alstria Q3 2012

Interim Financial Report as per September 30, 2012

KEY FIGURES Q1-Q3 2012

Corporate Responsibility Prime

rated by oekom research

alstria's business model is based on a solid foundation.
Take a look at the key figures shown in the table below:

in EUR k	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011	Change (%)
Revenues and Earnings			
Revenues	75,089	66,626	12.7
Net rental income	66,711	60,507	10.3
Consolidated profit for the period	32,526	27,584	17.9
FFO	32,025	25,587	25.2
AFFO	30,663	25,368	20.9
Profit per share (in EUR)	0.42	0.40	5.0
FFO per share (in EUR)	0.41	0.36	13.9
EPRA earnings per share (in EUR)	0.42	0.35	20.0
	Sep. 30, 2012	**Dec. 31, 2011**	**Change (%)**
Balance sheet			
Investment property	1,629,905	1,528,589	6.6
Total assets	1,740,288	1,686,637	3.2
Equity	819,618	768,195	6.7
Liabilities	920,670	918,442	0.2
NAV/share (in EUR)	10.38	10.71	–3.1
G-REIT key figures			
G-REIT equity ratio	49.5%	48.7%	0.8 pp
Revenues incl. other income from investment properties	100%	100%	0.0pp
EPRA[1] key figures			
Diluted EPRA NAV per share (in EUR)	10.90	11.32	–3.7
EPRA NNNAV per share (in EUR)	10.37	10.71	–3.1
EPRA net initial yield	5.7%	5.8%	–0.1pp
EPRA topped-up net initial yield	5.8%	5.8%	0.0 pp
EPRA vacancy rate	8.2%	6.5%	1.7 pp

[1] Please refer to EPRA Best Practices Recommendations, www.epra.com.

CONTENTS

MANAGEMENT LETTER

Olivier Elamine
CEO

Alexander Dexne
CFO

LADIES AND GENTLEMEN,
DEAR SHAREHOLDERS,
BUSINESS PARTNERS AND TENANTS,

In the third quarter of 2012, alstria's operating development continued its positive trend. Despite an expected slowdown in the German economy, the leasing market remains positive and rental levels tend to be stable. As we never believed in market growth, but in value creation through active asset management, we see the Company perfectly positioned to benefit from today's market environment. Our strategy's success is supported by our numbers. The FFO per share grew by 14% to EUR 0.41 in the first nine months of 2012 compared to the same period last year. As the third quarter of 2012 was the first reporting period that fully benefitted from our most recent acquisitions, we were able to further improve our profitability, driving our FFO margin up by more than 4 percentage points to 43%.

Our real estate operations performed well and the leasing result 2012 we expect to achieve around the record levels of last year. As per end of September 2012, 21,000 sqm of new leases were signed and existing leases for 42,500 sqm were extended. Specifically, we were able to reduce the vacancy in our recently acquired buildings by 15%, generating an increase in rental income from this portfolio of more than 5%.

The strong operating performance is also reflected in the Company's numbers. Our revenues in the first nine months of 2012 were up by 12.7% to EUR 75.1 m and our FFO increased even stronger by 25.2% to EUR 32.0 m. The disproportionately higher increase of our FFO is a result of our revenue growth, sub-proportional growth of financing costs and economies of scale, as our operating costs were flat compared to last year.

With regard to our balance sheet, we have recently secured a new EUR 42.5 m loan in order to finance the newly acquired DIVE portfolio. The loan has a seven year term and an all-in cost of around 2.6%.

We maintain our revenue expectations for the year at EUR 100 m. However, based on the results of the first nine month we are able to detail our FFO expectations for 2012 at EUR 43 m. Accordingly, we are expecting an FFO growth of almost 25% (13% on a per share basis) compared to the prior year.

Kind regards

Olivier Elamine   Alexander Dexne

ALSTRIA'S SHARE

SHARE PRICE DEVELOPMENT

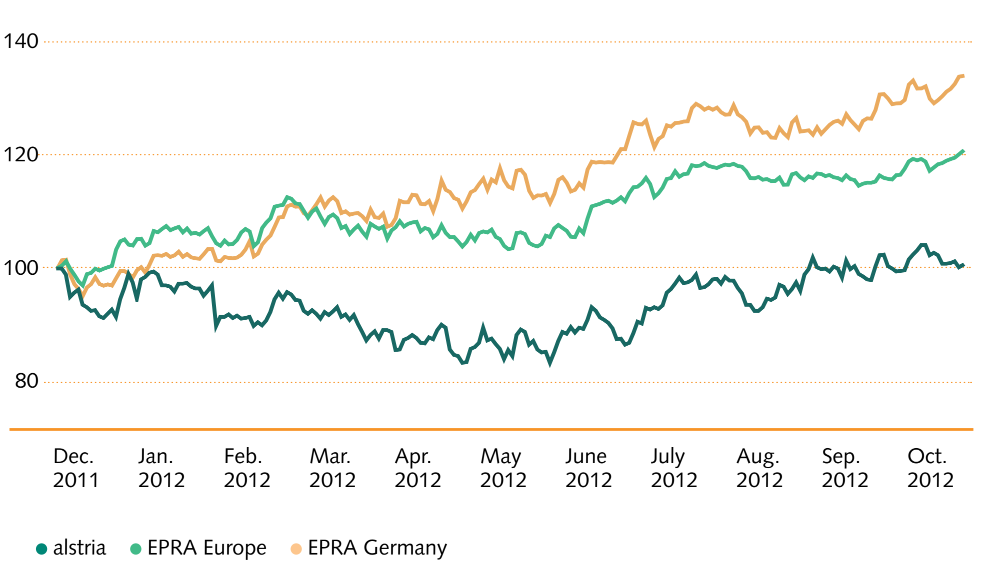
Continuing uncertainty about the further development of the European sovereign debt crisis impacted the stock market in the first nine months of 2012. Strong gains were to be observed in the third quarter, particularly following the announcement of the ECB to do everything necessary to preserve the euro zone and, if needed, to make unlimited purchase of government bonds. The expected start of the ESM in October 2012 caused further relief in the capital markets. The German DAX reached 7,216 points at the end of September 2012 and recorded under a volatile development a positive performance of 22% in the first nine months of 2012.

