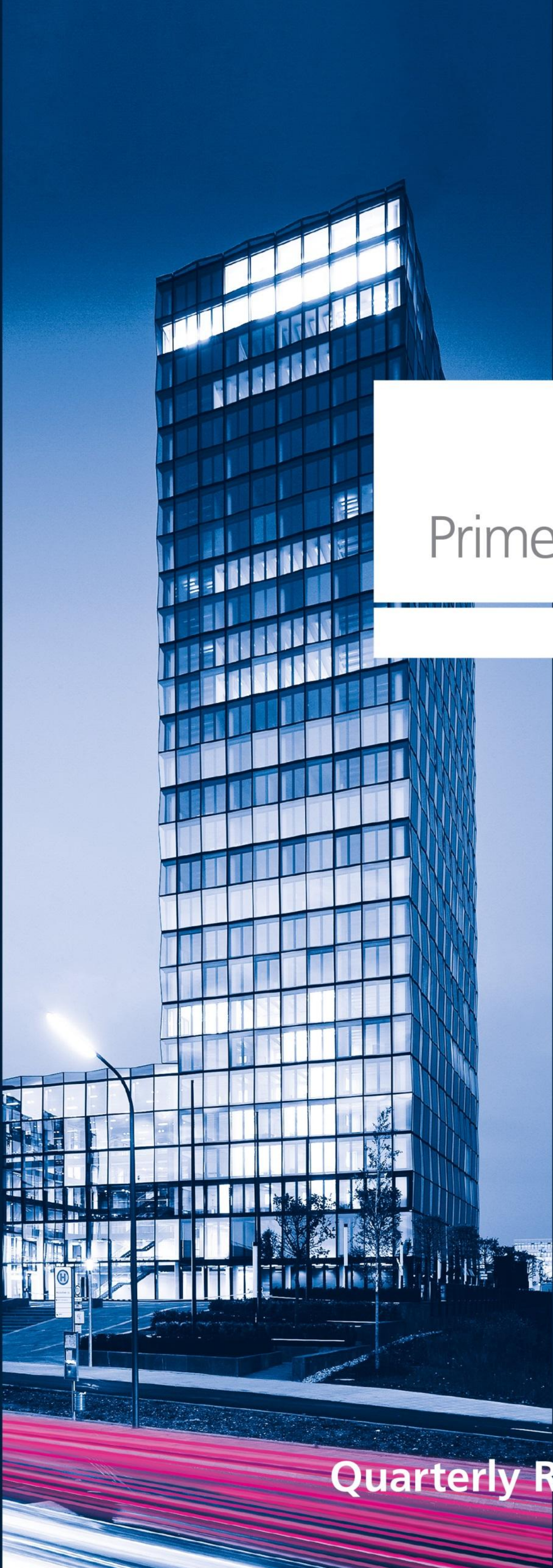

Prime Office

Prime Office REIT-AG

Quarterly Report - 1/2013

CONTENT

Prime Office REIT-AG in Q1/2013 at a glance

- With 14.5 million Euro in revenues, Prime Office generated 1.1 million Euro in income and 1.3 million Euro in funds from operations (FFO) in Q1/2013, which was in line with expectations
- Increase of REIT equity ratio from 42.9% at year end and 41.4% in mid-2012 to 43.7%: the REIT equity ratio still remains below the statutory 45% however
- Net asset value per share increases from 9.02 Euro per share on 31 December 2012 to 9.04 Euro on 31 March 2013
- Substantial reduction of total liabilities by -49.8 million Euro after early repayments and special repayments as part of the optimisation of the financing structure: loan-to-value falls below 60% for the first time, reaching 55.6%
- Seamless re-letting of almost 6,000 m^2 from April 2013 in the Xcite in Dusseldorf to Vodafone partner companies: about 17% occupancy instead of the originally expected vacancy in the former Vodafone headquarters in the Seestern property in Dusseldorf from April 2013
- The board of Prime Office projects revenues (including operating cost prepayments) of between 51 and 53 million Euro and funds from operations of between 0 and 2 million Euro due to temporary or refurbishment-driven vacancies. While the company plans to again pay a dividend for fiscal year 2013, it will be contingent on successful letting and potential property sales due to the charges from property reconstruction and refurbishment measures.

OVERVIEW OF KEY FINANCIALS AS AT 31 MARCH 2013

Earnings figures and employees In million Euro (IFRS)	**01/01-31/03/13**	**01/01-31/03/12**	**Delta in %**	**Delta in numbers**
Rental and lease revenues	14.5	18.2	-20.1%	-3.6
Rental and lease income	11.8	15.3	-23.0%	-3.5
Operating income (EBIT)	10.4	13.9	-25.1%	-3.5
Financial result	-9.3	-8.3	-11.9%	-1.0
Income for the reporting period	1.1	5.6	-80.1%	-4.5
Income per share (in Euro)	0.02	0.11	-80.1%	-0.09
EPRA earnings per share	0.05	0.09	-46.9%	-0.04
Funds from operations (FFO)	1.3	6.5	-80.4%	-5.2
FFO per share	0.02	0.13	-80.4%	-0.10
Employees (individuals)	9	9	0.0%	0.0

Balance sheet data In million Euro	**31/03/2013**	**31/12/2012**	**Delta in %**	**Delta in numbers**
Investment properties	908.2	907.9	0.0%	0.3
Cash at bank and in hand	60.2	64.4	-6.6%	-4.2
Total assets	989.8	1,031.6	-4.0%	-41.8
Equity	397.2	389.1	2.1%	8.1
Equity per share (in Euro)	7.65	7.49	2.1%	0.2
REIT equity ratio (in percent)	43.7	42.9	2.0%	0.9
Total debt	592.7	642.5	-7.8%	-49.8
Net debt	523.6	532.0	-1.6%	-8.4
Leverage (in percent)	57.7	58.6	-1.6%	-0.9
Loan-to-value (in percent)	55.6	60.2	-7.6%	-4.6
Net asset value (NAV)	469.5	468.4	0.2%	1.1
NAV per share (in Euro)	9.04	9.02	0.2%	0.02

LETTER FROM THE BOARD

Dear Shareholders of Prime Office REIT-AG, Dear Sir or Madam,

With 14.5 million Euro in revenues, Prime Office REIT-AG generated 1.1 million Euro in income and funds from operations (FFO) of 1.3 million Euro in the first quarter of fiscal year 2013, which was in line with expectations. Q1/2013 was dominated by the expiry of the lease in the Westend-Ensemble in Frankfurt at the end of 2012 and the sale of the property in Hamburg which led to lower rental income of about 3.4 million Euro. In spite of the seamless re-letting of about 6,000 m² to Vodafone partner companies after Vodafone had vacated the property am Seestern/ Dusseldorf as at 31 March 2013, temporary vacancy in Stuttgart meant that total occupancy in the portfolio amounted to about 77%. The equity of Prime Office REIT-AG also suffered from the market valuation of the derivative interest hedges (swap market values) even though the equity ratio increased by 80 basis points from 42.9% at year-end to 43.7% on 31 March 2013 - also due to the income generated over the reporting period.

The financial result in the first quarter of 2013 declined year on year to -9.3 million Euro due to one-time-effects in connection with the early repayment of loan liabilities after the sale of the property in Hamburg and special repayments of loans with interest rates in excess of 7% that formed part of the on-going optimisation of the financing structure. Going forward, however, the company will benefit from still lower leverage (LTV) that results from declining financing expenses: The LTV of Prime Office REIT-AG fell below 60% for the first time and reached 55.6% on 31 March 2013.

Rental and lease income over the reporting period, i.e. from January to March 2013, amounted to 11.8 million Euro, about 23% below the prior year value (15.3 million Euro). Other operating expenses in Q1/2013 fell by approximately 0.2 million Euro or 19% year on year (about 1.2 million Euro). Expenses for employee benefits remained unchanged year on year at 0.4 million Euro in the first quarter of 2013.

The operating income before valuation effects (EBIT before valuation result) amounted to an overall 10.4 million Euro in the first quarter of 2013, compared to 13.9 million Euro in the previous year. Due to one-time effects in connection with the early repayment of loan liabilities from the purchase price received at the end of January 2013 for the property in Hamburg and additional special repayments of liabilities as part of the on-going optimisation of the financing structure, the financial result amounted to -9.3 million Euro in the first quarter of 2013 compared to -8.3 million Euro in the prior year quarter.

In spite of the occupancy of about 77% and the one-time effects in the financial result that will benefit the Company going forward since finance expenses will come down, Prime Office REIT-AG generated 1.1 million Euro or 0.02 Euro per share in income over the first three months of fiscal year 2013. As expected, this outcome is below the prior year level of 5.6 million Euro. The EPRA earnings (income over the reporting period adjusted by valuation effects) amounted to 2.5 million Euro or 0.05 Euro per share over the first three months of fiscal year 2013; this compares to 4.7 million Euro or 0.09 Euro per share over the first three months of the previous year. Overall, Prime Office generated 1.3 million Euro or 0.02 Euro per share in funds from operations (FFO) over the reporting period, which was in line with expectations and as such in line with the guidance for fiscal year 2013.

After the REIT equity ratio reached 41.4% by mid-year 2012, Prime Office consistently increased this ratio each quarter. After the sale of a property in Hamburg, the REIT equity ratio amounted to 42.9% at year-end 2012 and climbed to now 43.7% by 31 March 2013, mainly due to the income generated in Q1/2013. However, the interest rate sensitive market valuation of existing interest-rate hedges (swap transactions) continued to weigh on the equity and therefore on the REIT equity ratio of Prime Office REIT-AG; as a consequence, the Company was still unable to comply with the statutory REIT equity ratio of 45% at the end of the quarter. By midyear 2011, i.e. when our Company started trading on the stock exchange, the aggregate market value of its active and passive derivative financing instruments had amounted to -22.4 million Euro. 21 months later, on 31 March 2013, this market value had declined to -72.3 million Euro as a result of the euro crisis, a development that affects particularly the balance sheet equity of the Company. Please bear in mind, however, that the market value of the interest rate and currency hedges is invariably zero at maturity. This provides for significant value recovery potential over the time to maturity, which will strengthen the equity capital base and take pressure off the financial result. The REIT law also grants the Company two years from 31 December 2011, when it first failed to meet the REIT minimum equity requirement of 45%, during which to return the equity to the statutory minimum with impunity. This deadline will expire on 31 December 2013. Reaching the REIT minimum equity ratio by 31 December 2013 and keeping the REIT status is a top priority for the board.

