DIC ASSET

UPDATE CALL PRESENTATION

NINE MONTHS RESULTS 2011

15 NOVEMBER 2011

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HIGHLIGHTS

In front of all targets 2011

- **Strong FFO** with € 29.8 mn; based on achieved results and realised acquisitions, FFO target 2011 confirmed
- **Profit for the period** at € 8.1 mn
- Vacancy reduction is proceeding, year-end target of **vacancy rate** at around 13% will be achieved
- **Acquisition target already realised** – volume of € 280 mn ytd with **FFO contribution** of around € 8 mn p.a.
- **Sales target in sight**: already € 57 mn disposal volume realised ytd
- **Financial stability and flexibility** with high level of cash at hand (around € 118 mn)

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MARKET

Stronger German real estate market

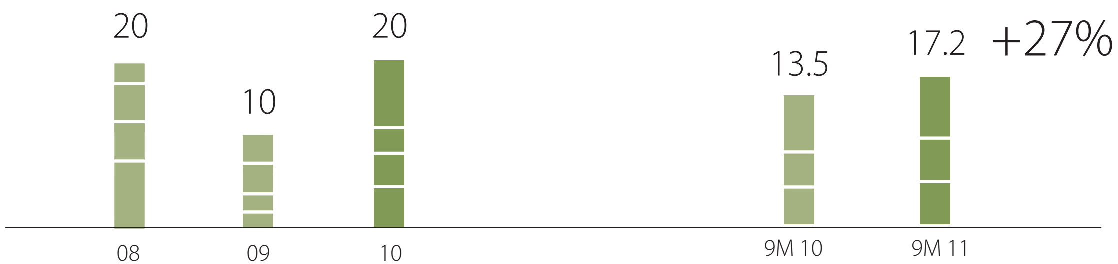
Lettings

in sqm mn

Major German office locations; Source: JLL

Transaction volume

in € bn



German commercial real estate, Source: JLL

- **German GDP growth** of 2.6% expected, strong job market conditions; Germany still **outperforming** Europe
- Letting result of 2.5 mn sqm (+19%) – more **small/medium-sized lettings**
- **Lower vacancy rates** in average, **rents are picking up** – even in less volatile regional locations
- **Transaction volume increased** to € 17.2 bn – core properties still investment case nr. 1
- Weaker economic growth 2012 expected; **yet no negative signs** in the real estate market

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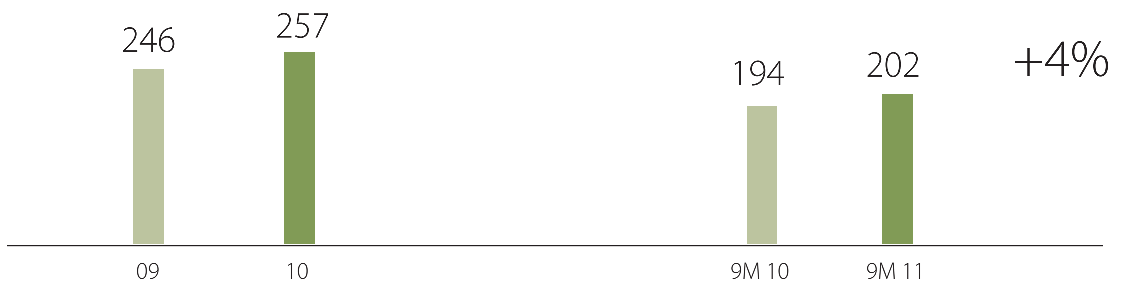
PORTFOLIO

