DIC ASSET

UPDATE CALL PRESENTATION

NINE MONTHS RESULTS 2013

13 November 2013

HIGHLIGHTS

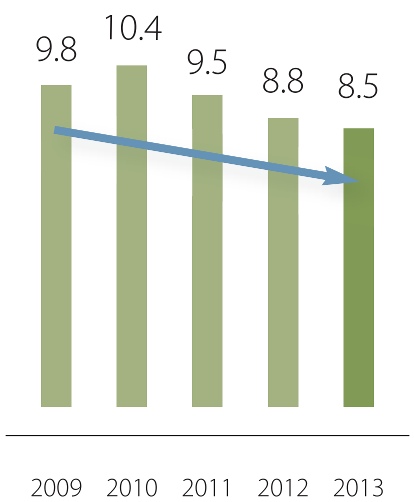
On track with full-year targets

- **Vacancy rate down** to 10.8% (9M 12: 11.7%)
- **FFO up** to € 34.3 mn (+6%)
- Dynamic growth of **fund business**: higher FFO contribution
- Sales volume with € 86 mn YTD above target, strong **increase in sales profits**
- **Long-term refinancing** of € 320 mn for 7 years closed
- Confirmation of **FFO guidance**: € 45 mn up to € 47 mn

GERMAN COMMERCIAL REAL ESTATE MARKET

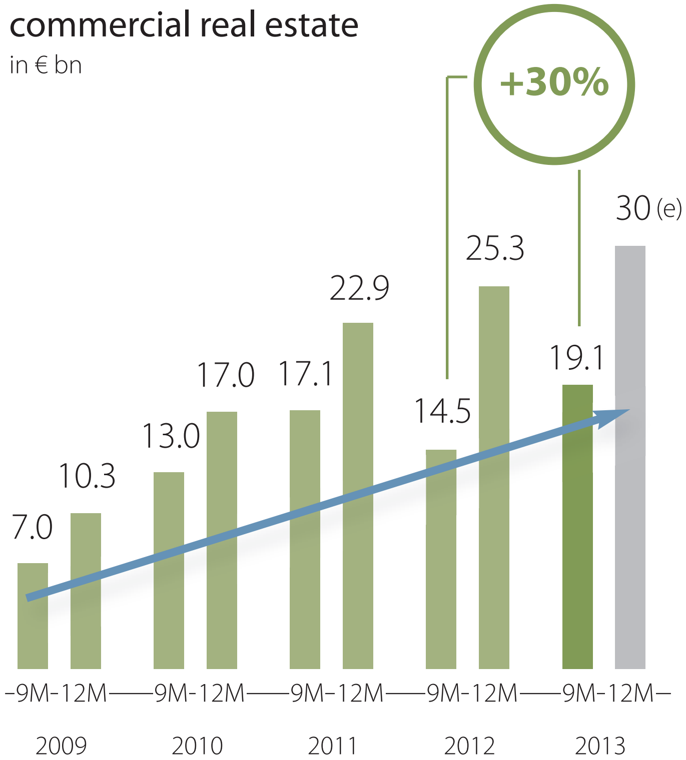
Ongoing momentum and positive outlook 2014

Vacancy rate BIG 7
in %



Source: Jones Lang LaSalle

Investment volume in German commercial real estate
in € bn



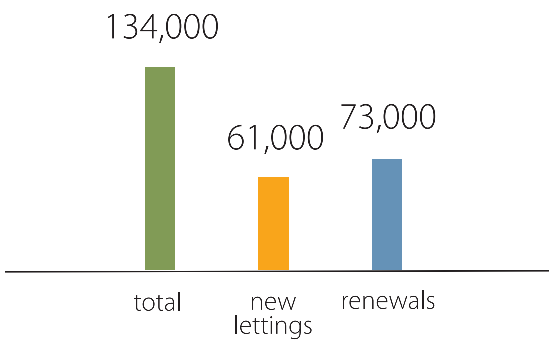
Source: Jones Lang LaSalle, CBRE

- Germany's economic outlook positive with **GDP growth** of around 0.5% for 2013, jobs market robust
- Positive outlook for **GDP growth 2014**: around 1.5 – 2%
- **Investment volume** of € 19.1 bn, around 30% up against 9M 2012
- **Letting result** in BIG 7 with 2.2 mn sqm for 9M on previous year's level
- Lowest **vacancy rates** since 2002 due to low completions, driving **rental growth**