In the third quarter alstria's shares grew by 9% to EUR 9.11 in line with the overall market, following below-average performance in the first half of 2012. Taking into account the dividend payment in April the total return for alstria shares was 4% in the first nine months of 2012.

The Annual General Meeting of alstria office REIT-AG held on April 24, 2012 resolved to grant a dividend entitlement of EUR 0.44 per share for the financial year 2011. As also the newly issued shares from the executed capital increase were entitled for dividend payments, the total dividend amounted to EUR 34,705 k.

Share price development

September 30, 2012 – EUR 9.11



KEY SHARE DATA

		Sep. 30, 2012	Dec. 31, 2011
Number of shares	in thousand	78,933	71,704
thereof outstanding	*in thousand*	*78,933*	*71,704*
Closing price[1]	in EUR	9.11	9.20
Market capitalisation	in EUR k	719,080	659,673
Free float	in percent	80%	77%
		Q1-Q3 2012	**Q1-Q3 2011**
Average daily trading volume (all exchange and OTC)[2]	in EUR k	1,896	3,385
thereof XETRA	*in EUR k*	*801*	*913*
Share price: high[1]	in EUR	9.38	11.18
Share price: low[1]	in EUR	7.64	7.80

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

CONSOLIDATED INTERIM MANAGEMENT REPORT

PORTFOLIO OVERVIEW

On September 30, 2012, alstria's portfolio consisted of 83 office properties and one retail property with approximately 927,000 sqm of lettable area and a contractual vacancy rate of 11.2%, based on the tenancy agreements signed up to then. The portfolio was valued at a yield of 6.5% and the remaining weighted average unexpired lease term was approximately 7.2 years. Additionally, alstria is 49% shareholder in two joint ventures.

For a detailed description of the alstria portfolio, please refer to the Annual Report 2011 (Part I/II - Company Report, pp. 42 to 61).

THE KEY METRICS FOR THE PORTFOLIO[1] AS OF SEPTEMBER 30, 2012:

Metric	Value
Number of properties	84
Number of joint ventures	2
Market value (EUR m)[2]	1,636
Contractual rent (EUR m/annum)	105.4
Valuation yield (contractual rent/fair value)	6.5%
Lettable area (in k sqm)	927
Vacancy (% of lettable area)	11.2%
WAULT (years)	7.2
Average rent/sqm (in EUR/month)	10.66

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

Transactions

In February 2012, alstria signed a binding and notarised agreement for the sale of one asset in Nuremberg. The transfer of benefits and burden took place on April 1, 2012.

In the first quarter of 2012, alstria successfully executed a capital increase and placed 7,170,362 new ordinary bearer shares, increasing its nominal share capital from EUR 71,703,625 to EUR 78,873,987.

The funds raised through the capital increase – after deduction of fees and expenses in connection with the issuance – have been used to finance the equity portion of the acquisition of six assets. In February 2012, alstria signed a binding notarised agreement for the acquisition of a portfolio of these six assets, located in Düsseldorf, Frankfurt, Neu-Isenburg and Norderstedt (DIVE portfolio). The transfer of benefits and burden took place on May 1, 2012.

In May 2012, alstria signed a binding and notarised agreement for the sale of one asset in Hamburg. The transfer of benefits and burden took place on July 1, 2012.

Additionally, in November 2011, alstria and its joint venture partners in the joint venture "Alte Post" signed a binding and notarised agreement for the disposal of the "Alte Post"-property. This asset was transferred to the new owner in March 2012.

alstria's strong growth was partially based on the acquired assets in the Düsseldorf market. To maintain an appropriate asset and portfolio management, we established an office in this German metropolis in July 2012.

Asset Management

In the first three quarters of 2012 alstria's asset management was successful with respect to re-letting vacant areas. alstria signed new leases* totalling approx. 20,900 sqm in the first three quarters of 2012.

Due to these activities the vacancy rate decreased from 11.5% on June 30, 2012 to 11.2% or around 103,000 sqm. Of this 103,000 sqm, around 33,600 sqm represents strategic vacancy (intended vacancy of e.g. development projects implemented by alstria as part of modernisation measures for certain assets), while the remainder are operational vacancies.

* New leases correspond to lease of vacant space. It does not account for any lease renewal, prolongation or tenant exercise of renewal option.

Tenants and utilisation

The key focus on a small number of anchor tenants remains one of the main characteristics of alstria's portfolio. About 72% of total rental revenues are generated by alstria's top ten tenants. The 2012 portfolio also reflects the clear focus on one single asset class: offices. These make up 93% of the total lettable area.

TOTAL PORTFOLIO BY UTILISATION

based on % of lettable area

Office	**93**
Retail	**3**
Residential	**1**
Others	**3**

ALSTRIA'S CORE TENANTS

based on % of annual rent

City of Hamburg	**30**
Daimler AG	**15**
Bilfinger Berger AG	**6**
Siemens AG	**5**
Barmer GEK	**4**
Deutsche Rentenversicherung Bund	**3**
Rheinmetall	**3**
Württembergische Lebensversicherung AG	**3**
L'Oreal Deutschland GmbH	**2**
HUK-COBURG	**1**
Others	**28**

EARNINGS POSITION

Revenues increased due to portfolio growth

Revenues increased in the first three quarters of 2012 by 12.7% compared to the first three quarters of 2011 due to the acquisition of six assets. Revenues amounted to EUR 75,089 k (Q1-Q3 2011: EUR 66,626 k) with real estate operating expenses of around 11.0% of revenues at EUR 8,327 k (Q1-Q3 2011: EUR 6,102 k or 9.1% of revenues). As a consequence of the consolidation of the new assets, net rental income increased by EUR 6,204 k to EUR 66,711 k compared to the first three quarters of 2011.

