

DIC ASSET

DIC ■



UPDATE CALL PRESENTATION

HALF YEAR RESULTS 2013

13 August 2013

HIGHLIGHTS

Major operational business progress



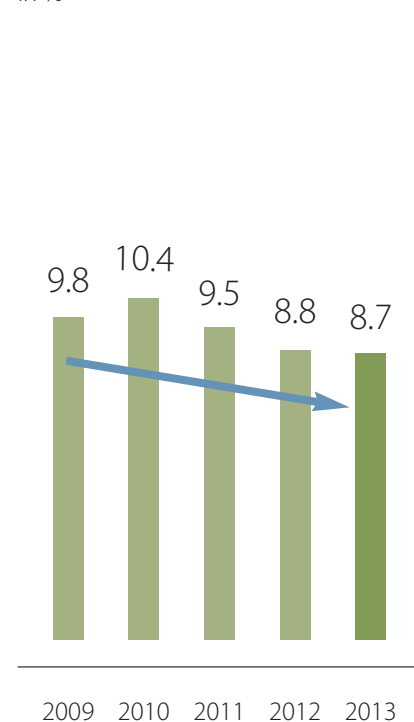
- FFO up to € 23.1 mn (+6%)
- Vacancy rate down to 11.1%
- Long-term refinancing of € 320 mn for 7 years secured
- Successful placement of **corporate bond** with € 75 mn
- Further **MainTor progress**: more than 85% of condominiums sold
- **Sales volume** almost at target volume of € 80 mn, 6% above market values

