

2008

SECOND QUARTER 2008

INTERIM REPORT

HAMBURG, AUGUST 19th, 2008



alstria
First German REIT

Cautionary Note Regarding Forward-Looking Statements

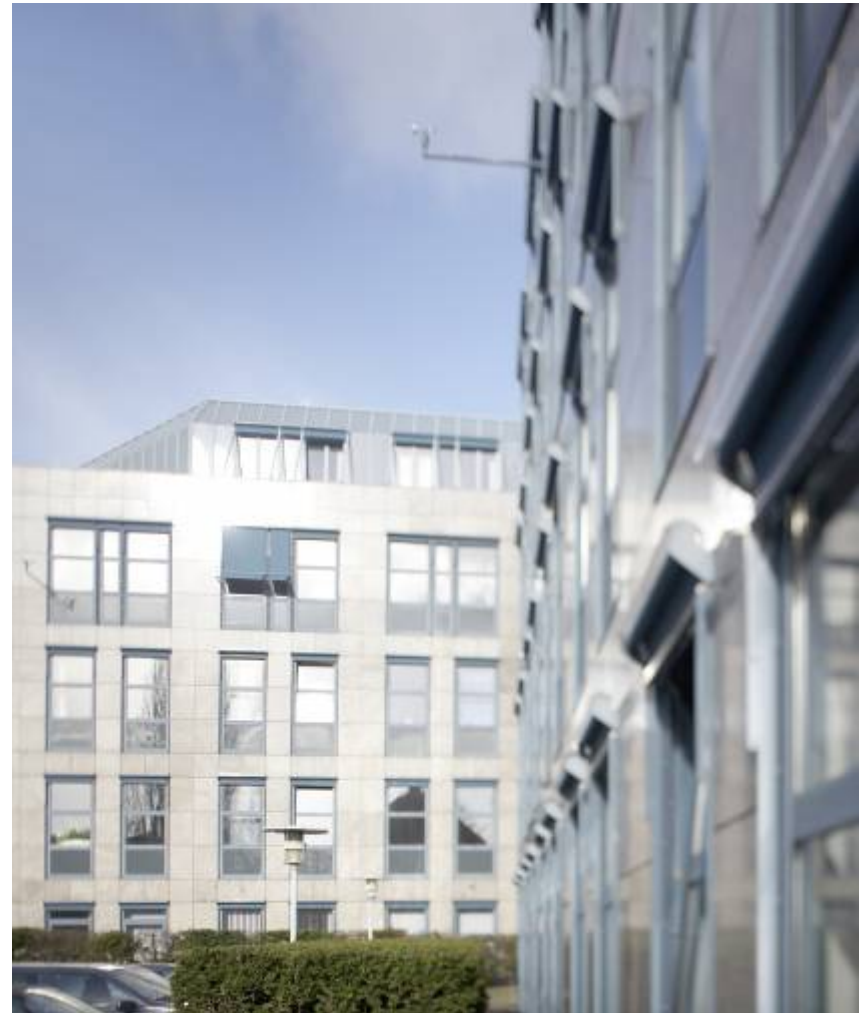
The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially 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.

Half year highlights

- Strong operating financials
- Full external valuation of portfolio
- Refinancing agreement for EUR 95 m of debt
- Sale of assets above last appraised values
- Guidance 2008 confirmed

