

DIC ASSET

DIC ■



UPDATE CALL PRESENTATION

FIRST QUARTER RESULTS 2013

14 MAY 2013



HIGHLIGHTS

Promising start in 2013

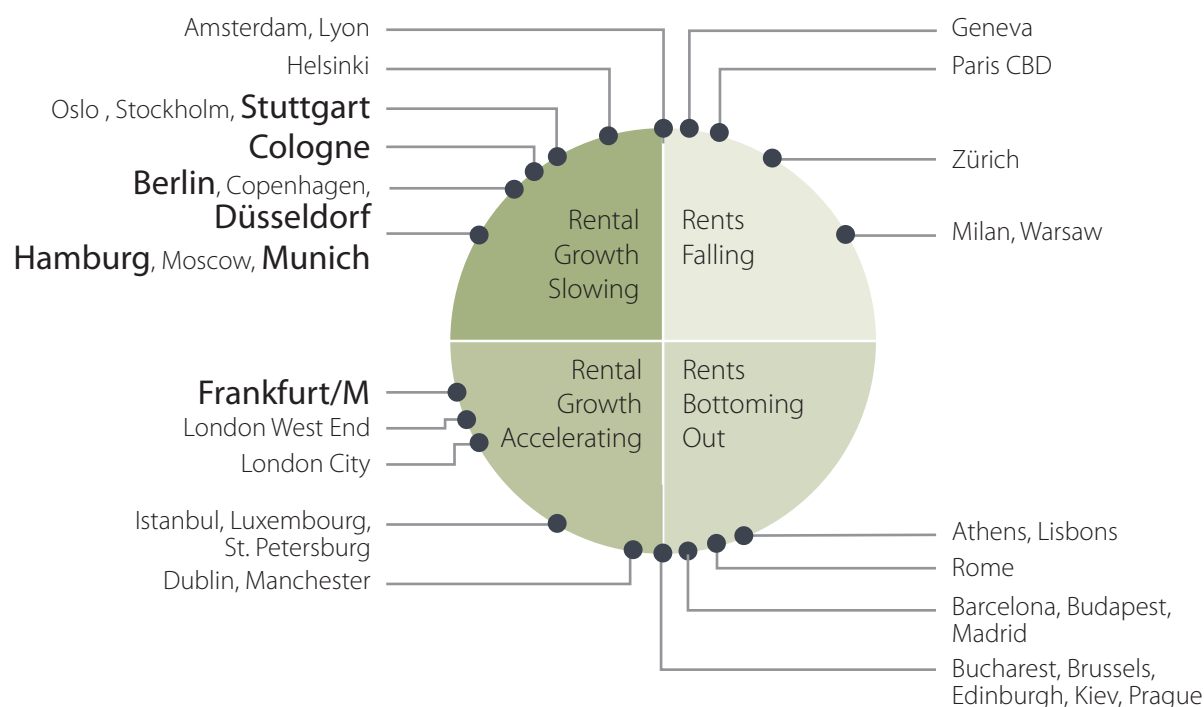


- FFO rose by +6% to € 11.2 mn (Q1 2012: € 10.6 mn)
- Sales proceeds Q1 2013 at € 37 mn, resulting in € 1.7 mn profit from sales
- Increase of **management fee income** due to expanded fund business
- Stable **rental income** with € 30.3 mn
- **Financial basis** further improved, net debt equity ratio increased by around 1pp to 32%
- **MainTor project**: strong sales results with condominiums

MARKET

German real estate market still with growth potential

JLL property clock Q1 2013



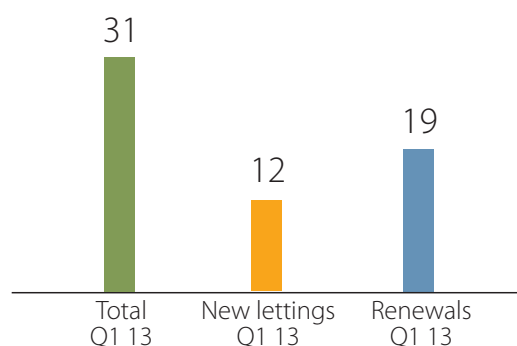
- German **GDP growth** between 0.5 and 0.8% expected, still good job market conditions
- Stronger economy expected in second half of 2013
- High **transaction volume** of € 7.1 bn (+37%), 40% thereof in office properties
- **Vacancy rates** are decreasing, rents are stable
- Weaker **letting result** of 573,000 sqm (-21%) in major locations

