



Press release

Annual results 2016

- Corporate growth in line with guidance: FFO of EUR 116.4 m (+96.0%)
- Value accretion: NAV up by 6.7%
- Strong letting result: EPRA like-for-like rental growth of 4.6% and EPRA vacancy rate down to 9.2%
- Improved efficiency: EPRA cost ratio down from 22.1% to 16.6%
- Higher dividend: Management proposes to increase dividend by 4% to EUR 0.52 per share for FY 2016

Hamburg, March 02, 2017 - alstria office REIT-AG (symbol: AOX, ISIN: DE000AOLD2U1), the leading German office REIT, announces its result for the financial year 2016.

Growth in line with guidance: FFO up by 96.0% to EUR 116.4 m

Following the full integration of Deutsche Office alstria can report on a very successful year 2016. Revenues were up by 75.8% to EUR 202.7 m (guidance: EUR 200 m) and the FFO grew even stronger by 96.0% to EUR 116.4 m (guidance: EUR 115 m). The increase in the FFO margin by 590 bps to 57.4% was mainly driven by efficiency gains and lower financing costs. The EPRA cost ratio dropped from 22.1% to 16.6% and average cost of debt fell to 2.0% as per December 31, 2016.

High quality balance sheet: NAV up by 6.7% and net LTV down to 40.9%

As per year-end 2016 alstria's IFRS-equity increased by EUR 109 m (EUR 0.71 per share) to EUR 1,728 m. The EPRA NAV per share amounted to EUR 11.31 (December 31, 2015, EUR 10.91). alstria's net LTV improved substantially to 40.9% (December 31, 2015: 49.3%) and the G-REIT equity ratio, which is defined as total equity divided by immovable assets, was 56.7% (December 31, 2015: 49.4%), underlining the Company's balance sheet quality. alstria's ICR stood at 6.5 as per December 31, 2016. The Company holds a BBB rating by Standard & Poors. The revaluation of the property portfolio (including Joint Venture) led to a net valuation gain of EUR 76.7 m (EUR 0.50 per share).

Portfolio volume of EUR 3.0 bn, gross yield of 6.2%

The value of alstria's investment properties amounted to EUR 3.0 bn as per December 31, 2016 (December 31, 2015: EUR 3.3 bn) and represented a valuation yield of 6.2%. alstria took profit from the strong transaction market in Germany and sold non-core properties worth EUR 402 m, which generated EUR 25.8 m of rental income. The assets sold were mainly properties from the former portfolio of Deutsche Office that did not fit into the Company's portfolio. These sales generated a realized gain of EUR 29.1 m. In the same period the Company acquired

two properties for all-in costs of EUR 46.4 m generating EUR 2.9 m of rental income.

Considering the lack of short-term valuable investment opportunities, alstria has used the disposal proceeds to repay existing bank loans and therefore improved the overall financial flexibility of the Company going forward.

Strong letting result: EPRA like-for-like rental growth of 4.6% and EPRA vacancy rate down to 9.2%

The very liquid German letting market allowed alstria to substantially reduce the vacancy in the portfolio from 11.2% to 9.2%. In the course of 2016 alstria's Real Estate Operations-Team signed leasing contracts for 194,800 sqm, representing 13% of the total portfolio, of which 76,600 sqm were new leases and 118,200 sqm were lease extensions. The EPRA like-for-like rental income was up by 4.6%, mainly driven by vacancy reduction and rent increases following alstria's capex measures.

Dividend proposal: Increase of dividend to EUR 0.52 per share

The Management will propose to the Annual General Meeting a dividend payment of EUR 0.52 per share, representing a 4.3% dividend yield based on a 2016 VWAP (Volume-weighted average price) of EUR 11.97¹. The EUR 0.52 of dividend represents a pay-out ratio of 68 %.

Raising the transparency bar: alstria publishes returns for disposed assets over the past 10 years

alstria is publishing today the unlevered returns (UIRR) of a EUR 1 bn portfolio the Company acquired, managed and sold over the past 10 years. The asset-by-asset analysis is published in the Company report 2016. The achieved UIRR of the actively managed assets was 9.1% and therefore 180 bps higher than the UIRR of 7.3% on the overall portfolio.