Administrative expenses and personnel expenses for the reporting period decreased by EUR 569 k to EUR 9,294 k (Q1-Q3 2011: EUR 9,863 k). In the first three quarters of 2012 total operating expenses amounted to 12.4% of total revenues (Q1-Q3 2011: 14.8%).

alstria closed the first three quarters of 2012 with a net operating result of EUR 60,291 k. This compares to a consolidated result of EUR 51,573 k in the first three quarters of the previous year. The increase in the net operating result is mainly due to higher revenues and lower operating expenses in the first three quarters of 2012.

FUNDS FROM OPERATIONS (FFO) AT EUR 0.41 PER SHARE

EUR k		Jan . 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011
Pre-tax income (EBT)		**32,544**	**27,584**
+/–	Net loss/gain from fair value adjustments on investment property	–248	–262
+/–	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	815	–2,238
+/–	Profit/loss on disposal of investment property	146	–138
+/–	Other adjustments[1]	–1,232	641
Funds from operations (FFO)[2]		**32,025**	**25,587**
+/–	Maintenance capex	–1,362	–219
Adjusted funds from operations (AFFO)[3]		**30,663**	**25,368**

[1] Non-cash income or expenses and non-recurring effects.
[2] (A)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 (A)FFO. Thus, the (A)FFO or measures with similar names as presented by other companies may not necessarily be comparable to alstria's (A)FFO.
[3] The AFFO is equal to the FFO with adjustments made for capital expenditures used to maintain the quality of the underlying investment portfolio.

Funds from operations (FFO) amount to EUR 32,025 k for the reporting period compared to EUR 25,587 k in the first three quarters of the 2011 financial year. The increase is mainly due to higher revenues of EUR 8,463 k (Q1-Q3 2012: EUR 75,089 k; Q1-Q3 2011: EUR 66,626 k).

As a result, FFO per share was EUR 0.41 in the first nine months of 2012 (Q1-Q3 2011: EUR 0.36).

Hedging Instruments

alstria uses hedge accounting on qualifying hedges in order to limit the impact on profit and loss of the volatility of interest rate markets. This allows alstria to recognise 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 of the annual report as at December 31, 2011.

THE FOLLOWING DERIVATIVE FINANCIAL INSTRUMENTS EXISTED AS AT THE END OF THE REPORTING PERIOD:

			Sep. 30, 2012		Dec. 31, 2011	
Product	**Strike price p.a. (%)**	**Maturity date**	**Notional value (EUR k)**	**Fair value (EUR k)**	**Notional value (EUR k)**	**Fair value (EUR k)**
Cap[1]	4.6000	20.10.2015	*47,902*	15	0	0
Cap	4.9000	20.12.2012	75,000	0	75,000	0
Swap	4.1160	10.07.2013	47,902	–1,814	47,902	–2,479
Financial derivatives - held for trading			**122,902[2]**	**–1,799**	**122,902**	**–2,479**
Cap	3.0000	17.12.2018	56,000	635	56,000	1,421
Cap	3.2500	31.12.2015	11,500	8	11,500	35
Cap	3.3000	20.10.2014	23,065	4	23,630	11
Cap	3.3000	20.10.2014	7,936	2	8,130	4
Swap	2.1940	31.12.2014	37,283	–1,746	37,283	–1,234
Swap[1]	4.6000	20.10.2015	0	0	*95,000*	–6,921
Swap	2.9900	20.07.2015	472,500	–35,168	472,500	–29,398
Financial derivatives – cash flow hedges			**608,284[2]**	**–36,265**	**609,043[3]**	**–36,082**
Total			**731,186[2]**	**–38,064**	**731,945[3]**	**–38,561**

[1] (Forward Cap or Swap); not effective before July 10, 2013.

[2] Notional excluding the EUR 47,902 k not effective before July 10, 2013.

[3] Notional excluding the EUR 95,000 k not effective before July 10, 2013.

The value changes of the derivatives are reflected in various balance sheet items. The following table shows the change in financial derivatives since December 31, 2011:

		Financial derivatives				
		Financial assets		Financial liabilities		
in EUR k	Cash flow hedge reserve	Non-current	Current	Non-current	Current	Total
Hedging instruments as at December 31, 2011	**–17,760**	**1,471**	**0**	**–37,553**	**–2,479**	**–38,561**
Effective change in fair value cash flow hedges	–7,250	0	0	–7,250	0	**–7,250**
Ineffective change in fair value cash flow hedges	0	–822	0	–1	0	**–823**
Net result from fair value changes in financial derivatives not qualifying for cash flow hedging	0	0	–48	0	774	**726**
Reclassification of cumulated loss from equity to income statement	717	0	0	0	0	**0**
Changes in accrued interests concerning financial derivatives	0	0	0	–151	–109	**–260**
Acquisitions	0	0	63	0	0	**63**
Disposals	0	0	0	8,041	0	**8,041**
Hedging instruments as at September 30, 2012	**–24,293**	**649**	**15**	**–36,914**	**–1,814**	**–38,064**

A decrease of EUR 7,250 k of changes in fair values of derivatives effective in a cash flow hedge has been recognised in the hedging reserve in the first nine months of 2012 (Q1-Q3 2011: decrease of EUR 14,532 k).

The ineffective portion recognised in the profit or loss that arises from cash flow hedges amounted to a fair value loss of EUR 823 k (Q1-Q3 2011: gain of EUR 2,685 k). Further gains totalling EUR 726 k (Q1-Q3 2011: gain of EUR 645 k) due to the market valuation of derivatives not included in hedge accounting were recognised in the income statement.

A loss of EUR 717 k (Q1-Q3 2011: EUR 1,092 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 loss of EUR 815 k (Q1-Q3 2011: gain of EUR 2,238) which is shown as net result from fair value adjustments on financial derivatives.