PORTFOLIO

Lettings in line with plan

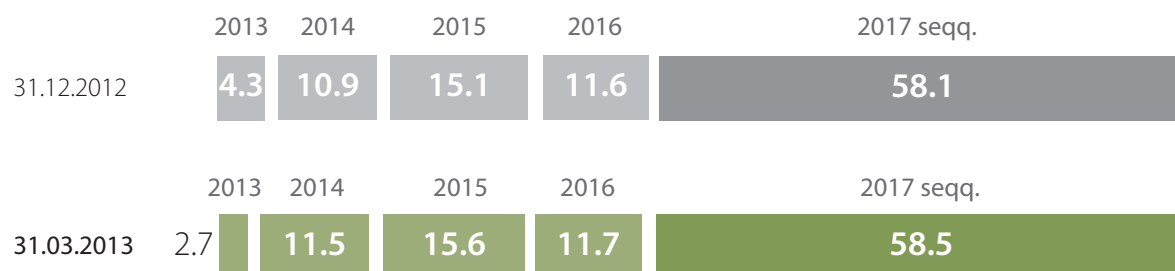
Letting volume

in tsqm



Lease maturities

in %



Note: Distribution of annual rental income by lease expiry

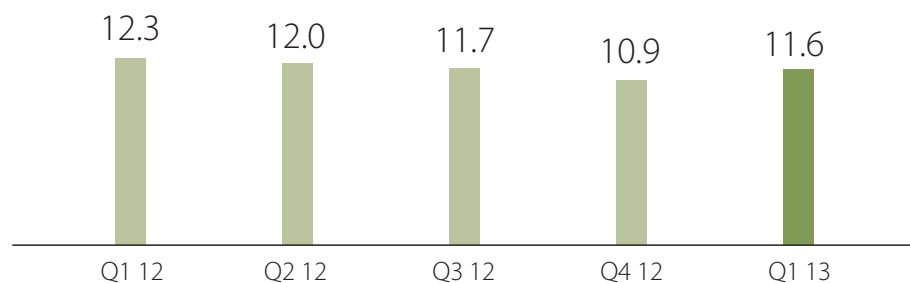
- **Letting volume** of around 31,000 sqm achieved as expected, relates to annualised rental income of € 3.0 mn
- **Renewals** with around 19,000 sqm, **new lettings** with around 12,000 sqm
- Lease expiries for 2013 already **reduced by 1.6 percentage points** (€ 3 mn) to 2.7% against year-end 2012
- **59% of annualised rent** with maturity after 2017

PORTFOLIO

Usual impact of higher expiries in Q1

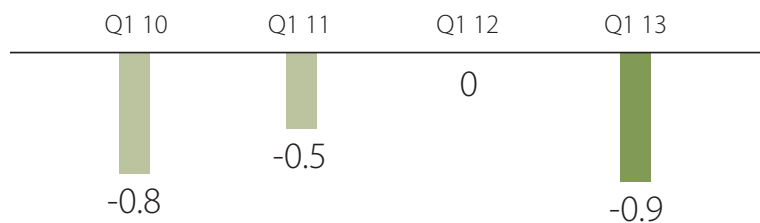
Vacancy rate

in %, at the end of the quarter



Like-for-like rental income growth

in %, without developments



■ Operational figures in line; typical higher expiries in Q1

■ Vacancy rate down to 11.6% as compared to Q1 2012 (12.3%), as expected higher than Q4 2012 (10.9%)

■ Like-for-like rental income at -0.9%

■ Average lease term slightly lower at 5.0 years (Q1 2012: 5.4 years)

