alstria

Q2 2011

Half-Year Financial Report as per June 30, 2011

alstria
First German REIT

KEY FIGURES - SHARES

ISIN	DE000A0LD2U1
Symbol	AOX
Market Segment	Financial Services
Industry Group	Real Estate
Prime Sector	Prime Standard, Frankfurt
Indices	S-DAX, EPRA, German REIT Index, S&P/Citigroup Global REIT Index
Share Capital (notional)	EUR 71,703,625
Market Capitalisation (June 30)	EUR 745,717,700
Issued Shares	71,703,625
Treasury Shares (June 30)	0
Shares outstanding (June 30)	71,703,625
Free Float	77%

GROUP FINANCIALS

EUR k	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2010	Change
Revenues and Earnings			
Revenues	43,687	45,192	–3.3%
Net rental income	39,948	42,050	–5.0%
Consolidated profit for the period	18,813	11,605	62.1%
FFO	16,561	15,704	5.5%
Profit per share (in EUR)	0.28	0.17	64.7%

	Jun. 30, 2011	Dec. 31, 2010	Change
Balance sheet			
Investment property	1,425,116	1,348,400	5.7%
Total assets	1,617,545	1,542,336	4.9%
Equity	778,875	692,408	12.5%
Liabilities	838,670	849,928	–1.3%
NAV/share (in EUR)	10.86	11.24	–3.4%
NNNAV/share (in EUR)	10.86	11.24	–3.4%
G-REIT Key Figures			
G-REIT equity ratio	53.2%	49.8%	3.4 pp
Revenues incl. other income from investment properties	100%	100%	0.0 pp
EPRA Key Figures			
Diluted EPRA NAV per share (in EUR)	11.10	11.68	–5.0%
EPRA NNNAV per share (in EUR)	10.86	11.24	–3.4%
EPRA Net Initial Yield (in %)	5.5%	5.5%	0.0 pp
EPRA topped-up net initial yield (in %)	5.6%	5.7%	–0.1 pp
EPRA vacancy rate (in %)	5.1%	5.1%	0.0 pp

	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2010	Change
EPRA earnings per share (in EUR)	0.23	0.27	–14.8%

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LETTER FROM THE BOARD

Ladies and Gentlemen,
Dear shareholders, business partners and tenants,

After our successful capital increase at the end of the first quarter, in the second quarter of 2011 we concentrated on investing the available funds. At the beginning of July we were able to conclude two transactions with a combined investment volume of EUR 105 million, in line with what we announced in March. The first transaction comprises five properties in Dusseldorf and Frankfurt that are characterised by relatively high vacancies and short-term leases. From our perspective, following the sustainable growth of the German economy, now is the right time to take greater operational risk and benefit from strong tenant demand. Based on alstria's strong and proven asset management platform, we are optimistic that we will be able to unlock the substantial value creation potential of the acquired properties. With the closure of the second transaction in mid-July, we acquired a single building in Stuttgart that is let to local authorities and strengthens our exposure in southern Germany. The rapid investment of our available cash in attractive properties has once again proven alstria's ability to identify and execute accretive transactions in the German real estate market.

From an operational perspective, alstria's business continued to develop according to plan in the first half of 2011. Our revenues in the first six months amounted to EUR 43.7 million and our FFO was EUR 16.6 million, right in line with our full-year guidance. In terms of leasing, we were able to sign new leases for 15,000 sqm in the first half of 2011. The highlight was the early re-letting of our asset in the very difficult environment of the 'Mertonviertel' district in Frankfurt. The new tenant, a leading German tour operator, signed a 10-year lease contract for around 6,100 sqm of office and ancillary space in the 9,200 sqm building. The start of the lease is scheduled for the third quarter of 2011, shortly after the building is to be vacated by the former tenant KPMG.

The strength of our balance sheet allows us to further benefit from market investment opportunities. We will also continue to manage and grow our portfolio for the benefit of the Company and its shareholders.

Kind Regards,

Olivier Elamine

Alexander Dexne

ENGLISCHE PLANKE 2, HAMBURG

ALSTRIA'S SHARE

SHARE PRICE DEVELOPMENT

The equity markets were marked by high volatility in the first half of 2011. Whilst strong company data and hopes for a continued recovery of the global economy provided a positive impetus, the European debt crisis repeatedly dragged down on the development of stock exchanges worldwide. As at the end of June 2011, the German DAX index stood at 7,376 points, an increase of 7% over the first six months.

After the alstria share price closed at an annual high of EUR 10.50 at the end of 2010, the share price at the end of the first half of 2011 was EUR 10.40. During the first six months of 2011, the share price fluctuated between EUR 9.57 and EUR 11.18. The share price movements also reflect the dividend payment on June 17, 2010, which resulted in a corresponding markdown of the share price. The alstria share price closed at EUR 9.14 on August 4, 2011, the publication deadline for this report.

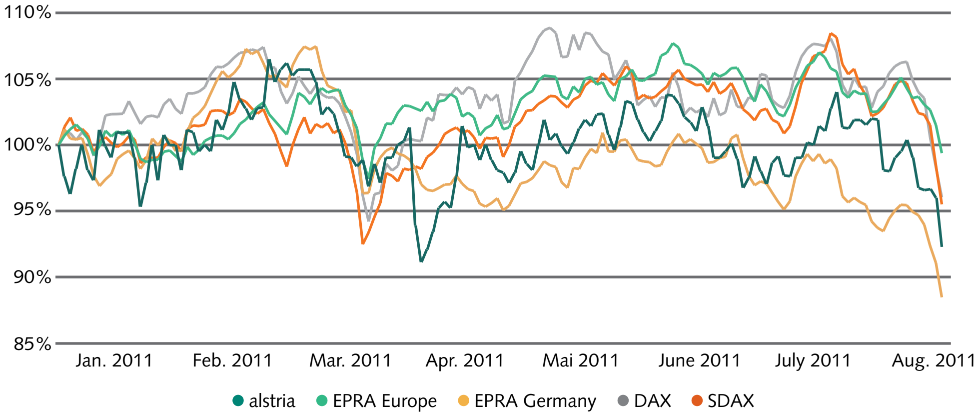
Key Share Data		Jun. 30, 2011	Dec. 31, 2010
Number of shares	in thousand	71,704	61,600
thereof outstanding	*in thousand*	*71,704*	*61,598*
thereof treasury shares	*in thousand*	*0*	*2*
Closing Price[1]	in EUR	10.40	10.50
Market capitalisation	in EUR k	745,718	464,800
Free float	in percent	77%	39%
		H1 2011	**H1 2010**
Average daily trading volume	in EUR k	653	340
Share price: high[1]	in EUR	11.18	8.78
Share price: low[1]	in EUR	9.57	6.92

[1]XETRA-closing share price

The Annual General Meeting of alstria office REIT AG held on June 8, 2011 resolved to grant a dividend entitlement of EUR 0.44 per share for the financial year 2010. As also the newly issued shares from the executed capital are entitled for dividend payments the total dividend amounted to EUR 31,503 k.

SHARE PRICE DEVELOPMENT

Dec. 31, 2010 - EUR 10.50



FRIEDRICH-SCHOLL-PLATZ 1, KARLSRUHE

INTERIM MANAGEMENT REPORT

PORTFOLIO OVERVIEW

On June 30, 2011, alstria's portfolio consisted of 74 office buildings with approximately 814,000 sqm of lettable area and a contractual vacancy rate of 7.7%. The portfolio yield was 6.4% and the weighted remaining average lease length is approximately 8.2 years. Additionally, alstria is 49% shareholder in two joint ventures, each consisting of one Hamburg asset.

