

DIC ASSET

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UPDATE CALL PRESENTATION

FIRST QUARTER RESULTS 2012

15 MAY 2012

HIGHLIGHTS

Successful start in 2012

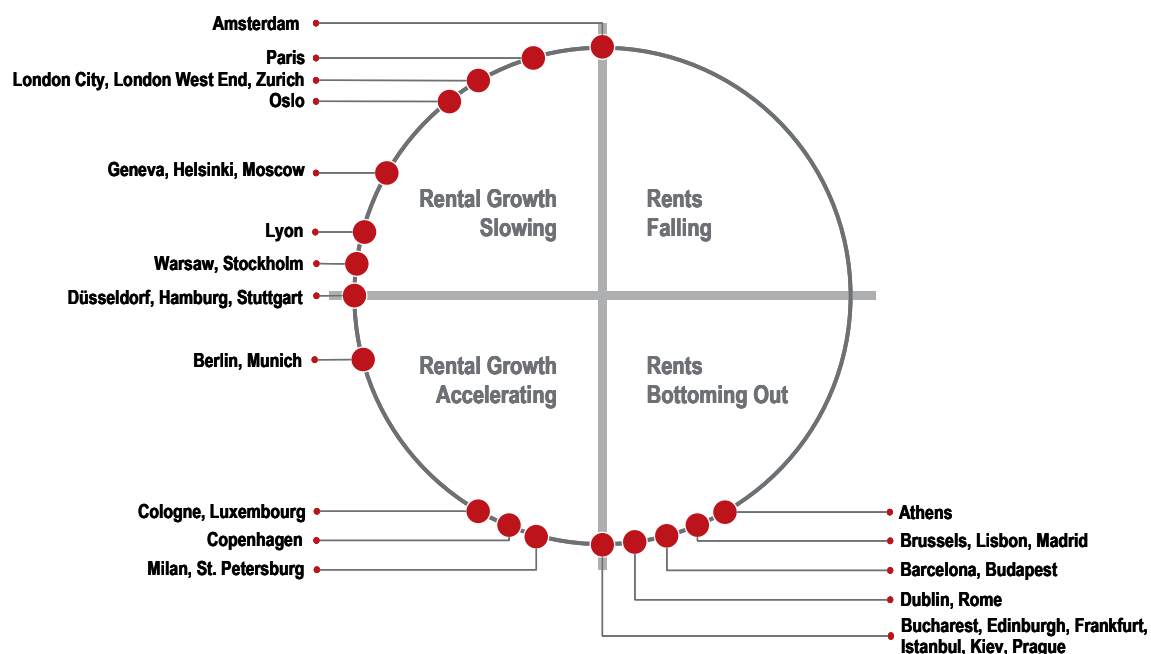


- **Letting result** increased by 7%, vacancy rate further reduced to 12.3%
- **Rental income** increased by 13% to € 31.1 mn
- **Acquisition of two office properties**, FFO contribution 2012 already around € 0.7 mn (€ 1.4 mn p.a.)
- Significant progress with **MainTor and Opera Offices developments**
- **FFO raised** by 5% mn to € 10.5 mn due to latest acquisitions and lettings

