

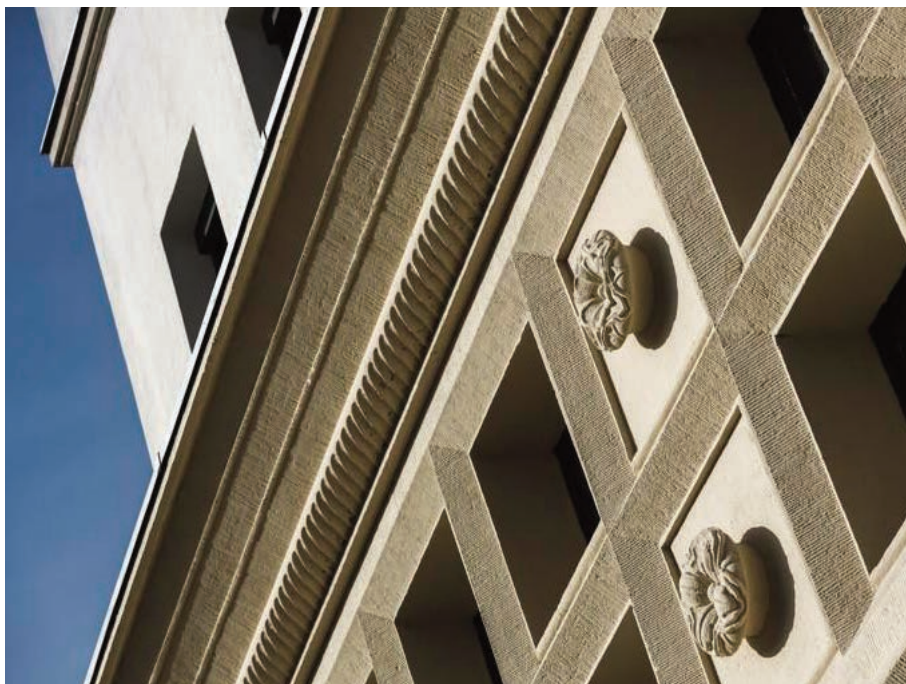
UPDATE CALL PRESENTATION

HALF YEAR RESULTS 2015

13 August 2015



WELL ON TRACK



- FFO up to € 24 mn
- Sales volume with € 150 mn already at target range
- Real estate management fees up by 30%
- Growing fund business
- Financial structure strongly improved by achieving higher average debt maturity and lower cost of debt
- Confirmation of FFO guidance: € 48 – 50 mn

TRANSACTION MARKET CONTINUES STRONG GROWTH



- Upturn in the **German economy** continued in the second quarter, with consumer spending remaining an economic driver
- **Strong job market** with unemployment rate of 6.2% at its lowest in almost 24 years
- **Investment volume** increased to € 24.0 bn (H1 2014: € 16.9 bn), with rising share of foreign investors
- **Letting results** with 1.6 mn sqm up 11% year-on-year
- **Vacancy rates** across Top 7 declined to 7.2% (H1 2014: 8.1%)

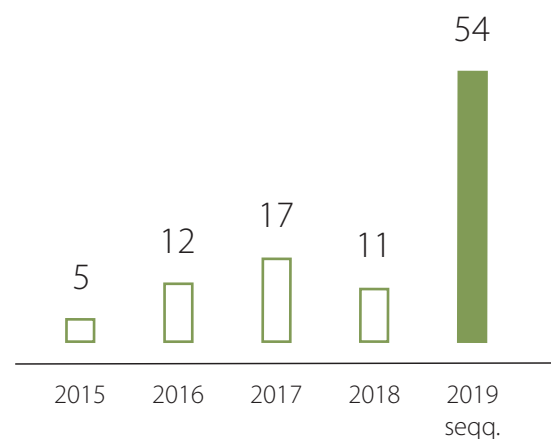
PORTFOLIO PERFORMANCE

Portfolio overview

	30.06.2015	30.06.2014
Number of properties	230	246
Market value AuM in € bn	3.2	3.4
WALT in years	4.4	4.8
Vacancy rate	11.1%	11.5%
Gross rental yield	6.6%	6.6%