Strong letting results supported by more new lettings

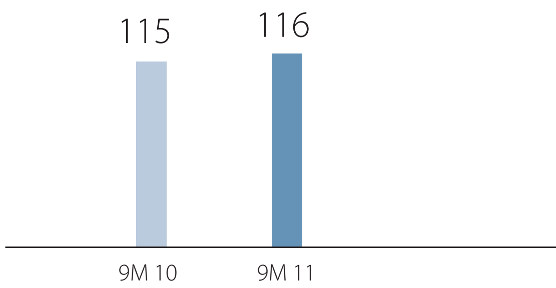
Letting volume

in Tsqm



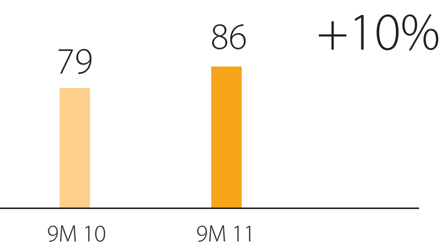
Renewals

in Tsqm



New lettings

in Tsqm



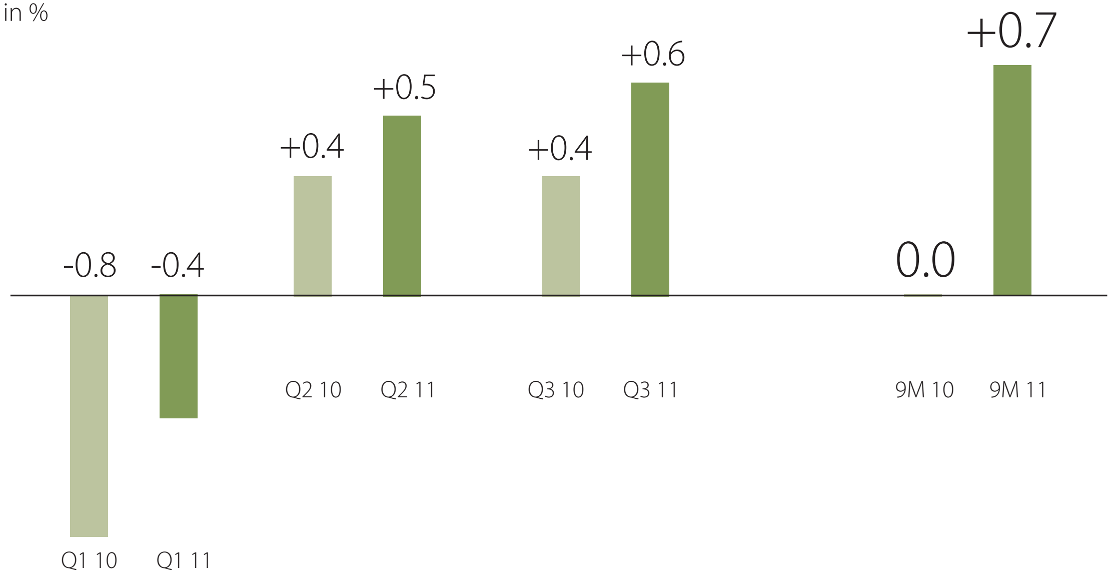
- **Letting volume** of 201,800 sqm, around 4% more than 2010
- **Increase in new lettings:**+10% to 86,300 sqm
- **Renewals stable** on high level with 115,500 sqm
- **Remarkable new lettings** in Q3: City of Heilbronn (3,300 sqm), Security system company in Munich region (1,900 sqm)
- **Bigger renewals:** Landesbank Berlin (13,800 sqm), EOS Deutschland in Hamburg (5,000 sqm)

PORTFOLIO

Letting results improving the portfolio quality

Like-for-like rental income growth

in %



Note: without developments

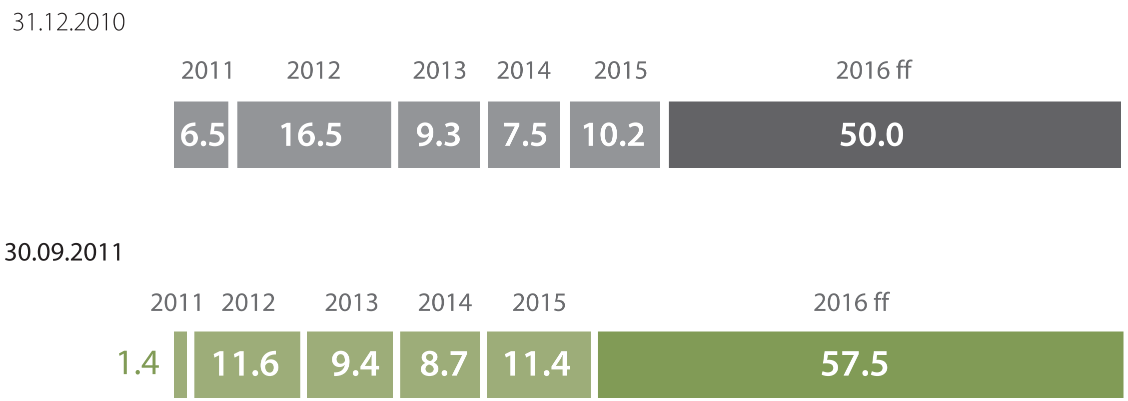
- **Vacancy rate down to 13.5%** by 0.8 percentage points due to good lettig results (Q4 2010: 14.3%)
- Including rental contracts already signed, **vacancy rate target** of around 13% will be achieved
- Like-for-like rental income **grown by +0.7%** (9M 2010: 0.0%); Q3 shows increase of like-for-like rental income **of +0.6%**
- 2011 like-for-like rental income expected to grow **by over 1%**
- **Average lease term** stable at 5.4 years

