

# **alstria office REIT-AG**

## **Company presentation**

October 2007

# Clear and focused strategy



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

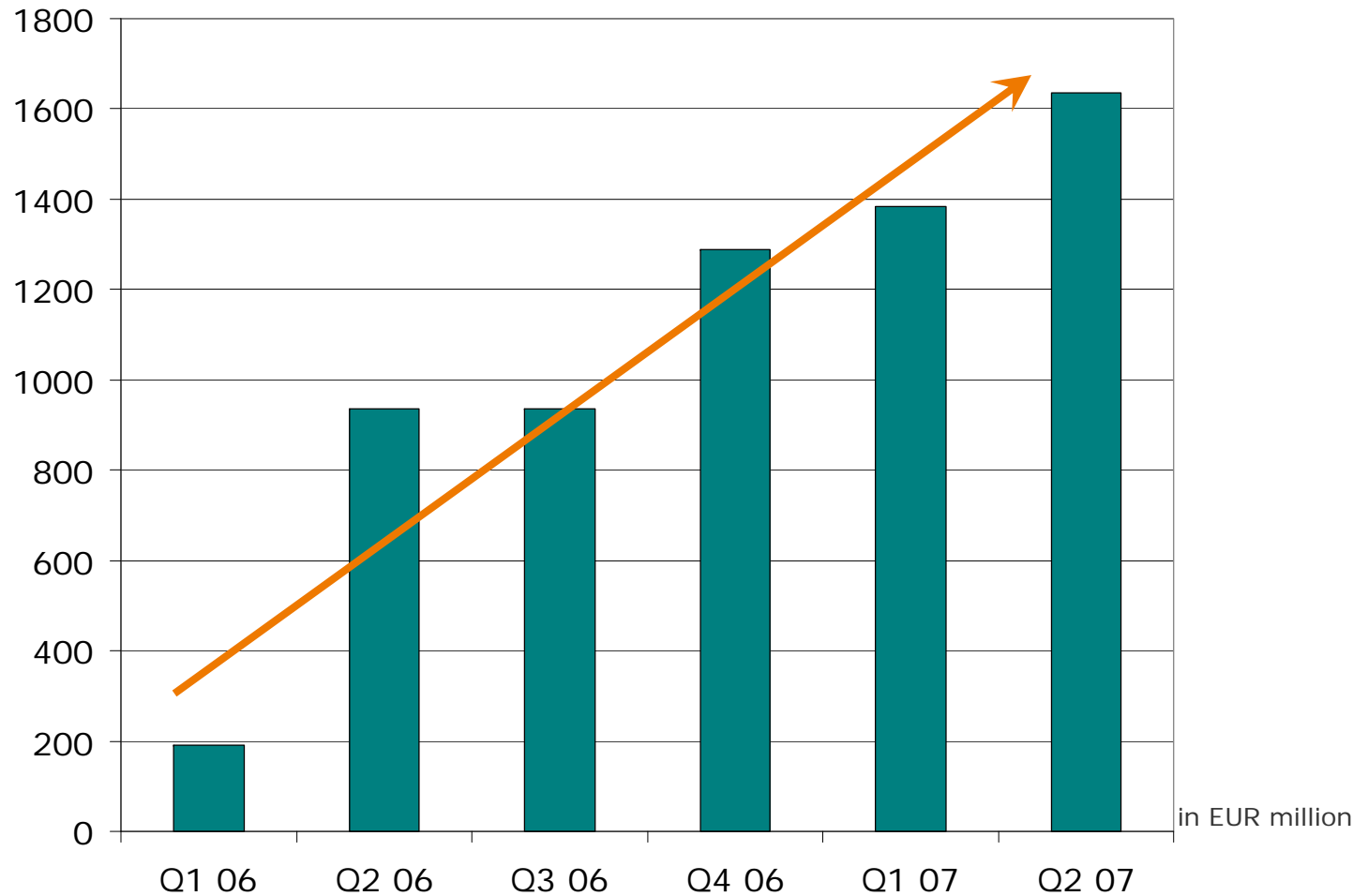
**Focus on a single asset class  
leveraging on in-house expertise**

