



UPDATE CALL PRESENTATION

NINE MONTHS RESULTS 2015

12 November 2015

SIGNIFICANT IMPROVEMENT OF ALL KPIS



- FFO up to € 36.8 mn
- Real estate management fees up by 25%
- Strong sales performance with € 220 mn YTD
- Significant progress in **deleveraging** – LtV down to 64.1%
- Fund business with steady growth
- FFO guidance of € 48 – 50 mn confirmed – despite higher sales volume

TRANSACTION MARKET HEADING TOWARDS RECORD HIGH



- **German economy** with modest upturn, GDP growth of 1.8% expected for 2015
- **Investment volume** increased by 65% to € 14.2 bn (9M 2014: € 8.6 bn), rising share of foreign investors and focus on office properties (40%)
- **Pressure on yields** continues mainly for Core assets, down to 4.2% in the office segment (Top 7)
- **Letting results** at 2.5 mn sqm (9M 2014: 2.1 mn sqm)
- **Vacancy rates** across Top 7 at 6.9% (9M 2014: 7.9%)

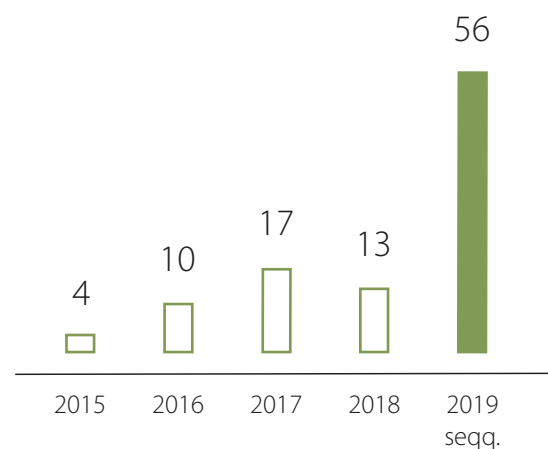
PORTFOLIO DEVELOPMENT

Portfolio overview

	30.09.2015	30.09.2014
Number of properties	215	246
Market value AuM in € bn	3.1	3.4
Annualised rental income in € mn	138.9	153.5
WALT in years	4.2	4.7
Vacancy rate	11.8%	11.5%
Gross rental yield	6.5%	6.6%

Lease maturities

in %, based on annualised rental income

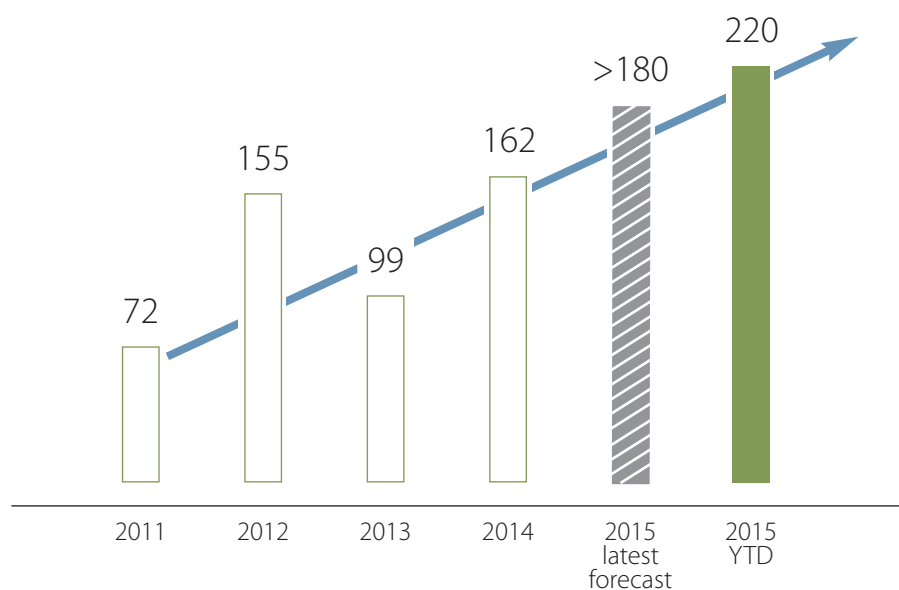


- **Letting volume** corresponding to annualised rental income of € 13.6 mn
- **Annualised rental income** decreased to € 138.9 mn, reflecting sales activities for deleveraging
- **Maturity structure:** expiries in 2015 reduced to 4%, expiries from 2019 onwards up to 56%