The German property market had a mixed start into 2013 according to market reports of the globally operating property services provider Jones Lang Lasalle (JLL). While office letting in the seven largest German office markets was subdued at the beginning of the year, the German investment market, which had already been buoyant in Q4/2012 on the back of the year-end rush to complete transactions, exhibited above-average strength in the first three months. Two factors contributed to this outcome: transactions that had failed to close before the turn of the year were now completed and investors demonstrated unabated trust in Germany as an investment venue. Overall, transaction volumes increased by more than one third year on year in Q1/2013, which was also due to the attractive interest-rate environment.

Conversely, the office letting market had a weak start into the first quarter of 2013 as was to be expected since this market tends respond with a time lag to the economic environment that temporarily deteriorated in mid-year 2012. This notwithstanding, the outlook for the remaining year is not bad according to JLL's market experts. Overall letting volumes across Germany's seven largest office markets declined by about 21% over the first three months of the fiscal year. Frankfurt and Stuttgart were particularly affected and saw volumes halve year on year while the letting markets in Munich and Hamburg did comparatively well. Since net absorption remains positive and new construction volumes are low, cumulative vacancies in the seven major office markets are declining further. By the end of March 2013, vacancy levels across the seven top office markets had declined by 10 basis points to 8.7%. With the exception of Frankfurt, where gross take-up was minimal, the top rents in the other property markets remained unchanged quarter on quarter. Only top rents in Frankfurt increased slightly by 3%. Overall, JLL expects rents in the major office markets to increase moderately by 2.1% as the year progresses.

The portfolio of Prime Office has a weighted average lease term of approximately 6.7 years and an occupancy rate of about 77%; spaces of various sizes in the properties in Stuttgart, Heilbronn, Frankfurt and Dusseldorf require re-letting. The tenant in the Nuremberg property announced that it will not use the spaces longer term. Still, while this lease would originally have expired in 2013, the tenant prolonged the contract until the end of 2014 and prospective new tenants for these spaces have already expressed interest. Overall, substantial letting and marketing activities are under way for all properties that require re-letting. Prime Office is planning extensive reconstruction and refurbishment measures particularly in the properties in Frankfurt and Dusseldorf, which will mostly be carried out in fiscal year 2013. Potential tenants in the properties in Frankfurt and Dusseldorf should already be able to move into spaces by the beginning of 2014.

The management of Prime Office REIT-AG focuses in the context of the operating business mainly on reaching the letting targets, implementing the planned refurbishment measures and reaching the REIT minimum equity ratio by year end, which may also entail the sale of properties. This notwithstanding, organic growth through active, value-adding asset management is still a top priority. Against this backdrop, dear Shareholders, we will not relent in our efforts to bring down the excessively high discount on the net asset value of the Prime Office share.

Yours sincerely

The Board of Prime Office REIT-AG

Economic review

MACROECONOMIC DEVELOPMENT

The global outlook has slightly improved even though the euro crisis continues to weigh on the global economy and the road ahead remains bumpy particularly for the industrialised countries. After global trade growth slowed in 2011 and 2012, the International Monetary Fund (IMF) now expects growth to pick up for the first time in 2013 to 3.5% from 2.5% in 2012 (World Economic Outlook from April 2013). This notwithstanding, projections for 2013 have been slightly revised down from the estimates in January 2013. The IMF also anticipates total production across the world to accelerate from 3.2% in 2012 to 3.3% in 2013 and 4.0% in 2014. This recovery of global economic production is driven mainly by growth in the emerging and developing countries, which is already under way, while the developed economies – led by the US – should resume growth later this year after their weak start. This view is supported by the fact that the so-called fiscal cliff in the US could be avoided and that the euro zone did not break up in spite of the on-going problems. At the same time, the future development in the euro zone as well as the high fiscal deficits and debt levels in the US and Japan mean that downward risks for the global economy persist. The developed countries continue to grow, but the IMF revised its growth forecast for overall production in 2013 down to 3.3% (-0.2%) from its estimate in January 2013 and kept its forecast of 4.0% for 2014 unchanged.

While the economy in the euro zone is expected to contract by 0.3% in 2013, it will grow again in 2014 (1.1%) according to the IMF. Germany will continue in its role as the growth engine in the euro zone in the opinion of the IMF, which increased its German growth forecast for 2013 to 0.6% (+0.1%) and kept its estimate for 2014 unchanged at 1.5%.

Leading economic research institutions in Germany, who presented their spring report in April 2013, believe that the German economy will quickly overcome the macro weakness seen over the winter months and again exhibit meaningful growth from the second quarter of 2013. For 2014, the economic research institutes project economic growth of 1.9%.

The economic outlook for Germany as reflected in the ZEW index published by the German Centre for European Economic Research (ZEW) remained fundamentally positive in April 2013, however the index slightly declined month on month. The sovereign crisis in the euro zone continues to create uncertainty.

Even so, the German government‘s spring projections on the economic situation of the country paints a positive picture of the economic development in 2013: The federal government expects real GDP to grow by 0.5% in 2013 and 1.6% in 2014. It points out that business and consumer sentiment improved over the last months. Furthermore, economic momentum should accelerate in the course of 2013. According to the German government, the positive expectations result from lower tax burdens on citizens that left room for greater consumption and growth. Growth in 2013 and 2014, the government says, will be largely driven by the domestic economy which should have a fundamentally positive effect on the labour market and as such lead to a stable development of wages and salaries in Germany.

THE OFFICE PROPERTY MARKET IN GERMANY

According to market reports of the globally operating property services provider Jones Lang Lasalle (JLL), the German property market had a mixed start into the year. Office letting took off to a weak start in the first quarter of 2013 in the "big 7", i.e. Germany's seven major office markets Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart. This was unsurprising since the office letting market tends to lag changes in the economic environment or business sentiment and the economic environment in Germany had temporarily deteriorated by mid-year 2012 before picking up in the second half of 2012. The property experts are therefore not concerned about the weak start into the year.

Overall, letting volumes across the "big 7" declined by about 21% in the first quarter of fiscal year 2013. Frankfurt and Stuttgart were particularly affected and saw volumes halve year on year while the letting markets in Munich and Hamburg did comparatively well. Since net absorption remains positive and new construction volumes are low, cumulative vacancies in the seven major office markets are declining further. By the end of March 2013, vacancy levels across the seven leading office markets had declined by 10 basis points to 8.7%. Top rents remained unchanged across the property markets with the exception of Frankfurt where gross take-up was minimal. Top rents in Frankfurt increased slightly by 3%. Still, JLL forecasts rents to improve moderately by 2.1% as the year progresses.

Unlike office letting, the German investment market, which had already been buoyant in Q4/2012 on the back of the year-end rush to complete transactions, exhibited above-average strength in the first three months of 2013. Two factors contributed to this outcome: transactions that had failed to close before the turn of the year were now completed and the attractive interest rate environment combined with the continued strong investor trust in Germany as an investment venue created interest and demand. Overall, transaction volumes increased by more than one third year on year in Q1/2013. According to JLL, the property sector is more optimistic and therefore willing to take slightly higher risks, albeit only in terms of property locations – not in terms of building quality, tenant credit quality and stability of cash flows.

Over the first three months of 2013, property investors continued to show greatest interest in the office asset class (40% share). Retail properties accounted for approximately 24%, mixed-use properties for 14% and storage/ logistics and hotel properties for 8% each.

JLL forecasts a generally positive momentum in the investment market in 2013, not least because buyers and sellers continue to demonstrate interest in closing deals. Investment volumes in 2013 could therefore exceed the levels achieved in 2012.

Portfolio report

THE PROPERTY PORTFOLIO OF PRIME OFFICE-REIT AG

The portfolio of Prime Office REIT-AG currently consists of 13 office properties, which are centrally located in large western German cities and conurbations. They are office or administrative buildings some of which also have a limited amount of retail, restaurant and hotel spaces.

Nine of these are located in Dusseldorf, Essen, Frankfurt am Main, Hamburg, Munich and Stuttgart or their corresponding metropolitan regions, all of which are among Germany's most important office markets. The remaining four properties are located in Darmstadt, Heilbronn and Nuremberg.

As per the last market valuation performed as at 31 December 2012 by CB Richard Ellis GmbH (CBRE), the property portfolio had a total market value of 908.5 million Euro. This compares to 926.1 million Euro as at 31 December 2011 – adjusted by the property in Hamburg, which was sold by year-end 2012. The market value of the property portfolio declined by 17.6 million Euro or 1.9% year on year, mainly as a result of the lease in Dusseldorf that expired effective 31 March 2013 and additional re-letting requirements. The market value of the BMW-Designcenter in Munich increased by 1.2% after lease prolongations by BMW AG and Semcon Group in 2012, while market factors led to a 0.2% increase in the value of the property T-Systems in Darmstadt.

According to this market valuation, the 13 properties have a total usable space of about 367,811 m^2. The vacancy ratio of the portfolio, which historically ranged between 0 and 5%, increased from 14.0% at year-end 2012 to approximately 23% at the reporting date on 31 March 2013 after Vodafone vacated the premises of its former headquarters in Dusseldorf. However a subsection of about 6,000 m^2 overall could be let seamlessly to Vodafone partner companies from April 2013. Instead of falling entirely vacant from April 2013 as originally expected, about 17% of the spaces are now occupied.

With annual rent exclusive of heating, lighting and other service costs of 52.5 million Euro (as at 31 December 2012), the portfolio had a gross initial yield of 5.7%, a net initial yield of 5.1% and an EPRA topped-up net initial yield of 5.1% due to vacancies.

Overall, the portfolio's weighted average term of lease (WALT) amounted to 7.0 years as at 31 December 2012, mainly due to the early lease prolongation signed by the tenant BMW for the BMW-Designcenter in Hufelandstraße (Munich) in June 2012. The WALT amounted to about 6.7 years at the reporting date on 31 March 2013.