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

**Sustainable growth via  
targeted acquisitions and active  
management**

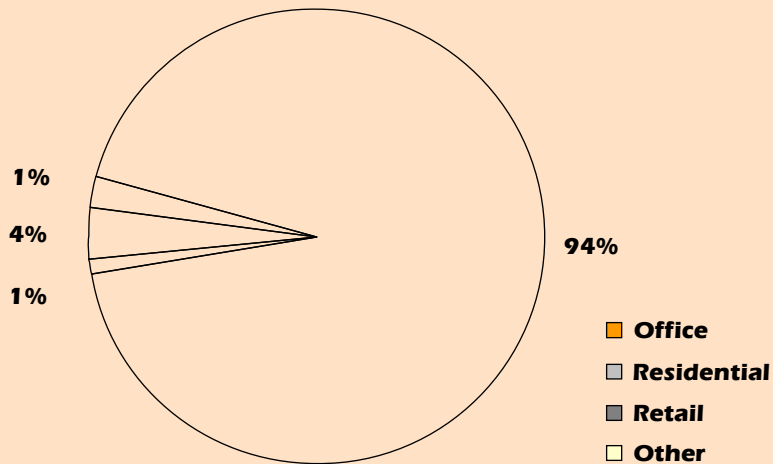
**G-REIT status to provide a clear  
value proposition to investors**

