UPDATE CALL PRESENTATION

FIRST QUARTER RESULTS 2015

12 May 2015

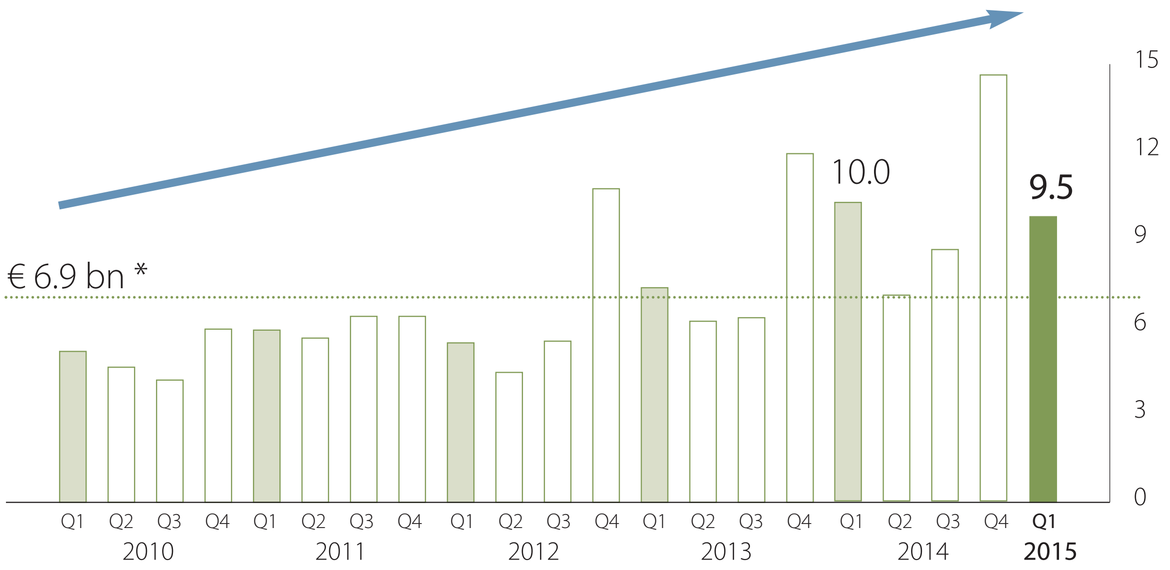
DIC

DELIVERING ON OUR STRATEGY

- **FFO** on high level at € 12.1 mn (+1%)
- Higher management fee income due to **growth of fund business**
- **Net debt equity ratio** improved to 33.7%
- **Loan-to-value ratio** reduced to 65.7%
- Successful increase of third **corporate bond** to € 175 mn
- **Confirmation of FFO guidance:** € 48 – 50 mn

TRANSACTION MARKET AGAIN WITH STRONG START

Transaction volume in € billion

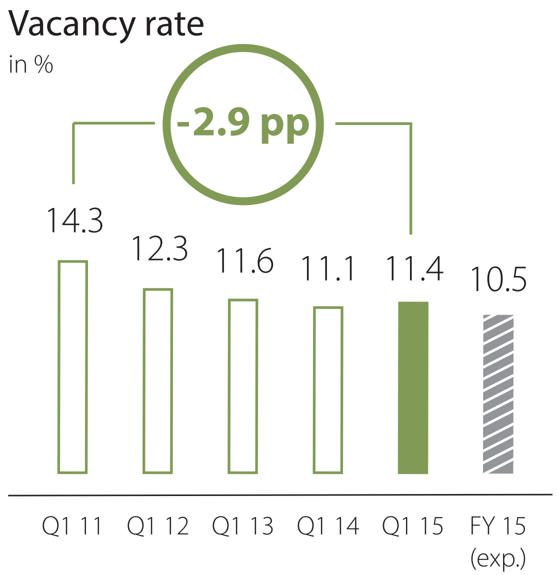


* average Q1 2010 - Q4 2014 Source: JLL

- Positive **German economic outlook** driven by favourable job market, rising private consumption and strong export
- **Investment volume** with € 9.5 bn on high level (Q1 2014: € 10.0 bn; -5%), focus remains on office properties (45%)
- **Pressure on yield** continues through all asset classes
- **Completion volume** still low at 200,000 sqm (-12%), less then 20% available for use
- **Letting results** with 766,000 sqm 6% higher than in previous year's quarter
- **Vacancy rates** across BIG 7 down to 7.5% (Q1 2014: 7.7%)