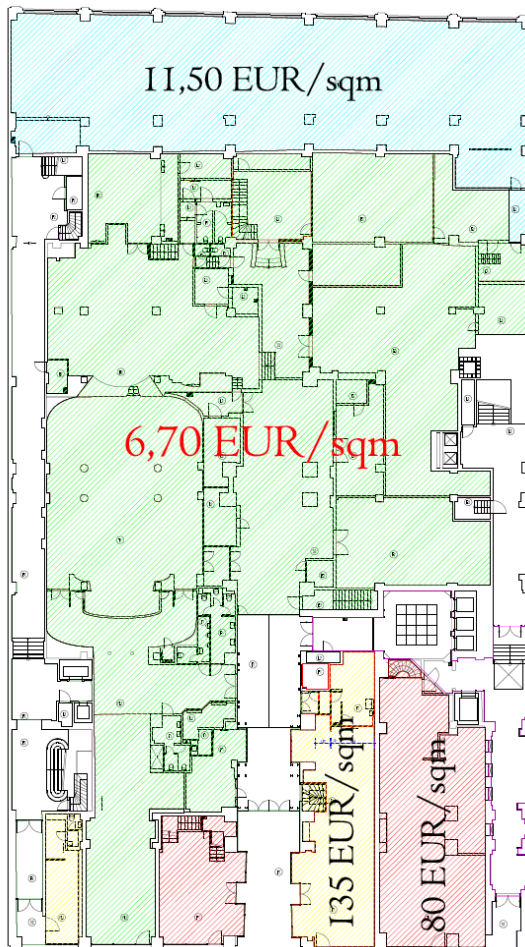


■ Operating performance - market performance

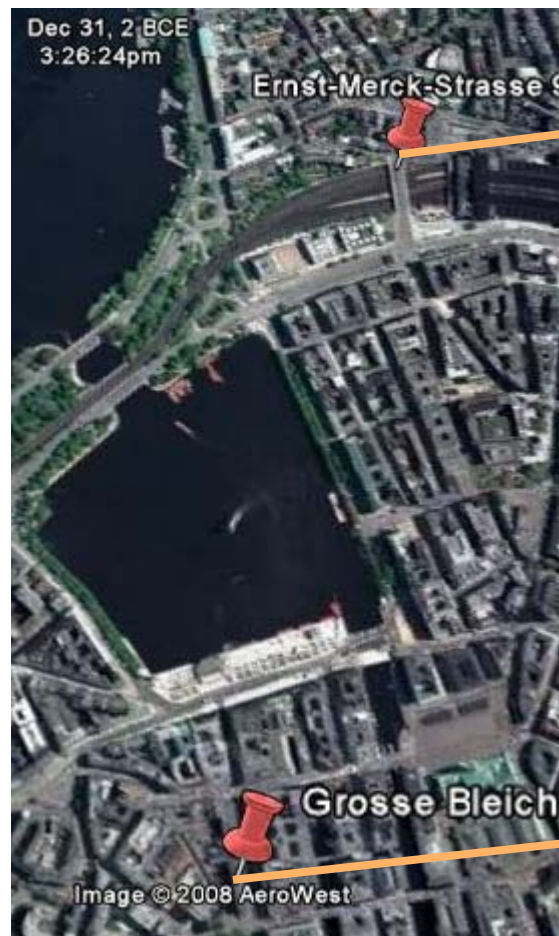
- Financials
- Financing strategy
- Disposals
- Outlook

Tenant relation creates value

CURRENT SITUATION



RELOCATION



New location of the
Ohnsorg Theater

*Ohnsorg
Theater*

Existing location of
the Ohnsorg
Theater since 1936

Win-win situation

BENEFITS FOR OHNSORG THEATER

- Propose long-term relocation solution
- Optimize the usage of space
- Increase cross sales with the Hamburg Deutsche Schauspielhaus

BENEFITS FOR ALSTRIA

- Swap low potential vacancy vs. high potential vacancy
- Release the potential of the Grosse Bleichen asset, position alstria as responsible investor in Hamburg
- 20 years lease secured with Ohnsorg Theater in new location

FINANCIALS

Total rented area (sqm)	Existing rent (EUR/p.a.)	ERV (EUR/p.a.)
3,263	247,928	2,740,920
Estimated Investment (EUR)		20,000,000



ALSTRIA PORTFOLIO

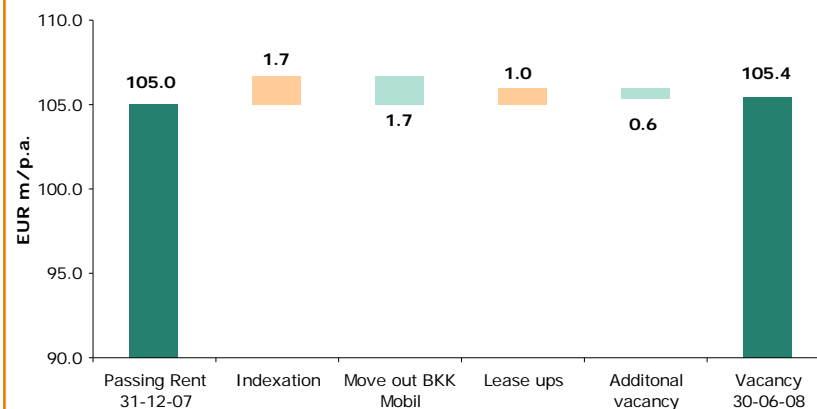
Metric	Value
Number of properties	92
OMV (EUR m) ¹	1,878
Passing Rent (EUR m/p.a.) ²	105
Valuation yield ³	5.6%
Approximate lettable area (sqm)	953,000
Vacancy (% of lettable area)	7.6%
WAULT (years)	10.1

