



DIC · ASSET  
AKTIENGESELLSCHAFT

Q3 Update Call

– 9 November 2010 –

## Highlights

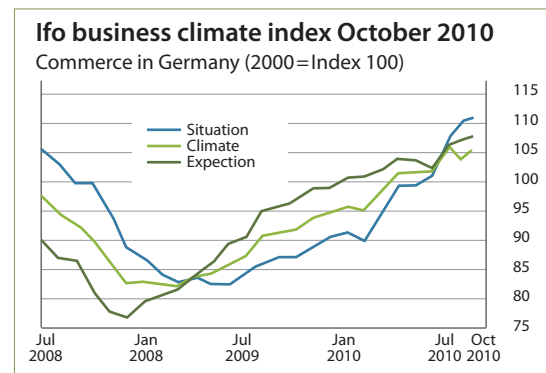
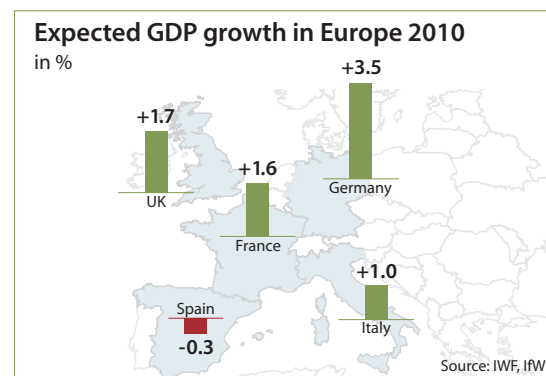
- FFO stable at € 33 mn, each quarter at around € 11 mn – slight increase in Q3
- Strong letting result: 193,900 sqm (9M 2009: 178,300 sqm)
- Sales picking up: disposals already at € 107 mn ytd
- Fund „DIC Office Balance I“ in place – new business segment successfully established
- Financial and Balance sheet structure improved – several refinancings realised ahead of time



Fund property in Munich

## Strong performance of Germany's economy

- German GDP projection raised once more, now 3.5% growth expected
- Germany expected to be above average European growth rates in 2011
- Ifo index even more friendly in October
- Producing industry driven by high demand: +11% from January to August 2010
- Economic growth improves labour market: unemployment rate now at 7.0% (10/2009: 7.7%)
- For the first time in 18 years unemployment figure below 3-million-threshold

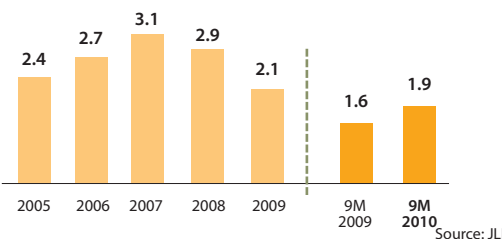


## German real estate sector with positive signs

- Property sector will benefit from improving economy with time lag
- Letting markets turning more positive: volume +17% against previous 9M
- Peak rents stable, vacancy rates slightly increased
- € 13 bn moved in transactions until September 2010, around €18-20 mn expected for full year
- Investment in core and retail segments raising strongly, but interest in other segments to expect