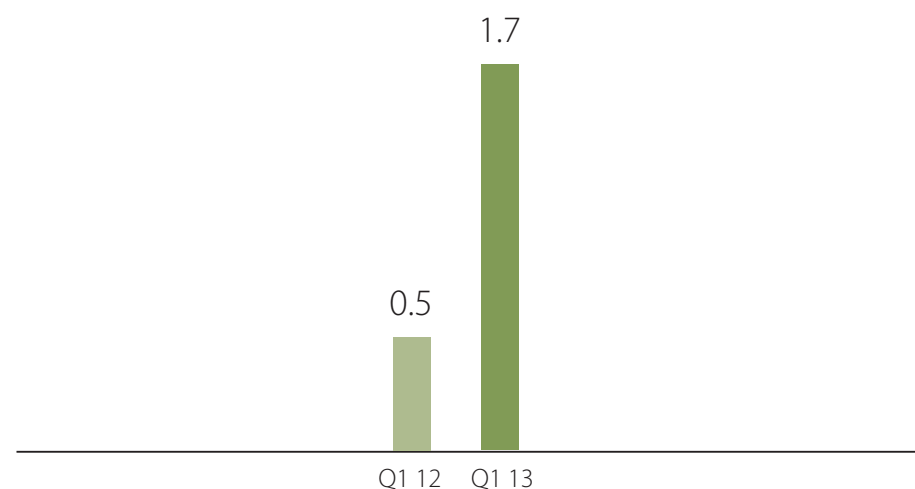
■ Average rent per sqm at € 10.20 (Q1 2012: € 10.50)

SALES

Transaction volume picking up

Sales profits

in € mn



- **Sales volume** until end of Q1 at € 8.2 mn, year to date already at € 26 mn
- All three properties sold from **Co-Investments**
- Transactions with around 5% on average well **above market values**
- **Transactions 2012** with transfers of ownership in Q1: Property sales proceeds of € 51 mn (thereof € 37 mn from Commercial Portfolio)
- Significantly **higher sales profits** in Q1 with € 1.7 mn (Q1 2012: € 0.5 mn)

FUND BUSINESS

Fund business is moving forward



- **Equity** of more than € 105 mn raised for second fund „DIC Highstreet Balance“ (incl. 20% DIC Asset stake)
- **Acquisition** of an attractive retail property in Passau for „DIC Highstreet Balance“ closed in May
 - investment volume of € 22mn
 - rental space of 8.000 sqm
 - nearly fully let
- Fund business with **higher FFO contribution** in Q1 2013 of € 0.9 mn (Q1 2012: € 0.7 mn), thereof
 - profits from associates at € 0.5 mn and
 - fees from real estate management: € 0.4 mn

MAINTOR FRANKFURT

Well ahead of plan



- MainTor city quarter in all aspects **well ahead of plan**
- Marketing of condominiums of „**Maintor Palazzi**“ very successful since start in December 2012
 - forward sale-rate of „Riva“ and „Puro“ at around 75%
 - marketing of units in third building „Lido“ started with first sales
 - in total more than 50% sold
- In Q1 2013, **construction permits** for subprojects "Patio", "Panorama" and "Palazzi" were granted
- Around 60% of project volume in **realisation**
- Major letting activities of subproject **WinX** from second half of 2013

DIC INVESTORS' DAY 2nd edition 2013



- **Impressive response** of investors and real estate business partners
- Over 300 German and international real estate and financial **experts attending**
- Great **sector platform** for German real estate market to promote exchange and networking
- Presentation of **MainTor status** with facts and figures plus **property tour** Rhine-Main (site visits of latest acquisitions)

FINANCIAL FOCUS



- Slight reduction in **rental income** due to property sales end of 2012 and focus on indirect investments
- Ongoing **expansion of fund business** to strengthen management fees and profits from associates
- Cost efficiency in focus: **operating cost ratio** at 13.2% on comparable level as in Q1 2012
- Strong reduction of **interest expenses**, low cost of debt with an average of 3.95% and **ICR increase** to 176%
- Following disposals and reduction of short-term debt, **net debt equity ratio increased** to 32%