GERMAN COMMERCIAL REAL ESTATE MARKET

Strong momentum and positive outlook

Vacancy rate BIG 7

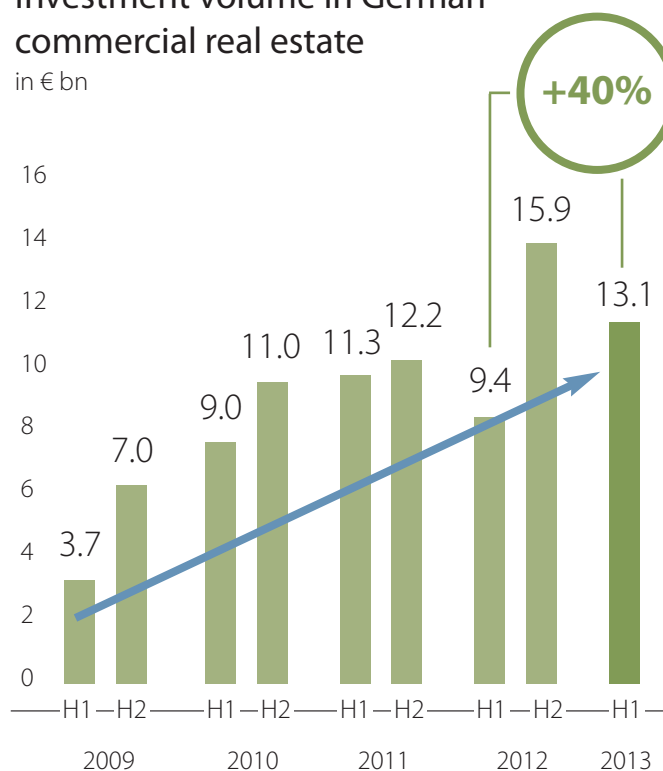
in %



Source: Jones Lang LaSalle

Investment volume in German commercial real estate

in € bn



Source: Jones Lang LaSalle, CRBE

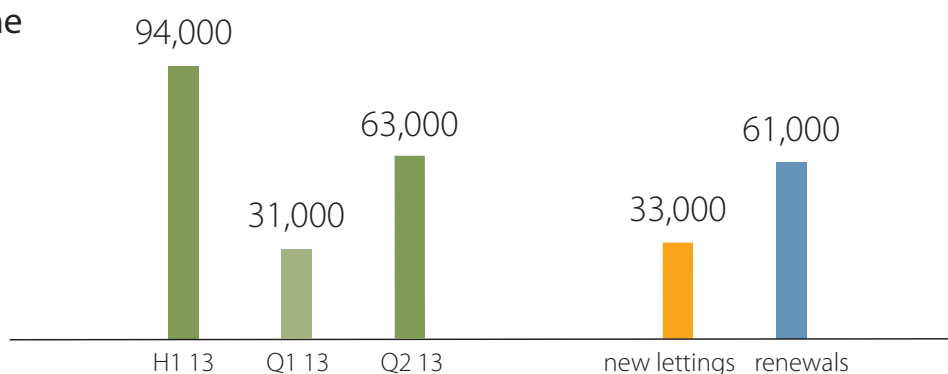
- GDP growth of up to 0.7% expected, **stronger economy** in second half of 2013, **job market** in good shape
- With **investment volume** of € 13.1 bn, 40% higher against H1 2012
- Strong **letting result** in BIG 7 with 770,000 sqm (+31%) in Q2 2013
- Lowest **vacancy rates** since 2002 thanks to low completions, **rents** are rising
- **Incentives** at lower levels

LETTING PERFORMANCE

Lease maturities improved

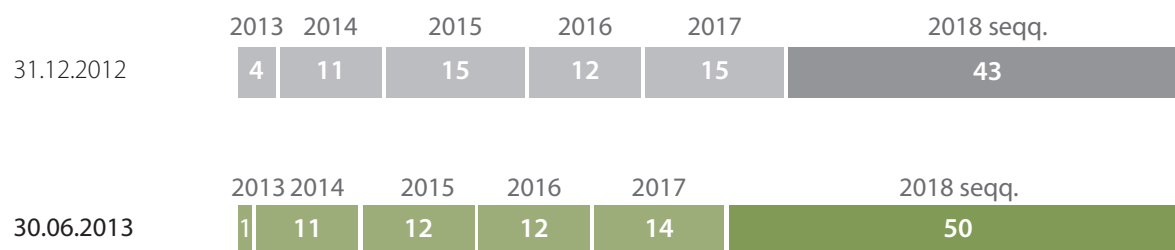
Letting volume

in sqm



Lease maturities

in %



Note: Distribution of annual rental income by lease expiry

- **Letting volume** of 94,000 sqm at high level, strong result in Q2 2013 with 63,000 sqm
- Well **on track for target** of around 200,000 sqm until end of 2013
- 75% of 2013 **lease expiries** reduced to 1% in first six months
- 50% of **annualised rent** with maturity after 2018
- Average **lease term** increased to 5.1 years

MAJOR RENTAL PROGRESS

Recent remarkable lettings



eBay campus
Berlin

- Long-term **lease renewal** ahead of time at eBay campus
 - 20,000 sqm fully let
 - **long-term lease** with attractive cash flow at market rent level secured
 - Property of Commercial Portfolio, part of former 50/50-joint venture portfolio (€ 190 mn) with MSREF



Ruhr University
„Bochumer Fenster“

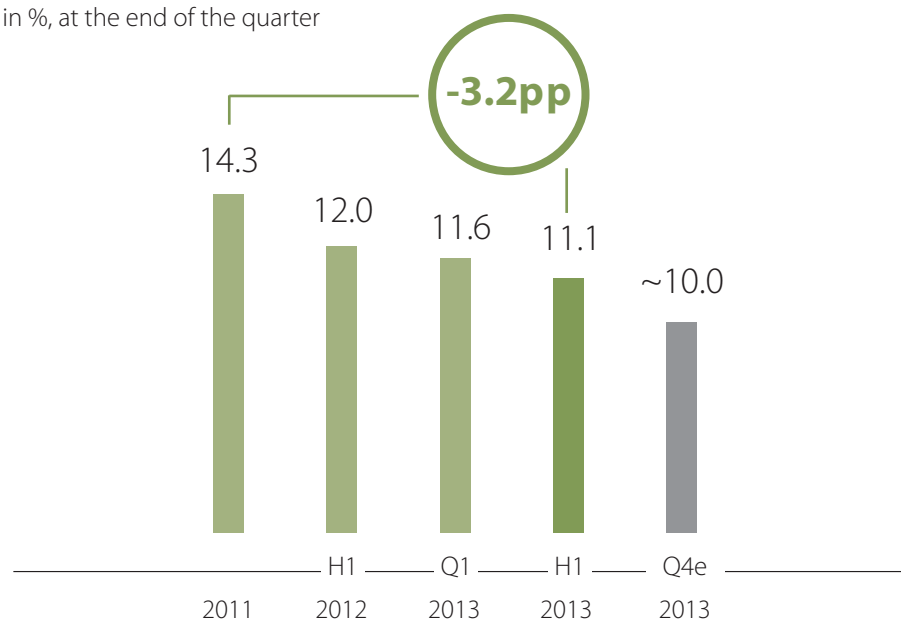
- **Repositioning** of well located multi-tenant property
 - new use concept for the entire complex developed
 - relaunch as „Bochumer Fenster“
 - **long-term lease** of 6,700 sqm to Ruhr University of Bochum
 - improved tenant mix
 - nearly fully let, occupancy rate up from 73% to 98%

