DIC ASSET

UPDATE CALL PRESENTATION

NINE MONTHS RESULTS 2012

13 November 2012

HIGHLIGHTS

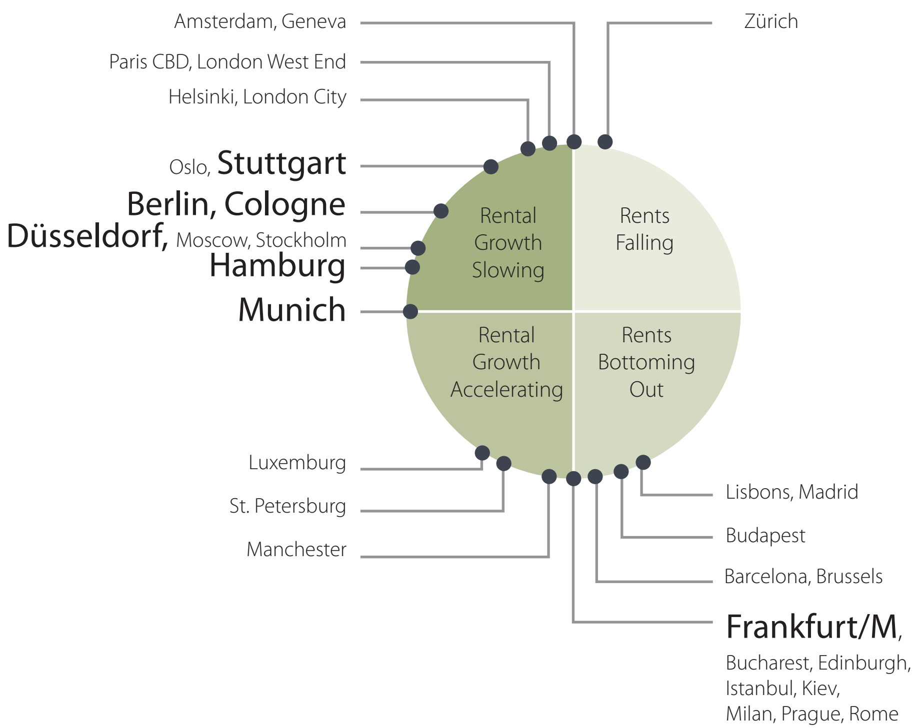
Steady growth of earnings

- Ongoing stronger letting result reduced **vacancy rate** by 0.3 percentage points to 11.7%
- **Gross rental income** increased by +10% to € 94.3 mn
- **FFO higher** by 8% to € 32.2 mn thanks to larger portfolio and successful lettings
- Sale of **Bienenkorbhaus** in October with attractive profit
- **Good progress** with fund business: acquisition volume already € 95 mn
- **Successful forward deal** MainTor Panorama and Patio (€ 150 mn)

MARKET

German real estate market stable, but with more cautious outlook

JLL property clock Q3 2012



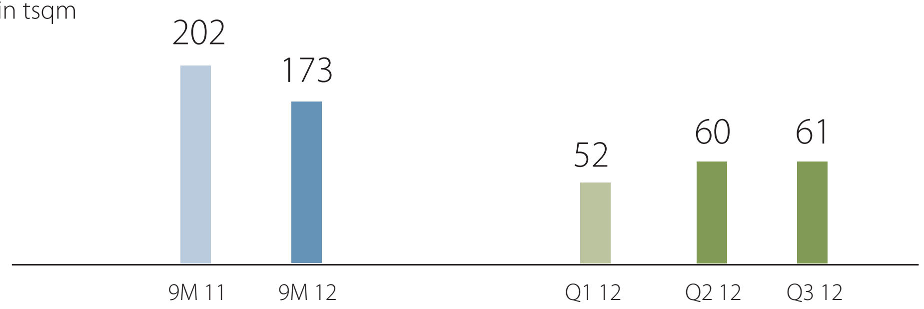
- **German GDP growth** of 0.8% expected for 2012
- **German economy** still strong, but predictions for 2013 reduced due to external effects
- **Letting result** of 2.2 mn sqm (-14%) in major locations, but in line with average results in last years
- **Vacancy rates** decreased in all major locations thanks to low completions for several years
- **Transaction volume** € 14.9 bn (-14%), core focus and credit requirements main restrictions for higher investment volume
- Overall **more cautious outlook** for coming months; so far letting market in good shape

