

DIC ASSET

DIC ■



UPDATE CALL PRESENTATION

HALF YEAR RESULTS 2012

15 August 2012

HIGHLIGHTS

Strong operative footprints

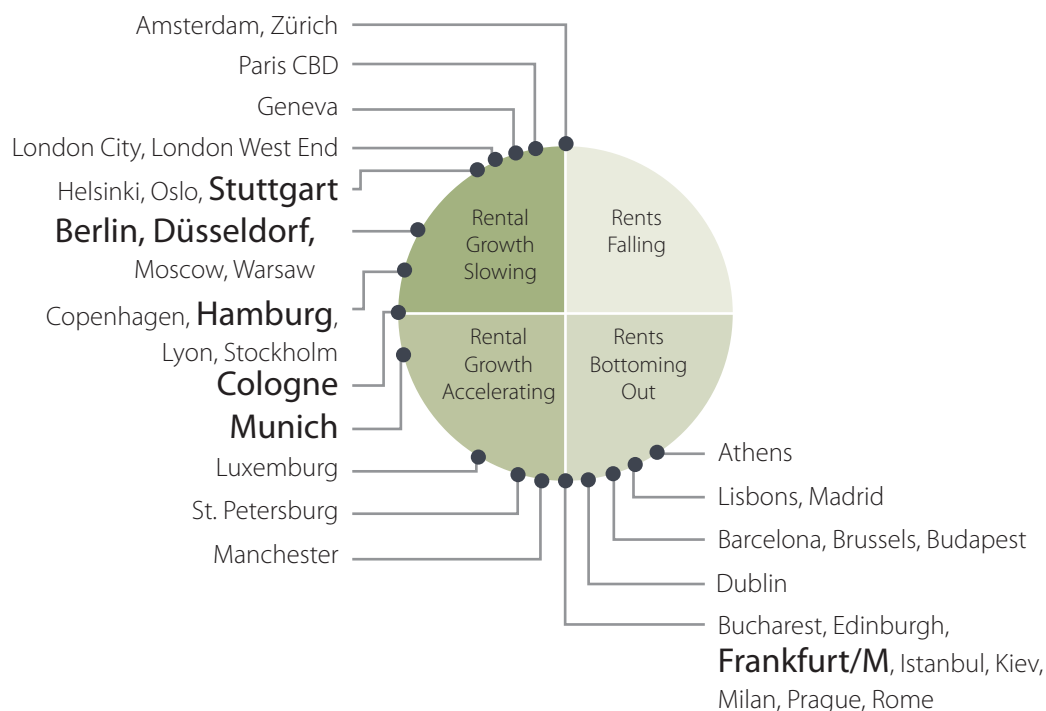


- **Strong letting result** in plan, vacancy rate further reduced to 12.0%
- **Rental income** increased by +11% to € 62.5 mn
- **Acquisition volume at € 86 mn**, with FFO contribution 2012 of at least around € 1 mn
- **FFO raised** by 6% to € 21.3 mn thanks to acquisitions and lettings
- Significant progress with **forward sale of MainTor Panorama and Patio** (€ 150 mn investment volume)
- **More than 50%** (€ 340 mn) of MainTor urban quarter in realisation

