alstria

First German REIT

INTERIM REPORT Q3 2007

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KEY FIGURES

Share

ISIN	DE000A0LD2U1
Symbol	AOX
Prime Sector	Financial Services
Industry Group	Real Estate
Market Segment	Prime Standard, Frankfurt
Indices	S-DAX, EPRA, German REIT Index, S&P/Citigroup Global REIT Index
Number of Shares	56,000,000
Share Capital	EUR 56,000,000
Market Capitalisation (28 Sep.)	EUR 728,000,000
Free Float	46%

Group Financials (in EUR m)

	01 Jan. – 30 Sep. 2007 (unaudited)	20 Jan. – 30 Sep. 2006 (unaudited)	Change
Revenues	60.8	16.6	44.2
Adjusted EBITDA[1]	82.6	13.2	69.4
EBT	50.8	-5.0	55.8
Consolidated profit for the period	55.5	-2.6	58.1
FFO	22.1	0.6	21.5

	30 Sep. 2007 (unaudited)	30. Sep. 2006 (unaudited)	Change
Equity	885.6	32.9	852.7
Liabilities	949.1	942.4	6.7
Total assets	1,834.7	975.4	859.3
Equity ratio	48.3%	3.4%	44.9 pp

[1] Please refer to page 14

LETTER FROM THE BOARD

Dear Ladies and Gentlemen,
Dear Shareholders, Business Partners and Tenants,

alstria is the first German REIT.

This achievement which was one of our key objectives for 2007 marks another important milestone in the successful development of alstria less than two years after its foundation. The conversion into a REIT will not change our strategy of taking a long term view on the German office market and focusing on internal and external growth with a strong emphasis on tenant relationships.

However, being a REIT means much more than a mere tax status to us: Indeed alstria will be fully transparent for corporate income tax and trade tax purposes effective from January 2007. This allows us to offer our shareholders direct access to cash flows from a pure German office portfolio. With our commitment to significant dividend payouts, this should further increase alstria's attractiveness for its shareholders. Last but not least, being a REIT allows us to free our hands from any tax consideration, and will allow us to increase over time the liquidity of our assets.

We are proud of being the first German REIT and strongly feel this presents a very unique value proposition to our shareholders.

Although it is our clear strategy to further grow alstria's portfolio through accretive acquisitions we took a step back from the direct acquisition market in the first half of 2007, which retrospectively seems to have been the peak in real estate values. Our last significant transaction was the Aurora portfolio that we acquired at the beginning of the year at a Gross Yield (Passing Rent/All in Cost) of 6.3 percent. Since then we participated in some auctions, looked at single assets and portfolios, but essentially refrained from buying in a market where we felt that anything could be sold regardless of its underlying real estate value. We thought it would be prudent to wait "for the dust to settle" rather than growing at any cost.

As negative as it may be, the financial crisis and credit crunch had in our view at least one positive outcome: The German property market is back to the real estate fundamentals. The growth of the economy is driving strong tenant demand, overall property prospects are improving and capital value is still at or below construction cost. According to the Market Indicators published by Jones Lang Lasalle, we do not see evidence in the markets that the yields would move from where they were in 2006 (as shown in the table below). What some of the market participants describe as a yield expansion is a correction which brings back the overheated yields of the first half to a more sustainable level, where they were in 2006. Given our careful investment approach, we do not expect as of today, this movement to have a negative impact on alstria.

As of lately we have seen more attractive investment opportunities for alstria and we are in the midst of evaluating them. Overall we believe that markets are settling down and that there will be ample opportunities to externally grow alstria's property portfolio in an accretive manner, using the competitive advantage provided by the GREIT.

Last but not least the pursuit of internal growth via lease-up of vacancy or repositioning of our assets is equally important to us. Over the last months we initiated a number of refurbishment and repositioning projects that will allow us to capture the underlying value of the respective assets.

With kind regards,

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

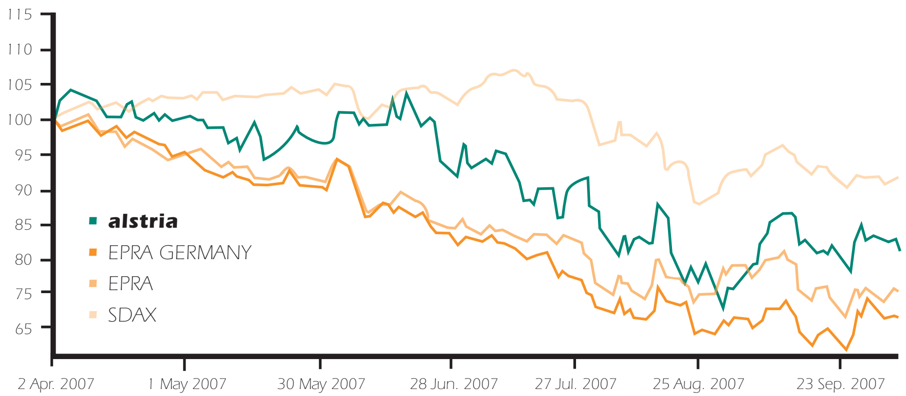
Development of prime yields[1]

German cities	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Berlin	4.85%	4.75%	4.75%	4.75%	5.00%
Dusseldorf	4.60%	4.50%	4.75%	5.00%	5.25%
Frankfurt	4.30%	4.20%	4.25%	4.50%	5.00%
Hamburg	4.60%	4.50%	4.75%	4.75%	5.00%
Munich	4.20%	4.10%	4.10%	4.25%	4.25%

[1] Source: Jones Lang Lasalle, Quarterly Key Market Indicators

SHARE PRICE DEVELOPMENT

Share price development
Index 2 April 2007



On 7 November 2007, Deutsche Börse commenced the German REIT Index.

The conditions on the equity capital markets remain to be rather unfavorable for real estate stocks. alstria's share price suffered from the turmoil on the financial markets almost as much as our peer group and is now trading at a significant discount to the Net Asset Value. In this context, on 6 November, alstria's management board decided to execute a share buy-back program. This program uses the authorization provided by the shareholders of the company at the last annual general meeting.

Under this authorization alstria intends to acquire up to 2.5 percent of its share capital between now and September 2008 via the Frankfurt stock exchange (XETRA).

We see our own share as a unique investment opportunity and therefore decided to allocate part of our liquidity to this buyback program. For the time being it is intended to hold the acquired shares as treasury stock and eventually use them according to the authorization of the shareholders meeting. Potential uses may include using the shares in future acquisition projects.

MANAGEMENT REPORT

Introductory remarks

As a result of the exponential growth of the Company over the last 12 months, the figures related to the reporting period cannot be analyzed in light of the comparable data for Q3 2006, since the Company only then started its activities.

Poststrasse, Hamburg

PORTFOLIO OVERVIEW

A EUR 1.6 billion portfolio of office properties in Germany

There were no significant changes in the investment property portfolio in the course of the third quarter. For a detailed description of the alstria portfolio please refer to our Q2 interim report.

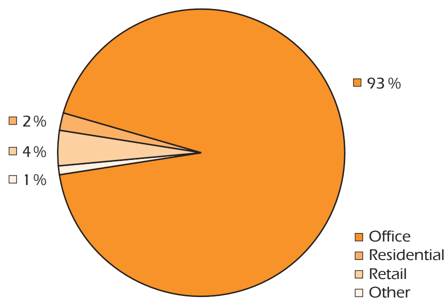
Significant new lease contract in Dresden

Our low vacancy rate (approximately 4 percent of the portfolio, or 30,000 sqm), remained stable since the beginning of the year. New vacancy coming up in the portfolio has been successfully compensated by new lease-up. That represents more than 70 new leases for a total lettable area of around 7,000 sqm.

Among those new leases 1,000 sqm relate to a lease contract with Siemens in an office building in Dresden, Washingtonstrasse. The original 5,500 sqm lease was extended by another 8 years and Siemens rented an additional space of app. 1,000 sqm. This successful lease negotiation that took place only a few months after the acquisition of the building in the Aurora portfolio, secures that Siemens remains to be one of our most important tenants for the next years.