OVERVIEW OF RENTAL SPACES AND RENT OF PRIME OFFICE REIT-AG

	Rented space (m^2)	**Total lettable space (m^2)**	**Rent exclusive of heating, lighting and other service costs (in mm Euro p.a.)**	**Rent exclusive of heating, lighting and other service costs (in Euro/ m^2 per month)**
Munich, Hufelandstraße	8,224	8,224	1.7	17.23
Frankfurt, Ludwig Erhard Anlage	833	35,101	0.3	30.01
Darmstadt, T-Online Allee	72,528	72,528	11.9	13.67
Essen, Alfredstraße	30,314	30,314	5.7	15.67
Darmstadt, Deutsche Telekom Allee	24,686	24,686	3.4	11.48
Stuttgart, Breitwiesenstraße	9,830	25,284	1.3	11.02
Nuremberg, Richard Wagner Platz	6,445	6,445	1.1	14.22
Heilbronn, Bahnhofstraße	14,552	14,750	2.1	12.03
Dusseldorf, Am Seestern	35,819	35,819	7.1	16.52
Stuttgart, Philipp Reis Straße	19,854	19,854	3.5	14.69
Munich, Hultschiner Straße	62,237	62,237	10.5	14.06
Dusseldorf/ Meerbusch, Earl Bakken Platz	8,038	8,038	1.3	13.48
Essen, Opernplatz	24,531	24,531	2.6	8.83
	317,891	**367,811**	**52.5**	**13.76**

Source: CBRE opinion as at 31 December 2012

PROPERTY PORTFOLIO OF PRIME OFFICE REIT-AG

	Market value as at 31/12/2012 (in mm Euro)	Yoy change (in %)	Rented space (in m²)	Total rental space (in m²)	Rent excl. of h., l. & and other service charges (in mm Euro p.a.)	Yoy change (in %)	Weighted Average Lease Term (in years)
Munich, Hufelandstraße 13-15	24.4	1.2%	8,224	8,224	1.7	0%	8.8
Frankfurt, Ludwig Erhard Anlage 2-8	155.1	-4.1%	833	35,101	0.3	-97.2%	8.9
Darmstadt, T-Online Allee 1	172.5	0.0%	72,528	72,528	11.9	0.8%	6.9
Essen, Alfredstraße 236	73.0	-0.1%	30,314	30,314	5.7	0%	7.0
Darmstadt, Deutsche Telekom Allee 7	53.3	0.2%	24,686	24,686	3.4	0%	7.4
Stuttgart, Breitwiesenstraße 5-7	39.2	-6.0%	9,830	25,284	1.3	+18.2%	7.9
Nuremberg, Richard Wagner Platz 1	13.0	0.0%	6,445	6,445	1.1	0%	2.2
Heilbronn, Bahnhofstraße 1-5	29.9	0.7%	14,552	14,750	2.1	+16.7%	4.1
Dusseldorf, Am Seestern 1	67.6	-10.7%	35,819	35,819	7.1	0%	0.2
Stuttgart, Philipp Reis Straße 2	39.1	-1.5%	19,854	19,854	3.5	0%	9.6
Munich, Hultschiner Straße 8	186.5	-0.1%	62,237	62,237	10.5	0%	10.8
Dusseldorf/ Meerb., Earl Bakken Platz 1	16.4	0.0%	8,038	8,038	1.3	0%	6.7
Essen, Opernplatz 2	38.5	-0.3%	24,531	24,531	2.6	0%	10.0
	908.5	**-1.9%**	**317,891**	**367,811**	**52.5**	**-16.0%**	**7.0**

Source: CBRE opinion as at 31 December 2012

Corporate development

Overall, particularly the temporarily lower occupancy in the portfolio, lower rental income due to the sale of the property in Hamburg and one-time effects from early full and special repayments as part of the on-going optimisation of the financing structure took their toll on the Prime Office performance. Against this backdrop, Prime Office REIT-AG generated 14.5 (Q1/2012: 18.2) million Euro in revenues, 1.1 (Q1/2012: 5.6) million Euro in income over the reporting period and 1.3 (Q1/2012: 6.5) million Euro in funds from operations (FFO). Per share, Prime Office's income or funds from operations amounted to 0.02 Euro over the reporting period. The “EPRA earnings“, i.e. income over the reporting period adjusted by valuation effects, amounted to 2.5 (Q1/2012: 4.7) million Euro or 0.05 (Q1/2012: 0.09) Euro per share in the first quarter of 2013.

Revenues

The rental and lease revenues over the first three months of fiscal year 2013 amounted to 14.5 (Q1/2012: 18.2) million Euro due to temporarily lower occupancy. One-time effects in the first quarter of the previous year meant that other rental and lease revenues fell year on year in Q1/2013 to 39 k Euro (from 128 k Euro).

The rental and lease expenses mainly include expenses for maintenance and marketing, planning costs for the properties that require re-letting and the asset management fee. Over the reporting period, the rental and lease expenses amounted to 2.7 (Q1/2012: 2.9) million Euro. As a result, rental and lease expenses over the first three months of 2013 accounted for 18.6 (Q1/2012: 16.2) % of the revenues. This resulted in rental and lease income of 11.8 (Q1/2012: 15.3) million Euro for Prime Office REIT-AG over the reporting period.

Other operating income over the first three months of fiscal year 2013 amounted to 15 k Euro and were down compared to the prior year period (0.2 million Euro) that contained one-off effects from the reversal of provisions. Other operating expenses could be decreased further in the first quarter of 2013 to about 1.0 million Euro, ending about 20% below the prior year level (1.2 million Euro). The other operating expenses relate inter alia to legal and advisory costs, disclosure costs, costs of the property valuation and auditing costs.

Expenses for employee benefits remained unchanged at 0.4 (Q1/2012: 0.4) million Euro over the reporting period Q1/2013.

Depreciation over the reporting period increased to about 32 k Euro in Q1/2013 and was mainly due to the on-schedule depreciation of office furniture and equipment in the show rooms (sample spaces) of the properties in Frankfurt and Dusseldorf. This compares to approximately 28 k Euro in the prior year period.

Vacancies led to lower year-on year operating income before valuation result of 10.4 (Q1/2012: 13.9) million Euro in the first quarter of 2013. The operating income before interest and taxes (EBIT) developed accordingly. No property valuation was performed in the first quarter.

Due to one-time effects in connection with the early repayment of loan liabilities from the purchase price payments of the sold property in Hamburg and additional early repayment of liabilities with interest rates in excess of 7%, the financial result defined as the balance of finance income and finance expenses amounted to -9.3 (Q1/2012: -8.3) million Euro in Q1/2013, falling below the prior-year level by about 1 million Euro. With interest expense in the amount of 9.4 (Q1/2012: 9.2) million Euro, the expenses from the fair valuation of derivative financial instruments amounted to 1.8 (Q1/2012: 0.9) million Euro. Total financial gains amounted to approximately 1.8 million Euro, compared to about 2.6 million Euro in Q1/2012 which contained foreign exchange gains of 0.6 million Euro.

Overall, Prime Office generated earnings before income taxes (EBT) of 1.1 (Q1/2012: 5.6) million Euro, so that the REIT-AG generated 1.1 (Q1/2012: 5.6) million Euro over the reporting period, i.e. the first three months of fiscal year 2013.

With about 51.9 million issued shares, Prime Office generated income per share in the amount of 0.02 Euro over the reporting period, compared to 0.11 Euro in Q1/2012. The “EPRA earnings“, where the income over the reporting period is adjusted by one-time or special effects from the fair valuation of the property portfolio and the derivative financing instruments, amounted to 2.5 (Q1/2012: 4.7) million Euro or 0.05 (Q1/2012: 0.09) Euro per share in Q1/2013.

Funds from operations (FFO) in Q1/2013 amounted to 1.3 million Euro or 0.02 Euro per share and were in line with expectations, below the level in Q1/2012 (6.5 million Euro or 0.13 Euro per share).

Funds from operations („FFO“)

		Q1/2013	Q1/2012
		mm Euro	mm Euro
	Operating income (EBIT)	**10.4**	**13.9**
	Adjustment by one-time effects from sales	1.4	0.0
-	Unrealised valuation gains from the fair valuation of investment properties	0.1	0.0
+	Unrealised valuation losses from the fair valuation of investment properties	0.1	0.0
+	Depreciation and amortisation	0.0	0.0
-	Interest paid	10.8	7.2
+	Interest paid	0.0	0.1
-	Interest paid (balance of interest paid and received)	10.8	7.1
+	Interest adjustment at the end of the period	0.2	-0.3
	Funds from operations (FFO)	**1.3**	**6.5**
	Funds from operations per share	**€ 0.02**	**€ 0.13**
	(weighted)		

Cash flow of Prime Office REIT-AG

Lower rental income due to vacancies and interest payments in the amount of 10.8 million Euro in Q1/2013 led operating cash flow down from 5.8 million Euro in Q1/2012 to -0.9 million Euro in the first quarter of 2013.

Since the purchase price for the property in Hamburg was received in January, the Company’s cash flow from investment activities amounted to 41.2 million Euro in Q1/2013. This also includes investments in portfolio properties of 0.5 million Euro made over the winter quarter.

The cash flow from financing activities in Q1/2013 was dominated by the repayments of loan liabilities in connection with the purchase price payment for the property in Hamburg and special repayments as part of the on-going optimisation of the financing structure. The cash flow from financing activities amounted to -40.1 million Euro in the reporting period.

ASSETS AND FINANCIAL SITUATION

Balance sheet of PRIME OFFICE REIT-AG

Total assets of Prime Office REIT-AG as at 31 March 2013 decreased by 41.8 million Euro or 4.1% from 1,031.6 million Euro as at 31 December 2012 to 989.8 million Euro.

On the asset side of the balance sheet, current assets decreased from 110.5 million Euro at year-end 2012 to 69.1 million Euro on 31 March 2013, which was mainly due to the decline in other receivables and trade accounts receivable in connection with the purchase price payment for the property in Hamburg that had been sold effective 31 December 2012. The current assets consist largely of cash at bank and in hand (60.1 million Euro) and other receivables and financial assets (about 7.1 million Euro), which also include short-term money markets shares (5.6 million Euro).

The non-current assets as at 31 March 2013 amounted to 920.8 million Euro (31/12/2012: 921.1 million Euro) and consisted mainly of 908.2 (31/12/2012: 907.9) million Euro held as investment properties. With 10.2 million Euro as at 31 March 2013, the market value of derivative financial instruments declined slightly compared to 31 December 2012 (10.8 million Euro). Non-current financial assets amounted to about 2.1 million Euro, unchanged from 31 December 2012. They consist largely of an insurance policy with paid-up status taken out in the context of a property financing.