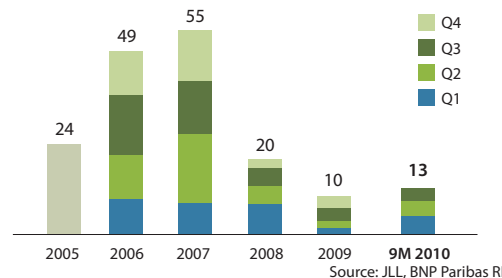
### Lettings found bottom

Office letting volume in major German cities, sqm mn



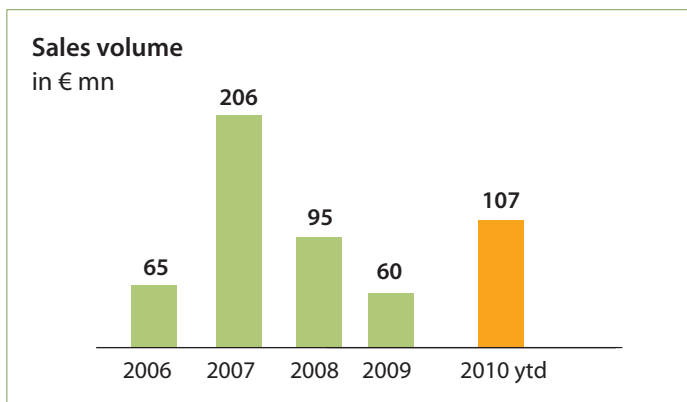
### More dynamic in transactions

Transactions in German commercial real estate, € bn



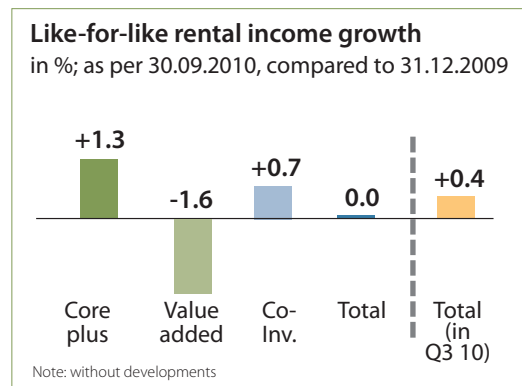
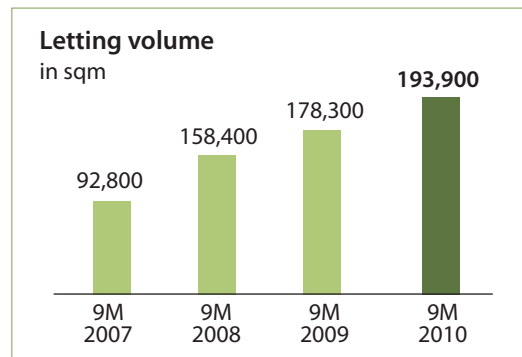
## Sales accelerating

- Faster pace in deals, higher transaction volume
- Total disposal volume of € 107 mn ytd
- Above market respectively book values – strong portfolio quality
- Further transactions in negotiations



## Letting power in difficult market

- Conditions on letting market start to improve slightly
- Despite still tough conditions: strong letting volume of 193,900 sqm (+15,400 sqm to 9M 2009), representing an annualised rent of € 20 mn (+17%)
- Increase of renewals to 115,300 sqm (99,800 sqm in 9M 2009), new lettings with 78,600 sqm in line with previous year
- Increase in like-for-like rental income in Q3 2010 +0.4%, stable for 9M 2010 – reduction of Q1 is fully compensated

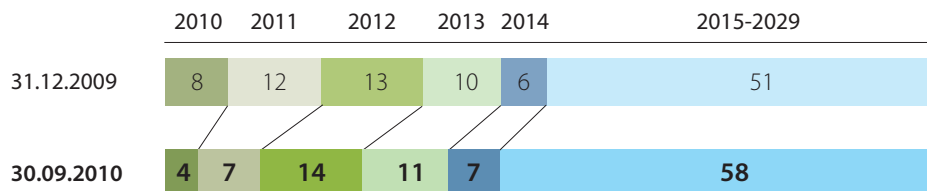


## Portfolio continuously improved

- Long lease terms, on average 5.3 years
- Occupancy rate stable at 86%
- Lease expiry for 2011 reduced by € 6.3 mn (-41%) to € 9.1 mn
- Average rent with € 10.58 per sqm slightly higher than at end of 9M 2009 (10.41 € per sqm)

### Lease expiry: predominant long leases

Distribution of rental income by lease expiry, in %



Note including break-up clauses; not including: developments, revolving contracts

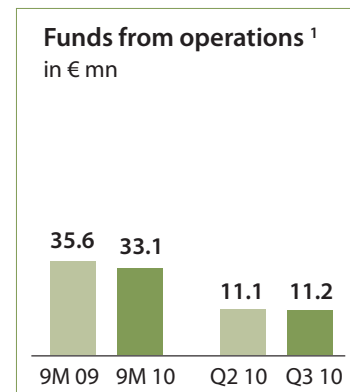
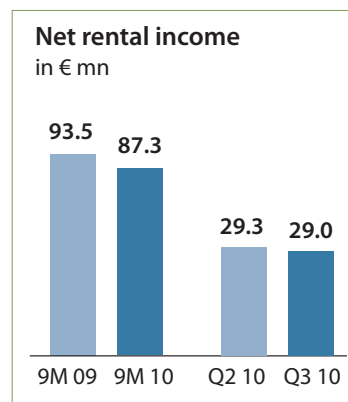
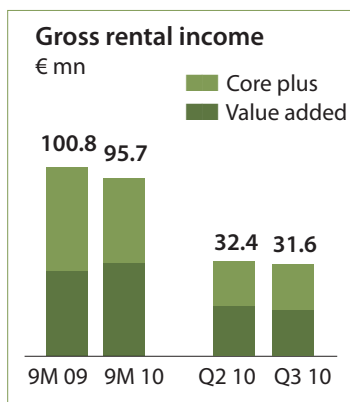
## Consolidated profit and loss account