PORTFOLIO

Ongoing strong letting result

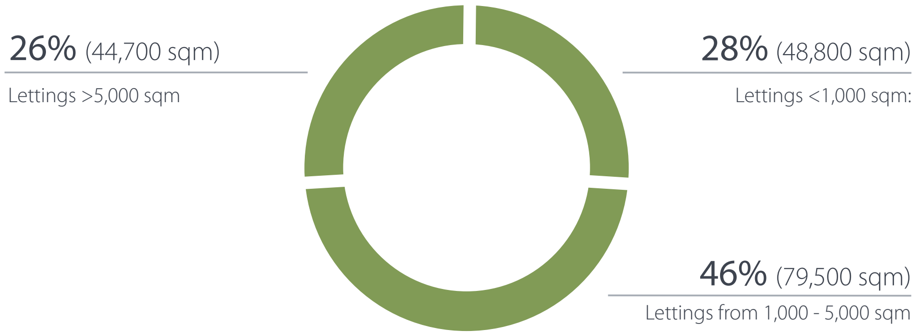
Letting volume

in tsqm



Distribution of letting volume

in % of letting volume



- **Letting volume** of 173,000 sqm as planned (9M 11: 202,000 sqm), Q3 12 with slight increase
- Strong **new letting** result (81,900 sqm) supports increasing occupancy rate
- **Renewals** of 91,100 sqm according to plan
- **Higher rent level per sqm** in 2012 brings annualised rental income to € 18.4 mn (9M 11: € 19.5 mn)
- **Large lettings**: BASF in Mannheim (9,400 sqm) and Mainova in Frankfurt (7,400 sqm)
- **Stability and diversification** through mainly smaller and mid-sized lettings

