

## Press release

### Annual result 2015

- Increase of funds from operations (FFO) to EUR 60.0 m (+26.0%) in line with guidance
- EPRA NAV per share at EUR 10.91
- Excellent leasing result in the combined group, bringing the EPRA vacancy rate down to 11.2%
- Management proposes to pay a dividend of EUR 0.50 per share for FY 2015
- Guidance for 2016: FFO expected to grow to EUR 115 m

**Hamburg, March 30, 2016** - alstria office REIT-AG (symbol: AOX, ISIN: DE000A0LD2U1), the leading German office REIT, announces its result for the financial year 2015.

#### **Revenues of EUR 115.3 m and FFO of EUR 60.0 m in line with full-year guidance**

In 2015 alstria's revenues amounted to EUR 115.3 m (+13.3%) and were fully in line with alstria's guidance of EUR 116 m. The increase was mainly a result of the first-time consolidation of Deutsche Office for the last two months of 2015. alstria's funds from operations (FFO) improved by 26.0% to EUR 60.0 m and were slightly better than the Companies' guidance of EUR 59 m for 2015. The consolidated net profit amounted to EUR -111.4 m (2014: EUR 37.0 m). The loss was caused by the full impairment of the goodwill (EUR 144.8 m) that technically occurred in the course of the acquisition of Deutsche Office and was also impacted by transaction costs (EUR 9.8 m) and restructuring costs (EUR 9.2 m) related to the transaction. The loss was in line with alstria's expectations as already announced in October 2015.

#### **Strong balance sheet: Net LTV of 49.3%, REIT equity ratio of 49.4%**

As per year-end 2015 alstria's total shareholder's equity position was EUR 1,619.4 m (December 31, 2014: EUR 846.6 m) and reflected the capital measures related to the takeover of Deutsche Office. The EPRA NAV per share amounted to EUR 10.91 (December 31, 2014, EUR 11.22). alstria's G-REIT equity ratio, which is defined as total equity divided by immovable assets, was 49.4% (December 31, 2014: 50.2%). alstria's net LTV amounted to 49.3% as per December 31, 2015 (50.4% as per December 31, 2014) and underlines the Company's conservative financing structure.

## **Portfolio volume doubled in 2015**

The value of alstria's investment properties increased to EUR 3,260 m as of December 31, 2015 (December 31, 2014: 1,646 m). The increase in investment property mainly reflects the acquisition of the portfolio of Deutsche Office (EUR 1,645 m at the time of the first time consolidation) and capex measures taken in 2015 (EUR 28 m). In the course of the year alstria continued to recycle capital and sold seven assets from the "historical" alstria portfolio for a total consideration of EUR 126 m. The assets were sold at an average premium of 12.7% compared to the appraised value as per December 31, 2014 and resulted from a partial change of use from office into residential buildings particularly in Munich. The proceeds were partly reinvested in office buildings located in Hamburg and Düsseldorf.

## **EPRA vacancy rate substantially down to 11.2%**

The very liquid German letting market allowed alstria to substantially reduce the vacancy in the combined portfolio by 310 bps since the announcement of the acquisition of Deutsche Office. The pro forma EPRA vacancy rate of the combined portfolio stood at 14.3% as of March 31, 2015 and declined to 11.2% by December 31, 2015. In the course of 2015 the combined Real Estate Operations-Team signed new leases for 76,300 sqm and lease extensions for 101,000 sqm. The reduction of the EPRA vacancy was also positively impacted by the disposal of vacant assets in Munich.

## **Stable dividend of EUR 0.50 per share**

The Company will propose to the Annual General Meeting a dividend payment of EUR 0.50 per share, representing a 4.2% dividend yield based on a 2015 VWAP (Volume-weighted average price) of EUR 11.95<sup>1</sup>.