Lease maturities

in %, based on annualised rental income

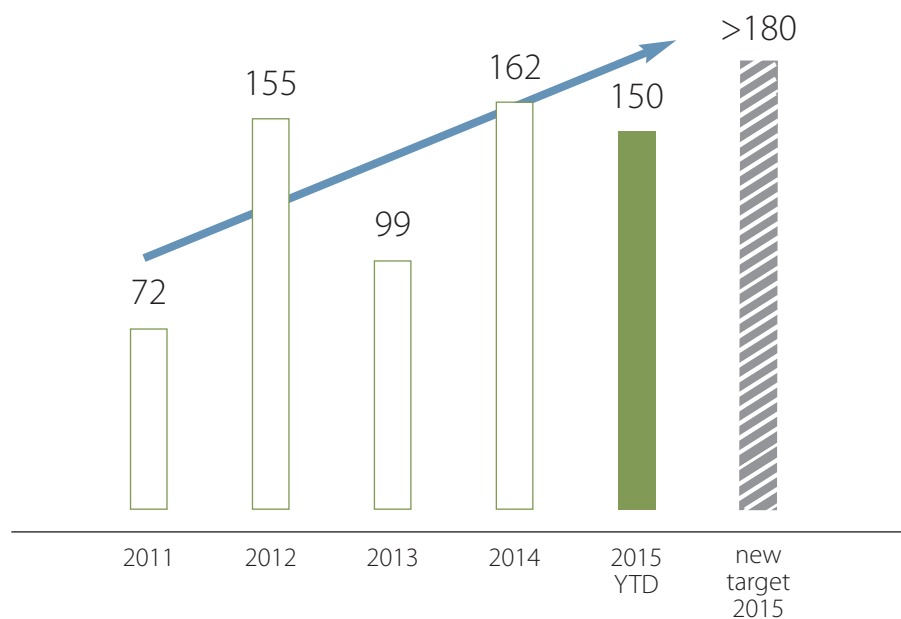


- Letting volume corresponding to **annualised rental income** of € 6.3 mn
- **Vacancy rate** at 11.1%, down from 11.5% in previous year's quarter
- **Maturity structure improved:** Expiries in 2015 reduced to 5%, expiries from 2019 onwards up to 54%
- **Gross rental yield** stable at 6.6%

SALES TARGETS EXCEEDED AT MID-YEAR

Sales volume

in € mn



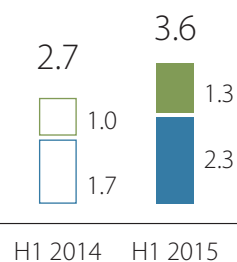
- **Sales volume** YTD at c. € 150 mn
 - 14 properties (€ 140 mn) from Commercial Portfolio
 - 3 properties (€ 10 mn) from Co-Investments
- **Sales prices** on average 7% above latest market value
- **Target range** of € 150 – 170 mn for 2015 already met
- **New full-year sales target** raised to at least € 180 mn

FUND BUSINESS CONTINUES TO GROW

FFO-contribution

in € mn

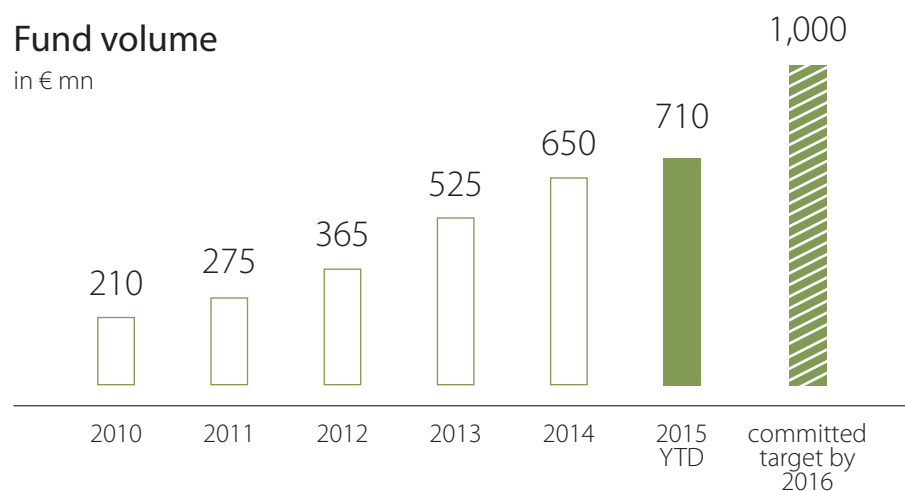
- equity returns
- management fees



- **FFO-contribution** of fund business increased 33% to € 3.6 mn (H1 2014: € 2.7 mn)
- **Acquisition volume** YTD of around € 57 mn, fund volume of all three funds increased to € 710 mn
- **“DIC Office Balance I”** at target volume of € 420 mn
- Future **expansion**: considering next fund “DIC Office Balance III”

Fund volume

in € mn



SIGNIFICANT PROGRESS WITH PROJECT DEVELOPMENTS



Foundation stone ceremony for "WINX – The Riverside Tower"

- All six sub-projects of MainTor Quarter and project „Opera Offices NEO“ were **sold prior to completion**
- Further **progress in 2015**:
 - “**WINX**“ fully on schedule: start of construction in January 2015, foundation work completed, building construction starting in summer
 - “**MainTor Patio**“: Completion and transfer of ownership end of June 2015
 - Completions of “**MainTor Palazzi**“ in autumn and of “**MainTor Panorama**“ by the end of the year expected
 - “**Opera Offices NEO**“: construction fully on schedule, high interest from potential tenants, completion in second half of 2016 expected

