Deutsche Office

HALF-YEAR FINANCIAL REPORT 2016

Contents

GROUP INTERIM MANAGEMENT REPORT

PORTFOLIO OVERVIEW

1. KEY METRICS OF THE PORTFOLIO

	June 30, 2016	December 31, 2015
Number of properties	49	49
Market value (EUR bn)[1]	1.6	1.6
Annual contractual rent (EUR m)	113.4	110.0
Valuation yield (contractual rent/ market value; in %)	6.9	6.7
Lettable area (sqm)	882,000	882,000
Vacancy (% of lettable area)[2]	12.6	13.2
WAULT (years)	3.7	3.9
Average rent/sqm (EUR/month)	12.1	12.0

[1] Incl. fair value of owner-occupied properties.
[2] Contractual vacancy rate includes vacancies in assets of the company's development pipeline.
[3] The respective lettable area is reduced by vacant areas. The figure as of December 31, 2015 was adjusted respectively.

For a detailed description of DO Deutsche Office Group`s portfolio, please refer to our Annual Report of 2015. The DO Deutsche Office AG will be referred to as "DO AG" or the "Company". If referring to the DO Group, "DO", or "Group" will be used.

2. REAL ESTATE OPERATIONS

	Jan. 1 – June 30, 2016	Jan. 1 – June 30, 2015	Change (sqm)
New leases (in sqm)[1]	22,800	28,500	-5,700
Renewals of leases (in sqm)	20,500	48,200	-27,700
Total	**43,300**	**76,700**	**-33,400**

[1] New leases refer to letting vacant space. It does not account for any lease renewals, prolongations or a tenant's exercise of its renewal option.

3. VACANCY METRICS

	June 30, 2016	December 31, 2015	Change
Vacancy rate (%)[1]	12.6	13.2	-1.7 pp
Vacancy (sqm)	100,000	116,400	- 16.400
thereof vacancy in development properties (sqm)	9,900	10,100	-200

[1] Contractual vacancy rate includes vacancies in assets of the company's development pipeline.

In the first half of 2016, the rental result amounted to approximately 43,300 sqm (measured by new lettings and re-lettings).

A significant letting success was the initial lease to new tenants in Frankfurt, Platz der Einheit 1 (KASTOR TOWER), for approximately 5,600 sqm, as well as approximately 3,500 sqm of office and ancillary space. The lease started at the end of the second quarter of 2016; the other will start at the end of the first quarter of 2017.

Additional leases of approximately 2,500 sqm were signed with a tenant in Maarweg in Cologne. The lease has a maturity of 5 years and will commence in September 2016.

4. TENANTS AND REGIONS

The core of DO's investment portfolio is concentrated in the following regions.

Total portfolio by regions % of market value	June 30, 2016	December 31, 2015	Change (PP)
Rhine-Main	33	33	0
Rhine-Ruhr	31	31	0
Berlin	13	13	0
Stuttgart	12	12	0
Munich	3	3	0
Hamburg	2	2	0
Others	6	6	0
Total	**100**	**100**	**0**

A main characteristic of DO's portfolio is that it focuses on a small number of major tenants.

DO's main tenants as average in % of annual rent	June 30, 2016	December 31, 2015	Change (PP)
GMG Generalmietgesellsch. mbH	17	17	0
Allianz Deutschland AG	12	12	0
Zürich Versicherung AG	8	8	0
HOCHTIEF Aktiengesellschaft	7	8	-1
Daimler AG	7	7	0
Residenz am Dom gemeinn. Betriebsgesellschaft mbH	3	3	0
Residenz Recklinghausen Betriebsgesellschaft mbH	2	2	0
LG Electronics	1	1	0
DZ Bank AG	1	0	1
Medtronic GmbH	1	1	0
Relexa-Hotel GmbH	1	1	0
FM Insurance Company Limited	1	1	0
Others	39	39	0
Total	**100**	**100**	**0**

In addition, the portfolio reflects DO´s clear focus on a particular asset class: office properties – 81% of the total lettable area is office.

