alstria Q3 2011

Interim Financial Report
as per September 30, 2011

alstria
First German REIT

SHARE

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 (September 30)	EUR 630,991,900
Issued Shares	71,703,625
Treasury Shares (September 30)	0
Free Float	85%
Average daily trading volume (all Exchange and OTC)*	EUR k 3,385
thereof XETRA	*EUR k 913*

* Source: Bloomberg

KEY FIGURES

EUR k	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2010	Change
Revenues and Earnings			
Revenues	66,626	67,364	– 1.1%
Net rental income	60,507	62,494	– 3.2%
Consolidated profit for the period	27,584	-11,543	n/a
FFO	25,587	21,553	18.7%
Earnings per share (in EUR)	0.40	– 0.17	n/a
FFO per share (in EUR)	0.36	0.35	2.8%
EPRA* earnings per share (in EUR)	0.35	0.34	2.9%

	Sep. 30, 2011	Dec. 31, 2010	Change
Balance sheet			
Investment property	1,537,392	1,348,400	14.0%
Total assets	1,627,440	1,542,336	5.5%
Equity	767,618	692,408	10.9%
Liabilities	859,822	849,928	1.2%
NAV/share (in EUR)	10.71	11.24	– 4.8%
G-REIT Key Figures			
G-REIT equity ratio	48.7%	49.8%	– 1.1 pp
Revenues incl. other income from investment properties	100%	100%	0.0 pp
EPRA* Key Figures			
Diluted EPRA NAV per share (in EUR)	11.24	11.68	–3.7%
EPRA NNNAV per share (in EUR)	10.71	11.24	– 4.8%
EPRA Net Initial Yield (in %)	5.6%	5.5%	0.1 pp
EPRA topped-up net initial yield (in %)	5.8%	5.7%	0.1 pp
EPRA vacancy rate (in %)	6.4%	5.1%	1.3 pp

*Please refer to EPRA Best Practices Recommendations, www.epra.com

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LETTER FROM THE BOARD

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

Global fears about the European sovereign debt crisis have translated into a sharp correction in the stock market during the last quarter. This trend has also affected alstria's share. In retrospect, our early refinancing strategy proved to be right. Our step by step approach to the refinancing of the company and the two capital increases that we have carried out immediately following the refinancing has made the Company stronger than ever.

If we ignore the macroeconomic uncertainties, then it is fair to say that the market is exactly where we thought it would be. We have been openly communicating and acting on the assumption that the years 2012 to 2014 would be tough years for real estate, mainly as a consequence of the amount of debt still in the system that needs to be refinanced. At the beginning of 2011, we told our shareholders: *"The years 2011 to 2014 are still going to be challenging years for a number of real estate owners. Debt overhang, overleverage, lack of equity capital: there are still a number of issues that need to be addressed one way or the other in the market. These tensions will, however, provide significant market opportunities for well capitalized companies with strong operational focus. We have been working for the last three years to position alstria for this exact moment. Now will be the time to reap the benefit of this work".*

From this perspective, the current situation and the concern about loan availability should not really come as a surprise. We have successfully used the last three years to reduce debt levels on the Company's balance sheet, and reinforce its operational capability. We were expecting a bumpy ride. Therefore, we are very confident when it comes to sailing into the stormy weather.

In the course of the third quarter of 2011 benefits and burdens of the properties acquired in summer 2011 were transferred to alstria's balance sheet. Since the assets directly contribute to sales and earnings, we were able to increase the outlook for the 2011 rental income by EUR 2 million to EUR 89 million and also to raise the forecast on operating profit (FFO) by EUR 2 million to EUR 34 million. The positive contribution of recent acquisitions will continue into 2012. We have deliberately chosen to buy properties with higher vacancy and modernisation requirements as we are convinced that this is where the opportunities in the current market are to be found. We also have the know-how and the track record to reposition these properties. Our current efforts are therefore particularly concentrated on reducing the acquired vacancies over the next 18 to 24 months.

From an operational perspective, alstria's business continued to develop according to plan in the first nine months of 2011. Our revenues amounted to EUR 66.6 million and our FFO was EUR 25.6 million, fully in line with our full-year guidance. In terms of leasing, we were able to sign new leases of 28,000 sqm as of the end of September 2011.

Kind Regards,

Olivier Elamine Alexander Dexne

KAISER-WILHELM-STRASSE 79-87, HAMBURG

ALSTRIA'S SHARE

SHARE PRICE DEVELOPMENT

After the stock markets still showed a solid upswing in the first half 2011, on balance, there was a sharp correction in the third quarter 2011. This was due to the worsening sovereign debt crisis in Europe and consequent uncertainty about future economic development. While the German DAX index rose in the first six months of 2011 by 7% to 7,376 points, it was followed in the next three months by a veritable crash of 25% to 5,603 points at the end of September. There was a stock price recovery at the beginning of the fourth quarter, which reflected hopes for a speedy solution to the sovereign debt problem.