¹ Incl. two assets classified as held for sale

² Monthly gross rental income as of 31 January 2008 multiplied by 12

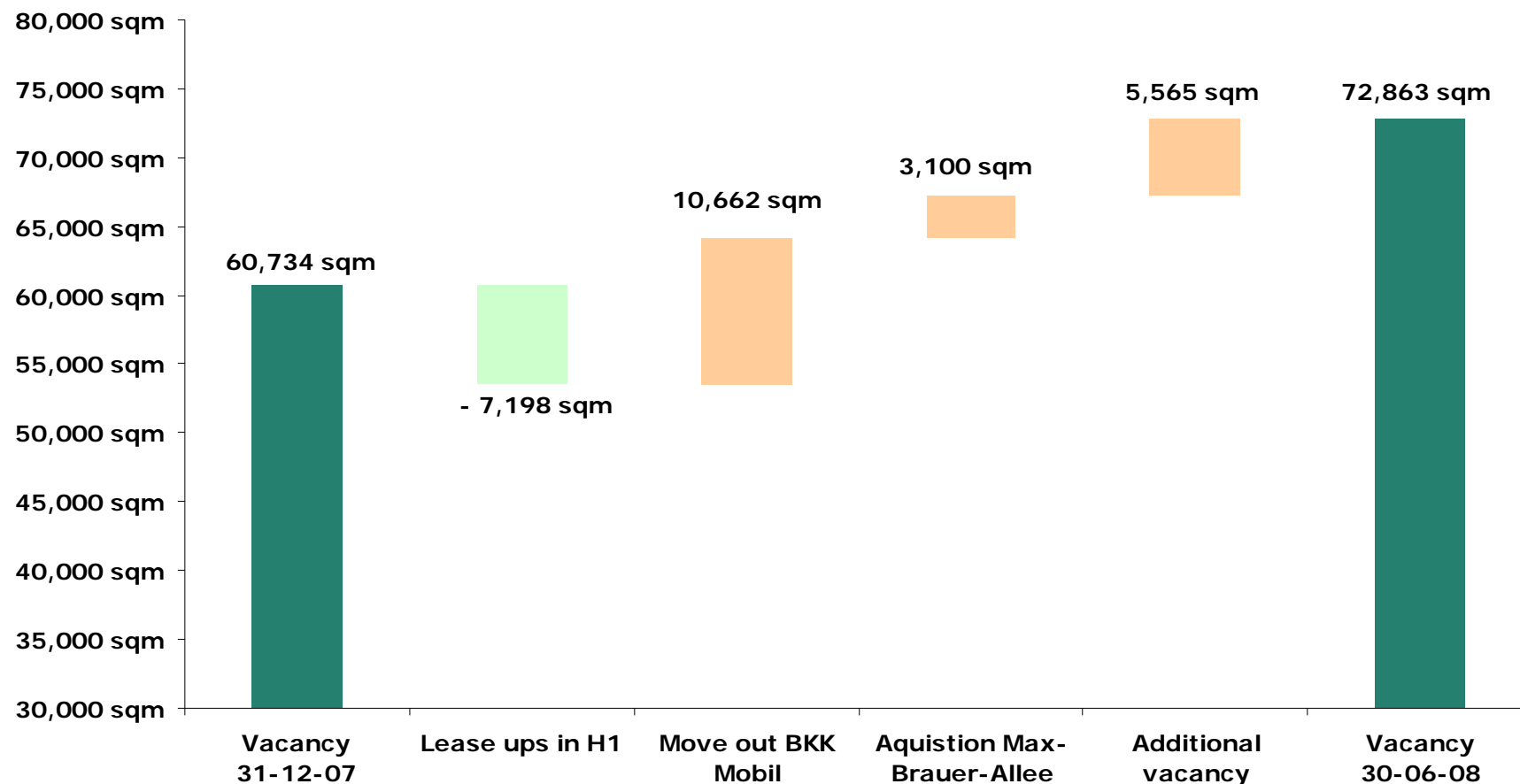
³ Calculated as Passing Rent divided by OMV

PASSING RENT INCREASE



Lease up of more than 7,000 sqm

VACANCY FROM 31-12-07 TO 30-06-08



Revaluation of the portfolio



- Revaluation of the total portfolio by an external appraiser
- Yield expansion of 32 bps across the portfolio
- Indexation and active asset management lowered the negative impacts
- The result is a decrease of EUR 29.8 m of the portfolio

Active asset management reduced the revaluation impacts

INVESTMENT PROPERTIES FROM 31-12-07 TO 30-06-08

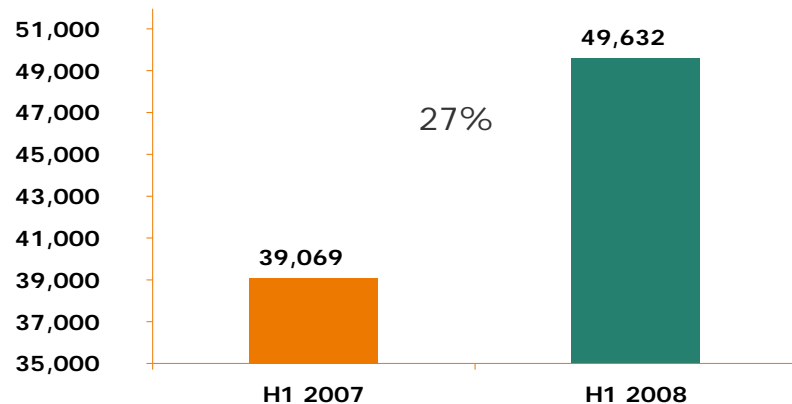
(in EUR m)



