

DO Deutsche Office AG
Consolidated interim statement Q3 2016

1. SIGNIFICANT EVENTS

Conversion into a limited partnership

The 2016 Annual General Meeting has resolved to convert DO Deutsche Office AG (hereinafter referred to as "DO AG" relating to the company, or "DO" relating to the group) into the legal form of a limited partnership, more specifically into the form of a GmbH & Co. KG. With the change of form Deutsche Office shares will no longer be admitted for trading at the German Stock exchange.

Lawsuits challenging the validity of the transformation resolution have been filed. Therefore, currently, we cannot make any projection as to when the change of legal form will become effective.

Transactions

In the course of the first nine months of the fiscal year 2016 DO sold nine assets for a total consideration of EUR 372.0 million.

The benefits and burdens of two assets with a value of EUR 255.2 million in total, were transferred already in the reporting period.

New leases

In the first quarter of the fiscal year, lease contracts to new tenants in Frankfurt, Platz der Einheit 1, for approximately 5,600 sqm, as well as approximately 3,500 sqm of office and ancillary spaces were signed. The first lease contract 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 commenced in September 2016.

Loan repayment

On February 22, 2016, the loan to finance the Herkules portfolio with a nominal value of EUR 333 million was repaid in full. The refinancing was made using a further tranche of alstria's shareholder loan, which was completed in December 2015, between alstria office REIT-AG (hereinafter referred to as "alstria") and the DO to refinance existing loans of the DO Subgroup.

On May 31, 2016, a second loan with a nominal value of EUR 333 million that financed the Herkules portfolio was amortized completely. The redemption was refinanced by a shareholder loan provided by alstria as well. The new shareholder loan has been signed in the second quarter of the fiscal year 2016.

Next to this, other bank loans were refinanced by a further shareholder loan of EUR 90 million, provided by alstria in the third quarter of the fiscal year.

2. KEY FIGURES FOR THE DEVELOPMENT OF EARNING POSITIONS

Rental revenues amounted in 9M/2016 to EUR 81.3 million and were almost at the same level as in the first three quarters of the previous year (EUR 80.4 million).

Consolidated net profit increased from EUR 40.7 million in 9M/2015 to EUR 51.6 million in 9M/2016. The increase is mainly due to higher gains on the disposal of investment properties as well as a reduction of administrative expenses. The effect is mitigated by depreciations of financial derivatives as well as a decrease of gains on measurement at fair value.

The operating result ("Funds from Operations": FFO) increased from EUR 39.1 million in 9M/2015 by EUR 7.1 million to EUR 46.2 million in the reporting period, as both the finance costs and the administrative expenses significantly decreased as a result of restructuring after the takeover by alstria.

3. KEY FIGURES SHOWING THE ASSETS AND FINANCIAL POSITION

As per the balance sheet date the fair value of the Group's investment properties amounted to EUR 1.30 billion (December 31, 2015: EUR 1.64 billion). The group held 47 properties, after benefits and burden of two assets were transferred to buyers during the first three quarters of the fiscal year 2016.

The Group's NAV increased to EUR 760.6 million (December 31, 2015: EUR 709.0 million).

On September 30, 2016, cash and cash equivalents of DO amounted to EUR 58.6 million (December 31, 2015: EUR 71.4 million).

4. RECENT DEVELOPMENTS AND OUTLOOK

Operating result

Based on the disposal of the property “An den Treptowers”, the Executive Board expects the Company to achieve rental revenues of EUR 103 million and an FFO of slightly below EUR 60 million for the 2016 financial year.

Risk management

The Group's business is exposed to various risks. For further details please refer to the Annual Report 2015.

The overall risk situation of Deutsche Office has not changed.

Hamburg, November 7, 2016

Alexander Dexne
Chairman of the Executive Board

Dr. Martin Kleppe
Executive Board member