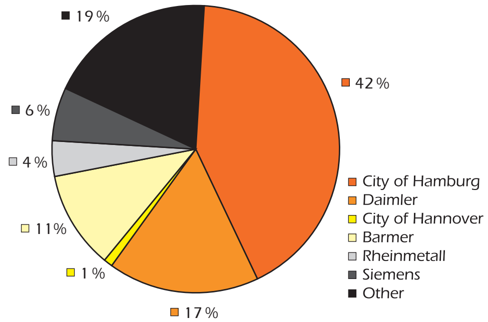
Office pure-play

- Out of 70 properties only 1 is not an office building
- Bases on net lettable space



Focus on tenants

- Focus to become the real estate/back-office solution for its high-quality tenants
- Relationships focused on long-term cooperation
- Bases on passing rent



EARNINGS POSITION

Continued strong operating performance - Revenues at EUR 60,767 k

As expected, revenues and operating efficiency were on the same strong level as in the prior quarter. Revenues for the quarter were EUR 21,698 k (basically on the same level as last quarter) with real estate operating expenses of around 7 percent of revenues at EUR 1,557 k. For the first nine months total revenues were at EUR 60,767 k with real estate operating expenses at 6.1 percent of revenues at EUR 3,715 k. Net rental income for the quarter was EUR 20,341 k and EUR 57,252 k for the first nine months of 2007.

For the first nine months a net gain from fair value adjustment of EUR 25,419 k was recorded. There was no revaluation of investment properties in the third quarter except for a minor adjustment of acquisition expenses.

Ludwig-Erhardt-Strasse, Leipzig

Operating expenses and net income influenced by REIT conversion effects

The REIT conversion has a number of impacts on the third quarter results which are mainly reflected in the operating expenses and the income tax line: Operating expenses are affected by app. EUR 5,500 k one time, non-recurring expenses out of which EUR 4,910 k are for real estate transfer tax due to the acquisition of 100 percent of Juna Beteiligungs GmbH. The remainder incurred for advisory services in relation to the REIT conversion.

The most significant impact relates to the reversal of all deferred taxes in the balance sheet which creates a P&L income effect of EUR 20,905 k. At the same time an accrual for a conversion tax charge of EUR 5,067 k was recoreded. A summary of the REIT conversion related P&L effects is provided in the following table:

REIT conversion - Positive impact on P&L by EUR 10,406 k

(in EUR k)	Expense effects	Income effects
Real estate transfer tax	4,910	
Advisory services	480	
Reversal of deferred tax assets	20,449	
Reversal of deferred tax liabilities		41,354
Conversion tax expense	5,109	
Total	**30,948**	**41,354**

Administrative expenses, personnel expenses and other operating expenses are at EUR 8,536 k for the quarter and at EUR 14,831 k for the nine months result. Other operating expenses contain EUR 4,910 k real estate transfer tax expenses as described above. Accordingly, total recurring operating expenses (disregarding RETT and conversion related expenses) are at 16.7 percent of total revenues for the third quarter and at 16.3 percent for the first nine months of the year.

Net operating result is EUR 12,250 k for the third quarter and EUR 68,383 k for the first nine months of 2007.

Funds From Operations at EUR 0.39 per share

Funds from operations (FFO) were EUR 22,085 k for nine months and EUR 9,298 k for the third quarter. That is essentially on the same level as last quarter. As a result, FFO per share was at EUR 0.39 in the first nine months of 2007

Hedging instruments

The net loss from fair value adjustments on the financial derivatives is driven by the flattening of the interest rate curve in the third quarter. On the other hand, the fact that our debt exposure is fully hedged fixes the current overall cost of debt for the existing portfolio at 4.2 percent. An overview of the composition of the fair values is given in the following table:

Hedging Instruments Breakdown

in EUR k	30 Sep. 07 (unaudited)	30 Jun. 07 (unaudited)	Change
Alstria Office - Swap - 3,6165%	19,240	25,503	-6,263
Alstria Office - Swap - 3,1925%	3,874	4,751	-877
Alstria Office - Cap - 4,0000%	1,794	2,303	-509
Alstria Office - Cap - 3,8000%	980	1,251	-271
Alstria Office - Cap - 3,8000%	615	785	-170
Alstria Office - Cap - 4,9000%	1,228	0	1,228
Total	**27,732**	**34,593**	**-6,861**

Financial result

alstria has a EUR 1.139 billion syndicated loan facility in place that was arranged by J.P. Morgan, Natixis and HSH Nordbank. The utilization of this facility is presently at EUR 815 million. The facility is used by alstria to partially finance the current investment property base as well as future acquisitions. The interest rate on this syndicated loan is based on the three months EURIBOR floating rate plus a spread dependent on the average lease length of the property portfolio and the loan to value ratio. For economic as well as for G-REIT compliance reasons alstria is committed to maintain a GREIT- equity ratio of 45 percent or above.

Financial Result Breakdown

in EUR k	01 Jan. - 30 Jun. 2007 (unaudited)
Syndicated Loan - Interest and similar costs	-30,094
Shareholder Loan - Interests and similar costs	-1,314
Interest income	4,750
Registration of land charges	-234
Other	51
Total	**-26,841**

Net Profit of EUR 11,402 k for the quarter and EUR 55,510 k for the first nine months

The resulting earnings before tax are at negative EUR 5,686 k for the quarter and EUR 50,831 k for the first nine months. Consolidated net profit is at EUR 11,402 k and EUR 55,510 k respectively.

Earnings per share are EUR 0.99 for the first nine months.

Gaensemarkt, Hamburg

FINANCIAL AND ASSET POSITION

Cash position of EUR 157,264 k – acquisition capacity between EUR 200,000 k and EUR 300,000 k

Cash flow from operating activities for the nine months period was at EUR 32,145 k mainly driven by the strong operating performance and by an increase in accounts payables.

Cash flow from investing activities was impacted by the payment for an office property in Munich and payments for real estate transfer tax. The first two installments of the purchase price for the Aurora portfolio in the amount of EUR 110,500 k have the most significant impact on the cash flow from investing activities.

Cash flow from financing activities reflects the substantial capital restructuring that was undertaken during the period and includes the gross proceeds from the IPO of EUR 256,000 k (net proceeds were at EUR 244,000 k).

As a result, alstria closes the first nine months of 2007 with a cash position of EUR 157,264 k.

Considering payment obligations for the fourth quarter which mainly consist of the last installment for the Aurora acquisition to be refinanced via the syndicated loan facility this cash provides alstria with room for further acquisitions in the amount of EUR 200 - 300 million.

Equity ratio of 48.3 percent, NAV per share increased to EUR 15.8 – G-REIT equity ratio at 54.0 percent

The total investment property value is at EUR 1,639,145 k as compared to EUR 1,289,536 k at the beginning of the year:

Change in Investment property (in EUR m)

Investment properties as at 31 Dec. 2006	**1,289.54**
Acquisitions	328.30
Reclassifications Asset held for sale	-3.53
Revaluations	24.84
Investment properties as at 30 Sep. 2007 (unaudited)	**1,639.15**

Mecumstrasse, Dusseldorf

The Equity and Liability side of the balance sheet reflects a total equity position of EUR 885.600 k with an equity ratio of 48 percent which is up 19 percentage points from 29 percent at the beginning of the year. The G-REIT Equity ratio which is defined as Total Equity divided by Investment Properties is at 54 percent versus a minimum requirement for G-REIT compliance of 45 percent.

The long term loan position is at EUR 811,190 k down from EUR 813,466 k. The main changes in the long term loan position over the last nine months were firstly, the repayment of the loan for Juna Property GmbH & Co. KG of EUR 162 million. The debt portion of EUR 109 million was drawn down from the syndicated loan facility and the remainder was contributed by the shareholders into capital reserves. Secondly, the refinancing of the "Alte Post" and "Grosse Bleichen" properties lead to an increased utilization of the syndicated loan facility by EUR 52,250 k which is reflected in the balance sheet by a shift from short term to long term liabilities.

Current liabilities are at EUR 7,771 k which is mainly related to accrued interest that will become due under the syndicated loan agreement within one year.

RISK AND OPPORTUNITY REPORT

The risks and opportunities alstria is exposed to are described in detail in the report for the second quarter. No changes to the status described occurred in the reporting period.

RECENT DEVELOPMENTS AND OUTLOOK

Further acquisitions planned

alstria has taken a cautious approach on acquisitions over the last months but as markets stabilize we are confident to see more acquisition opportunities that will be accretive to our existing portfolio. The economic fundamentals continue to improve with significant GDP growth expected to continue into next year. That should have a solid growth impact on the commercial property market in Germany. Major German real estate markets still benefit from an increase in rents, and within thoses markets Hamburg is one of the fastest growing areas.