Financial result
The following table shows the financial result for the period January 1 to September 30, 2012:

EUR k	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011	Change
Interest expenses syndicated loan	–11,539	–13,093	–11.9%
Interest expenses other loans	–7,395	–6,291	17.5%
Interest result derivatives	–8,958	–7,493	19.6%
Other interest expenses	–32	–8	300.0%
Financial expenses	**–27,924**	**–26,885**	**3.9%**
Financial income	572	737	–22.4%
Other financial expenses	–101	–40	152.5%
Net financing result	**–27,453**	**–26,188**	**4.8%**

As at September 30, 2012 alstria was not in breach of any of its financial covenants.

Net financing costs increased by EUR 1,265 k to EUR 27,453 k in comparison with the first three quarters of 2011. The increase is attributable to an increased average loan level compared to the previous reporting period.

Increase in consolidated net result driven by higher revenues and lower operating costs
The resulting consolidated net result amounts to EUR 32,526 k (Q1-Q3 2011: EUR 27,584 k). The main reason for the increase in the consolidated net result compared to the same period in 2011 is based on higher revenues (Q1-Q3 2012: EUR 75,089 k; Q1-Q3 2011: EUR 66,626 k) and lower operating costs (Q1-Q3 2012: EUR 9,294 k; Q1–Q3 2011: EUR 9,863 k).

Earnings per share are EUR 0.42 for the first nine months of 2012.

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 conjunction with the disposal of two assets EUR 5,064 k of the syndicated loan has been repaid in the first half of 2012. Following the acquisition of the DIVE portfolio for EUR 95 m in early 2012, alstria successfully closed the financing of the transaction on August 27, 2012 with effect from October 1, 2012. The bullet loan has a total amount of EUR 42.5 m and a term of seven years, and has not been drawn down at reporting date.

EXISTING LOAN AGREEMENTS AS PER SEPTEMBER 30, 2012

Loan	Maturity	Principal Amount Outstanding (EUR k)	Current LTV (%)	LTV Covenant (%)
Syndicated loan	July 20, 2015	566,275	54.8	70.0%
Non-recourse loan #1	Oct. 19, 2015	47,902	70.8	80.0%
Non-recourse loan #2	Dec. 31, 2014	42,670	65.9	80.0%
Non-recourse loan #3	Jun. 30, 2014	30,077	58.5	60.0%
Non-recourse loan #4	Oct. 20, 2014	31,000	55.9	65.0%
Non-recourse loan #5	Jan. 31, 2017	72,222	60.4	75.0%
Loan #6	Dec. 31, 2015	11,500	60.5	75.0%
Loan #7	Dec. 17, 2018	56,000	48.8	60.0%
Loan #8	Sep. 30, 2019	0	0	65.0%
Total as of September 30, 2012		**857,646**	**52.4**	

Cash position is EUR 70,080 k

Cash flows from operating activities for the first nine months amounted to EUR 34,917 k. The significant increase compared to the same reporting period in 2011 (EUR 28,742 k) resulted mainly from higher rental revenues and lower payments for interest expenses due to a change in interest payment dates.

The cash flow from investing activities is impacted by the cash outflows resulting from the acquisitions of the DIVE portfolio and investments in existing properties (cash outflow EUR 103,607 k). Cash inflows of EUR 8,542 k relate to payments received for the sale of two office properties. Proceeds from the equity release of interests in joint ventures generated cash inflows in an amount of EUR 23,276 k.

The cash flows from financing activities mainly reflect the proceeds from shares issued in an amount of EUR 59,756 k net and the dividend payment (EUR 34,705 k). Furthermore cash outflows were made for the acquisition and termination of financial derivatives (EUR 8,104 k) and in an amount of EUR 7,155 k for the redemption of loans.

As a result, alstria ended the first three quarters of 2012 with a cash position of EUR 70,080 k (September 30, 2011: EUR 34,696 k).

Investment properties up by 6.6%

The total value of investment property at reporting date amounts to EUR 1,629,905 k in comparison with EUR 1,528,589 k at the beginning of the financial year. The increase of investment property is particular based on the acquisition of six assets in Düsseldorf, Frankfurt am Main, Neu-Isenburg and Norderstedt (DIVE portfolio). Reclassifications of EUR 606 k refer to the area of the property Friedrichstrasse in Düsseldorf which has been partially occupied by alstria for its own use since July 2012.

Interests in joint ventures refer to the at-equity method consolidation of two joint venture companies.

DEVELOPMENT OF INVESTMENT PROPERTIES

in EUR k	
Investment properties at Dec. 31, 2011	**1,528,589**
Capital expenditure	7,873
Acquisitions	102,129
Disposals	–8,328
Reclassification	–606
Net gain from fair value adjustments on investment property	248
Investment properties at Sep. 30, 2012	**1,629,905**
Fair value of owner-occupied properties	5,942
Interests in joint ventures	21,373
Fair value of immovable assets	**1,657,220**

Equity ratio of 47.1% – G-REIT equity ratio at 49.5%

The balance sheet reflects a total equity position of EUR 819,618 k with an equity ratio of 47.1% (December 31, 2011: EUR 768,195 k or 45.5%).

The G-REIT equity ratio which is defined as total equity divided by immovable assets is 49.5% (December 31, 2011: 48.7%). 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.

NNNAV at EUR 10.37 per share

NNNAV (Triple Net Asset Value according to EPRA*) dropped from EUR 10.71 per share as at December 31, 2011 to EUR 10.37 per share. The 3% decrease in NNNAV per share should be considered in light of the 10% increase in the number of shares (September 30, 2012: 78,933,487 shares; December 31, 2011: 71,703,625 shares). If the current number of shares is taken as a basis for the calculation as at December 31, 2011, this results in a NNNAV per share of EUR 9.73. The increase to EUR 10.37 per share mirrors the specified increase of total equity.

