



Press Release

Strong real estate markets drove substantial growth in the Net Asset Value of the company

- **Result 2018: Revenues of EUR 193.2 m and FFO of EUR 114.7 m**
- **Strong operating performance: 203,300 m² letting volume driving avg. rent per square meter to EUR 12.25**
- **Value accretion: EPRA NAV up by 19.1% to EUR 15.14 per share**
- **Financial debt on historic low: Net LTV down to 30.4%, net debt/EBITDA of 8.3**
- **Attractive dividend yield of 4.3%¹: Management proposes dividend of EUR 0.52 per share**

Hamburg, Feb. 27, 2019 - alstria office REIT-AG (symbol: AOX, ISIN: DE000A0LD2U1) announces its result for the financial year 2018.

Efficient operations: Leasing drives rent per m² and FFO margin to new record level

The strong demand for high quality office space in Germany's major economic centres led to another successful year for alstria. Revenues amounted to EUR 193.2 million (guidance: EUR 190 million) and therefore matched prior years' level. The loss of rental income following the planned vacation of 74,600 m² that were transferred into alstria's development pipeline were fully compensated by the rental income from new leases and rent increases of existing contracts. Due to lower financing costs (avg. cost of debt: 1.8%) the company's FFO grew slightly to EUR 114.7 million (2017: EUR 113.8 million), reflecting an FFO margin of 59.4% (2017: 58.8%). Due to the strong German real estate investment market, alstria's portfolio experienced a EUR 399 million valuation uplift (after capex), pushing the company's consolidated profit up by 77.6% to EUR 527.4 million.

Strong balance sheet: EPRA NAV per share up by 19.1% to EUR 15.14 and net debt/EBITDA down to 8.3

The strong consolidated net profit combined with the capital increase in January 2018 and the conversion of the convertible bond drove alstria's IFRS equity to EUR 2,684 million, representing an increase of EUR 729 million in 2018. The EPRA NAV per share amounted to EUR 15.14 and was up by 19.1% year-on-year (December 31, 2017: EUR 12.71). alstria's net LTV improved further to 30.4% (2017: 40.0%) and the net debt/EBITDA multiple improved from 9.1 the year before to 8.3. The Interest Coverage Ratio (ICR) stood at 5.7.

¹ 2018 VWAP (Volume-weighted average price) of EUR 12.14, Bloomberg AOX GY.

alstria's G-REIT equity ratio² stood at 67.2% (2017: 57.1%), underlining the company's balance sheet quality. alstria is rated BBB by Standard & Poor's.

Investment properties of EUR 3.9 bn

The value of alstria's investment properties amounted to EUR 3,939 million as per December 31, 2018 and grew by 18.2% (EUR 607 million) in the course of 2018. The valuation yield stood at 4.9% and was down by 100 basis points compared to the prior year period. The current valuation of EUR 2,525 per m² (incl. land value) is still well below replacement costs. In the course of 2018, alstria successfully completed two developments ("Momentum" and "Bieberhaus") leading to a value increase of the assets of EUR 59.5 million (EUR 0.34 per share). Using the strong investment market, alstria continued to actively recycle capital in 2018 and sold six assets, mainly located in secondary locations, for a total consideration of EUR 78.5 million. The disposed assets were sold at an average book gain of 30.1% compared to the year-end valuation 2017. In parallel, alstria bought six buildings in its core markets for EUR 107.3 million, which offer substantial rent reversion potential.

Strong letting result: EPRA like-for-like rental growth of 3.6%

alstria's leasing activities remained at the core of alstria's operations in 2018. The supportive German letting market allowed alstria to lease up 203,300 m² (thereof 110,800 m² of new leases), which is around 13% of alstria's total portfolio (1.6 million m²). The EPRA vacancy rate was down to 9.7% in the fourth quarter of 2018. The EPRA like-for-like rental growth amounted to 3.6%. In 2018 alstria invested a total of EUR 86.4 million into its own portfolio to improve the quality and appeal of its assets. The higher quality standard offers the potential for higher rents.

Dividend proposal: 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 2018 VWAP (volume-weighted average price) of EUR 12.14³. The EUR 0.52 of dividend corresponds to a pay-out ratio of 80% of the FFO.

Outlook 2019: Revenues of EUR 190 million, FFO of EUR 112 million

Based on the current portfolio and the contractually agreed rent, alstria expects revenues of EUR 190 million and funds from operations (FFO) of EUR 112 million for FY 2019. The guidance reflects a rental growth of 2.8% (around EUR 3 million) as well as lower income of EUR 6 million following the disposal of properties. The FFO margin is expected to remain broadly stable at around 59%.

"We have been taking advantage of the very strong letting and investment markets that existed in Germany in the last few years to bring alstria's balance sheet to the strongest position it has ever been", said Olivier Elamine, CEO of alstria. "We will continue to use the market opportunities to constantly improve the overall quality of our portfolio. We will be achieving that target by investing in our assets, increasing our leasing performance and pursuing the disposal process of our weaker assets."

² Defined as total IFRS equity divided by immovable assets value on the balance sheet

³ Source: Bloomberg, AOX GY.

Invitation to the telephone conference on February 28, 2019

The alstria management board, CEO Olivier Elamine and CFO Alexander Dexne, will present the 2018 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) will also be available for download on our website.

Please use one of the following dial-in numbers:

Germany: +49 69 2017 44 220

UK: +44 20 3009 2470

PIN: 816 25 127#

Contact IR/PR:

Ralf Dibbern

Steinstr. 7

20095 Hamburg, Germany

Tel: +49 40 22 63 41-329

Email: rdibbern@alstria.de

More information on:

www.alstria.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 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 118 buildings with a lettable area of 1.6 million sqm and a total portfolio value of EUR 4.0 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.