Conversion into a G-REIT completed

On 11 October alstria registered with the commercial register as a REIT-stock corporation and changed its corporate name into alstria office REIT-AG. On 7 November alstria was included in the new REITs segment of Deutsche Börse called "Deutsche Börse REITs". The new REITs Segment will allow alstria to offer high visibility to investors and differentiate itself as a REIT on the capital market. The REITs shares will be traded on the floor of the Frankfurt Stock Exchange and leave the regulations regarding the admission of securities to the regulated market (Prime Standard) unaffected. In order to qualify for being a G-REIT, certain requirements have to be met. The most relevant of those are the following: The G-REIT must be a stock corporation listed on an organized market and its statutory seat and management must be in Germany. The registered share capital must be at least 15 million Euro with all shares being voting shares of the same class. The free float must be at least 15 percent and no investor may directly hold 10 percent or more of the shares, or shares that represent 10 percent or more of the voting rights. Furthermore, at least 75 percent of the assets must consist of real estate and at least 75 percent of the gross income must be generated from real estate. At least 90 percent of the annual profits under German GAAP must be distributed to the shareholders and the G-REIT's equity may not fall short of 45 percent of the fair value of its real estate assets as booked under IFRS rules. REIT-stock corporations are fully exempted from German corporate income tax and German trade tax. This tax exemption will apply to alstria retroactively with effect as of 1 January 2007. Sellers who offer real estate to alstria may, subject to certain conditions, benefit from the so called "Exit Tax": A 50 percent relief on income and corporate income tax respectively as well as the trade tax payable on capital gains.

Ernst-Merck-Strasse, Hamburg

Share buy-back program

On 6 November alstria's management board decided to execute a share buy-back program. This program will use the authorization provided by the shareholders of the company at the last annual general meeting. For a detailed description of the program please refer to the Share Price Development section of this Interim Report.

Resignation of Dr. Michael Börner-Kleindienst

The Supervisory Board of alstria office REIT-AG has accepted the resignation of Dr. Michael Börner-Kleindienst as COO of the company with effect of 31 October 2007. As Dr. Börner-Kleindienst wishes to take on other challenging responsibilities, the company and Dr. Börner-Kleindienst mutually agreed to prematurely end his service contract.

The responsibilities of Dr. Börner-Kleindienst were transferred to the CEO of the company, Olivier Elamine.

Financial Goals

For the full year of 2007, the management of alstria expects revenues of around EUR 80 million which are expected to translate into Funds From Operations (FFO) of around EUR 30 million.

RELATED PARTY TRANSACTIONS

For a full disclosure of related party transactions in the reporting period we would like to refer to section 13 in the notes to the financial statements of this report.

CONSOLIDATED BALANCE SHEET as at 30 September 2007

ASSETS (in EUR k)	**30 Sep. 2007**	**31 Dec. 2006**
Non-Current Assets		
Investment property	1,639,145	1,289,536
Property, plant and equipment	1,566	0
Intangible assets	399	0
Deffered tax asset	0	12,513
Total Non-Current Assets	**1,641,110**	**1,302,049**
Current Assets		
Trade receivables	2,053	99
Accounts receivable from affiliates	1,266	0
Financial derivatives	27,732	14,563
Other receivables	5,235	3,661
Cash and cash equivalents	157,264	24,304
Total Current Assets	**193,550**	**42,627**
Total Assets	**1,834,660**	**1,344,676**

EQUITY AND LIABILITIES (in EUR k)	**30 Sep. 2007**	**31 Dec. 2006**
Equity		
Share capital	56,000	8,000
Capital surplus	759,557	375,066
Retained earnings	70,043	14,533
Total Equity	**885,600**	**397,599**
Non-Current Liabilities		
Long-term loans, net of current portion	811,190	813,466
Deferred tax liabilities	0	19,869
Other liabilities	56	56
Total Non-Current Liabilities	**811,246**	**833,391**
Current Liabilities		
Short-term loans	7,771	1,712
Trade payables	114,705	5,363
Payables to affiliates	15	82,471
Other current liabilities	15,323	24,140
Total Current Liabilities	**137,814**	**113,686**
Total Liabilities	**949,060**	**947,077**
Total Equity and Liabilities	**1,834,660**	**1,344,676**

CONSOLIDATED INCOME STATEMENT

(in EUR k)	01 Jul. - 30 Sep. 07	01 Jul. - 30 Sep. 06	Change	01 Jan. - 30 Sep. 07	20 Jan. - 30 Sep. 06	Change
Revenues	21,698	12,481	74%	60,767	16,642	265%
Income less expenses from passed on operating expenses	200	-194	203%	200	-277	172%
Real estate operating costs	-1,557	-570	-173%	-3,715	-938	-296%
Net Rental Income	**20,341**	**11,717**	**174%**	**57,252**	**15,427**	**271%**
Net gain from fair value adjustments on investment property	94	-14	>300%	25,419	3,280	>300%
Administrative expenses	-2,819	-1,017	-177%	-7,627	-2,547	-199%
Personnel expenses	-870	0	n/a	-2,294	0	n/a
Other operating income	351	6	>300%	543	6,026	-91%
Other operating expenses	-4,847	-64	>-300%	-4,910	-80	>-300%
Net Operating Result	**12,250**	**10,628**	**15%**	**68,383**	**22,106**	**209%**
Net gain/loss from fair value adjustments on financial derivatives	-9,116	-12,440	27%	9,289	-8,896	204%
Financial result	-8,820	-13,425	34%	-26,841	-18,217	47%
Pre-tax income (EBT)	**-5,686**	**-15,237**	**63%**	**50,831**	**-5,007**	**>300%**
Income tax expenses	17,088	3,633	>300%	4,679	2,386	96%
Consolidated profit	**11,402**	**-11,604**	**198%**	**55,510**	**-2,621**	**>300%**
Earnings per share: basic, for profit for the period (in EUR per share)	**0.20**	**n/a**		**0.99**	**n/a**	
diluted, for profit for the period (in EUR per share)	**0.20**	**n/a**		**0.99**	**n/a**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period from 1 January to 30 September 2007

(in EUR k)	Share Captital	Captital Surplus	Retained Earnings	Total Equity
As at 1 January 2007	**8,000**	**375,066**	**14,533**	**397,599**
Changes in the period from 1 January to 30 September 2007				
Consolidated profit	-	-	55,510	55,510
Changes in the consolidated group	-	-586	-	-586
Valuation shareholder loan/other IFRS adjustments	-	646	-	646
Share-based payments (IFRS)	-	710	-	710
Contributions to Share Capital	48,000	-	-	48,000
Contributions to Capital Surplus (IPO)	-	240,000	-	240,000
Expenses in connection with IPO	-	-10,969	-	-10,969
Other contributions to Capital Surplus	-	154,690	-	154,690
As at 30 September 2007	**56,000**	**759,557**	**70,043**	**885,600**
As at 20 January 2006	**25**	**0**	**0**	**25**
Changes in the period from 20 January to 30 September 2006				
Consolidated profit	-	-	-2,621	-2,621
Changes in the consolidated group	-	8,747	-	8,747
Valuation shareholder loan	-	1,769	-	1,769
Contributions to Share Capital	-	-	-	0
Contributions to Capital Surplus	-	25,025	-	25,025
As at 30 September 2006	**25**	**35,541**	**-2,621**	**32,945**

CONSOLIDATED CASH FLOW STATEMENT for the period from 1 January to 30 September 2007

(in EUR k)	01 Jan. - 30 Sep. 2007	20 Jan. - 30 Sep. 2006
1. Cash flows from operating activities		
Consolidated profit	55,510	-2,621
Unrealized net gain from fair value adjustments	-34,708	5,616
Result from deferred taxes	-9,788	-2,389
Depreciation and impaiment of property, plant and equipment	230	0
Increase in trade receivables and other assets that are not attributed to investing or financing activities	-5,849	-278
Increase in trade payables and other liabilities that are not attributed to investing or financing activities	26,750	17,072
Cash flows from operating activities	**32,145**	**17,400**
2. Cash flows from investing activities		
Cash paid (-) for investment property	-145,865	-741,365
Cash paid (-) for Property, plant and equipment	-45	0
Cash paid (-) for the acquisition of consolidated companies	-16,385	-17,415
Cash flows used in investing activities	**-162,295**	**-758,780**
3. Cash flows from financing activities		
Cash received (+) from equity contributions	304,983	26,150
Cash received (+) from borrowings	215,577	753,382
Cash paid (-) for the acquisition of derivative financial instruments	-1,804	-11,632
Cash paid (-) for the redemption of borrowings	-243,262	-120
Cash paid (-) for transaction costs	-355	-7,031
Cash paid (-) for IPO costs	-12,029	0
Cash flows from financing activities	**263,110**	**760,749**
4. Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal of 1 to 3)	132,960	19,369
Effect of changes in exchange rates, consolidated group and valuation on cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the period	24,304	0
Cash and cash equivalents at the end of the period	**157,264**	**19,369**
5. Composition of cash and cash equivalents		
Cash	157,264	19,369
Securities	0	0
Cash and cash equivalents at the end of the period	**157,264**	**19,369**

RECONCILIATION OF EBT TO EBITDA AND FFO

Funds From Operations at EUR 0.39 per share

Funds from operations (FFO) were EUR 22,085 k for nine months and EUR 9,298 k for the third quarter. That is essentially on the same level as last quarter. As a result, FFO per share was at EUR 0.39 in the first nine months of 2007.