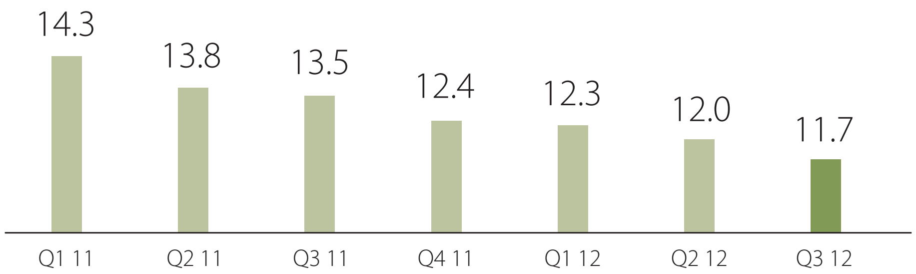
DIC

PORTFOLIO

Portfolio quality further improves

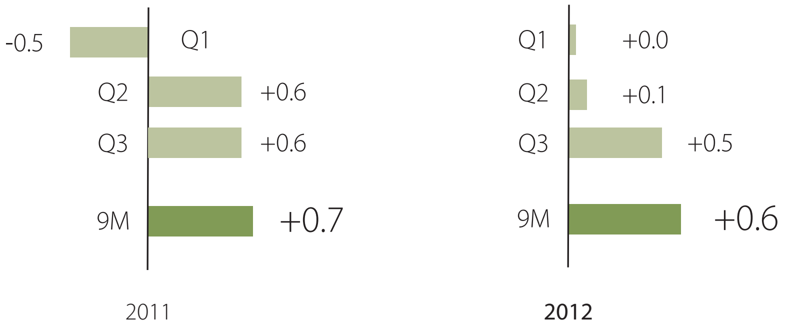
Vacancy rate

in %, at the end of the quarter



Like-for-like rental income growth

in %, without developments



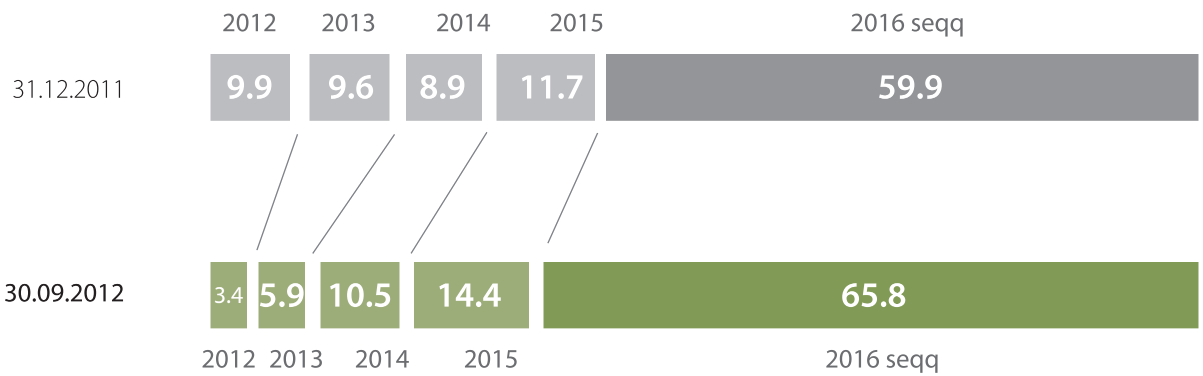
- **Vacancy rate again reduced to 11.7%** (-0.3 pp) due to letting results (Q3 2011: 13.5%); clearly below 5-year average of 13%
- **Like-for-like rental income growth** with +0.6% against end of 2011 at last year's level
- **Average lease term** of portfolio at 5.2 years, reflecting trend to shorter lease contracts
- **Average rent per sqm** increased slightly to € 10.60 (Q2 12: € 10.50), mainly through higher rent level per sqm of new lettings in 2012

PORTFOLIO

Structure of lease maturities getting better

Lease maturities

in %



Note: Distribution of annual rental income by lease expiry

- Leases with maturities in 2016 and later **increased** by 6 percentage points to around 66%
- Lease expiries for 2012 **reduced** to 3.4%
- For 2013, **expiries already** significantly **lowered** by 3.7 percentage points to 5.9% (or approx. € 5 mn)

DIC

PORTFOLIO

Major changes in our regions against last year

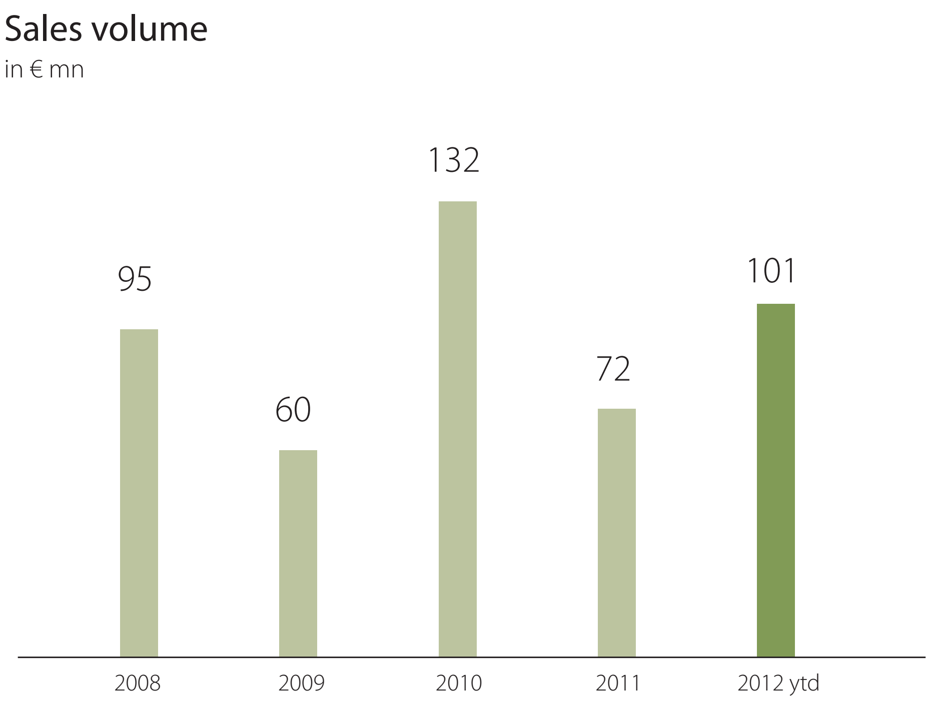
- North: strong reduction of vacancy rate by 4 pp with several new lettings
- East: portfolio strengthened through acquisitions in Berlin: rental income up by € 6 mn
- West: vacancy rate down by 1.5 pp