Financial key figures

EUR m	2018	2017	Change (%)
Revenues	193.2	193.7	-0.3
Net result for the period	527.4	297.0	77.6
Funds from operations (FFO)	114.7	113.8	0.8
FFO per share (EUR)	0.65	0.74	-12.2

EUR m	Dec. 31, 2018	Dec. 31, 2017	Change (%)
Investment properties	3,939	3,332	18.2
Cash at the end of the period	132.9	102.1	30.2
NAV per share (EUR)	15.13	12.70	19.1
G-REIT equity ratio	67.2%	57.1%	10.1 pp
Net LTV	30.4%	40.0%	-9.6 pp
Net debt/EBITDA	8.3	9.1	-0.8

Portfolio highlights

	Dec. 31, 2018	Dec. 31, 2017	Change (%)
Number of properties	118	116	2
Market value (EUR m)	3,985	3,409	16.9
Contractual rent (EUR m)	197.0	202.0	-2.5
Valuation yield	4.9%	5.9%	-1.0 pp
Lettable area (m ²)	1,577,000	1,570,100	0.4
EPRA vacancy rate	9.7%	9.4%	0.3 pp
Lease length (years)	4.8	4.7	0.1
Average rent per m ² (EUR per month)	12.25	12.06	1.6

EPRA KPI's

	2018	2017	Change (%)
EPRA earnings per share (EUR)	0.62	0.68	-8.8
EPRA cost ratio A (incl. vacancy costs)	23.0%	19.6%	3.4 pp
EPRA cost ratio B (excl. vacancy costs)	19.0%	16.4%	2.6 pp

EUR	Dec. 31, 2018	Dec. 31, 2017	Change (%)
EPRA NAV per share	15.14	12.71	19.1
EPRA NNNNAV per share	14.96	12.45	20.2
EPRA net initial yield	4.0%	4.6%	-0.6 pp
EPRA 'topped-up' NIY	4.4%	5.0%	-0.6 pp
EPRA vacancy rate	9.7%	9.4%	0.3 pp

Funds from operations

EUR k	2018	2017	Change (%)
Pre-tax income (EBT)	527,960	299,084	76.5
Net profit from fair value adjustments investment property	-398,954	-181,492	119.8
Net profit/loss from fair value adjustments on financial	-2,452	9,334	-126.3
Profit/loss on disposal of investment property	-14,887	-19,693	-24.4
Fair value adjustments in joint ventures	0	-30,121	-100.0
Other adjustments	6,360	40,438	-84.3
Funds from operations (FFO)	118,027	117,550	0.4
Minority interest	-3,297	-3,716	-11.3
Funds from operations (FFO) after minorities	114,730	113,834	0.8

Income statement

EUR k	2018	2017	Change (%)
Revenues	193,193	193,680	-0.3
Income less expenses from passed on operating expenses	39,160	37,387	4.7
Real estate operating expenses	-63,285	-58,156	8.8
Net rental income	169,068	172,911	-2.2
Administrative expenses	-8,834	-8,033	10.0
Personnel expenses	-15,910	-13,823	15.1
Other operating income	10,656	10,139	5.1
Other operating expenses	-13,746	-14,371	-4.3
Net result from fair value adjustments on investment properties	398,954	181,492	119.8
Gain on disposal of investment property	14,887	19,693	-24.4
Net operating result	555,075	348,008	59.5
Net financial result	-29,497	-67,708	-56.4
Share of the result of joint venture companies accounted for at equity	-70	28,118	-100.2
Net loss from fair value adjustments on financial derivatives	2,452	-9,334	-126.3
Pre-tax income (EBT)	527,960	299,084	76.5
Income tax expense	-546	-2,097	-74.0
Consolidated profit	527,414	296,987	77.6

Balance sheet

EUR k	Dec. 31, 2018	Dec. 31, 2017	Change (%)
Assets			
Non-current assets			
Investment property	3,938,864	3,331,858	18.2
Equity-accounted investments	8,589	8,659	-0.8
Property, plant and equipment	18,972	22,442	-15.5
Intangible assets	349	313	11.5
Financial assets	36,737	36,567	0.5
Derivatives	0	14	-100.0
Total non-current assets	4,003,511	3,399,853	17.8
Current assets			
Trade receivables	6,865	7,153	-4.0
Tax receivables	43	25	72.0
Other receivables	8,314	14,760	-43.7
Cash and cash receivables	132,899	102,078	30.2
Assets held for sale	29,620	60,200	-50.8
Total current assets	177,741	184,216	-3.5
Total assets	4,181,252	3,584,069	16.7
Equities and liabilities			
Equity			
Share capital	177,416	153,962	15.2
Capital surplus	1,538,632	1,363,316	12.9
Retained earnings	964,554	437,382	120.5
Revaluation surplus	3,485	0	n/a
Total equity	2,684,087	1,954,660	37.3
Non-current liabilities			
Limited partnership capital noncontrolling interest	64,013	53,834	18.9
Long-term loans, net of current portion	1,336,090	1,381,965	-3.3
Provisions	1,275	1,499	-14.9
Other liabilities	5,010	4,408	13.7
Total non-current liabilities	1,406,388	1,441,706	-2.4
Current liabilities			
Limited partnership capital noncontrolling interest	47	47	0.0
Short-term loans	14,171	86,450	-83.6
Trade payables	4,400	7,268	-39.5
Profit participation rights	530	538	-1.5
Derivatives	0	27,529	n/a
Liabilities of current tax	5,945	13,675	-56.5
Other provisions	5,477	2,992	83.1
Other current liabilities	60,207	49,204	22.4
Total current liabilities	90,777	187,703	-51.6
Total equity and liabilities	4,181,252	3,584,069	16.7