POSITIVE MOMENTUM LEVERAGED FOR SALES

Sales volume

in € mn



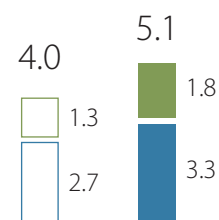
- Strong **sales performance** with c. € 220 mn YTD
 - 19 properties (€ 210 mn) from Commercial Portfolio
 - 3 properties (€ 10 mn) from Co-Investments
- New higher **sales target** of c. € 180 mn for 2015 once again exceeded
- **Sales prices** on average 5% above latest market value

FUND BUSINESS: LAUNCH OF NEW OFFICE FUND AHEAD

FFO-contribution

in € mn

- equity returns
- management fees

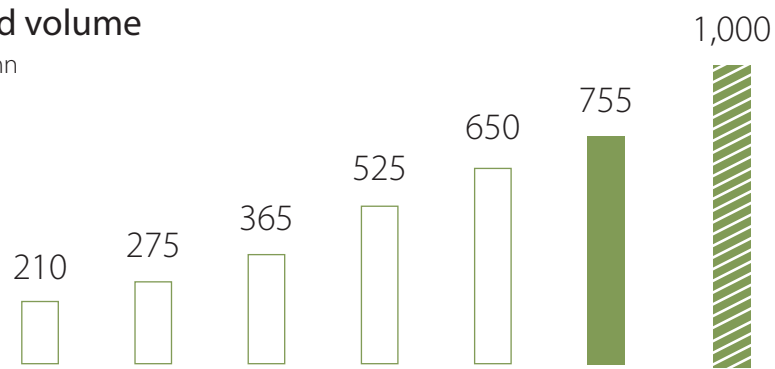


9M 2014 9M 2015

- **FFO-contribution** of fund business increased 28% to € 5.1 mn (9M 2014: € 4.0 mn)
- **Acquisition volume** YTD of around € 91 mn, further transactions in ongoing negotiations
- In advanced planning for **new office fund**; Launch within the next months with an expected volume > € 200 mn

Fund volume

in € mn



2010 2011 2012 2013 2014 YTD committed target by 2016

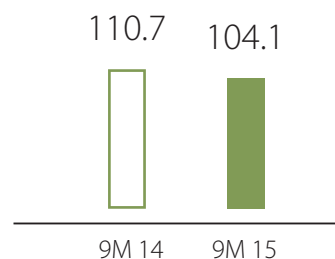
FINANCIAL HIGHLIGHTS



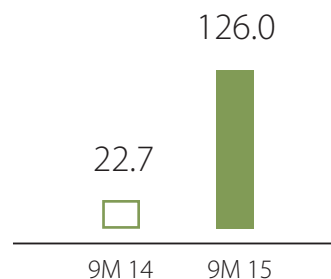
- FFO increased to € 36.8 mn (+4%)
- Strong **sales profits** of € 14.1 mn
- **Real estate management fees** rose 25% to € 4.5 mn
- Significant improvement of **net financing result** (-12%)
- Optimised **balance sheet structure**
 - Financial debt reduced significantly
 - Loan to value further decreased to 64.1%