PORTFOLIO QUALITY IMPROVED

Vacancy rate going down

Vacancy rate

in %, at the end of the quarter



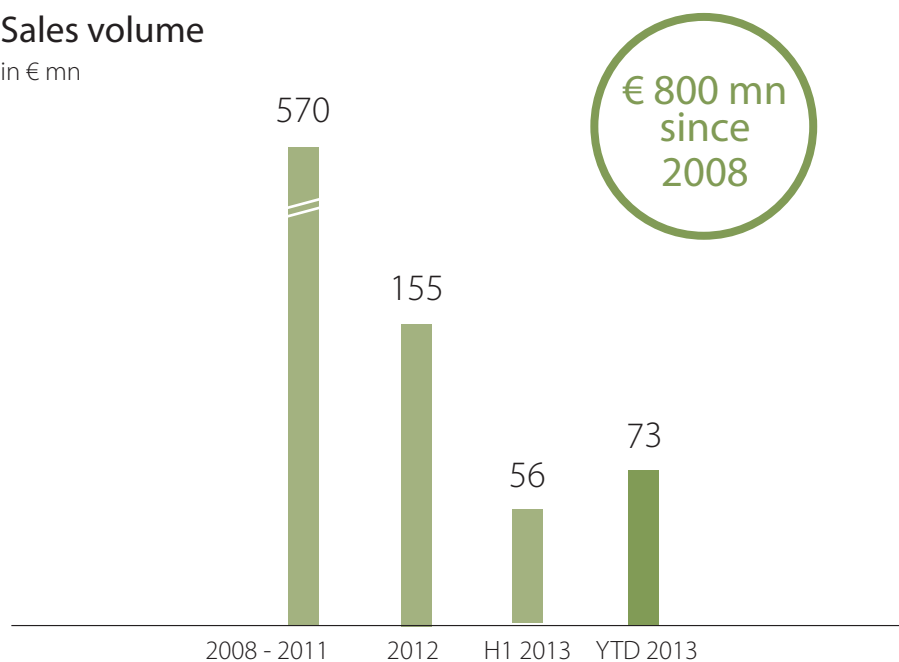
- **Vacancy rate** down to 11.1%, resulting from strong letting performance (H1 2012: 12.0%)
- Further reduction of vacancy rate to **around 10% by year-end**
- **Like-for-like rental income** +0.2% in Q2 2013, improved against Q1 2013

PROFITABLE SALES

Sales target 2013 almost achieved

Sales volume

in € mn



- Integral part of business: **sales of € 800 mn** since 2008 – on average, transactions realised around 6% **above market values**
- **Sales volume** until end of Q2 at € 56 mn, year-to-date already at € 73 mn
- **Target volume** 2013: € 80 - 100 mn planned
- **Higher sales profit** of € 1.7 mn (H1 2012: € 0.6 mn)