The performance of the alstria share has also been affected by general negative market trends in the second half 2011. As per the end of the third quarter 2011, the alstria share dropped to EUR 8.80, reflecting a fall of 16% compared to the year-end 2010. Taking into account the dividend payment in June 2011, overall performance in 2011 was down 12% but better than the overall market.

The alstria share price closed at EUR 9.20 on November 3, 2011, the publication deadline for this report.

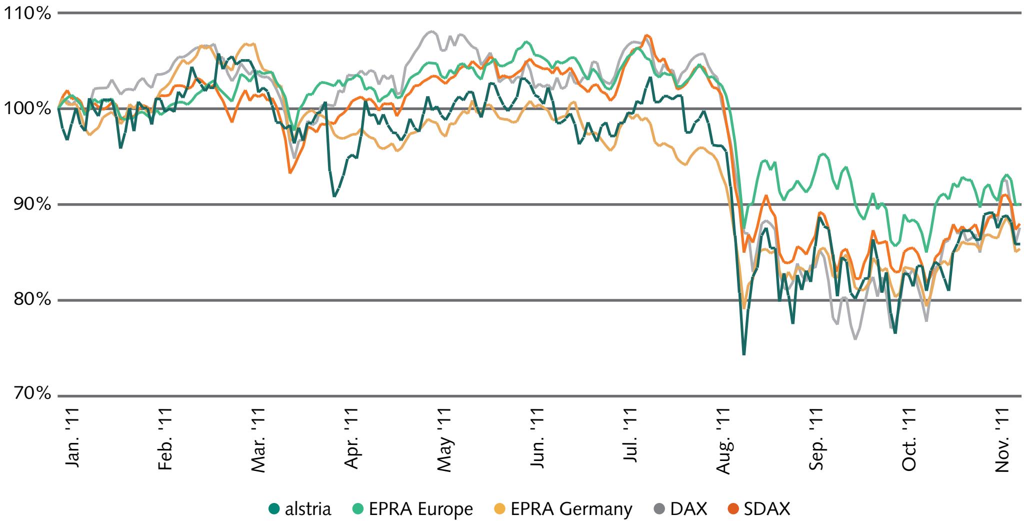
Key Share Data		Sep. 30, 2011	Dec. 31, 2010
Number of shares	in thousand	71,704	61,600
thereof outstanding	*in thousand*	*71,704*	*61,598*
thereof treasury shares	*in thousand*	*0*	*2*
Closing price[1]	in EUR	8.80	10.50
Market capitalisation	in EUR k	630,992	646,800
Free float	in percent	85%	39%
		Q1-Q3 2011	**Q1-Q3 2010**
Average daily trading volume (all exchange and OTC)[2]	in EUR k	3,385	n/a
thereof XETRA	*in EUR k*	*913*	*385*
Share price: high[1]	in EUR	11.18	10.19
Share price: low[1]	in EUR	7.80	6.92

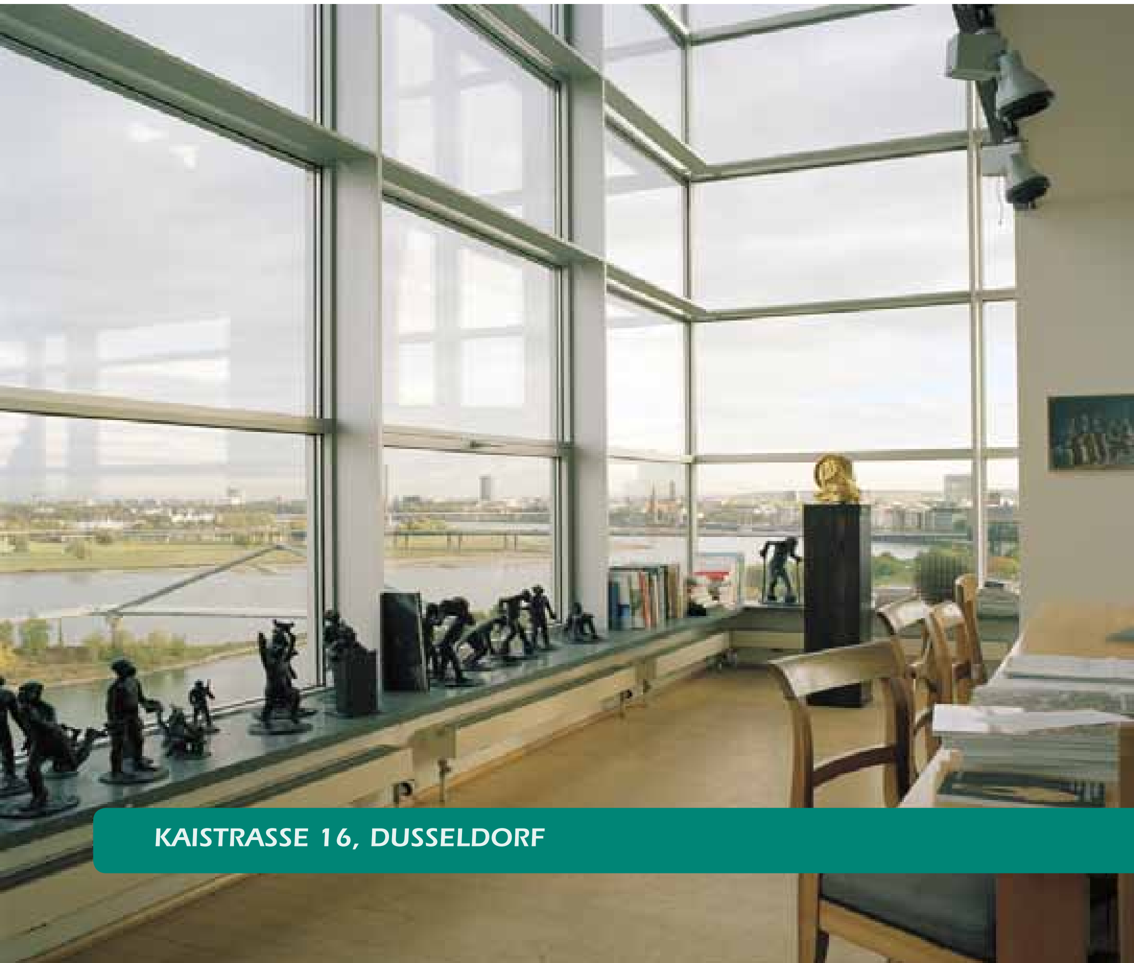
[1] XETRA-closing share price
[2] Source: Bloomberg