MARKET

German real estate market still in good shape

JLL property clock Q1 2012



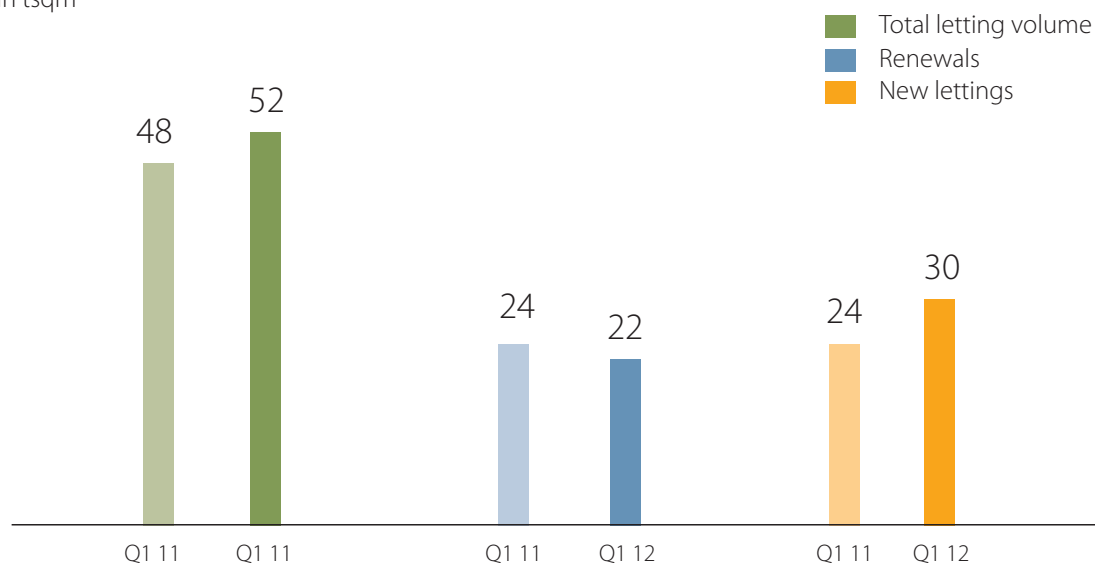
- **German GDP growth** of at least 0.7% expected, still strong job market conditions
- **Letting result** of 680 tsqm (-9%) in major locations – but Q1 2011 saw two mega deals
- **Vacancy rates** are decreasing, **rents** are picking up
- **Transaction volume** at € 5.2 bn, office properties with the highest demand in Q1 2012
- With the debt crisis being temporarily defused, **economic forecasts** show more optimism

PORTFOLIO

More new lettings push letting results

Letting volume

in tsqm



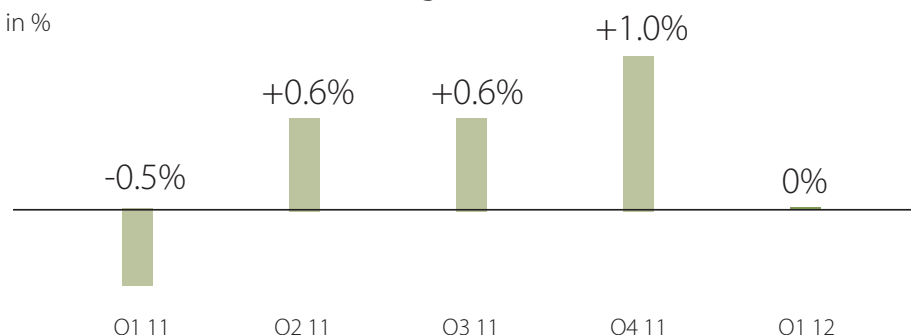
- **Letting volume** of around 52,000 sqm achieved, +7% against Q1 11
- **New lettings significantly increased:** +23% to around 30,000 sqm
- **Renewals stable** with around 22,000 sqm
- **Large new lettings:** Industrial group (9,400 sqm) in region South, online trader (4,700 sqm) in region West
- **Bigger renewals:** Industrial group (6,500 sqm) in region South, bio-science company (3,700 sqm) in region West