## **Outlook 2016: Revenues of EUR 200 m, FFO of EUR 115 m**

Based on the combined portfolio and the contractually agreed rent, alstria currently expects revenues of EUR 200 m and funds from operations (FFO) of EUR 115 m. The FFO per share is expected to increase by 10% from EUR 0.68 (pro forma 2015) to EUR 0.75 in 2016. The expected increase is due to operational efficiency gains, vacancy reduction and savings of financing costs.

'2015 was an exciting year for alstria and its shareholders,' said Olivier Elamine, CEO of alstria. 'We took a significant step in the development of our Company, not only through the acquisition on Deutsche Office, but also through the achievement of an investment grade rating by S&P. We are looking with confidence into the year 2016 and will continue to work on the further optimization of our portfolio'.

## **Invitation to the telephone conference on March 30, 2016**

The alstria management board, CEO Olivier Elamine and CFO Alexander Dexne, will present the 2015 financial results in a telephone conference at 10:00 am (CET) which will also be webcasted on our website. The full Annual report (Company report and Audited Financial Statements) are available for download on our website.

---

<sup>1</sup> Source : Bloomberg, AOX GY

**Contact:**

Ralf Dibbern, IR/PR

Phone: +49 (0) 40 226 341 329

Email: rdibbern@alstria.de

**More information on:**[www.alstria.com](http://www.alstria.com)[www.alstria.blogspot.com](http://www.alstria.blogspot.com)[www.twitter.com/alstria\\_REIT](https://twitter.com/alstria_REIT)**About alstria:**

alstria office REIT-AG is an internally managed Real Estate Investment Trust (REIT) focused solely on acquiring, owning and managing office real estate in Germany. alstria was founded in January 2006 and was converted into the first German REIT in October 2007. Its headquarters are in Hamburg. The combination of alstria and Deutsche Office creates the leading listed German office real estate company with a combined portfolio of 120 office buildings comprising 1.7 million sqm of lettable space and representing a total portfolio value of approximately EUR 3.3 billion. The alstria office REIT-AG strategy is based on active asset and portfolio management as well as on establishing and maintaining good relationships with key customers and decision makers. alstria focuses on long-term real estate value creation.

**Disclaimer:**

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

**Key figures**

EUR m	2015	2014
Revenues	115.3	101.8
Net result for the period	-111.4	37.0
Funds from operations (FFO)	60.0	47.6
FFO per share (EUR)	0.61	0.60

  

EUR m	Dec. 31, 2015	Dec. 31, 2014
Investment properties	3,260	1,646
Cash at the end of the period	460.3	63.1
NAV per share (EUR)	10.64	10.71
G-REIT equity ratio	49.4%	50.2%
Net LTV ratio	49.3%	50.4%

## EPRA KPI's

EUR	Dec. 31, 2015	Dec. 31, 2014
EPRA earnings per share	0.42	0.59
EPRA cost ratio A (incl. vacancy costs)	26.1%	22.9%
EPRA cost ratio B (excl. vacancy costs)	22.1%	19.8%

EUR	Dec. 31, 2015	Dec. 31, 2014
EPRA NAV per share	10.91	11.22
EPRA NNNNAV per share	10.66	10.58
EPRA net initial yield	5.0%	4.8%
EPRA 'topped-up' NIY	5.3%	5.0%
EPRA vacancy rate	11.2%	11.0%

## Portfolio highlights\*

	Dec. 31, 2015	Dec. 31, 2014
Number of properties	120	74
Number of properties in JV's	1	1
Market value (EUR m)*	3,266	1,652
Contractual rent (EUR m)	208.3	99.7
Valuation yield	6.3%	6.0%
Lettable area (sqm)	1,724,100	875,100
Contractual vacancy (% of lettable area)	11.8%	12.6%
Lease length (years)	5.2	6.8
Average rent per sqm (EUR per month)	11.5	10.9