5. TRANSACTIONS

DO's investment decisions are based both on the analyses of local markets and the individual inspection of each asset. The latter is focused on location, size and quality as compared to assets belonging to direct competitors and their long-term potential for value growth. DO's strategy is aimed at increasing its portfolio to a critical size at every respective location and at the same time to retract from those markets, which do not adhere to DO's core investment focus. Following this strategy, DO sold an asset in Munich in the first half of 2016. This asset has not yet been transferred. Furthermore, in July, after the reporting period, DO signed a transfer agreement for the sale of a real estate company, holding one asset in Berlin.

DO performed the following transactions in 2016:

Asset	City	Sales price (EUR k)[1]	Annual rent (EUR k)[2]	Avg. Lease length (years)[2]	Signing SPA	Transfer of benefits and burdens[4]
Disposals						
Taunusstraße[3]	Munich	26,830	1,774	5.5	June 27, 2016	Aug. 31, 2016
An den Treptowers[3, 5]	Berlin	228,431	13,921	2.7	July 8, 2016	H2 2016
Total		**255,261**	**15,695**			

[1] Excluding transaction costs.
[2] Estimation for the time of transfer of benefits and burdens.
[3] Balance sheet as reported under assets held for sale.
[4] Expected.
[5] The sales price is related to the complete share deal, it differs from the portion of the sales price related to the real estate only.

ECONOMIC REVIEW

1. EARNINGS POSITION

1.1. NET RENTAL INCOME

The net rental income decreased by EUR 1.7 million compared to the first six month of the previous year. In contrast to rental income from investment properties as well as service charge income that remained nearly constantly, the property servicing expenses increased by EUR 1.8 million. This is mainly due to fire-protection measures regarding two assets.

1.2. ADMINISTRATIVE EXPENSES

The administrative expenses decreased by EUR 1.8 million compared to the first half of 2015. The decline is based on a reduction of employees, partly compensated by an increase of legal and advisory costs mainly related to disposals of assets.

1.3. SONSTIGES ERGEBNIS

The other operating result of EUR -1.6 million includes advisory costs of EUR 1.3 million in the reporting period. The advisory costs were mainly related to the legal conversion of DO AG into a limited partnership. Due to this, the other operating result decreased by EUR 1.6 million compared to the first half of 2015.

1.4. GAIN ON DISPOSAL OF INVESTMENT PROPERTY

The result from the sale of investment property increased compared to the first half of 2016 year by EUR 19.4 million. The disposal gain resulted from the sale of an investment property and a group company, which is the owner of an investment property.

1.5. FINANCIAL RESULT

The financial result decreased from EUR -13.6 by EUR 6.2 million to EUR -19.8 million, compared to the first half of 2015. The decrease is mainly due to a reduction of financial income by EUR 4.9 million. In the first half of 2015, proceeds of EUR 4.8 million were gained by the valuation of financial derivatives. By contrast, in the reporting period the financial derivatives were terminated; the termination led to expenses of EUR 5.1 million. Additionally, the prepayment penalty related to the refinancing of bank loans led to expenses of EUR 1.2 million.

1.6. FUNDS FROM OPERATIONS (FFO)

In million EUR	Jan. 1 – June 30, 2016	Jan. 1 – June 30, 2015
Rental income	52.9	52.7
Net property servicing expenses	-7.3	-5.4
Net rental income	45.7	47.4
Administrative expenses[1]	-3.0	-4.1
Other net income/expenses[1]	0.6	0.0
Financial result[1]	-12.4	-18.5
Funds from Operations (FFO)	**30.8**	**24.8**
FFO per share[2]	**0.17**	**0.14**

[1] Adjusted for one-off and special effects.
[2] Average number of outstanding shares in H1/2016 used for calculation: 180.529.633 (H1/2015: 180.529.633).