Following the capital increase at the end of the first quarter 2012, equity increased as against December 2011. Due to a decline in fair value of financial instruments, the hedging reserve decreased by EUR 6,533 k from EUR –17,760 k as at December 31, 2011 to EUR –24,293 k as at September 30, 2012. The consolidated profit for the period resulted in equity growth of EUR 32,526 k. In total, this leads to an increase in equity from EUR 51,423 k to EUR 819,618 k.**

Long-term loans remain stable

After the drawdown of two new loans in late-2011, in the first three quarters of 2012 the long-term loans remained relatively stable (September 30, 2012: EUR 847,916 k; December 31, 2011: EUR 854,814 k). The slight decrease is mainly a result of the repayment of EUR 5,064 k of the syndicated loan in conjunction with the disposal of one asset in Nuremberg and one asset in Hamburg.

Increase in current liabilities

Current liabilities increased by 13.9% to EUR 24,278 k, which is mainly linked to the rise in current loans and other current liabilities. These other current liabilities, amounting to EUR 11,165 k mainly comprise accruals for outstanding invoices (EUR 4,057 k), deferred income (EUR 2,671 k) and other accruals (EUR 4,437 k).

* EPRA: European Public Real Estate Association, Best Practices Committee, Brussels, Belgium.

** See also the statement of shareholders' equity on page 22.

RISK AND OPPORTUNITY REPORT

The risks and opportunities to which alstria is exposed are described in detail in the Annual Report 2011. There have been no changes to the status in that report.

RECENT DEVELOPMENTS AND OUTLOOK

Following the acquisition of the DIVE portfolio for EUR 95 m in early 2012, alstria successfully closed the financing of the transaction with effect from October 1, 2012. The bullet loan has a total amount of EUR 42.5 m and a term of seven years. Until reporting date, the loan has not been drawn down. alstria intends to draw dawn the loan at the latest by the end of December 2012.

In October 2012, alstria signed a binding and notarised agreement for the sale of one asset in Dresden.The transfer of benefits and burden will presumably take place in the beginning of 2013.

Financial guidance

Based on the results of the first nine months of 2012, alstria expects revenues of around EUR 100 m and an increase in funds from operations (FFO) of around 25& to EUR 43 m for the year 2012.

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.


ENGLISCHE PLANKE 2   HAMBURG

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to September 30, 2012

in EUR k	Notes	July 1 - Sep. 30, 2012	July 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011
Revenues		25,841	22,939	75,089	66,626
Income less expenses from passed on operating expenses		–3	–7	–51	–17
Real estate operating expenses		–3,425	–2,373	–8,327	–6,102
Net rental income		**22,413**	**20,559**	**66,711**	**60,507**
Administrative expenses		–1,303	–1,189	–4,393	–5,380
Personnel expenses	6.1	–1,869	–1,393	–4,901	–4,483
Other operating income		499	334	2,820	1,138
Other operating expenses		–2	–566	–48	–609
Net result from fair value adjustments on investment property		–7	0	248	262
Net result on disposal of investment property	7.1	–1	138	–146	138
Net operating result		**19,730**	**17,883**	**60,291**	**51,573**
Net financial result	6.2	–9,199	–9,008	–27,453	–26,188
Share of the result of joint venture		513	70	521	–39
Net result from fair value adjustments on financial derivatives		–230	–174	–815	2,238
Pre-tax income (EBT)		**10,814**	**8,771**	**32,544**	**27,584**
Income tax expense	6.3	0	0	–18	0
Consolidated profit for the period		**10,814**	**8,771**	**32,526**	**27,584**
Attributable to:					
Shareholders		10,814	8,771	32,526	27,584
Earnings per share in EUR					
Basic earnings per share	6.4	0.14	0.12	0.42	0.40
Diluted earnings per share	6.4	0.14	0.12	0.42	0.40

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 30, 2012

in EUR k	Notes	July 1 - Sep. 30, 2012	July 1 - Sep. 30, 2011	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011
Consolidated profit for the period		**10,814**	8,771	**32,526**	27,584
Cash flow hedges	8.1	–2,081	–20,509	–7,250	–14,532
Reclassification from cashflow hedging reserve	8.1	222	364	717	1,092
Other comprehensive result for the period		**–1,859**	–20,145	**–6,533**	–13,440
Total comprehensive result for the period		**8,955**	–11,374	**25,993**	14,144

Total comprehensive income attributable to:				
Shareholders	**8,955**	–11,374	**25,993**	14,144

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at September 30, 2012

ASSETS

in EUR k	Notes	Sep. 30, 2012	Dec. 31, 2011
Non-current assets			
Investment property	7.1	1,629,905	1,528,589
Equity-accounted investments		21,373	44,128
Property, plant and equipment		5,295	4,576
Intangible assets		428	450
Derivatives		649	1,471
Total non-current assets		**1,657,650**	**1,579,214**
Current assets			
Trade receivables		5,315	2,449
Accounts receivable from joint ventures		89	2,095
Derivatives		15	0
Other receivables		7,139	6,870
Cash and cash equivalents	7.2	70,080	96,009
thereof restricted		*251*	*270*
Total Current Assets		**82,638**	**107,423**
Total assets		**1,740,288**	**1,686,637**

EQUITY AND LIABILITIES

in EUR k	Notes	Sep. 30, 2012	Dec. 31, 2011
Equity	8.1		
Share capital		78,933	71,704
Capital surplus		769,285	751,084
Hedging reserve		–24,293	–17,760
Retained earnings		–4,307	–36,833
Total equity		**819,618**	**768,195**
Non-current liabilities			
Long-term loans, net of current portion	8.2	847,916	854,814
Derivatives		36,914	37,553
Other provisions		4,121	3,767
Other liabilities		7,441	989
Total non-current liabilities		**896,392**	**897,123**
Current liabilities			
Short-term loans	8.2	6,312	4,505
Trade payables		4,615	3,201
Profit participation rights		354	291
Derivatives		1,814	2,479
Liabilities for current tax		18	0
Other current liabilities		11,165	10,843
Total current liabilities		**24,278**	**21,319**
Total liabilities		**920,670**	**918,442**
Total equity and liabilities		**1,740,288**	**1,686,637**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended September 30, 2012