(in EUR k)	01 Jan. - 30 Sep. 2007 (unaudited)	20 Jan. - 30 Sep. 2006 (unaudited)	Change
Pre-tax income (EBT)	**50,831**	**-5,007**	**55,838**
less adjusted financial result[1]	-25,789	-18,217	-7,572
EBITDA	**76,620**	**13,210**	**63,410**
adjusted EBITDA[2]	**82,582**	**13,210**	**69,372**
less Net gain from fair value adjustments on investment property	25,419	3,280	22,139
less Net gain from fair value adjustments on financial derivatives	9,289	-8,896	18,185
plus adjusted financial result[1]	-25,789	-18,217	-7,572
Funds From Operations (FFO)	**22,085**	**609**	**15,514**

[1] Adjusted fiancial results disregards non cash write-offs required under IFRS
[2] Adjusted EBITDA disregards transfer tax of EUR 4.910 k that arose from the acquisition of Juna Beteiligungs GmbH which has not been funded from operations. Also this line is adjusted for non cash write-offs of transaction costs related to the arrangement of certain loan agreements

NOTES AND DISCLOSURES

1. Corporate information

alstria office REIT-AG, Hamburg, (hereinafter referred to as the "Company" or "alstria office REIT-AG" and together with its subsidiaries the "Group"), is a German stock corporation and has its domicile in Hamburg. The Group's principal activities are described in detail in section 1 of the notes to the consolidated financial statements for the fiscal year ended 31 December 2006. A detailed description of the registration as a REIT-stock corporation is provided in section 14.

The Condensed Interim Consolidated Financial Statements for the period from 1 January 2007 to 30 September 2007 (hereinafter referred to as the "Condensed Interim Consolidated Financial Statements") were authorized for issue by resolution of the Company's management board on 20 November 2007.

2. Basis of reporting

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not contain all the disclosures and explanations required in annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2006.

The Condensed Interim Consolidated Financial Statements as at 30 September 2007 contain all the disclosures the Company's management board considers to be required for the Condensed Interim Consolidated Financial Statements to give a true and fair view of the net assets, financial position and results of operations.

These Condensed Interim Consolidated Financial Statements have not been audited.

The accounting policies applied in these Condensed Interim Consolidated Financial Statements are consistent with those applied in the consolidated financial statements as at 31 December 2006. The interim financial statements of the Company's subsidiaries are prepared for the same reporting period as for the Company, using consistent accounting policies. A detailed description can be found in section 3 of the notes to the consolidated financial statements as at 31 December 2006.

3. Consolidated group

The following changes to the consolidated group occurred since the consolidated financial statements as at 31 December 2006.

- During the reporting period, alstria office REIT-AG acquired a 94 percent interest in Verwaltung Alstria Vierte Hamburgische Grundbesitz GmbH, Hamburg, and Verwaltung Alstria Siebte Hamburgische Grundbesitz GmbH, Hamburg.

- In addition, Verwaltung Alstria Vierte Hamburgische Grundbesitz GmbH and Verwaltung Alstria Siebte Hamburgische Grundbesitz GmbH respectively, acquired an interest of 1 percent in Alstria Vierte Hamburgische Grundbesitz S.à r.l. & Co. KG, Hamburg, and Alstria Siebte Hamburgische Grundbesitz S.à r.l. & Co. KG, Hamburg, respectively, from its general partner, and therefore expanded their interests in these companies to 100 percent. Thereafter, the general partner withdrew from the partnerships, and, as a consequence, the partnerships ceased to exist and the assets and liabilities were automatically transferred to Verwaltung Alstria Vierte Hamburgische Grundbesitz GmbH and Verwaltung Alstria Siebte Hamburgische Grundbesitz GmbH respectively, in accordance with Sec. 738 BGB (Anwachsung) with effect as at 31 March 2007.

- On 28 June 2007, the conversion of Verwaltung Alstria Vierte Hamburgische Grundbesitz GmbH and Verwaltung Alstria Siebte Hamburgische Grundbesitz GmbH into Alstria IV. Hamburgische Grundbesitz GmbH & Co. KG and Alstria VII. Hamburgische Grundbesitz GmbH & Co. KG, respectively became effective. Thereafter, alstria office REIT-AG acquired the remaining interest of 6 percent in Alstria IV. Hamburgische Grundbesitz GmbH & Co. KG and Alstria VII. Hamburgische Grundbesitz GmbH & Co. KG with effect from 30 June 2007.

- With effect as at 1 April 2007, Verwaltung Alstria Sechste Hamburgische Grundbesitz GmbH transferred a limited partner's interest of Alstria Sechste Hamburgische Grundbesitz S.à r.l. & Co. KG amounting to EUR 9,600 to Alstria Hanseatische Grundbesitz Holding S.à r.l. and another limited partner's interest of EUR 10,200 to alstria office REIT-AG. Furthermore, the general partner Alstria Hanseatische Grundbesitz S.à r.l. transferred its capital contribution of EUR 200 to Alstria Hanseatische Grundbesitz Holding S.à r.l. As a result, Verwaltung Alstria Sechste Hamburgische Grundbesitz GmbH ceased to be limited partner and alstria office REIT-AG became limited partner with 51 percent of the interest in Alstria Sechste Hamburgische Grundbesitz S.à r.l. & Co. KG. Regarding the transfers of these interests no purchase prices were paid since the capital contribution is still outstanding and the net asset value of the KG amounts to EUR 0.

- In addition, alstria office REIT-AG acquired a 100 percent interest in Verwaltung Alstria Sechste Hamburgische Grundbesitz GmbH from Alstria Hanseatische Grundbesitz Holding S.à r.l. effective from 1 April 2007.

- By a shareholders' resolution of Alstria Sechste Hamburgische Grundbesitz S.à r.l. & Co. KG dated 1 April 2007, Verwaltung Alstria Sechste Hamburgische Grundbesitz GmbH joined Alstria Sechste Hamburgische Grundbesitz S.à r.l. & Co. KG as general partner without capital contribution and without participation in losses and profits of the KG. At the same time Alstria Sechste Hamburgische Grundbesitz S.à r.l. & Co. KG was renamed to Alstria Sechste Hamburgische Grundbesitz GmbH & Co. KG.

- alstria office REIT-AG acquired 100 percent of JUNA Beteiligungs GmbH from Captiva 2 JUNA Holding S.à r.l. The transaction was notarized on 30 July 2007. JUNA Beteiligungs GmbH holds a 5.1 percent share in JUNA Property GmbH & Co. KG, the company holding the West (Barmer Ersatzkasse) Portfolio. The purchase price was EUR 1,848 k. With the pay off of the minority shareholders alstria office REIT-AG now, directly and indirectly, owns 100 percent of JUNA Property GmbH & Co. KG.

Regardless of their legal structure, the transactions are disclosed in accordance with their economic substance in the Condensed Interim Consolidated Financial Statements as at 30 September 2007.

The acquisition of a 94 percent interest in Verwaltung Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG (former Alstria Vierte and Siebte Hamburgische Grundbesitz GmbH) as at 31 March 2007 as well as the acquisition of 6 percent of the shares in Alstria IV. Hamburgische Grundbesitz GmbH & Co. KG and Alstria VII. Hamburgische Grundbesitz GmbH & Co. KG as at 30 June 2007 were stated as a business combination involving entities under common control since the seller of the shares, Alstria Hanseatische Grundbesitz Holding S.à r.l., was also a subsidiary of Captiva Capital Partners II SCA, Luxembourg.

The same applies for the acquisition of a 100 percent interest in JUNA Beteiligungs GmbH. The seller of the shares, Captiva 2 JUNA Holding S.à. r.l., Luxembourg, was also a subsidiary of the Captiva Capital Partners II SCA, Luxembourg and the transaction is therefore stated as a business combination involving entities under common control as of 30 July 2007.

IFRS 3 does not apply to these business combinations. As a consequence of the gap in legislation after the introduction of IFRS 3, the transactions were stated using the purchase method (in line with IFRS 3).