STRONG SALES ACTIVITIES DRIVING INCOME

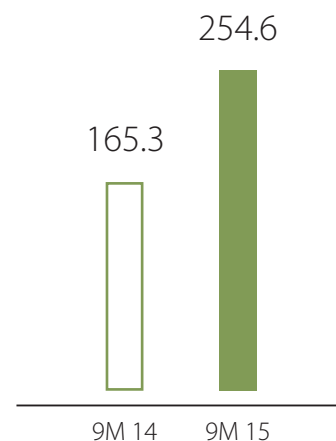
Gross rental income
in € mn



Sales proceeds
in € mn



Total income
in € mn

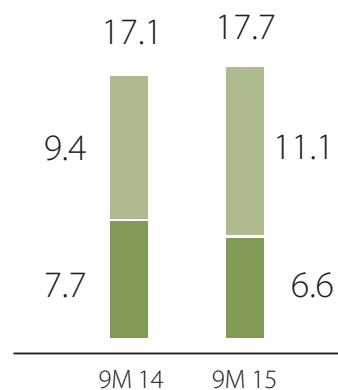


- **Gross rental income** at € 104.1 mn (9M 2014: € 110.7 mn) following sales for deleveraging
- Considerably higher **sales proceeds** at € 126.0 mn (9M 2014: € 22.7 mn) after transaction activities gained momentum
- **Total income** increased significantly to € 254.6 mn (9M 2014: € 165.3 mn)

OPERATING COSTS WITHIN TARGET RANGE

Operating costs

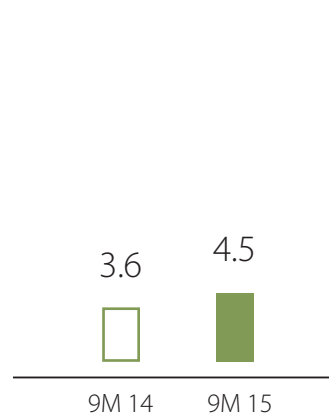
in € mn



■ Administration
■ Personnel

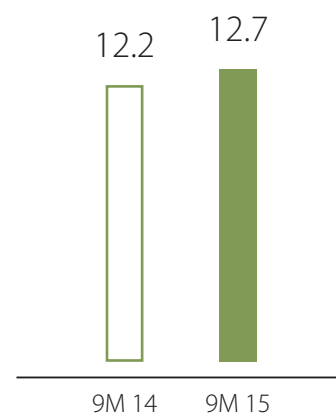
Real estate management fees

in € mn



Cost ratio

in %

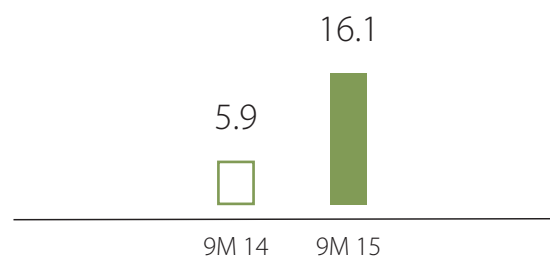


- Change in cost structure after **insourcing** of services in Q1 2015 (Accounting and Finance, Financial Services, Human Resources, and IT):
 - **personnel costs** increased 18% to € 11.1 mn (9M 2014: € 9.4 mn)
 - **administrative costs** declined 14% to € 6.6 mn (9M 2014: € 7.7 mn)
- **Cost ratio** at 12.7%, rising management fees compensating for declining rental income

