



UPDATE CALL PRESENTATION

FIRST QUARTER RESULTS 2014

12 May 2014

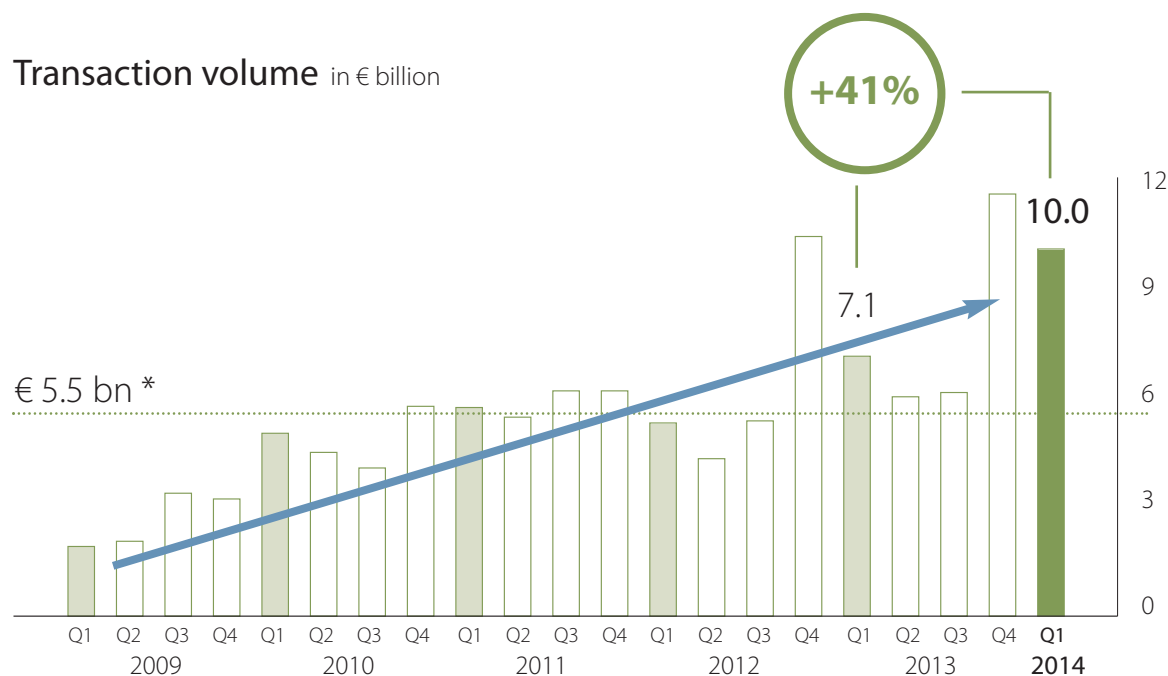
SUMMARY



- FFO up 7% to € 12.0 mn
- Strong sales of € 36 mn YTD
- Net debt equity ratio up to 32.8%
- Successful pile-up of second **corporate bond** to € 100 mn
- Outlook 2014: on track to achieve targets

GERMAN COMMERCIAL REAL ESTATE MARKET

Transaction volume in € billion



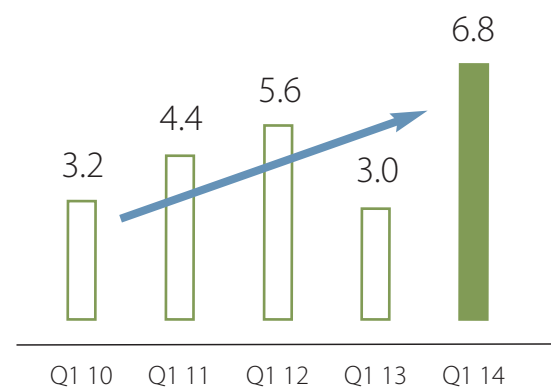
* average Q1 2009 - Q4 2013 Source: JLL

- Positive **German economic outlook** with strong job market and growing domestic demand
- **GDP growth** of 0.7% in the first quarter, expectations for 2014 between 1.2 and 2.6%
- **Investment volume** strongly increased by 41% to € 10 bn (Q1 2013: € 7.1 bn)
- **Pressure on yields** reflects very competitive investment market, difficulties to realise reasonable acquisitions
- **Letting results** with 700.000 sqm 15% higher than previous year's quarter
- **Vacancy rates** across BIG 7 down to 8.1% (Q1 2013: 8.7%)