For a detailed description of the alstria portfolio, please refer to the Annual Report 2010 (Part I/II - Company Report, pp. 32 to 51).

THE KEY METRICS FOR THE PORTFOLIO[1] AS OF JUNE 30, 2011:

Metric	Value
Number of properties	74
Number of joint ventures	2
Market value (EUR m)[2]	1,433
Contractual rent (EUR m/annum)	91.3
Valuation yield (contractual rent/fair value)	6.4%
Lettable area (in k sqm)	814
Vacancy (% of lettable area)	7.7%
WAULT (years)	8.2
Average rent/sqm (in EUR/month)	10.13

1 Includes assets classified under property, plant and equipment
2 Excluding value of joint venture assets

Transactions

In the first quarter, alstria disposed of one parcel of land in Hanover for EUR 600 k, which was classified as at December 31, 2010 as 'investments held for sale'. The binding notarised sale agreement for the asset was concluded in 2010, but ownership was legally transferred during the first quarter 2011.

In November 2010, alstria signed a binding notarised agreement for the acquisition of a property in Karlsruhe that was leased back by the seller under a 15-year lease. The transfer of benefits and burden took place on January 4, 2011.

Additionally, in February 2011 alstria signed binding notarised agreements for the acquisition of three office buildings in Hamburg. While two of these properties have been transferred as at March 31, 2011, the transfer of the third property took place in the second quarter 2011.

In May 2011 alstria signed a binding notarised agreement for the disposal of one asset in Bonn. The transfer of benefits and burden is expected to take place in the third quarter 2011. This asset is classified under 'investments held for sale' as at June 30, 2011.

After the end of the reporting period, alstria signed a binding notarised agreement for the acquisitions of one portfolio, consisting of five properties located in Dusseldorf and Frankfurt and one single asset located in Stuttgart. The transfer of benefits and burden is expected to take place in the third quarter of 2011. Following the execution of these transactions alstria will have invested the funds raised in the last capital increase.

Asset Management

In the first two quarters of 2011 alstria's asset management was successful with respect to re-letting vacant areas. The re-letting achievements in the first half of the year totalled in almost 15,000 sqm of newly signed lease agreements.

One leasing highlight of 2011 is the re-letting of an asset in the Frankfurt 'Mertonviertel' district. The new tenant, a leading German tour operator, signed a 10-year lease contract for around 6,100 sqm of office and ancillary space in the 9,200 sqm building. The start of the lease is scheduled for the third quarter of 2011, shortly after the building is to be vacated by the former tenant.

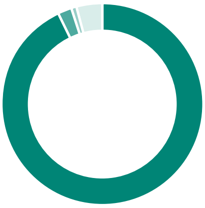
As at June 30, 2011 the vacancy rate of the portfolio was 7.7% or around 62,500 sqm. Of this 62,500 sqm, around 22,700 sqm represents strategic vacancy (intended vacancy implemented by alstria as part of its repositioning process for certain assets), while the remainder are operational vacancies.

Tenants and utilisation

The key focus on a small number of anchor tenants remains one of the main characteristics of alstria's portfolio. alstria's top tenants generate over 80% of the total rental revenues. The 2011 portfolio also reflects the clear focus on one single asset class: offices. These make up 94% of the total lettable area.

TOTAL PORTFOLIO BY UTILISATION

based on % of lettable area



Office	94
Retail	2
Residential	1
Other	3

ALSTRIA'S CORE TENANTS

based on % of annual rent

City of Hamburg	32
Daimler AG	17
Bilfinger Berger AG	7
Siemens AG	5
Barmer GEK	5
Deutsche Rentenversicherung Bund	4
Rheinmetall	4
Württembergische Lebensversicherung AG	3
ATOS Origin GmbH	2
HUK Coburg	1
City of Hanover	1
Others	19

EARNINGS POSITION

Revenues decreased due to asset disposals

Revenues decreased slightly in the first half of 2011 by 3.3% compared to the first half of 2010 due to prior year's asset disposals. Revenues amounted to EUR 43,687 k (H1 2010: EUR 45,192 k) with real estate operating expenses of around 8.5% of revenues at EUR 3,729 k (H1 2010: EUR 3,162 k or 7.0% of revenues). As a consequence of asset disposals, net rental income decreased by EUR 2,102 k to EUR 39,948 k compared to the first half of 2010.

Administrative expenses and personnel expenses for the reporting period increased by EUR 1,665 k to EUR 7,282 k (H1 2010: EUR 5,617 k). This increase resulted from expenses related to the capital increase carried out by alstria in the first quarter 2011 and from expenses related to the on-going integration of property management. Accordingly, these operating expenses amounted to 16.7% of total revenues for the first half of 2011 (H1 2010: 12.4%).

alstria closed the first half of 2011 with a net operating result of EUR 33,690 k. This compares to a net operating result of EUR 42,009 k in the first half of the previous year. The decrease in the net operating result is due mainly to the proceeds from disposal of three investment properties that the Company was able to realise in H1 2010 (EUR 5,635 k).

FUNDS FROM OPERATIONS (FFO) AT EUR 0.23 PER SHARE

EUR k		Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2010
Pre-tax income (EBT)		**18,813**	**11,605**
+/-	Net loss/gain from fair value adjustments on investment property	–262	0
+/-	Net loss/gain from fair value adjustments on investment property of joint ventures	0	0
+/-	Net loss/gain from fair value adjustments on financial derivatives	–2,412	9,167
+/-	Profit/loss on disposal of investment property	0	–5,635
+/-	Other adjustments[1]	422	567
Funds from operations (FFO)[2]		**16,561**	**15,704**

[1] Non-cash income or expenses and non-recurring effects.
[2] FFO is not a measure of operating performance or liquidity under generally accepted accounting principles, in particular IFRS, and should not be considered as an alternative to the Company's income or cash-flow measures as determined in accordance with IFRS. Furthermore, no standard definition exists for FFO. Thus, the FFO or measures with similar names as presented by other companies may not necessarily be comparable to alstria's FFO.

Funds from operations (FFO) amount to EUR 16,561 k for the reporting period compared to EUR 15,704 k in the first half of 2010.

As expected, revenues decreased in the first half of 2011 compared to the same period in 2010 due to asset disposals completed in 2010. This negative effect has been partly mitigated by lower financing costs of EUR 4,151 k (H1 2011: EUR -17,180 k; H1 2010: EUR -21,331 k).

As a result, FFO per share was EUR 0.23 in the first half of 2011 (H1 2010: EUR 0.28). The 18% decrease in FFO per share is to be considered in light of the 28% increase in the number of shares (H1 2011: 71,703,625 shares; H1 2010: 56,000,000 shares). If the current number of shares is taken as basis for the calculation for the first half of 2010, this results in an FFO per share of EUR 0.22 for the first half of 2010. This result mirrors the specified increase of total FFO.

Hedging Instruments

alstria uses hedge accounting on all qualifying hedges in order to limit the impact on profit and loss of the volatility of interest rate markets. This allows alstria to recognise the losses or gains on the qualifying part of the derivatives through the equity cash flow hedge reserve with no effect on income. (For more details, please refer to the notes to the consolidated financial statements as at December 31, 2010).