FUND BUSINESS ON TRACK

Growing FFO contribution



Retail property in
Flensburg



Office building
„Stadttor Heidelberg“

- **Steady growth** with attractive double-digit equity returns (10-15%)
- **Growing FFO contribution** in H1 2013 of € 2.5 mn (H1 2012: € 1.6 mn)
- **Investment volume** of funds „DIC Office Balance I“ and „DIC HighStreet Balance“ already at € 435 mn, more than 60% of target volume realized
- Latest **acquisitions**:
 - attractive fully let retail property in Flensburg (€ 19 mn)
 - new fully occupied office building „Stadttor Heidelberg“ (€ 32 mn)

MAINTOR - THE RIVERSIDE FINANCIAL DISTRICT

Further progress: exceptionally high sales quota of condominiums



Current MainTor site under construction

- „MainTor Palazzi”: within few months already more than 85% very successfully sold
- Construction of three subprojects just started:
 - „MainTor Panorama”: forward sale, 70% pre-let
 - „MainTor Patio”: forward sale, rental apartments
 - „MainTor Palazzi”: condominiums
- Major letting activities of „WinX” in focus from Q4 2013
- Sustainable market interest in MainTor: Starting to focus on „MainTor Porta” exit (22,000 sqm fully let) in coming six to eight months

FINANCIAL HIGHLIGHTS

Major milestones achieved



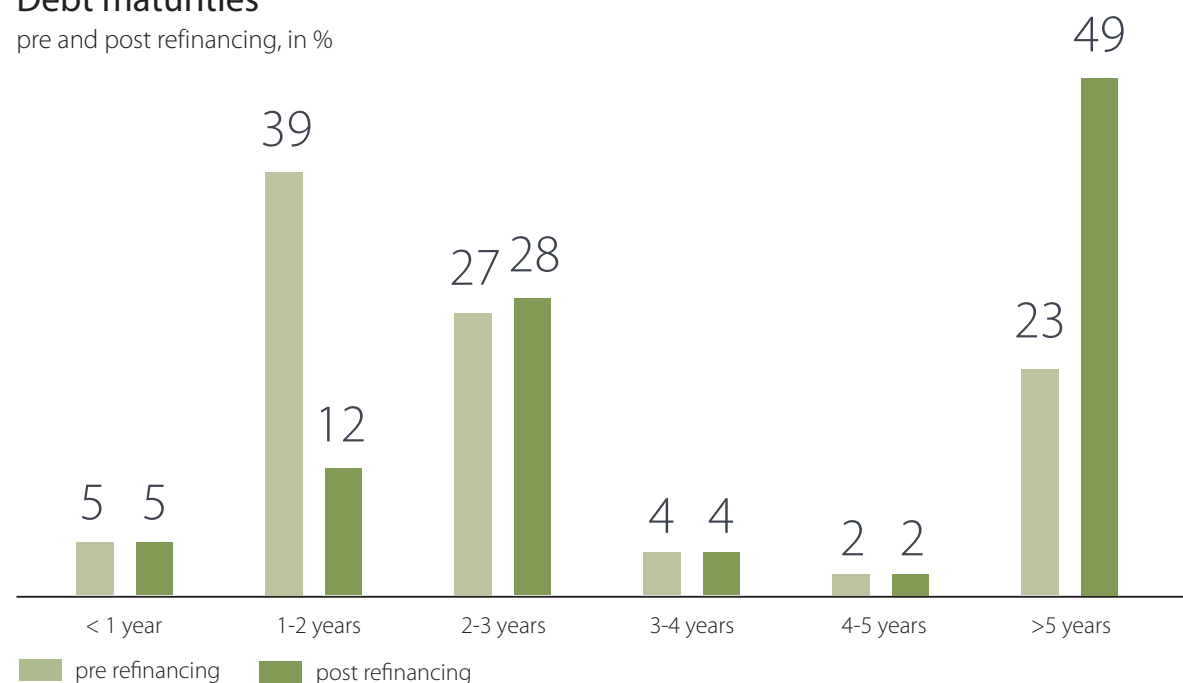
- Long-term and attractive **refinancing of € 320 mn** just arranged
- Successful placement of **second corporate bond**
- **Strong FFO increase** (plus 6%)
- Strong reduction of **interest expenses** by 10%
- **Net debt equity ratio increased** to 32.5%
- Average **interest rate stable** at low level with 4.00% and **ICR increased** to 178%