Strong operating performance in H1 2008

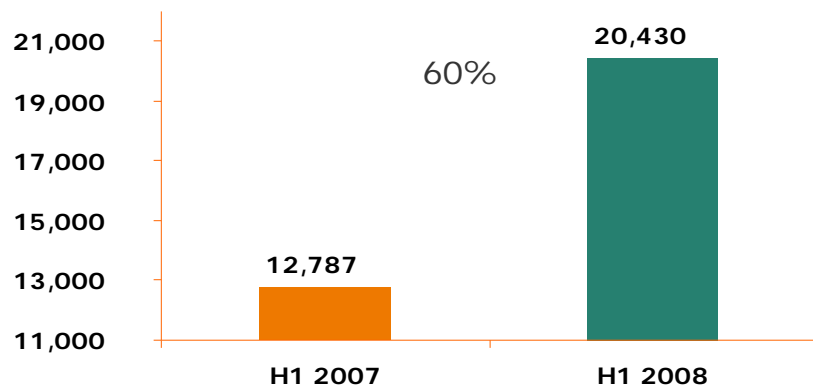
REVENUES

(in EUR k)



FUNDS FROM OPERATIONS

(in EUR k)



- Operating performance - market performance

■ Financials

- Financing strategy
- Disposals
- Outlook

Net profit impacted by valuation results

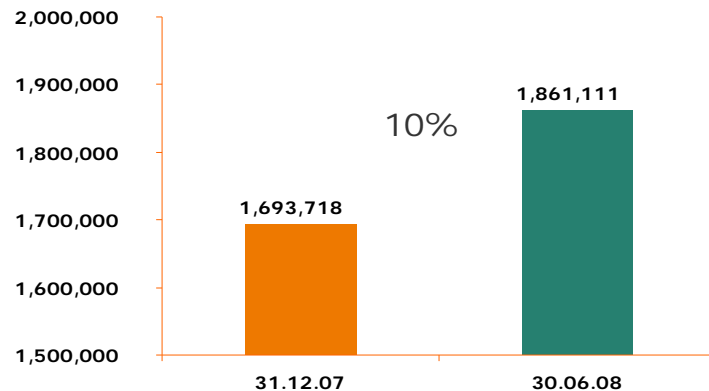
INCOME STATEMENT ITEMS

(in EUR k)	1. Jan - 30. Jun 2008	1. Jan - 30. Jun 2007	Change
Revenues and earnings			
Gross rental income	49,632	39,069	27.0%
Net rental income	44,940	36,911	21.8%
Net corporate operating expenses	-6,668	-6,232	7.0%
Net corporate operating expenses in % of rev.	-13.4%	-16.0%	2.6 pp
Fair value adjustments on investment properties	-29,816	25,325	-217.7%
Fair value adjustments on financial derivatives	1,946	18,405	-89.4%
Financial result	-22,983	-18,021	27.5%
Net consolidated profit	-10,393	44,108	-123.6%

Key components of the balance sheet

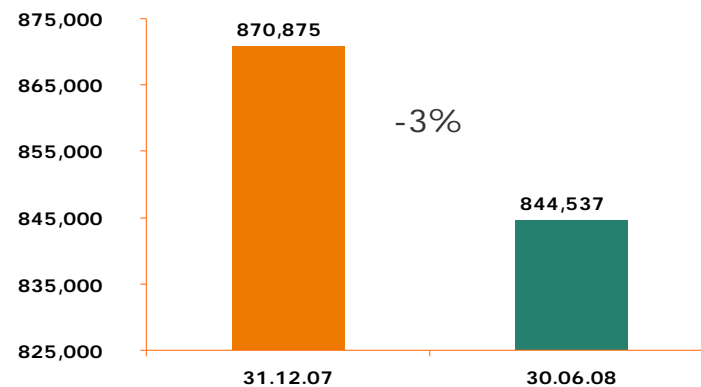
INVESTMENT PROPERTIES

(in EUR k)



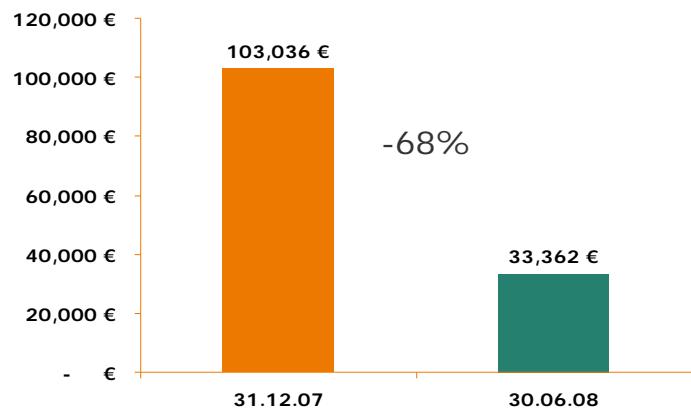
EQUITY

(in EUR k)