The following table gives an overview of the composition of the fair values of derivatives:

			Jun. 30, 2011		Dec. 31, 2010	
Product	**Strike price p.a.**	**Maturity date**	**Notional value**	**Fair value**	**Notional value**	**Fair value**
			(EUR k)	(EUR k)	(EUR k)	(EUR k)
Cap	4.9000	20.12.2012	75,000	6	75,000	20
Swap	4.1160	10.07.2013	47,902	–2,341	47,902	–3,412
Swap	3.6165	29.11.2011	625,000	–8,184	625,000	–17,595
Reverse Swap	3.6165	29.11.2011	–625,000	8,184	–625,000	17,595
Financial derivatives - held for trading			**122,902**	**–2,335**	**122,902**	**–3,392**
Cap	3.2500	31.12.2015	11,500	167	0	0
Cap	3.3000	30.10.2014	25,139	135	25,139	135
Swap	2.1940	31.12.2014	37,283	63	37,283	–420
Cap	3.3000	30.10.2014	8,649	47	8,649	46
Swap[1]	4.6000	20.10.2015	95,000	–3,326	95,000	–3,346
Swap	2.9900	20.07.2015	472,500	–10,324	472,500	–18,076
Financial derivatives – cash flow hedges[2]			**555,071**	**–13,238**	**543,571**	**–21,661**
Total[2]			**677,973**	**–15,573**	**666,473**	**–25,053**

[1] Not effective before July 10, 2013
[2] Notional excluding the EUR 95,000 k not effective before July 10, 2013

THE FOLLOWING TABLE RECONCILES CHANGES IN DERIVATIVES SINCE DECEMBER 31, 2010:

Product	Cash flow hedge reserve	Financial derivatives				
		Financial assets		Financial liabilities		Total
		Non-current	Current	Non-current	Current	
Hedging instruments as at December 31, 2010	**-4,922**	**181**	**17,615**	**-21,842**	**-21,007**	**-25,053**
Effective change in fair value cash flow hedges	5,978	115	0	5,863	0	5,978
Ineffective change in fair value cash flow hedges	0	-87	0	2,207	0	2,120
Net loss from fair value changes in financial derivatives not qualifying for cash flow hedging	0	0	-8,957	0	9,977	1,020
Reclassification of cumulated loss from equity to income statement	727	0	0	0	0	0
Changes in accrued interests concerning financial derivatives	0	-64	-468	122	505	95
Acquisitions	0	267	0	0	0	267
Hedging instruments as at June 30, 2011	**1,783**	**412**	**8,190**	**-13,650**	**-10,525**	**-15,573**

A total of EUR 5,978 k of changes in fair values of derivatives effective in a cash flow hedge have been recognised in the hedging reserve in the first half of 2011 (H1 2010: increase of EUR 640 k).

The ineffective portion recognised in the profit or loss that arises from cash flow hedges amounted to a fair value gain of EUR 2,120 k (H1 2010: loss of EUR 2,669 k). Further gains totalling EUR 1,020 k (H1 2010: loss of EUR 2,169 k) due to the market valuation of derivatives not included in hedge accounting were recognised in the income statement.

A loss of EUR 727 k (H1 2010: EUR 4,329 k) relates to the cumulative losses from cash flow hedges for which the forecast transaction is no longer expected to occur due to premature repayment of the loans.

Together, this results in a gain of EUR 2,413 k (H1 2010: loss of EUR 9,167), which is shown as net result from fair value adjustments on financial derivatives.

In line with alstria's hedging strategy, a new interest rate cap with a notional amount of EUR 11,500 k and a swap rate of 3.25%, expiring on December 31, 2015 was concluded in order to hedge the floating interest rates to be paid on a new loan raised in the first quarter 2011. This transaction became effective as at March 31, 2011.

Financial result

The following table shows the financial result for the period January 1 to June 30, 2011:

FINANCIAL RESULT BREAKDOWN

EUR k	Jan. 1 - Jun. 30, 2011	Jan. 1 - Jun. 30, 2010	Change
Syndicated loan - interest	–8,332	–6,405	30.1%
Interest loan refinanced	–4,034	–3,736	8.0%
Interest result derivatives	–5,357	–11,188	–52.1%
Other interest expenses	–6	–1	>100%
Financial expenses	**–17,729**	**–21,330**	**–16.9%**
Financial income	560	304	84.2%
Other financial expenses	–11	–305	–96.4%
Net financing costs	**–17,180**	**–21,331**	**–19.5%**

alstria met all financial covenants as at June 30, 2011.

Net financing costs decreased by EUR 4,151 k to EUR -17,180 k in comparison with the first half of 2010. The decrease is partly attributable to a lower average loan level compared to the previous reporting period. Terminations of derivatives with comparably high swap rates also led to a decrease in average interest costs.

Increase in consolidated net result driven by lower financing costs

The consolidated net result amounts to EUR 18,813 k (H1 2010: EUR 11,605 k). The main reasons for the increase in the consolidated net result compared to the same period in 2010 are lower financing costs (H1 2011: EUR -17,180 k; H1 2010: EUR -21,331 k) and a positive effect from the fair value adjustments on financial derivatives of EUR 2,413 k (H1 2010: EUR -9,167 k). This positive effect has been partly mitigated by a decline in revenues (H1 2011: EUR 43,687 k; H1 2010: EUR 45,192 k) and in gains on disposal on investment property (H1 2011: EUR 0 k; H1 2011: EUR 5,635 k).

Earnings per share are EUR 0.28 for the first six months of 2011.

FINANCIAL AND ASSET POSITION

Financial management

alstria's financial management is carried out at corporate level, with individual loans being taken out at property and portfolio level. The main goal of alstria's financial policy is the establishment of secured, long-term structures to support the development of its business whilst providing the required degree of flexibility. Corporate management of debt financing forms the basis for harmonised capital procurement, optimised management of interest and liquidity risks, and efficiency improvements for the whole Group.

In March 2011, alstria entered into a new credit facility on a non-recourse basis against alstria office REIT-AG. The credit facility is a EUR 14.0 m loan to finance the acquisition and refurbishment of two new properties in Hamburg and has a maturity of 4.75 years. The interest rate is based on the 3-month EURIBOR plus a margin of 180 bps. As at June 30, 2011, the total drawdown on this loan amounted to EUR 11.5 m.

Furthermore, alstria added the newly acquired asset in Karlsruhe to the collateral pool of the syndicated loan. In accordance with the provisions of the loan agreement, this resulted in a margin reduction of 10 bps to 150 bps as of March 31, 2011.

EXISTING LOAN AGREEMENTS AS PER JUNE 30, 2011

Loan	Maturity	Principal Amount Outstanding (EUR k)	Current LTV (%)	LTV-Covenant (%)	Next Test Date
Syndicated loan	Jul. 20, 2015	572,809	55.4%	70.0%	Mar. 31, 2012
Non-recourse loan #1	Oct. 20, 2015	47,902	74.6%	80.0%	Sept. 30, 2012
Non-recourse loan #2	Dec. 31, 2014	37,283	56.5%	80.0%	Dec. 31, 2011
Non-recourse loan #3	Jun. 30, 2014	31,067	59.9%	62.5%	Dec. 31, 2011
Non-recourse loan #4	Oct. 20, 2014	32,267	58.1%	61.0%	Mar. 31, 2012
Non-recourse loan #5	Jan. 31, 2017	73,855	61.0%	75.0%	Dec. 31, 2011
Non-recourse loan #6	Dec. 31, 2015	11,500	60.5%	75.0%	Dec. 31, 2011
Total as of June 30, 2011		**806,683**	**57.1%**		

Cash position is EUR 130,495 k

Cash flows from operating activities for the first six months of the year amounted to EUR 11,985 k. The decrease as against the first half-year 2010 (EUR 13,364 k) is mainly based on lower rental revenues and a change in interest payment dates.