€ mn	9M 10	9M 09	Δ	Q3 10	Q2 10	Δ
<b>Gross rental income</b>	<b>95.7</b>	<b>100.8</b>	-5%	<b>31.6</b>	<b>32.4</b>	-2%
Net rental income	87.3	93.5	-7%	29.0	29.3	-1%
Administr./Personnel expenses	-13.0	-13.6	+4%	-4.3	-4.5	+4%
Management fee income	2.4	2.6	-8%	0.9	0.8	+13%
Depreciation	-23.6	-22.7	-4%	-7.9	-7.9	+0%
Net other income	0.3	0.1	--	0.0	0.3	--
Profit on property disposals	1.0	0.9	+11%	0.4	0.6	-33%
Share of the profit of associates	5.6	5.1	+10%	2.1	1.7	+24%
Net financing cost	-49.4	-52.1	+5%	-16.5	-16.6	+0%
Tax expense	-1.1	-2.4	+54%	-0.4	-0.4	+0%
<b>Profit for the period</b>	<b>9.5</b>	<b>11.5</b>	-17%	<b>3.3</b>	<b>3.5</b>	-6%
Funds from Operations (FFO)	33.1	35.6	-7%	11.2	11.1	+1%



## Funds from operations stable in all quarters

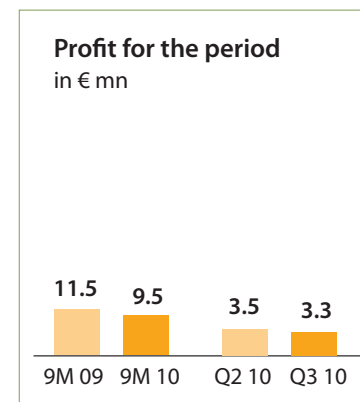
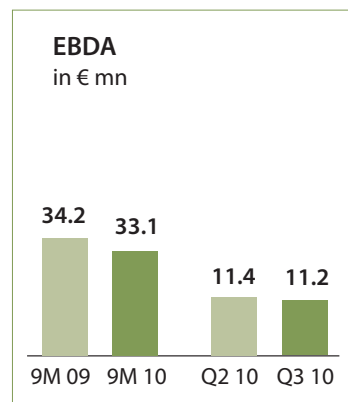
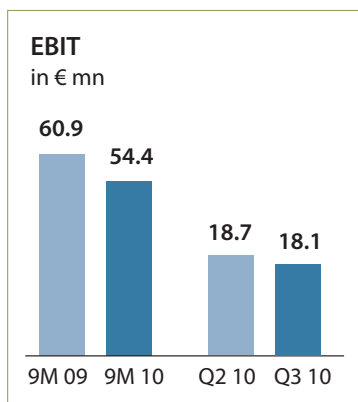
- Gross rental income at € 95.7 mn (-5%) in line with expectations
- Profits from associates increased to € 5.6 mn (+10%)
- FFO at € 33.1 mn, Q3 with slight increase against Q2 – despite reduction of gross rental income
- FFO per share at € 0.91



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

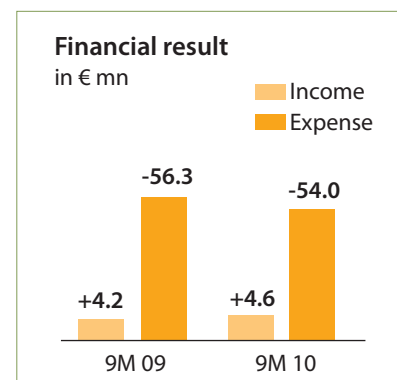
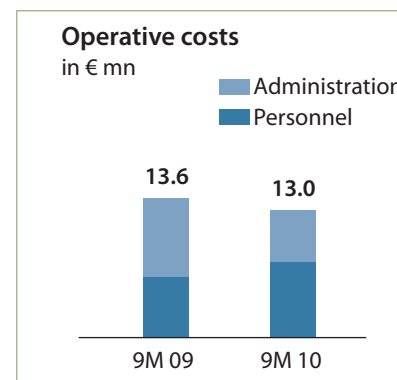
## Profit on solid level