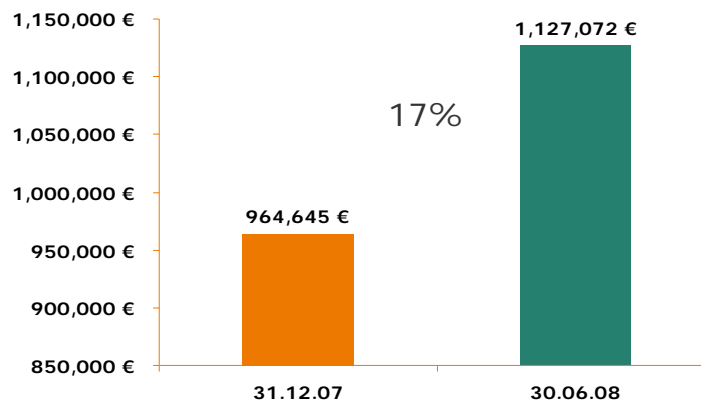
CASH AND CASH EQUIVALENTS

(in EUR k)



LIABILITIES

(in EUR k)



Key numbers reflect sound financial position of alstria

KEY FINANCIAL METRICS

FFO/share (in EUR)	0.36
NNNAV/share (in EUR)	15.1
G-REIT equity ratio	45.4%
LTV ratio	58.5%
Valuation yield	5.6%
Avg. cost of debt	4.6%
Shares outstanding incl. treasury shares	56,000
Treasury shares	1,376



- Operating performance - market performance

- Financials

- **Financing strategy**

- Disposals

- Outlook

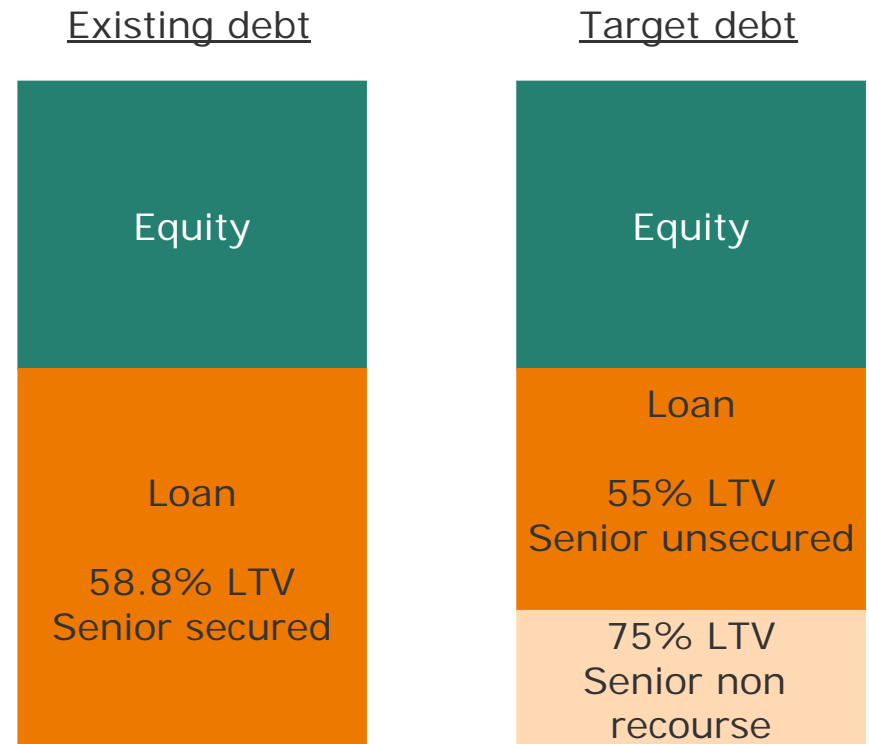
Current loan facility is of substantial value to alstria

- EUR 1.1 bn syndicated loan facility arranged by JP Morgan, Natixis and HSH Nordbank
- 100% secured
- Spread: 65 bps over 3-months-EURIBOR
- Mixed “corporate and asset backed loan”
- Covenants includes: LTV <60%, ICR >160%
- Maturity: Nov 2011



Towards a new debt structure while protecting the existing facility

- Objective: increased volume and flexibility
- Split between capital marketed and bank financing
- Rating compliant
- Efficient mix of secured and unsecured financing
- Synchronise assets business plan and financing maturity



Refinancing two assets as a first step

- Assets are rented to the City of Hamburg with an OMV of EUR 130 m
- Transaction generates additional free cash of EUR 16.5 m
- Consolidated net debt unchanged
- Terms of the new loan
 - Amount: EUR 95 m
 - LTV Covenant: 80%
 - ICR Covenant: 100%
 - Spread: 115 bps
 - Maturity: 7 years
- Overall cost of debt +9 bps