The on-going financial and euro crisis and the consistently low interest rate environment continue to weigh on the equity of Prime Office REIT-AG as they affect the valuation of the long-term derivative interest rate hedging instruments (interest rate swaps) concluded in connection with the property financings. Since mid-2012, the company could continually improve its REIT equity ratio of 41.4%. In the first quarter of 2013, the REIT ratio increased to an overall 43.7% on the back of the positive income over the reporting period and equity of 397.2 (31/12/2012: 389.1) million Euro. However, the REIT equity ratio still remains below the statutory 45% required under the REIT law. This threshold must be reached until year-end 2013; otherwise, the Company will lose the REIT status. The board is making every effort to reach this objective and is also exploring the option of additional property sales until year-end.

The subscribed capital grew by 34.5 million Euro to an overall 51.9 million Euro as at 31 December 2011 as a result of the IPO in mid-year 2011. It remained unchanged at 51.9 million Euro as at 31 March 2013. The capital reserves of 625.3 million Euro therefore remained equally unchanged on 31 March 2013. Including other reserves particularly for unrealised gains/losses from cash flow hedges (interest rate swaps) in the amount of -63.6 million Euro and net income over the period of 1.1 million Euro that was netted in the balance sheet loss (-217.8 million Euro), Prime Office REIT-AG held 397.2 million Euro in equity as at the balance sheet date on 31 March 2013.

The sum of current and non-current liabilities of Prime Office REIT-AG decreased to 592.7 million Euro as at 31 March 2013 compared to 31 December 2012 (642.5 million Euro). This was due to the early repayment of loans and special prepayments as part of the optimisation of the financing structure. The sum of current and non-current financial liabilities (ex derivatives) fell accordingly from about 551.0 million Euro as at 31 December 2012 to 509.2 million Euro as at 31 March 2013. Adjusted by the valuation effects from derivative financing instruments, the sum of current and non-current liabilities would have decreased even more substantially. The loan to value (LTV) of Prime Office as at 31 March 2013 fell for the first time below 60% to now 55.6%. This substantially lower LTV will take pressure off the financial result going forward.

	FORMULA		**31/03/2013**	**31/12/2012**
Total liabilities	Current + non-current liabilities	in million Euro	592.7	642.5
Net debt	Total debt - current assets	in million Euro	523.6	532.0
Leverage	Net debt : property market values	in %	57.7	58.6
Loan-to-value	Liabilities to credit institutions : property mkt. value	in %	55.6	60.2
REIT equity ratio	Equity : property market values	in %	43.7	42.9

As at the balance sheet date on 31 March 2013, the Company had current liabilities of 181.9 million Euro, compared to 221.6 million Euro as at 31 December 2012. These include current financial liabilities of 175.7 (31 December 2012: 212.5) million Euro and trade receivables of 2.9 (31/12/2012: 3.4) million Euro. The other current liabilities in the amount of 1.1 million Euro consist of deferred charges (mainly deferred rent). The liabilities to tax authorities consist of payable value-added tax. With about 0.5 million Euro, these liabilities are below the year-end level (31 December 2012: 1.0 million Euro).

The non-current financial liabilities as at 31 March 2013 amounted to 410.8 million Euro and are substantially below the level at year end 2012 (420.9 million Euro).

After the repayment of the loan liability for the property in Hamburg, the negative market values of derivative financial instruments amounted to an overall 83.5 (31/12/2012: 91.5) million Euro at the reporting date on 31 March 2013. It should be noted that the valuation, i.e. the market value of derivative financial instruments (market value of interest rate swaps), invariably reaches 0 at maturity, which leaves substantial value recovery potential over the time to maturity.

Prime Office REIT-AG has no foreign exchange loans.

The financings of the properties in Dusseldorf, Nuremberg and Stuttgart, which totalled about 95.5 million Euro as at 31 March 2013, require prolongation on 31 December 2013. About 45.0 million Euro from the IPO had already been set aside for the express purpose of paying off debts on these properties. Accordingly, the refinancing need for the three properties in Dusseldorf, Nuremberg and Stuttgart amounts to approximately 50.5 million Euro at year-end 2013. The board expects the conditions of future financings to correspond to the risk profile and the solid equity ratio.

The fixed interest of existing financings for the property in Frankfurt, which amount to an overall 44.2 million Euro, expires on 30 September 2013. The fixed interest on a financing for the SZ-Tower (as at 31 December 2012: 28.2 million Euro) expires on 28 June 2013; a special repayment of 7.5 million Euro has already been made in January 2013. In addition, a repayment of 3.1 million Euro was made in February 2013 towards a financing loan for the property in Darmstadt.

Net asset value

As at the balance sheet date on 31 March 2013, the net asset value (NAV) of Prime Office REIT-AG increased to 469.5 million Euro, compared to 468.4 million Euro as at year end 2012. As a result, the NAV per share amounted to 9.04 Euro on 31 March 2013, slightly exceeding the value on 31 December 2012 (9.02 Euro per share).

Without adjustment for the effects from derivative financial instruments, the net NAV of Prime Office, which corresponds to the value of the equity, amounted to 397.2 (31/12/2012: 389.1) million Euro on 31 March 2013. This results in a net NAV or equity per share of 7.65 (31/12/2012: 7.49) Euro.

The following table illustrates the calculation of the net asset value:

		31 March 2013	**31 December 2012**
		mm Euro	mm Euro
	Equity	397.2	389.1
-	Derivative financial instruments (assets), of these:	11.2	12.2
	current	1.0	1.4
	non-current	10.2	10.8
-	Deferred tax assets	0.0	0.0
+	Derivative financial instruments (liabilities), of these:	83.5	91.5
	current	1.7	4.3
	non-current	81.8	87.2
+	Deferred tax liabilities	0.0	0.0
	Net asset value (NAV)	**469.5**	**468.4**
	Net Asset Value per share (not weighted)	**9.04**	**9.02**
	Net NAV (equity per share) (not weighted)	**7.65**	**7.49**

Staff

Prime Office REIT-AG has a lean personnel structure. It had 9 employees overall on 31 March 2013 (previous year: 8). In addition, the Company is represented by two board members.

	Staff
AS OF 31/03/2013	TOTAL
Management board	2
Asset management	3
Other	4
Total	9

Risk management

In line with the requirements of the stock corporation law, the board of Prime Office REIT-AG collaborated with a renowned auditing firm to design and establish a risk management and risk controlling function. Its key responsibility is the early and consistent identification, monitoring and reduction of risk via appropriate measures. Regular risk reporting is ensured.

The Company has implemented a risk management system in order to identify and evaluate major and critical risks to the Company early and address them appropriately. It is an integral component of the overall management and reporting process.

The system ensures that risks are
identified, evaluated
and addressed via necessary measures.
It also monitors the development of risk.

Risk management is overseen by Prime Office REIT-AG's Chief Financial Officer. It is consistently enhanced in cooperation with external advisers to ensure that particularly new approaches and ideas can be incorporated in the risk management of Prime Office REIT-AG.

In addition to ad-hoc reports in the event of sudden changes in risk, a quarterly audit monitors the existing risks and identifies any potential new risks. The results are summarised in a quarterly report and presented to the supervisory board by the management board.

Barring massive rent delinquencies in 2013, the management board currently sees no critical risks to the Company.

As any other company, Prime Office REIT-AG faces potential risks that can meaningfully impact its business, assets, financial situation and income.

The risks of Prime Office REIT-AG are described in detail in the annual report 2012 on page 66 et seqq. (Risk Management). The risk situation has not materially changed over the first three months of 2013.

The Prime Office share

DEVELOPMENT OF THE PRIME OFFICE SHARE PRICE

Capital market sentiment over the first quarter of fiscal year 2013 was largely positive. At the beginning of the reporting period, the ten-month high of the purchasing manager index for the euro zone and stronger demand for peripheral bonds supported the stock markets. Moreover, investor sentiment likely benefited from the repayment of funds from the ECB's first three-year tender, which exceeded expectations. Capital markets remained largely stable over the course of the first quarter. The continued low interest rate policy of key central banks apparently led to stronger fund flows into equities where investors hoped to generate higher returns. In addition, monetary policy measures by central banks continued to provide ample market liquidity that sought appropriate investment. As a result, stock market sentiment remained largely impervious to negative news. Neither the struggle to form a government in Italy nor the events in Cyprus, which originally refused the bailout package and was later supported by members of the euro monetary union, created lasting investor uncertainty. Similarly, investors apparently seemed largely unfazed by the unexpectedly strong decline of new manufacturing orders in Germany and the still poor production numbers in Europe. As a result, the stock markets remained strong throughout the end of the quarter.

The share of Prime Office remained mostly stable in the first quarter of 2013. From the XETRA opening price of 3.30 Euro per share on 02 January 2013, the share price initially picked up by about 16% to its quarterly high of 3.84 Euro per share on 14 January 2013. It then followed a downward trend before recovering from the beginning of February and again reaching the quarterly high of 3.84 Euro on 14 February 2013. The share price remained largely stable for the rest of the quarter before coming under pressure again in the last days of the reporting period. The share ended the quarter at 3.20 Euro on 28 March 2013.

The board of Prime Office remains dissatisfied with the development of the share price in the first quarter of 2013 and the still high discount on the Company's net asset value (NAV). It will therefore continue to focus on sustainably reducing the discount on the Company's NAV and make every effort to achieve a fair valuation of Prime Office by the capital market.

SHAREHOLDER STRUCTURE

The shareholder structure of Prime Office changed only slightly during the first quarter of 2013. Individual institutional investors marginally increased or decreased their holdings in the property company without significantly affecting the overall share weightings. The shareholder base of Prime Office is therefore still dominated by long-term oriented institutional investors with a primary focus on property companies. We view this as testament to the significant trust investors place in the strategy and the business model of Prime Office.

Free float amounted to about 66.5% of the shares on 31 March 2013.