VACANCY RATE AS EXPECTED

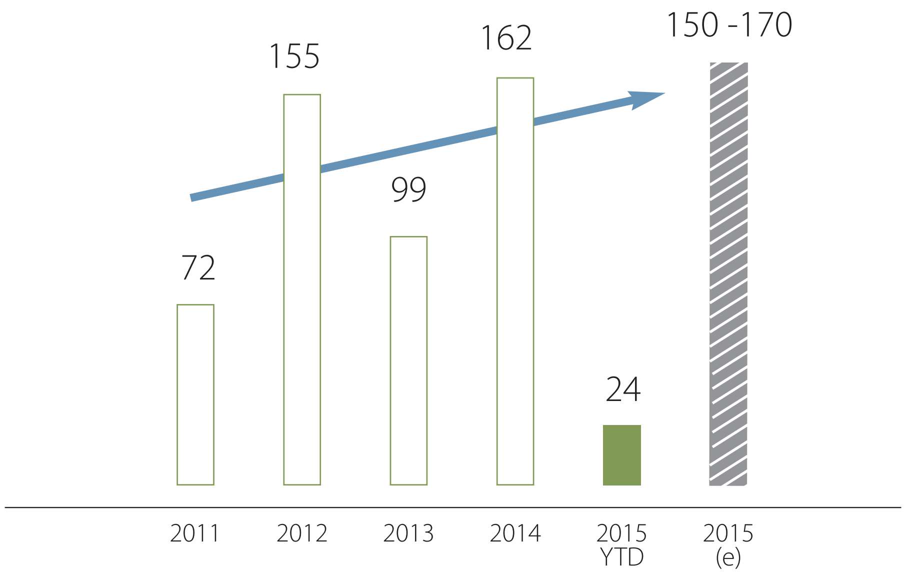
* based on annualised rental income



- **Vacancy rate** due to seasonal effects at 11.4% as expected, full year target of 10.5%
- Letting volume corresponding to **annualised rental income** of € 2.0 mn (Q1 2014: € 6.8 mn)
- **Maturity structure improved**: Expiries in 2015 reduced to 6%, expiries from 2019 onwards up to 53%
- **Gross rental yield** stable at 6.5% (Q1 2014: 6.6%)

SALES FOR PORTFOLIO OPTIMISATION

Sales volume
in € mn



- **Sales activities** year-to-date mainly for portfolio optimisation with smaller properties
- 4 properties from Commercial Portfolio (total of EUR 22.8 million), 1 property from Co-Investments (EUR 1.7 million)
- Several transactions in the pipeline; larger volumes expected with start of second half 2015

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FINANCIAL HIGHLIGHTS

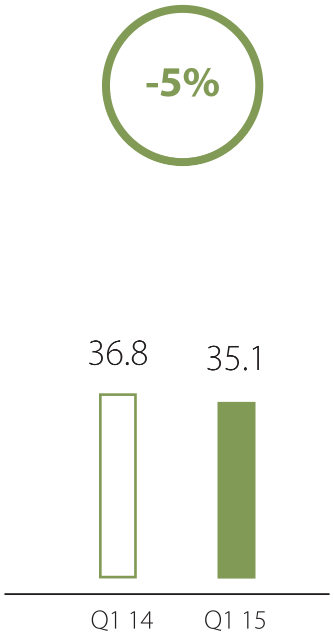
- **FFO stable** at € 12.1 mn (+1%)
- **Interest result** down to € -15.6 mn (Q1 2014: € -17.8 mn)
- **Average interest rate** for bank liabilities at low level of 3.9 %
- **Net debt equity ratio** increased to 33.7% (31.12.2014: 33.4%)
- **Loan-to-value ratio** reduced to 65.7% (31.12.2014: 65.9%)
- Successful increase of third **corporate bond** to € 175 mn