2. FINANCIAL AND ASSET POSITION

2.1. INVESTMENT PROPERTIES

In million EUR	December 31, 2015 to June 30, 2016
Investment properties as of Dec. 31, 2015	**1,641,210**
Investments	3,753
Reclassifications	-235,636
Investment properties as of June 30, 2016	**1,409,327**

Reclassifications are related to the disposal of the assets “Taunusstraße” as well as “An den Treptowers”, which are transferred to the line “held for sale.” Transfers of benefits and burdens are expected to take place in the second half of 2016. For a detailed description of the investment properties, please refer to the Annual Report of 2015.

2.2. FINANCIAL LIABILITIES

As of June 30, 2016, the loan agreements in place and the respective amounts drawn were as follows:

Liabilities	Maturity	principal amount drawn as of June 30, 2016 (in million EUR)	principal amount drawn as of Dec. 31, 2015 (in million EUR)
Shareholder Loan #1	12/2021	498.3	147.9
Shareholder Loan #2	05/2026	187.9	0
Shareholder Loan #3	05/2026	127.1	0
Shareholder Loan #4	06/2028	90.0	0
Stuttgart Vaihinger Str.	07/2021	15.3	15.4
Herkules-Refinancing Loan	terminated	0	335.6
Homer-Refinancing Loan	terminated	0	336.0
Düsseldorf, Stuttgart, Nürnberg	terminated	0	53.2
Essen, Alfredstraße	terminated	0.1	42.1
Essen, Opernplatz	terminated	0	18.5
Essen, Heilbronn	terminated	0	16.8
Total		**918.7**	**965.4**

As of December 31, 2015, interest bearing bank loans amounted to EUR 817.5 million. These were refinanced by loans to the shareholder alstria office REIT-AG. The refinancing led to prepayment penalty expenses of EUR 1.2 million. Bank loans remain as of the balance sheet date with an amount of EUR 15.4 million.

As of June 30, 2016, another four loans to the shareholder alstria office REIT-AG amounted to EUR 903.3 million in total. A current portion of EUR 0.9 million mainly includes interests from loans to related parties.

2.3. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2015, there were five interest swaps with an interest rate of 0.0000% p.a. and a nominal amount of EUR 326.1 million, an interest swap with an interest rate of 0.1100% p.a. and a nominal amount of EUR 172.2 million, and an interest cap with a cap -rate of 1.2500% and a nominal amount of EUR 174.4 million. In the course of refinancing, all financial derivatives were terminated. The termination led to expenses of EUR 5.1 million, recognized in the finance costs (see section “Financial Result”, page 5).

For a detailed description of the hedging instruments, please refer to the Notes of the consolidated financial report as of December 31, 2015.

2.4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by EUR 34.1 million. The decrease primarily resulted from the refinancing activities. In this context, the amount of interest-bearing loans decreased by EUR 46.7 million to EUR 918.7 million. The effect was compensated by the cash inflow of rental income.

RISK AND OPPORTUNITY REPORT

The risks and opportunities to which DO is exposed are described in detail in the DO's Annual Report 2015. There have been no changes to the status presented in that report.

RECENT DEVELOPMENTS AND FINANCIAL TARGETS

1. RECENT DEVELOPMENTS

On July 8, 2016, DO signed an agreement for the disposal of all shares in a real estate company, owning one asset in Berlin. The transfer of the company to the buyer is expected to take place in the second half of 2016. Therefore, the company is classified under `asset held for sale´ as of June 30, 2016. A sales price of EUR 228.4 million was agreed upon for the complete entity. For the property alone an amount of EUR 230 million was recognized.

During the Annual General Meeting of DO AG held on July 12, 2016, the shareholders of the Company decided to change its name and shift its legal form from public limited company (AG) to a limited partnership (KG). According to the shareholders' resolution, DO AG is to be converted into alstria office Prime Portfolio GmbH & Co. KG. The resolution furthermore indicates the relocation of the Company's registered office to Hamburg.