Key shareholders of the Company holding shares ≥ 3%

Oaktree European Principal Fund III LP (USA)	8.4%
Morgan Stanley Investment Ltd. (UK)	7.0%
Ironsides Partners LLC (USA)	6.4%
Karoo Investment S.C.A. SICAV-SIF (Lux)	5.3%
Ruffer Ltd. (UK)	3.4%
Schroders (UK)	3.0%

INVESTOR RELATIONS

Prime Office has again engaged in candid and intensive dialogue with relevant capital markets players in the first quarter of 2013. Thus, the board again represented the property company on the MIPIM in Cannes in March 2013. During this trade fair, which is generally considered as the globally leading event of its kind, the members of the board met with numerous investors and sector representatives and expanded and cultivated their strong network across the property sector. In addition, Prime Office participated in the German conference hosted by Bankhaus Lampe in Baden-Baden.

At the end of the first quarter 2013, Bankhaus Lampe also started covering the Prime Office share. On 31 March 2012, the property company was therefore covered by eight banks and research firms most of which have a positive view on Prime Office. At the end of the quarter, one bank had an overweight recommendation on the stock, five banks and research firms recommended to buy and two banks recommended to hold the share. The positive valuation by the analysts is also reflected in their various price targets that ranged between

3.50 Euro per share and 5.30 Euro per share at the end of the reporting period and thus exceeded the XETRA closing price of 3.20 Euro per share on 28 March 2013.

Statement of events after the reporting period

EVENTS AFTER THE INTERIM REPORTING PERIOD

On May 8, the company has announced via ad-hoc release that the boards of Prime Office REIT-AG and OCM German Real Estate Holding AG have started exploring a potential merger of the companies as a listed company. If the talks progress positively, they plan to take additional steps required for a merger including the determination of the merger exchange ratio and the appointment of an auditor for the merger.

Projections

MACROECONOMIC DEVELOPMENT

While the euro crisis is still weighing on the global economy and the developed countries in particular still face substantial difficulties the global outlook has slightly improved. Accordingly, the International Monetary Fund (IMF) expects global trade to increase by 3.6% in 2013. It also projects total production across the world to accelerate compared to 2012 – to 3.3% in 2013 and 4.0% in 2014. The developed countries continue on their growth trends, however the IMF adjusted its growth forecast for overall production in 2013 down to 3.3 % (-0.2%) compared to its estimate in January 2013 and kept its forecast of 4.0% for 2014 unchanged.

While the economy in the euro zone is expected to contract by 0.3% in 2013, it will grow again in 2014 (1.1%) according to the IMF. Germany will continue in its role as the growth engine in the euro zone in the opinion of the IMF, which increased its German growth projection for 2013 to 0.6% (+0.1%) and kept its estimate for 2014 unchanged at 1.5%.

Leading economic research institutions in Germany, who presented their spring report in April 2013, believe that the German economy will quickly overcome the macro weakness seen over the winter months and again exhibit meaningful growth from the second quarter of 2013. For 2014, the economic research institutes project economic growth of 1.9%.

THE OFFICE PROPERTY MARKET IN GERMANY

The German property market was mixed in the first quarter of 2013 according to the internationally operating property service provider Jones Lang LaSalle (JLL). Office letting had a weak start across Germany's seven major office markets in the first quarter of 2013. As the office letting market is generally correlated with the economic environment or the German business sentiment and economic sentiment has been fundamentally positive since mid-2012, expectations for the full year 2013 are not pessimistic, though, but rather optimistic. Rents in 2013 should increase slightly by an average 2.1% over the course of the year according to JLL.

JLL also forecasts a generally positive momentum on the investment market in 2013, not least because buyers and sellers continue to demonstrate interest in closing deals. Against this backdrop, investment volumes are expected to increase compared to 2012.

CAPEX MEASURES

Prime Office REIT-AG's strategy focuses on generating stable, growing long-term rental revenues from the existing office properties through active and return-oriented management. Based on its focus on quality growth in the German office property market and its attractive portfolio, which is broadly diversified across properties, locations and tenants, Prime Office REIT-AG plans to continue adding suitable office properties to the portfolio as and when it will be able to raise fresh equity.

The properties in Stuttgart/Moehringen, Frankfurt and Dusseldorf/Seestern that require re-letting will undergo in some cases extensive refurbishment measures. The investment volume for the three properties amounts to about 42 million Euro overall; the Company plans to finance parts of it via debt capital. The refurbishment measures in the property in Stuttgart/Moehringen are scheduled to be completed in 2013; the measures in Dusseldorf and Frankfurt should be completed in 2013 and 2014 respectively.

The investment strategy targets office properties in the most important German office markets or major German cities with established or growing infrastructure. At the same time, Prime Office REIT-AG is also looking to acquire appropriately pre-let developments. The Company aims to sustainably increase cash flows through value enhancing asset management and potential acquisitions and may also selectively invest in properties with vacancies that exceed the portfolio average in order to benefit disproportionately from the lease up of the new spaces.

Opportunities and outlook

OPPORTUNITIES

The asset managers of Prime Office REIT-AG might be able to let the remaining vacant spaces in the portfolio short term and temporarily achieve virtually full occupancy. The spaces in question are attributable to the properties in Stuttgart, Dusseldorf, Frankfurt and Heilbronn.

Planned capex measures for existing properties that require re-letting will be accretive to earnings in the event of successful re-letting.

OUTLOOK

The board of Prime Office REIT-AG continues to expect the economic environment in Germany to progress steadily and the office property market in Germany to do well. Prime Office REIT-AG‘s operating business in 2013 will be characterised by temporary vacancies in the property in Stuttgart and particularly by the reconstruction-driven vacancies and planned refurbishment measures in the Frankfurt and Dusseldorf properties, which will cause corresponding declines in rental income and funds from operations.

Reaching the REIT minimum equity ratio and protecting the REIT status is a top priority against the backdrop of the anticipated vacancies and the planned refurbishment measures. To achieve this goal, every effort will go into meeting the letting objectives; additional property sales are being contemplated.

Based on the above assumptions, the board of Prime Office REIT-AG anticipates revenues (including operating cost prepayments) of between 51 and 53 million Euro and funds from operations of between 0 and 2 million Euro in fiscal year 2013.

While the company plans to again pay a dividend for fiscal year 2013, it will be contingent on successful letting and potential property sales due to the charges from property reconstruction and refurbishment measures.

Munich, 08 May 2013

Claus Hermuth	Alexander von Cramm
(Board Member)	(Board Member)

Unaudited condensed interim financial statement of Prime Office REIT-AG as at 31 March 2013

Income statement for the period commencing on 1 January and ending on 31 March 2013 (unaudited)

	Note	01/01 to 31/03/2013	01/01 to 31/03/2012
		k€	k€
Revenues from rental and lease	5.1	14,510	18,156
Other revenues from rental and lease	5.2	39	128
Expenses for rental, lease and sale	5.3	-2,729	-2,935
Net rental, lease and sale income		**11,820**	**15,349**
Other operating income	5.4	15	187
Other operating expenses	5.5	-969	-1,199
Expenses for staff benefits		-432	-427
Depreciation and amortisation		-32	-26
Operating income before valuation result		**10,402**	**13,884**
Gains/losses from the fair-value accounting of investment properties		21	32
Operating income (EBIT)		**10,423**	**13,916**
Finance expenses	5.6	-11,151	-10,879
Finance income	5.6	1,841	2,560
Income before income taxes (EBT)		**1,113**	**5,597**
Income for the reporting period		**1,113**	**5,597**
Income per share			
Undiluted/diluted income per share	5.7	**€ 0.02**	**€ 0.11**

Comprehensive income statement for the period commencing on 1 January and ending on 31 March 2013 (unaudited)

	Note	01/01 to 31/03/2013 k€	01/01 to 31/03/2012 k€
Income for the reporting period		**1,113**	**5,597**
Other operating income/expenses			
Changes in equity from reserves for unrealized gains/losses from the fair-value accounting of financial assets available for sale before income taxes	7.1	26	13
Release of income taxes recognized in equity on unrealized gains and losses from fair value recognition of financial assets available for sale on account of obtaining REIT status		0	0
Changes in equity from reserves for unrealized gains/losses from the fair-value accounting of financial assets available for sale after income taxes		26	13
Changes in equity from reserves for unrealized gains/losses from cash flow hedges (interest rate swaps) before income taxes	7.1	6,929	-4,546
Release of income taxes recognized in equity on unrealized gains and losses from cash flow hedges (interest rate swaps) on account of obtaining REIT status		0	0
Changes in equity from reserves for unrealized gains/losses from cash flow hedges (interest rate swaps) after income taxes		6,929	-4,546
Changes in equity from reserves for unrealized gains/losses from cash flow hedges (currency swaps) after income taxes	7.1	0	-101
Release of income taxes recognized in equity on unrealized gains and losses from cash flow hedges (currency swaps) on account of obtaining REIT status		0	0
Changes in equity from reserves for unrealized gains/losses from cash flow hedges (currency swaps) after income taxes		0	-101
Other gains/losses after taxes		**6,955**	**-4,634**
Total comprehensive income after taxes		**8,068**	**963**

Balance sheet as at 31 March 2013 (unaudited)

	Note	31/03/2013 k€	31/12/2012 k€
ASSETS			
Assets			
Current assets			
Accounts receivable	6.1	808	42,570
Other receivables and financial assets	6.1	7,094	2,171
Derivative financial instruments		985	1,380
Cash at bank and in hand	6.1	60,168	64,399
		69,055	**110,520**
Non-current assets			
Plant, property and equipment	6.2	267	290
Investment property	6.3	908,180	907,876
Intangible assets		39	33
Derivative financial instruments	6.1	10,225	10,812
Non-current financial assets	6.1	2,073	2,071
		920,783	**921,082**
TOTAL ASSETS		**989,838**	**1,031,602**
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Current financial liabilities	7.2	175,678	212,507
Accounts payable	7.2	2,898	3,389
Current derivative financial instruments		1,721	4,285
Other current liabilities	7.2	1,148	470
Payables to tax authorities		437	971
		181,882	**221,622**
Non-current liabilities			
Non-current financial liabilities	7.2	328,993	333,693
Non-current derivative financial instruments	7.2	81,785	87,177
		410,778	**420,870**
Total liabilities		**592,660**	**642,492**
Equity			
Subscribed capital	7.1	51,941	51,941
Capital reserves		625,324	625,324
Other reserves		-63,392	-70,347
Net loss		-216,695	-217,808
		397,178	**389,110**
TOTAL ASSETS		**989,838**	**1,031,602**

