Q2 Update Call
– 17 August 2010 –
Highlights

- FFO increased to €22.0 mn (+1%); Q2 higher than Q1
- Net profit of €6.3 mn for H1 2010 – above previous half-year and Q2 with +25% rise compared to Q1
- Letting result H1 2010 increased to 116,300 sqm (Q1 2010: 31,200 sqm)
- Disposals already at €56 mn ytd – higher target (+25%) with at least €80 mn
- FFO target raised to €41-43 mn for full year 2010
Germany ahead of economic growth in Europe

- Strong second quarter, GDP growth of 2-3% for 2010 expected

- Ifo index: strong raise of confidence and better atmosphere among German companies

- Increase in producing industry: +10% from January to May 2010; strong orders in June (+3%)

- Job market improved – unemployment rate down to 7.6% (07/2009: 8.2%), 270,000 fewer people unemployed than a year ago

![Expected GDP growth in Europe 2010 in %](image)

![Ifo business climate index July 2010 Commerce in Germany (2000 = Index 100)](image)
German real estate sector update

- Real estate sector will benefit from positive economy in near future

- Letting markets are bottoming out: Peak rents as well as vacancy rates quite stable

- More activities on transaction market: H1 with volume of €9 bn – nearly the whole volume of 2009

- Investment focus still on Core properties, but interest in other segments keeps rising

![Lettings found bottom](chart1)

Office letting volume in major German cities, sqm mn

![More dynamic in transactions](chart2)

Transactions in German commercial real estate, € bn

Source: Savills

Source: JLL, BNP Paribas RE
DIC: More dynamic in sales

- Transaction volume and number of deals keep growing

- Stronger sales in Q2: disposal volume of around €35 mn

- Total sales volume of €56 mn year to date

- New target: at least €80 mn transaction volume for 2010
Strong letting performance in Q2

- Conditions on letting market still tough
- Letting volume of 116,300 sqm in H1 (+53,900 sqm in Q2 against Q1) representing an annualised rent of €12.6 mn (H1 2009: €12.4 mn)
- Strong Q2: renewals of 58,900 sqm (Q1: 12,300 sqm), new lettings of 26,200 sqm (Q1: 18,900 sqm)
- Like-for-like rental income growth of 0.4% in Q2, half-year result -0.4%
- Average rent with €10.52 per sqm slightly higher than at end of Q1

Letting volume in sqm

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>65,000</td>
<td>63,400</td>
<td>49,900</td>
<td>67,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>85,100</td>
<td></td>
<td></td>
<td></td>
<td>31,200</td>
<td>85,100</td>
</tr>
</tbody>
</table>

Renewals
New lettings

Like-for-like rental income growth in %; as per 30.06.2010, compared to 31.12.2009

Core plus
Value added
Co-Inv.
Total
Total (Q2 10)

-0.2
-0.7
+0.8
-0.4
+0.4

Note: without developments
Stable portfolio quality proved

- Long lease terms, on average 5.4 years; 0.1 years higher than at the end of H1 2009
- Occupancy rate stable at 86%
- 56% long-term let
- Lease expiry for 2011 already reduced by €4.4 mn (-29%) to €11.0 mn

**Lease expiry: predominant long leases**

<table>
<thead>
<tr>
<th>Date</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015-2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.12.2009</td>
<td>8</td>
<td>12</td>
<td>13</td>
<td>10</td>
<td>6</td>
<td>51</td>
</tr>
<tr>
<td>30.06.2010</td>
<td>5</td>
<td>8</td>
<td>13</td>
<td>11</td>
<td>7</td>
<td>56</td>
</tr>
</tbody>
</table>

Notes: including break-up clauses; not including: developments, revolving contracts
## Consolidated profit and loss account

<table>
<thead>
<tr>
<th>€ mn</th>
<th>H1 10</th>
<th>H1 09</th>
<th>Δ</th>
<th>Q2 10</th>
<th>Q1 10</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rental income</td>
<td>64.1</td>
<td>67.3</td>
<td>-5%</td>
<td>32.4</td>
<td>31.7</td>
<td>+2%</td>
</tr>
<tr>
<td>Net rental income</td>
<td>58.4</td>
<td>62.7</td>
<td>-7%</td>
<td>29.4</td>
<td>29.0</td>
<td>+1%</td>
</tr>
<tr>
<td>Administr./Personnel expenses</td>
<td>-8.7</td>
<td>-8.9</td>
<td>+2%</td>
<td>-4.4</td>
<td>-4.3</td>
<td>-5%</td>
</tr>
<tr>
<td>Management fee income</td>
<td>1.5</td>
<td>1.8</td>
<td>-17%</td>
<td>0.9</td>
<td>0.6</td>
<td>+50%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-15.7</td>
<td>-15.0</td>
<td>-5%</td>
<td>-8.0</td>
<td>-7.7</td>
<td>-4%</td>
</tr>
<tr>
<td>Net other income</td>
<td>0.2</td>
<td>0.0</td>
<td>--</td>
<td>0.3</td>
<td>-0.1</td>
<td>--</td>
</tr>
<tr>
<td>Profit on property disposals</td>
<td>0.6</td>
<td>0.6</td>
<td>0%</td>
<td>0.6</td>
<td>0.0</td>
<td>--</td>
</tr>
<tr>
<td>Share of the profit of associates</td>
<td>3.6</td>
<td>1.5</td>
<td>+140%</td>
<td>1.7</td>
<td>1.9</td>
<td>-11%</td>
</tr>
<tr>
<td>Net financing cost</td>
<td>-32.9</td>
<td>-35.3</td>
<td>+7%</td>
<td>-16.6</td>
<td>-16.3</td>
<td>-2%</td>
</tr>
<tr>
<td>Tax expense</td>
<td>-0.7</td>
<td>-1.2</td>
<td>+42%</td>
<td>-0.4</td>
<td>-0.3</td>
<td>-33%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>6.3</td>
<td>6.1</td>
<td>+3%</td>
<td>3.5</td>
<td>2.8</td>
<td>+25%</td>
</tr>
<tr>
<td>Funds from Operations (FFO)</td>
<td>22.0</td>
<td>21.7</td>
<td>+1%</td>
<td>11.1</td>
<td>10.9</td>
<td>+2%</td>
</tr>
</tbody>
</table>
Funds from operations: High level is held