2. FINANCIAL TARGET

The performance of in the first half of 2016 developed in line with expectations. DO confirms the FFO forecast of EUR 60 million for 2016. At the end of the second quarter of 2016, a contract regarding the disposal of the asset "Taunusstraße" has been signed. Additionally, the transfer of the ownership of a group entity to the buyer is expected in the second half of 2016. Due to the reduction of assets following the transactions, the forecast of rental income for the year 2016 was adjusted to EUR 103 million.

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.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

IN EUR K	NOTES	1/1 - 30/06/2016	1/1 - 30/06/2015
Rental income from investment properties		52,943	52.729
Service charge income		12,221	12.305
Property servicing expenses	3.1	-19,508	-17.664
Net rental income		45,656	47.370
Administrative expenses	3.2	-3,160	-4.947
Other income	3.3	1,499	384
Other expenses	3.4	-3,078	-407
Interim result		40,917	42.400
Investment property disposal value		254,831	93.800
Investment property carrying value		-235,986	-94.369
Gain/loss from disposal of properties	3.5	18,845	-569
Gain/loss from measurement at fair value		0	1.563
Earnings before interest and taxes		59,762	43.394
Financial income	3.6	12	4.865
Finance costs	3.7	-19,820	-18.516
Earnings before taxes		39,955	29.743
Income taxes		-13	-2.593
Earnings for the period		39,942	27.150
Of which attributable to:			
Shareholders of the parent company		39,942	27.150
Earnings per share			
Basic and diluted earnings per share (in EUR)	3.8	0.22	0.15

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN EUR K	1/1 - 30/06/2016	1/1 - 30/06/2015
Earnings for the period	**39,942**	27,150
Other comprehensive income to be reclassified to the income statement in subsequent periods:		
Unrecognized gains/losses from derivative financial instruments	0	2,810
Tax effects from items of other comprehensive income	0	-445
Other comprehensive income after taxes	**0**	2,365
Consolidated total comprehensive income	**39,942**	29,515
Of which attributable to:		
shareholders of the parent company	39,942	29,515

CONSOLIDATED BALANCE SHEET

IN EUR k ASSETS	NOTES	30/06/2016	31/12/2015
Investment properties	4.1	1,409,327	1,641,210
Intangible assets		297	374
Property, plant and equipment		1,146	210
Derivative financial instruments, non-current portion	4.5	0	666
Non-current assets		**1,410,770**	**1,642,460**
Derivative financial instruments, current portion		0	187
Trade receivables		9,372	9,727
Receivables from related companies		0	357
Other receivables and other assets		1,109	541
Income tax receivables		59	225
Cash and cash equivalents	4.2	37,311	71,384
Subtotal current assets		**47,851**	**82,421**
Assets held for sale		256,842	0
Current assets		**304,693**	**82,421**
		1,715,463	**1,724,881**

IN EUR k EQUITY AND LIABILITIES	NOTES	30/06/2016	31/12/2015
Subscribed capital		180,530	180,530
Capital reserve		401,930	401,930
Retained earnings		166,500	126,558
Equity attributable to shareholders of the parent company		748,960	709,018
Total equity	4.3	**748,960**	709,018
Interest-bearing loans, non-current portion	4.4	15,144	471,131
Interest-bearing loans to related parties, non-current portion	4.4	903,240	147,913
Derivative financial instruments, non-current portion	4.5	0	249
Deferred tax liabilities		185	132
Other liabilities, non-current portion		206	0
Non-current liabilities		**918,775**	**619,425**
Liabilities held for sale		1,716	0
Other provisions		145	0
Interest-bearing loans, current portion		300	346,355
Liabilities to related companies, non-current portion	4.4	909	1,502
Derivative financial instruments, current portion		0	132
Trade receivables		16.758	16,007
Income tax liabilities		8,681	8,687
Other liabilities, current portion		19.219	23,755
Current liabilities		**47,729**	**396,438**
		1,715,463	**1,724,881**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN EUR K	SUBSCRIBED CAPITAL	CAPITAL RESERVES	OTHER RESERVES CASH FLOW HEDGERESERVE	RETAINED EARNINGS	Total
Equity as of 1 January 2015	**180,530**	**401,930**	**-12,049**	**232,613**	**803,024**
Income for the period				27,150	27,150
Other comprehensive income			2,356		2,365
Consolidated total comprehensive income			**2,365**	**27,150**	**29,515**
Dividend payment				-27,079	-27,079
Equity as of 30 June 2015	**180,530**	**401,930**	**-9,684**	**232,684**	**805,460**
Equity as of 1 January 2016	**180,530**	**401,930**		**126,558**	**709,018**
Income for the period				39,942	**39,942**
Other comprehensive income					
Consolidated total comprehensive income				39,942	**39,942**
Equity as of 30 June 2016	**180,530**	**401,930**	**0**	**166,500**	**748,960**