MARKET

German real estate market remains in good shape

JLL property clock Q2 2012



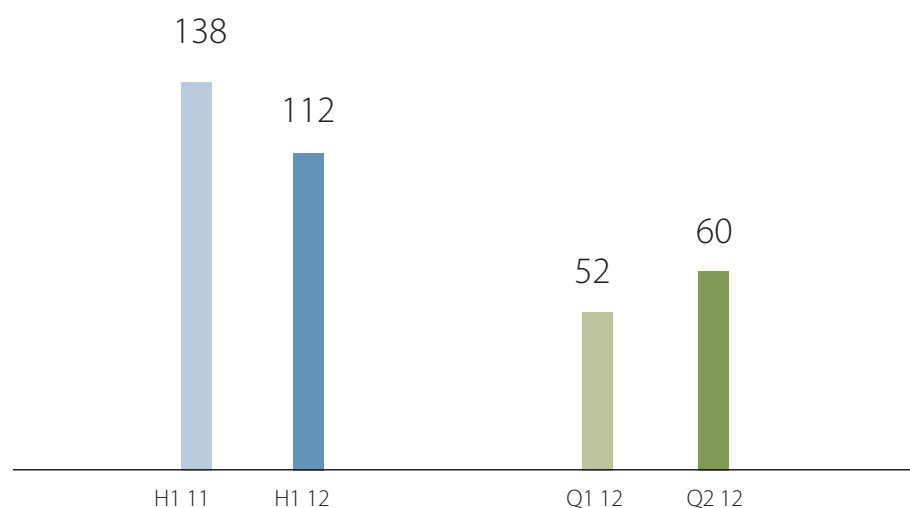
- **German GDP growth** of 1.0% expected, but early indicators predict slower economy
- **Economic forecasts** differ a lot currently
- **Letting result** of 1.4 mn sqm (-10%) in major locations, still in line with average results in last years
- **Vacancy rates** are decreasing in all major locations thanks to low completions for several years
- **Transaction volume** € 9.4 bn (-16%), office properties traded the most, focus on core prevents higher transaction volume

PORTFOLIO

Ongoing strong letting result

Letting volume

in tsqm



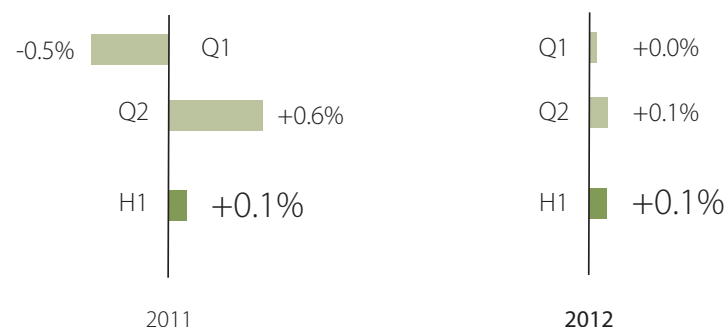
- **Letting volume** of 112,000 sqm achieved (H1 11: 138,000 sqm), Q2 12 with plus of 16% against Q1
- **New lettings** of 47,100 sqm, **renewals** of 64,700 sqm
- **In average, higher rent level per sqm** in H1 2012, annualised rental income of € 11.7 mn (H1 11: € 12.4 mn)
- **More lettings of office space** with annualised rental income of € 9.0 mn (H1 2011: € 7.8 mn)
- **Large lettings in Q2:** Renewals to State Baden-Wuerttemberg in Mannheim (9,200 sqm) and City of Hamburg (4,700 sqm)

PORTFOLIO

Portfolio quality improves further: increasing occupancy rate

Like-for-like rental income growth

in %, without developments



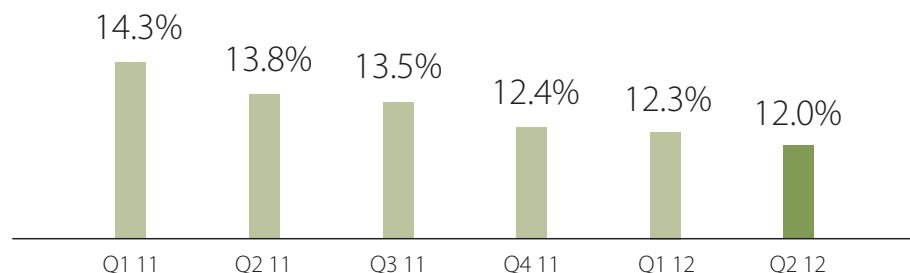
■ Vacancy rate reduced to 12.0% (-1.8 pp) due to letting results (Q2 2011: 13.8%)

