

Q3 2007

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Interim Financial Results

20. November 2007

Disclaimer

Cautionary Note Regarding Forward-Looking Statements

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

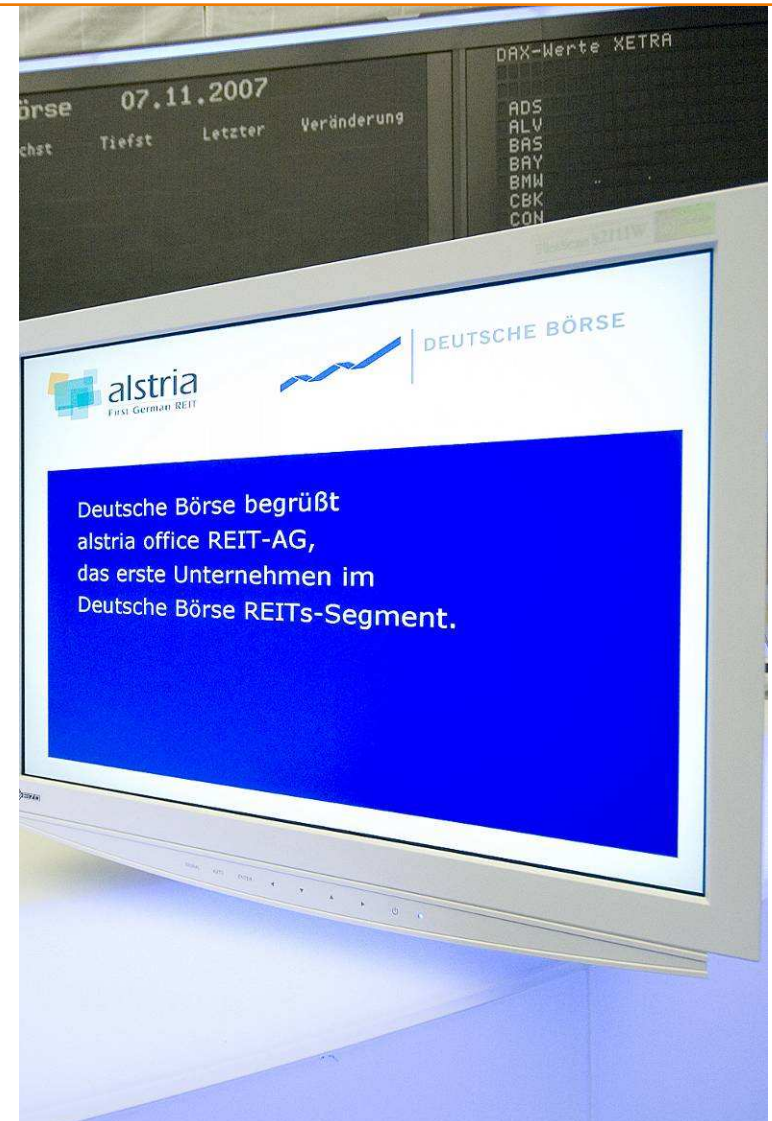
No duty to update

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

Quarter Highlights

- alstria starts a new real estate era in Germany
- Revenues more than tripled to EUR 60,767 k¹
- Earnings per share up by 25% to EUR 0.99 compare to last quarter
- Net Asset Value up EUR 0.20 to EUR 15.81 per share compare to last quarter
- Acquisitions and financial guidance confirmed – first exit tax driven acquisition executed