LETTING PERFORMANCE

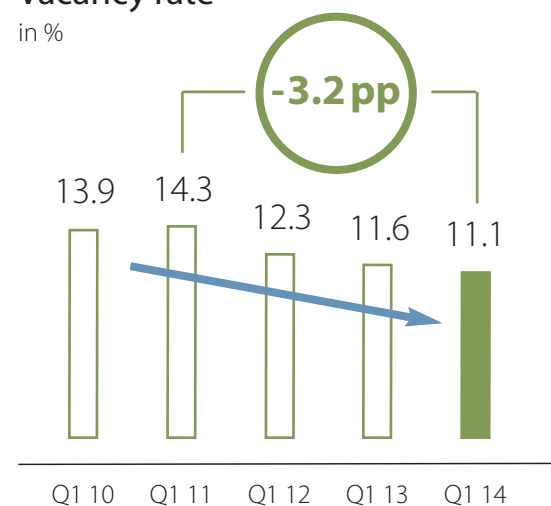
Letting volume

€ mn annualised rental income



Vacancy rate

in %

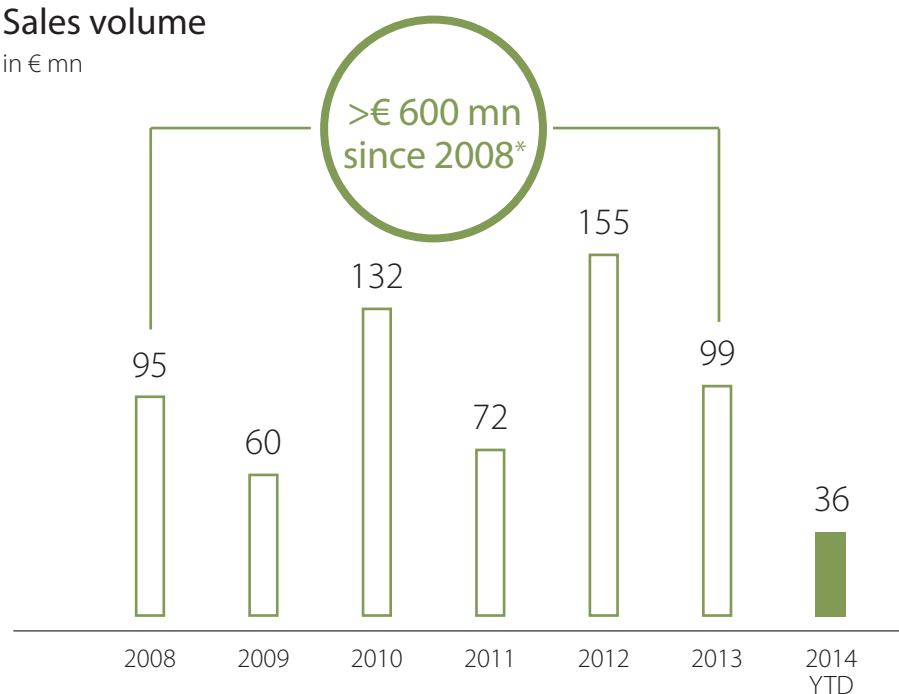


- Strongest first quarter in last 5 years, letting volume corresponding to **annualised rental income** of € 6.8 mn (Q1 2013: € 3.0 mn)
- **Vacancy rate** at 11.1%, down 3.2 pp since peak in Q1 2011
- **Maturity structure improved:** Expiries in 2014 already reduced to 6%, expiries from 2018 up to 53%
- **Gross rental yield** stable at 6.6%