Portfolio by regions*	North	East	Central	West	South	**Total 30.09.2012**	Total 30.09.2011
Number of properties	47	34	58	61	70	270	281
Market value in EUR million **	232.7	284.0	684.3	640.8	405.0	2,246.8	2,069.9
Lettable area in sqm	177,300	161,900	264,100	340,200	301,300	1,244,800	1,178,200
Portfolio proportion after rental space	14%	13%	21%	28%	24%	100%	
Annualised rental income in EUR million	15.2	21.0	36.6	41.2	29.5	143.5	130.4
Rental income per sqm in EUR	7.70	11.50	13.20	11.30	8.70	10.60	10.40
Lease maturity in years	6.5	4.2	6.0	5.3	3.9	5.2	5.4
Gross rental yield	6.6%	7.4%	6.2%	6.4%	7.3%	6.7%	6.6%
Vacancy rate	7.3%	8.2%	15.6%	13.5%	10.7%	11.7%	13.5%

* as of 30.09.2102; 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

SALES

Strong increase of sales volume



- Until end of Q3 2012: **Sales volume** of € 14 mn
- In October: **Successful sale of Bienenenkorbhaus** for € 73 mn
- With two additional sales from Co-Investments of around € 14 mn, **sales volume adds up to around € 101 mn**
- **Number** of sold properties: 8, thereof 6 smaller properties from Co-Investments (€ 25 mn)
- Transactions well **above market resp. book values**

BIENENKORBHAUS

Profitable exit after redeveloping and repositioning

Bienenkorbhaus, Frankfurt

- **Value creation** with transformation to prime retail: 15% more letting space, rental income nearly doubled
- Total **investment volume** of approx. € 65 mn including capex and acquistion cost (€ 38 mn) in 2004
- Occupancy rate increased from 76% to more than 95%; attractive **FFO contribution** mainly since reopening 2009 (€ 4.5 mn)
- End of 2011: **100% ownership** of DIC Asset AG
- **Sales profit** (IFRS) of more than € 3 mn with transfer of ownership at end of 2012
- **Total project profit** since acquisition of approx. € 8 mn for DIC Asset (including current FFO)
- € 60 mn funds will be used for debt repayments; **net debt equity ratio** increases by 1 pp

ACQUISITIONS

Over € 110 mn invested year-to-date

Loftwerk, Frankfurt region

- Around € 86 mn invested until end of September 2012
- As planned, transfer of ownership in July for multi-tenant, well occupied **office property in Frankfurt** at central railway station (€ 17 mn, for Commercial Portfolio)
- With acquisition of **fund properties** „Loftwerk" in Frankfurt area and „Looper" in Duisburg (€ 27 mn), acquisition volume ytd € 113 mn
- **Target of fund investment volume** with approx. € 95 mn already achieved

FUNDS BUSINESS

Further growth of fund business

Looper, Duisburg

- **Steady earnings:** real estate management fees (9M 12: € 1.1 mn) and profits from associates (9M 12: € 1.4 mn)
- With € 365 mn, already more than **50% of planned fund volume** invested (around € 700 mn)
- Second fund **„DIC HighStreet Balance“** with first investments: two top retail properties, mid-sized cities, € 25 mn
- First **equity** commitments just in place
- **DIC Office Balance I:** growth to € 340 mn (at year-end)
- Office property „Looper“ in Duisburg **acquired**: € 27 mn investment, 10,000 sqm multi-tenant office space, long-term let, well-occupied
- Transfer of ownership of **„Loftwerk“** (€ 44 mn) and **„Looper“** expected in December 2012