PROFIT AND LOSS ACCOUNT

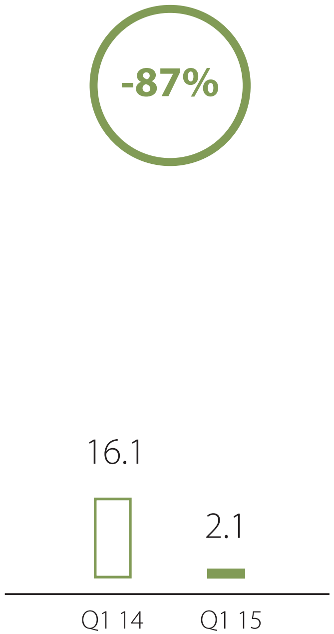
€ mn	**Q1 2015**	Q1 2014	Δ
Gross rental income	**35.1**	36.8	-5%
Net rental income	**31.0**	33.5	-7%
Administr./Personnel expenses	**-5.8**	-5.6	4%
Management fee income	**1.4**	1.1	27%
Depreciation	**-11.0**	-10.7	3%
Net other income	**0.1**	0.2	-50%
Profit on property disposals	**0.3**	0.7	-57%
Share of the profit of associates	**0.9**	1.0	-10%
Net financing cost	**-15.6**	-17.8	-12%
Tax expense	**-0.1**	-0.3	-66%
Profit for the period	**1.3**	2.0	-35%
FFO	**12.1**	12.0	1%
EPRA earnings	**11.9**	11.7	2%

GROSS RENTAL INCOME AS BUDGETED

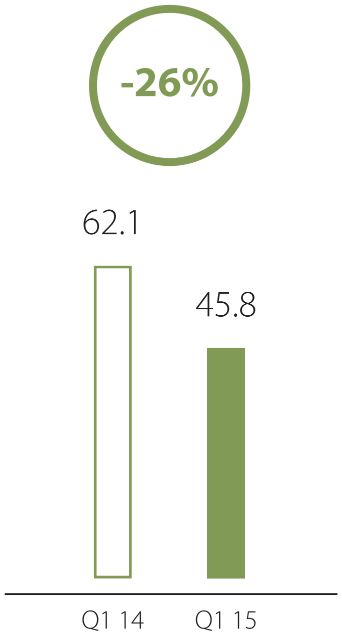
Gross rental income
in € mn



Sales proceeds
in € mn



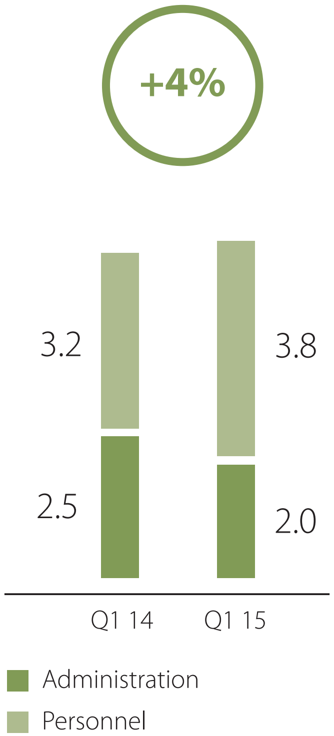
Total income
in € mn



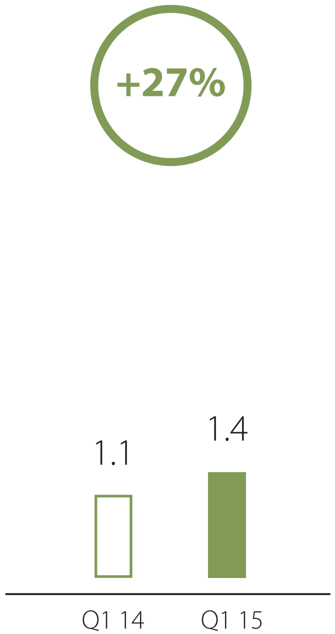
- **Gross rental income** at € 35.1 mn (Q1 2014: € 36.8 mn) after sales for portfolio optimisation and deleveraging
- **Sales proceeds** at € 2.1 mn
- **Total income** lower at € 45.8 mn, following lower sales proceeds compared to previous year