CONSOLIDATED STATEMENT OF CASH FLOWS

IN EUR K	NOTES	1/1 - 30/06/2016	1/1 - 30/06/2015
1. Cash flow from operating activities			
Earnings before taxes		39,955	29,743
Adjustments for reconciliation of earnings before taxes to net cash flows			
Gain/loss on measurement at fair value		0	-1,563
Other non-cash income and expenses		551	44
Depreciation and loss from disposal of fixed assets		109	112
Gain/loss on the disposal of investment properties	3.5	-18,845	569
Transaction costs for refinancing		0	0
Financial expenses		19,820	18,516
Financial income		-12	-4,865
Change in net current assets			
Change in trade receivables		293	-2,030
Change in other receivables and assets		-2,225	-232
Change in tax receivables		166	-7
Change in income tax receivables		751	1,106
Change in trade payables		-3,361	-4,075
Tax refunds/taxes paid		147	-239
Cash flow from operating activities		37,349	37,079
2. Cash flow from investing activities			
Proceeds from divestments of investment properties		0	93,800
Payments made in connection with the divestment of investment properties		-575	-1,503
Payments for investments in investment properties	4.1	-4,721	-10,125
Cash flow from investing activities		-5,296	82,172
3. Cash flow from financing activities			
Dividends paid to shareholders of the parent company		0	-27,079
Interest paid		-13,737	-17,917
Interest received		12	5
Payments made for termination/change in interest-rate swaps		-4,668	-5,000
Repayment of loans	4.4	-802,984	-62,916
Loans	4.4	755,327	0
Cash flow from financing activities		-66,050	-112,907
Net change in cash and cash equivalents		-33,997	6,344
Cash and cash equivalents at the beginning of the period		71,384	63,503
Cash and cash equivalents at the end of the period		37,387	69,847
Thereof cash under assets held for sale		76	0
Cash and cash equivalents reported on the balance sheet		37,311	69,847

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2016

1. CORPORATE INFORMATION

DO AG (hereinafter referred to as the 'Company' or 'Deutsche Office') was founded on June 20, 2006. It is registered at the Cologne District Court under number HRB 67370. The registered domicile of all the companies in the Deutsche Office Group is Cologne, Germany. Business address and administrative headquarters of the companies are located in Hamburg.

The Company and its subsidiaries (the 'Group' or 'Deutsche Office Group') are engaged in the acquisition and management of real estate and investment companies. The principal focus of these business operations is Germany. The portfolio consists primarily of office and retail premises, including two hotels and three nursing homes.

As of June 30, 2016, the Group's portfolio included a total of 49 properties, of which 2 properties were classified as Assets Held for Sale.

2. ACCOUNTING AND VALUATION PRINCIPLES

2.1. BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements (hereinafter also referred to as `Interim Financial Statements`) for the period from January 1 to June 30, 2016, were drawn up in accordance with IAS 34 as applicable in the EU. The Interim Financial Statements have not been audited. They have been reviewed by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg.

These Interim Financial Statements do not contain all the information and data required in year-end consolidated financial statements and must therefore be read in conjunction with the Consolidated Financial Statements as of December 31, 2015.