MAINTOR QUARTER FRANKFURT

Start of residential marketing „MainTor Palazzi"

MainTor Palazzi (Residential)

- **Significant risk reduction through forward sale** of „Maintor Panorama" and „MainTor Patio" for € 150 mn
- **Marketing** for selling condominiums of **„MainTor Palazzi"** to owner-occupiers and private investors starting in December 2012 (investment volume approx. € 75 mn)
- MainTor progress therefore **far ahead of time**: approx. € 340 mn (more than 50%) in realisation
- **Foundation stone** for "MainTor Porta" layed in August 2012, official start for construction of new buildings
- 80% of **construction works** are contracted in parts to several main contractors, fully in line with planning; higher security of construction cost

DIC

FINANCIAL FOCUS

- Further **attractive financings for acquisitions** arranged with cost of debt below average; platform of banks and financing partners broadened
- Average **interest rate** further down to 4.10%
- Repayment of former acquisition financing of „MainTor Porta" of around € 30 mn, **flexible development financing** fully in place
- **Growing rental income and FFO** through portfolio additions and successful letting performance
- **Cost efficiency:** operating cost ratio in plan

RESULTS

Overview of consolidated profit and loss account

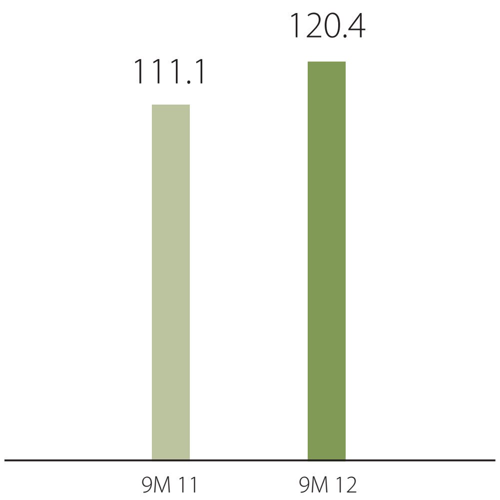
€ mn	9M 2012	9M 2011	change	Q3 2012	Q2 2012	change
Gross rental income	**94.3**	**85.8**	**+10%**	**31.8**	**31.4**	**+1%**
Net rental income	84.4	78.8	+7%	28.3	28.0	+1%
Administr./Personnel expenses	-15.4	-13.3	+16%	-5.4	-4.8	+13%
Management fee income	3.6	3.6	0%	1.3	1.1	+18%
Depreciation	-24.3	-21.5	+13%	-8.2	-8.0	+2%
Net other income	0.4	0.2	+100%	0.2	0.2	0%
Profit on property disposals	0.7	0.6	+17%	0.2	0.1	+100%
Share of the profit of associates	1.7	1.6	+6%	0.5	0.4	+25%
Net financing cost	-42.5	-41.0	+4%	-13.9	-14.1	-1%
Tax expense	-1.1	-0.8	+38%	-0.3	-0.4	-25%
Profit for the period	7.6	8.1	-6%	2.5	2.6	-4%
FFO	**32.2**	**29.8**	**+8%**	**10.9**	**10.8**	**+1%**