PORTFOLIO

Portfolio quality improves further

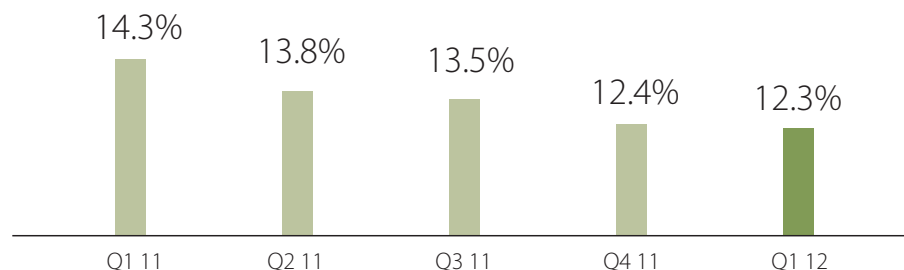
Like-for-like rental income growth

in %



Note: without developments

Vacancy rate at the end of the quarter



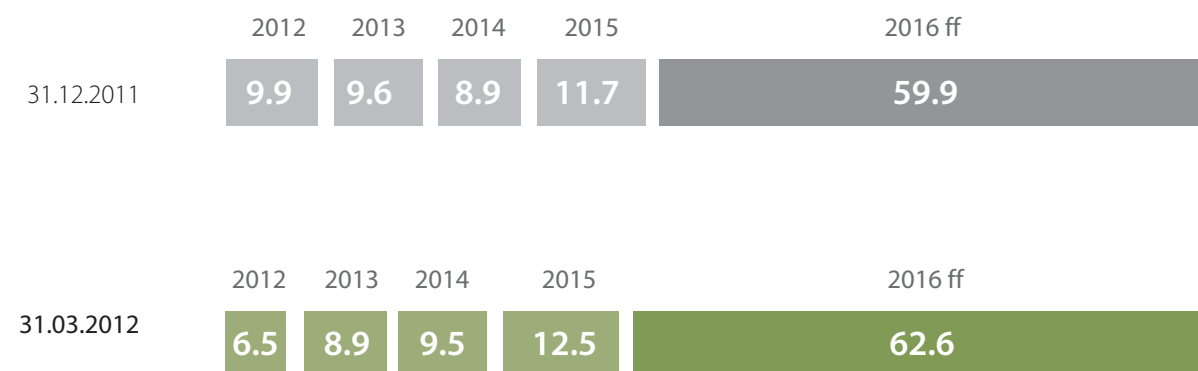
- **Vacancy rate down to 12.3%** due to letting performance (Q1 2011: 14.3%)
- Like-for-like **rental income growth stable with +/-0.0%** – despite typical higher expiries at the end of the year (decrease of -0.5% in Q1 2011)
- **Average lease term** stable at 5.4 years
- **Signed renewals** at the same rental level
- **Average rent per sqm** raised to € 10.50 (Q1 2011: € 10.30)

PORTFOLIO

Lease maturities improved

Lease maturities

in %



- Lease expiries against year-end 2011: for 2012 **reduced by 3.4 percentage points** (€ 4.5 mn) to 6.5%
- For 2013 expiries **already lowered by 0.7 percentage points** to 8.9%
- **63% of annualised rent** with maturity after 2016

Note: Distribution of annual rental income by lease expiry

PORTFOLIO

Detailed view on regions

- Regions from North to South with **own local branch offices**
- Strong reduction in vacancy rate to 12.3% in total, **mainly in regions North and East**

Q1 2012	North	East	Central	West	South	Total Q1 2012	Total Q1 2011
Number of properties	49	34	57	62	71	273	289
Market value in EUR million **	233.8	267.3	667.8	641.3	407.9	2,218.1	2,083.3
Lettable area in sqm	178,100	157,100	256,600	340,700	302,300	1,234,800	1,190,300
Portfolio proportion after rental space	14%	13%	21%	28%	24%	100%	
Annualised rental income in EUR million	15.1	19.9	34.7	41.5	29.4	140.6	129.9
Rental income per sqm in EUR	7.70	11.20	13.20	11.40	8.70	10.50	10.30
Lease maturity in years	6.7	4.5	6.4	5.4	3.9	5.4	5.6
Gross rental yield	6.5%	7.5%	6.0%	6.5%	7.2%	6.6%	6.6%
Vacancy rate	8.5%	8.3%	16.8%	13.5%	11.5%	12.3%	14.3%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values