SALES VOLUME

Sales volume

in € mn



* excluding transfer to office fund

- **Sales activities** 2014 well on track, several transactions in the pipeline
- Good start with **sales volume** YTD already at € 36 mn
- **Sales prices** on average 5% above latest market value

STRATEGIC MOVE IN FUND BUSINESS



- Following the strategic reduction of joint ventures among the co-investments, we adjusted the **investment policy** of our fund business for current and future funds
- DIC Asset free to design its **equity stake**, likely **between 5 – 10%**
- Equity stake in „**DIC Office Balance I**“ reduced to 10% in April
 - » lower tied-up equity with investments
 - » higher equity efficiency
 - » temporary reduction of FFO contribution
- 3rd investment fund „**DIC Office Balance II**“ now in concrete planning stage, first acquisitions expected in H2 2014

MAINTOR - THE RIVERSIDE FINANCIAL DISTRICT



- DIC Asset AG as **Co-Investor** with 40% stake
- „**MainTor Primus**“ subproject put into operation with first tenants, five of six subprojects sold and under construction
- **DIC headquarters** moved to „MainTor Primus“ in April
- Further **marketing progress**:
 - Marketing and major letting activities of last subproject „**WINX – The Riverside Tower**“ started in January
 - 92% of „**MainTor Palazzi**“ condominiums sold

FINANCIAL HIGHLIGHTS



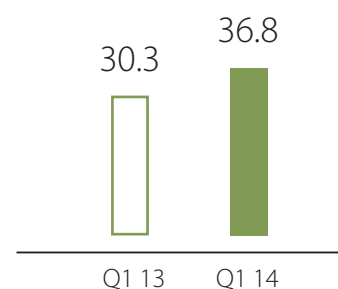
- FFO increased to € 12.0 mn (+7%)
- Net debt equity ratio increased to 32.8%
(31.12.2013: 32.6%)
- Loan to value stable at 66.9%
- Average debt maturity at 4.2 years
- Average interest rate stable at low level with 4.1%
- Successful pile-up of second **corporate bond**
to € 100 mn

PROFIT AND LOSS ACCOUNT

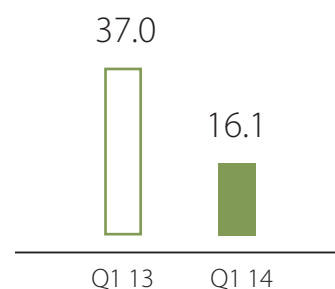
€ mn	Q1 2014	Q1 2013	Δ
Gross rental income	36.8	30.3	+21%
Net rental income	33.5	26.6	+26%
Administr./Personnel expenses	-5.6	-5.6	0%
Management fee income	1.1	1.6	-31%
Depreciation	-10.7	-8.0	+34%
Net other income	0.2	0.0	<100%
Profit on property disposals	0.7	1.7	-59%
Share of the profit of associates	1.0	0.8	+25%
Net financing cost	-17.8	-12.8	+39%
Tax expense	-0.7	-0.5	+40%
Profit for the period	2.0	3.7	-46%
FFO	12.0	11.2	+7%
EPRA earnings	11.7	10.4	+13%