The cash flows from investing activities mainly comprise cash outflows resulting from the acquisition of investment properties (EUR -72,594 k) and other property, plant and equipment (EUR -1,479 k). Cash inflows of EUR 1,225 k resulted from the equity release of a joint venture and EUR 500 from the disposal of a property.

The cash flows from financing activities reflect cash inflows in relation to the loan of EUR 11,500 k taken out in the first quarter 2011 and the proceeds from shares issued in a net amount of EUR 92,277 k. Cash outflows of EUR 31,503 k relate to the payment of the dividend and EUR 1,782 k relates to the repayment of amortised loans.

As a result, alstria ended the first six months of 2011 with a cash position of EUR 130,495 k (June 30, 2010: EUR 64,568 k).

Increase in investment properties due to property acquisitions

The total value of investment property at reporting date amounts to EUR 1,425,116 k, compared to EUR 1,348,400 k at the beginning of the financial year. The increase in investment property is based on the acquisition of one asset in Karlsruhe and three assets in Hamburg, as well as on capitalised refurbishment measures that relate to the development projects in Hamburg such as the refurbishment of the Bieberhaus and the Mundsburg Office Tower.

Reclassifications of EUR 2,893 k refer to the area of the property Bäckerbreitergang which is leased to third parties and therefore is classified as investment property. The main part of the asset is occupied by alstria as its headquarters and is therefore accounted under property, plant and equipment. Furthermore alstria signed an agreement for the disposal of one asset in Bonn. As at June 30, 2011, this asset has been reclassified under "assets held for sale" (EUR -2,100 k). Interests in joint ventures refer to the at-equity method consolidation of the Hamburg asset Grosse Bleichen and Alte Post.

DEVELOPMENT OF INVESTMENT PROPERTIES

	EUR k
Investment properties at Dec 31, 2010	**1,348,400**
Capital expenditure	8,764
Acquisitions	66,897
Disposals	0
Reclassification	793
Net loss/gain from fair value adjustments on investment property	262
Investment properties at Jun 30, 2011	**1,425,116**
Fair value of owner-occupied properties	5,701
Fair value of properties held for sale	2,100
Interests in joint ventures	31,052
Fair value of immovable assets	**1,463,969**

Equity ratio of 48.2% – G-REIT equity ratio at 53.2%

The balance sheet reflects a total equity position of EUR 778,875 k with an equity ratio of 48.2% (December 31, 2010: EUR 692,408 k or 44.9%).

The G-REIT equity ratio which is defined as total equity divided by immovable assets increased by 3.4 percentage points to 53.2% (December 31, 2010: 49.8%). According to the G-REIT Act (REIT-Gesetz - REITG), the minimum requirement for compliance with G-REIT criteria is an equity ratio of 45% calculated at the end of the financial year.

On March 30, 2011 alstria successfully concluded a capital increase and placed 10,000,000 new shares in the market. This increased the Company's nominal share capital from EUR 61,599,999 to EUR 71,599,999. A further 18,200,000 shares from alstria's majority shareholder, Captiva, were placed in the broad market, of which 2,200,000 were greenshoe shares. This caused a significant increase in the Company's free float. The share placement price was EUR 9.50 per share, totalling in gross proceeds for the Company of EUR 95 m. The amount of EUR 10 m that corresponds to the nominal value of the new shares, was transferred as at March 30, 2011. The remainder was received with value date of April 4, 2011.

The conversion of profit participation rights in the second quarter resulted in the issue of 103,626 new shares by using the conditionally increased capital provided for such purposes. On June 30, 2011 alstria office REIT-AG's share capital amounted to EUR 71,703,625.

NNNAV at EUR 10.86 per share

NNNAV (Triple Net Asset Value according to EPRA[1]) decreased from EUR 11.24 per share to EUR 10.86 per share.

The 3% decrease in NNNAV per share should be considered in light of the 16% increase in the number of shares (June 30, 2011: 71,703,625 shares; December 31, 2010: 61,599,999 shares). If the current number of shares is taken as basis for the calculation as at December 31, 2010, this results in an NNNAV per share of EUR 9.66. This result mirrors the specified increase of total equity.

Following the capital increase at the end of the first quarter 2011, equity increased compared to December 2010. Due to an increase in fair value of financial instruments, the hedging reserve increased by EUR 6,705 k from EUR -4,922 k as at December 31, 2010 to EUR 1,783 k as at June 30, 2011. The consolidated profit for the period resulted in equity growth of EUR 18,813 k. In total, this led to an increase in equity from EUR 692,408 k to EUR 778,875 k[2].

New credit facility increases long-term loans

In March 2011, alstria entered into an additional credit facility of EUR 14 m on a non-recourse basis against alstria office REIT-AG to finance the acquisition and refurbishment of two newly acquired properties in Hamburg. This new loan increases non-current loans by 1.3%. As at June 30, 2011, the drawdown amounts to EUR 11.5 m.

Decrease in current liabilities

Current liabilities decreased by 35.7% to EUR 25,196 k, which is mainly linked to the decline in current loans and derivatives. Other current liabilities amounting to EUR 5,629 k mainly comprise accruals for outstanding invoices (EUR 2,513 k), deferred income (EUR 1,139 k), other liabilities (EUR 1,041 k) and other accruals (EUR 936 k).

REPORT ON RISKS AND OPPORTUNITIES

The risks and opportunities to which alstria is exposed are described in detail in the Annual Report 2010. There have been no changes to the status in that report.

RECENT DEVELOPMENTS AND OUTLOOK

In July 2011, alstria signed binding notarised agreements for the acquisition of one property portfolio consisting of five properties located in Dusseldorf and Frankfurt and one single property located in Stuttgart. The transfer of benefits and burden is expected to take place in the third quarter of 2011.

Financial guidance

alstria confirms anticipated revenues for the financial year 2011 of EUR 87 m and expects funds from operations (FFO) of around EUR 32 m. This projection could be impacted positively should the recent transaction close before year-end.

Disclaimer

The management report contains statements relating to anticipated future developments. These statements are based on current assessments and are, by their very nature, exposed to risks and uncertainty. Actual developments may differ from those predicted in these statements.

[1] EPRA: European Public Real Estate Association, Best Practises Committee, Brussels, Belgium.
[2] See also the statement of shareholders' equity.