REVENUES

Higher rental income

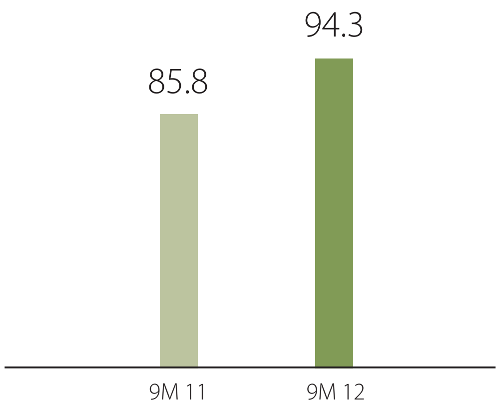
Total revenues

in € mn



Gross rental income

in € mn



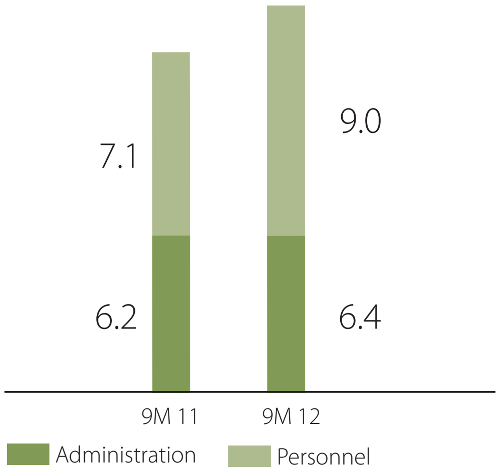
- **Gross rental income** increased by +10% to € 94.3 mn (9M 2011: € 85.8 mn) due to more lettings and larger portfolio
- **Net rental income** accounts for with € 84.4 mn (9M 2011: € 78.8 mn), a plus of 7%
- **Total revenues** of € 120.4 mn (9M 2012: € 111.1 mn); higher rental income overcompensates lower sale proceeds

COST STRUCTURE

Operating costs within target range

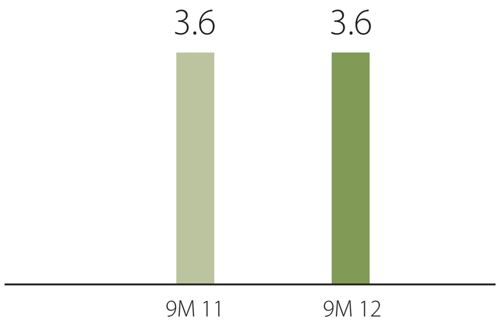
Operating costs

in € mn



Fees from real estate management

in € mn



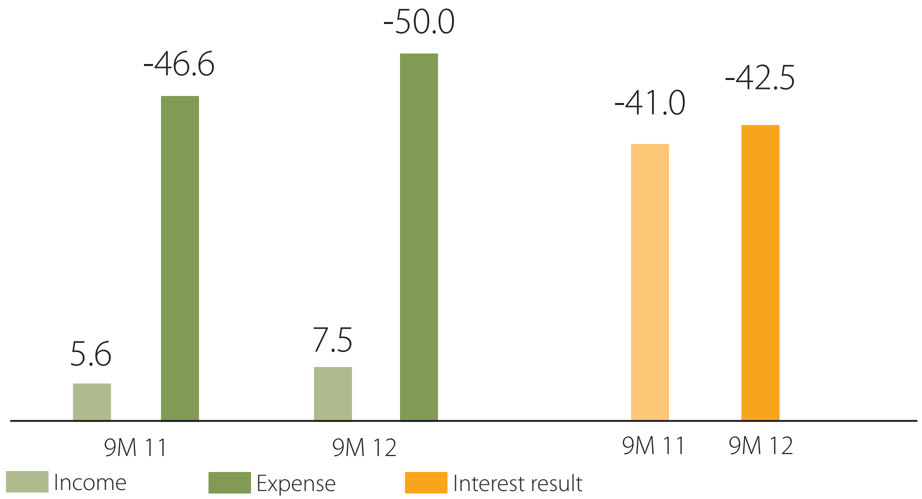
- **Personnel and administrative cost** increase by € 2.1 mn (+16%) to € 15.4 mn
- **Higher personnel cost** after staff increase due to higher operations volume as well as increase of virtual share options due to good share performance
- **Management fee income** on last year's level with € 3.6 mn – approx. **23% of operating costs covered**
- **Operating cost ratio*** at 12.5%, including coming acquisition fees within **target range of 11-12%** at around 11.9%