\* Excluding joint venture and prepaid property

## FFO

EUR k	2015	2014
Pre-tax income (EBT)	-110,568	36,972
Net profit/loss from fair value adjustments on investment property	4,192	-824
Net profit/loss from fair value adjustments on financial derivatives	6,763	27,461
Profit/loss on disposal of investment property	-12,655	-4,566
Fair value adjustments in joint ventures	-1,301	-12,179
Other adjustments	173,567	762
o/w Goodwill impairment	144,795	0
o/w Legal and advisory costs (transaction related)	9,765	0
o/w Prepayment fees (premature termination of loans)	9,162	0
<b>Funds from operations (FFO)</b>	<b>59,998</b>	<b>47,626</b>
o/w attributable to minority shareholders	-601	0
o/w attributable to shareholders of alstria	59,397	47,626

## Income statement

EUR k	2015	2014
<b>Revenues</b>	<b>115,337</b>	<b>101,782</b>
Income less expenses from passed on operating	-423	-632
Real estate operating expenses	-12,774	-11,130
<b>Net rental income</b>	<b>102,140</b>	<b>90,020</b>
Administrative expenses	-6,383	-4,755
Personnel expenses	-12,068	-7,807
Other operating income	4,043	6,141
Other operating expenses	-13,859	-2,025
Goodwill impairment	-144,795	0
Net result from fair value adjustments on investment property	-4,192	824
Gain on disposal of investment property	12,655	4,566
<b>Net operating result</b>	<b>-62,459</b>	<b>86,964</b>
Net financial result	-43,333	-35,329
Share of the result of joint venture companies	1,988	12,798
Net loss from fair value adjustments on financial derivatives	-6,763	-27,461
<b>Pre-tax income (EBT)</b>	<b>-110,567</b>	<b>36,972</b>
Income tax expense	-812	-19
<b>Consolidated profit</b>	<b>-111,379</b>	<b>36,953</b>
o/w attributable to shareholders of alstria	-110,970	36,953
o/w attributable to minority shareholders	-409	0

## Balance sheet

EUR k	Dec. 31, 2015	Dec. 31, 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Investment property	3,260,467	1,645,840
Equity-accounted investments	23,900	34,534
Property, plant and equipment	5,161	5,085
Intangible assets	607	344
Derivatives	8,462	6,643
<b>Total non-current assets</b>	<b>3,298,596</b>	<b>1,692,446</b>
<b>Current assets</b>		
Trade receivables	12,578	3,498
Accounts receivable from joint ventures	0	88
Tax receivables	226	0
Other receivables	9,783	10,127
Cash and cash equivalents	460,253	63,145
<i>thereof restricted</i>	32,036	0
Assets held for sale	69,143	0
<b>Total current assets</b>	<b>551,984</b>	<b>76,858</b>
<b>Total assets</b>	<b>3,850,580</b>	<b>1,769,304</b>
<b>Equities and liabilities</b>		
<b>Equity</b>		
Share capital	152,164	79,018
Capital surplus	1,499,477	691,693
Hedging reserve	-270	-3,095
Retained earnings	-31,994	78,977
<b>Shareholders equity</b>	<b>1,619,377</b>	<b>846,593</b>
Noncontrolling interests	38,287	0
<b>Total equity</b>	<b>1,657,664</b>	<b>846,593</b>
<b>Non-current liabilities</b>		
Long-term loans, net of current portion	1,715,590	874,025
Derivatives	23,208	13,488
Provisions	3,221	3,628
Other liabilities	1,854	2,036
Deferred tax liabilities	132	0
<b>Total non-current liabilities</b>	<b>1,744,005</b>	<b>893,177</b>
<b>Current liabilities</b>		
Short-term loans	376,402	7,702
Trade payables	20,477	4,389
Profit participation rights	362	424
Derivatives	0	6,198
Income tax liabilities	8,687	0
Provisions	1,794	461
Other current liabilities	41,189	10,360
<b>Total current liabilities</b>	<b>448,911</b>	<b>29,534</b>
<b>Total liabilities</b>	<b>2,192,916</b>	<b>922,711</b>
<b>Total equity and liabilities</b>	<b>3,850,580</b>	<b>1,769,304</b>