SÜDERSTRASSE 24, HAMBURG

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT
for the Period from January 1 to June 30, 2011

in EUR k	Notes	Apr. 1, -Jun. 30, 2011	Apr. 1, -Jun. 30, 2010	Jan. 1, - Jun. 30, 2011	Jan. 1, - Jun. 30, 2010
Revenues		22,373	22,063	43,687	45,192
Income less expenses from passed on operating expenses		–9	34	–10	20
Real estate operating costs		–2,397	–1,342	–3,729	–3,162
Net Rental Income		**19,967**	**20,755**	**39,948**	**42,050**
Administrative expenses		–1,728	–1,185	–4,191	–2,933
Personnel expenses	6.1	–1,610	–1,348	–3,091	–2,684
Other operating income		341	748	804	984
Other operating expenses		–6	–856	–42	–1,043
Net gain from fair value adjustments on investment property		262	0	262	0
Gain/loss on disposal of investment property	7.1	0	–1,068	0	5,635
Net Operating Result		**17,226**	**17,046**	**33,690**	**42,009**
Net financial result	6.2	–8,573	–10,163	–17,180	–21,331
Share of the result of joint venture		–79	141	–110	94
Net loss from fair value adjustments on financial derivatives		374	–3,794	2,413	–9,167
Pre-Tax Income (EBT)		**8,948**	**3,230**	**18,813**	**11,605**
Income tax expense	6.3	0	0	0	0
Consolidated Profit for the Period		**8,948**	**3,230**	**18,813**	**11,605**
Attributable to:					
Shareholder					
Earnings per share in EUR		**8,948**	**3,230**	**18,813**	**11,605**
Basic earnings per share		0.12	0.05	0.28	0.17
Diluted earnings per share		0.12	0.05	0.28	0.17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Period from January 1 to June 30, 2011

in EUR k	Notes	Apr. 1, -Jun. 30, 2011	Apr. 1, -Jun. 30, 2010	Jan. 1, -Jun. 30, 2011	Jan. 1, -Jun. 30, 2010
Consolidated profit for the period		**8,948**	**3,230**	**18,813**	**11,605**
Cash flow hedges	8.1	–7,913	2,493	5,978	640
Reclassification from cashflow hedging reserve	8.1	364	2,473	727	4,329
Other comprehensive result for the period:		**–7,549**	**4,966**	**6,705**	**4,969**
Total comprehensive income for the period:		**1,399**	**8,196**	**25,518**	**16,574**
Total comprehensive income attributable to:					
Owners of the Company		**1,399**	**8,196**	**25,518**	**16,574**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2011

ASSETS

in EUR k	Notes	Jun. 30, 2011	Dec. 31, 2010
Non-Current Assets			
Investment property	7.1	1,425,116	1,348,400
Equity-accounted investments	4	31,052	32,385
Property, plant and equipment		6,105	7,826
Intangible assets		355	319
Financial assets		1	1
Derivatives		412	181
Total Non-Current Assets		**1,463,041**	**1,389,112**
Current Assets			
Assets held for sale	7.1	2,100	600
Trade receivables		4,089	4,117
Accounts receivable from joint ventures		2,013	1,967
Derivatives		8,190	17,615
Other receivables		7,617	8,137
Cash and cash equivalents	7.2	130,495	120,788
thereof restricted		*259*	*3,955*
Total Current Assets		**154,504**	**153,224**
Total Assets		**1,617,545**	**1,542,336**

EQUITY AND LIABILITIES

in EUR k	Notes	Jun. 30, 2011	Dec. 31, 2010
Equity	8.1		
Share capital		71,704	61,600
Capital surplus		750,855	700,036
Hedging reserve		1,783	–4,922
Treasury shares		0	–26
Retained earnings		–45,467	–64,280
Total Equity		**778,875**	**692,408**
Non-Current Liabilities			
Long-term loans, net of current portion	8.2	796,648	786,410
Derivatives		13,650	21,842
Other provisions		2,576	2,180
Other liabilities		600	324
Total Non-Current Liabilities		**813,474**	**810,756**
Current Liabilities			
Short-term loans	8.2	4,297	7,796
Trade payables		4,467	3,024
Profit participation rights		278	355
Derivatives		10,525	21,007
Other current liabilities		5,629	6,990
Total Current Liabilities		**25,196**	**39,172**
Total Liabilities		**838,670**	**849,928**
Total Equity and Liabilities		**1,617,545**	**1,542,336**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Period from January 1 to June 30, 2011

in EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Treasury shares	Retained earnings	Total Equity
As of January 1, 2011		**61,600**	**700,036**	**–4,922**	**–26**	**–64,280**	**692,408**
Changes in H1 2011							
Total comprehensive income		**0**	**0**	**6,705**	**0**	**18,813**	**25,518**
Reclassification to retained earnings		0	–31,503	0	0	31,503	0
Payment of dividends	9	0	0	0	0	–31,503	–31,503
Share-based remuneration		0	171	0	0	0	171
Proceeds from shares issued		10,000	85,000	0	0	0	95,000
Transaction costs of issue of shares		0	–2,931	0	0	0	–2,931
Conversion of convertible particpation rights		104	104	0	0	0	208
Conversion of treasury shares		0	–22	0	26	0	4
As of June 30, 2011	8.1	**71,704**	**750,855**	**1,783**	**0**	**–45,467**	**778,875**

for the Period from January 1 to June 30, 2011

in EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Treasury shares	Retained earnings	Total Equity
As of January 1, 2010		**56,000**	**685,897**	**–43,200**	**–26**	**–64,486**	**634,185**
Changes in H1 2010							
Total comprehensive income		**0**	**0**	**4,969**	**0**	**11,605**	**16,574**
Reclassification to retained earnings		0	–27,999	0	0	27,999	0
Payment of dividends	9	0	0	0	0	–27,999	–27,999
Share-based remuneration		0	173	0	0	0	173
As of June 30, 2010	8.1	**56,000**	**658,071**	**–38,231**	**–26**	**–52,881**	**622,933**

CONSOLIDATED STATEMENT OF CASH FLOW
for the Period from January 1 to June 30, 2011

in EUR k	Notes	Jan. 1, - Jun. 30, 2011	Jan. 1, - Jun. 30, 2010
1. Cash flows from operating activities			
Consolidated profit for the period		18,813	11,605
Unrealised valuation movements		–2,635	9,073
Interest income	6.2	–560	–304
Interest expense	6.2	17,740	21,635
Other non-cash expenses (+)/income (–)		749	–205
Gain (–) on disposal of fixed assets	7.1	0	–5,635
Depreciation and impairment of fixed assets (+)		271	215
Decrease (+)/increase (–) in trade receivables and other assets that are not attributed to investing or financing activities		–2,497	1,918
Decrease (–)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		200	–1,928
Cash generated from operations		32,081	36,374
Interest received		560	304
Interest paid		–20,656	–23,314
Net cash generated from operating activities		**11,985**	**13,364**
2. Cash flows from investing activities			
Acquisition of investment properties	7.1	–72,594	–9,444
Proceeds from sale of investment properties		500	82,528
Acquisition of other property, plant and equipment		–1,479	–1,801
Proceeds from the disposal of interests in joint ventures and financial instruments		1,225	0
Proceeds from the repayment of loans granted to joint ventures		0	13,546
Proceeds from the disposal of group companies		0	1
Net cash flows used in/generated from investing activities		**–72,348**	**84,830**

in EUR k	Notes	Jan. 1, - Jun. 30, 2011	Jan. 1, - Jun. 30, 2010
3. Cash flows from financing activities			
Cash received from equity contributions	8.1	95,208	0
Payments of transaction costs of issue of shares		–2,931	0
Proceeds from the disposal of own shares		4	0
Proceeds from the issue of bonds and borrowings		11,500	108,629
Payments of dividends	9	–31,503	–27,999
Payments for the acquisition/termination of financial derivatives		–267	–15,345
Payments of the redemption of bonds and borrowings		–1,782	–245,174
Payment of transaction costs		–159	0
Net cash generated from/used in financing activities		**70,070**	**–179,889**
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		9,707	–81,695
Effect of changes in consolidated group on cash and cash equivalents		0	–555
Cash and cash equivalents at the beginning of the period		120,788	146,818
Cash and cash equivalents at the end of the period *(thereof restricted: EUR 259 k; previous year: EUR 1,952 k)*	7.2	**130,495**	**64,568**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2011

1 Corporate information

alstria office REIT-AG, Hamburg, (hereinafter referred to as the 'Company' or 'alstria office REIT-AG' and, together with its subsidiaries, as 'alstria' or the 'Group'), is a German stock corporation registered in Hamburg. The Group's principal activities are described in detail in section 1 of the Notes to the consolidated financial statements for the financial year ended December 31, 2010.