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 the newly issued shares from the capital increase also attract dividend payments, the total dividend was EUR 31,503 k.

SHARE PRICE DEVELOPMENT

Dec. 31, 2010 - EUR 10.50





KAISTRASSE 16, DUSSELDORF

INTERIM MANAGEMENT REPORT

Portfolio overview

On September 30, 2011, alstria's portfolio consisted of 80 office buildings with approximately 864,000 sqm of lettable area and a contractual vacancy rate of 8.5%. The portfolio yield was 6.5% and the weighted remaining average lease length is approximately 7.7 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 SEPTEMBER 30, 2011:

Metric	Value
Number of properties	80
Number of joint ventures	2
Market value (EUR m)[2]	1,545
Contractual rent (EUR m/annum)	98.5
Valuation yield (contractual rent/fair value)	6.5%
Lettable area (in k sqm)	864
Vacancy (% of lettable area)	8.5%
WAULT (years)	7.7
Average rent/sqm (in EUR/month)	10.38

[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 binding notarised agreement for the disposal of one asset in Bonn. The transfer of benefits and burden took place in the fourth quarter 2011. This asset is classified under 'investments held for sale' as at September 30, 2011.

In July 2011, alstria signed a binding notarised agreements for the acquisitions of a portfolio, consisting of five properties located in Dusseldorf and Frankfurt and one single asset located in Stuttgart. The transfer of benefits and burden for the Dusseldorf and Frankfurt properties took place on August 24, 2011. The transfer of the Stuttgart property took place on September 1, 2011. Following the execution of these transactions, alstria has invested the funds raised in the last capital increase.

Asset Management

In the first three quarters 2011, alstria's asset management was successful with respect to re-letting vacant areas. alstria signed lease agreements for a total area of around 28,000 sqm in the first three quarters 2011.

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 for around 6,100 sqm of office and ancillary space in the 9,200 sqm building. The lease started in July 2011, shortly after the building was vacated by the former tenant.

We also concluded a 10-year lease for the re-letting of over 4,200 sqm of office and ancillary space in one Dusseldorf asset. This lease started on October 1, 2011, after the reporting period.

As at September 30, 2011 the vacancy rate of the portfolio was 8.5%, or around 73,500 sqm. Of this 73,500 sqm, around 22,000 sqm represents strategic vacancy (intentional vacancy implemented by alstria as part of its repositioning process for certain assets), whilst the remainder are operational vacancies. The increase in the vacancy rate is mainly due to the acquisition of vacant assets, which added a total of 10,700 sqm to the total portfolio vacancy during the first nine months of the year.

Tenants and utilisation

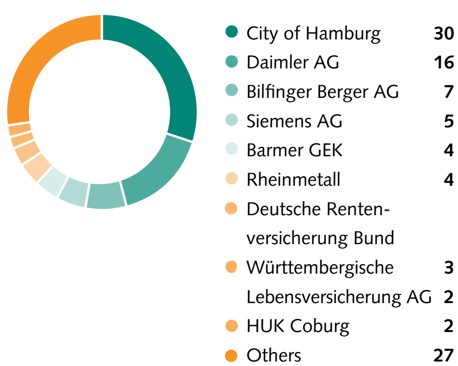
The key focus on a small number of anchor tenants remains one of the main characteristics of alstria's portfolio. alstria's top tenants generate over 70% of the total rental revenues. The portfolio also reflects the clear focus on one single asset class: offices. These make up 94% of the total lettable area.

TOTAL PORTFOLIO BY UTILISATION

based on % of lettable area

ALSTRIA'S CORE TENANTS

based on % of annual rent



Earnings position

Revenues decreased due to asset disposals

Revenues decreased slightly in the first three quarters 2011 by 1.1% as against the first three quarters 2010 due to asset disposals in the previous year. Revenues from the new acquisitions concluded by the Company during the year did not carry a full year benefit yet.