Statement of changes in equity for the period commencing on 1 January and ending on 31 March 2013 (unaudited)

	Subscribed capital	Capital reserves	Other reserves: Reserves for unrealized gains/losses from the fair-value accounting of financial assets available for sale	Other reserves: Reserves for unrealized gains/losses from cash flow hedges (interest rate swaps)	Other reserves: Reserves for unrealized gains/losses from cash flow hedges (currency swaps)	Net loss	Total equity
	k€	k€	k€	k€	k€	k€	k€
01/01/2013	51,941	625,324	222	-70,569	0	-217,808	389,110
Income for the reporting period	0	0	0	0	0	1,113	1,113
Other result for the reporting period	0	0	26	6,929	0	0	6,955
Total	51,941	625,324	248	-63,640	0	-216,695	397,178
31/03/2013	**51,941**	**625,324**	**248**	**-63,640**	**0**	**-216,695**	**397,178**

	Subscribed capital	Capital reserves	Other reserves: Reserves for unrealized gains/losses from the fair-value accounting of financial assets available for sale	Other reserves: Reserves for unrealized gains/losses from cash flow hedges (interest rate swaps)	Other reserves: Reserves for unrealized gains/losses from cash flow hedges (currency swaps)	Net loss	Total equity
	k€	k€	k€	k€	k€	k€	k€
01/01/2012	51,941	625,324	166	-59,169	407	-200,704	417,966
Income for the reporting period	0	0	0	0	0	5,597	5,597
Other result for the reporting period	0	0	13	-4,546	-101	0	-4,634
Total	51,941	625,324	179	-63,715	306	-195,107	418,928
31/03/2012	**51,941**	**625,324**	**179**	**-63,715**	**306**	**-195,107**	**418,928**

Cash flow statement for the period commencing on 1 January and ending on 31 March 2013 (unaudited)

	Note	01/01 to 31/03/2013	01/01 to 31/03/2012
		k Euro	k Euro
Income for the reporting period		1,113	5,597
Amortisations and depreciations of non-current assets		32	27
Unrealised valuation losses (gains) from fair value accounting of investment properties		-21	-32
Interest income and expenses	5.6	9,310	8,319
Changes in receivables and other assets	6.1	-443	-480
Changes in liabilities	7.2	-124	-375
Other changes not affecting cash flow		30	-110
Interest paid		-10,829	-7,233
Interest received		41	102
Cash flow from operating activities		-891	5,815
Cash flow from disposals of investment properties		41,742	0
Investments in investment properties		-535	-38
Investments in intangible assets		-13	-6
Investments in other property, plant and equipment		-3	-8
Cash flow from investment activities		41,191	-51
Disbursements for the repayment of bank loans		-40,079	-4,381
Payments for loan transfers		0	-200
Cash flow from financing activities		-40,079	-4,581
Changes in cash and cash equivalents affecting cash flow		221	1,182
Exchange rate and valuation related changes of the cash fund		0	598
Cash and cash equivalents at the beginning of the period		65,511	129,512
Cash and cash equivalents at the end of the period		**65,732**	**131,293**

Selected, explanatory notes (unaudited)

1. GENERAL INFORMATION

Prime Office REIT-AG (hereinafter referred to as „the Company“ or „POAG“) is a German joint-stock company with headquarters in Munich. The Company has been registered in the commercial register of the district court of Munich under no. HRB 133535 since 9 October 2000. The Company has its offices in Hopfenstrasse 4, 80335 Munich, Germany.

The Company is a property company. Its business activities focus on generating stable long-term rental income from a high-quality property portfolio with a strong diversification across properties and tenants, increasing such income by consistently adding to the property portfolio, and enhancing the overall return of the property portfolio by way of professional asset management. On 7 July 2011, the Company became a Real Estate Investment Trust-Aktiengesellschaft (REIT-AG; REIT joint-stock company).

The Company's fiscal year ends on 31 December of each calendar year.

The Company has no subsidiaries, associated companies or joint ventures. As a result, the financial statement relates exclusively to the business activities of Prime Office REIT-AG.

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND ACCOUNTING METHODS

2.1 BASIS OF FINANCIAL STATEMENT PREPARATION

The condensed interim financial statement as at 31 March 1013 was prepared in line with IAS 34 as applicable in the EU.

The condensed interim financial statement does not contain all information and data required for an individual fiscal year-end IFRS-compliant financial statement and should therefore be considered together with the IFRS-compliant individual financial statement as at 31 December 2012.

The financial statement is presented in line with the „Best Practices Policy Recommendations“ issued by the “European Public Real Estate Association” (EPRA). The income statement has been structured according to these recommendations.

2.2 MATERIAL ACCOUNTING PRINCIPLES

The Company has prepared the condensed interim financial statement in line with the accounting principles governing the IFRS-compliant individual financial statement as at 31 December 2012.

Updates of the standards and interpretations used have not been available as at 31 March 2013.

3. MATERIAL DISCRETION

The application of the IFRS requires discretionary board decisions on the deduction of reporting and evaluation methods to be used for specific circumstances. When developing standards and interpretations relating explicitly to a specific circumstance the board complied with the requirements and implementation guidelines of IASB.

The discretionary decisions made by the board of Prime Office REIT-AG for this interim financial statement do not deviate from those made for the IFRS-compliant individual financial statement as at 31 December 2012. As a result, please refer to the explanations provided in this earlier statement.

4. MATERIAL ESTIMATES AND ASSUMPTIONS

An IFRS-compliant individual financial statement requires certain estimates and assumptions, which impact the recognised assets and liabilities, the reported contingent claims and liabilities and the presentation of revenues and expenses during the reporting year. Since estimates and assumptions must be made based particularly on uncertain future developments, the estimates often deviate from the actual results generated at some later date. The following paragraph summarises uncertainties from estimates that contain substantial risks and could force the Company to significantly adjust the reported assets and liabilities in the next fiscal year.

4.1 FAIR VALUE OF INVESTMENT PROPERTIES

Since each property has unique characteristics, prices of other properties achieved in the market typically do not lend themselves as a benchmark; the fair value of investment properties can therefore only be assessed via valuation models. To the extent that observable market data are available, the models used are based on such data. The process requires estimates, however, particularly as relates to future occupancy levels and the probability of lease prolongation options being exercised, all of which can significantly impact fair value in future adjustments.

The property values determined as at 31 December 2012 have been critically reviewed as at 31 March 2013. During this exercise, the board came to the conclusion that the factors governing the valuation of the properties have not materially changed. The property values determined as at 31 December 2012 have therefore been incorporated unchanged in the financial statement as at 31 March 2013. Where capital expenditures for a specific property exceeded customary maintenance costs, such amount was added to the values determined as at 31 December 2012 (k€ 316 overall).

Please refer to the IFRS-compliant individual financial statement as at 31 December 2012 for the parameters used for property valuation.

5. NOTES TO THE INCOME STATEMENT

5.1 RENTAL AND LEASE INCOME

The table below shows the composition of the rental and lease income from investment properties:

	01/01 To 31/03/2013	**01/01 to 31/03/2012**
	k€	**k€**
Rental income	13,031	16,016
Gains from the recovery of service charges	1,479	2,140
Total	**14,510**	**18,156**

5.2 OTHER RENTAL AND LEASE INCOME

The table below shows the composition of other rental and lease income from investment properties:

	01/01 To 31/03/2013	**01/01 to 31/03/2012**
	k€	**k€**
Out-of-period revenues	39	57
Gains from refurbishment	0	66
Gains from insurance indemnifications	0	5
Total	**39**	**128**

5.3 RENTAL AND LEASE EXPENSES

The rental, lease and sales expenses consist largely of the expenses for the recoverable and non-recoverable operating costs of the investment properties. They can be broken down as follows:

	01/01 To 31/03/2013 k€	01/01 to 31/03/2012 k€
Servicing, maintenance and repair	-1,145	-1,122
Energy, water, waste water	-480	-577
Property management	-473	-587
Property tax	-312	-340
Insurance policies	-183	-190
Deferred operating costs	-78	-68
Non-recoverable input tax	-54	-49
Other expenses	-4	-2
Total	**-2,729**	**-2,935**

5.4 OTHER OPERATING INCOME

Other operating income can be broken down as follows:

	01/01 To 31/03/2013 k€	01/01 to 31/03/2012 k€
Gains from benefits in kind	10	8
Gains from reversed provisions	3	152
Gains from securities	2	27
Total	**15**	**187**

5.5 OTHER OPERATING EXPENSES

Other operating expenses can be broken down as follows:

	01/01 To 31/03/2013 k€	01/01 to 31/03/2012 k€
Advisory costs	-230	-238
Expenditures benefiting past or future periods	-138	-124
Costs related to the preparation of financial statements and audits	-115	-111
Supervisory board remunerations	-70	-85
Advertising costs	-56	-44
Occupancy costs	-51	-53
Financial statements printing costs	-45	-214
Postal / telephone / office supply costs	-35	-24
Travel costs	-32	-34
Insurance policies	-30	-30
Property portfolio valuation costs	-28	-38
Accounting costs	-22	-23
Notary and court fees	-22	-54
Vehicle costs	-20	-17
Trade fair costs	-18	-23
Contributions	-16	-13
Non-recoverable input tax	-15	-34
Other expenses	-26	-40
Total	**-969**	**-1,199**

5.6 NET FINANCING EXPENSES

Net financing expenses can be broken down as follows:

	01/01 to 31/03/2013	01/01 to 31/03/2012
	k€	k€
Interest expenses	-9,397	-9,223
Expenses from the fair valuation of derivative financial instruments	-1,754	-948
Foreign exchange losses	0	-708
Total financial expenses	-11,151	-10,879
Gains from the fair valuation of derivative financial instruments	1,800	1,848
Other interest	33	104
Financial gains from finance lease	8	10
Gains from foreign exchange transactions	0	598
Total financial gains	1,841	2,560
Total	**-9,310**	**-8,319**

5.7 INCOME PER SHARE

The undiluted income per share is calculated as the ratio of the income due to shareholders and the average number of issued shares over the fiscal year. Since, as in the previous year, no diluting equity instruments have been issued in 2013, the undiluted and diluted income per share are identical. The income due to shareholders corresponds to the profit/loss over the respective period. The average number of shares amounts to 51,941,345 (previous year: 51,941,345) no par value shares.