- Gross rental income at €64.1 mn in line with expectations; Q2 slightly above Q1 (+2%)
- Compensation through profits from associates (€3.6 mn)
- FFO at €22.0 mn, €0.3 mn more than in H1 2009; increase in Q2 compared to Q1 (+2%)
- FFO per share at €0.62, based on comparable numbers of shares before capital increase with €0.70 stable to H1 2009

<table>
<thead>
<tr>
<th>Gross rental income</th>
<th>Net rental income</th>
<th>FFO ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ mn</td>
<td>in € mn</td>
<td>in € mn</td>
</tr>
<tr>
<td>H1 09</td>
<td>H1 10</td>
<td>H1 09</td>
</tr>
<tr>
<td>67.3</td>
<td>62.7</td>
<td>21.7</td>
</tr>
<tr>
<td>H1 10</td>
<td>64.1</td>
<td>22.0</td>
</tr>
<tr>
<td>Q1 10</td>
<td>58.4</td>
<td>Q1 10</td>
</tr>
<tr>
<td>31.7</td>
<td>29.0</td>
<td>10.9</td>
</tr>
<tr>
<td>Q2 10</td>
<td>32.4</td>
<td>Q2 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11.1</td>
</tr>
</tbody>
</table>

1. FFO (Funds from Operations): Earnings before depreciation and amortisation, taxes and gains on disposals and development projects
Profit in good balance

- Decline of rental income compensated through improvements in administrative and financing costs as well as higher results from Co-Investments

- EBDA at €21.9 mn (H1 2009 €21.1 mn); Q2 €11.4 mn (+€1 mn compared to Q2)

- Results above previous year: €6.3 mn profit for the period; Q2 €3.5 mn (+25% compared to Q1)

- Profit for the period translates to €0.18 per share
Stable financing structure

- 83% of all interest expenses are fixed long-term

- €1.6 bn financial debt in total; of which only 5% mature in the next twelve months (€86 mn)

- Equity ratio at 25.2%

- Debt expiry in the next 1-2 years reduced to 6% mainly by prolonging a portfolio financing

### Balance sheet overview

<table>
<thead>
<tr>
<th></th>
<th>30.06.2010</th>
<th>31.12.2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,259.4</td>
<td>2,213.4</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,057.3</td>
<td>2,072.6</td>
</tr>
<tr>
<td>Current assets</td>
<td>202.1</td>
<td>140.8</td>
</tr>
<tr>
<td>Equity</td>
<td>569.2</td>
<td>530.7</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,582.4</td>
<td>1,605.0</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>107.8</td>
<td>77.7</td>
</tr>
<tr>
<td>Equity ratio in %</td>
<td>25.2</td>
<td>24.0</td>
</tr>
<tr>
<td>Debt ratio in %</td>
<td>74.8</td>
<td>76.0</td>
</tr>
</tbody>
</table>

### Debt maturities as of 30 June 2010

- <1 y: 5%
- 1-2 y: 6%
- 2-3 y: 31%
- 3-4 y: 9%
- 4-5 y: 26%
- >5 y: 23%
Improvements in operating and financing costs

- Personnel and administrative costs overall decrease by 2% to €8.7 mn
- Cost ratio (net of fee income) on GRI at 11.4% (Q1 2010 11.7%)
- Interest expense reduced by €2.2 mn (-6%) – average interest rate stable with 4.56%
- Interest cover ratio (NRI/interest expenses) with 162% remains on high level

Operative costs

<table>
<thead>
<tr>
<th></th>
<th>Administration</th>
<th>Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 09</td>
<td>8.9</td>
<td>8.7</td>
</tr>
<tr>
<td>H1 10</td>
<td>-35.9</td>
<td></td>
</tr>
</tbody>
</table>

Financial result

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 09</td>
<td>+2.8</td>
<td>-38.1</td>
</tr>
<tr>
<td>H1 10</td>
<td>+3.0</td>
<td>-35.9</td>
</tr>
</tbody>
</table>
Higher sales drive liquidity

- Cash flow from operating activities at € 15.4 mn, raised in Q2 compared to Q1
- Higher sales volume in Q2 leads to an increase of cash at hand
- Main source of capital inflow through capital increase in March 2010
- Cash at hand nearly doubled compared to a year ago: + € 44.6 mn to € 94.4 mn

![Cashflow from operating activities in € mn](chart1)

![Cash and cash equivalents in € mn](chart2)
Outlook for 2010

- Stable **occupancy rate** between 86-87%
- **Spezialfonds**: placing at advanced stage
- **Stronger disposal performance**: target now €80 mn +
- Increased **FFO target** of €41-43 mn for 2010
Contact

If you have further questions, please don’t hesitate to ask us.

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