Revenues amounted to EUR 66,626 k (Q1-Q3 2010: EUR 67,364 k) with real estate operating expenses of around 9.1% of revenues at EUR 6,102 k (Q1-Q3 2010: EUR 4,869 k or 7.2% of revenues). As a consequence of asset disposals, net rental income decreased by EUR 1,987 k to EUR 60,507 k compared to the first three quarters 2010.

Administrative expenses and personnel expenses for the reporting period increased by EUR 1,473 k to EUR 9,863 k (Q1-Q3 2010: EUR 8,390 k). This increase resulted from expenses related to the capital increase carried out by alstria in the first quarter 2011 (EUR 1.25 m) and from expenses related to the on-going integration of property management. Accordingly, these operating expenses amounted to 14.8% of total revenues for the first three quarters 2011 (Q1-Q3 2010: 12.5%).

alstria closed the first three quarters 2011 with a net operating result of EUR 51,573 k. This compares to a net operating result of EUR 60,205 k in the first three quarters of the previous year. The decrease in the net operating result is mainly due 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 0.36 PER SHARE

EUR k		Jan. 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2010
Pre-tax income (EBT)		**27,584**	**–11,543**
+/-	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	–2,238	37,718
+/-	Profit/loss on disposal of investment property	–138	–5,485
+/-	Other adjustments[1]	641	863
Funds from operations (FFO)[2]		**25,587**	**21,553**

[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 25,587 k for the reporting period compared to EUR 21,553 k in the first three quarters 2010.

As expected, revenues decreased in the first three quarters 2011 as against the same period in 2010 due to asset disposals completed in 2010. This negative effect has been mitigated by lower financing costs of EUR 7,961 k (Q1-Q3 2011: EUR -26,188 k; Q1-Q3 2010: EUR -34,149 k).

As a result, FFO per share was EUR 0.36 in the first three quarters 2011 (Q1-Q3 2010: EUR 0.35). The FFO per share is to be considered in light of the number of shares (Q1-Q3 2011: 71,703,625 shares; Q1-Q3 2010: 61,599,999 shares). The slight increase in the FFO per share despite the increase of the number of shares following the capital increase is testimony to the capacity of the Company to deliver accretive acquisition.

Hedging Instruments

alstria uses hedge accounting on all qualifying hedges in order to limit the impact of volatility of interest rate markets on profit and loss. 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:

Product	Strike price p.a.	Maturity date	Sep. 30, 2011 Notional value	Sep. 30, 2011 Fair value	Dec. 31, 2010 Notional value	Dec. 31, 2010 Fair value
			(EUR k)	(EUR k)	(EUR k)	(EUR k)
Cap	4.9000	20.12.2012	75,000	1	75,000	20
Swap	4.1160	10.07.2013	47,902	–2,689	47,902	–3,412
Swap	3.6165	29.11.2011	625,000	–4,800	625,000	–17,595
Reverse Swap	3.6165	29.11.2011	–625,000	4,800	–625,000	17,595
Financial derivatives - held for trading			**122,902**	**–2,688**	**122,902**	**–3,392**
Cap	3.2500	31.12.2015	11,500	63	0	0
Cap	3.3000	30.10.2014	25,139	31	25,139	135
Cap	3.3000	30.10.2014	8,649	11	8,649	46
Swap	2.1940	31.12.2014	37,283	–1,014	37,283	– 420
Swap[1]	4.6000	20.10.2015	95,000	–5,984	95,000	– 3,346
Swap	2.9900	20.07.2015	472,500	–26,269	472,500	–18,076
Financial derivatives – cash flow hedges			**555,071[2]**	**–33,162**	**543,571[2]**	**–21,661**
Total			**677,973[2]**	**–35,850**	**666,473[2]**	**–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:

in EUR k	Cash flow hedge reserve	Financial derivatives				
		Financial assets		Financial liabilities		
Product		Non-current	Current	Non-current	Current	Total
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	–14,532	–21	0	–14,511	0	–14,532
Ineffective change in fair value cash flow hedges	0	–322	0	3,007	0	2,685
Net result from fair value changes in financial derivatives not qualifying for cash flow hedging	0	0	–12,043	0	12,688	645
Reclassification of cumulated loss from equity to income statement	1,092	0	0	0	0	0
Changes in accrued interests concerning financial derivatives	0	0	–771	79	830	138
Acquisitions	0	267	0	0	0	267
Hedging instruments as at September 30, 2011	**–18,362**	**105**	**4,801**	**–33,267**	**–7,489**	**–35,850**

A decrease of EUR 14,532 k in fair values of derivatives effective in a cash flow hedge has been recognised in the hedging reserve in the first three quarters 2011 (Q1-Q3 2010: decrease of EUR 4,938 k).