PORTFOLIO

Lease expires clearly improved

Lease expiries

in %



Note: Distribution of annual rental income by lease expiry

- Lease expiries against year-end 2010: for 2011 **reduced by 5.1 percentage points** to only 1.4%
- For 2012 expiries **already significantly lowered by 4.9 percentage points** to 11.6%
- **57.5% of annualised rent** with expiry after 2016

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ACQUISITIONS

Target volume 2011 already achieved

- Acquisition **volume adds up to € 280 mn**; target 2011 already achieved
- **Two prime office properties** in Karlsruhe and Leipzig with approximately 40,000 sqm for special fund „DIC Office Balance I"
- Retail property **„Marktforum" in Duisburg** with key tenant EDEKA and 10,000 sqm rental space
- Take-over of 50% stake in three previous joint ventures – **attractive portfolio of currently 22 properties** in the segments Core plus and Value added with market value of € 190 mn

ACQUISITIONS

Transaction details of joint venture take-over

- **Complete takeover** of three 50/50 joint ventures previously held with funds from Morgan Stanley Real Estate via cost-efficient share deal
- **Additional cash flow** and **simplification of portfolio and asset management structures** in segments Core plus and Value added
- **Diversified tenant structure** with average term of 5.6 years and occupancy rate at around 90%
- **Ongoing debt financing** with average interest rate of 3.2% and LtV of 70%
- **FFO accretion** annualised at around € 3.5 mn, contribution for Q4 2011 amounts to € 0.9 mn

ACQUISITIONS

Overview of deals 2011

	Retail properties March 2011	Office properties for DIC Office Balance I September 2011	Marktforum Duisburg September 2011	Former joint ventures October 2011
Number of properties	**2**	**2**	**1**	**22**
Location	Bremen, Chemnitz	Karlsruhe, Leipzig	Duisburg	Berlin, Frankfurt
Volume (€ mn)	108	62	16	190
Rental space (sqm)	49,000	40,000	10,000	90,000
Vacancy rate	0%	0%	0%	10%
Weighted average lease term (years)	11	8	12	6
Rental income p.a. (€ mn)	7.3	––*	1.2	14.0
Gross initial yield	7.0%	––*	8.0%	7.7%
FFO impact p.a. (€ mn)	**3.0**	**0.7**	**0.7**	**3.5**

Note: all numbers approximately, according to current status
* Not disclosed due to confidential agreement with seller