	Note	01/01 to 31/03/2013	01/01 to 31/03/2012
		k€	k€
Profit/loss, attributable to shareholders		1,113	5,597
Average number of shares issued (in thousands)	7.1	51,941	51,941
Undiluted/diluted income per share		**€ 0.02**	**€ 0.11**

6. NOTES TO THE BALANCE SHEET - ASSETS

6.1 FINANCIAL AND OTHER ASSETS

The book values of the various categories of financial and other assets match their relevant fair values and result from the following overview:

		Cash	Held for trading	Receivables	Financial assets available for sale	Derivatives held for hedging purposes	Total
		k€	k€	k€	k€	k€	k€
Current assets:							
Accounts receivable	31/03/2013	0	0	808	0	0	808
	31/12/2012	*0*	*0*	*42,570*	*0*	*0*	*42,570*
Other receivables and financial assets	31/03/2013	0	5,563	*1,531*	0	0	7,094
	31/12/2012	*0*	*1,111*	*1,060*	*0*	*0*	*2,171*
Derivative financial instruments	31/03/2013	0	985	0	0		985
	31/12/2012	*0*	*1,380*	*0*	*0*	*0*	*1,380*
Cash at bank and in hand	31/03/2013	60,168	0	0	0	0	60,168
	31/12/2012	*64,399*	*0*	*0*	*0*	*0*	*64,399*
	31/03/2013	**60,168**	**5,563**	**2,339**	**0**		**69,055**
	31/12/2012	*64,399*	*2,491*	*43,630*	*0*	*0*	*110,520*
Non-current assets:							
Financial assets	31/03/2013	0	0	307	1,766	0	2,073
	31/12/2012	*0*	*0*	*331*	*1,740*	*0*	*2,071*
Derivative financial instruments	31/03/2013	0	10,225	0	0	0	10,225
	31/12/2012	*0*	*10,812*	*0*	*0*	*0*	*10,812*
	31/03/2013	**0**	**10,225**	**307**	**1,766**	**0**	**12,298**
	31/12/2012	*0*	*10,812*	*331*	*1,740*	*0*	*12,883*
Total	**31/03/2013**	**60,168**	**15,788**	**2,646**	**1,766**	**0**	**81,353**
	31/12/2012	*64,399*	*13,303*	*43,961*	*1,740*	*0*	*123,403*

As at 31 March 2013, the entirely current financial assets held for trading can be broken down as follows:

	31/03/2013	31/12/2012
	k€	k€
Securities	5,563	1,111
Total	**5,563**	**1,111**

The securities have been recognised at fair value.

The changes in financial assets between 1 January and 31 March 2013 can be broken down as follows:

		Recognised as income in the income statement	Ineffectivity, recognised as income in the income statement	Not affecting income in the equity	Not affecting income through netting with related loans	Total
		k€	k€	k€	k€	k€
Derivatives held for trading	31/03/2013	983	0	0	0	983
	31/12/2012	6,016	0	0	0	*6,016*
Derivatives held for hedging purposes	31/03/2013	*0*	0	*0*	*0*	0
	31/12/2012	*0*	0	-407	-15,604	*-16,011*
Securities held for trading	31/03/2013	2	0	0	0	2
	31/12/2012	38	0	0	0	*38*
Total	**31/03/2013**	**984**	**0**	**0**	**0**	**985**
	31/12/2012	*6,054*	*0*	*-407*	*-15,604*	*-9,957*

Floating-to-fixed ("fixed-payer") swaps are in place for all floating rate loans to hedge against rises in interest rates. All derivative financial instruments have been recognised at fair value.

The following swaps expired in the fiscal year or were refinanced in response to a loan prolongation. There are no other changes compared to 31 December 2012.

In € currency	Bank	Nominal value	Value date	Due date	Fixed interest rate	Floating interest rate	Due or refinanced :
Hamburg, Hammerstraße 30/34	Unicredit	€ 17,401,705.99	01/06/2010	31/01/2013	3%	EURIBOR-3M	Fully repaid
	Unicredit	€ 7,457,874.00	31/05/2010	31/01/2013	3%	EURIBOR-3M	Fully repaid
Munich, Hultschiner Straße 8	Unicredit	€ 30,000,000.00	27/07/2011	30/06/2015	2%	EURIBOR-3M	Partially repaid in

		Level 1	**Level 2**	**Level 3**	**Total**
		k€	**k€**	**k€**	**k€**
Assets held for trading	31/03/2013	0	11,209	0	11,209
	31/12/2012	0	*12,192*	0	*12,192*
Financial assets available for sale	31/03/2013	0	1,766	0	1,766
	31/12/2012	*0*	*1,740*	*0*	*1,740*
	31/03/2013	**0**	**12,975**	**0**	**12,975**
	31/12/2012	0	13,932	0	13,932

There were no reclassifications between level 1 and level 2 assets recognised at fair value and no reclassifications from or to level 3 assets recognised at fair value during the fiscal year.

6.2 PLANT, PROPERTY AND EQUIPMENT

Plant, property and equipment can be broken down as follows:

	31/03/2013	**31/12/2012**
	k€	**k€**
Office equipment	151	152
Show rooms	75	92
Other business and office equipment	41	46
Total	**267**	**290**

As at the cut-off date the Company had no contractual obligations to acquire properties, plants or equipment.

6.3 INVESTMENT PROPERTIES

Investment property assets have developed as follows:

	31/03/2013	31/12/2012
	k€	**k€**
Book value as at 01/01	907,876	970,802
Investments in portfolio properties	316	1,260
Disposal of portfolio properties	0	-44,000
Gains from fair value adjustments	76	1,150
Losses from fair value adjustments	-55	-21,319
Correction of straight-line rent approach due to the application of IAS 40.33.	-33	-17
Total	**908,180**	**907,876**

The investment property assets have been valued by CB Richard Ellis Deutschland GmbH, an independent valuer, as at 31 December 2012. Please refer to the notes of the IFRS-compliant individual financial statement as at 31 December 2012 for details on the valuation methods used.

The book value consists of the following properties:

Book values properties	**31/03/2013**	**31/12/2012**
	k€	**k€**
Munich, Hufelandstraße 13-15	24,002	23,977
Frankfurt, Ludwig-Erhard-Anlage 2-8	155,107	155,100
Darmstadt, T-Online-Allee 1	172,500	172,500
Dusseldorf/Meerbusch, Earl-Bakken-Platz 1	16,400	16,400
Essen, Opernplatz 2	38,500	38,500
Munich, Hultschiner Straße 8	186,500	186,500
Stuttgart, Phillip-Reis-Straße 2	38,914	38,899
Essen, Alfredstraße 236	73,000	73,000
Darmstadt, Deutsche-Telekom-Allee 7	53,300	53,300
Stuttgart, Breitwiesenstraße 5-7	39,219	39,200
Nuremberg, Richard-Wagner-Platz 1	13,000	13,000
Heilbronn, Bahnhofstraße 1-5	29,900	29,900
Dusseldorf, Am Seestern 1	67,838	67,600
Total	**908,180**	**907,876**

The properties used as collateral for financial liabilities have not materially changed since the IFRS-compliant individual financial statement as at 31 December 2012.

The Company has no meaningful contractual obligations to purchase, build or develop investment properties nor are there any such obligations for repairs, maintenance or enhancements.

6.4 LEASE AGREEMENTS

Prime Office REIT-AG will likely receive the following minimum lease payments from existing leases:

		Up to one year	**Between one and five years**	**Between five and ten years**	**Total**
		k€	**k€**	**k€**	**k€**
Minimum lease payments	31/03/2013	44,552	171,187	137,450	353,189
	31/12/2012	*46,539*	*171,460*	*142,084*	*360,083*

The Company has transferred the rights and obligations from all existing and future leases to the financing banks should it defaults on loans.

7. NOTES TO THE BALANCE SHEET - EQUITY AND LIABILITIES

7.1 EQUITY

Development of common shares	**Current shares**
Number of shares on 01 January 2012	**51,941,345**
Change in the subscribed capital	0
Number of shares on 31 December 2012	**51,941,345**
Number of shares on 01 January 2013	**51,941,345**
Change in the subscribed capital	0
Number of shares on 31 March 2013	**51,941,345**

The shares are no-par-value bearer shares each of which has a prorated share of € 1.00 in the Company's share capital. All shares have been issued and fully paid.

As per the resolution of the general shareholders' meeting on 29 June 2011 and subject to the approval by the supervisory board, the executive board is entitled to increase the Company's share capital once or several times against cash contributions and/or contributions in kind by an overall amount of k€ 23,721 until 19 May 2016 (approved capital 2011).

In the general shareholders' meeting on 29 June 2011, the Company's share capital was increased through the issuance of up to 8,720,672 new no par value bearer shares that participate in the profits from the beginning of the fiscal year in which they have been issued (conditional capital 2011). The conditional capital serves to grant shares to the owners that can be issued by the Company until the end of 19 May 2016.

For fiscal year 2012, the board of Prime Office REIT-AG intends to propose to the general shareholders' meeting to distribute the statutory amount of 90 % of the distributable profit under the REIT law plus another € 1.8 million, i.e. an overall € 9.3 million, from the existing distributable profits as dividends to the shareholders.

The real change in the market value of the interest swaps held for hedging purposes led to a change in the reserve for unrealised gains/losses from cash flow hedges (interest rate swaps) of k€ 6,929 on 31 March 2013 (previous year: - k€ 4,546).

The reserves for unrealised gains/losses from the fair valuation of financial assets available for sale contain an accumulated k€ 248 (31 December 2012: k€ 223) change in the value of the life insurance recognised as non-current receivables and classified as "financial asset available for sale".