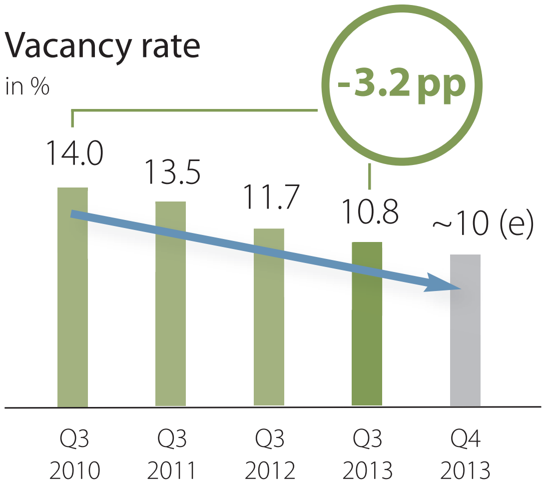
PORTFOLIO QUALITY IMPROVED

Vacancy rate further reduced

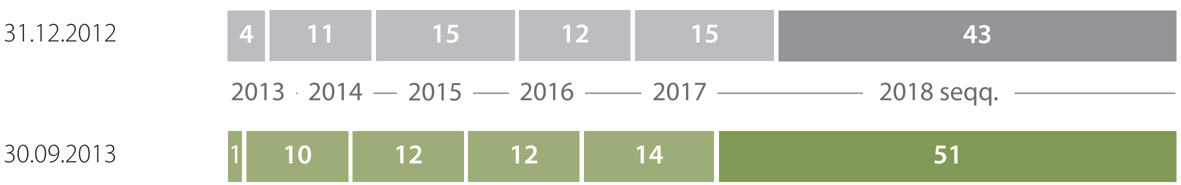
Letting volume
in sqm



Vacancy rate
in %



Lease maturities
in %



- **Letting volume** of 134,000 sqm in line with expectations
- **Vacancy rate** down to 10.8% (9M 2012: 11.7%) due to ongoing rental progress
- Further reduction of vacancy rate to **around 10% by year-end** planned
- **Like-for-like rental income** +0.4% in Q3 2013, higher than previous quarter (Q2 2013 +0.2%)
- **Maturity structure improved:** maturities after 2018 up to 51%
- Average **lease term** stable at 5.0 years

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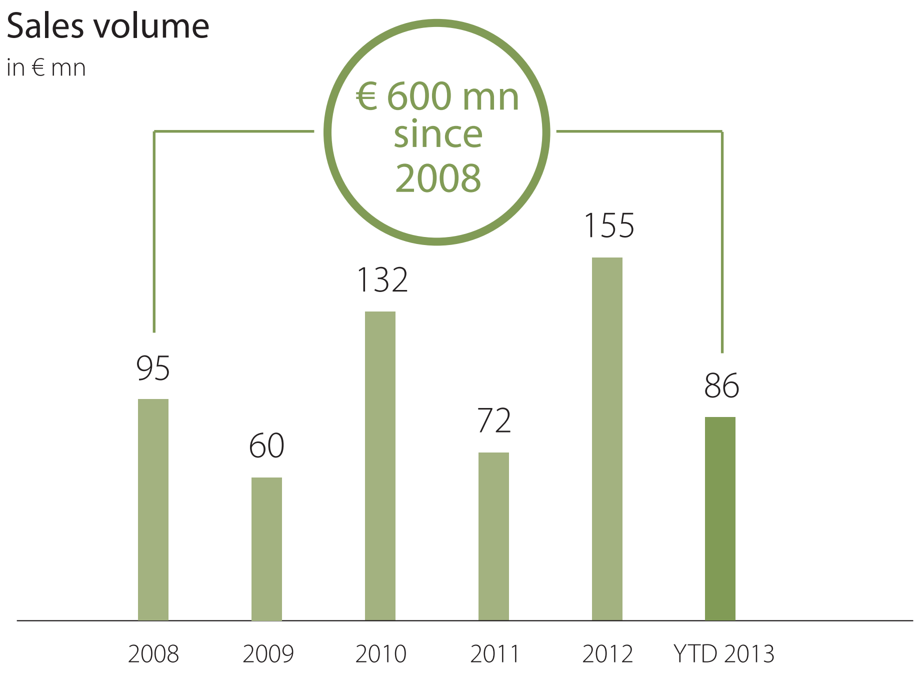
PROFITABLE SALES