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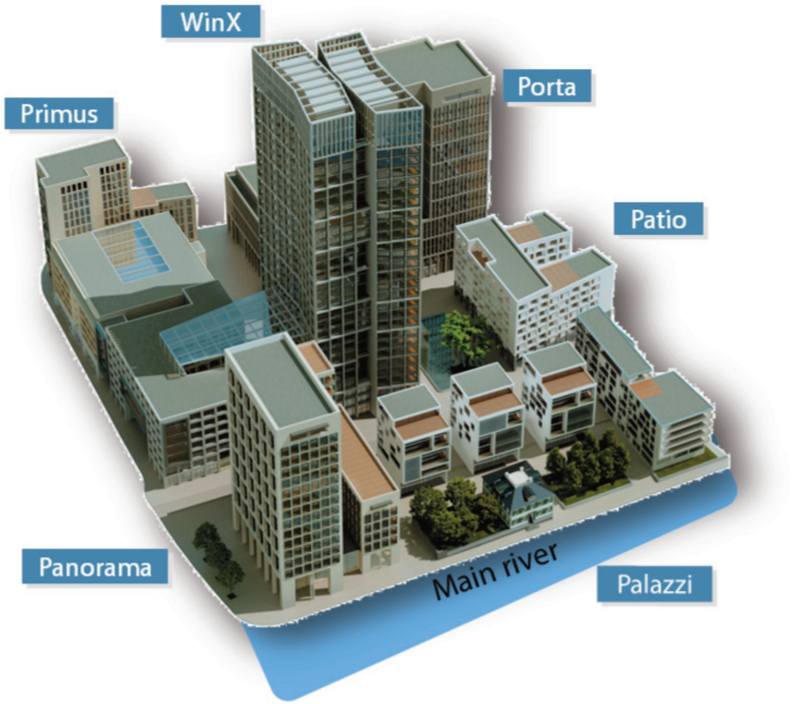
CO-INVESTMENTS

MainTor – Summary of presentation at DIC Investors' Day



- **Risk diversification** through 5-6 separated and different construction phases
- **Investment volumes** starting with € 50 mn
- **First subproject** sold via forward deal; construction work has begun
- At least one further construction phase to start in 2012
- Start of marketing for **residential subprojects** (Patio and Palazzi) in 2012
- **Separate financing** for each subproject
- **No speculative construction;** subprojects start when sufficient pre-letting rate of minimum 30% has been achieved

RESULTS

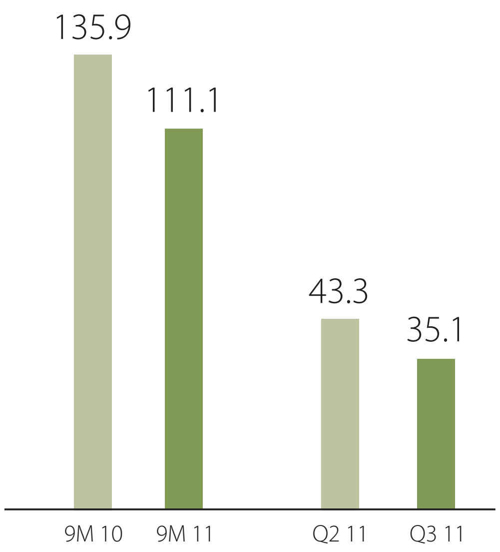
Overview of consolidated profit and loss account

€ mn	9M 2011	9M 2010		Q3 2011	Q2 2011	
Gross rental income	**85.8**	**95.7**	**-10%**	**29.3**	**28.9**	**+1%**
Net rental income	78.8	87.3	-10%	26.6	26.9	-1%
Administr./Personnel expenses	-13.3	-13.0	-2%	-4.2	-4.5	+7%
Management fee income	3.6	2.4	+50%	1.3	1.3	0%
Depreciation	-21.5	-23.6	+9%	-7.4	-7.2	-3%
Net other income	0.2	0.3	-33%	0.3	-0.4	+175%
Profit on property disposals	0.6	1.0	-40%	0.0	0.6	-100%
Share of the profit of associates	1.6	5.6	-71%	0.7	0.5	+40%
Net financing cost	-41.0	-49.4	+17%	-14.9	-13.7	-9%
Tax expense	-0.8	-1.1	+27%	-0.4	-0.1	-305%
Profit for the period	**8.1**	**9.5**	**-15%**	**1.9**	**3.4**	**-44%**
FFO	29.8	33.1	-10%	9.7	10.1	-3%