CHANGE IN COST STRUCTURE

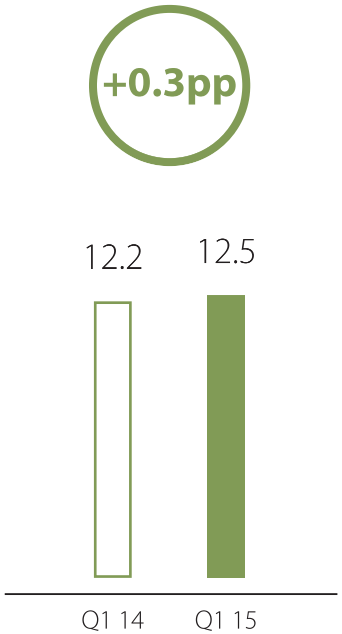
Operating costs
in € mn



Management fee income in € mn



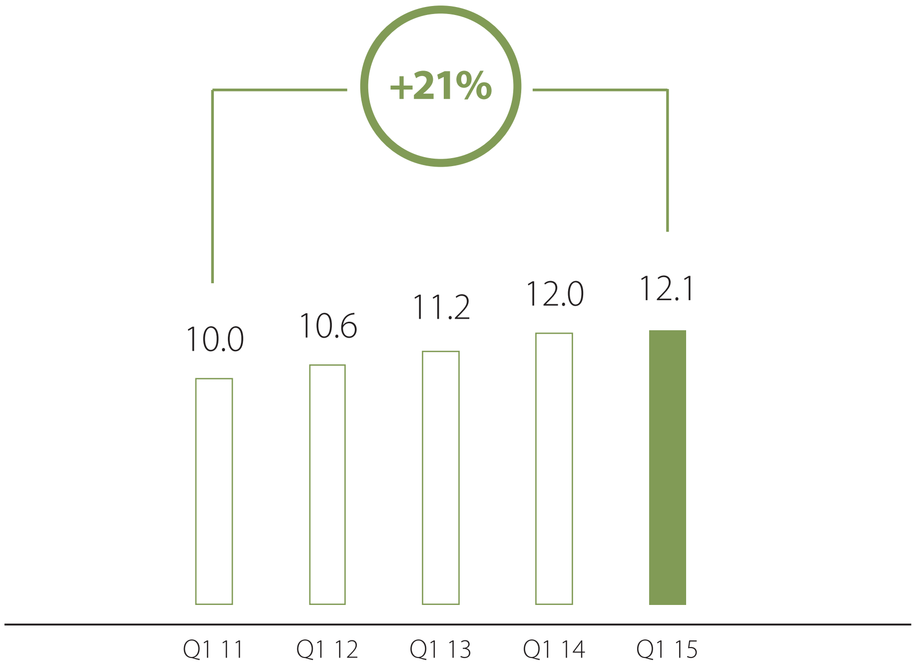
Cost ratio
in %



- Change in cost structure because of **integration of outsourced services** with 32 employees (Accounting and Finance, Financial Services, Human Resources, and IT) in Q1 2015, and mainly therefore:
  - **personnel costs** increased 19% to € 3.8 mn (Q1 2014: € 3.2 mn)
  - **administrative costs** declined 20% to € 2.0 mn (Q1 2014: € 2.5 mn)
- **Cost ratio** at 12.5% based on lower gross rental income

FFO ON HIGH LEVEL

Funds from operations
in € mn



- **FFO** stable at high level of € 12.1 mn (+1%) despite decline of net rental income
- **Profit for the period** lower at € 1.3 mn (Q1 2014: € 2.0 mn) mainly due to lower sales profits (Q1 2015: € 0.3 mn) compared to previous year (Q1 2014: € 0.7 mn)

FFO RECONCILIATION

€ mn	Q1 2015	Q1 2014	Δ
Net rental income	**31.0**	**33.5**	**-7%**
Administrative expenses	-2.0	-2.5	-20%
Personnel expenses	-3.8	-3.2	+19%
Other operating income/expenses	0.1	0.1	0%
Fees from real estate management	1.4	1.1	27%
Share of the profit from associates *	0.9	0.9	0%
Interest result	-15.5	-17.9	-13%
Funds from operations	**12.1**	**12.0**	**1%**
FFO per share in €	0.18	0.18	0%

* excluding sales and developments of Co-Investments

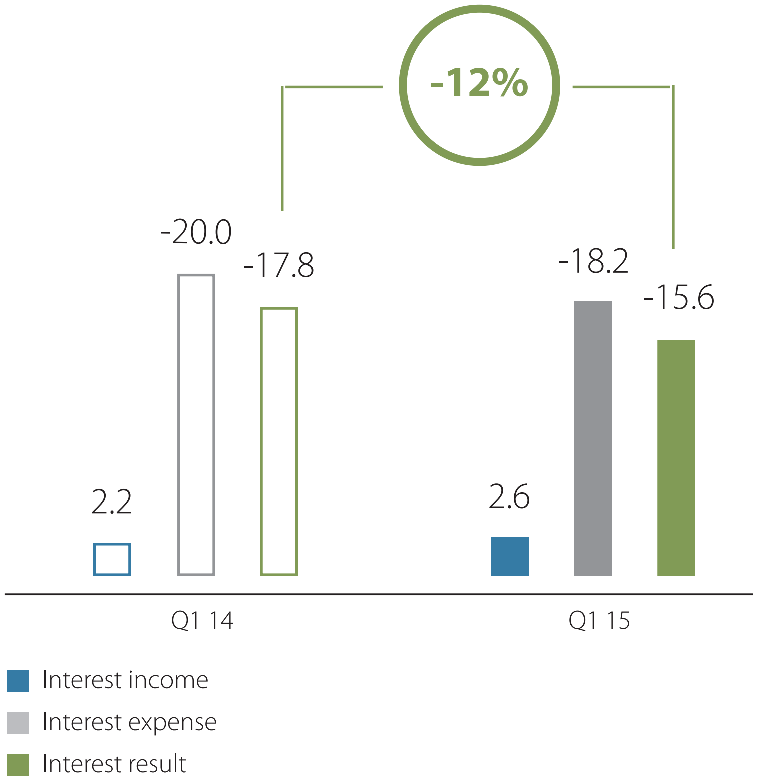
- **FFO contribution** excluding results from developments and profit from sales in Co-Investments
- Rising earnings contribution from fund business and improved interest result offset lower NRI
- **FFO per share** stable at € 0.18 (Q1 2014: € 0.18)