The Interim Financial Statements have been drawn up in euros. Unless otherwise indicated, all values have been rounded up or down to units of a thousand euros (EUR k). In some cases, this may result in minor discrepancies in the tables included in these Interim Financial Statements and in the totals provided in the Notes.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The applied accounting policies are consistent with the policies applied and outlined in the Group's annual financial statements for the year ending on December 31, 2015.

The following new interpretations and amendments to standards and interpretations are mandatory for the financial reporting period beginning on January 1, 2016:

EU Endorsement	Standard/ interpretation	Content	Applicable for f/y beginning on/after	Effects
Nov. 24, 2015	Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations	Jan. 1, 2016	None
Dec. 18, 2015	Amendments to IAS 1	Disclosure initiative	Jan. 1, 2016	Notes disclosure
Dec. 02, 2015	Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation	Jan. 1, 2016	None
Nov. 23, 2015	Amendments to IAS 16 and IAS 41	Agriculture: bearer plants	Jan. 1, 2016	None
Dec. 17, 2014	Amendments to IAS 19	Defined benefit plans: employee contributions (Amendments to IAS 19, 'Employee Benefits')	Feb. 1, 2015	None
Dec. 18, 2015	Amendments to IAS 27	Equity method in separate financial statements	Jan. 1, 2016	None
Dec. 17, 2014	Annual Improvements to IFRSs	Improvements to IFRSs 2010-2012	Feb. 1, 2015	None
Dec. 15, 2015	Annual Improvements to IFRSs	Improvements to IFRSs 2012-2014	Jan. 1, 2016	None

The following new standards, interpretations and amendments to the published standards have been issued, but they are not in effect for the 2016 financial year and have not been applied by the Group prior to becoming mandatory:

EU Endorsement	Standard/ interpretation	Content	Applicable for f/y beginning on/after	Effects
not yet endorsed	IFRS 9	New standard 'Financial instruments: classification and measurement'	Jan. 1, 2018	No material effects
standard shall not be endorsed	IFRS 14	New standard 'Regulatory deferral accounts'	Jan. 1, 2016	None
not yet endorsed	IFRS 15	New standard 'Revenue from contracts with customers'	Jan. 1, 2018	Notes disclosure
not yet endorsed	IFRS 16	New standard 'Leases'	Jan. 1, 2019	No material effects
not yet endorsed	Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	postponed	Under review
not yet endorsed	Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: applying the consolidation exception	Jan. 1, 2016	None
not yet endorsed	Amendments to IAS 7	Disclosure initiative	Jan. 1, 2017	Notes disclosure
not yet endorsed	Amendments to IAS 12	Recognition of deferred tax assets for unrealized losses	Jan. 1, 2017	Under review
clarifications	IFRS 15	Clarifications issued for IFRS 15, 'Revenue from Contracts with Customers'	Jan. 1, 2018	None

The IASB did not issue any new standards and interpretations or any amendments to published standards and interpretations between December 31, 2015, and the date on which these interim consolidated financial statements were prepared.

2.3. CONSOLIDATED GROUP

There have been no changes to the consolidated Group since the preparation of the consolidated financial statements as of December 31, 2015.

Alongside the Deutsche Office, the consolidation embraces companies in which Deutsche Office directly or indirectly holds the majority of voting rights. The consolidated group consists of the Company, 3 domestic subsidiaries and 42 domestic second-tier subsidiaries.

2.4. KEY JUDGEMENTS AND ESTIMATES

Preparing the consolidated financial statements in accordance with IFRS requires assumptions and estimates to be made for various items. These assumptions and estimates affect the amounts of the disclosures concerning assets, liabilities, income and expenses. Actual amounts may vary from these estimates.

3. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

3.1. PROPERTY SERVICING EXPENSES

The property servicing expenses increased compared to the first half of 2016 by EUR 1.8 million. The effect is due to fire-protection measures regarding two assets.