FINANCIAL DEBT

Financial structure enhanced

Debt maturities

pre and post refinancing, in %



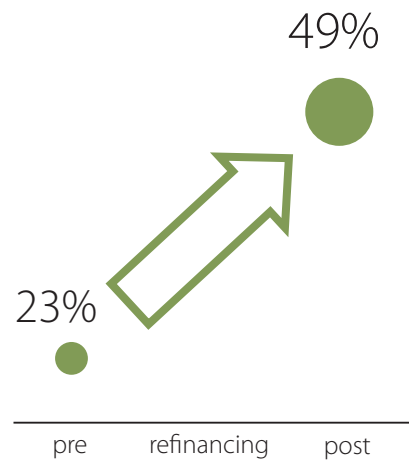
- **Net debt equity ratio** rose by around 1pp to 32.5% (31.12.2012: 31.6%) following disposals and reduction of short-term debt
- **Financial debt** reduced to € 1,458 mn (H1 2012: € 1,521 mn)
- **Average debt maturities** at 3.1 years (H1 2012: 3.0 years)

MAJOR FINANCIAL UPLIFT

Strong positive effects from long-term refinancing

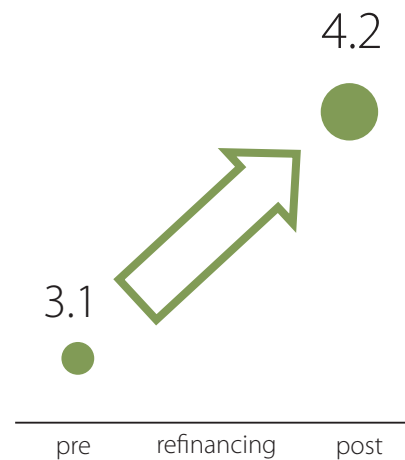
Debt maturities > 5 years

in %



Average debt maturity

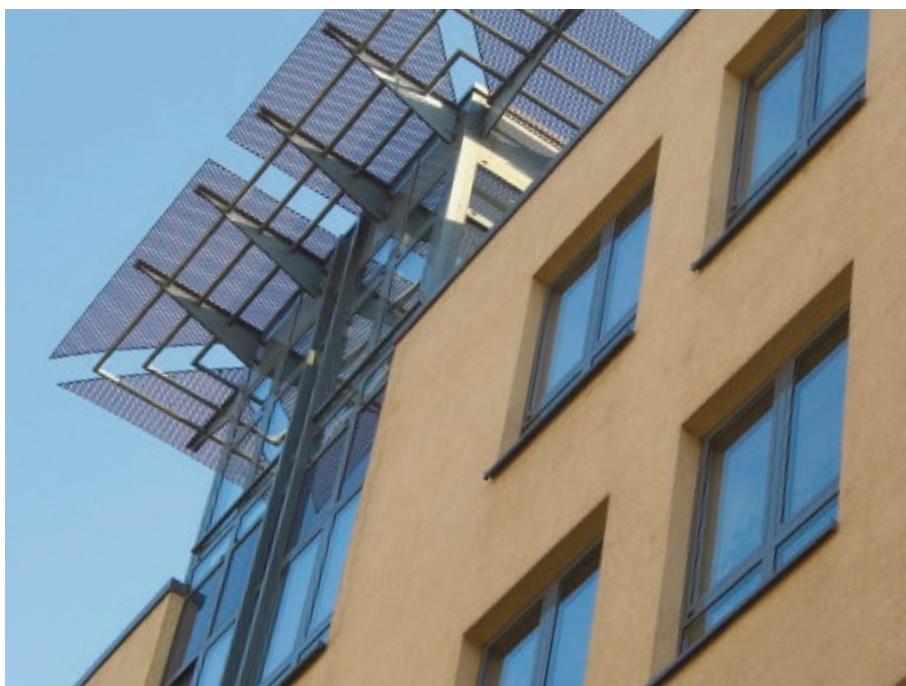
in years



- Long-term **refinancing of € 320 mn** for 7 years with two German banks (pbb, HSH Nordbank) secured
- **Average cost of debt** secured at low level of around 4.00%
- Around **80% of debt maturities 2014** already arranged