Target 2013 already achieved



- **Integral part** of DIC Asset's business strategy for
  - Diversification and optimisation of portfolio structure
  - Debt reduction and cash release
  - Realising profits
- **Disposals** of € 600 mn **since 2008** (excluding sale to office fund) – on average, transactions realized well above market values
- **Sales volume year-to-date** already at € 86 mn, around 5% above latest market values
- Significantly **higher sales profit** of € 4.2 mn (9M 2012: € 0.7 mn)
- **Further disposals** until year-end possible at appropriate occasions

FUND BUSINESS WITH DYNAMIC GROWTH

Significant FFO contribution

Office building „Stadttor Heidelberg“

Retail property in Trier

- Highly **increased FFO contribution** to € 4.4 mn (9M 2012: € 2.5 mn)
- **Fund acquisition volume** 2013 already at EUR 105 mn (annual FFO contribution of c. € 1.2 mn)
- **Latest Acquisitions**
  - DIC Office Balance I: new fully occupied office building „Stadttor Heidelberg“ (€ 32 mn)
  - DIC HighStreet Balance: two fully-let retail properties in Trier and Halle in prime high-street locations (€ 30 mn)
- **Investment volume** already at € 500 mn, around 70% of target volume

MAINTOR - THE RIVERSIDE FINANCIAL DISTRICT

Developments well on track

Current MainTor site under construction

- **Construction of three subprojects in progress**
  - „MainTor Panorama“: forward sale, 70% pre-let
  - „MainTor Patio“: forward sale, rental apartments
  - „MainTor Palazzi“: condominiums
- Marketing of „**MainTor Palazzi**“ very successful: 87% sold in less than a year
- Marketing start and major letting activities of „**WinX“** forthcoming
- **Sustainable market interest**: „MainTor Porta“ exit (in front of completion) – as well as „Opera Offices Neo“ (Hamburg, forward deal) – in advanced negotiations, expected in forthcoming months

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FINANCIAL HIGHLIGHTS

Improved financial structure

- **Strong FFO increase** to € 34.3 mn (+6%) (Q3 2012: € 32.5 mn)
- Long-term and attractive **refinancing of € 320 mn** closed
- **Average debt maturity** significantly higher at 4.2 years
- **Net debt equity ratio increased** to 32.1% versus end of 2012 (31.6%)
- Average **interest rate stable** at low level with 4.1%
- **ICR increased** to 175%

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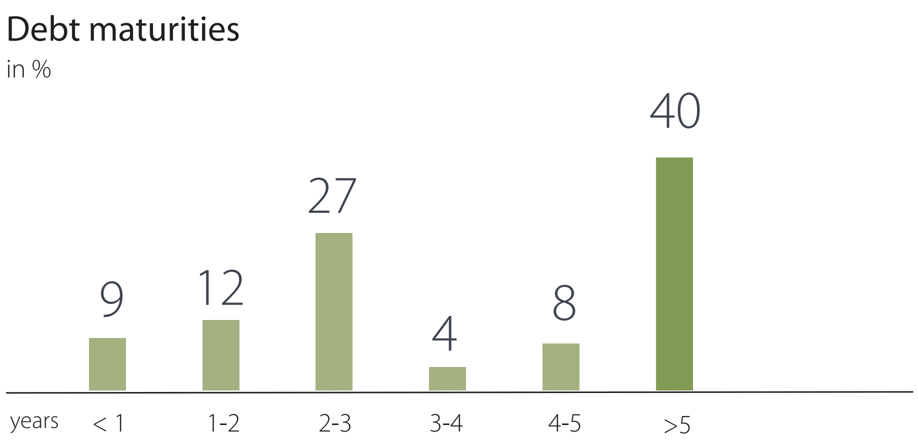
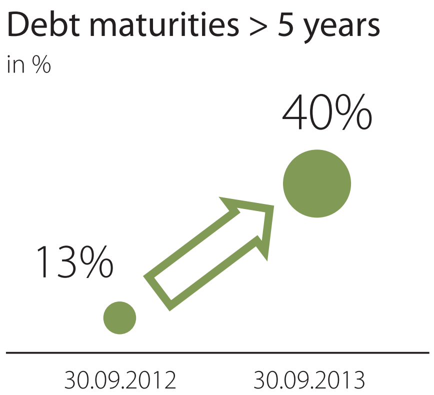
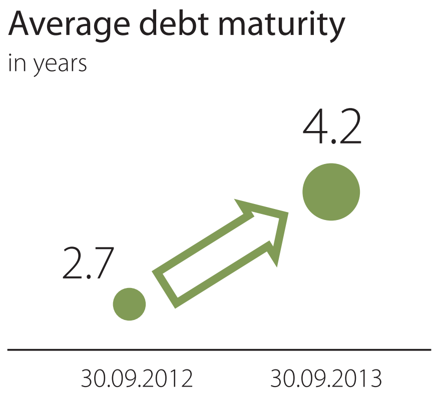
MAJOR FINANCIAL UPLIFT