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

COST STRUCTURE

More interest expenses due to portfolio growth

Interest result
in € mn

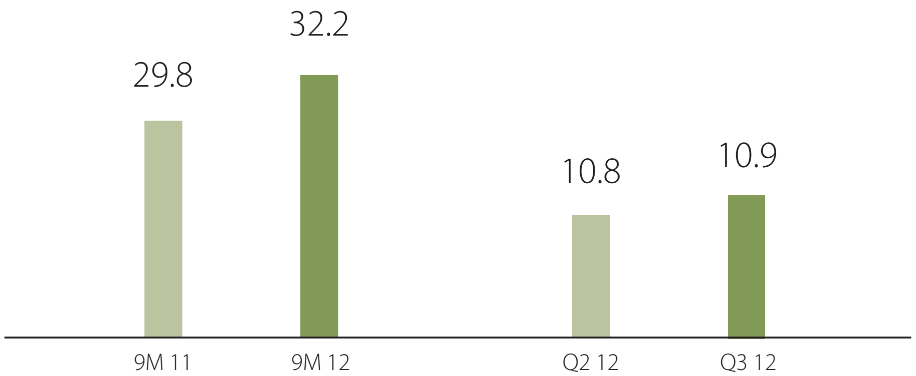


- **Interest result** in 9M 2012 at -€ 42.5 mn, only slightly higher than last year (9M 2011: -€ 41.0 mn) despite higher portfolio volume
- **Interest expense** higher at -€ 50.0 mn (+7%) due to the larger portfolio and bond issue, interest income increased to € 7.5 mn (+34%)
- 80% of all interest expenses are **fixed long-term**
- **Average interest rate** at 4.10% (31.12.2011: 4.35%)
- **Interest cover ratio** (NRI/interest expenses) stable at 169% (Q2 2012: 168%)

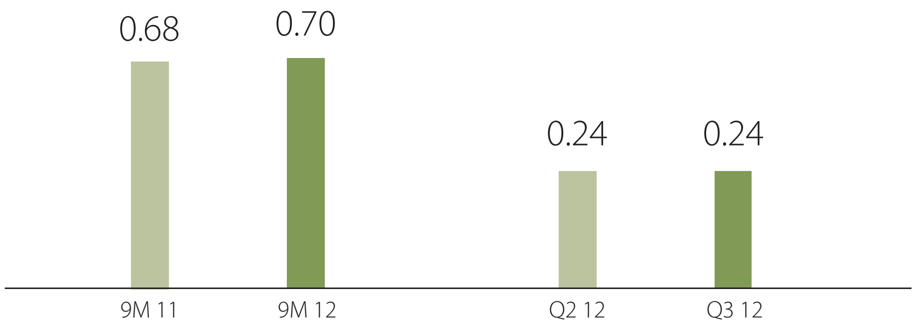
RESULTS

FFO increased by 8%

FFO in € mn



FFO per share in €



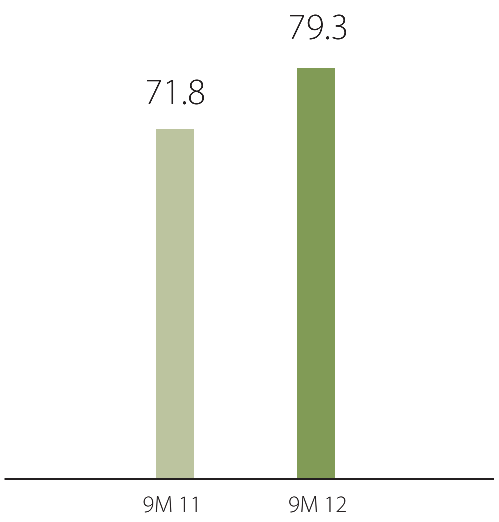
- Higher **FFO** with € 32.2 mn, increased by € 2.4 mn (+8%); slight increase in Q3
- Higher **profits from disposals** with € 0.7 mn despite lower proceeds compared to 9M 2011 (€ 0.6 mn)
- **Profit for the period** at € 7.6 mn (9M 2011: € 8.1 mn)
- **FFO per share** with € 0.70 slightly higher than previous year, despite higher number of shares (9M 2011: € 0.68)