in EUR k	Notes	Share capital	Capital surplus	Hedging reserve	Treasury shares	Retained earnings	Total Equity
As of January 1, 2012		**71,704**	**751,084**	**–17,760**	**0**	**–36,833**	**768,195**
Changes in Q1-Q3 2012							
Consolidated profit		0	0	0	0	32,526	32,526
Other comprehensive income		0	0	–6,533	0	0	–6,533
Total comprehensive income		**0**	**0**	**–6,533**	**0**	**32,526**	**25,993**
Payments of dividends	9	0	–34,705	0	0	0	–34,705
Share-based remuneration		0	379	0	0	0	379
Proceeds from shares issued		7,170	53,778	0	0	0	60,948
Transaction costs of issue of shares		0	–1,310	0	0	0	–1,310
Conversion of convertible participation rights		59	59	0	0	0	118
As of September 30, 2012	8.1	**78,933**	**769,285**	**–24,293**	**0**	**–4,307**	**819,618**

for the period ended 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							
Consolidated profit		0	0	0	0	27,584	27,584
Other comprehensive income		0	0	–13,440	0	0	–13,440
Total comprehensive income		**0**	**0**	**–13,440**	**0**	**27,584**	**14,144**
Payments of dividends	9	0	–31,503	0	0	0	–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 participation 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**

CONSOLIDATED STATEMENT OF CASH FLOW

for the period from January 1 to September 30, 2012

in EUR k	Notes	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011
1. Operating activities			
Consolidated profit for the period		32,526	27,584
Unrealized valuation movements		293	–2,457
Interest income	6.2	–572	–737
Interest expense	6.2	28,025	26,925
Result from income taxes	6.3	18	0
Other non-cash expenses (+)		614	1,082
Gain (-)/Loss (+) on disposal of fixed assets		146	–138
Depreciation and impairment of fixed assets (+)		277	401
Decrease (+)/Increase (-) in trade receivables and other assets that are not attributed to investing or financing activities		–2,900	271
Decrease (-)/increase (+) in trade payables and other liabilities that are not attributed to investing or financing activities		1,618	4,508
Cash generated from operations		**60,045**	**57,439**
Interest received		572	737
Interest paid		–25,700	–29,434
Net cash generated from operating activities		**34,917**	**28,742**
2. Investing activities			
Acquisition of investment properties	7.1	–103,607	–185,132
Proceeds from sale of investment properties	7.1	8,542	2,593
Payment of transaction cost in relation to the sale of investment properties		–251	0
Acquisition of other property, plant and equipment		–369	–1,330
Proceeds from the equity release of interests in joint ventures		23,276	1,321
Proceeds from the repayment of loans granted to joint ventures		1,771	0
Net cash used in investing activities		**–70,638**	**–182,548**

in EUR k	Notes	Jan. 1 - Sep. 30, 2012	Jan. 1 - Sep. 30, 2011
3. Financing activities			
Cash received from equity contributions	8.1	61,066	95,208
Payment of transaction costs of issue of shares	8.1	–1,310	–2,931
Proceeds from the disposal of own shares		0	4
Proceeds from the issue of bonds and borrowings		0	11,500
Payments of dividends	9	–34,705	–31,503
Payments for the acquisition and termination of financial derivatives		–8,104	–267
Payments of the redemption of bonds and borrowings		–7,155	–4,148
Payments of transaction costs		0	–149
Net cash generated from financing activities		**9,792**	**67,714**
4. Cash and cash equivalents at the end of the period			
Change in cash and cash equivalents (subtotal of 1 to 3)		–25,929	–86,092
Cash and cash equivalents at the beginning of the period		96,009	120,788
Cash and cash equivalents at the end of the period *thereof restricted: EUR 251 k; previous year: EUR 910 k*	7.2	**70,080**	**34,696**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2012

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 ('Aktiengesellschaft') 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, 2011.

The condensed interim consolidated financial statements for the period from January 1, 2012 to September 30, 2012 (hereinafter referred to as the 'consolidated interim financial statements') were authorised for issue by resolution of the Company's management board on November 1, 2012.

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, 2011.

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, 2011, as outlined in those annual financial statements.

The following new interpretations and amendments to standards and interpretations are mandatory for the first time for the financial reporting period beginning January 1, 2012:

› Amendments to IFRS 7 'Financial instruments: Disclosures', issued October 7, 2010. The amendments are applicable to 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 have no significant influence on alstria's financial reporting.

The initial application of the newly applied IFRS does not have any material effect on the presentation of the consolidated interim financial statements.

The following new standards, interpretations and amendments to published standards have been issued but are not effective for the financial year 2012 and have not been applied by the Group before they are mandatory:

› IFRS 9 'Financial instruments'; new standard issued 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.
› IIFRS 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, the interests in other entities and the effects of those interests on their 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.
- 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' 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 financial years 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 aforementioned 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.
- IFRS 13 'Fair value measurement'; new standard issued on May 12, 2011. IFRS 13 defines fair value; it 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 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. The Group has not yet assessed the full impact of IFRS 13.
- 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.
- Amendment to IFRS 1 with regard to government grants with interest rates not in line with market level. The Amendment was published on March 13, 2012 and will give first-time adopters the same relief to recognition and measurement of government grants as existing preparers. The amendment applies to annual periods beginning on or after January 1, 2013 and will have no effect on the Group's financial reporting.
- The IASB has revised the requirements for offsetting financial assets and financial liabilities and as a result, published amendments to IAS 32 'Financial instruments: presentation' and IFRS 7 'financial instruments: disclosure'. The current offsetting model in IAS 32 has been basically maintained and was solely substantiated by additional application guidance, which applies to annual periods beginning on or after January 1, 2014.
  A new feature is the IFRS 7 disclosure requirements inserted in connection with certain settlement agreements. The amendments to IFRS 7 are to apply retrospectively for annual periods beginning on or after January 1, 2013. Impact from these changes may result in terms of reporting in the event that there is a netting agreement.