7.2 FINANCIAL LIABILITIES

The book values of the financial liabilities as at 31 March 2013 and 31 December 2012 can be broken down as follows:

		Up to one year	Between one and five years	Between five and ten years	Total
		k€	k€	k€	k€
Liabilities to credit institutions	31/03/2013	175,678	328,994	0	504,672
	31/12/2012	*212,507*	*333,693*	*0*	*546,200*
Accounts payable	31/03/2013	2,898	0	0	2,898
	31/12/2012	*3,389*	*0*	*0*	*3,389*
Derivative financial instruments	31/03/2013	1,721	18,265	63,520	83,506
	31/12/2012	*4,285*	*8,667*	*78,509*	*91,461*
Other liabilities	31/03/2013	1,148	0	0	1,148
	31/12/2012	*470*	*0*	*0*	*470*
	31/03/2013	**181,445**	**347,258**	**63,520**	**592,224**
	31/12/2012	*220,651*	*342,360*	*78,509*	*641,520*

The loans are wholly related to financing the purchase of investment properties.

The changes in the fair values of the derivatives that are not recognised in hedge accounting have not been caused by changes in the default risks of these financial liabilities.

The book values of the financial liabilities to credit institutions are denominated exclusively in euro.

The changes of the derivative financial instruments between 1 January and 31 March 2013 can be broken down as follows:

		Recognised as income in the income statement	Ineffectivity, recognised as income in the income statement	Not affecting income in the equity	Total
		k€	k€	k€	k€
Derivatives held for trading	31/03/2013	1,800	0	0	1,800
	31/12/2012	*-2,930*	*0*	*0*	*-2,930*
Derivatives held for hedging purposes	31/03/2013	0	0	6,156	6,156
	31/12/2012	*0*	*-5,948*	*-11,400*	*-17,348*
Total	**31/03/2013**	**1,800**	**0**	**6,156**	**7,956**
	31/12/2012	*-2,930*	*-5,948*	*-11,400*	*-20,278*

The valuation hierarchy of the financial liabilities recognised at fair value can be broken down as follows:

		Level 1	Level 2	Level 3	Total
		k€	k€	k€	k€
Derivatives held for hedging purposes	31/03/2013	0	61,957	0	61,957
	31/12/2012	*0*	*68,113*	*0*	*68,113*

There were no reclassifications between level 1 and level 2 assets recognised at fair value and no reclassifications from or to level 3 assets recognised at fair value during the fiscal year. Please refer to the IFRS-compliant individual financial statement as at 31 December 2012 for an explanation of the valuation levels.

The conditions and terms of the loans have remained unchanged versus the IFRS-compliant individual financial statement as at 31 December 2012 with one exception. The repayment schedule of the two tranches of the COREALCREDIT BANK AG loan for Darmstadt, T-Online-Allee 1 was adjusted to the corresponding swap contracts.

The loans have been secured with extensive collateral recorded in the land registries competent for the relevant properties. The registered loan collateral decreased by € 8.5 million compared to 31 December 2012 since a € 8.5 million lien against the property Munich, Hufelandstrasse 13-15 was deleted from the land register.

8. NOTES TO THE CASH FLOW STATEMENT

The cash fund shown in the cash flow statement contains the cash in hand and at bank, short-term securities and current account liabilities with a term of less than 3 months.
The cash flow from operating activities has been adjusted by expenses and revenues that do not affect cash flow.
The cash fund can be broken down as follows:

Cash at bank and in hand (< 3 months)	31/03/2013	31/12/2012
	k€	k€
Cash and cash equivalents	**60,168**	**64,399**
Securities	**5,563**	**1,112**
Cash fund	**65,732**	**65,511**
Of these, not available for use by the Company under IAS 7.48	58,523	58,402

The financial assets not available for use consist of pledged accounts in the amount of k€ 45,226 (previous year: k€ 45,226) for the property financings in Dusseldorf, Stuttgart-Moehringen, Frankfurt and Nuremberg. The pledged amounts may only be used for future prepayments and property-specific investments for the said properties.

The item also includes cash sweep accounts in the amount of k€ 6,907 (previous year: k€ 6,444) that have been agreed with Landesbank Hessen-Thueringen as other collateral for the loans for the properties Stuttgart-Moehringen, Nuremberg and Dusseldorf. All excess rent after the deduction of debt servicing and current operating costs is transferred to these accounts.

Another k€ 1,002 have been pledged to COREALCREDIT BANK AG since fiscal year 2012 for the property Darmstadt, T-Systems; it will be used for another early prepayment at the end of the loan term. This amount is being saved in monthly instalments and amounted to k€ 376 as at 31 March 2013.

In addition, a rent deposit of k€ 15 (previous year: k€ 15) has been invested as interest bearing collateral in a fixed-term deposit.

The Company holds a sweep account at Berliner Sparkasse/LBB AG to collect rent for the property Essen, Opernplatz 2 with a balance of k€ 232 (previous year: k€ 0). The amount represents the rent collected for April that will be swept in the following month.

A full cash sweep account (account to collect rental income) has been agreed as collateral for the property in Frankfurt. It held a balance of k€ 5,767 (previous year: k€ 6,466) at the reporting date. The balance may be used to pay for maintenance and repair, planning and letting costs upon written consent by the bank.

9. SEGMENT REPORTING

Under IFRS 8, the Company is generally obliged to provide information conducive to assessing the type and the financial impact of its business activities and the economic environment it is operating in.

The type of services offered by Prime Office REIT-AG consists exclusively of landlord activities. From a geographical point of view, Prime Office REIT-AG operates exclusively in the German market and has only one segment, "investment properties", which consists of rented office space owned but not used by the Company. The office properties contained in the segment form the income basis for Prime Office REIT-AG. The interim financial statement does not specify individual client categories because Prime Office REIT-AG holds only commercial properties in its portfolio. Prime Office REIT-AG seeks to select only tenants with very strong credit qualities.

The office properties are monitored separately from each other in order to determine the performance of each individual property in the segment and to allow for timely decisions relating to the development of the segment. Please also refer to sections 5.1 and 6.3.

Three tenancies in the segment account for approximately 56% (31 December 2012: 50%) or € 29.6 million of the total rental income. Two of the three leases generate rental income of approximately € 22.4 million (31 December 2012: approximately € 22.4 million), are long-term in nature and expire in 2019 and 2023 respectively.

10. SUPPLEMENTARY EXPLANATIONS AND INFORMATION

10.1 RISKS AND OPPORTUNITIES

The risks of Prime Office REIT-AG are described in detail in the annual report 2012 on page 66 et seqq. (risk management). The risk situation has not materially changed over the three months of 2013.

The opportunities of Prime Office REIT-AG are described in detail in the annual report 2012 on page 87 et seqq. (report on opportunities).

10.2 EVENTS AFTER THE BALANCE SHEET DATE

On May 8, 2013 Prime Office announced via ad-hoc release that the boards of Prime Office REIT-AG and OCM German Real Estate Holding AG have started talks on a potential merger of both companies aimed at a listed combined company. Should the talks progress positively, the companies plan to take additional steps that are required for a merger including the determination of the merger exchange ratio and the appointment of the merger auditor.

10.3 RELATED PARTIES

Prime Office REIT-AG has business relationships with related parties. These include the members of the executive and supervisory boards of Prime Office REIT-AG.

Another related party is Stefan Giesler who is a member of the supervisory board of Prime Office REIT-AG and a partner of optegra GmbH & Co. KG Steuerberatungsgesellschaft und Wirtschaftsprüfungsgesellschaft.

optegra provides accounting and controlling services for the Company which mainly consist of accounting, financial reporting in line with the German Commercial Code and the preparation of the IFRS-compliant individual financial statement, half-yearly financial reporting and quarterly reporting.

The Company's expenses for these services in the first quarter of 2013 amounted to k€ 175.

All transactions were concluded at standard market terms and conditions.

10.4 Executive Board

The Executive Board of the Company consists of:
Mr Claus Hermuth, CEO, attorney-at-law,
Mr Alexander von Cramm, Deputy CEO, specialist for business administration,

The Supervisory Board consists of:
Prof. Dr. h.c. Roland Berger (chairman), business consultant,
Prof. Dr. Kurt Faltlhauser (deputy chairman), former minister of finance of the state of Bavaria,
Prof. Dr. Franz-Joseph Busse, university professor,
Mr. Stefan Giesler, tax adviser,
Prof. Dr. Harald Wiedmann, auditor,
Dr. Lutz Mellinger, specialist for business administration.

Munich, 08 May 2013

Claus Hermuth (Board Member)	Alexander von Cramm (Board Member)

Representation of the legal representatives

"We hereby confirm to the best of our knowledge that, in accordance with the applicable accounting principles for interim financial statements, the interim financial statements provide a true and fair view of the net assets, the financial position and the results of the Company, and that the interim management report presents the business development including the results of operations and the position of the Company in such a way that a true picture is provided, and that the major opportunities and risks of the probable development of the Company are described."

Munich, 08 May 2013

Claus Hermuth	Alexander von Cramm
(Board Member)	(Board Member)

Information on Prime Office REIT-AG

Subscription Price	6.20 Euro
XETRA closing price 29 March 2013	3.20 Euro
Low / high over the reporting period	3.20 Euro / 3.84 Euro
Market capitalisation as at 29 March 2013	166.1 million Euro
Official Market	Prime Standard, Frankfurt and XETRA Index FTSE EPRA/NAREIT Global Real Estate Index Series, RX REIT Index, SDAX Index
Number of shares	51,941,345 shares
Stock Market Symbol	PMO
Security Code (WKN)	PRME01
ISIN	DE000PRME012
Designated Sponsors	Berenberg Bank, Close Brothers Seydler

Corporate calendar 2013

11 – 12/04/2013	Deutschlandkonferenz Bankhaus Lampe, Baden-Baden
15 – 16/04/2013	Deutsche GRI (Global Real Estate Institute), Frankfurt
08/05/2013	Three-months report 2013
29 – 30/05/2013	Kempen Property Seminar, Amsterdam
08/08/2013	Half-year report 2013
21/08/2013	General shareholders' meeting
04/09/2013	SRC Forum Financials & Real Estate, Frankfurt
23 – 25/09/2013	German Corporate Conference Berenberg/ Goldman
24 – 26/09/2013	Baader Investment Konferenz, Munich
24 – 26/09/2013	German Investment Conference UniCredit, Kepler
07 – 09/10/2013	expo real, Munich
07/11/2013	Nine-months report 2013
11 – 13/11/2013	Deutsches Eigenkapitalforum, Frankfurt
21–23/11/2013	Führungstreffen Wirtschaft, Berlin
December 2013	Small- & MidCap-Conference CB Seydler, Geneva

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