** Market value as at 31.12.2011, later acquisitions considered at cost

ACQUISITIONS

Two properties acquired to strengthen FFO



Red Square, Frankfurt

- New constructed property „Red Square“ near the **Frankfurt airport** with 11,500 sqm office space; investment volume of € 22 mn; **transfer of ownership** end of March 2012 as planned

- Deed signed for multi-tenant office property **in Frankfurt at the central railway station** with 7,200 sqm rental space and anchor tenant ZIRAAT Bank (35%); investment volume of approx. € 17 mn



ZIRAAT building,
Frankfurt

- Both properties will contribute to the **2012 full-year FFO** with around € 0.7 mn, and from 2013 with around € 1.4 mn p.a.

MAINTOR FRANKFURT

Significant progress



MainTor Patio (part of the 3rd subproject)

- **Two subprojects** pre-marketed and under construction
- With around € 190 mn, 1/3 of the **commercial project volume** is now in realisation
- Sales activity for **3rd subproject** (residential part with MainTor Patio and MainTor Palazzi) will start in 2012

OPERA OFFICES HAMBURG

Forward deal as start for whole development



Hamburg: Opera Offices Klassik

- **Two subprojects** „Opera Offices Klassik“ (refurbishment) and „Opera Offices Neo“ (new construction) with project volume of around € 55 mn
- „Opera Offices Klassik“ **sold via forward deal to German pension fund** (around 1/3 of total project volume)
- Demolition work started, refurbishment starting in summer 2012, completion and handover expected in fall 2013
- Simultaneously, demolition work started for „Opera Office Neo“

RESULTS

Overview of consolidated profit and loss account

€ mn	Q1 2012	Q1 2011	
Gross rental income	31.1	27.6	+13%
Net rental income	28.1	25.3	+11%
Administr./Personnel expenses	-5.2	-4.6	-13%
Management fee income	1.2	1.0	+20%
Depreciation	-8.1	-6.9	-17%
Net other income	0.0	0.3	-100%
Profit on property disposals	0.5	0.0	---
Share of the profit of associates	0.8	0.4	+100%
Net financing cost	-14.5	-12.4	-17%
Tax expense	-0.3	-0.3	0%
Profit for the period	2.5	2.8	-11%
FFO	10.5	10.0	+5%

FINANCIAL FOCUS



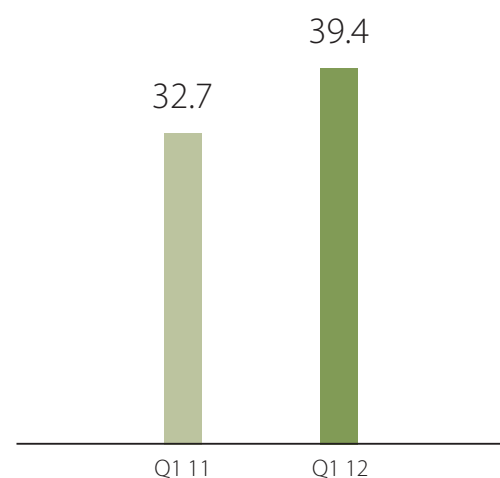
- Acquisitions with a volume of € 39 mn realised – **attractive financings achieved**
- **Flexible development financing** with volume of more than € 100 mn for subproject MainTor Porta
- **Portfolio growth and letting performance** increase revenues, rental income and strengthen FFO
- **Cost efficiency** and **growth of management fee income** in focus