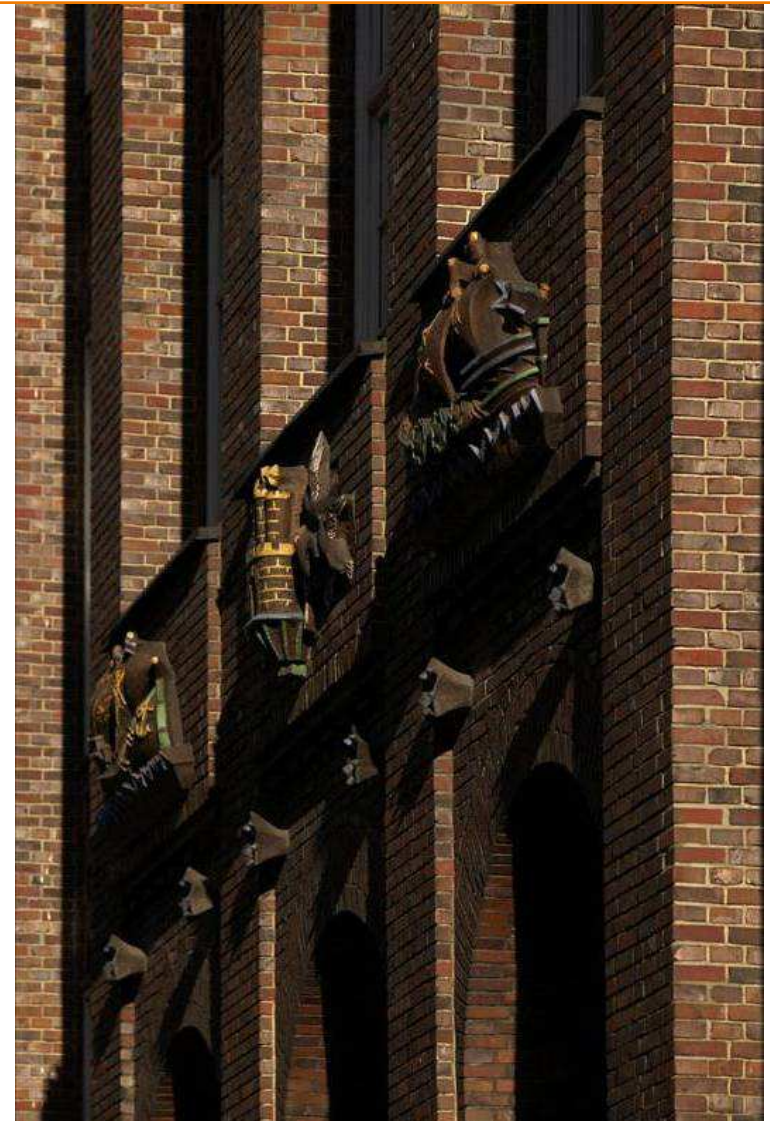
¹ compare to Q3 2006



alstria – the First German REIT



- Transparent for income and trade tax purposes from January 2007
- Conversion related expenses fully absorbed in Q3 financials
- Unique competitive advantage highlighted by the new acquisition in Essen



Market update

- Normalisation of market yields – correction of beginning of 2007 overheated situation
- Still significant liquidity in the market driven by real estate focused buyers
- alstria's portfolio valued at a comfortable yield of 5.4%
- G-REIT status adds additional upside for accretive acquisition opportunities

Development of prime office yields*					
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%

* Source: Jones Lang LaSalle

First off-market acquisition thanks to REIT benefit

- alstria acquired office and service park in Essen for All-in-Cost of EUR 62 m
- Sale and lease-back transaction with mfi AG thanks to REIT benefit
- Multi tenant property with five main tenants
- Key Figures
 - Lettable area: 36,518 sqm
 - Rent/AIC: 6.1% (cost of finance: 5.18%*)
 - AIC/sqm: EUR 1,731
 - Average rent : EUR 9.85 /sqm/month
 - Vacancy rate: approx. 12%
 - Weighted average lease lengths: 6.7 yrs