- Decline of rental income widely compensated through cost improvements and reduced interest expenses
- EBDA at € 33.1 mn (9M 2009 € 34.2 mn); Q3 nearly stable compared to Q2
- € 9.5 mn profit for the period
- Profit for the period translates to € 0.26 per share



## Improvements in operating and financing costs

- Personnel and administrative costs decreased by 4% to € 13.0 mn
- Cost ratio (net of fee income) on GRI at 11.1% (9M 2009 10.9 %)
- 4% reduction of interest expense (€ 2.3 mn) to € 54.0 mn
- Interest cover ratio (NRI/interest expenses) with 162% on high level



## Stable financing and balance sheet structure

- 83% of all interest expenses are fixed long-term
- € 1.6 bn financial debt in total; of which only 3% mature in the next twelve months (€ 40 mn)
- Average interest rate at 4.50% (9M 2009: 4.65%)
- Equity ratio at 25.2% in Q3 2010 (more than 27% after fund placement in October)
- Prolongation of two portfolio financings in Q3 finalised (around € 85 mn in total), additional refinancing of € 104 mn realised in October 2010

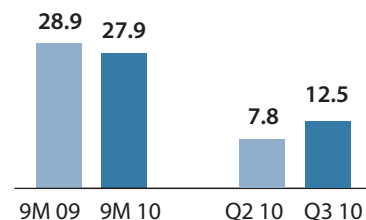
### Balance sheet overview

€ mn	30.09.2010	31.12.2009
Total assets	2,231.4	2,213.4
Non-current assets	2,051.1	2,072.6
Current assets	180.3	140.8
Equity	562.1	530.7
Non-current liabilities	1,607.4	1,605.0
Current liabilities	62.0	77.7
Equity ratio in %	25.2	24.0
Debt ratio in %	74.8	76.0

## Cashflow: More cash at hand

- Cash flow from operating activities at € 27.9 mn (previous year € 28.9 mn)
- Raise in Q3 of + € 4.7 mn compared to Q2 to € 12.5 mn
- Dividend of € 11.8 mn payed in July
- Cash at hand: € 77.7 mn (9M 2009: € 40.2 mn)

Cashflow from operating activities  
in € mn



## First fund in place since October

- Fund structure with first closing established
- More than 75% of equity placed – further investors lined up
- Five core properties with 85,000 sqm transferred and operations started
- New group of institutional investors won with high potential for DIC
- Co-Investment of DIC Asset with 20%

### DIC Office Balance I – key data

Properties:	5 (4 office, 1 retail)
Locations	Berlin, Düsseldorf, Mannheim, Munich, Wiesbaden
Lettable space	85,000 sqm
Vacancy rate	3.5%
Usage focus	Office (>80%)

Initial portfolio volume	€ 211 mn
Debt ratio	up to 50%

Initial rent	€ 13.8 mn p.a.
Ø Lease term	5.9 years
Investors	Pension funds, foundations, insurances, family offices



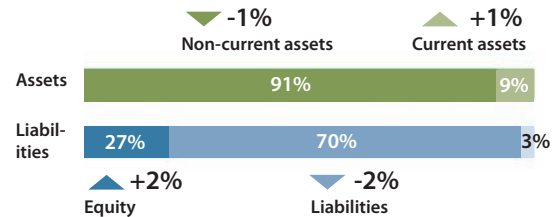
Fund properties in Berlin (left) and Wiesbaden (right)

## ... positive financial effects

- Equity ratio rises about 2%-points to more than 27%
- Reduction of debt by € 170 mn
- Portfolio financing (€ 104 mn) of remaining residual properties extended until end of 2017
- Financial structure improved in absolute and relative terms: short and mid-term liabilities (<3 years) reduced by 37% (€ 240 mn)
- Additional steady source of income: dividend payments and fees for asset and property management

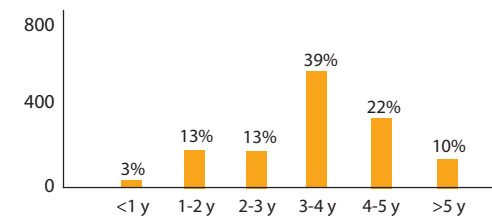
### Effects on balance sheet structure

as of 30 September 2010, including effects of fund placement



### Debt maturities

€ mn, as of 30 September 2010, including effects of fund placement



## Outlook



- **Stable operative business and occupancy rate**
- **Stronger disposal performance: further deals in negotiations**
- **FFO target of € 41- 43 mn for 2010 confirmed**



# Contact

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

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