SOURCES

Drawdown	EUR 95.0 m
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USES

Repayment of exist. debt	EUR 78.0 m
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Transaction costs	EUR 0.5 m
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Additional cash	EUR 16.5 m
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CONSOLIDATED NET DEBT

Before

EUR 1,103 m

After

EUR 1,103 m

- Operating performance - market performance
- Financials
- Financing strategy
- **Disposals**
- Outlook

- Two properties and a plot of land have been sold*
- For all transactions, alstria achieved higher sales prices than the fair values

OVERVIEW DISPOSALS

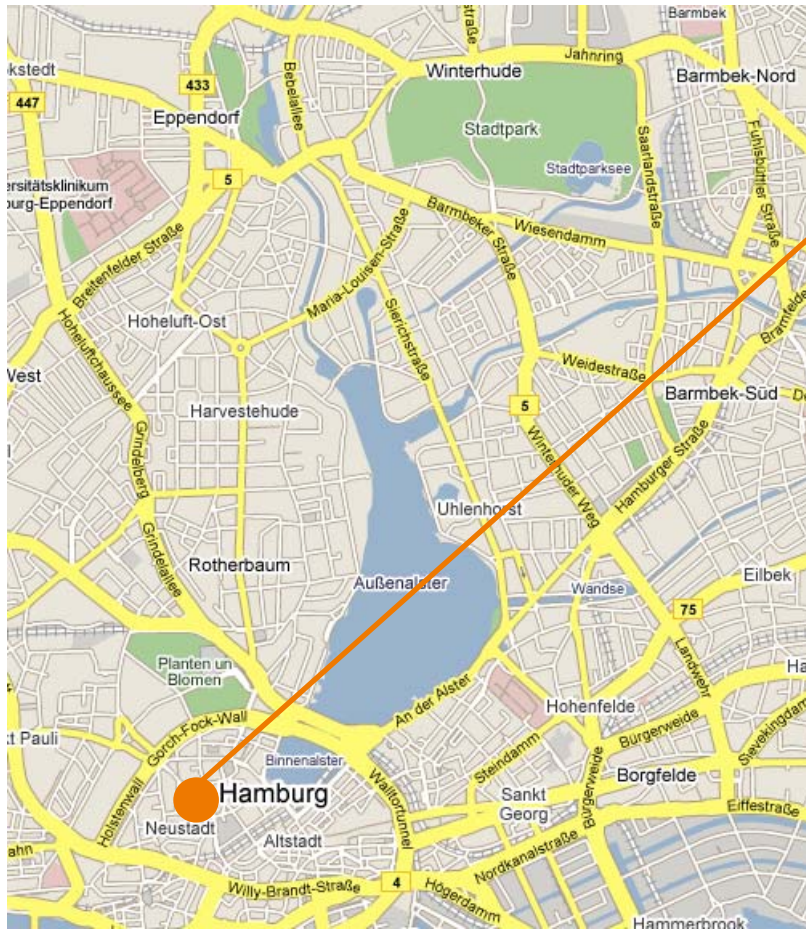
Properties	Fair Values			Sales Price	Surplus	Surplus Change
	30.06.2007	31.12.2007	30.06.2008			
Duesternstr. 10	4,350,000 €	4,000,000 €	4,000,000 €	4,950,000 €	950,000 €	23.8%
Osterbekstr. 96	10,575,000 €	10,575,000 €	10,575,000 €	11,000,000 €	425,000 €	4.0%
Vahrenwalder Str.	- €	- €	- €	1,250,000 €	1,250,000 €	na
Total	14,925,000 €	14,575,000 €	14,575,000 €	17,200,000 €	2,625,000 €	18.0%

* The plot of Vahrenwalder Str. does not influence the fair value of the property