■ Like-for-like rental income growth with +0.1% stable against previous year

■ Average lease term stable with 5.3 years

■ Average rent per sqm with € 10.50 at last year's level

Vacancy rate at the end of the quarter

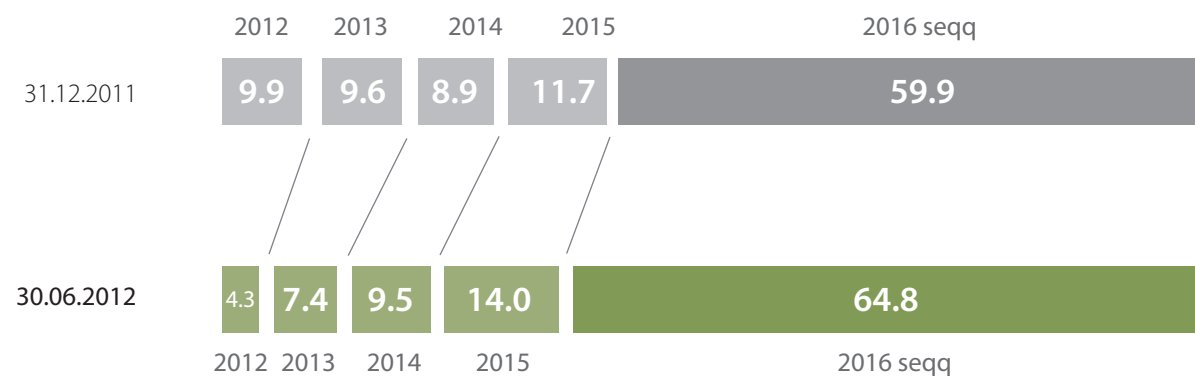


PORTFOLIO

Lease maturities getting better

Lease maturities

in %









Note: Distribution of annual rental income by lease expiry

- Lease expiries for 2012 against year-end 2011: **reduced by more than half** (€ 7.4 mn) to 4.3%
- For 2013, **expiries already significantly lowered** by 2.2 percentage points to 7.4%
- **Nearly 2/3 of annualised rent** with maturity after 2016

PORTFOLIO

Detailed view on our regions

- North: Strong reduction of vacancy rate through several new lettings
- East: Portfolio strenghtened mainly through acquisitions
- Central: Improvement of occupancy rate via new lettings and acquisitions

Portfolio by regions*	    						
	North	East	Central	West	South	Total 30.06.2012	Total 30.06.2011
Number of properties	47	34	57	61	71	270	283
Market value in EUR million **	232.7	267.3	667.8	640.8	407.9	2,216.5	2,071.0
Lettable area in sqm	177,400	157,000	256,800	340,200	302,100	1,233,500	1,181,400
Portfolio proportion after rental space	14%	13%	21%	28%	24%	100%	
Annualised rental income in EUR million	15.1	20.0	35.3	40.7	29.6	140.7	129.7
Rental income per sqm in EUR	7.70	11.20	13.30	11.40	8.60	10.50	10.30
Lease maturity in years	6.7	4.3	6.2	5.3	4.1	5.3	5.5
Gross rental yield	6.6%	7.5%	6.2%	6.4%	7.2%	6.6%	6.6%
Vacancy rate	8.3%	7.8%	15.9%	14.5%	10.2%	12.0%	13.8%

* as of 30.06.2012; 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

Acquisition volume at € 86 mn



ZIRAAT building,
Frankfurt



Loftwerk,
Eschborn/Frankfurt

- Multi-tenant, well occupied office property **in Frankfurt at the central railway station** acquired, transfer of ownership in July 2012 as planned, € 17 mn investment volume
- For „**DIC Office Balance I**”: Acquisition of office property in Eschborn/ Frankfurt („Loftwerk”)
 - 14,700 sqm with green building standard
 - investment volume of € 44 mn
 - completion at the end of 2012
 - already pre-let for approx. 75% to three tenants
- For coming „**DIC HighStreet Balance**”: 2 retail properties in Dresden and Mannheim secured for about € 25 mn
- **Acquisition volume** of around 86 mn ytd achieved

MAINTOR QUARTER FRANKFURT

Where are we coming from?