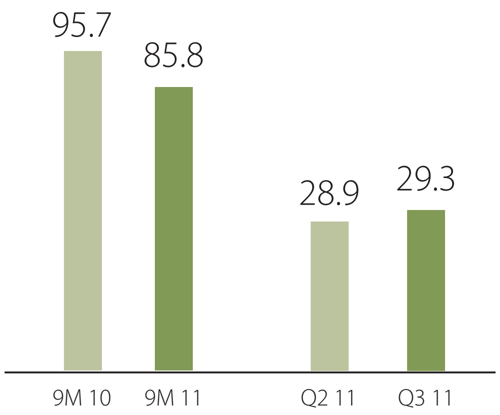
REVENUES

Acquisitions improve rental income basis

Total revenues
in € mn



Gross rental income
in € mn



- **Gross rental income** as planned at € 85.8 mn (9M 2010: € 95.7 mn); still due to significant portfolio reduction last year
- **Positive trend in Q3:** due to first impacts from acquisitions, GRI increase to € 29.3; further increase in Q4 expected
- **Net rental income** follows GRI with -10% at € 78.8 mn (9M 2010: € 87.3 mn)
- **Total revenues** at € 111.1 mn (9M 2010: € 135.9 mn), reduction mainly due to lower sales volume (-€ 14 mn)

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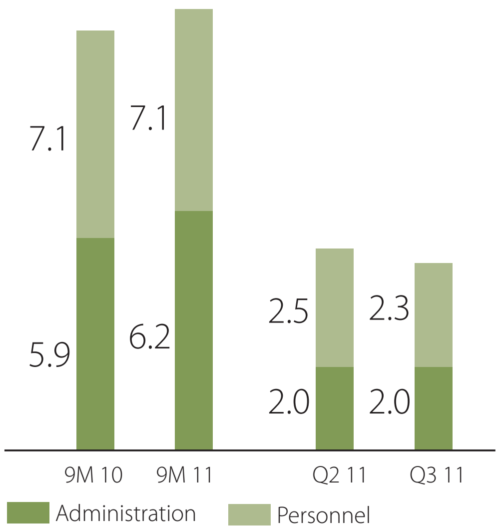
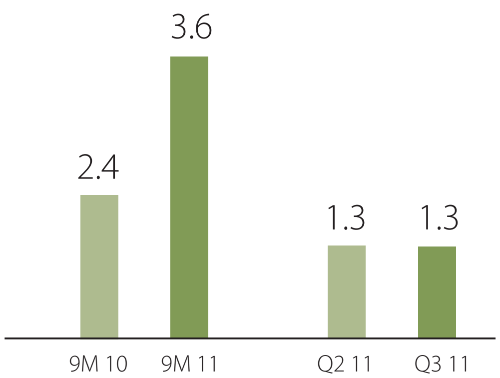
COST STRUCTURE

Operating costs ratio at lower end of target range

Operating costs
in € mn



Management fee income
in € mn



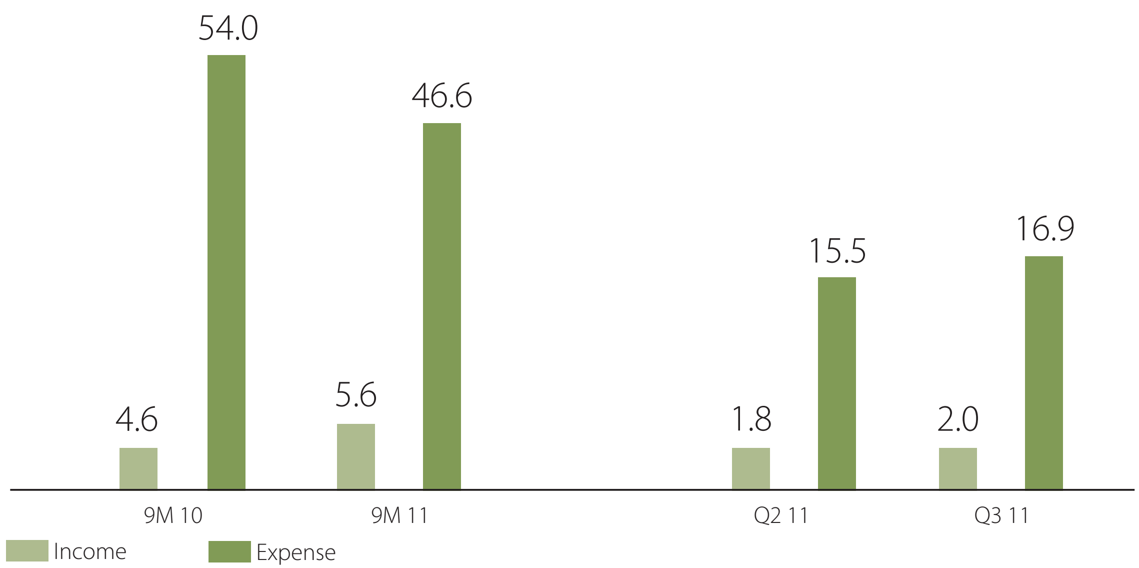
- **Personnel and administrative cost** slightly up by € 0.3 mn (+2%) to € 13.3 mn; Q3 below Q2
- **Management fee income** increased by € 1.2 mn to € 3.6 mn (+50%) – **25%** of operating costs **covered**
- **Ratio of personnel and administrative expenses** (reduced by management fee income) to gross rental income with 11.4% **in target range**
- In Q3 2011, **operating cost ratio** with 10.2% at the lower end of target range