SUCCESSFUL PILE-UP OF THIRD BOND

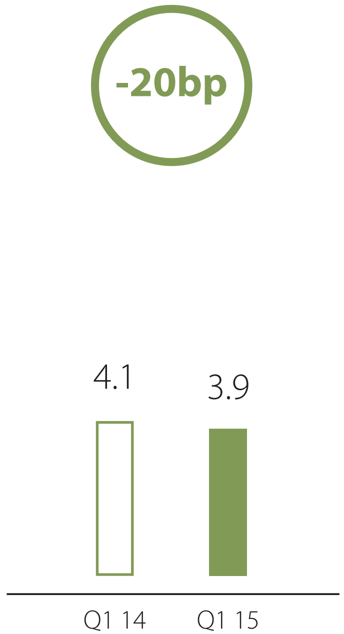
- Successful **placement** of € 50 mn senior unsecured / unrated bond in April 2015 with institutional investors
  - terms and conditions as existing notes, with coupon of 4.625%
  - issue price at 103%
  - procceds primarily used to refinance existing bank debt at portfolio and property level
- All DIC Asset bonds **trading** above par value

NET FINANCING RESULT IMPROVED

Interest result
in € mn



Average interest rate
in % *



- Lower **interest result** at € -15.6 mn (Q1 2014: € -17.8 mn) following reduction of loans and improved interest rates
- Higher **interest cover ratio** (NRI/interest expense) with 171% (Q1 2014: 167.4%) due to lower interest expense
- **Average interest rate*** at low level of 3.9% (Q1 2014: 4.1%)
- **Average debt maturities** at 3.8 years (Q1 2014: 4.2 years), improvement expected with refinancings in 2nd half 2015

* based on bank liabilities

BALANCE SHEET: HIGHER EQUITY

€ mn	31.03.2015	31.12.2014
Total assets	**2,527.8**	2,537.0
Total non-current assets	**2,369.4**	2,384.3
Total current assets	**158.4**	152.6
Total equity	**784.5**	774.8
Total non-current liabilities	**1,294.0**	1,324.1
Total current liabilities	**449.3**	438.1
Total liabilities	**1,743.3**	1,762.1
Balance sheet equity ratio	**31.0%**	30.5%
Net debt equity ratio *	**33.7%**	33.4%
Loan-to-value ratio **	**65.7%**	65.9%

* Calculated by setting the shareholders' equity, adjusted for hedging reserve, in relation to the total assets, adjusted in turn for hedging reserve, derivatives, and cash in banks.

** The relationship between the total financial debt, corporate bonds and liabilities to related parties minus cash in banks, on the one hand, and the real estate held at fair market values as financial investments, equity investments, and receivables due from related parties, on the other hand.

- **Total equity** higher at € 784.5 mn mainly due to changes in hedging reserve and retained earnings
- **Net debt equity ratio** improved to 33.7% (Q4 2014: 33.4%)
- **Loan-to-value ratio** lower at 65.7% (Q4 2014: 65.9%)

GUIDANCE 2015 CONFIRMED

- **Funds from Operations**
  - Full year forecast of € 48 mn – € 50 mn
- **Portfolio**
  Further portfolio optimisation and deleveraging
  - Disposal volume of around € 150 mn – € 170 mn
  - Vacancy rate of 10.5 %
  - Gross rental income at around € 134 mn – € 136 mn
- **Developments**
  - MainTor: completion of three subprojects in 2015 expected
- **Funds**
  - Further growth of fund business with investments in the range of € 130 mn – € 150 mn

THANK YOU!

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