Asset overview

Duesternstrasse 10

LOCATION OF DUESTERNSTRASSE 10



KEY FACTS – DUESTERNSTRASSE 10

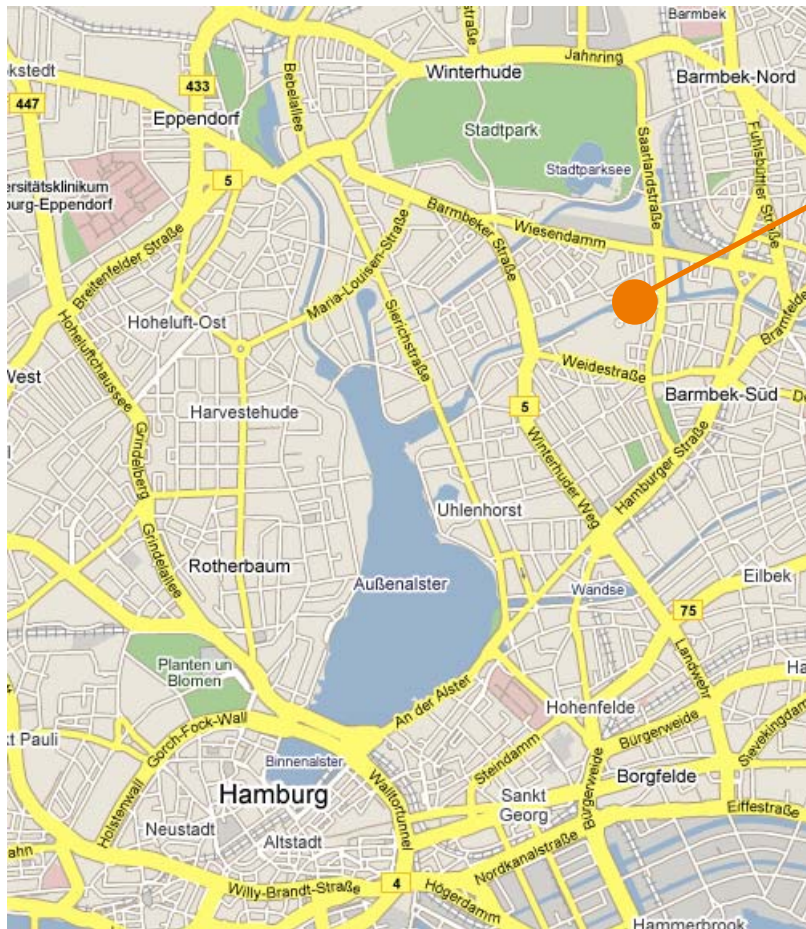


Lettable area:	2,156 sqm
Vacancy:	0%
Passing rent:	EUR 263,840
Tenant:	City of Hamburg
Lease lengths:	2 years
Yield on sale:	5.33%
Estim. Buyer Yield on Cost:	5.03%
Estim. NOI Yield on Cost:	4.78%

Asset overview

Osterbekstrasse 96

LOCATION OF OSTERBEKSTRASSE 96



KEY FACTS - OSTERBEKSTRASSE 96

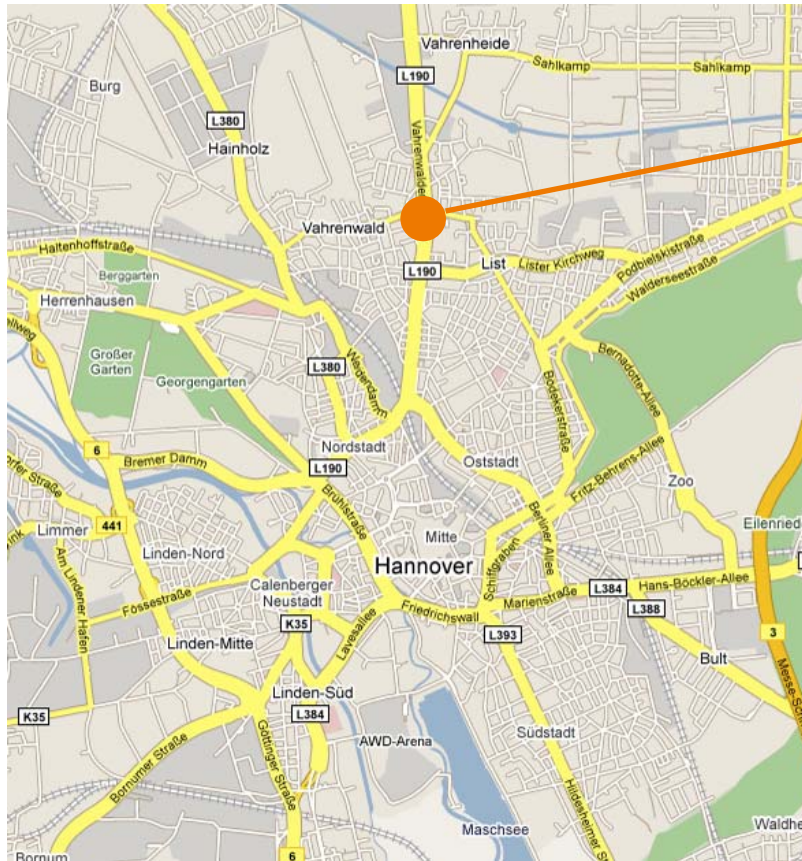


Lettable area:	7,393 sqm
Vacancy:	0%
Passing rent:	EUR 551,126
Tenant:	City of Hamburg
Lease lengths:	18 years
Yield on sale:	5.00%
Estim. Buyer Yield on Cost:	4.80%
Estim. NOI Yield on Cost:	4.49%

Asset overview

Vahrenwalder Str.

LOCATION OF VAHRENWALDER STR.