HIGHER RENTAL INCOME

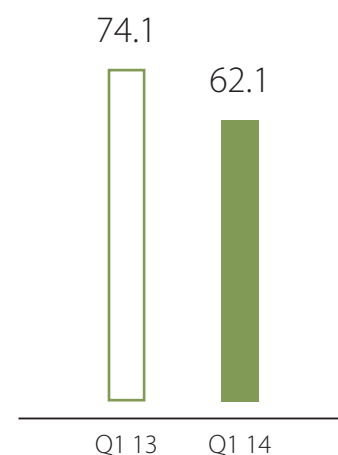
Gross rental income
in € mn



Sales proceeds
in € mn



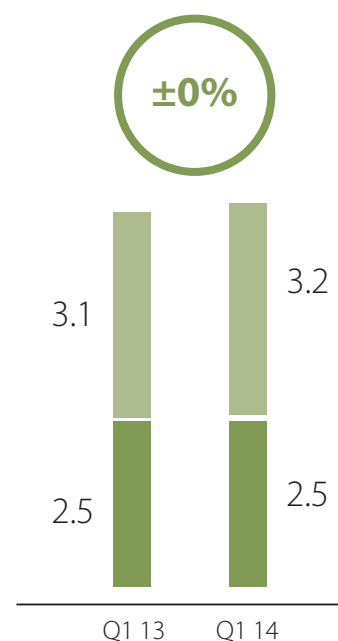
Total income
in € mn



- Higher gross rental income with € 36.8 mn (Q1 2013: € 30.3 mn) after portfolio acquisition
- Sales proceeds at € 16.1 mn
- Total income lower at € 62.1 mn, following lower sales proceeds

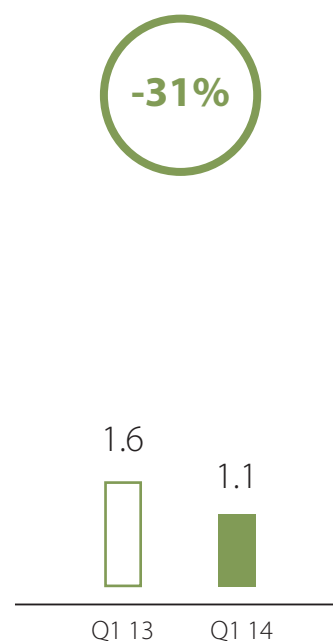
COST RATIO IMPROVED

Operating costs
in € mn

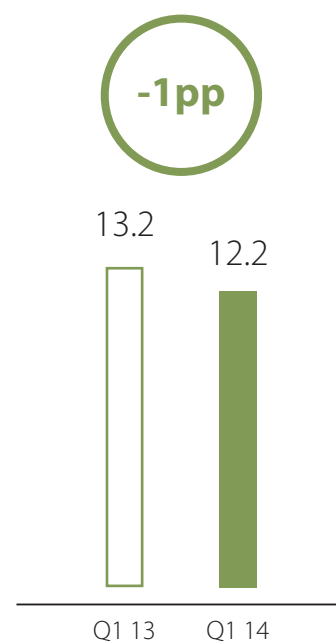


■ Administration
■ Personnel

Management fee income
in € mn



Cost ratio
in %



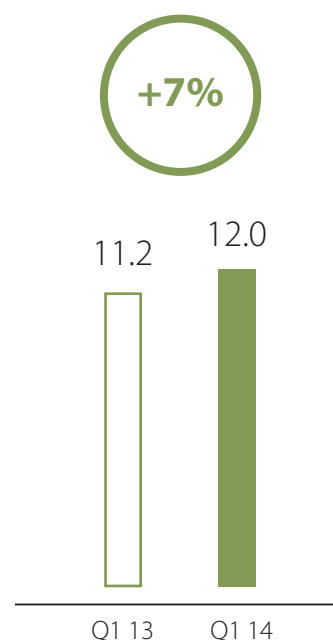
- **Personnel and administrative costs** stable with € 5.6 mn (Q1 2013: € 5.6 mn)
- **Management fee income** declined to € 1.1 mn as expected after loss of fees from acquired portfolio
- **Cost ratio** improved to 12.2% based on higher gross rental income

FFO GROWTH

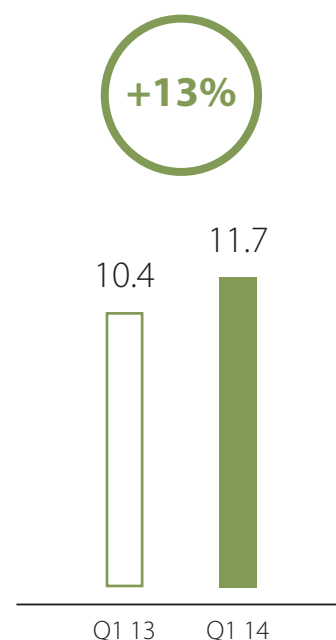
Profit for the period
in € mn



FFO
in € mn



EPRA earnings
in € mn



- **Profit for the period** lower mainly due to lower sales profits (Q1 2014: € 0.7 mn) against last year (Q1 2013: € 1.7 mn)
- **FFO** increased to € 12.0 mn (+7 %) driven by higher rental income and higher earnings contribution from fund business
- **EPRA earnings per share** at € 0.17 (Q1 2013: € 0.22)