The ineffective portion recognised in profit or loss that arises from cash flow hedges amounted to a fair value gain of EUR 2,685 k (Q1-Q3 2010: loss of EUR 2,875 k). Further gains totalling EUR 645 k (Q1-Q3 2010: loss of EUR 1,869 k) due to the market valuation of derivatives not included in hedge accounting were recognised in the income statement.

A loss of EUR 1,092 k (Q1-Q3 2010: EUR 32,974 k) relates to 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 2,238 k (Q1-Q3 2010: loss of EUR 37,718), 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 cap 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 September 30, 2011:

FINANCIAL RESULT BREAKDOWN

EUR k	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2010	Change
Syndicated loan - interest	–13,093	–13,668	–4.2%
Interest loan refinanced	–6,291	–5,649	11.4%
Interest result derivatives	–7,493	–14,857	–49.5%
Other interest expenses	–8	–1	>100%
Financial expenses	**–26,885**	**–34,175**	**–21.3%**
Financial income	737	467	57.8%
Other financial expenses	–40	–441	–90.9%
Net financing costs	**–26,188**	**–34,149**	**–23.3%**

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

Net financing costs decreased by EUR 7,961 k to EUR 26,188 k in comparison with the first three quarters 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 27,584 k (Q1-Q3 2010: EUR -11,543 k). The main reasons for the increase in the consolidated net result compared to the same period in 2010 are lower financing costs (Q1-Q3 2011: EUR -26,188 k; Q1-Q3 2010: EUR -34,149 k) and a positive effect from the fair value adjustments on financial derivatives of EUR 2,238 k (Q1-Q3 2010: EUR -37,718 k). This positive effect has been partly mitigated by a decline in revenues (Q1-Q3 2011: EUR 66,626 k; Q1-Q3 2010: EUR 67,364 k) and in gains on disposal on investment property (Q1-Q3 2011: EUR 138 k; Q1-Q3 2010: EUR 5,485 k).

Earnings per share are EUR 0.40 for the first nine 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 September 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 SEPTEMBER 30, 2011

Loan	Maturity	Principal Amount Outstanding (EUR k)	Current LTV (%)	LTV-Covenant (%)	Next Test Date
Syndicated loan	Jul. 20, 2015	571,339	55.4%	70.0%	Mar. 31, 2012
Non-recourse loan #1	Oct. 20, 2015	47,902	74.6%	80.0%	Sep. 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	30,825	59.5%	62.5%	Dec. 31, 2011
Non-recourse loan #4	Oct. 20, 2014	32,014	57.6%	61.0%	Mar. 31, 2012
Non-recourse loan #5	Jan. 31, 2017	73,454	60.7%	75.0%	Dec. 31, 2011
Non-recourse loan #6	Dec. 31, 2015	11,500	60.5%	80.0%	Dec. 31, 2011
Total as of September 30, 2011		**804,317**	**57.0%**		

Cash position is EUR 34,696 k

Cash flows from operating activities for the first nine months of the year amounted to EUR 28,742 k. The increase as against the first three quarters 2010 (EUR 16,549 k) results mainly from reduced interest payments.

The cash flows from investing activities comprise mainly cash outflows resulting from the acquisition of investment properties (EUR -185,132 k) and other property, plant and equipment (EUR -1,330 k). Cash inflows of EUR 1,321 k resulted from the equity release of a joint venture and EUR 2,593 relate to the disposal of properties.

The cash flows from financing activities reflect cash inflows in relation to the new 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 4,148 k relates to the repayment of loans.

As a result, alstria ended the first nine months 2011 with a cash position of EUR 34,696 k (September 30, 2010: EUR 84,097 k).

Increase in investment properties due to property acquisitions

The total value of investment property at reporting date amounts to EUR 1,537,392 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, three assets in Hamburg, a portfolio of five assets, located in Dusseldorf and Frankfurt and one asset in Stuttgart, 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 3,462 k refer to the area of the property Bäckerbreitergang, which is leased to third parties and is therefore classified as investment property. The main part of the asset is occupied by alstria as its headquarters, and is therefore recognised under property, plant and equipment. Furthermore alstria signed an agreement for the disposal of one asset in Bonn. As at September 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 assets Grosse Bleichen and Alte Post.

DEVELOPMENT OF INVESTMENT PROPERTIES

	EUR k
Investment properties at Dec .31, 2010	**1,348,400**
Capital expenditure	15,346
Acquisitions	172,022
Disposals	0
Reclassification	1,362
Net loss/gain from fair value adjustments on investment property	262
Investment properties at Sep. 30, 2011	**1,537,392**
Fair value of owner-occupied properties	5,782
Fair value of properties held for sale	2,100
Interests in joint ventures	31,026
Fair value of immovable assets	**1,576,300**

Equity ratio of 47.2% – G-REIT equity ratio at 48.7%

The balance sheet reflects a total equity position of EUR 767,618 k with an equity ratio of 47.2% (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, decreased by 1.1 percentage points to 48.7% (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 carried out 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 transferred with value date of April 4, 2011.