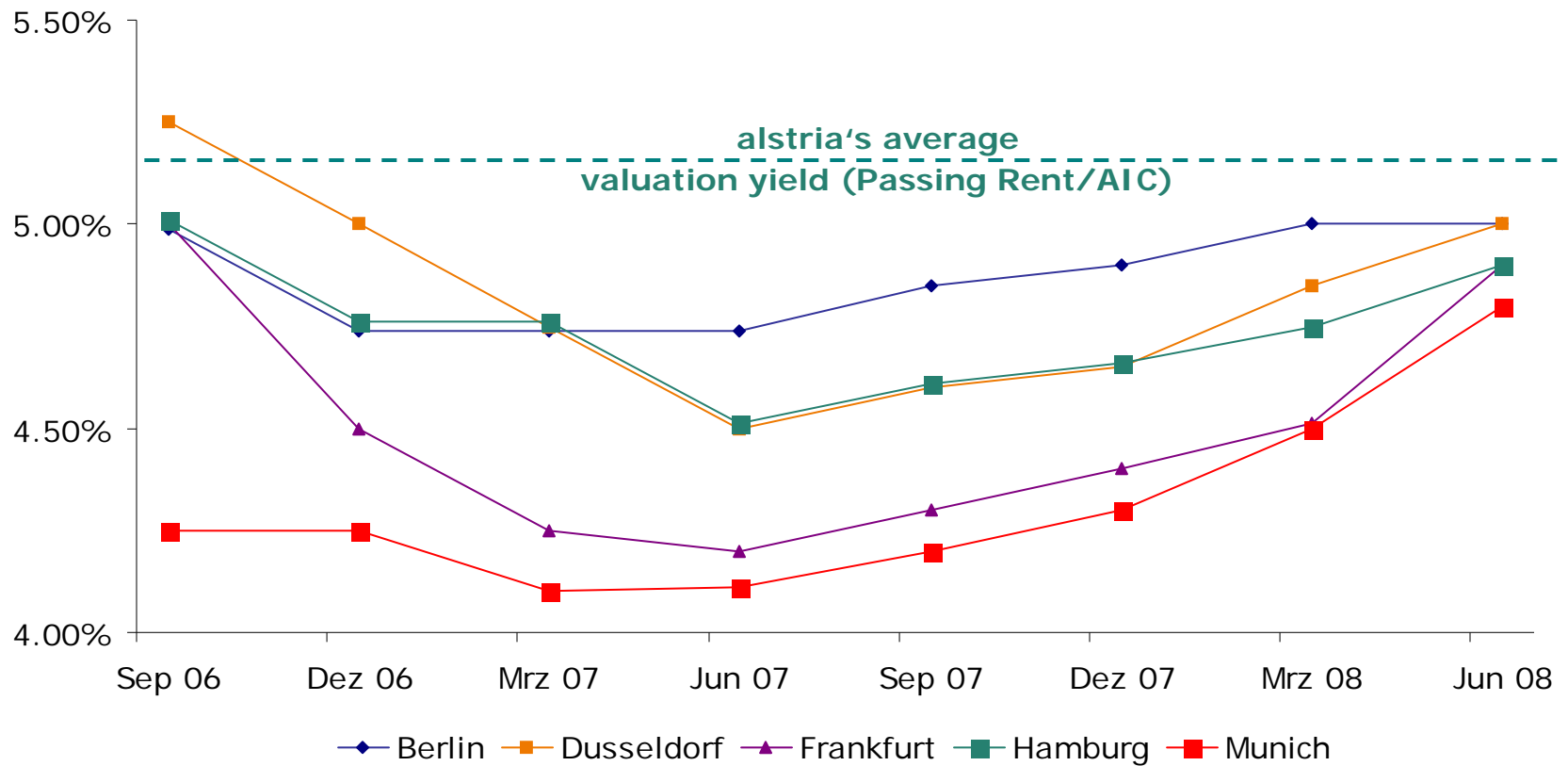
KEY FACTS - VAHRENWALDER STR.



Undeveloped area:

2,757 sqm

PRIME YIELDS IN GERMAN CITIES¹ (PASSING RENT / AIC)



¹ Source: Jones Lang LaSalle, Key Market Indicators

Real estate is not a liquid asset

Sale of the Duesternstrasse asset for EUR 4.95 m

- Five weeks sale process generated 5 letters of interest
- Two weeks competitive due diligence generated 5 offers
 - Difference between the highest offer and the lowest offer: 30%
 - Difference between the first and the second best offer: 4%

- Operating performance - market performance
- Financials
- Financing strategy
- Disposals
- **Outlook**

- Guidance for 2008:
 - Revenue guidance remains at EUR 101 m for 2008
 - Funds From Operations (FFO) remains at EUR 40 m for 2008
 - 90% of FFO as basis for dividend pay-out ratio

Strong investment case

- Strong cash flow generation
- Clear visibility on NAV based on full external valuation
- All debt and G-REIT covenants comfortably met
- First steps of new financing strategy implemented
- Guidance confirmed

Clear and focused strategy



Long-term investment approach to capitalise on intrinsic real estate value

Focus on a single asset class leveraging on in-house expertise

Focus on long-term tenant relationships to create win-win partnerships

Sustainable growth via targeted acquisitions and active management

G-REIT status to provide a clear value proposition to investors