FFO RECONCILIATION

€ mn	Q1 2014	Q1 2013	Δ
Net rental income	33.5	26.6	+26%
Administrative expenses	-2.5	-2.5	+0%
Personnel expenses	-3.2	-3.1	+3%
Other operating income/expenses	0.1	0.0	>100%
Management fee income	1.1	1.6	-31%
Share of the profit from associates *	0.9	1.4	-36%
Interest result	-17.9	-12.8	-40%
Funds from operations	12.0	11.2	+7%
FFO per share in € **	0.18	0.24	-25%

■ **FFO contribution** excluding results from developments and profit from sales in Co-Investments

■ **FFO per share** lower at € 0.18 (Q1 2013: € 0.24) due to higher number of outstanding shares

* excluding sales and developments of Co-Investments

** based on new average number of shares in accordance with IFRS

BALANCE SHEET OVERVIEW

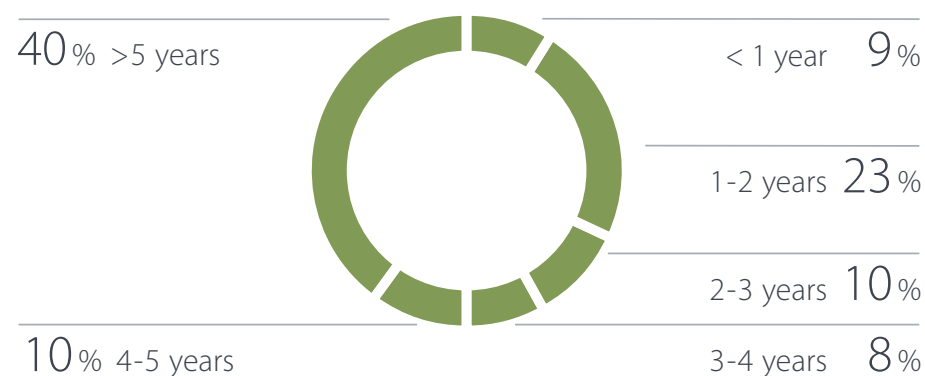
€ mn	31.03.2014	31.12.2013	
Total assets	2,605.5	2,596.0	0%
Non-current assets	2,465.9	2,506.0	-2%
Current assets	139.6	90.0	+55%
Equity	792.0	793.1	0%
Non-current liabilities	1,635.3	1,608.3	+2%
Current liabilities	178.2	194.6	-8%
Total liabilities	1,813.5	1,802.9	+1%
Balance sheet equity ratio	30.4%	30.6%	-0.2pp
Net debt equity ratio *	32.8%	32.6%	+0.2pp
Loan to value ratio	66.9%	66.9%	0pp