A contribution or withdrawal in kind in the amount of the differences between the purchase prices of the interests and the pro-rated fair values of the net assets acquired as at 31 March 2007, 1 April 2007, 30 June 2007 and 30 July 2007, respectively, are assumed. Accordingly, the respective remaining debit or credit difference from capital consolidation resulted in a decrease or increase in the capital surplus of the consolidated financial statements of alstria office REIT-AG without effect on income.

The main business objective of Alstria IV. Hamburgische Grundbesitz GmbH & Co. KG (formerly Verwaltung Alstria Vierte Hamburgische Grundbesitz GmbH) is the leasing of office property throughout Germany.

The key figures of the acquisition of 94 percent of the shares as at 31 March 2007 are as follows:

(in EUR k)		
Cost of the investment		2,070
Carrying amount of the acquired assets (excluding cash and cash equivalents)	52,079	
Purchased cash and cash equivalents	597	
Liabilities acquired	-49,528	
Carrying amount of the acquired net assets	3,148	
thereof 94 %	**-2,959**	-2,959
Remaining credit difference		**-889**

The remaining credit difference has been contributed in full to the capital surplus of alstria office REIT-AG.

Altogether, the following assets and liabilities accrued to the Group in the course of the first-time consolidation of the Company:

ASSETS (in EUR k)	
Investment property	50,000
Receivables	679
Other assets	650
Cash and cash equivalents	597
Prepaid expenses	18
Deferred tax assets	732
Total assets	**52,676**

EQUITY AND LIABILITIES (in EUR k)	
Equity and reserves	3,148
Deferred tax liabilities	263
Other provisions	149
Current liabilities	49,116
Total equity and liabilities	**52,676**

No adjustments had to be made for differences between the carrying amounts determined by the Company in its separate financial statements in accordance with IFRS and the fair values of the acquired assets and liabilities.

The cost of the investment in terms of actual acquisition costs and incidental acquisition costs break down as follows:

(in EUR k)	
Acquisition costs pursuant to the purchase agreement dated 15 March 2007	2,006
Provision for expert fees	9
Legal advice	51
Non-deductible input VAT on legal advice	4
Total	**2,070**

The additional consolidated net profit for a theoretical acquisition as at 1 January 2007 was calculated as follows (pro forma figures only):

(in EUR k)	
Revenues	520
Other operating income	5
Cost of materials	-70
Other operating expenses	-43
Deferred income tax	554
Other interest and similar income	1
Interest and similar expenses	-685
Extraordinary expenses	-3,613
Other taxes	-21
Additional consolidated loss for the period for a theoretical acquisition as at 1 January 2007	**-3,352**

The acquisition costs of the remaining minority interest of 6 percent of Alstria IV. Hamburgische Grundbesitz GmbH & Co. KG amount to EUR 136 k. In consideration of 6 percent of the equity taken over amounting to EUR 189 k a credit difference of EUR 53 k remains, which was contributed in full to the capital surplus of alstria office REIT-AG.

The cost of the investment in terms of actual acquisition costs and incidental acquisition costs break down as follows:

(in EUR k)	
Acquisition costs pursuant to the purchase agreement dated 29 June 2007	127
Legal advice	8
Non-deductible input VAT on legal advice	1
Total	**136**

The main business objective of Alstria VII. Hamburgische Grundbesitz GmbH & Co. KG (formerly Verwaltung Alstria Siebte Hamburgische Grundbesitz GmbH) is the leasing of office property throughout Germany.

The key figures of the acquisition of 94 percent of the shares as at 31 March 2007 are as follows:

(in EUR k)		
Cost of the investment		12,917
Carrying amount of the acquired assets (excluding cash and cash equivalents)	45,491	
Purchased cash and cash equivalents	575	
Liabilities acquired	-33,728	
Carrying amount of the acquired net assets	12,338	
thereof 94 %	**-11,598**	-11,598
Remaining debit difference		**1,319**

The remaining debit difference has been attributed in full to the capital surplus of alstria office REIT-AG.

Altogether, the following assets and liabilities accrued to the Group in the course of the first-time consolidation of the Company:

ASSETS (in EUR k)	
Investment property	45,000
Receivables	32
Other assets	422
Cash and cash equivalents	575
Prepaid expenses	11
Deferred tax assets	26
Total assets	**46,066**

EQUITY AND LIABILITIES (in EUR k)	
Equity and reserves	12,338
Other provisions	104
Current liabilities	30,496
Deferred tax liabilities	3,128
Total equity and liabilities	**46,066**

No adjustments had to be made for differences between the carrying amounts determined by the Company in its separate financial statements in accordance with IFRS and the fair values of the acquired assets and liabilities.

The cost of the investment in terms of actual acquisition costs and incidental acquisition costs break down as follows:

(in EUR k)	
Acquisition costs pursuant to the purchase agreement dated 15 March 2007	12,853
Provision for expert fees	9
Legal advice	51
Non-deductible input VAT on legal advice	4
Total	**12,917**

The additional consolidated net profit for a theoretical acquisition as at 1 January 2007 was calculated as follows (pro forma figures only):

(in EUR k)	
Revenues	313
Other operating income	9
Cost of materials	-3
Other operating expenses	-97
Deferred income tax	-3,219
Other interest and similar income	1
Interest and similar expenses	-436
Extraordinary Income	10,750
Extraordinary expenses	-10
Other taxes	-13
Additional consolidated profit for the period for a theoretical acquisition as at 1 January 2007	**7,295**

The acquisition costs of the remaining minority interest of 6 percent of Alstria VII. Hamburgische Grundbesitz GmbH & Co. KG amount to EUR 843 k. In consideration of 6 percent of the equity taken over amounting to EUR 740 k a debit difference of EUR 103 k as of 30 June 2007 remained, which was attributed in full to the capital surplus of alstria office REIT-AG.

The cost of the investment in terms of actual acquisition costs and incidental acquisition costs break down as follows:

(in EUR k)	
Acquisition costs pursuant to the purchase agreement dated 29 June 2007	834
Legal advice	8
Non-deductible input VAT on legal advice	1
Total	**843**

The acquisition of a 51 percent interest in Alstria Sechste Hamburgische Grundbesitz GmbH & Co. KG was stated as a transaction under common control as at 1 April 2007 since the seller of the shares, Verwaltung Alstria Sechste Hamburgische Grundbesitz GmbH, was also a subsidiary of Captiva Capital Partners II SCA, Luxembourg. IFRS 3 does not apply to these business combinations.

As a consequence of the lack of IFRS guidance after the introduction of IFRS 3, the transaction was stated using the purchase method (in line with IFRS 3).

The business objective of Alstria Sechste Hamburgische Grundbesitz GmbH & Co. KG is the leasing of mainly office property throughout Germany.

Regarding the transfer of the interest no purchase price was concluded and no incidental acquisition costs had to be considered. As the company did not have material equity, no difference from capital consolidation had to be recognized in the capital surplus of alstria office REIT-AG.

The consolidated financial statements include the expenses and income of Alstria Sechste Hamburgische Grundbesitz GmbH & Co. KG for the period since the acquisition as at 1 April 2007. Minority interests represent the portion of profit or loss and net assets in Alstria Sechste Hamburgische Grundbesitz GmbH & Co. KG not held by the Group. In accordance with IAS 32, minority interests in partnerships are disclosed under liabilities.

The additional consolidated net loss for the period for a theoretical acquisition as at 1 January 2007 was amounting to EUR 312.

The acquisition costs of the sole interest of JUNA Beteiligungs GmbH amount to EUR 1.854 k. The cost of investment in terms of actual acquisition costs and incidental acquisition costs breaks down as follows:

(in EUR k)	
Acquisition costs pursuant to the purchase agreement dated 30 July 2007	1,848
Legal advice	6
Non-deductible input VAT on legal advice	0
Total	**1,854**

The main business objective of JUNA Beteiligungs GmbH is the holding of 5,1 percent interests in JUNA Property GmbH & Co. KG. The key figures of the acquisition of the interests are as follows:

(in EUR k)		
Cost of the investment		1,854
Omission of the liability against the minority shareholder	1,790	
Carrying amount of the acquired assets (excluding cash and cash equivalents)	1	
Purchased cash and cash equivalents	254	
Liabilities acquired	-249	
Carrying amount of the acquired net assets	1,796	
thereof 100%	**-1,796**	-1,796
Remaining debit difference		**58**

The remaining debit difference was attributed in full to the capital surplus of alstria office REIT-AG.