REVENUES

Rental income increased through last year's acquisitions and lettings

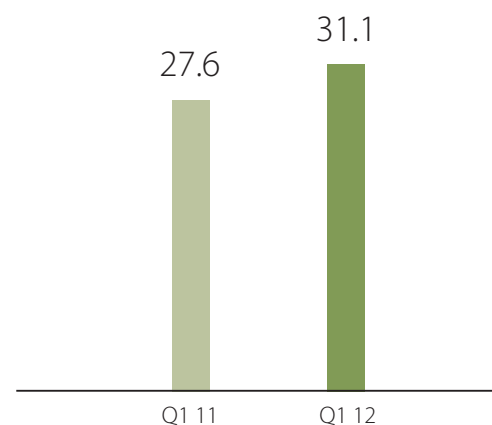
Total revenues

in € mn



Gross rental income

in € mn



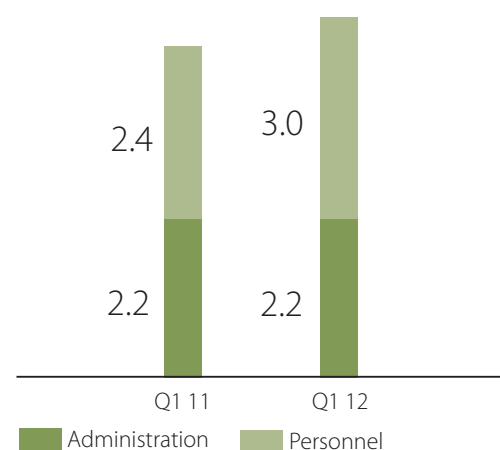
- **Gross rental income** at € 31.1 mn (Q1 2011: € 27.6 mn); increase due to higher letting ratio and acquisitions
- **Net rental income** with +11% at € 28.1 mn (Q1 2011: € 25.3 mn)
- **Total revenues** at € 39.4 mn (Q1 2011: € 32.7 mn), also thanks to higher sales volume

COST STRUCTURE

Operating costs in target range

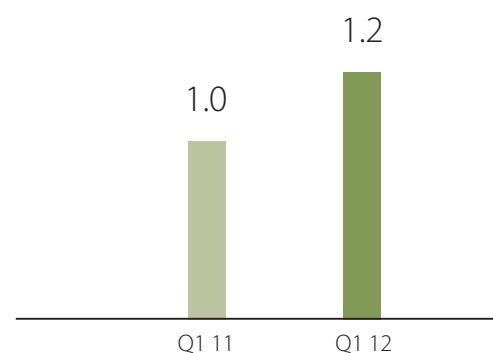
Operating costs

in € mn



Management fee income

in € mn



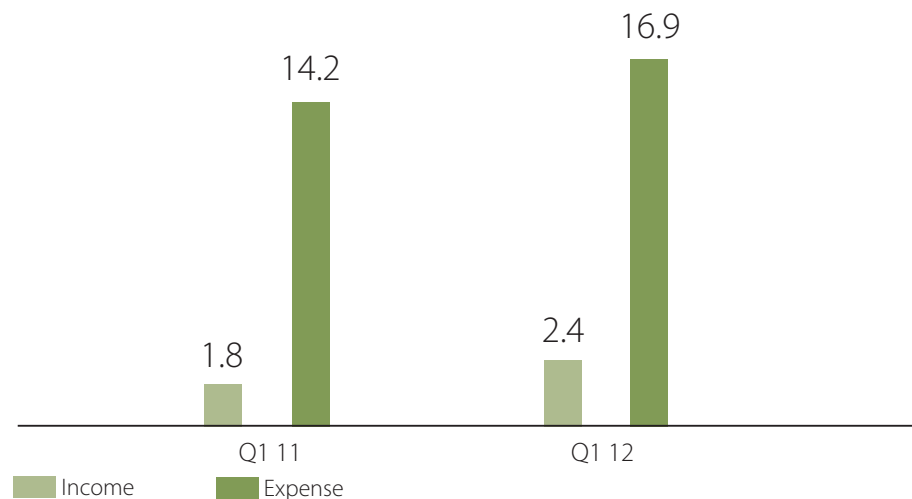
- **Personnel and administrative cost** up by € 0.6 mn (+13%) to € 5.2 mn
- **Higher personnel costs in Q1 2012** due to increase in staff and value increase of stock options (€ 0.2 mn)
- **Management fee income** increased by € 0.2 mn to € 1.2 mn (+20%) – approx. **23% of operating costs covered**
- **Ratio of personnel and administrative expenses** (reduced by management fee income) to gross rental income at 12.7% (below Q1 2011 with 13.0%), **target range of 11-12%** planned for FY 2012