COST STRUCTURE

Interest result for 9M 2011 clearly below previous year

Interest result

in € mn



- **Interest result** in 9M 2011 **significantly reduced** by € 8.4 mn (-17%) to -€ 41.0 mn
- **Interest expense** in Q3 2011 rose to € 16.9 mn (-9%) compared to Q2 mainly due to bond issue (€ 0.6 mn)
- **Interest cover ratio** (NRI/interest expenses) **improved** to 169% (9M 2010: 162%)

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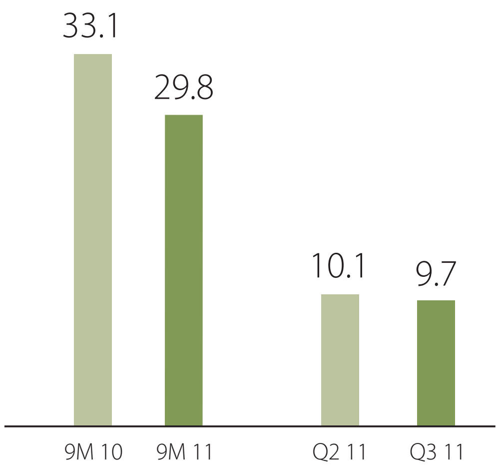
RESULTS

Earnings in line with our plans, segments stronger

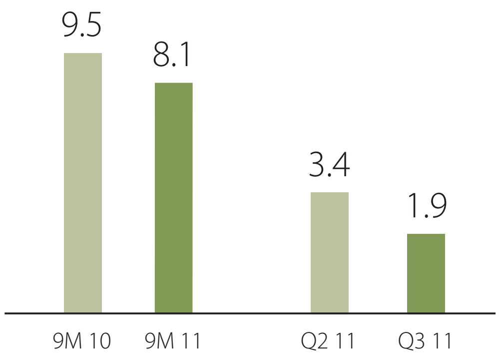
FFO

in € mn



Profit for the period

in € mn



- **FFO** at € 29.8 mn (-€ 3.3 mn) **in line with target 2011**
- Decrease in profits from associates (-€ 4.0 mn) **overcompensated** by increase in direct investments
- Proceeds from **property disposals** at € 9.3 mn (9M 2010: € 23.2 mn) – profit 2010 (€ 0.6 mn) with higher margin
- **Profit for the period** at € 8.1 mn (- € 1.4 mn) – decrease in income from opportunistic Co-Investments and disposals nearly compensated through higher operating efficiency
- **FFO per share at € 0.68** and earnings per share at € 0.18

BALANCE SHEET
Overview

	30.09.2011	31.12.2010	
Total assets	**2,134.0**	2,050.0	+4%
Non-current assets	**1,890.3**	1,803.1	+5%
Current assets	**243.7**	246.8	-1%
Equity	**622.7**	587.1	+6%
Non-current liabilities	**1,304.4**	1,307.4	0%
Current liabilities	**206.9**	155.5	+33%
Equity ratio in %	**29.2**	28.6	-0.6
Debt ratio in %	**70.8**	71.4	+0.6