* 3-month Euribor as of 19/11/07 4,58% + 60bps

Development asset acquired from the City of Hamburg

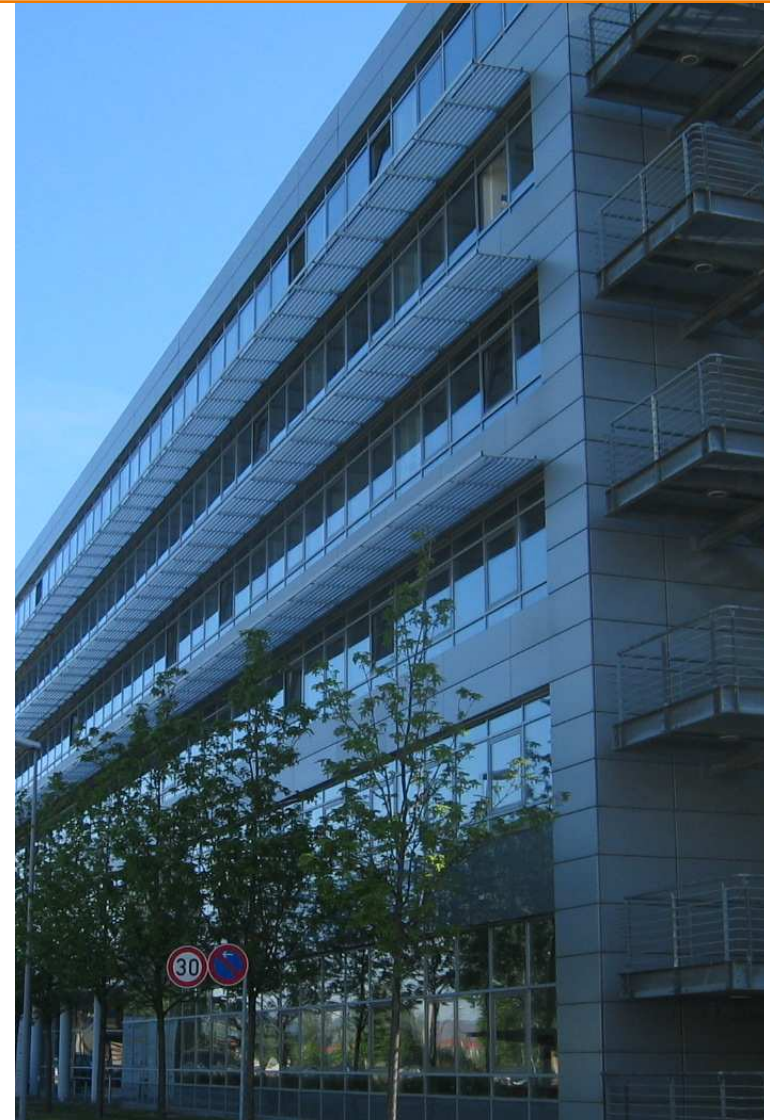
- Acquisition of a vacant office building from the City of Hamburg for an AIC of around EUR 3 m
- Building located in the city center, adjacent to an existing alstria building
- Key Figures
 - Lettable area: 2,400 sqm
 - Expected lettable area¹ : 3,000 sqm
 - AIC/sqm: EUR 1,250
 - Planned investment per sqm¹: EUR 1,000
 - Planned completion¹: end 2009

¹ Indicative numbers subject to review



Operational review

- More than 70 new leases agreed in the reporting period
- Total lease-up area of 7,000 sqm
- Major new lease contract with Siemens in Dresden
 - Extension of existing lease agreement of 5,500 sqm by another 8 years
 - New lease agreement of additional space of approx. 1,000 sqm



Key Figures Q3 2007

<i>in EUR million</i>	Jan - Sep 2007 (unaudited)
Revenues	60.8
EBITDA	82.6
Consolidated profit for the period	55.5
FFO	22.1
Investment properties	1,639.1
Weighted Average Unexpired Lease Term	12 yrs.
EPS (in EUR)	0.99
Net Asset Value (NAV) per share (in EUR)	15.81
Avg. Cost of Debt	4.2%
Valuation Yield of Portfolio	5.4%
Equity ratio	48.3%
G-REIT Equity ratio	54.0%

Consolidated Income Statement for the period ended 30 Sep 2007

<i>in EUR k</i>	Total	Q3	Q2	Q1
Revenues	60,767	21,698	21,720	17,349
Income less expenses from passed on	200	200	0	0
Real estate operating costs	-3,715	-1,557	-1,370	-788
Net Rental Income	57,252	20,341	20,350	16,561
Administrative expenses	-7,918	-2,819	-2,903	-2,196
Personnel expenses	-2,003	-870	-733	-400
Other operating income	543	351	-142	334
Other operating expenses	-4,910	-4,847	-14	-49
Net Operating Result	42,964	12,156	16,558	14,250
Net gain from fair value adjustments on financial derivatives	9,289	-9,116	16,343	2,062
Net gain from fair value adjustments on investment property	25,419	94	21,833	3,492
EBITDA	77,672	3,134	54,734	19,804
Financial result	-26,841	-8,820	-6,769	-11,252
Pre-tax income (EBT)	50,831	-5,686	47,965	8,552
Income tax expenses	4,679	17,088	-10,198	-2,211
Consolidated result for the period	55,510	11,402	37,767	6,341

REIT conversion expenses absorbed in Q3 financials

- Operating expenses and net income influenced by REIT conversion effects
- Operating expenses are affected by approx. EUR 5,500 k one time, non-recurring expenses out of which EUR 4,910 k are for real estate transfer tax¹
- Termination of deferred tax assets and liabilities causes tax income of EUR 20,905 k
- Total income effect of EUR 10,406 k

REIT conversion expenses in EUR k	Expense & Income effects
Real estate transfer tax	-4,910
Advisory services	-480
Reversal of deferred tax assets	-20,449
Conversion tax expense	-5,109
Reversal of deferred tax liabilities	41,354
Total	10,406