- Amendments to IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements', and IFRS 12 'Disclosures of interests in other entities' – Transition Guidance. The amendments will clarify the transition guidance in IFRS 10 and grants additional relief in all three standards. The amendments are applicable – similar to IFRS 10, IFRS 11 and IFRS 12 - to annual periods beginning on or after January 1, 2013*.
- 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.
- Amendment to IAS 12 'Deferred tax: Recovery of underlying assets', issued on December 20, 2010. This amendment, which will have no impact on the financial reporting of alstria is generally to apply from January 1, 2012, but to date the endorsement by the EU is still pending.
- 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.
- IFRIC 20 'Stripping costs in the production phase of a surface mine': IFRIC 20 considers when and how to account separately for benefits arising from the stripping activities in surface mining operations. IFRIC 20 applies to annual periods beginning on or after January 1, 2013. The interpretation has no relevance for the Group.
- The International Accounting Standards Board (IASB) issued 'Annual Improvements 2009-2011', a collection of amendments to IFRSs, in response to issues addressed during the 2009–2011 cycle. Five standards (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34) are primarily affected by the amendments, with consequential amendments to numerous others. The improvements apply to annual periods beginning on or after January 1, 2013 and will be of only minor, if any, relevance for the Group

4 Consolidated group

Two new entities – a limited partnership ('Kommanditgesellschaft'), alstria office Portfolio 2 GmbH & Co. KG, Hamburg, and its general partner ('Komplementärin'), alstria Portfolio 2 GP GmbH, Hamburg – were established in the first quarter of 2012. As fully-owned affiliates of alstria office REIT-AG, these companies have been consolidated as part of the alstria Group. During the second quarter a merger agreement between alstria office REIT-AG and alstria Portfolio 2 GP GmbH was closed, leading to the accretion of the alstria Portfolio 2 GP GmbH on alstria office REIT-AG by way of an up-stream merger with an effective date of May 1, 2012.

There have been no further changes to the consolidated Group since the consolidated financial statements as of December 31, 2011.

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 4,901 k (January 1 to September 30, 2011: EUR 4,483 k) include accrued bonuses in the amount of EUR 847 k (January 1 to September 30, 2011: EUR 720 k). Furthermore, personnel expenses of EUR 447 k (January 1 to September 30, 2011: EUR 429 k) relating to share-based compensation granted to the 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 483 k (January 1 to September 30, 2011: EUR 321 k).

6.2 Financial result

The following table shows a breakdown of the financial result.

in EUR k	Jan. 1 - Sep. 30, 2012 (unaudited)	Jan. 1 - Sep. 30, 2011 (unaudited)
Interest expenses syndicated loan	–11,539	–13,093
Interest expenses other loans	–7,395	–6,291
Interest result derivatives	–8,958	–7,493
Other interest expenses	–32	–8
Financial expenses	**–27,924**	**–26,885**
Financial income	572	737
Other financial expenses	–101	–40
Net financing result	**–27,453**	**–26,188**

There were no new loans taken out in the first nine months of 2012. The syndicated loan was amortised in an amount of EUR 5,064 k.

In line with alstria's hedging strategy, the Group entered into a new interest rate forward cap with a notional amount of EUR 47,902 k and a cap rate of 4.6000%. The cap will become effective on July 10, 2013 and expires on October 20, 2015. This transaction became effective as at June 12, 2012.

The interest rate forward cap agreement partially replaced a so far existing interest rate forward swap with a notional amount of EUR 95,000 k, a swap rate of 4.6000% and an initial maturity between July 10, 2013 and October 20, 2015. The forward interest rate swap agreement was terminated in the total notional amount of EUR 95,000 k with effect from June 14, 2012.

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).

Minor tax payment obligations may arise for affiliates serving as a general partner of a partnership or REIT Service Companies.

For a detailed description of the tax implications, please refer to section 9.10 of the consolidated financial statements as at December 31, 2011.

6.4 Earnings per share

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

	Jan. 1 - Sep. 30, 2012 (unaudited)	Jan. 1 - Sep. 30, 2011 (unaudited)
Profit attributable to the shareholders (in EUR k)	32,526	27,584
Average number of shares outstanding (Q1-Q3; in thousands)	77,483	68,416
Basic earnings per share (in EUR per share)	0.42	0.40

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, 2011. A management review of fair values as at the date of the consolidated interim financial statements as at September 30, 2012 resulted in a fair value increase for investment properties held at December 31, 2011 totalling EUR 7,873 k. This amount relates to capitalised expenditure invested in the first three quarters of 2012 for refurbishment and project development. For a detailed description of the asset value determination process, please refer to section 7 of the consolidated financial statements as at December 31, 2011.

In the first nine months of 2012, alstria office REIT-AG sold two office properties with a transaction price of EUR 8,440 k.

In February 2012, alstria concluded a binding and notarised sales agreement for the acquisition of a property portfolio with six office properties. The transfer of benefits and burden of the properties took place in the second quarter of 2012. The total investment for the portfolio amounted to EUR 102.129 k.

7.2 Cash and cash equivalents

As of September 30, 2012, EUR 251 k of total cash and cash equivalents (EUR 70,080 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 7,170,362 new shares for cash increased the share capital of alstria office REIT-AG by EUR 7,170,362. The share capital increased from EUR 71,703,625 to EUR 78,873,987. This capital increase was registered in the commercial register on February 23, 2012.

The conversion of profit participation rights (Note 12) in the second quarter of 2012 resulted in the issue of 59,500 new shares by using the conditionally increased capital provided for such purposes (Conditional Capital III).

On September 30, 2012 alstria office REIT-AG's share capital amounted to EUR 78,933,487, represented by 78,933,487 non-par value bearer shares.

The majority of the shares in the Company are in free float.

Capital reserve

The new shares generated from the capital increase were offered and sold at a price of EUR 8.50 per share. The issue proceeds by which the nominal share capital was exceeded amount to EUR 53,778 k and were recognised as capital reserve. After deduction of the expenses caused by the placement of shares of EUR 1,310 k the capital increase amounted to EUR 52,468 k net.

Treasury shares

On September 30, 2012, the Company held no 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 8, 2016. There is no intention to make use of this authorisation at present.