3.2. ADMINISTRATIVE EXPENSES

The administrative expenses decreased by EUR 1.8 million compared to the first half of 2015. The decrease is based on a reduction of personnel expenses by EUR 3.1 million to EUR 0.7 million. Compared to the first half of 2015, the average number of employees fell from 33 employees to 12 in the reporting period. In addition, provisions for severance payments increased the expenses in the first half of 2015. The effect was partly compensated by an increase of other administrative expenses by EUR 0.6 million, mainly due to an increase in legal and consulting fees.

3.3. OTHER INCOME

The other income increased from EUR 0.4 million to EUR 1.5 million. They mainly include income from the reversal of provisions and reimbursement of expenses related to leasehold improvements.

3.4. OTHER OPERATING EXPENSES

The other operating expenses increased from EUR 0.4 million to EUR 3.1 million, mainly due to consulting expenses for the preparations to legally convert the DO into a limited partnership as well as adjustments on service charge expenses relating to previous periods.

3.5. GAIN/LOSS ON DISPOSAL OF PROPERTIES

The gain on disposal of properties results from the disposal of two assets (see section entitled "Gain on Disposals of Properties" in the group interim management report on page 5).

3.6. FINANCIAL INCOME

The financial income of the first half of 2015 was significantly influenced by valuation proceeds regarding financial derivatives (EUR 4.9 million). In the course of refinancing bank loans, the financial derivatives were terminated. The remaining financial income of EUR 12 k is due to interests on loans.

3.7. FINANCIAL EXPENSES

For details on the financial expenses, please refer to the "Earnings Position" section in the interim management report (page 5).

3.8. EARNINGS PER SHARE

The tables below show the income and share data used in the earnings per share computations:

Basic earnings per share	Jan. 1 - June 30, 2016 (unaudited)	Jan. 1 - June 30, 2015 (unaudited)
Profit attributable to shareholders (EUR k)	39,942	27,150
Average number of outstanding shares (thousands)	180,530	180,530
Basic earnings per share (EUR)	0.22	0.15

4. SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1. INVESTMENT PROPERTY

Pursuant to IFRS 13, DO uses the fair-value model for revaluation purposes. External appraisals were obtained to determine the respective values as at December 31, 2015. For a detailed description of the process for determining the asset value, please refer to Section 7 of the consolidated financial statements as at December 31, 2015. A reconciliation of the changes in investment properties since December 31, 2015, can be found on page 6 of the interim consolidated financial statements as at June 30, 2016.

In the second quarter of the year 2016, DO signed a notary agreement for the sale of an investment property. The asset is designated as being held for sale as at June 30, 2016.

In early July 2016, DO signed a transfer agreement for the sale of a real estate company. The real estate company is also reported under the assets held for sale.

4.2. CASH POSITION

Cash and cash equivalents, which refer to cash held at banks, are in the amount of EUR 37,311 k. This amount is not subject to restrictions.

4.3. EQUITY

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

4.4. INTEREST BEARING LOANS

As of December 2015, interest bearing bank loans amounted to EUR 817.5 million. During the first half of 2016, the bank loans were replaced by shareholder loans from alstria office REIT-AG. Bank loans with an amount of EUR 15.4 million remain as of June 30, 2016.

Apart from this, four shareholder loans from alstria office REIT-AG are used in amount of EUR 903.3 million as of the balance-sheet date. A current portion of EUR 0.9 million mainly includes interest liabilities. Liabilities with a maturity of one year or less are recognized in "current" liabilities.

For a detailed description of the loans, including their terms and securities, please refer to the "Financial liabilities" section in the Group's interim management report for the second quarter of 2016 (see page 6) and to Section 6.7 of the consolidated financial statements as of December 31, 2015.

4.5. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2015, the company held six interest swaps as well as one interest cap to mitigate interest risks regarding bank loans. In the course of refinancing, the financial derivatives were terminated. As of June 30, 2016, the DO held no financial derivative.

For a detailed description of the hedging instruments, please refer to the group interim management report, second quarter of 2016, section "Derivative Financial Instruments" (see page 6) as well as to section 6.11 notes of the consolidated financial report as of December 31, 2015.