The condensed interim consolidated financial statements for the period from January 1, 2011 to June 30, 2011 (hereinafter referred to as the 'consolidated interim financial statements') were authorised for issue by resolution of the Company's management board on August 3, 2011.

2 Basis of preparation

These consolidated interim financial statements were prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not contain all of the disclosures and explanations required in annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2010.

These condensed interim consolidated financial statements have not been audited. They have been reviewed by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Hamburg.

3 Significant accounting policies

The accounting policies applied are consistent with those policies applied in the Group's annual financial statements for the year ended December 31, 2010, as outlined in those annual financial statements.

The following new and amended standards and interpretations are mandatory for the first time for the financial reporting period beginning January 1, 2011:

> Amendment to IFRS 1 'Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment 2010)'. This amendment is currently not applicable to the Group, as it has no entities that are first-time adopters.

> Revised IAS 24 'Related party disclosures – revised definition of related parties (revised 2009)'.

> Amendment to IAS 32 'Classification of rights issues (amendment 2009)'. The amendment replaces the 2003 version of IAS 32 'Classification of rights issues' but has no effect on the Group's disclosures in the financial statements.

> Amendment to IFRIC 14 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (Amendment 2009)'. This amendment corrects an unintended consequence of IFRIC 14 but has no effect on the Group's financial statements or disclosure.

> IFRIC 19 'Extinguishing financial liabilities with equity instruments'. The interpretation clarifies accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It has no impact on the Group's financial statements.

> Improvements to IFRSs (Improvement project 2010).

The initial application of the newly applied IFRSs had no material effect on the presentation of the consolidated interim financial statements.

The following new standards and amendments to published standards have been issued but are not effective for the financial year 2011 and have not been applied by the Group before they are mandatory

> IFRS 9 'Financial instruments'; new standard issued on November 12, 2009. The standard addresses the classification and measurement of financial assets and is likely to affect the Group's accounting of financial assets. Application of the standard is not mandatory until January 1, 2015. But subject to EU endorsement, the standard is available for early adoption. The Group has not yet assessed the full impact of IFRS 9.

> IFRS 10 'Consolidated financial statements'; new standard issued on May 12, 2011. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The standard supersedes the guidelines on consolidation as outlined in

the present IAS 27 'Consolidated and Separate Financial Statements' and SIC-12 'Consolidation – Special Purpose Entities'. IFRS 10 is applicable to annual reporting periods beginning on or after January 1, 2013. It is not expected that the application of the new standard will lead to a change in the basis of consolidation of the Group.

> IFRS 11 'Joint arrangements'; new standard issued on May 12, 2011. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The standard supersedes IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly Controlled Entities – Non-Monetary Contributions by Venturers'. IFRS 11 is applicable to annual reporting periods beginning on or after January 1, 2013. It is not expected that the application of the new standard will lead to a change in the accounting for joint ventures.

> IFRS 12 'Disclosures of interests in other entities'; new standard issued on May 12, 2011. The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. IFRS 12 is applicable to annual reporting periods beginning on or after January 1, 2013. The Group has not yet assessed the full impact of IFRS 12.

> IFRS 13 'Fair value measurement'; new standard issued on May 12, 2011. IFRS 13 defines fair value, and sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for share-based payment transactions within the scope of IFRS 2 'Share-based Payment', leasing transactions within the scope of IAS 17 'Leases', measurements that have some similarities to fair value but that are not fair value, such as net realisable value in IAS 2 'Inventories', or value in use in IAS 36 'Impairment of Assets'. IFRS 13 is applicable to annual reporting periods beginning on or after January 1, 2013. It is expected, that the new standard will have no material effect on net worth, financial position and financial performance.

> IAS 27 'Separate financial statements'; new revised standard issued on May 12, 2011. IAS 27 (revised 2011) has the objective of setting standards to be applied in accounting for investments in subsidiaries, jointly ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. IAS 27 (2011) together with IFRS 10 'Consolidated Financial Statements' supersedes the previous version of IAS 27 (2008) 'Consolidated and Separate Financial Statements' including the related interpretation SIC-12 'Consolidation – Special Purpose Entities'. IAS 27 (revised 2011) is applicable to annual reporting periods beginning on or after January 1, 2013. Since none of alstria's Group companies prepares single entity financial statements in accordance with IFRS, no impact on accounting is expected as a result of the revised standard.

> IAS 28 'Investments in associates and joint ventures'; new standard issued May 12, 2011. The objective of IAS 28 (revised 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 (2011), together with IFRS 12 'Disclosures of interests in other entities', supersedes the previous version of IAS 28 (2008) 'Investments in Associates'. IAS 28 (revised 2011) is applicable to annual reporting periods beginning on or after January 1, 2013. It is not expected, that the application of the new standard will lead to a change in the accounting for joint ventures.

> An entity may apply the above-listed standards IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements (2011)' and IAS 28 'Investments in Associates and Joint Ventures 2011' to an earlier accounting period, but if it elects to do this early, it must adopt all standards together.

> Amendments to IFRS 1 'Severe hyperinflation and removal of fixed dates for first-time adopters', issued on December 20, 2010. The amendment will be applicable for financial years starting on July 1, 2011 or later. Since alstria has no exposure to hyperinflation markets, the amendments will have no effect on alstria's financial reporting.

- Amendments to IFRS 7 'Financial instruments: Disclosures', issued October 7, 2010. The amendments will be applicable for financial years starting on or after July 1, 2011. The amendments require enhanced derecognition disclosures in case of transfer transactions of certain financial assets. As transfer transactions of financial assets are not a normal part of alstria's business, these amendments are not expected to have a significant influence on alstria's financial reporting.

- IAS 1 'Presentation of financial statements'. On June 16, 2011, the International Accounting Standards Board (IASB) published amendments to IAS 1. The amendments to IAS 1 retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled', and those elements that will not. The amendments are applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted. The amendments are not expected to affect presentation of the Group's financial statements.

- Amendment to IAS 12 'Deferred tax: Recovery of underlying assets', issued on December 20, 2010. This amendment will have no effect on alstria's financial reporting. It is not applicable until January 1, 2012.

- Amendments to IAS 19 'Employee benefits'. On June 16, 2011, the IASB published amendments to IAS 19, implementing new reporting procedures on employee benefits. The amendments are applicable to annual periods beginning on or after January 1, 2013, with early adoption permitted. The amendments are not expected to affect presentation of the Group's financial reporting.