The analysis clearly demonstrates the attractiveness of alstria's "buy and manage" business model over a simple "buy and hold", or "buy and sell" approach. As a commitment to improved transparency standards, alstria will continue to publish this information on an ongoing basis for any asset being disposed from today onward.

Outlook 2017: Revenues of EUR 185 m, FFO of EUR 108 m

Based on the current portfolio and the contractually agreed rent, alstria expects revenues of EUR 185 m and funds from operations (FFO) of EUR 108 m for FY 2017. The guidance reflects the loss in rental income following the disposals of non-core properties (EUR -20 m), which are partly offset by the income from net new lettings (EUR 2 m), further efficiency gains and lower financing costs (EUR 10 m). The FFO margin will further improve to around 58%.

'Following the takeover of Deutsche Office 2016 was the year to deliver on our plans,' said Olivier Elamine, CEO of alstria. 'We can now look back at a successful year in which the Company achieved very strong results in terms of letting, a strong performance in the investment market and a step-up of our development pipeline. Our balance sheet quality has improved with a substantial reduction of

¹ Source : Bloomberg, AOX GY.

the LTV and our cost of debt fell to 2.0% going forward. With a leasing market which continues to be extremely liquid and supportive, we look forward to successful operations in 2017, while we remain cautious in the investment market where we see the values of a number of assets still being inflated by the accommodating monetary policy of the ECB.'

Invitation to the telephone conference on March 3, 2017

The alstria management board, CEO Olivier Elamine and CFO Alexander Dexne, will present the 2016 financial results in a telephone conference at 10:00 am (CET) which will also be webcasted on our website (www.alstria.com). The full Annual report (Company report and Audited Financial Statements) are available for download on our website.

Please use one of the following dial-in numbers:

Germany: + 49 69 222 22 9043

UK: + 44 203 009 2452

PIN: 242 65 914#

Contact IR/PR:

Ralf Dibbern

Bäckerbreitergang 75

20355 Hamburg, Germany

Tel: +49 40 22 63 41-329

Email: rdibbern@alstria.de

More information on:

www.alstria.com

www.alstria.blogspot.com

www.twitter.com/alstria_REIT

www.beehive.work

About alstria:

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 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 sqm and a total portfolio value of EUR 3.0 billion.

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	2016	2015	Change (%)
Revenues	202.7	115.3	75.8
Net result for the period	176.9	-111.4	n/a
Funds from operations (FFO)	116.4	59.4	96.0
FFO per share (EUR)	0.76	0.61	24.6

EUR m	Dec. 31, 2016	Dec. 31, 2015	Change (%)
Investment properties	2,999	3,260	-8.0
Cash at the end of the period	247.5	460.3	-46.2
NAV per share (EUR)	11.28	10.64	6.0
G-REIT equity ratio	56.7%	49.4%	7.3 pp
Net LTV ratio	40.9%	49.3%	-8.4 pp

EPRA KPI's

EUR	Dec. 31, 2016	Dec. 31, 2015	Change (%)
EPRA earnings per share	0.57	0.42	35.7
EPRA cost ratio A (incl. vacancy costs)	20.6%	26.1%	-5.5 pp
EPRA cost ratio B (excl. vacancy costs)	16.6%	22.1%	-5.5 pp

EUR	Dec. 31, 2016	Dec. 31, 2015	Change (%)
EPRA NAV per share	11.31	10.91	3.7
EPRA NNNNAV per share	10.81	10.66	1.4
EPRA net initial yield	5.0%	5.0%	0.0 pp
EPRA 'topped-up' NIY	5.4%	5.3%	0.1 pp
EPRA vacancy rate	9.2%	11.2%	-2.0 pp

Portfolio highlights*

	Dec. 31, 2016	Dec. 31, 2015	Change
Number of properties	108	120	-12
Number of properties in JV's	1	1	0
Market value (EUR m)*	3.022	3.296	-8,3%
Contractual rent (EUR m)	188,4	208,3	-9,6%
Valuation yield	6,2%	6,3%	-0.1 pp
Lettable area (sqm)	1.524.300	1.724.100	-11,6%
Contractual vacancy (% of lettable area)	11,3%	11,8%	-0.5 pp
Lease length (years)	4,9	5,2	-0,3
Average rent per sqm (EUR per month)	11,61	11,53	0,08