FINANCIAL HIGHLIGHTS



- FFO increased to € 24 mn (+2%)
- Real estate management fees rose 30% to € 3.0 mn
- Long-term refinancing of around € 315 mn for c. 7 years secured
- Improved financial structure:
 - Higher average debt maturity at 4.7 years
 - Average interest rate decreased to 3.5%
- Ongoing deleveraging:
 - Net debt equity ratio increased to 34.2%
 - Loan to value further decreased to 65.5%

GROSS RENTAL INCOME ACCORDING TO PLAN

Gross rental income
in € mn



73.6 70.4



H1 14 H1 15

Sales proceeds
in € mn



19.6 19.9



H1 14 H1 15

Total income
in € mn



114.4 107.9



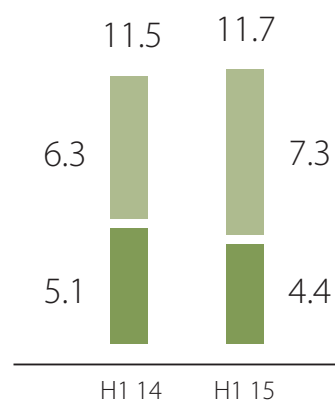
H1 14 H1 15

- **Gross rental income** at € 70.4 mn (H1 2014: € 73.6 mn) after sales for portfolio optimisation and deleveraging
- **Sales proceeds** slightly higher at € 19.9 mn (H1 2014: € 19.6 mn) after accelerated transaction activities in Q2
- **Total income** lower at € 107.9 mn (H1 2014: € 114.4 mn), following lower gross rental income

GROWING MANAGEMENT FEES

Operating costs

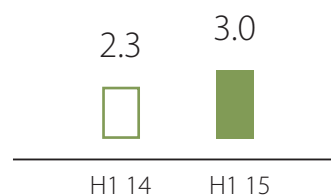
in € mn



■ Administration
■ Personnel

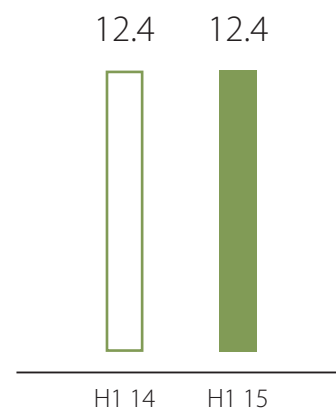
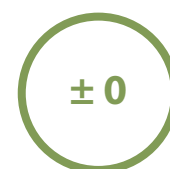
Real estate management fees

in € mn



Cost ratio

in %

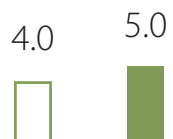


- Change in cost structure after **insourcing** of services in Q1 2015 (Accounting and Finance, Financial Services, Human Resources, and IT):
 - **personnel costs** increased 16% to € 7.3 mn (H1 2014: € 6.3 mn)
 - **administrative costs** declined 14% to € 4.4 mn (H1 2014: € 5.1 mn)
- **Cost ratio** stable at 12.4%, higher real estate management fees compensating for lower gross rental income

HIGHER PROFITS

Profit for the period

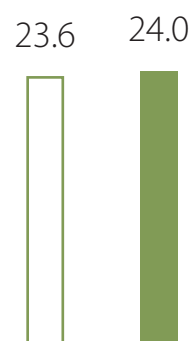
in € mn



H1 14 H1 15

FFO

in € mn

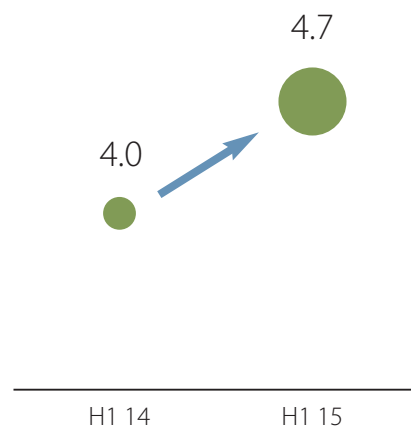


H1 14 H1 15

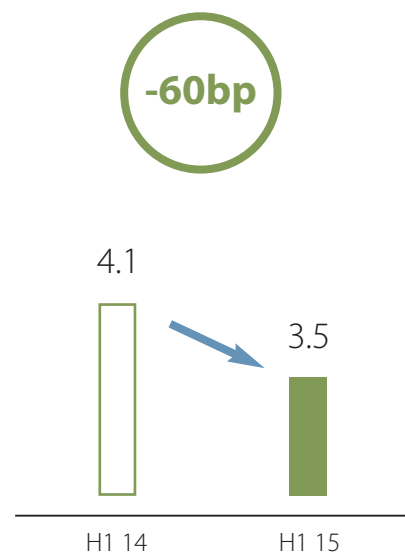
- **Profit for the period** up 25% at € 5.0 mn mainly due to higher share of the profit of associates and higher profits on property disposals
- **FFO** increased to € 24.0 mn (+2 %) driven by higher FFO contribution of fund business and improved interest result