4 Consolidated group

There have been no changes to the consolidated Group since the consolidated financial statements as of December 31, 2010.

5 Key judgements and estimates

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items that have an effect on the amount and disclosure of assets, liabilities, income and expenses. Actual amounts may vary from these estimates.

6 Notes to the consolidated income statement

6.1 Personnel expenses

The personnel expenses shown in the profit and loss account totalling EUR 3,091 k (January 1 to June 30, 2010: EUR 2,684 k) include accrued bonuses in the amount of EUR 544 k (January 1 to June 30, 2010: EUR 667 k). Furthermore, personnel expenses of EUR 397 k (January 1 to June 30, 2010: EUR 78 k) relating to share-based compensation granted to management are included (see note 11), as are expenses for share-based compensation resulting from the convertible profit participation rights granted to employees in an amount of EUR 211 k (January 1 to June 30, 2010: EUR 274 k).

6.2 Financial result

The following table shows a breakdown of the financial result.

in EUR k	Jan. 1 - Jun. 30, 2011 (unaudited)	Jan. 1 - Jun. 30, 2010 (unaudited)
Interest expense syndicated loan	–8,332	–6,405
Interest expense refinanced loan	–4,034	–3,736
Interest result from derivatives	–5,357	–11,188
Other interest expenses	– 6	–1
Financial expenses	**–17,729**	**–21,330**
Interest income	560	304
Other financial expenses	–11	–305
Net financing costs	**–17,180**	**–21,331**

alstria entered into a new floating rate loan in March 2011 in relation to the acquisition of two office buildings. The interest rate for this loan is based on the three-month EURIBOR rate plus a spread of 180 basis points. The loan facility amounts to EUR 14,000 k, of which EUR 11,500 k has currently been drawn. It matures at the end of 2015.

In line with alstria's hedging strategy, the Group entered into a new interest rate cap with a notional amount of EUR 11,500 k and a swap rate of 3.25%, expiring on December 31, 2015, in order to hedge the floating interest rates to be paid on the above-mentioned new loan. This transaction became effective as at March 31, 2011.

6.3 Income taxes

As a consequence of its status as a G-REIT, alstria office REIT-AG is exempt from German corporation tax (Körperschaftsteuer - KSt) and German trade tax (Gewerbesteuer - GewSt).

For a detailed description of the tax implications, please refer to section 9.10 of the consolidated financial statements as at December 31, 2010.

7 Notes to the consolidated balance sheet - assets

7.1 Investment property

alstria office REIT-AG uses the fair value model pursuant to IAS 40.33 et seq. for revaluation. External appraisals were obtained for the determination of value as at December 31, 2010. A management review of fair values as at the date of the consolidated interim financial statements as at June 30, 2011 resulted in a fair value increase for investment properties held at December 31, 2010 totalling EUR 9,026 k. This amount mainly relates to capitalised expenditure invested for refurbishment and project development in the first half year of 2011. For a detailed description of the asset value determination process, please refer to section 7 of the consolidated financial statements as at December 31, 2010.

alstria acquired four office properties with transfer of possession, benefits and in the first six month of 2011, with a transaction volume totalling EUR 66,897 k.

In April 2011 alstria concluded a binding and notarised sale agreement for the disposal of one property in Bonn. The transfer of possession, benefits and burden of the property is expected to take place in the third quarter of 2011. The property is categorised pursuant to IFRS 5 as "asset held for sale" in the consolidated financial statements as of June 30, 2011.

7.2 Cash and cash equivalents

As at June 30, 2011, EUR 259 k of total cash and cash equivalents (EUR 130,495 k) is subject to restrictions. The amount corresponds to accrued interest obligations and other amounts over which the Company may not freely dispose.

8 Notes to the consolidated balance sheet - equity and liabilities

8.1 Equity

Please refer to the consolidated statement of changes in equity for details.

Share capital

The issue of 10,000,000 new shares for cash increased the share capital of alstria office REIT-AG by EUR 10,000,000. The share capital increased from EUR 61,599,999 to EUR 71,599,999. This capital increase was registered in the Commercial Register (Handelsregister) on March 30, 2011.

At the same time as the capital increase at March 30, 2011, the former majority shareholder, Captiva 2 Alstria Holding S.à r.l., Luxembourg, placed 18,200,000 existing shares on the market. Since that time, the majority of the shares in the Company have been in free float.

The conversion of profit participation rights (Note 12) in the second quarter resulted in the issue of 103,626 new shares by using the conditionally increased capital provided for such purposes (Conditional Capital III). On June 30, 2011 alstria office REIT-AG's share capital amounted to EUR 71,703,625, represented by 71,703,625 non-par value bearer shares.

Capital reserve

The new shares generated from the capital increase in March 2011 were offered and sold at a price of EUR 9.50 per share. The issue proceeds exceeded the nominal share capital by EUR 85,000 k and was recognised as capital reserve. The share placement resulted in an overall increase in the capital reserve of EUR 82,069 k, based on contributions of EUR 85,000 k and expenses of EUR 2,931 k.

Treasury shares
The remaining 2,374 non-par value bearer shares, each with a value of EUR 1, held by the Company as treasury shares have been granted against convertible property participation rights in the second quarter 2011. As of June 30, 2011, there were no remaining treasury shares.

By resolution of the Annual General Meeting held on June 8, 2011, the Company's authorisation to acquire treasury shares was renewed. According to the resolution, alstria office REIT-AG is authorised to acquire up to 10% of the capital stock until June 7, 2016. There is no intention to make use of this authorisation at present.

Cash flow hedging reserve

in EUR k	Jun. 30, 2011 (unaudited)	Dec. 31, 2010 (audited)
As at January 1	–4,922	–43,200
Net changes in cash flow hedges	6,705	38,278
As at June 30 / December 31	**1,783**	**-4,922**

This reserve includes the portion of the gain or loss on hedging instruments in cash flow hedge that is determined to be an effective hedge. The net changes amount to EUR 5,978 k for the increased valuation of derivative financial instruments. Reclassifications of cumulated devaluations of cash flow hedges, for which the forecast hedged transactions are no longer expected to occur due to the redemption of loans before maturity are deducted, amount to EUR 727 k.

8.2 Financial liabilities
As at June 30, 2011, the repayment amounts of loans of alstria office REIT-AG amount to EUR 806,683 k (December 31, 2010: EUR 796,964 k). The lower carrying amount of EUR 800,945 k (EUR 796,648 k non-current and EUR 4,297 k current) takes into account interest liabilities and transaction costs to be allocated under the effective interest method upon the raising of liabilities. Financial liabilities with a maturity of up to one year are recognised as current loans.

For a detailed description of the loans, loan terms and loan securities, please refer to section 11.2 of the consolidated financial statements as at December 31, 2010.

alstria entered into a new floating rate loan in March 2011 in relation to the acquisition of two office buildings. The interest rate on this loan is based on the three-month EURIBOR rate plus a spread of 180 basis points. The loan facility, of which EUR 11,500 k has been drawn, amounts to EUR 14,000 k and matures at the end of 2015.