5. OTHER NOTES

5.1. CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and Cash Equivalents as shown in the Statement of Cash Flows include all payment resources derived from bank balances.

5.2. RELATED PARTIES

In the reporting period, there were no significant changes regarding related parties. At the reporting date for the Consolidated Interim Financial Statements, Deutsche Office was still controlled by a foreign entity, alstria office REIT-AG, Hamburg, which owned 90.9% of the shares.

5.3. HEADCOUNT

In the period from January 1 to June 30, 2016, the Company retained an average of 12 employees (H1/2015: 33 employees).

5.4. MANAGEMENT BOARD

As of June 30, 2016, the members of the Company's Management Board are Mr. Alexander Dexne and Dr. Martin Kleppe.

5.5. SUPERVISORY BOARD

The members of the Supervisory Board, as of June 30, 2016, are listed below:

- Prof. Dr. Harald Wiedmann, (Chairman)
- Olivier K. Elamine (Vice-Chairman)
- Roger Lee
- Edward P. Scharfenberg
- Alexander Stuhlmann
- Marianne Voigt

5.6. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

On July 8, 2016, the Group signed an agreement for the sale of all shares in a real estate company. The real estate company owns the property `An den Treptowers` in Berlin. The transfer of the real estate company to the buyer is expected in the second half of the year. The transaction price is EUR 228.4 million.

At the Annual General Meeting, which was held on July 12, 2016, the shareholders of DO AG decided to change its name and shift its legal form from a public limited company (AG) to a limited partnership (KG). According to the shareholders' resolution, Deutsche Office will be converted into alstria office Prime Portfolio GmbH & Co. KG. The resolution furthermore indicates the relocation of the subsidiary's registered office to Hamburg.

Cologne, Germany, August 8, 2016

Alexander Dexne	Dr. Martin Kleppe
Speaker of the Board	Executive Board Member

REVIEW REPORT

To DO Deutsche Office AG, Cologne:

We have reviewed the condensed consolidated interim financial statements – comprising the condensed consolidated statement of income, the condensed statement of comprehensive income, the condensed balance sheet, the condensed statement of cash flows, the condensed statement of changes in equity, and selected explanatory notes – together with the group interim management report of DO Deutsche Office AG, Cologne, for the period from 1 January 2015 to 30 June 2015, which are part of the half-year financial report pursuant to Article 37w WpHG ("Wertpapierhandelsgesetz": Securities Trading Act). The legal representatives of the company are responsible for preparing the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and for preparing the group interim management report in accordance with the provisions of the German Securities Trading Act applicable to group interim management reports. Our responsibility is to issue a report on our review of the condensed consolidated interim financial statements and the group interim management report.

We conducted our review of the condensed consolidated interim financial statements and the group interim management report in accordance with the generally accepted standards in Germany for the review of financial statements, as promulgated by IDW ("Institut der Witschaftsprüfer": German Institute of Public Auditors), and additionally in accordance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with reasonable assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the group interim management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to group interim management reports. A review is limited primarily to interviews with company personnel and analytical procedures and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the group interim management report has not been prepared, in all material respects, in accordance with the provisions of the German SecuritiesTrading Act applicable to group interim management reports.

Hamburg, 8 August 2016

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Reiher) (Deutsch)

Wirtschaftsprüfer Wirtschaftsprüferin

MANAGEMENT COMPLIANCE STATEMENT

‘We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the Group’s net assets, its financial position and the results of its operations. Furthermore, we confirm that the group management report gives a true and fair view of business performance, including the results of the Group’s operations and its economic position, and that it describes the Group’s main opportunities and risks, as well as its anticipated development, in accordance with the applicable financial reporting framework.’

Cologne, Hamburg, August 8, 2016

Management Board

Alexander Dexne	Dr. Martin Kleppe
Speaker of the Board	Executive Board Member

DO DEUTSCHE OFFICE AG

Bäckerbreitergang 75
20355 Hamburg

E-Mail: info@deutsche-office.de
www.deutsche-office.de