¹ Due to the acquisition of 100% of Juna Beteiligungs GmbH

Consolidated Balance Sheet as at 30 Sep 2007

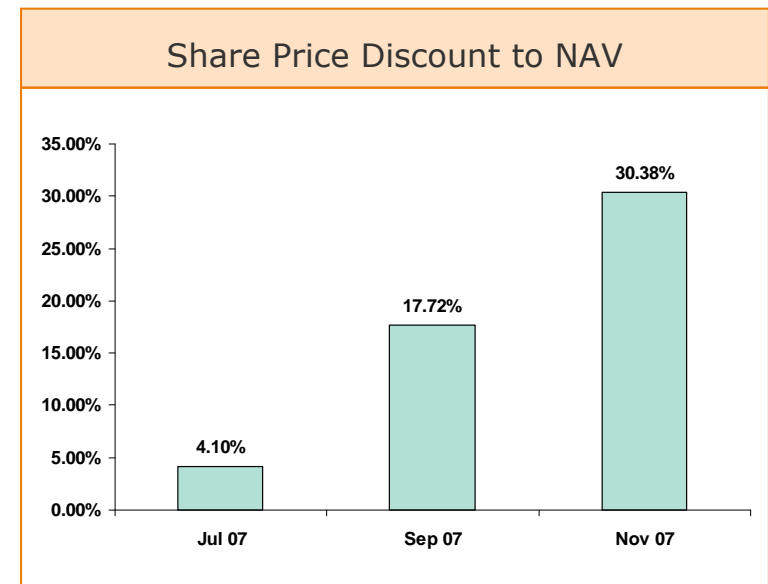
ASSETS <i>in EUR k</i>	30-Sep-07	31-Dec-06	EQUITIES & LIABILITIES <i>in EUR k</i>	30-Sep-07	31-Dec-06
Investment property	1,639,145	1,289,536	Equity		
Property, plant and equipment	1,566	0	Share capital	56,000	8,000
Intangible assets	399	0	Capital surplus	759,557	375,066
Deferred tax assets	0	12,513	Retained earnings	70,043	14,533
Total non-Current Assets	1,641,110	1,302,049	Total Equity	885,600	397,599
Trade receivables	2,053	99	Liabilities		
Accounts receivable from	1,266	0	Long-term loans, net of current	811,190	813,466
Derivatives	27,732	14,563	Deferred tax liabilities	0	19,869
Other receivables	5,235	3,661	Other liabilities	56	56
Cash and cash equivalents	157,264	24,304	Non-Current Liabilities	811,246	833,391
Total current Assets	193,550	42,627	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
			Current Liabilities	137,814	113,686
			Total Liabilities	949,060	947,077
Total Assets	1,834,660	1,344,676	Total Equity and Liabilities	1,834,660	1,344,676

Funds From Operations (FFO)

<i>in EUR k</i>	Total	Q3	Q2	Q1
Pre-tax income (EBT)	50,831	-5,686	47,965	8,552
less:				
<i>Financial result</i>	-26,841	-8,820	-6,769	-11,252
Transaction costs		1,052		
adjusted Financial result	-25,789	-7,768	-6,769	-11,252
EBITDA	76,620	2,082	54,734	19,804
RETT	4,910	4,910	0	0
Transactions costs	1,052	1,052	0	0
Adjusted EBITDA	82,582	8,044	54,734	19,804
less:				
Net gain from fair value adjustments on investment property	25,419	94	21,833	3,492
Net gain from fair value adjustments on financial derivatives	9,289	-9,116	16,343	2,062
plus:				
adjusted Financial result	-25,789	-7,768	-6,769	-11,252
Funds From Operations (FFO)	22,085	9,298	9,789	2,998

Share buy-back program

- alstria intends to acquire up to 2.5% of its share capital
- Economic attractiveness due to a significant disconnect between the Net Asset Value (NAV) and the share price
- Open alternatives for the usage, e.g. as payment for future acquisitions
- The program does not change alstria's guidance in terms of Funds From Operation for the year



Guidance for 2007

- Guidance confirmed:
 - Revenues projected to be around **EUR 80 million for 2007**
 - Fund From Operations (FFO) projected to be around **EUR 30 million for 2007**



Investment case

- Unique: No other German real estate company compares to alstria, as it is a pure play and the only existing German REIT
- Hedged for downside: Secured cash flow and fully hedge interest rate exposure
- Room for upside: Exit tax driven accretive acquisitions and 1.6 b€ portfolio with short to medium term value opportunities
- "It's not a financial play, it's a real estate play"

The full interim report Q3 2007 of alstria office REIT-AG is available at www.alstria.de