MainTor Patio (Residential)

- **Finalising master plan** in detail
- **Start of MainTor project**, after former tenant Evonik left the quarter
- **Attention building** through marketing and special events
- **Risk diversification** through separated and different construction phases
- **Realisation of early pre-marketing** of one subproject that allows to start the demolition of the whole area

MAINTOR QUARTER FRANKFURT

What have we done since 2011?



MainTor Panorama (Offices)

- Summer 2011: **Anniversary show of „Museum für Moderne Kunst“** on the MainTor site draws over 110,000 visitors to the exposition
- June 2011: **Forward sale of „MainTor Primus“**, which will become DIC's headquarter
- **Start of the demolition** of the whole area and construction of „MainTor Primus“
- Winter 2012: **Major letting of „MainTor Porta“** to anchor tenant and construction start
- August 2012: **Forward sale of „MainTor Panorama“** (offices) and „**MainTor Patio**“ (residential) to German pension fund (ÄVWL) for € 150 mn investment volume in favorable and innovative deal structure

MAINTOR QUARTER FRANKFURT

What's next?



- MainTor progress **far ahead of time**: approximately € 340 mn (more than 50%) in realisation
- In the next 12 months: focus on **major letting activities**, e.g. „MainTor Panorama“
- Preparations for selling condominiums of „**MainTor Palazzi**“ to owner-occupiers and private investors, marketing likely to start by end of this year
- Construction of „**MainTor Panorama**“ and „**MainTor Patio**“ to start during first half 2013
- **WinX**: Major letting activities from second half of 2013

FINANCIAL FOCUS



- **Financing volume of approx. EUR 500 million** arranged during H1 2012, all debt rollovers needed and planned for 2012 already fixed
- Average **interest rate stable** at low level with 4.20%
- Acquisition volume of € 86 mn – with **attractive long-term financings** (7-10 years)
- **Growing rental income and FFO** through portfolio additions and letting performance
- **Ongoing efficiency in cost structure** and operating cost ratio in plan

RESULTS

Overview of consolidated profit and loss account

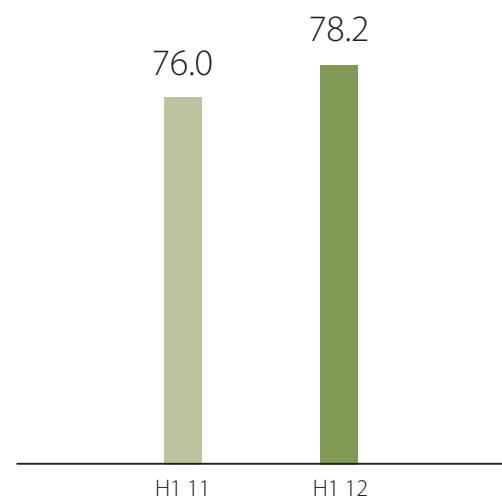
€ mn	H1 2012	H1 2011		Q2 2012	Q1 2012	
Gross rental income	62.5	56.5	+11%	31.4	31.1	+1%
Net rental income	56.1	52.2	+7%	28.0	28.1	0%
Administr./Personnel expenses	-10.0	-9.1	-10%	-4.8	-5.2	+8%
Management fee income	2.3	2.3	0%	1.1	1.2	-8%
Depreciation	-16.1	-14.1	-14%	-8.0	-8.1	+1%
Net other income	0.2	-0.1	+300%	0.2	0.0	+100%
Profit on property disposals	0.6	0.6	0%	0.1	0.5	-80%
Share of the profit of associates	1.3	0.9	+44%	0.5	0.8	-38%
Net financing cost	-28.6	-26.1	-10%	-14.1	-14.5	+3%
Tax expense	-0.7	-0.4	-75%	-0.3	-0.4	+25%
Profit for the period	5.1	6.2	-18%	2.6	2.5	+4%
FFO	21.3	20.1	+6%	10.8	10.5	+3%