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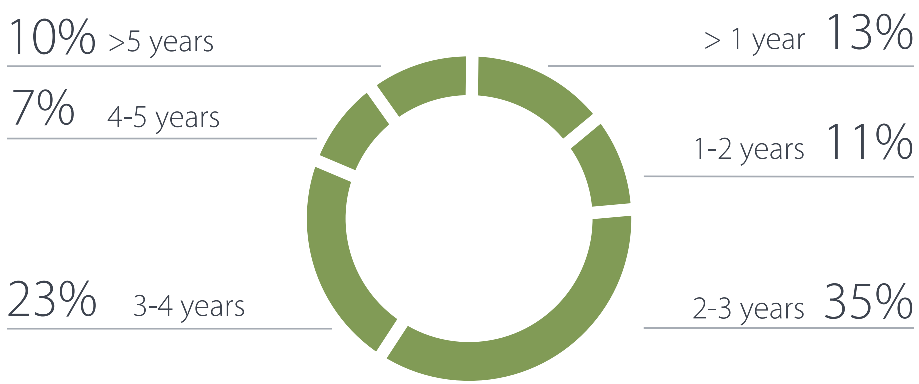
BALANCE SHEET
Stable financial fundament

Debt maturities
as of 30 September 2011



- **Equity ratio** 29.2% (31.12.2010: 28.6%)
- Equity ratio reduced compared to Q2 because of dividend payments and increase of negative hedging reserve
- **Financial debt nearly stable** at € 1,415.8 mn compared to Q2
- **Average debt maturities** of 3.4 years, only 13% debt expiries with several smaller financings in the next 12 months
- 84% of all interest expenses are **fixed long-term** (31.12.2010: 81%)
- **Average interest rate** at 4.45% impro-ved from 4.50% (9M 2010)

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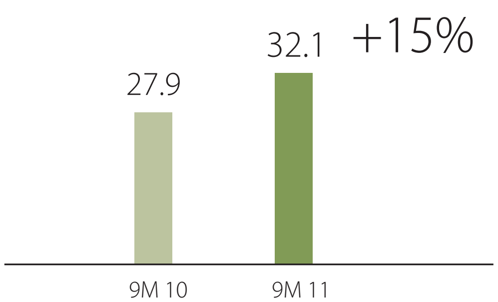
CASH FLOW

Substantial amount of cash at hand

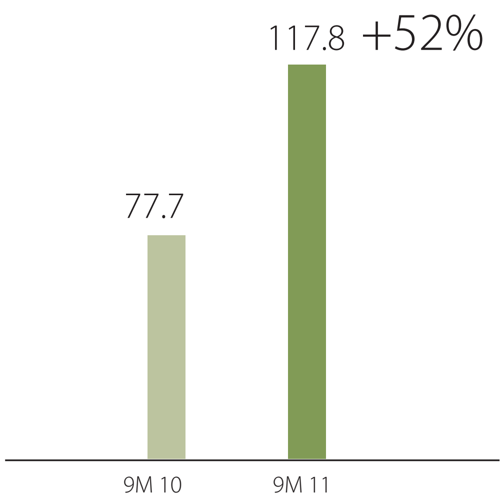
Cash flow from operating activities

in € mn



Cash and cash equivalents

in € mn



- **Cash generated from operations** at € 71.8 mn, below previous year due to smaller portfolio (9M 2010: € 79.4 mn)
- **Cash flow from operating activities** increased by € 4.2 mn (+15%) to € 32.1 mn – mainly due to optimised financing costs
- **Cash flow for investments** of € 105 mn mainly for acquisitions
- **Cash flow from financing** of € 73 mn through capital increase and bond issue as well as new loans
- € 117.8 mn **cash and cash equivalents** (+52%) at hand

OUTLOOK

Promising prospects for the last quarter

- **Well on track for all targets 2011**
- Reduction of **vacancy rate** by 1 percentage point to around 13%
- **Rental income** at higher end of range with € 112-115 mn
- **Like-for-like rental income growth** 2011 plus 1-1.5%
- **FFO** between € 40-42 mn for full year
- **Sales volume** of around € 80-100 mn
- With **high level of cash at hand** well prepared for further selective opportunities and financial flexibility

THANK YOU!

Immo von Homeyer
Head of Investor Relations &
Corporate Communications

Peer Schlinkmann
Manager Investor Relations

If you have further questions, please don't hesitate to ask us.

For more information:

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- Recordings and presentation of Update Calls available