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

NNNAV at EUR 10.71 per share

NNNAV (Triple Net Asset Value according to EPRA*) decreased from EUR 11.24 per share to EUR 10.71 per share. The 5% decrease in NNNAV per share should be considered in light of the 16% increase in the number of shares (September 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 as against December 2010. Due to a decline in fair value of financial instruments, the hedging reserve decreased by EUR 13,440 k from EUR -4,922 k as at December 31, 2010 to EUR -18,362 k as at September 30, 2011. The consolidated profit for the period resulted in equity growth of EUR 27,584 k. This led to a total increase in equity from EUR 692,408 k to EUR 767,618 k**.

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 1.4%. As at September 30, 2011, the drawdown amounts to EUR 11.5 m.

Decrease in current liabilities

Current liabilities decreased by 27.3% to EUR 28,491 k, which is mainly linked to the decline in short-term loans and derivatives. Other current liabilities amounting to EUR 11,631 k comprise accruals for outstanding invoices (EUR 4,925 k), deferred income (EUR 2,674 k), other liabilities (EUR 2,776 k) and other accruals (EUR 1,256 k).

* EPRA: European Public Real Estate Association, Best Practises Committee, Brussels, Belgium.
** See also the statement of shareholders' equity on page 18.

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

alstria signed an agreement for the disposal of one asset in Bonn. This asset has been classified under "assets held for sale" (EUR 2,100 k) as at September 30, 2011. The transfer of benefits and burden took place after the reporting period on October 1, 2011.

Financial guidance

alstria increases its anticipated revenues for the financial year 2011 to around EUR 89 m and expects funds from operations (FFO) of around EUR 34 m.

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.

CONSOLIDATED FINANCIAL STATEMENTS

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

in EUR k	Notes	July 1 - Sep. 30, 2011	July 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2010
Revenues		22,939	22,172	66,626	67,364
Income less expenses from passed on operating expenses		–7	–22	–17	–1
Real estate operating costs		–2,373	–1,707	–6,102	–4,869
Net Rental Income		**20,559**	**20,443**	**60,507**	**62,494**
Administrative expenses		–1,189	–1,456	–5,380	–4,389
Personnel expenses	6.1	–1,393	–1,317	–4,483	–4,001
Other operating income		334	680	1,138	1,677
Other operating expenses		–566	–4	–609	–1,060
Net gain from fair value adjustments on investment property		0	0	262	0
Gain/loss on disposal of investment property	7.1	138	–150	138	5,485
Net Operating Result		**17,883**	**18,197**	**51,573**	**60,205**
Net financial result	6.2	–9,008	–12,818	–26,188	–34,149
Share of the result of joint venture		70	25	–39	119
Net gain/loss from fair value adjustments on financial derivatives		–174	–28,552	2,238	–37,718
Pre-Tax Income (EBT)		**8,771**	**–23,148**	**27,584**	**–11,543**
Income tax expense	6.3	0	0	0	0
Consolidated Profit / Loss for the Period		**8,771**	**–23,148**	**27,584**	**–11,543**
Attributable to:					
Shareholder		8,771	–23,148	27,584	–11,543
Earnings per share in EUR					
Basic earnings per share	6.4	0.12	–0.32	0.40	–0.17
Diluted earnings per share	6.4	0.12	–0.32	0.40	–0.17

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

in EUR k	Notes	July 1 - Sep. 30, 2011	July 1 - Sep. 30, 2010	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2010
Consolidated profit/loss for the period		**8,771**	**–23,148**	**27,584**	**–11,543**
Cash flow hedges	8.1	–20,509	–5,578	–14,532	–4,938
Reclassification from cashflow hedging reserve	8.1	364	28,645	1,092	32,974
Other comprehensive result for the period:		**–20,145**	**23,067**	**–13,440**	**28,036**
Total comprehensive result for the period:		**–11,374**	**–81**	**14,144**	**16,493**
Total comprehensive profit/loss attributable to:					
Owners of the Company		**–11,374**	**–81**	**14,144**	**16,493**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at September 30, 2011

ASSETS

in EUR k	Notes	Sep. 30, 2011	Dec. 31, 2010
Non-Current Assets			
Investment property	7.1	1,537,392	1,348,400
Equity-accounted investments		31,026	32,385
Property, plant and equipment		5,850	7,826
Intangible assets		329	319
Financial assets		1	1
Derivatives		105	181
Total Non-Current Assets		**1,574,703**	**1,389,112**
Current Assets			
Assets held for sale	7.1	2,100	600
Trade receivables		3,283	4,117
Accounts receivable from joint ventures		2,042	1,967
Derivatives		4,801	17,615
Other receivables		5,815	8,137
Cash and cash equivalents	7.2	34,696	120,788
thereof restricted		*910*	*3,955*
Total Current Assets		**52,737**	**153,224**
Total Assets		**1,627,440**	**1,542,336**