CASH FLOW

Higher operating cash flow

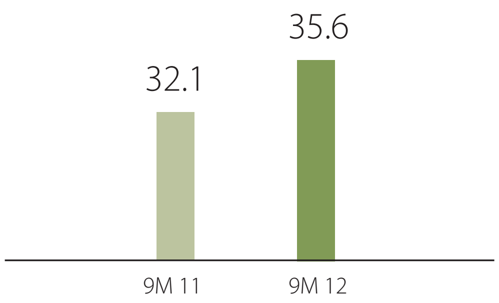
Cash generated from operations

in € mn



Cash flow from operating activities

in € mn



- **Cash generated from operations** at € 79.3 mn, above previous year due to higher operating income (9M 2011: € 71.8 mn)
- **Cash flow from operating activities** significantly increased by € 3.5 mn (+11%) to € 35.6 mn
- **Cash flow from investing activities** at -€ 67.4 mn, mainly for acquisiti-ons and capex investments
- **Cash flow from financing activities** of -€ 12.3 mn, mainly borrowings, releases and dividend payments
- € 56.2 mn **cash and cash equivalents**, against Q2 mainly reduced by acquisitions and dividend payment

BALANCE SHEET
Overview

	30.09.2012	31.12.2011	change
Total assets	**2,254.9**	2,248.1	0%
Non-current assets	**1,970.5**	1,997.3	-1%
Current assets	**284.4**	250.8	+13%
Equity	**609.4**	624.2	-2%
Non-current liabilities	**1,304.6**	1,406.7	-7%
Current liabilities	**340.9**	217.3	+57%
Balance sheet equity ratio in %	**27.0**	27.8	-0.8 pp
Net debt equity ratio in % *	**30.5**	31.7	-1.2 pp

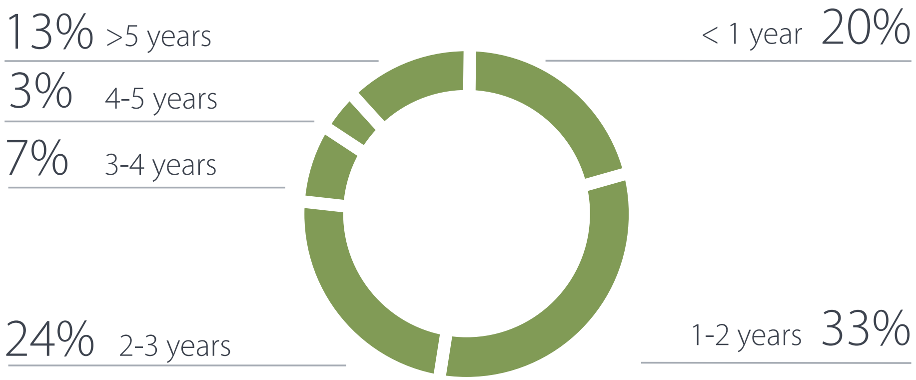
* based on net debt, excluding effects from derivatives

BALANCE SHEET

Balanced financial structure

Debt maturities

as of 30 September 2012



- Balance sheet **equity ratio** at 27.0% (31.12.2011: 27.8%), net debt equity ratio at 30.5% (31.12.2011: 31.7%)
- Financial debt nearly unchanged at € 1,533.0 mn (Q4 2011: € 1,521.9 mn), **average debt maturities** of around 3 years
- **Acquisition financings** with volume of around € 50 mn arranged since Q3 12, **financing volume** in 2012 now at € 550 mn
- Debt repayments with funds from sale of „Bienenkorb-haus" **will increase net debt equity ratio** by around 1 pp
- With repayments from sales, refinancings with execution in Q4, prolongations for Q1 2013 agreed, **all main expiries** for the next 12 months are already fixed

DIC

OUTLOOK

On the way to meet our targets

- **Vacancy reduction** to around 11.5% in last quarter
- **Acquisitions** of € 95 mn for funds as planned, narrow supply for investments in Commercial Portfolio – around € 150 mn to expect for 2012
- **Sales volume** YTD € 101 mn, further sales possible
- **Rental income** between € 124-126 mn
- **FFO** in a range of € 43-45 mn
- Further progress with acquisitions for **fund business** and lettings in **developments**

DIC

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