Cash flow hedging reserve

in EUR k	Sep. 30, 2012 (unaudited)	Dec. 31, 2011 (audited)
As at January 1	–17,760	–4,922
Net changes in cash flow hedges	–6,533	–12,838
As at September 30 / December 31	**–24,293**	**–17,760**

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 for the decreased valuation of derivative financial instrument amount to –EUR 7,250 k. An amount of +EUR 717 k relates to 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.

8.2 Financial Liabilities

As at September 30, 2012, the repayment amount of loans of alstria office REIT-AG amounted to EUR 857,646k (December 31, 2011: EUR 864,801 k). The lower carrying amount of EUR 854,228 k (EUR 847,916 k non-current and EUR 6,312 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, 2011.

In relation to the disposal of two office buildings alstria repaid EUR 5,064 k on its syndicated loan in the reporting period 2012.

In the third quarter of 2012 a loan agreement for a credit facility of EUR 42.5 m has been closed. Until the date of completion of this report no payouts were triggered out of the credit facility.

9 Dividends paid

	2012 (unaudited)	2011 (audited)
Dividends on ordinary shares[1] in EUR k (not recognised as a liability as at September 30):	34,705	31,503
Dividend per share in EUR	**0.44**	**0.44**

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

The Annual General Meeting of alstria office REIT-AG held on April 24, 2012 resolved to distribute dividends totalling EUR 34,705 k (EUR 0.44 per outstanding share). The dividend was distributed on April 25, 2012.

10 Employees

In the period from January 1 to September 30, 2012, the Company had an average of 53 employees (January 1 to September 30, 2011: average 47 people). The average number of employees was calculated on the basis of the total of employees at the end of each month. On September 30, 2012, 58 people (December 31, 2011: 50 people) were employed at alstria office REIT-AG, excluding the Management Board.

11 Share-based remuneration

As part of the performance based remuneration for members of the Management Board a share-based remuneration system was implemented. The share-based remuneration is made up of a long-term component, the **Long-Term Incentive Plan (LTIP)**, and a short-term component, the **Short-Term Incentive (STI)**. The remuneration type is a cash-settled and share-based payment transaction respectively.

The development of the virtual shares until September 30, 2012 is shown in the following table:

Number of virtual shares	**Sep. 30, 2012 (unaudited)**		**Dec. 31, 2011 (audited)**	
	LTI	**STI**	**LTI**	**STI**
January 1	175,711	11,718	99,009	0
Granted in the reporting period	91,954	12,911	76,702	11,718
September 30 / December 31	**267,665**	**24,629**	**175,711**	**11,718**

In the first three quarters of 2012, the LTIP and the STI generated remuneration expenses amounting to EUR 447 k (Q1-Q3 2011: remuneration expenses of EUR 429 k) and provisions amounting to EUR 1,356 k (December 31, 2011: EUR 909 k). The Group recognises the liabilities arising from the vested virtual shares under other provisions. Please refer to section 18 of the consolidated financial statements as of December 31, 2011 for a detailed description of the employee profit participation rights programme.

12 Convertible profit participation rights programme

Under the convertible profit participation rights scheme established by the Supervisory Board of alstria office REIT-AG, 199,000 convertible profit participation certificates ('certificates') existed as of September 30, 2012. 86,000 certificates had been issued to employees of alstria office REIT-AG with the granting date of June 18, 2012. 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 18, 2012:

	June 18, 2012 (unaudited)
Dividend yield (%)	5.76
Risk-free interest rate (%)	0.04
Expected volatility (%)	38.00
Expected life option (years)	2.00
Exercise share price (EUR)	2.00
Employee fluctuation rate (%)	10.00
Stock price as of valuation date (EUR)	7.64

The fair value of one option for conversion at the granting date was EUR 5.45.

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, 2011.

A total of 5,200 certificates were terminated in the course of the reporting period 2012. 59,500 certificates were converted into alstria shares in the second quarter of 2012.

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

No events that must be reported pursuant to IAS 10 (Events after the Reporting Period) occurred after September 30, 2012.

15 Management Board

As of September 30, 2012, the members of the Company's Management Board are:

Mr Olivier Elamine (Chief Executive Officer)

Mr Alexander Dexne (Chief Financial Officer)

16 Supervisory Board

Pursuant to section 9 of the Company's Articles of Association, the Supervisory Board consists of six members, all of whom are elected by the Annual General Meeting of shareholders. The term of office for all members expires at the close of the Annual General Meeting of shareholders in 2016.

As at September 30, 2012, the members of the Supervisory Board are:

Mr Alexander Stuhlmann *(Chairman)*

Dr Johannes Conradi *(Vice-Chairman)*

Mr Benoît Hérault

Mr Roger Lee

Mr Richard Mully

Ms Marianne Voigt

Until March 31, 2012:

Mr Daniel Quai

Mr Daniel Quai resigned from his office as member of the Company's Supervisory Board as per March 31, 2012. Ms Marianne Voigt was appointed as member of the Supervisory Board by court in October 2011.

By resolution of the Annual General Meeting held on April 24, 2012 Mr Benoît Hérault and Ms Marianne Voigt were elected as members of the Supervisory Board of alstria office REIT-AG.

Hamburg, Germany, November 1, 2012

Olivier Elamine
CEO

Alexander Dexne
CFO

MANAGEMENT COMPLIANCE STATEMENT

"We confirm that, to the best of our knowledge, the condensed interim 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 interim 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 the remaining financial year in accordance with the applicable interim financial reporting framework."

Hamburg, Germany, November 1, 2012

Olivier Elamine
Chief Executive Officer

Alexander Dexne
Chief Financial Officer

EMIL-VON-BEHRING-STRASSE 2, FRANKFURT

EVENTS 2012/13

SPECIAL DATES YOU SHOULD NOTE …

MARCH 1, 2013

Annual Press Conference
Financial Results 2012 (Frankfurt)

MAY 7, 2013

Publication of Q1 Report
Interim Report (Hamburg)

MAY 29, 2013

Annual General Meeting
Hamburg

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