REVENUES

Rental income keeps growing

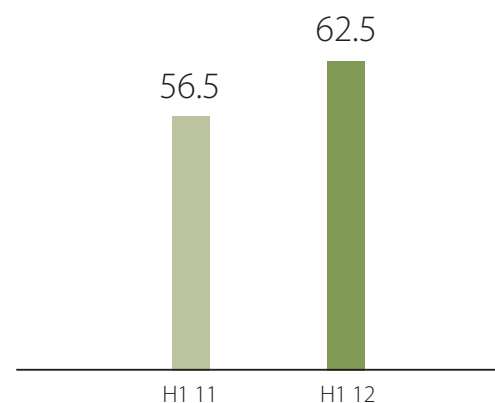
Total revenues

in € mn



Gross rental income

in € mn



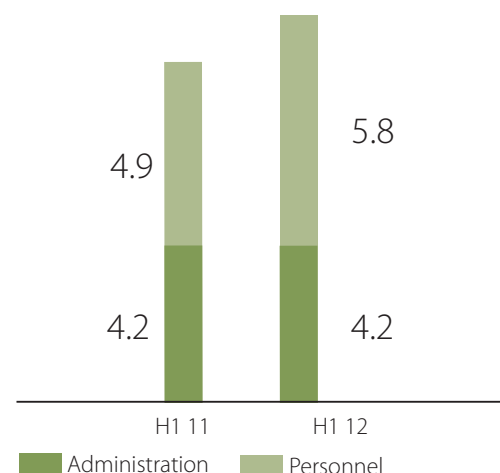
- **Gross rental income** increased by +11% to € 62.5 mn (H1 2011: € 56.5 mn) due to lettings and portfolio growth
- **Net rental income** with +7% at € 56.1 mn (H1 2011: € 52.2 mn)
- **Total revenues** of € 78.2 mn (H1 2012: € 76.0 mn); +€ 2.2 mn despite higher sales volume in 2011

COST STRUCTURE

Operating costs in target range

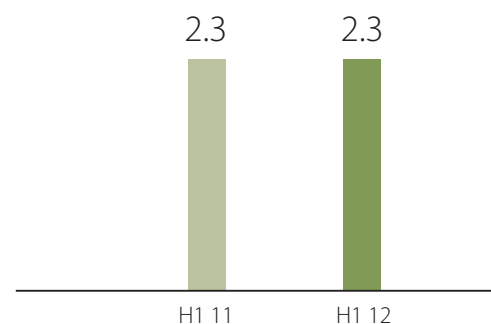
Operating costs

in € mn



Fees from real estate management

in € mn



- **Personnel and administrative cost** plus € 0.9 mn (+10%) at € 10.0 mn
- **Higher personnel costs** follow increase in staff due to higher operations volume
- **Management fee income** stable at € 2.3 mn – approx. **23% of operating costs covered**
- **Operating cost ratio*** reduced compared to Q1 from 12.7% to 12.3% (H1 2011: 12.0%), **target range of 11-12% on track** (including coming and secured acquisition fees at around 11.5% pro rata)

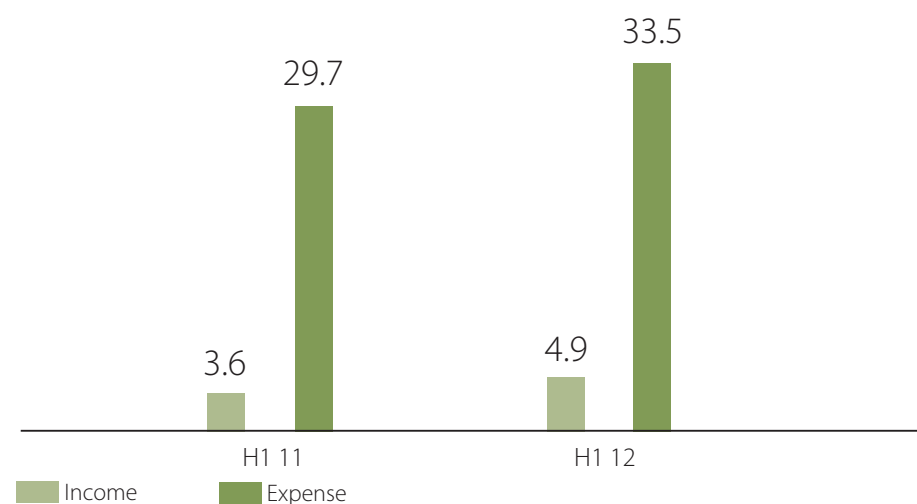
* personnel and administrative expenses reduced by management fee income to gross rental income