IMPROVED FINANCIAL STRUCTURE

Average debt maturity
in years



Average interest rate *
in %



- **Successful refinancings:** 85% of debt maturities 2015 already arranged (€ 315 mn out of € 372 mn)
- Average **interest rate*** at record low of 3.5% (H1 2014: 4.1%), average debt maturities at 4.7 years (H1 2014: 4.0 years)
- **Interest result** at - € 31.9 mn (H1 2014: - € 34.0 mn) due to lower debt volume and lower interest rate
- **Interest cover ratio** (NRI/interest expense) at 170% (H1 2014: 169%)

* based on bank liabilities

BALANCE SHEET: HIGHER EQUITY AND REDUCED LTV

€ mn	30.06.2015	31.12.2014
Total assets	2,533.7	2,537.0
Total non-current assets	2,252.1	2,384.3
Total current assets	281.6	152.6
Total equity	794.4	774.8
Total non-current liabilities	1,530.4	1,324.1
Total current liabilities	208.8	438.1
Total liabilities	1,739.3	1,762.1
Balance sheet equity ratio	31.4%	30.5%
Net debt equity ratio *	34.2%	33.4%
Loan-to-value ratio **	65.5%	65.9%

- **Total equity** higher at € 794.4 mn mainly due to changes in hedging reserve and higher retained earnings

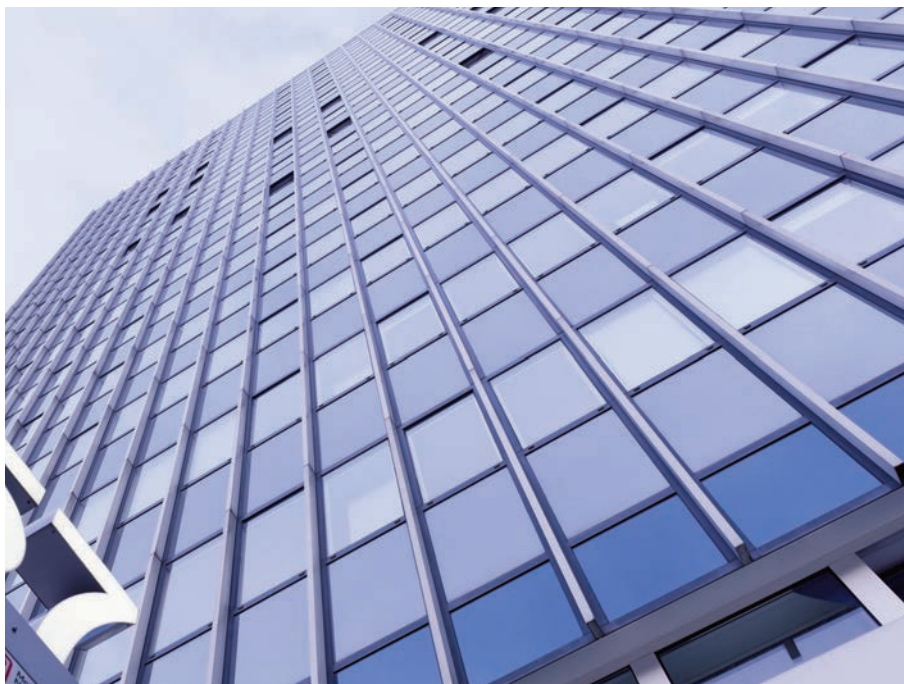
- **Net debt equity ratio** improved to 34.2% (Q4 2014: 33.4%)

- **Loan-to-value ratio** reduced to 65.5% (Q4 2014: 65.9%), significant reduction expected with effective sales in Q3 2015

* Calculated by setting the shareholders' equity, adjusted for hedging reserve, in relation to the total assets, adjusted in turn for hedging reserve, derivatives, and cash in banks.

** The relationship between the total financial debt, corporate bonds and liabilities to related parties minus cash in banks, on the one hand, and the real estate held at fair market values as financial investments, equity investments, and receivables due from related parties, on the other hand.

ON TRACK FOR FULL YEAR GUIDANCE



■ Funds from Operations

- Full year forecast of € 48 mn – € 50 mn

■ Portfolio

- Target disposal volume increased to at least € 180 mn
- Vacancy rate target around 11% due to sales activity
- Gross rental income at around € 134 mn – € 136 mn

■ Fund business

- Investments of at least € 130 mn

THANK YOU!



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