CORPORATE BONDS

Increased financial flexibility

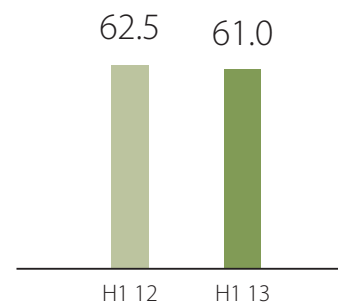


- Unsecured corporate bonds increased to around 8% of portfolio value, higher **flexibility on bank loans**
- Successful **follow on issue** to € 100 mn for 2016 bond in February
- Successful **placement** of € 75 mn of 2018 bond in July at lower coupon
- Bonds have **traded up** implying lower yields

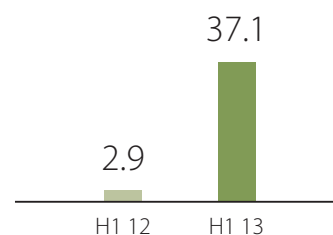
HIGHER REVENUES

Increase through property sales

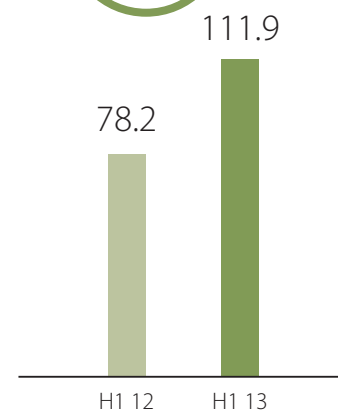
Gross rental income
in € mn



Sales proceeds
in € mn



Total revenues
in € mn



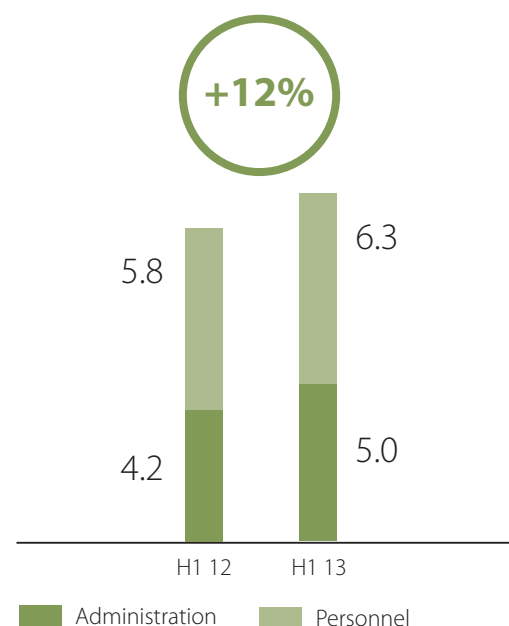
- **Gross rental income** stable at € 61.0 mn, Q2 2013 higher than Q1 2013
- **Higher sales proceeds** with € 37.1 mn, sales profit of € 1.7 mn
- **Revenues** increased to € 111.9 mn, following higher sales volume and management fee income