Altogether, the following assets and liabilities accrued to the Group in the course of first-time consolidation of the Company:

ASSETS (in EUR k)	
Cash and cash equivalents	254
Prepaid expenses	1
Total assets	**255**

EQUITY AND LIABILITIES (in EUR k)	
Equity and reserves	6
Tax accruals	223
Other provisions	12
Current liabilities	14
Total equity and liabilities	**255**

No adjustments had to be made for differences between the carrying amounts determined by the Company in its separate financial statements in accordance with IFRS and the fair values of the acquired assets and liabilities.

4. Key judgments and estimates

The preparation in accordance with IFRS requires assumptions and estimates for various items which have an effect on the amount and disclosure of the assets and liabilities as well as income and expenses. Actual amounts may differ from these estimates.

Estimates are required in particular in order to:

- determine the fair values of investment property;
- determine the fair values of financial instruments;
- determine the fair value of stock options granted to the management board; and
- determine deferred tax assets, in particular from loss carry forwards.

In particular, in determining the fair values of the investment property, alstria office REIT-AG must apply and take account of numerous factors. If the future development of these properties differs from the estimate, large-scale impairment losses may incur. This can have a negative impact on future results of operations.

A fair value measurement of the derivative financial instruments was performed by an independent third party and the market data compiled thereof were included in the standard measurement models. Thus, the usual estimation uncertainties exist regarding possible deviations from the market data used. Depending on the parameterization of the models, alstria office REIT-AG put the maximum range for these deviations at between -EUR 10,000 and EUR 10,000. We consider the models used to be adequate and believe that they do not engender any uncertainty as to their applicability.

The fair value of stock options granted to the management board has been determined as at the granting date and has been valued based on the expected volatility, life of option and labor turn rate using current discount rates applicable for items with similar terms and risk characteristics. This valuation requires the Company to make estimates about these parameters, and hence they are subject to uncertainty. The fair value of the stock options granted as at 27 March 2007 is allocated to the vesting period according to the determinations in the underlying stock option program. The resulting personnel expenses caused an addition to capital surplus of EUR 710 k (31 December 2006: EUR 0 k) in the Condensed Interim Consolidated Financial Statements as at 30 September 2007.

The assets, liabilities and equity instruments stated above, which are particularly exposed to estimation uncertainty, had the following impact on the consolidated balance sheet as at the balance sheet date:

(in EUR k)	30 Sep. 2007 (unaudited)	31 Dec. 2006 (audited)
Investment property	1,639,145	1,289,536
Deferred tax assets	0	12,513
thereof loss carryforwards	0	7,605
Positive fair values of derivatives	27,732	14,563
Additions to capital surplus	710	0

5. Seasonal or economic effects on business

The activities of alstria office REIT-AG (primarily the generation of revenues from investment properties) are not generally affected by seasonal factors. However, the sale of one or more large properties may have a significant impact on revenues and operating expenses.

From experience, the real estate market tends to fluctuate as a result of factors such as the net income of consumers or GDP, changes in interest rates, consumer confidence, and demographic and other factors inherent to the market. A change of the interest rate leads to a lower valuation of the derivatives.

6. Notes to the consolidated balance sheet – assets

6.1. Investment property

alstria office REIT-AG uses the fair value model pursuant to IAS 40.33 et seq. for subsequent measurement. External appraisals were obtained for measurement in 2006. Management's review of the fair values as at the date of the Condensed Consolidated Interim Financial Statements for 30 September 2007 did not result in the revaluation of certain assets. For a detailed description of the valuation of assets, please see section 8 of the consolidated financial statements as at 31 December 2006.

Under the purchase agreement dated 18 December 2006, Alstria Vierzehnte to Einundzwanzigste Hamburgische Grundbesitz GmbH & Co. KGs, Hamburg, – subsidiaries of alstria office REIT-AG and represented by their general partner, Verwaltung Alstria Dreizehnte Hamburgische Grundbesitz GmbH, Hamburg, – concluded a purchase agreement on the acquisition of further property with a purchase price value of EUR 221,000 k, with the properties being transferred to the buyers with effect from 1 April 2007 (AURORA portfolio).

Under the purchase agreement dated 10 May 2007, alstria office REIT-AG concluded a purchase agreement on the acquisition of one further property with a purchase price of EUR 10,700 k, with the property being transferred to the buyer with effect from 6 June 2007 (SIGMA portfolio).

Under the purchase agreement dated 9 September 2007, alstria office REIT-AG, Hamburg, concluded a purchase agreement on the acquisition of another property with a purchase price of EUR 2,851 k. The property has been transferred to the buyer effective from 1 October 2007 (Bäckerbreitergang 73).

Two residential assets held for sale were economically transferred at the beginning of July. In March 2007 Alstria had agreed to dispose these two residential assets for total net proceeds of EUR 3,700 k versus an IFRS fair value of EUR 3,525 k as at 31 December 2006.

Expenses/income disclosed in the income statement pursuant to IAS 40.75(f):

- EUR 60,767 k (30 September 2006: EUR 16,642 k) rental income from investment property
- EUR 1,903 k (30 September 2006: EUR 52 k) operating expenses for repairs and maintenance directly allocable to investment property from which rental income was generated during the period under review

6.2. Other receivables

The following overview breaks down the other receivables into those due within the next twelve months and those due in more than one year.

(in EUR k)	Due up to one year	Due in more than one year	Total 30 Sep. 2007	Total 31 Dec. 2006 (audited)
Capitalized transaction costs	0	1,676	1,676	2,491
Prepayments	857	0	857	97
IPO costs	0	0	0	399
Other assets	2,702	0	2,702	674
Other Receivables	**3,559**	**1,676**	**5,235**	**3,661**

7. Notes to the consolidated balance sheet – equity and liabilities

7.1. Equity

Please refer to the Consolidated Statement of Changes in Equity.

Share capital

By resolution of the extraordinary general meeting of shareholders held on 21 December 2006, the nominal share capital was increased against contribution in kind by EUR 32,000 k from EUR 8,000 k to EUR 40,000 k. The capital increase has been registered in the commercial register on 9 March 2007.

By resolution of the annual general meeting of shareholders held on 15 March 2007, the Company was authorized to further increase the nominal share capital by up to EUR 20,000 k from EUR 40,000 k to EUR 60,000 k. On the basis of this resolution, the share capital was increased against contribution in cash in the amount of EUR 16,000 k. This capital increase has been registered in the commercial register on 30 March 2007. The nominal amount was paid-in on 30 March 2007.

In the balance sheet of the Condensed Interim Consolidated Financial Statements as at 30 September 2007, the share capital of alstria office REIT-AG amounted to EUR 56,000 k. Captiva 2 Alstria Holding S.à r.l., Luxembourg, held, directly and indirectly, 53.97 percent of the shares in the Company, the remaining 46.03 percent of the shares were free float.

Capital surplus

The capital surplus increased during the period from 1 January to 30 September 2007 by EUR 384,491 k to EUR 759,557 k.

By shareholder resolution of 22 January 2007, EUR 49,008 k was paid in the capital surplus.

By a loan agreement dated 23 November 2006, Captiva 2 Alstria Holding S.à r.l. granted to alstria office REIT-AG a shareholder loan. On 3 April 2007, the said shareholder loan amounting to EUR 104,500 k plus accrued interests of EUR 1,182 k was contributed to capital surplus as agreed on 15 March 2007. The valuation of this shareholder loan resulted in a further increase of the capital surplus of EUR 446 k.

The capital surplus was additionally increased by EUR 200 k due to the deferred taxes.

Furthermore, the first consolidation of Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG (former Alstria Vierte and Siebte Hamburgische Grundbesitz GmbH) resulted in a decrease of EUR 430 k and the first consolidation of the remaining minority interest of 6 percent of Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG resulted in a decrease of EUR 50 k of the capital surplus. Additional acquisition costs arose in the third quarter for these acquisitions (EUR 49 k in total). These additional acquisition costs decrease the capital surplus.

Additionally, the first consolidation of JUNA Beteiligungs GmbH resulted in a decrease of EUR 57 k.

Since 3 April 2007, the shares of alstria office REIT-AG have been listed on the Regulated Market of the Frankfurt Stock Exchange. In the initial public offering of the Company's shares, a total of 25,778 k shares were placed at a price of EUR 16 per share, of which 16 million shares resulted from a capital increase, 9,778,324 shares were sold by the selling shareholder (including 378,324 shares from the exercise of the Greenshoe option). The initial public offering of the Company's shares resulted in an increase of the capital surplus of EUR 229,031 k, thereof contributions amounting to EUR 240,000 k and expenses of EUR 10,969 k.