COST STRUCTURE

Higher interest expense due to portfolio growth

Interest result

in € mn

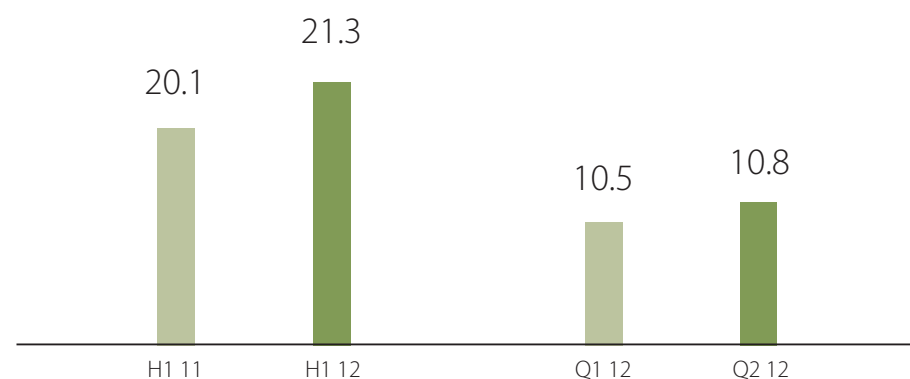


- **Interest result** in H1 2012 at -€ 28.6 mn (H1 2011: -€ 26.1mn)
- **Interest expense** higher with € 33.5 mn (-13%) mainly due to the larger portfolio and bond issue in May 2011 (effect: approx. +€ 1.5 mn against H1 2011); interest income increased to € 4.9 mn (+36%)
- 81% of all interest expenses are **fixed long-term**
- **Average interest rate** reduced to 4.20% (31.12.2011: 4.35%) thanks to refinancings and general interest rate level
- **Interest cover ratio** (NRI/interest expenses) stable at 168% (Q1 2012: 167%)

RESULTS

FFO increased by 6%

FFO in € mn

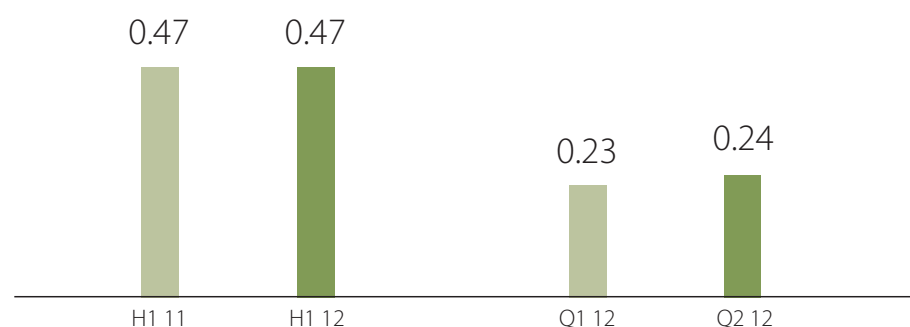


■ FFO higher by € 1.2 mn (+6%) at € 21.3 mn, in Q2 2012 increase of € 0.3 mn compared to Q1 2012

■ No further proceeds from **property disposals** in Q2 2012, profit from disposals € 0.6 mn in H1 2012

■ **Profit for the period** after depreciations and taxes at € 5.1 mn (H1 2011: € 6.2 mn)

FFO per share in €



■ FFO per share increases against Q1 2012 from € 0.23 to € 0.24, **stable at € 0.47** for H1 2012 despite higher number of shares (H1 2011: € 0.47)

BALANCE SHEET

Overview

	30.06.2012	31.12.2011	
Total assets	2,252.7	2,248.1	0%
Non-current assets	2,021.2	1,997.3	+1%
Current assets	231.5	250.8	-8%
Equity	625.3	624.2	0%
Non-current liabilities	1,294.6	1,406.7	-8%
Current liabilities	332.8	217.3	+53%
Balance sheet equity ratio in %	27.8	27.8	
Net debt equity ratio in % *	31.4	31.7	-0.3 pp