STABLE LEVEL OF COSTS

Strong cost coverage through fee income

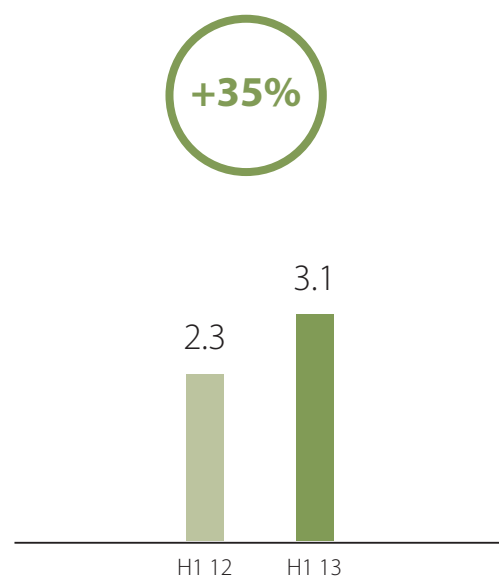
Operating costs

in € mn



Management fee income

in € mn



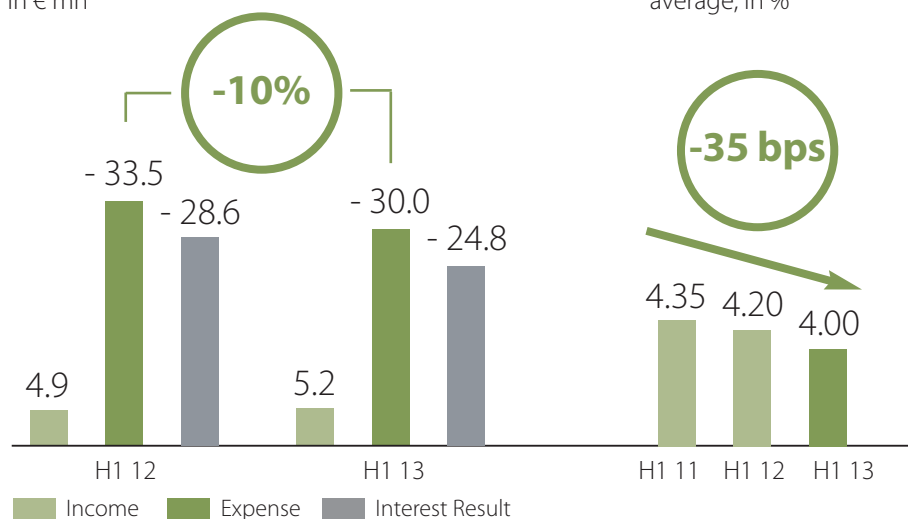
- **Personnel and administrative cost** at - € 11.2 mn, more personnel staff for expanding business activities
- **Management fee income** raised by expanding fund business to € 3.1 mn
- **28% of operating costs** covered by management fee income
- **Cost ratio** in line at 13.3%

NET FINANCING RESULT IMPROVED

Attractive level of average interest rate

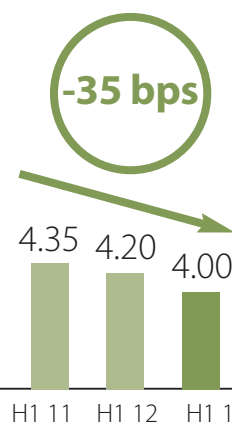
Interest result

in € mn



Interest rate

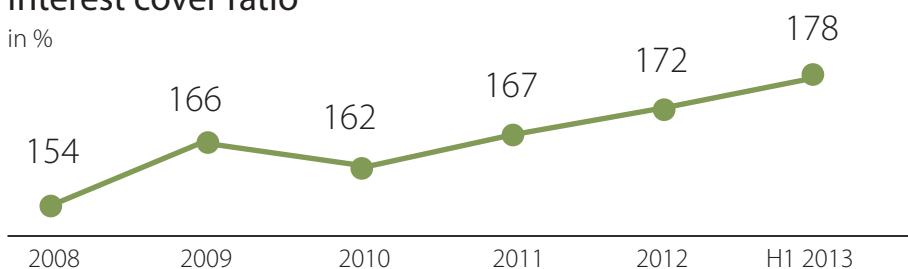
average, in %



- Interest expense strongly reduced (-10%)
- Around 81% of all interest expenses **fixed long-term**
- Average interest rate** at ongoing low level of 4.00% (H1 2012: 4.20%)
- Interest cover ratio** (NRI/interest expense) increased to 178%