Additionally, a stock option program was resolved on 27 March 2007 by the supervisory board of the Company and accordingly stock options with a fair value of EUR 1,784 k were issued to members of the management board of the Company on 3 April 2007. As at 30 September 2007, this resulted in a further increase of the capital surplus of EUR 710 k from the allocation of the fair values of the granted stock options over the vesting period.

Minority interest in partnerships

Under IAS 32.16 and IAS 32.19, a financial instrument is an equity instrument if, and only if, an entity has no conditional or unconditional obligation to deliver cash or another asset. In addition, IAS 32.18(b) states that the right of a partner to return his investment to the partnership for compensation at any time must be disclosed as a liability, even when, in legal terms, the partner is an investor. Specifically, equity must be reclassified as liabilities when the shareholders have a right of termination and the exercise of that right justifies a settlement claim against the Company.

Dividends paid and proposed

As at the balance sheet date of these Condensed Interim Consolidated Financial Statements, no dividends were paid or proposed to be paid nor equity securities or bonds issued, bought back or repaid.

7.2. Financial liabilities

As at 30 September 2007, the loans used by the Company are repayable with EUR 814,869 k (31 December 2006: EUR 819,275 k). The carrying amount takes into account interest liabilities and transaction costs to be allocated under the effective interest method upon raising the liabilities.

The biggest portion of liabilities relate to a syndicated loan arranged by J.P. Morgan Plc., Natixis and HSH Nordbank AG for a nominal amount of EUR 1,139,800 k. EUR 814,869 k (31 December 2006: EUR 655,743 k) of this nominal amount had been drawn as at the balance sheet date. To secure these liabilities, receivables from rental and property purchase agreements as well as insurance receivables and derivative financial instruments were assigned to the lenders, liens were granted on bank accounts and the registration of land charges was agreed.

Furthermore, a loan totaling EUR 79,492 k existed between Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG (former Alstria Vierte and Siebte Hamburgische Grundbesitz GmbH) respectively and HSH Nordbank AG, Hamburg, Germany, until 28 September 2007. Within the refinancing of IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG this loan has been repaid. The repayment was funded by additional borrowings from the syndicated loan amounting to EUR 52,250 k and by operating cash.

All loans are floating-rate liabilities and are regularly repriced. The repricing schedule is mainly based on 3-month Euribor plus loan margin and borrowing costs.

Due to the variable interest rate, there are no significant differences between the carrying amounts and fair values.

As at 30 September 2007, loans were reduced by transaction costs of EUR 3,680 (31 December 2006: EUR 4,097 k).

The carrying amounts of the loans are all denominated in EUR.

The liabilities exposed to an interest rate risk are due as follows:

(in EUR k)	**30 Sep. 2007 (unaudited)**	**31 Dec. 2006 (audited)**
Up to 1 year	0	0
More than 1 year	811,190	813,466
Total	**811,190**	**813,466**

8. Notes to the consolidated income statement

8.1. Personnel expenses

The expenses for salaries shown in the profit and loss account in the amount of EUR 2,294 k (30 September 2006: EUR 128 k; included in the administration costs) include bonuses in the amount of EUR 370 k (30 September 2006: EUR 10 k). Furthermore, personnel expenses of EUR 710 k (30 September 2006: EUR 0 k) relating to stock options granted to the management are included.

8.2. Taxes

By registration in the commercial register on 11 October 2007 alstria office REIT-AG was transferred into a G-REIT. The transaction is economically retroactively effective as from 1 January 2007. Therefore alstria office REIT-AG is exempted from income tax as by 1 January 2007 and the following tax issues arise due to the transfer into a G-REIT:

- alstria office REIT-AG is subject to final taxation on the effective date of the transfer into a G-REIT. Tax expenses of EUR 5,109 k result from the taxation of operating income as by 31 December 2007 and from the final taxation.

- alstria office REIT-AG is tax exempted as by 1 January 2007. Deferred tax liabilities and assets have to be released to income. As a result tax income of EUR 9,788 k arises.

- The overall tax burden of alstria office REIT-AG amounts EUR 4,679 k in 2007.

9. Notes to the consolidated cash flow statement

The payments for investing activities (EUR 162,295 k) were funded by additional borrowings from the shareholder Captiva 2 Alstria Holding S.à r.l. (EUR 54,500 k) and by operating cash (EUR 32,145 k). The residual amount was financed by using the cash and cash equivalents especially received from the IPO.

The repayments of borrowings (EUR 263,110 k) were financed by additional borrowings (EUR 161,077 k), by an equity contribution (EUR 49,008 k) and by using the cash and cash equivalents especially received from the IPO.

10. Notes to the segment reporting

The type of services offered by alstria office REIT-AG exclusively comprises lessor activities. There is also no differentiation by tenant group since alstria office REIT-AG's portfolio consists almost entirely of commercial properties, with only a very few exceptions. When selecting tenants, alstria office REIT-AG places high demands on tenants' credit ratings, such that no different risks and returns pursuant to IAS 14.9 can be derived from this criterion. For the valuation of the properties, a differentiation is made between properties with anchor lease terms of less than five years and more than five years; however, this allocation is made on a rolling basis and therefore depends on the date. Furthermore, this differentiation does not result in any structurally different cash flows for the fiscal year. Different risks are only snapshots and change immediately when new anchor leases are concluded. However, it is not possible to identify a segment from these criteria.

From a geographical perspective, alstria office REIT-AG operates exclusively in the German market and is present all over Germany. As there are therefore no reportable segments within the meaning of IAS 14.9, the criteria for segment reporting pursuant to IAS 14 are not met.

11. Employees

During the period from 1 January 2007 to 30 September 2007, on an average fourteen people (20 January 2006 to 31 December 2006: on an average four people) were employed at the Company. The average was calculated by the ninth part of the total of employed people at the end of each month. On 30 September 2007, twentyone people (31 December 2006: four people) were employed at alstria office REIT-AG, excluding the management board.

12. Stock option program

On 27 March 2007, the supervisory board of the Company resolved on the establishment of a stock option program for the members of the management board. With its resolution, the supervisory board fixed the details of the stock option program in accordance with an authorization granted by the general meeting of shareholders of 15 March 2007, and granted a first tranche of stock options to the management board.

The main terms of the stock option program resolved by the supervisory board can be summarized as follows:

Under the stock option program, up to 2,000,000 options entitling to the subscription of a maximum of 2,000,000 shares of the Company with a total notional value of EUR 2,000,000 may be granted to members of the management board. The stock options will be granted in annual tranches. The first tranche was granted by the supervisory board, subject to the above said conditions, with resolution from 27 March 2007. Under this tranche 281,250 stock options were granted to each of Olivier Elamine and Dr. Michael Börner-Kleindienst. With resolution from 5 September 2007, the supervisory board granted 93,750 stock options to Alexander Dexne. The exercise price for the stock options granted is EUR 16. The term of each stock option is seven years beginning with the respective issue date.

The stock options may only be exercised if the current stock exchange price of the Company's shares exceeds the stock exchange price of the Company's shares on the issue date by 20 percent or more for at least seven non subsequent trading days of the Frankfurt Stock Exchange prior to the commencement of the respective exercise period.

The stock options may only be exercised after the expiration of a vesting period of two years and then during the four exercise periods each year. Each exercise period lasts 30 days, commencing with the day of announcement of the results for the first, second and third quarter, and the day of the Company's annual general meeting, respectively. There are no cash settlement alternatives.

The fair values of the options were estimated at the respective grant dates using a black-scholes-model and partial-time barrier options, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the model used for the determination of the fair value of the stock options granted on 27 March 2007:

Dividend yield (%)	3.60
Risk-free interest rate (%)	4.21
Expected volatility (%)	30.00
Expected life of option (years)	4.50
Exercise share price (EUR)	16.00
Labor turnover rate (%)	0.00
Stock price as at valuation date (EUR)	16.00

The estimated fair value of one stock option at the granted date was EUR 3.20.

The following table lists the inputs to the model used for the determination of the fair values of the stock options granted on 5 September 2007:

Dividend yield (%)	3.60
Risk-free interest rate (%)	4.29
Expected volatility (%)	30.00
Expected life of option (years)	4.50
Exercise share price (EUR)	16.00
Labor turnover rate (%)	0.00
Stock price as at valuation date (EUR)	13.93

The estimated fair value of one stock option at the granted date was EUR 2.30.

13. Convertible profit participation rights program

On 5 September 2007 the supervisory board of the Company resolved the issuance of Convertible Profit Participation Certificates ("certificates") to employees of the Company and to employees of companies in which alstria office REIT-AG, directly or indirectly, holds a majority interest. Members of alstria office REIT-AG's management board are not considered employees of the Company in terms of this convertible profit participation rights program. With its resolution, the supervisory board fixed the details of the convertible profit participation rights program in accordance with an authorization granted by the general meeting of shareholders of 15 March 2007.