* Excluding Joint Venture

FFO

EUR k	2016	2015	Change (%)
Pre-tax income (EBT)	193,694	-110,567	n/a
Net profit/loss from fair value adjustments on investment property	-72,806	4,192	n/a
Net profit/loss from fair value adjustments on financial derivatives	8,101	6,763	19.8
Profit/loss on disposal of investment property	-25,464	-12,655	n/a
Fair value adjustments in joint ventures	-3,852	-1,301	n/a
Other adjustments	21,885	173,566	-87.4
Funds from operations (FFO)	121,558	59,998	102.6
o/w attributable to minority shareholders	-5,148	-601	n/a
o/w attributable to shareholders of alstria	116,410	59,397	96.0

Income statement

EUR k	2016	2015	Change (%)
Revenues	202,663	115,337	75.7
Income less expenses from passed on operating expenses	-204	-423	-51.8
Real estate operating expenses	-23,445	-12,774	83.5
Net rental income	179,014	102,140	75.3
Administrative expenses	-8,464	-6,383	32.6
Personnel expenses	-12,683	-12,068	5.1
Other operating income	5,417	4,043	34.0
Other operating expenses	-14,445	-13,859	4.2
Goodwill impairment	0	-144,795	n/a
Net result from fair value adjustments on investment property	72,806	-4,192	n/a
Gain on disposal of investment property	25,464	12,655	101.2
Net operating result	247,109	-62,459	n/a
Net financial result	-50,794	-43,333	17.2
Share of the result of joint venture companies	5,480	1,988	175.7
Net loss from fair value adjustments on financial derivatives	-8,101	-6,763	19.8
Pre-tax income (EBT)	193,694	-110,567	n/a
Income tax expense	-11,318	-812	n/a
Consolidated profit	182,376	-111,379	n/a
o/w attributable to shareholders of alstria	176,872	-110,970	n/a
o/w attributable to minority shareholders	5,504	-409	n/a

Balance sheet

EUR k	Dec. 31, 2016	Dec. 31, 2015	Change (%)
Assets			
Non-current assets			
Investment property	2,999,099	3,260,467	-8.0
Equity-accounted investments	30,381	23,900	27.1
Property, plant and equipment	6,858	5,161	32.9
Intangible assets	329	607	-45.8
Financial assets	34,803	0	n/a
Derivatives	109	8,462	-98.7
Total non-current assets	3,071,579	3,298,596	-6.9
Current assets			
Trade receivables	7,257	12,578	-42.3
Accounts receivable from joint ventures	5	0	n/a
Tax receivables	25	226	-88.9
Other receivables	41,578	9,783	325.0
Cash and cash equivalents	247,489	460,253	-46.2
<i>thereof restricted</i>	0	32,036	n/a
Assets held for sale	14,700	69,143	-78.7
Total current assets	311,054	551,984	-43.6
Total assets	3,382,633	3,850,580	-12.2
Equities and liabilities			
			Change (%)
Equity			
Share capital	153,231	152,164	0.7
Capital surplus	1,434,812	1,499,477	-4.3
Hedging reserve	0	-270	n/a
Retained earnings	140,395	-31,994	n/a
Shareholders equity	1,728,438	1,619,377	6.7
Noncontrolling interests	0	38,287	-100.0
Total equity	1,728,438	1,657,664	4.3
Non-current liabilities			
Limited partnership capital noncontrolling interest	58,458	0	n/a
Long-term loans, net of current portion	1,466,521	1,715,590	-14.5
Derivatives	20,099	23,208	-13.4
Provisions	1,313	3,221	-59.2
Other liabilities	2,808	1,854	51.5
Deferred tax liabilities	0	132	-100.0
Total non-current liabilities	1,549,199	1,744,005	-11.2
Current liabilities			
Limited partnership capital noncontrolling interest	12,966	0	n/a
Short-term loans	19,330	376,402	-94.9
Trade payables	4,584	9,415	-51.3
Profit participation rights	421	362	16.3
Income tax liabilities	20,104	8,687	131.4
Other provisions	2,257	1,794	25.8
Other current liabilities	45,334	52,251	-13.2
Total current liabilities	104,996	448,911	-76.6
Total liabilities	1,654,195	2,192,916	-24.6
Total equity and liabilities	3,382,633	3,850,580	-12.2