Positive effects from long-term refinancing



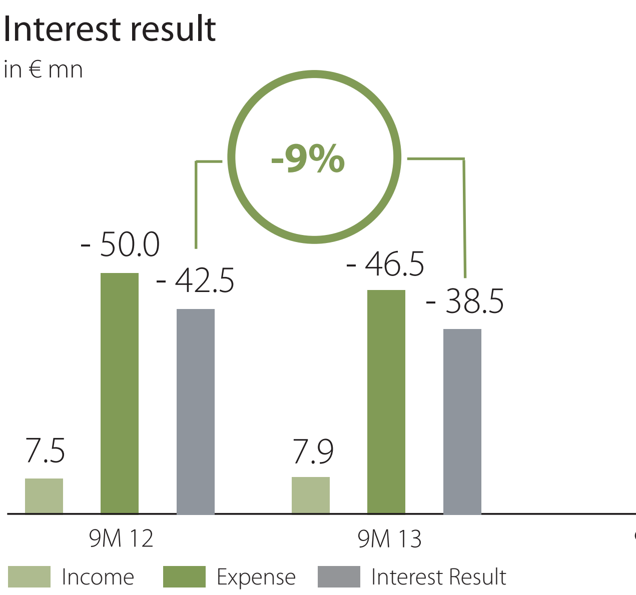


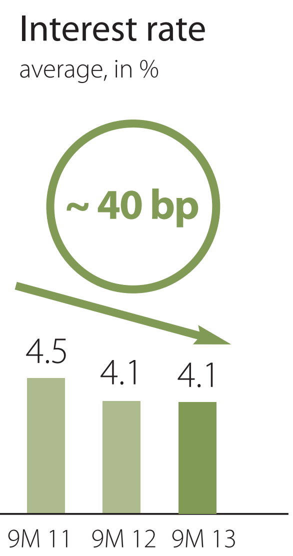


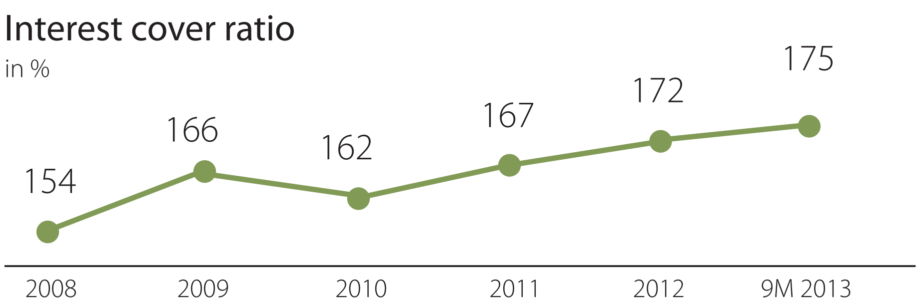
- Long-term **refinancing of € 320 mn** for 7 years with two German banks (pbb, HSH Nordbank) closed
- **Average cost of debt** secured at low level of around 4.1%
- **Financial debt** reduced to € 1,434 mn (9M 2012: € 1,533 mn)
- **Average debt maturities** at 4.2 years (9M 2012: 2.7 years)
- **Loan-to-value** reduced by 50 bp to 67.6% (31.12.2012: 68.1%)
- **Net debt equity ratio increased** to 32.1% (31.12.2012: 31.6%)