COST STRUCTURE

Interest expense higher due to portfolio growth

Interest result

in € mn



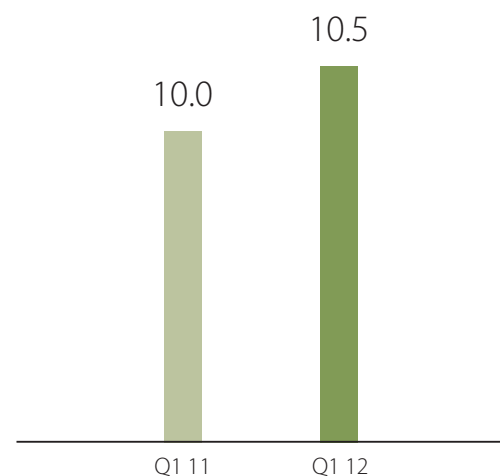
- **Interest result** in Q1 2012 at € -14.5 mn (Q1 2011: -12.4 mn)
- **Interest expense** rose to € 16.9 mn (-19%) compared to Q1 2011 mainly due to higher portfolio volume and bond issue (approx. +€ 1.0 mn per quarter); while interest income increased to € 2.4 mn (+33%)
- 81% of all interest expense are **fixed long-term**
- **Average interest rate** down to 4.20% (31.12.2011: 4.35%) due to attractive refinancing and lower interest rate level
- **Interest cover ratio** (NRI/interest expenses) at 166% (Q4 2011: 167%)

RESULTS

FFO increase by 5%

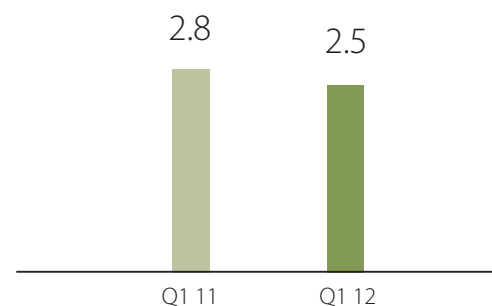
FFO

in € mn



Profit for the period

in € mn



- **FFO** increased by + € 0.5 mn to € 10.5 mn (+5%)
- Proceeds from **property disposals** at € 2.8 mn (Q1 2011: € 0 mn) – profit of € 0.5 mn
- **Profit for the period** at € 2.5 mn (- € 0.3 mn) – higher rental income and sales profit, but also higher depreciation; net other income with € 0.0 mn compared to Q1 2011 with € 0.3 mn
- **FFO per share** at € 0.23 and earnings per share at € 0.05

BALANCE SHEET

Overview

	31.03.2012	31.12.2011	
Total assets	2,257.7	2,248.1	0%
Non-current assets	2,015.6	1,997.3	+1%
Current assets	242.1	250.8	-3%
Equity	624.8	624.2	0%
Non-current liabilities	1,298.4	1,406.7	-8%
Current liabilities	334.5	217.3	+54%
Balance sheet equity ratio in %	27.7	27.8	-0.1 pp
Net debt equity ratio in % *	31.5	31.7	-0.2 pp