STEADY AND RELIABLE FFO GROWTH

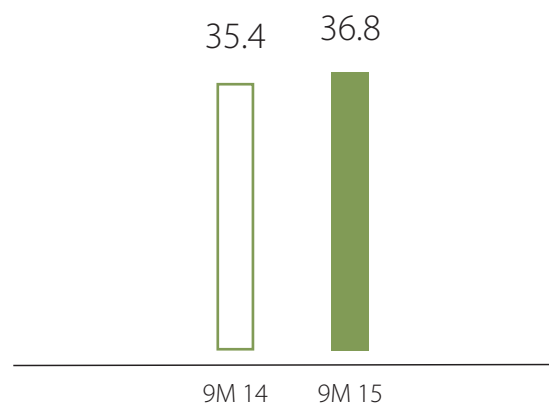
Profit for the period

in € mn



FFO

in € mn

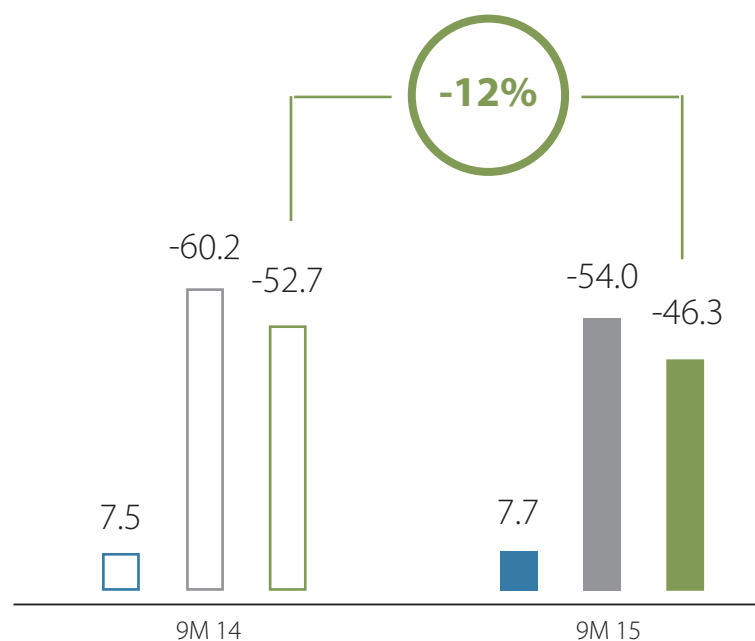


- **Profit for the period** up strongly at € 16.1 mn mainly due to high profits on property disposals and significantly lower interest expenses
- **FFO** increased to € 36.8 mn (+4 %) driven by rising FFO contribution of fund business and improved interest result

IMPROVED NET FINANCING RESULT

Net financing result

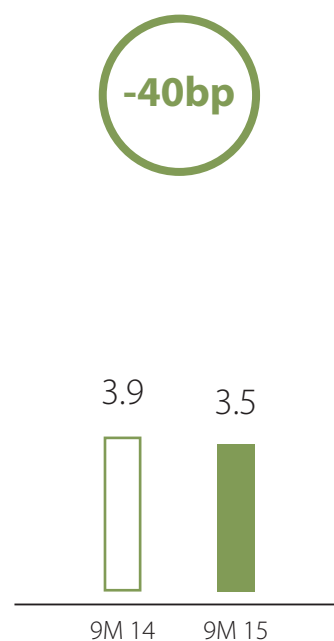
in € mn



- Interest income
- Interest expense
- Net financing result

Average interest rate

in % *



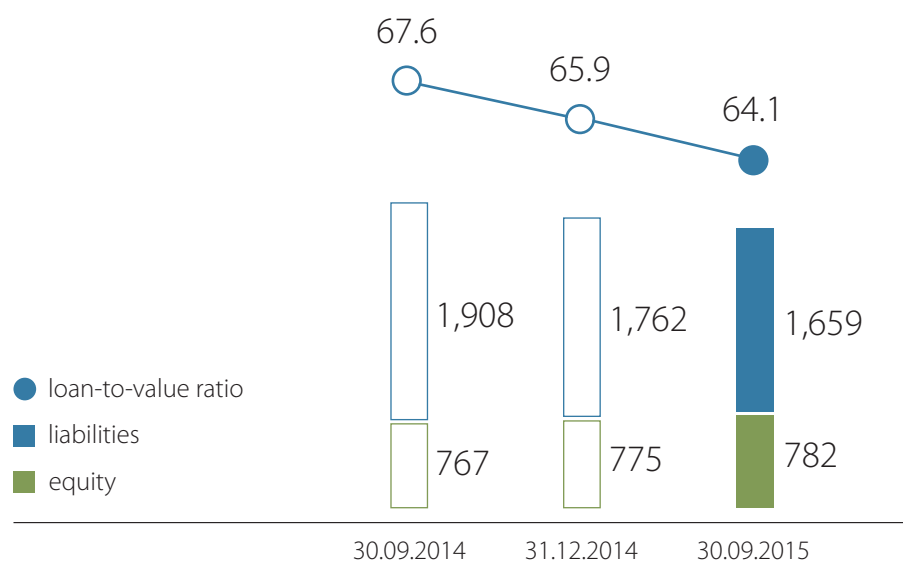
- Lower **net financing result** at € -46.3 mn (9M 2014: € - 52.7 mn) following refinancings and improved interest rates
- Higher **interest cover ratio** (NRI/interest expense) with 171% (9M 2014: 165%) due to lower interest expense
- **Average interest rate*** at low level of 3.5% (9M 2014: 3.9%)
- **Average debt maturities** of 4.4 years (9M 2014: 4.0 years) after refinancings at mid-year