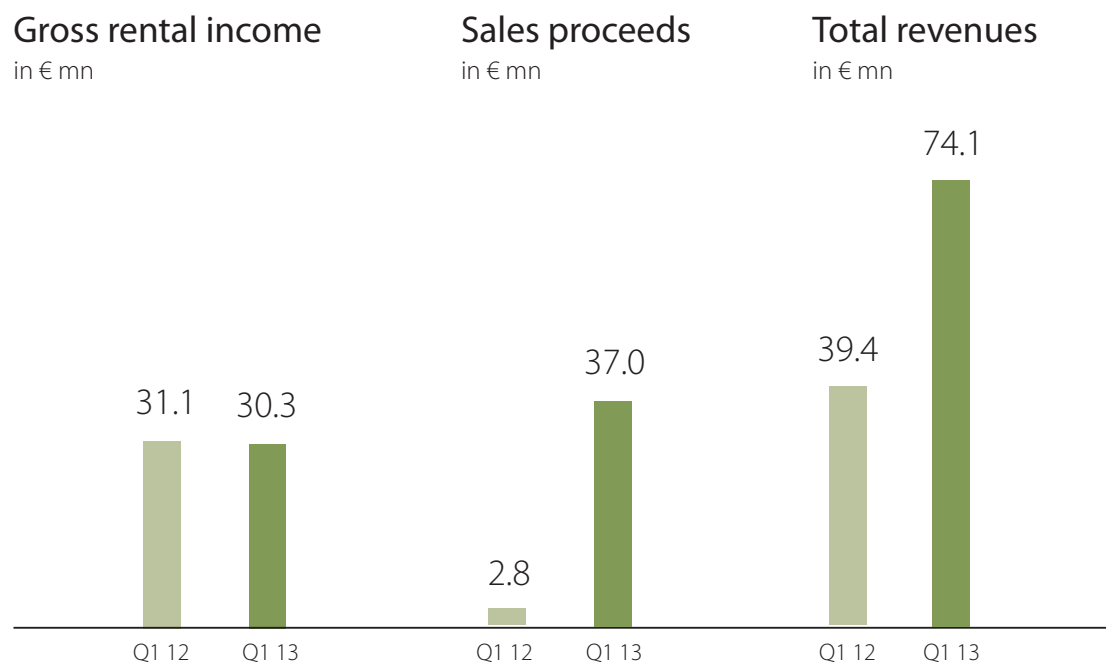
RESULTS

Overview of consolidated profit and loss account

€ mn	Q1 2013	Q1 2012	
Gross rental income	30.3	31.1	-3%
Net rental income	26.6	28.1	-5%
Administr./Personnel expenses	-5.6	-5.2	+8%
Management fee income	1.6	1.2	+33%
Depreciation	-8.0	-8.0	-
Net other income	0.0	0.0	-
Profits on property disposals	1.7	0.5	>100%
Share of the profit of associates	0.8	0.9	-11%
Net financing cost	-12.8	-14.5	-12%
Tax expense	-0.5	-0.4	+25%
Profit for the period	3.7	2.6	+42%
FFO	11.2	10.6	+6%
EPRA earnings	10.4	10.0	+4%