The main terms of the program resolved by the supervisory board can be summarized as follows: The nominal amount of each certificate is EUR 1.00 and is payable upon issuance. Under the program, a maximum of 500,000.00 certificates in an aggregate nominal amount of up to EUR 500,000.00 may be issued. 3,600 certificates were issued until 30 September 2007.

The certificates are issued as non transferable rights. The certificates are neither sellable nor pledgeable or otherwise chargeable.

The maximum term of each certificate is five years.

During its term, each certificate entitles to a preferred disbursement from the Company's annual net profit. The profit share corresponds to the dividend per share of the Company for a full business year of the Company. For certificates held by a beneficiary for less than a full business year of the Company, the profit share is reduced pro rata temporis.

Each certificate shall be mandatorily converted into one non-par value bearer share of the Company on the second, third, fourth or fifth anniversary date of the issue date if the then current stock exchange price of the Company' shares has exceeded the stock exchange price of the Company's shares on the issue date by 5 percent or more for seven non subsequent trading days.

Upon conversion of a certificate, the beneficiary shall pay an additional conversion price to the Company for each certificate to be converted. The conversion price shall be the aggregate proportionate amount in the Company's share capital of the shares each certificate entitles to subscribe for and shall be payable in addition to the offer price.

The management board, subject to the approval of the supervisory board, shall be entitled to amend the program at any time. This also applies to the administration of certificates which have already been issued provided that such amendment does not affect the commercial value of the certificates and/or a respective compensation is paid.

14. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the nine months ended 30 September 2007:

(in EUR k)	30 Sep. 2007
Acquisition of shares in Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG (former Alstria Vierte and Siebte Hamburgische Grundbesitz GmbH)	16,016
Shareholder loan (including accrued interests)	0
Interest expense shareholder loan alstria office REIT-AG	1,182
Interest expense shareholder loan Alstria Vierte Hamburgische Grundbesitz S.a.r.l. & Co. KG	64
Interest expense shareholder loan Alstria Siebte Hamburgische Grundbesitz S.a.r.l. & Co. KG	45
Service Agreement with Natixis Capital Partner GmbH	270
Management fees in line with the asset management agreement of 1 June 2006 (Natixis Capital Partner GmbH). The agreement was terminated with effect from 1 March 2007	27
Additional allocation cost for personnel expenses for 2006 (Natixis Capital Partner Ltd.)	104
Compensation for liability coverage of Juna Property GmbH & Co. KG Liability	2
Asset Management fees expensed for Alstria IV. and VII. Hamburgische Grundbesitz GmbH & Co. KG (former Alstria Vierte and Siebte Hamburgische Grundbesitz GmbH)	32
Compensation for liability coverage of Alstria Vierte and Siebte Hamburgische Grundbesitz S.a.r.l. & Co. KG	1
Acquisition of shares in Juna Beteiligungs-GmbH, Frankfurt a.M.	1,854
Acquisition of shares in Verwaltung Alstria Sechste GmbH, Hamburg	15

15. Significant events after the end of the reporting period

Under the merger agreements dated 21 August 2007 the sole general partners

- Verwaltung Alstria Zweite Hamburgische Grundbesitz GmbH, Hamburg
- Verwaltung Alstria Neunte Hamburgische Grundbesitz GmbH, Hamburg
- Verwaltung Alstria Zehnte Hamburgische Grundbesitz GmbH, Hamburg
- Verwaltung Alstria Elfte Hamburgische Grundbesitz GmbH, Hamburg
- Verwaltung Alstria Erste Hamburgische Mobilien GmbH, Hamburg
- Verwaltung Alstria Dreizehnte Hamburgische Grundbesitz GmbH, Hamburg
- Juna Beteiligungs GmbH, Hamburg
- and Juna Verwaltungsgesellschaft mbH, Hamburg

merged into alstria office REIT-AG. The transaction was registered in the commercial register on 1 October 2007 and is economically retroactively effective as from 1 January 2007. Due to the merger of their sole general partners

- Alstria Erste Hamburgische Grundbesitz GmbH & Co. KG, Hamburg,
- Juna Property GmbH & Co. KG, Hamburg
- Alstria Neunte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg,
- Alstria Zehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Elfte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg,
- Alstria Zwölfte GmbH & Co. KG, Hamburg
- Alstria Erste Hamburgische Mobilien GmbH & Co. KG, Hamburg
- Alstria Vierzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Fünfzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Sechzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Siebzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Achtzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Neunzehnte Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Zwanzigste Hamburgische Grundbesitz GmbH & Co. KG, Hamburg
- Alstria Einundzwanzigste Hamburgische Grundbesitz GmbH & Co. KG, Hamburg

ceased to exist and the assets and liabilities were automatically transferred to alstria office REIT-AG by virtue of law according to Sec. 738 BGB (Anwachsung).

On 11 October 2007 alstria registered with the commercial register as a REIT-stock corporation (Real Estate Investment Trust) and changed its corporate name into alstria office REIT-AG. Since 7 November 2007, the shares of alstria are included in the REITs segment of the Deutsche Börse AG.

REIT-stock corporations are exempt from corporate income and trade tax. The tax exemption of alstria office REIT-AG takes effect retroactively on 1 January 2007. Sellers transferring real estate assets to a REIT-stock corporation may under certain conditions benefit from the so called “exit tax”. This is a 50 percent reduction of the tax base for income respectively trade tax as well as for corporate income tax regarding capital gains from such transfer.

The supervisory board of alstria office REIT-AG accepted the resignation of Dr. Michael Börner-Kleindienst as COO of the company with effect from 31 October 2007. The responsibilities of Dr. Michael Börner-Kleindienst were transferred to the CEO of the company, Olivier Elamine.

On 6 November 2007 the Management Board of alstria office REIT-AG announced its intention, to buy-back up to 2.5 percent of the issued shares. Under the assumption of the current market price of the alstria share, this corresponds to a total amount of up to approximately EUR 15,000 k. The share buy-back commenced on 7 November 2007 and will end in accordance with the authorization granted by the shareholders' meeting on 15 March 2007, no later than 14 September 2008.

16. Management board

As at 30 September 2007, the members of the Company's management board were:

Mr. Olivier Elamine (CEO)
Dr. Michael Börner-Kleindienst (COO)
Mr. Alexander Dexne (CFO)

With letter dated 1 February 2007, Dr. Robert Hannemann resigned as a member of the management board with immediate effect.

By resolution of 28 December 2006, the supervisory board appointed Dr. Michael Börner-Kleindienst as a member of the management board; his term of office as Chief Operating Officer commenced on 1 March 2007.

With resolution dated 8 May 2007, the supervisory board of the Company appointed with effect from 1 June 2007 Mr. Alexander Dexne as new member of the management board in the position of a chief financial officer (CFO).

17. Supervisory board

Pursuant to the Company's articles of association (Section 9), the supervisory board consists of six members, which are elected by the general meeting of shareholders. With resolution of the extraordinary general meeting of shareholders of 16 January 2007, having become effective on 15 February 2007, the number of members of the supervisory board was increased from three to six. The expiration of the term of office is identical for all members, i.e., the close of the annual general meeting of shareholders in the year 2010.

As at 30 September 2007, the members of the supervisory board are:

Mr. Alexander Stuhlmann (Chairman)
Mr. John van Oost (Vice-Chairman)
Dr. Christian Olearius
Dr. Johannes Conradi
Mr. Richard Mully
Mr. Daniel Quai

With effect from 1 April 2007, the supervisory board elected Alexander Stuhlmann as Chairman and John van Oost as Vice-Chairman.

Richard Mully replaced on 16 January 2007 Stephan Fritsch who served as member of the Supervisory Board from 17 November 2006 until his resignation as per the close of the extraordinary general meeting of shareholders on 16 January 2007.

Hamburg, Germany, 20 November 2007

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

FINANCIAL CALENDAR

2 April 2008	Publication of the full year 2007 financial results Analyst and Press Conference, Frankfurt, Germany
20 May 2008	Publication of the first quarter 2008 financial results Analyst and Press Conference Call
June 2008	Annual General Meeting
19 August 2008	Publication of the second quarter 2008 financial results Analyst and Press Conference Call
19 November 2008	Publication of the third quarter 2008 financial results Analyst and Press Conference Call

alstria's current financial calendar can be found on our website and is updated frequently.
Please visit http://investor-relations.alstria.com

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