# Growth in investment property

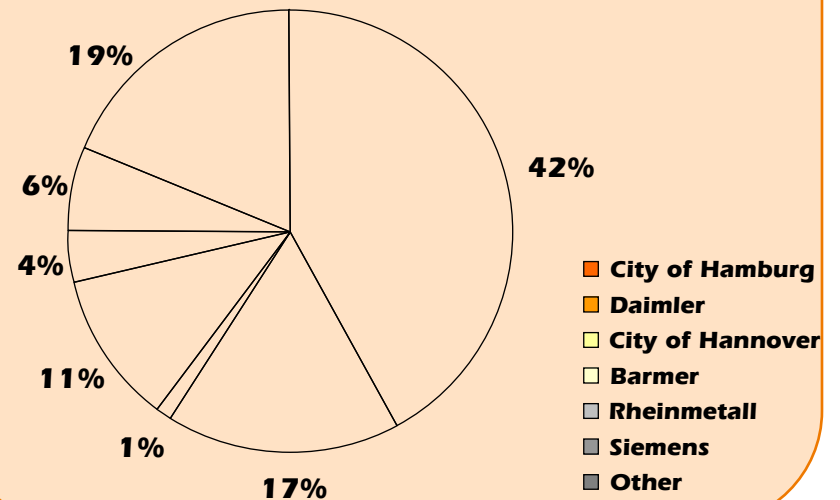


# An office pure-play

## Focus on office real estate in Germany<sup>1</sup>



## High-quality tenant structure<sup>2</sup>

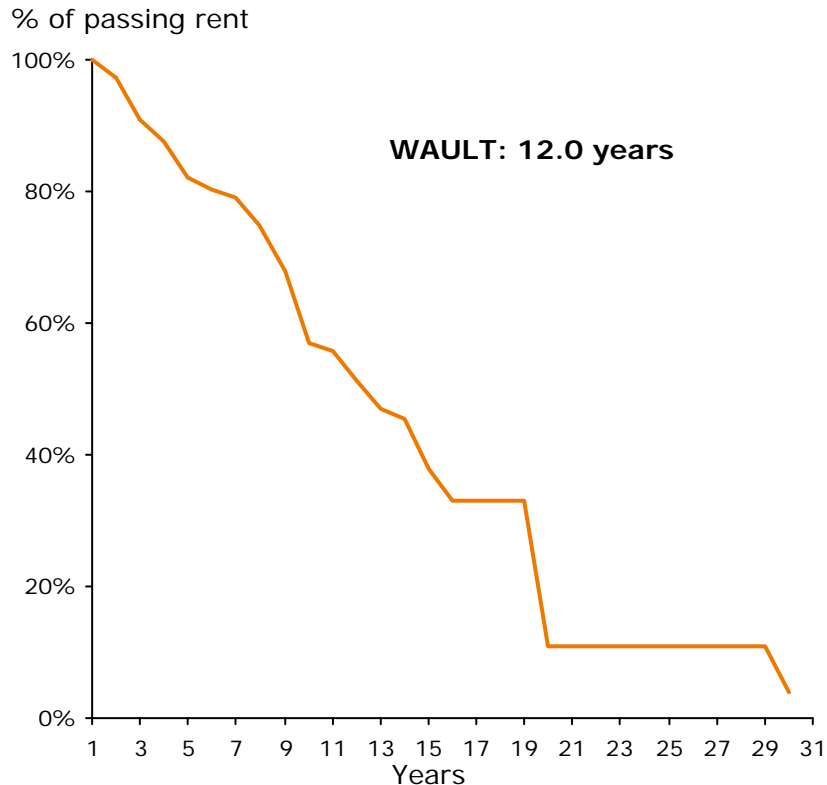


1 Based on net lettable space

2 Based on passing rent

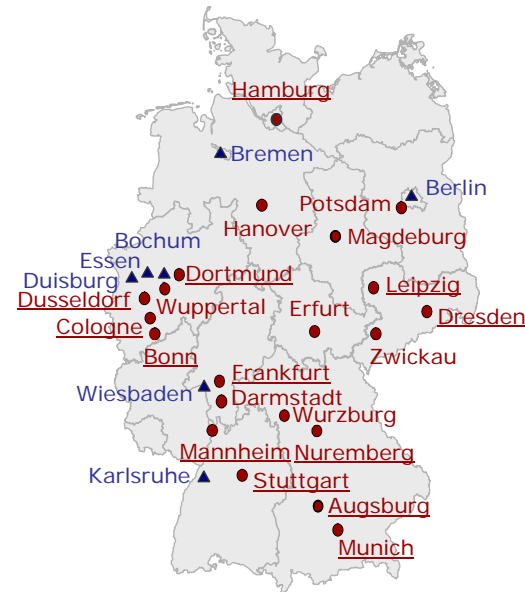
# Investment portfolio with long-term stability and short-term growth potential

## alstria portfolio lease profile



## Key metrics of the alstria portfolio

Metric	
Number of properties	70
MV (€mm)	1,636
Passing rent (€mm/annum)	88
Approximate lettable area (sqm)	770,000
Occupancy rate (% of lettable area)	96%
Portfolio valuation yield	5,4%



Long-term reliable cash flow with 20% of the leases by rental income expiring in the next five years, potentially allowing alstria to benefit from short-term recovery

# Key figures H1 2007

<i>in EUR million</i>	<b>H1 2007</b> <i>(unaudited)</i>
Revenues	39,1
EBITDA	74,5
EBT	56,5
Consolidated profit for the period	44,1
FFO	12,8
Investment properties	1.636,8
EPS	0,79
Net Asset Value (NAV) per share	15,6
Avg. cost of debt	4,2%
Valuation yield of portfolio	5,4%
Equity ratio	43,8%
G-REIT equity ratio	53,4%

- alstria has converted into a G-REIT on the 11th of October 2007.
- G-REIT status retroactive to the 1st of January 2007.
- The main benefits of the tax-transparency will be the following:
  - Direct access of alstria's shareholders to German property cash-flows.
  - Increased liquidity of the real estate portfolio over time which will ease the active management policy.
  - Ability to offer the exit-tax benefit to sellers without the significant risks associated with the Pre-REIT status, thus enhancing one of alstria's key strengths in sale and leaseback transactions.

# Where do we stand ?

- alstria's hedging policy of the downside has been translated into alstria being viewed as a long-term defensive yield-play.
- The German office market offers unique opportunities for active asset management and refurbishment/development capabilities.

## Step one: Build a viable company focused on German office properties

Build a seed portfolio	1.6 bn€ acquired in 18 months
Hedge for the downside	WAULT of 12 years at yield of 5.4% vs debt hedge until 2011 at average of 4.2%
Build a clear story	Pure office play, focused on Germany
Convert into a G-REIT	Conversion retroactive to the 1st of January 2007