9 Dividends

in EUR k	2011 (unaudited)	2010 (audited)
Dividends on ordinary shares[1] in EUR k (not recognised as a liability as at June 30):	31,503	27,999
Dividend per share in EUR	0.44	0.50

[1]Refers to all shares except treasury shares at the date

10 Employees
In the period from January 1 to June 30, 2011, the Company had an average of 45 employees (January 1 to June 30, 2010: average 35 employees). The average number of employees was calculated on the basis of the total of employees at the end of each month. On June 30, 2011, 48 people (December 31, 2010: 39 people) were employed at alstria office REIT-AG, excluding the management board.

11 Share-based remuneration
On March 2, 2010, the Company's supervisory board resolved to establish a new share-based remuneration system, the Long Term Incentive Plan (LTIP), for members of the management board and granted the first tranche of virtual shares to the management board.

Under the LTIP, alstria office REIT-AG grants virtual shares which give an entitlement to conversion into cash payments after four years.

The amount of the conversion payment is based on the number of virtual shares, multiplied by the average stock market price of alstria's shares on the Frankfurt Stock Exchange during the last 60 trading days prior to the relevant maturity date, plus an amount equal to the sum of the dividend per share paid by the Company to its shareholders between the grant date and the maturity date, but in no event higher than 250% of the average stock

market price of alstria’s shares on the Frankfurt Stock Exchange in the last 60 trading days prior to the relevant grant date, multiplied by a specified discretionary factor.
The discretionary factor is a multiplier that can vary between 0.8 and 1.2, and is subject to the individual performance of each participant during the respective holding period.

The determination of virtual shares will depend in equal amounts on the absolute return of the alstria share price (absolute total shareholder return) and on the relative performance of alstria's share in relation to the EPRA REIT Index Continental Europe (relative total shareholder return).

Since payment per vested virtual share depends on the average 60 trading days quoted price of alstria's shares, the quoted average price of the last 60 trading days prior to the end of the reporting period essentially represents the fair value of each virtual share.
At the end of the reporting period, there were 99,009 virtual shares that were granted under the LTIP on March 2, 2010 and 76,702 virtual shares that were granted on March 3, 2011.

Virtual shares under the short term variable remuneration (Short Term Incentive or STI) were granted for the first time on March 3, 2011. The virtual shares resulting from the STI are subject to a minimum vesting period of two years. The virtual STI shares will be converted into a cash amount after the expiry of the vesting period. This cash amount is calculated on the basis of the number of virtual shares, multiplied by the share price of one alstria share at that time, and is calculated on the basis of a reference period.

At the end of the reporting period, there were 11,718 virtual shares granted under the STI on March 3, 2011.

In the first half-year 2011, the LTIP and the STI generated remuneration expenses amounting to EUR 397 k and provisions amounting to EUR 748 k. The Group recognises the liabilities arising from the vested virtual shares under other provisions.

12 Convertible profit participation rights program

Under the convertible profit participation rights scheme established by the supervisory board of alstria office REIT-AG on September 5, 2007, 80,000 convertible profit participation certificates (“certificates”) had been issued to employees of alstria office REIT-AG with the granting date of June 9, 2011. The nominal amount of each certificate is EUR 1.00 and is payable on issuance. The fair value of the inherent options for conversion is estimated using a binary barrier option model based on the Black-Scholes pricing model. The model takes into account the terms and conditions upon which the instruments were granted.

The following table shows the inputs to the model used for the determination of the options for conversion granted on June 9, 2011:

in EUR k	Jun. 30, 2011 (unaudited)
Dividend yield (%)	4.23
Risk-free interest rate (%)	1.67
Expected volatility (%)	47.00
Expected life option (years)	2.00
Exercise share price (EUR)	2.00
Employee fluctuation rate (%)	10.00
Stock price as of valuation date (EUR)	10.40

The fair value of one option for conversion at the granting date was EUR 8.25.

For a detailed description of the employee profit participation rights programme, please refer to section 19 of the consolidated financial statements as of December 31, 2010.

A total of 13,200 certificates were terminated in the course of the first half-year 2011. 106,000 certificates were converted into alstria shares in the second quarter of 2011. Of these, 103,626 were new shares generated from conditional capital and existing treasury shares have been used for conversion of 2,374 certificates. A total of 177,700 convertible profit participation certificates existed as of June 30, 2011.

13 Related parties

Except for the granting of virtual shares to the members of the Company's management board as detailed in note 11, no significant legal transactions were executed with related parties during the reporting period.

14 Significant events after the end of the reporting period

Two notarised agreements for the acquisition of six further properties were concluded in July 2011. The transfer of possession, benefits and burden with respect to the properties is expected to take place in the third quarter of 2011.

15 Management board

As at June 30, 2011, the members of the Company's management board are:

Mr. Olivier Elamine
(Chief Executive Officer)

Mr. Alexander Dexne
(Chief Financial Officer)

16 Supervisory board

As at June 30, 2011, the members of the supervisory board are:

Mr. Alexander Stuhlmann
(Chairman)

Mr. John van Oost
(Vice-Chairman; until June 8, 2011)

Dr. Johannes Conradi
(Vice-Chairman since June 8, 2011)

Mr. Roger Lee

Mr. Richard Mully

Mr. Daniel Quai

After the regular termination of the appointment as Vice-Chairman of the supervisory board, Mr. John van Oost resigned to apply for a further candidature.

Hamburg, Germany, August 3, 2011

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

MANAGEMENT COMPLIANCE STATEMENT

"We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the group management report gives a true and fair view of business performance including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in accordance with the applicable financial reporting framework."

Hamburg, Germany, August 3, 2011

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

REVIEW REPORT

To the alstria office REIT-AG, Hamburg

We have reviewed the condensed interim consolidated financial statements of the alstria office REIT-AG, Hamburg, comprising the income statement, the statement of comprehensive income, the balance sheet, statement of changes in equity, cash flow statement and selected explanatory notes, together with the interim group management report of the alstria office REIT-AG, Hamburg, for the period from 1 January to 30 June 2011, that are part of the semi annual financial report pursuant to § 37w Abs. 2 WpHG [Wertpapierhandelsgesetz: German Securities Trading Act]. The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hamburg, 3 August 2011

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: (Reiher) Signed: (p.p. Deutsch)
[German Public Auditor] [German Public Auditor]

FURTHER INFORMATION

FINANCIAL CALENDAR

Date	Event	
August 8, 2011	**Publication of H1 report**	Interim report (Hamburg)
August 11, 2011	**Roadshow**	Rabo Bank (Amsterdam)
August 18, 2011	**Roadshow**	Commerzbank (Zurich)
September 7/8, 2011	**Conference**	BofA/ML (New York)
September 27, 2011	**Conference**	UniCredit (Munich)
October 4-6, 2011	**Fair**	Expo Real (Munich)
October 6, 2011	**Conference**	Societe Generale (London)
October 12, 2011	**Conference**	JP Morgan (London)
October 19, 2011	**Conference**	Real Estate Share Initiative (Frankfurt)
November 7, 2011	**Publication of Q3 report**	Interim report (Hamburg)

alstria office REIT-AG is a member of DIRK (Deutscher Investor Relations Verband, the German Investor Relations Association).

Other reports issued by alstria office REIT-AG are posted on the Company's homepage.

Forward-looking statements
This interim report contains forward-looking statements. These statements represent assessments which we have made on the basis of the information available to us at the time. Should the assumptions on which the statements are based not occur, or if risks should arise – as mentioned in the risk report – the actual results could differ materially from the results currently expected.

Note
This report is published in German (original version) and English (non-binding translation).

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