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

FINANCING STRUCTURE

Debt maturities

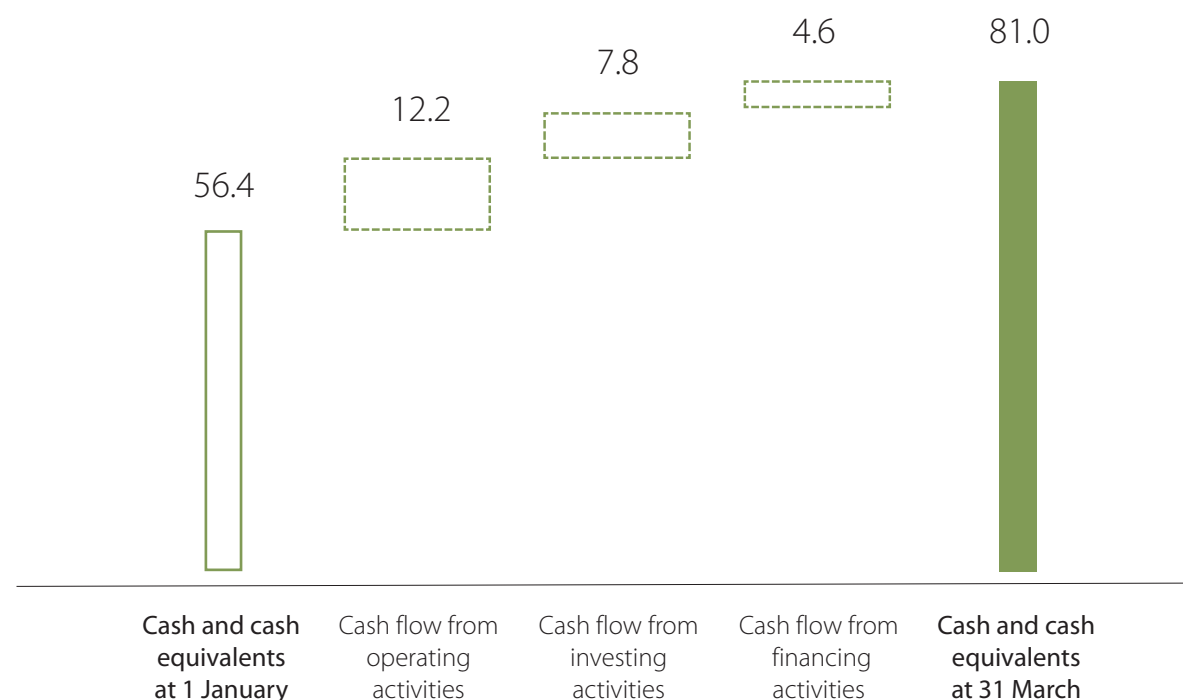
as at 31.03.2014



- **Average debt maturities** at 4.2 years
(31.12.2013: 4.5 years)
- **Loan to value** stable at 66.9%
(31.12.2013: 66.9%)
- **Net debt equity ratio** increased to 32.8%
(31.12.2013: 32.6%)
- **Average interest rate** at ongoing low level of 4.1%
(31.12.2013: 4.1%)
- **Interest result** at - € 17.8 mn (Q1 2013: - € 12.8 mn)
due to higher debt volume after portfolio acquisition,
higher bond volume and lower interest income
following reduction of loans to related parties
- **Interest cover ratio** (NRI/interest expense) at 167%

CASH FLOW STATEMENT

Cash and cash equivalents bridge in € mn



- **Cash flow from operating activities** stable at € 12.2 mn (Q1 2013: € 12.2 mn)
- **Cash flow from investing activities** at € 7.8 mn (Q1 2013: € 29.1 mn) due to lower sales proceeds
- **Cash flow from financing activities** at € 4.6 mn (Q1 2013: - € 20.1 mn), attributable to proceeds of corporate bond
- **Net changes** in cash and cash equivalents at € 24.6 mn
- **Cash at hand** now at around € 81 mn

ON TRACK TO ACHIEVE TARGETS 2014



■ Funds from Operations

Q1 2014: € 12 mn;

Full year forecast: € 47 mn up to € 49 mn

■ Portfolio

Focus on further portfolio optimisation and deleveraging via increased sales

- Disposal volume YTD: € 36 mn;
Full year forecast: around € 150 mn
- Gross rental income Q1: € 36.8 mn;
Full year forecast: around € 145 – 147 mn
- Stable vacancy rate expected

■ Developments

- First completions in 2014 with „MainTor Primus“ and „MainTor Porta“
- Focus on marketing of „WINX“

■ Funds

Further growth of fund business, with investments in the range of € 150 – 200 mn planned

THANK YOU!



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