## Step two : Deliver sustainable growth

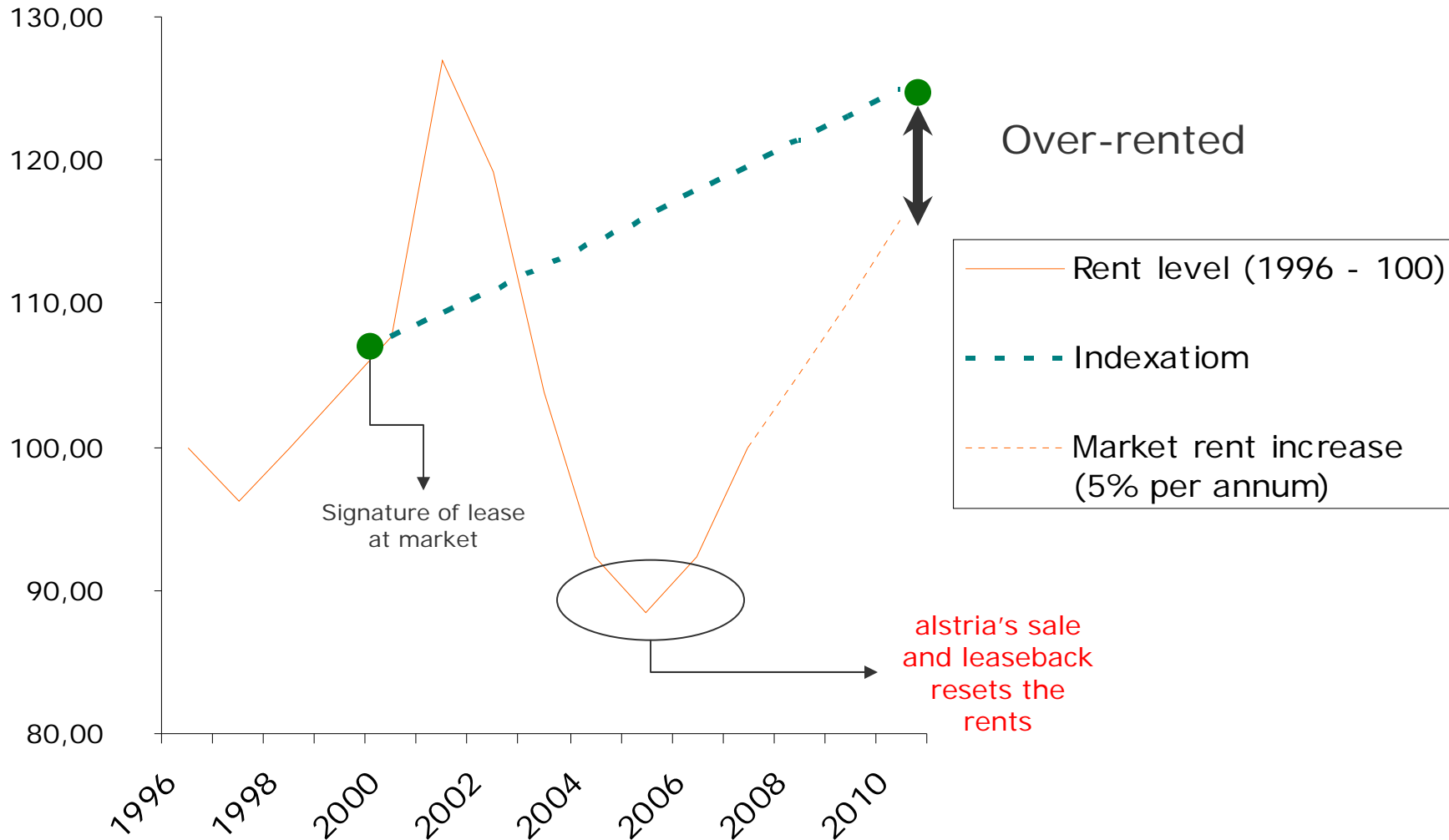
## In process

Through accretive acquisition	Stand-by position during the summer Firepower of around 300 EUR million	Still to be delivered
Through tenant relationships	First glimpse through the Daimler transaction	Still to be delivered
Through active asset management	First redevelopment project under review	Still to be delivered

# alstria's view on Germany reinforced by current conditions

- The current market conditions could be an opportunity for alstria as:
  - They reinforce the rationale of our business-plan based on active asset management and strong operations, not on trading and yield compression hopes.
  - They give us a competitive advantage as alstria is today fully funded and not dependant on debt providers.
  - They limit access to further competition to the G-REIT status hence secure the exit-tax advantage.
- Our strategy aimed at securing financing and hedging 100% of our interest rates is proving right, and allows us to be focused on operations, where the added value lies.
- We do not expect yield expansion but see the market turning into black and white.
  - Some assets are not tradable anymore (as they do not fit with their underlying markets).
  - Valuable real estate is still traded and demand is still there.
  - Portfolio premiums which have appeared mid 2006 and anticipated yield compressions are gone.

# Yields do not say it all...



# Guidance for 2007

- We project total revenues to be around € 80 million for 2007
- We project FFO to be around € 30 million for 2007

- Further accretive acquisitions planned for Q3-Q4 2007, and alstria will be fully invested by year end
  - Pipeline of around 250 to 300 EUR million of assets under review. Average yield above valuation yield of alstria.
- Intensive review of value enhancement potential of the existing portfolio undergoing.
- Management highly focused on operations and delivery of the business plan.
  - Credit spread widening.
  - 2008 German business tax reform.
  - Increase in interest rates does not impact the business of alstria as all necessary hedges and steps have been preempted by the company.
  - This allows us to focus our resources on the operating performance.

# Company highlights

**Clear focus on office properties  
in Germany**

**Buy-and manage-strategy**

**€ 1.6 bn high quality portfolio**

**Listed in Frankfurt, Symbol  
AOX, SDAX, EPRA index**

**First German REIT**

## Cautionary Note Regarding Forward-Looking Statements

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

### No duty to update

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