REVENUES

Increase of total revenues through property sales



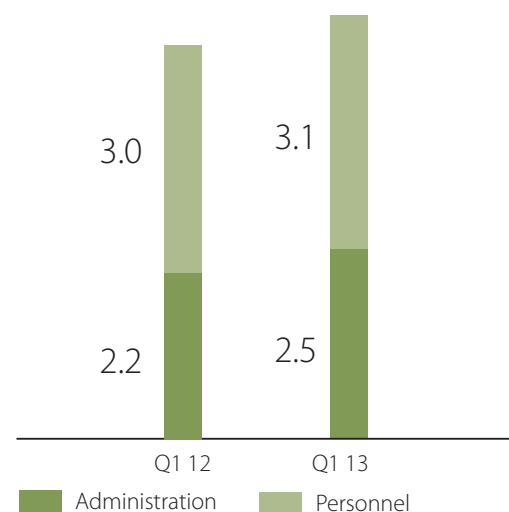
- **Gross rental income** as planned at € 30.3 mn (2012: € 31.1 mn); down by € 0.8 mn due to sales end of 2012 and in Q1 2013
- **Sales proceeds** of € 37.0 mn (+ € 34.2 mn against Q1 2012)
- **Total revenues** at € 74.1 mn (Q1 2012: € 39.4 mn), increase mainly due to significantly higher sales volume and higher management fee income
- Rental income in **fund business** increased by € 1.7 mn to € 5.9 mn (Q1 2012: € 4.2 mn)

COST STRUCTURE

Operating costs in target range

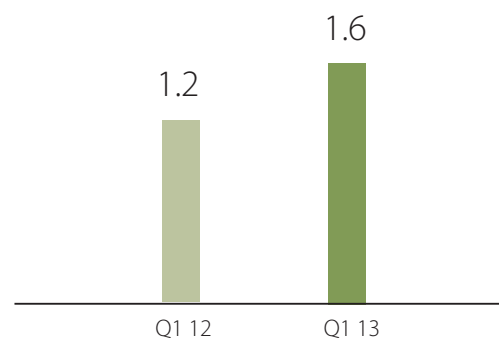
Operating costs

in € mn



Management fee income

in € mn



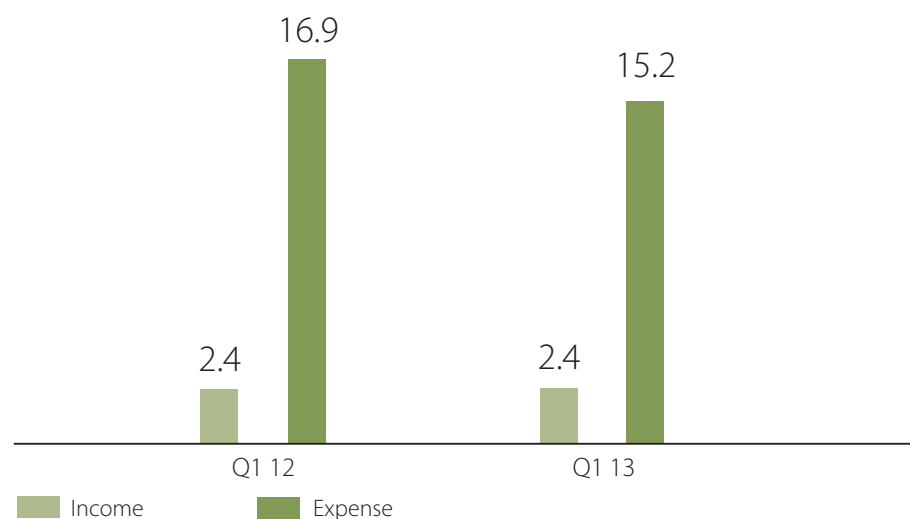
- **Personnel and administrative cost** at - € 5.6 mn (Q1 2012: - € 5.2 mn) as planned
- **Management fee income** increased by expanding fund business to € 1.6 mn (+ € 0.4 mn) – approx. 29% of operating costs covered
- **Cost ratio** in line with expectations at 13.2% (Q1 2012: 12.7%)

COST STRUCTURE

Net financing result strongly improved

Interest result

in € mn



- **Interest result** in Q1 2013 strongly improved to - € 12.8 mn (Q1 2012: - € 14.5 mn)
- **Interest expense** declined to - € 15.2 mn (-10%) compared to Q1 2012 mainly due to attractive refinancings, lower debt volume and decreasing interest rate level
- 79% of all interest expenses are **fixed long-term**
- **Average interest rate** at ongoing low level of 3.95% as per year-end 2012 (Q1 2012: 4.20%)
- **Interest cover ratio** (NRI/interest expenses) increased to 176% (Q1 2012: 166%)