EQUITY AND LIABILITIES

in EUR k	Notes	Sep. 30, 2011	Dec. 31, 2010
Equity	8.1		
Share capital		71,704	61,600
Capital surplus		750,972	700,036
Hedging reserve		–18,362	–4,922
Treasury shares		0	–26
Retained earnings		–36,696	–64,280
Total Equity		**767,618**	**692,408**
Non-Current Liabilities			
Long-term loans, net of current portion	8.2	794,638	786,410
Derivatives		33,267	21,842
Other provisions		2,608	2,180
Other liabilities		818	324
Total Non-Current Liabilities		**831,331**	**810,756**
Current Liabilities			
Short-term loans	8.2	4,399	7,796
Trade payables		4,702	3,024
Profit participation rights		270	355
Derivatives		7,489	21,007
Other current liabilities		11,631	6,990
Total Current Liabilities		**28,491**	**39,172**
Total Liabilities		**859,822**	**849,928**
Total Equity and Liabilities		**1,627,440**	**1,542,336**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Period from January 1 to September 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 Q1-Q3 2011							
Total comprehensive income		**0**	**0**	**–13,440**	**0**	**27,584**	**14,144**
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	288	0	0	0	288
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 September 30, 2011	8.1	**71,704**	**750,972**	**–18,362**	**0**	**–36,696**	**767,618**

for the Period from January 1 to September 30, 2010

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 Q1-Q3 2010							
Total comprehensive income		**0**	**0**	**28,036**	**0**	**–11,543**	**16,493**
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	267	0	0	0	267
Proceeds from shares issued		5,600	43,400	0	0	0	49,000
Transaction costs of issue of shares		0	–1,585	0	0	0	–1,585
As of September 30, 2010	8.1	**61,600**	**699,980**	**–15,164**	**–26**	**–76,029**	**670,360**

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

in EUR k	Notes	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sept. 30, 2010
1. Cash flows from operating activities			
Consolidated profit for the period		27,584	–11,544
Unrealised valuation movements		–2,457	37,600
Interest income	6.2	–737	–467
Interest expense	6.2	26,925	34,615
Other non-cash expenses (+)/income (-)		1,082	–35
Gain (-)/loss (+) on disposal of fixed assets	7.1	–138	–5,485
Depreciation and impairment of fixed assets (+)		401	335
Decrease (+)/increase (-) in trade receivables and other assets that are not attributed to investing or financing activities		271	1,878
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		4,508	–2,786
Cash generated from operations		57,439	54,111
Interest received		737	467
Interest paid		–29,434	–38,029
Net cash generated from operating activities		**28,742**	**16,549**
2. Cash flows from investing activities			
Acquisition of investment properties	7.1	–185,132	–11,499
Proceeds from sale of investment properties		2,593	134,728
Acquisition of other property, plant and equipment		–1,330	–2,593
Proceeds from the equity release of interests in joint ventures		1,321	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		**–182,548**	**134,183**

in EUR k	Notes	Jan. 1 - Sep. 30, 2011	Jan. 1 - Sept. 30, 2010
3. Cash flows from financing activities			
Cash received from equity contributions	8.1	95,208	49,000
Payments of transaction costs of issue of shares		–2,931	–1,585
Proceeds from the disposal of own shares		4	0
Proceeds from the issue of bonds and borrowings		11,500	738,629
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		–4,148	–949,338
Payment of transaction costs		–149	–6,260
Net cash generated from/used in financing activities		**67,714**	**-212,898**
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		–86,092	–62,166
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 910 k; previous year: EUR 79 k)*	7.2	**34,696**	**84,097**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 September 30, 2011 (hereinafter referred to as the 'consolidated interim financial statements') were authorised for publication by resolution of the Company's management board on October 27, 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.

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.

Application of the following new and amended standards and interpretations is 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 disclosures.

> 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 consolidated financial statements.

> Improvements to IFRSs (Improvement project 2010).

The first-time application of the newly applicable IFRSs had no material effect on the presentation of the consolidated interim financial statements.

Application of the following new standards and amendments to published standards have been issued but are not mandatory 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 supercedes 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 supercedes 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 results of operations.

> 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, joint 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' supercedes 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', supercedes the previous version of IAS 28 (2008) 'Investments in Associates'. IAS 28 (revised 2011) is applicable to financial years beginning on or after 1 January 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 prematurely, 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 are 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.

- Amendments to 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.

- Amendments 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 applicable as from 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

Two new entities - a limited partnership (Kommanditgesellschaft) and its general partner (Komplementärin) - were established in the third quarter 2011. As fully-owned affiliates of alstria office REIT-AG, these companies have been consolidated as part of the alstria Group.

There have been no further 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 4,483 k (January 1 to September 30, 2010: EUR 4,001 k) include accrued bonuses in the amount of EUR 720 k (January 1 to September 30, 2010: EUR 782 k). It also includes personnel expenses of EUR 429 k (January 1 to September 30, 2010: EUR 157 k) relating to share-based compensation granted to the management board (see note 11). Expenses for share-based compensation result from the convertible profit participation rights granted to employees amounting to EUR 321 k (January 1 to September 30, 2010: EUR 370 k) and are recognised under personnel expenses.