* based on bank liabilities

BALANCE SHEET: LTV SIGNIFICANTLY REDUCED

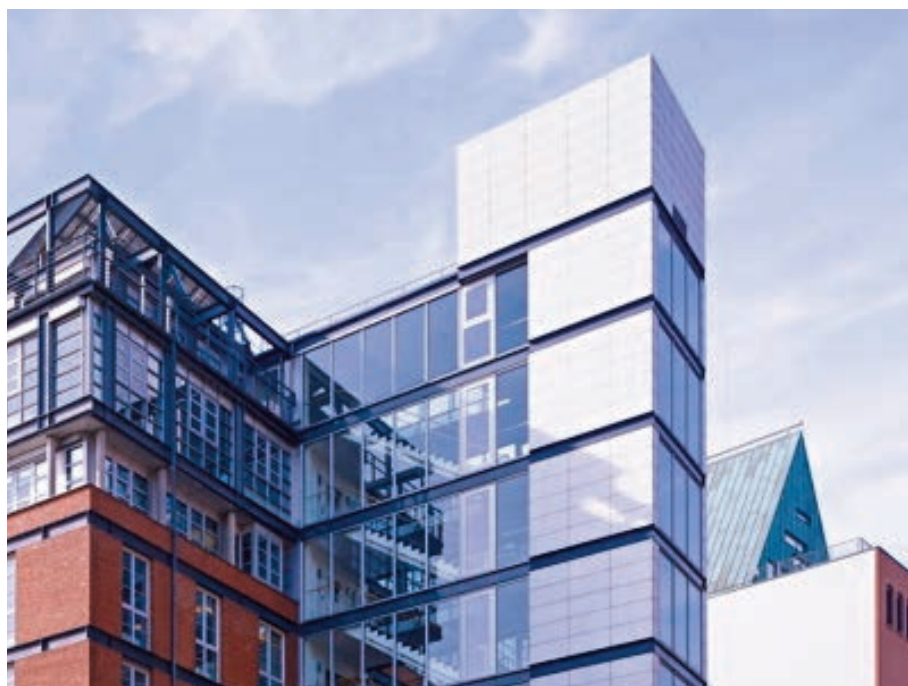
Loan-to-value ratio in %

Equity and total liabilities in EUR thousand



- **Total liabilities** € 103.1 mn lower at € 1,659.0 mn mainly driven by loan repayments following disposals
- **Total equity** slightly higher at € 781.7 mn
- **Loan-to-value ratio** reduced by 350 bp to 64.1% compared to previous year

2015 FULL YEAR GUIDANCE

**■ Funds from Operations**

- Full year forecast of € 48 – € 50 mn
(9M 2015: € 36.8 mn)

■ Portfolio

- Latest guidance of c. € 180 mn exceeded, sales volume of € 220 YTD
- Gross rental income at around € 134 – 136 mn

■ Fund business

- Investments of at least € 130 mn, acquisitions of € 91 mn YTD, further transactions in advanced negotiations

■ Strategy 2016

- LtV of 64.1% at 9M 2015
- fully on track to achieve LtV < 60% by end of 2016

THANK YOU!



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