RESULTS

FFO increased by 6%

Profit for the period

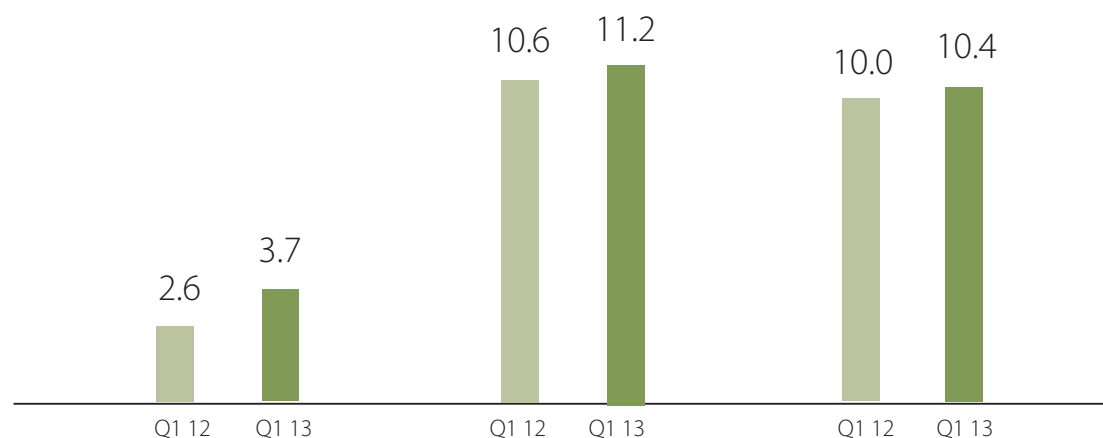
in € mn

FFO

in € mn

EPRA earnings

in € mn



- **FFO** increased by € 0.6 mn to € 11.2 mn (+6 %) mainly due to improved net financial result which more than offset lower rental income
- **FFO per share** at € 0.25 compared to € 0.23 in Q1 2012
- **EPRA earnings** rose 4% to € 10.4 mn (Q1 2012: € 10.0)
- Following the higher sales proceeds, the **profits on property disposals** are at € 1.7 mn (Q1 2012: € 0.5 mn)
- **Profit for the period** rose to € 3.7 mn (+ € 1.1 mn) mainly due to higher profits on disposals

BALANCE SHEET

Overview

€ mn	31.03.2013	31.12.2012	
Non-current assets	1,954.2	1,959.9	0%
Current assets	242.1	250.3	-3%
	2,196.3	2,210.2	-1%
Equity	626.3	614.3	+2%
Non-current liabilities	1,458.4	1,402.0	+4%
Current liabilities	111.6	193.8	-42%
	2,196.3	2,210.2	-1%
Balance sheet equity ratio	28.5%	27.8%	+0.7pp
Net debt equity ratio *	32.0%	31.2%	+0.8pp
Net debt ratio *	68.0%	68.8%	- 0.8pp

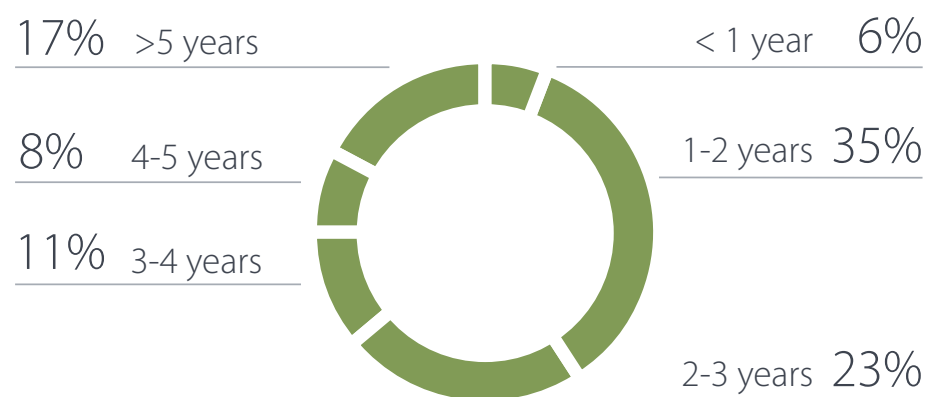
* Net of cash and excl. hedging reserve, derivatives, deferred tax for hedges