6.2 Financial result

The following table shows a breakdown of the financial result.

in EUR k	**Jan. 1 – Sep. 30 2011 (unaudited)**	**Jan. 1 – Sep. 30 2010 (unaudited)**
Interest expense syndicated loan	–13,093	–13,668
Interest expense refinanced loan	–6,291	–5,649
Interest result from derivatives	–7,493	–14,857
Other interest expenses	–8	–1
Financial expenses	**–26,885**	**–34,175**
Interest income	737	467
Other financial expenses	–40	–441
Net financing costs	**–26,188**	**–34,149**

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 agreement with a notional amount of EUR 11,500 k and a cap 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.

6.4 Earnings per share

The table below shows the income and share data used in the earnings per share computations:

in EUR k	Jan. 1 – Sep. 30 2011 (unaudited)	Jan. 1 – Sep. 30 2010 (unaudited)
Profit attributable to the shareholders (in EUR k)	27,584	-11,543
Average number of shares outstanding (in thousands)	68,416	68,416
Basic earnings per share (in EUR per share)	0.40	-0.17

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 at the date of the consolidated interim financial statements as at September 30, 2011 resulted in a fair value increase for investment properties held at December 31, 2010 totalling EUR 15,322 k. This amount mainly relates to capitalised expenditure invested for refurbishment and project development in the first nine months 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 ten office properties with transfer of possession, benefits and burden in the first nine months of 2011, with a transaction volume totalling EUR 172,022 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 took place in October 2011. The property is categorised pursuant to IFRS 5 as "asset held for sale" in the consolidated financial statements as of September 30, 2011.

7.2 Cash and cash equivalents

As at September 30, 2011, of a total cash and cash equivalents of EUR 34,696 k, EUR 910 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 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 on 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 (see Note 12) in the second quarter 2011 resulted in the issue of 103,626 new shares by using the conditionally increased capital provided for such purposes (Conditional Capital III).

On September 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 were recognised as a 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 issued against convertible property participation rights in the second quarter 2011. As of September 30, 2011, there were no remaining treasury shares.

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

Cash flow hedging reserve

in EUR k	Sep. 30, 2011 (unaudited)	Dec. 31, 2010 (audited)
As at January 1	–4,922	–43,200
Net changes in cash flow hedges	–13,440	38,278
As at September 30 / December 31	**–18,362**	**–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 14,532 k for the decreased valuation of derivative financial instruments. Countering this, 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, amounted to EUR 1,092 k.

8.2 Financial liabilities

As at September 30, 2011, the repayment amounts of loans of alstria office REIT-AG amount to EUR 804,317 k (December 31, 2010: EUR 796,964 k). The lower carrying amount of EUR 799,037 k (EUR 794,638 k non-current and EUR 4,399 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-months 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 in EUR k (not recognised as a liability as at September 30):	31,503	27,999
Dividend per share in EUR[1]	0.44	0.50

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

The Annual General Meeting of alstria office REIT-AG held on June 8, 2011 resolved to distribute dividends totalling EUR 31,503 k (EUR 0.44 per outstanding share). The dividend was distributed on June 9, 2011.

10 Employees

In the period from January 1 to September 30, 2011, the Company had an average of 47 employees (January 1 to September 30, 2010: average 36 employees). The average number of employees was calculated on the basis of the total of employees at the end of each month. On September 30, 2011, 51 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 established 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 nine months of 2011, the LTIP and the STI generated remuneration expenses amounting to EUR 429 k and provisions amounting to EUR 780 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	Sep. 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 convertible profit participation certificates were terminated in the course of the first nine months of 2011. 106,000 certificates were converted into alstria shares in the second quarter 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 September 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

The transfer of possession, benefits and burden with respect to the property categorised pursuant to IFRS 5 as "asset held for sale" in the consolidated financial statements as of September 30, 2011 took place in October 2011.

15 Management board

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

Mr. Alexander Stuhlmann
(Chairman)

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

Mr. Roger Lee

Mr. Richard Mully

Mr. Daniel Quai

After his appointment as Vice-Chairman of the supervisory board came to an end on June 8, 2011, Mr. John van Oost did not put his name forward for a further period of office.

Ms. Marianne Voigt was appointed as a member of the supervisory board of alstria office REIT-AG with effect from October 24, 2011.

Hamburg, Germany, October 27, 2011

Olivier Elamine	**Alexander Dexne**
Chief Executive Officer	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, October 27, 2011

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

FURTHER INFORMATION

FINANCIAL CALENDAR

Date	Event	
November 7, 2011	Publication of Q3 report	Interim report (Hamburg)
November 16-17, 2011	Conference	West LB Deutschland Konferenz (Frankfurt)
November 29 - December 2, 2011	Conference	Berenberg European Conference (Pennyhill)
March 2, 2012	Annual Press Conference	Publication of financial results 2011 (Frankfurt)
March 30, 2012	Publication of Annual Report 2011	Publication of financial report 2011 (Hamburg)
April 24, 2012	Annual General Meeting	Shareholders' Meeting (Hamburg)
May 8, 2012	Publication of Q1 report	Interim report (Hamburg)
August 7, 2012	Publication of H1 report	Interim report (Hamburg)
November 6, 2012	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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