NET FINANCING RESULT ENHANCED

Low level of average interest rate







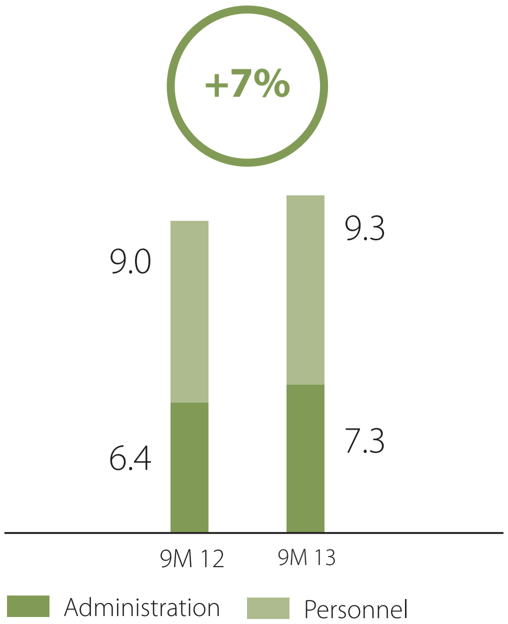
- **Interest result** strongly improved to - € 38.5 mn (9M 2012: - € 42.5 mn)
- **Average interest rate** at ongoing low level of 4.1% (9M 2012: 4.1%)
- **Interest cover ratio** (NRI/interest expense) increased to 175%
- Around 87% of debt is **long-term hedged** against interest rate fluctuations

COST STRUCTURE IMPROVED

Higher cost coverage through fee income

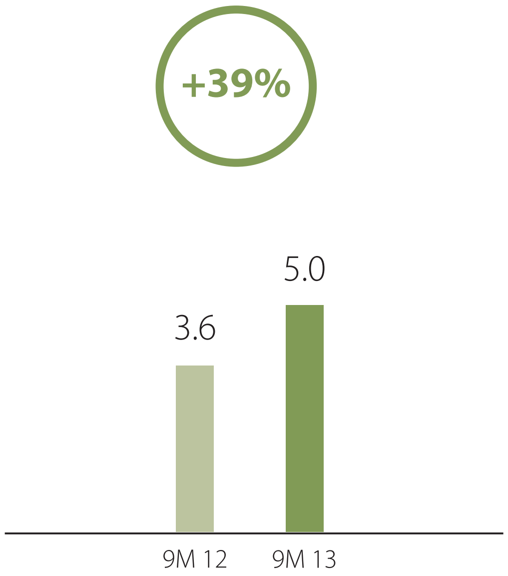
Operating costs

in € mn



Management fee income

in € mn

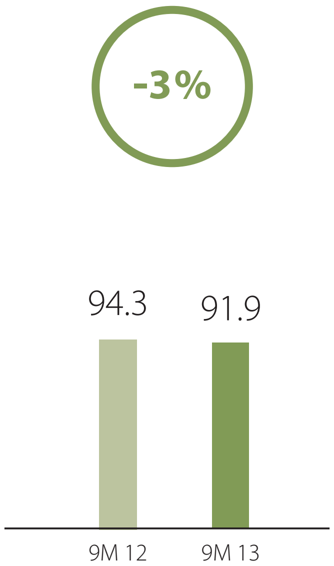


- **Personnel and administrative costs** at € 16.6 mn, mostly driven by higher administrative costs in accordance with loan rollovers and intensified marketing activities
- **Management fee income** raised due to expanding fund business to € 5.0 mn
- **30% of operating costs** covered by management fee income
- **Cost ratio** improved to 12.6% versus previous quarter (Q2 2013: 13.5%)