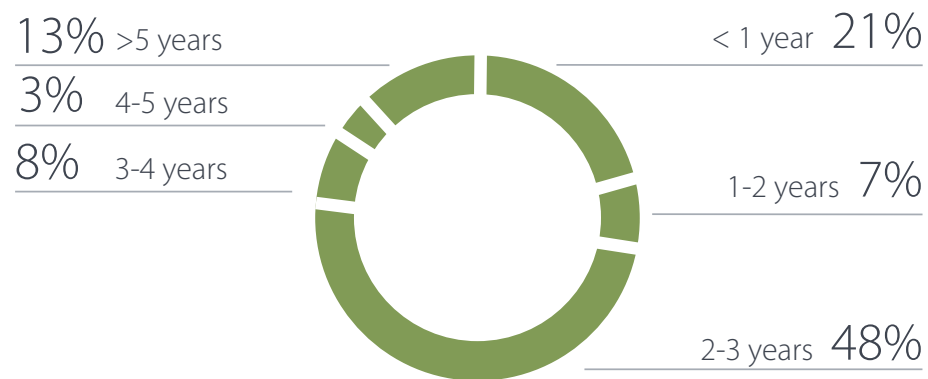
* net of cash, excl. hedging reserve, derivatives and deferred tax for hedges

BALANCE SHEET

Balanced financial structure

Debt maturities

as of 30 June 2012



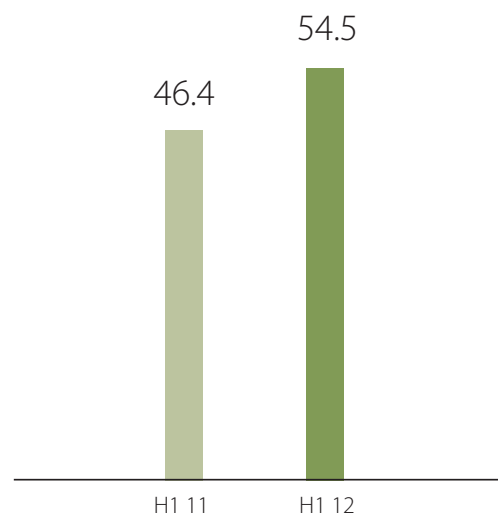
- Balance sheet **equity ratio** stable at 27.8% (31.12.2011: 27.8%), net of cash and excl. hedging reserve **at 31.4%**
- **Financial debt** nearly unchanged at € 1,520.9 mn (Q4 2011: € 1,521.9 mn)
- **Average debt maturities** of 3 years
- Total financing volume of around € 500 mn achieved in H1 2012, all required and planned **refinancings and prolongations for 2012** already fixed

CASH FLOW

Higher operating cash flow

Cash generated from operations

in € mn



Cash flow from operating activities

in € mn



- **Cash generated from operations** at € 54.5 mn, significantly above previous year due to higher rental income (H1 2011: € 46.4 mn)
- **Cash flow from operating activities** increased by € 2.0 mn (+10%) to € 21.3 mn
- **Cash flow from investing activities** of -€ 40.8 mn, biggest part for acquisition of Red Square and € 9.5 mn capex investments
- **Cash flow from financing activities** of -€ 6.0 mn, mainly from borrowings (€ 13.1 mn) and release (€ 15.2 mn)
- **€ 74.8 mn cash and cash equivalents** at hand gives flexibility

OUTLOOK

Half-way 2012: well on track!



- **Vacancy reduction** to around 11.5% until year-end
- **Acquisitions** planned of around € 200 mn – € 86 mn already realised
- **Rental income** in range of € 124-126 mn
- **FFO** between € 43-45 mn for FY 2012
- **Sales volume** of around € 80 mn
- Strong progress with the **developments** in Hamburg and Frankfurt

THANK YOU!



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Head of Investor Relations &
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Peer Schlinkmann
Manager Investor Relations

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

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