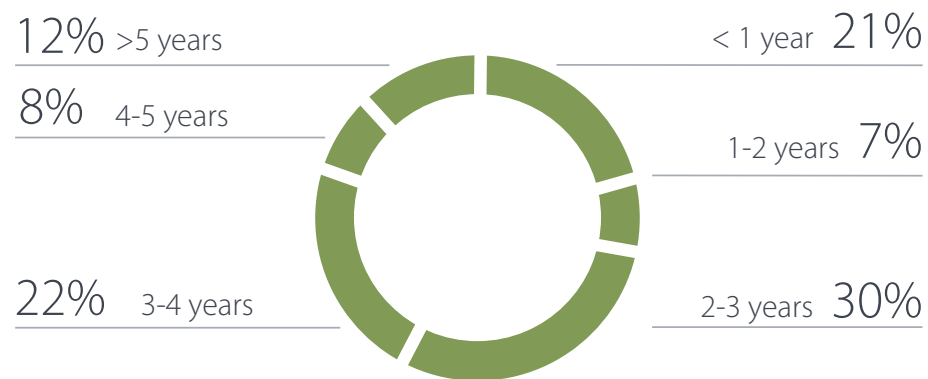
* excl. hedging reserve, derivatives, deferred tax for hedges

BALANCE SHEET

Balanced financial structure

Debt maturities

as of 31 March 2012



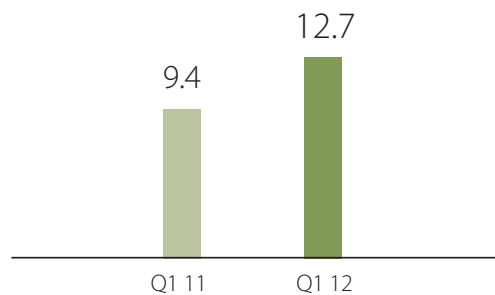
- Balance sheet **equity ratio** stable at 27.7% (31.12.2011: 27.8%), net of cash and excl. accounting for swaps with 31.5%
- **Financial debt raised** to € 1,529.0 mn (Q1 2011: € 1,369.2 mn) because of acquisition financings
- **Debt maturities within 2 years** with 28% nearly stable (Q1 2011: 27%)
- **Average debt maturities** of 3.2 years, several separate and independant financings in the next 12 months to come, thereof around € 160 mn in 2012
- **Refinancings and prolongations** for the debt volume in 2012 well on track; after realisation, average debt maturity will increase to more than 3.5 years

CASH FLOW

Substantial amount of cash at hand

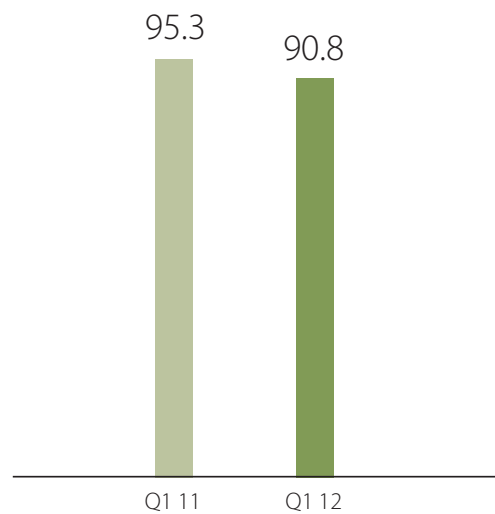
Cash flow from operating activities

in € mn



Cash and cash equivalents

in € mn



- **Cash generated from operations** at € 23.3 mn, above previous year due to higher rental income (Q1 2011: € 19.8 mn)
- **Cash flow from operating activities** increased by € 3.3 mn (+36%) to € 12.7 mn
- **Cash flow from investing activities** of € 24.4 mn used mainly for acquisitions
- **Cash flow from financing activities** of € 2.3 mn, mainly from borrowings (€ 13.1 mn) and release (€ 9.3 mn)
- € 90.8 mn **cash and cash equivalents** at hand gives flexibility

OUTLOOK

Well-positioned to achieve the goals for 2012



- Further reduction of **vacancy rate** to around 11.5%
- At least **acquisitions** of € 200 mn
- **Rental income** in range of € 124-126 mn
- **FFO** between € 43-45 mn for full year
- **Sales volume** of around € 80 mn
- Further progress at the **two developments** in Hamburg and Frankfurt

THANK YOU!



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Manager Investor Relations

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