DEBT

Financial structure enhanced

Debt maturities

as of 31 March 2013



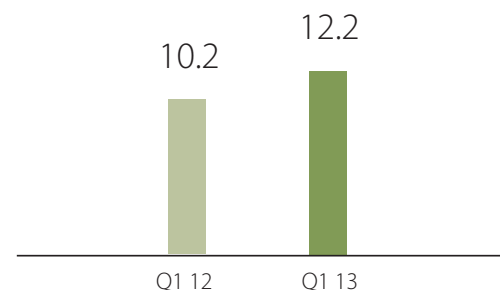
- **Net debt equity ratio** rose by 0.8pp to 32.0% (31.12.2012: 31.2%) due to disposals and reduction of short term debt
- Successful pile-up of **corporate bond** to € 100 mn and upgrade in Prime Standard proves this product is a well established financing opportunity
- Following the disposals, **financial debt** reduced to € 1,471 mn (31.03.2012: € 1,529 mn)
- **Average debt maturity** stable with 3.3 years (31.03.2012: 3.2 years)
- **Average interest rate** with 3.95% at ongoing low level (31.03.2012: 4.20%)
- Major part of **refinancings** in 2013 already realised (€ 95 mn from € 140 mn)

CASH FLOW

Operational cash flow increased by 20%

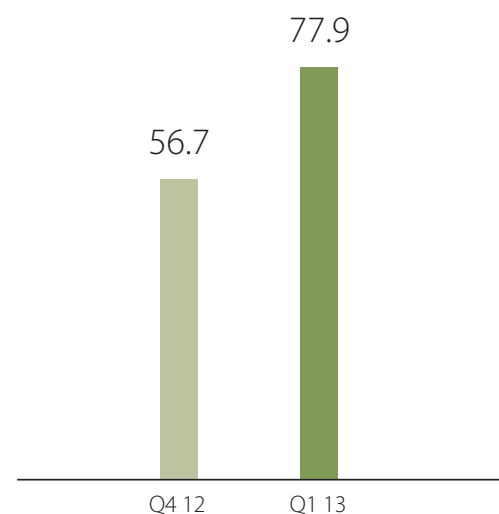
Cash flow from operating activities

in € mn



Cash and cash equivalents

in € mn



- Cash generated from operations at € 25.5 mn (Q1 2012: € 23.3 mn)
- Cash flow from operating activities at € 12.2 mn (Q1 2012: € 10.2 mn)
- Cash flow from investing activities at € 29.1 mn (Q1 2012: - € 24.4 mn), mainly from property disposal proceeds
- Cash flow from financing activities of - € 20.1 mn, mainly from repayment of loans (Q1 2012: € 4.8 mn)
- € 77.9 mn **cash and cash equivalents** at hand on high level (Q4 2012: € 56.7 mn, Q1 2012: € 90.8 mn) gives headroom and flexibility

OUTLOOK

On track to achieve goals for 2013



- FFO between € 45 - 47 mn for full year
- **Rental income** in range of € 121 - 123 mn
- Reduction of **vacancy rate** to around 10% by year-end
- **Acquisitions** of at least € 150 mn, focus on fund business
- **Sales** volume of at least € 80 mn
- **MainTor** with further sales of condominiums and construction start of three subprojects

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:

www.dic-asset.de/ir

For instance:

- Up-to-date company presentation
- Recordings and presentation of Update Calls available

Disclaimer

Financial Report

This Financial Report contains a summary of the consolidated financial statements with selected information about the 2012 financial year. The complete consolidated financial statements and the management report for the 2012 financial year summarised with the Group management report have been audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, and an unqualified audit opinion was issued for each of them. We will publish these documents on our website dic-asset.de on 14.03 2013 in the 2012 Annual Report and submit them to the German Federal Gazette.

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