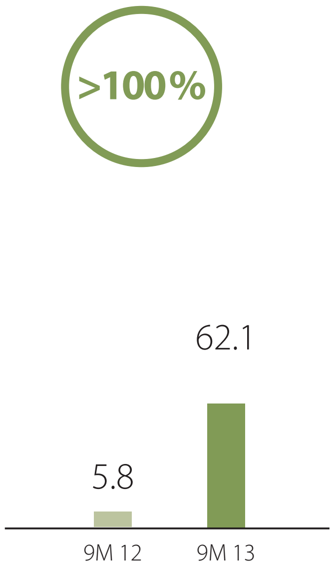
HIGHER REVENUES

Increase through property disposals

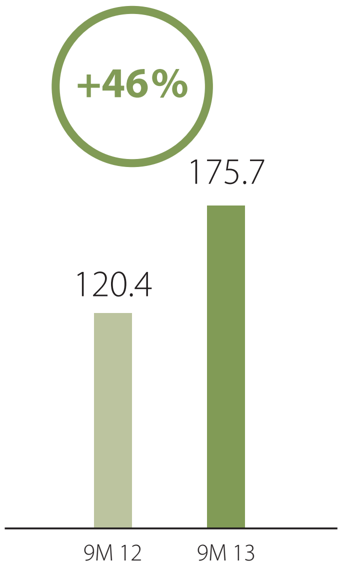
Gross rental income
in € mn



Sales proceeds
in € mn



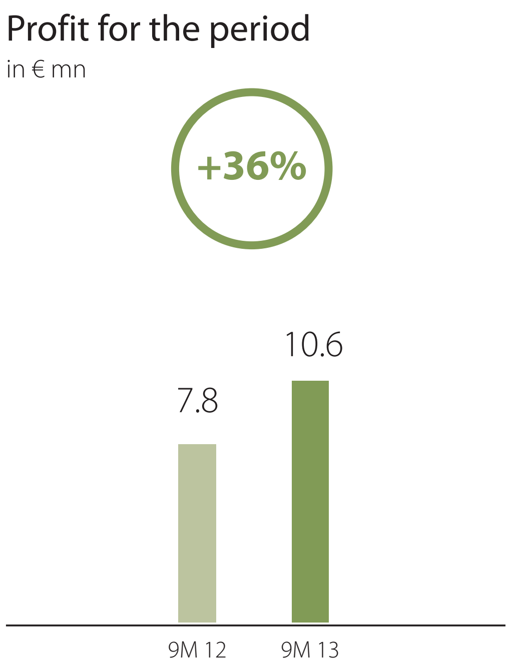
Total revenues
in € mn

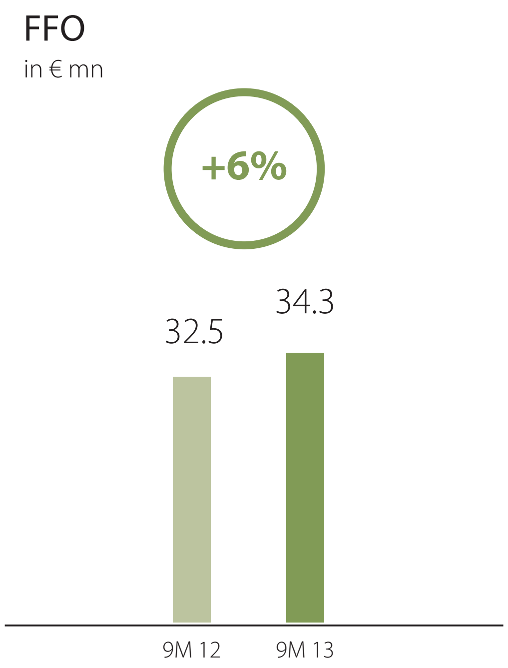


- **Gross rental income** at stable level, Q3 2013 with € 30.9 mn higher than Q2 2013 (€ 30.7 mn)
- **Higher sales proceeds** with € 62.1 mn, strong **sales profits** of € 4.2 mn (9M 2012: € 0.7 mn)
- Increase in **revenues** to € 175.7 mn, following higher sales volume and management fee income

STRONG GROWTH OF EARNINGS

FFO increased by 6%





- **Profit for the period** strongly increased due to higher profit on disposals
- **FFO** increased to € 34.3 mn (+6 %) based on improved net financial result and higher management fee income
- **FFO per share** at € 0.75 (9M 2012: € 0.71)

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OUTLOOK 2013

Well on track for main targets

- **Asset and property management**
  – Rental income in range of € 121 – 123 mn
  – Reduction of vacancy rate to around 10% by year-end

- **Sales**
  Target volume early achieved, further sales possible at appropriate opportunities

- **Developments**
  MainTor with further sales of remaining condominiums, construction work of further three subprojects

- **Funds from Operations**
  FFO at € 45 mn up to € 47 mn for full year

THANK YOU!

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