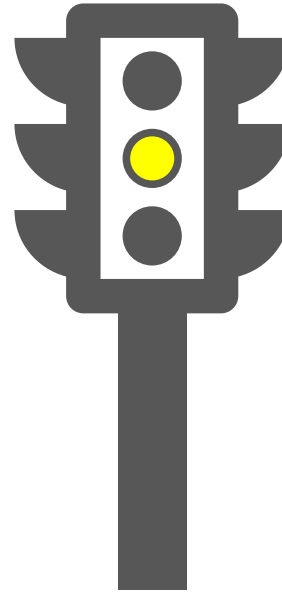
Capital values revert back to fundamentals

- › Rental growth remain stable or slow down:
GDP growth stagnate / slow down
and
Rental growth remain correlated to GDP
- › ECB withdraw its QE / increase interest rate, increasing outflow from real estate back to fixed income

DO YOU HAVE A CRYSTAL BALL ?



- **Interest Rate**
ECB (since March 2016)
Deposit rate: -0.4 %
Fixed rate: 0 %
- **Labor Market**
Unemployment rate: 3.3 %
Wage growth: 1.5 %
- **National Income**
EUR 865.59 bn (historical high)
- **Inflation**
1.93 % (2018)



- **GDP growth**
Q3 2018: -0.3 %
Q4 2018: 0 %
- **Confidence survey**
IFO index: 99.1
OECD Composite Lead Indicator: 99.5
- **Economic Activity**
Export: -24 % YoY



- **Other factors that could have some influence on the road ahead:**
Brexit
Trade war
Political instability in Europe, ...

APPENDIX: RECONCILIATION FROM IFRS TO FFO

IFRS P & L AND FFO from January 1 to December 31, 2018

EUR k	IFRS P&L	Adjustments	FFO
Revenues	193,193	0	193,193
Income less expenses from passed on operating expenses	39,160	0	39,160
Real estate operating expenses	-63,285	0	-63,285
Net rental income	169,068	0	169,068
Administrative expenses	-8,834	794	-8,040
Personnel expenses	-15,910	1,304	-14,606
Other operating income	10,656	-9,728	928
Other operating expenses	-13,746	12,752	-994
Net gain / loss from fair value adjustments on investment property	398,954	-398,954	0
Gain / loss on disposal of investment properties	14,887	-14,887	0
Net operating result	555,075	-408,719	146,356
Net financial result	-29,497	1,238	-28,259
Share of the result of joint venture	-70	0	-70
Net loss from fair value adjustments on financial derivatives	2,452	-2,452	0
Pretax income / FFO (before minorities)	527,960	-409,933	118,027
Income tax	-546	546	0
Consolidated profit for the period	527,414	-409,387	118,027
Minority interest	0	-3,297	-3,297
Consolidated profit / FFO (after minorities)	527,414	-412,684	114,730
Maintenance and reletting			50,100
Adjusted funds from operations (AFFO)¹⁾			64,630
Number of shares outstanding (k)			177,416
FFO per share (EUR)			0.65
AFFO per share (EUR)			0.36

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.

FFO ADJUSTMENTS

To determine the FFO, we adjusted the IFRS figures in our income statement for non-recurring and non-cash earnings items. The FFO thus represents the sustainable operating profitability of our property portfolio. The adjustments made to the IFRS figures in our income statement to determine the FFO related primarily to the following items:

- › We adjusted EUR 399.0 m non-cash valuation gains.
- › We adjusted for EUR 14.9 m in non-recurring book gains from property sales.
- › We adjusted for EUR 9.7 m of other non-recurring operating income, mainly related to one-off payments following the expiration of leasing contracts.
- › We included EUR 12.8 m of other operating expenses, mainly related to the revaluation of minority interests in alstria office Prime portfolio.
- › We accounted for EUR 2.5 m of non-cash valuation effects from financial derivatives.