Interest cover ratio

in %

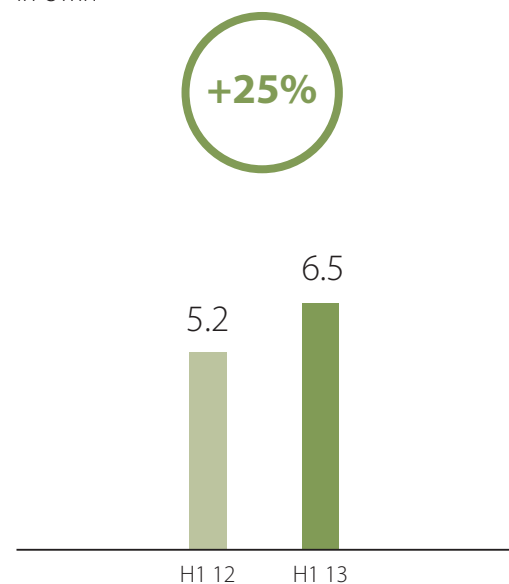


STRONG GROWTH OF EARNINGS

FFO increased by 6%

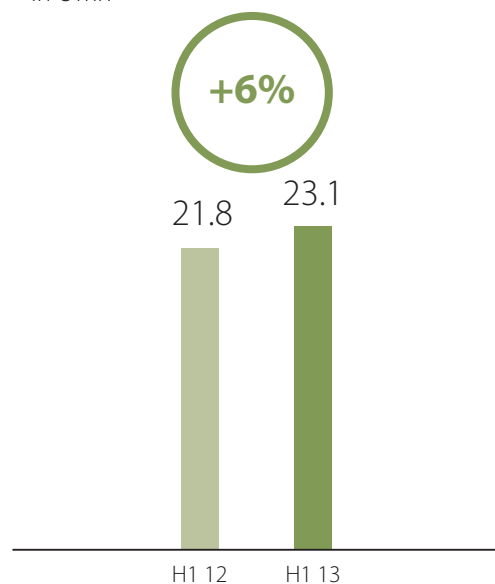
Profit for the period

in € mn



FFO

in € mn



- **Profit for the period** strongly increased due to higher profit on disposals
- **FFO** increased to € 23.1 mn (+6 %) based on improved net financial result and higher management fee income
- **FFO per share** at € 0.50 (H1 2012: € 0.48)

STRATEGIC OUTLOOK 2015/2016

Roadmap for further growth



- **Strengthen profile** as listed commercial real estate asset holder
- **Further deleveraging:** raise of net debt equity ratio mid-term up to 35%, long-term up to 40%
- **Driving company's internal and external growth:**
 - further **reduction of vacancy**
 - **seize opportunities** via selective acquisitions and consolidation
 - **expand fund business:** increase of revenue stream
- **Developments:** attractive earnings with MainTor project from 2014 onwards, lower exposure in future
- Further **optimisation** of company and capital structure

OUTLOOK 2013

Well on track for all targets



- **Asset and property management**
 - Rental income in range of € 121 - 123 mn
 - Reduction of vacancy rate to around 10% by year-end
- **Sales**
 - Sales volume between € 80 - 100 mn
- **Developments**
 - MainTor with further sales of remaining condominiums, construction work of further three subprojects, in front of "MainTor Porta" disposal
- **Funds from Operations**
 - FFO growth to € 45 - 47 mn for full year

THANK YOU!



Immo von Homeyer
Head of Investor Relations &
Corporate Communications

Tel. +49 (0) 69 9 45 48 58-86



Peer Schlöckmann
Manager Investor Relations

Tel. +49 (0) 69 9 45 48 58-23

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

This company presentation does not constitute an offer to sell or a solicitation or invitation to subscribe for or purchase any securities of the company. Neither this company presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever.

Securities of the company have not registered under the United States securities laws and may not be offered, sold or delivered within the United States or to U.S. persons absent from registration under or an applicable exemption from the registration requirements of the United States securities laws.

This company presentation is not being issued in the United States of America and should not be distributed directly or indirectly to U.S. persons or publications with a general circulation in the United States.

Unless expressly stated otherwise, all information, data, views and forward-looking statements contained in this company presentation are based on information, data and forecasts available to the company at the time of the publication of this company presentation. The company is not obliged to update this company presentation under relevant laws and therefore will not update this company presentation whatsoever.

All information and data contained in this presentation are based on information and data, which was previously published by the company with its continuous reporting obligations under relevant financial or securities laws.