UPDATE CALL PRESENTATION

NINE MONTHS
RESULTS 2011

15 NOVEMBER 2011
HIGHLIGHTS
In front of all targets 2011

- **Strong FFO** with € 29.8 mn; based on achieved results and realised acquisitions, FFO target 2011 confirmed

- **Profit for the period** at € 8.1 mn

- Vacancy reduction is proceeding, year-end target of **vacancy rate** at around 13% will be achieved

- Acquisition target already realised – volume of € 280 mn ytd with **FFO contribution** of around € 8 mn p.a.

- **Sales target in sight**: already € 57 mn disposal volume realised ytd

- **Financial stability and flexibility** with high level of cash at hand (around € 118 mn)
Stronger German real estate market

Lettings

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lettings in sqm mn</td>
<td>2.9</td>
<td>2.1</td>
<td>2.7</td>
</tr>
<tr>
<td>9M 10</td>
<td>2.1</td>
<td>2.5</td>
<td>+19%</td>
</tr>
<tr>
<td>9M 11</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Major German office locations, Source: JLL

Transaction volume

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn</td>
<td>20</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>9M 10</td>
<td>13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M 11</td>
<td>17.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+27%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

German commercial real estate, Source: JLL

- German GDP growth of 2.6% expected, strong job market conditions; Germany still outperforming Europe
- Letting result of 2.5 mn sqm (+19%) – more small/medium-sized lettings
- Lower vacancy rates in average, rents are picking up – even in less volatile regional locations
- Transaction volume increased to € 17.2 bn – core properties still investment case nr. 1
- Weaker economic growth 2012 expected; yet no negative signs in the real estate market
PORTFOLIO

Strong letting results supported by more new lettings

- **Letting volume** of 201,800 sqm, around 4% more than 2010
- **Increase in new lettings**: +10% to 86,300 sqm
- **Renewals stable** on high level with 115,500 sqm
- **Remarkable new lettings** in Q3: City of Heilbronn (3,300 sqm), Security system company in Munich region (1,900 sqm)
- **Bigger renewals**: Landesbank Berlin (13,800 sqm), EOS Deutschland in Hamburg (5,000 sqm)
PORTFOLIO
Letting results improving the portfolio quality

- **Vacancy rate down to 13.5%** by 0.8 percentage points due to good letting results (Q4 2010: 14.3%)
- Including rental contracts already signed, **vacancy rate target** of around 13% will be achieved
- **Like-for-like rental income grown** by **+0.7%** (9M 2010: 0.0%); Q3 shows increase of like-for-like rental income of **+0.6%**
- **2011 like-for-like rental income** expected to grow **by over 1%**
- **Average lease term** stable at 5.4 years

**Like-for-like rental income growth** in %

<table>
<thead>
<tr>
<th></th>
<th>Q1 10</th>
<th>Q1 11</th>
<th>Q2 10</th>
<th>Q2 11</th>
<th>Q3 10</th>
<th>Q3 11</th>
<th>9M 10</th>
<th>9M 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>-0.8</td>
<td>-0.4</td>
<td>+0.4</td>
<td>+0.5</td>
<td>+0.4</td>
<td>+0.6</td>
<td>+0.7</td>
<td></td>
</tr>
</tbody>
</table>

Note: without developments
Lease expiries clearly improved

Lease expiries
in %

31.12.2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease</td>
<td>6.5</td>
<td>16.5</td>
<td>9.3</td>
<td>7.5</td>
<td>10.2</td>
<td>50.0</td>
</tr>
</tbody>
</table>

30.09.2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 ff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease</td>
<td>1.4</td>
<td>11.6</td>
<td>9.4</td>
<td>8.7</td>
<td>11.4</td>
<td>57.5</td>
</tr>
</tbody>
</table>

Note: Distribution of annual rental income by lease expiry

- Lease expiries against year-end 2010: for 2011 reduced by 5.1 percentage points to only 1.4%
- For 2012 expiries already significantly lowered by 4.9 percentage points to 11.6%
- 57.5% of annualised rent with expiry after 2016
ACQUISITIONS
Target volume 2011 already achieved

- Acquisition volume adds up to € 280 mn; target 2011 already achieved

- Two prime office properties in Karlsruhe and Leipzig with approximately 40,000 sqm for special fund „DIC Office Balance I“

- Retail property „Marktforum“ in Duisburg with key tenant EDEKA and 10,000 sqm rental space

- Take-over of 50% stake in three previous joint ventures – attractive portfolio of currently 22 properties in the segments Core plus and Value added with market value of € 190 mn
ACQUISITIONS
Transaction details of joint venture take-over

- **Complete takeover** of three 50/50 joint ventures previously held with funds from Morgan Stanley Real Estate via cost-efficient share deal

- **Additional cash flow** and **simplification of portfolio and asset management structures** in segments Core plus and Value added

- **Diversified tenant structure** with average term of 5.6 years and occupancy rate at around 90%

- **Ongoing debt financing** with average interest rate of 3.2% and Ltv of 70%

- **FFO accretion** annualised at around € 3.5 mn, contribution for Q4 2011 amounts to € 0.9 mn
## ACQUISITIONS

### Overview of deals 2011

<table>
<thead>
<tr>
<th></th>
<th>Retail properties</th>
<th>Office properties</th>
<th>Marktforum Duisburg</th>
<th>Former joint ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 2011</td>
<td>for DIC Office Balance I</td>
<td>September 2011</td>
<td>October 2011</td>
</tr>
<tr>
<td><strong>Number of properties</strong></td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Bremen, Chemnitz</td>
<td>Karlsruhe, Leipzig</td>
<td>Duisburg</td>
<td>Berlin, Frankfurt</td>
</tr>
<tr>
<td><strong>Volume (€ mn)</strong></td>
<td>108</td>
<td>62</td>
<td>16</td>
<td>190</td>
</tr>
<tr>
<td><strong>Rental space (sqm)</strong></td>
<td>49,000</td>
<td>40,000</td>
<td>10,000</td>
<td>90,000</td>
</tr>
<tr>
<td><strong>Vacancy rate</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Weighted average lease term (years)</strong></td>
<td>11</td>
<td>8</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td><strong>Rental income p.a. (€ mn)</strong></td>
<td>7.3</td>
<td>——*</td>
<td>1.2</td>
<td>14.0</td>
</tr>
<tr>
<td><strong>Gross initial yield</strong></td>
<td>7.0%</td>
<td>——*</td>
<td>8.0%</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>FFO impact p.a. (€ mn)</strong></td>
<td>3.0</td>
<td>0.7</td>
<td>0.7</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Note: all numbers approximately, according to current status
* Not disclosed due to confidential agreement with seller
Risk diversification through 5-6 separated and different construction phases

Investment volumes starting with € 50 mn

First subproject sold via forward deal; construction work has begun

At least one further construction phase to start in 2012

Start of marketing for residential subprojects (Patio and Palazzi) in 2012

Separate financing for each subproject

No speculative construction; subprojects start when sufficient pre-letting rate of minimum 30% has been achieved
## RESULTS

**Overview of consolidated profit and loss account**

<table>
<thead>
<tr>
<th>€ mn</th>
<th>9M 2011</th>
<th>9M 2010</th>
<th>Q3 2011</th>
<th>Q2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rental income</td>
<td>85.8</td>
<td>95.7</td>
<td>-10%</td>
<td>29.3</td>
</tr>
<tr>
<td>Net rental income</td>
<td>78.8</td>
<td>87.3</td>
<td>-10%</td>
<td>26.6</td>
</tr>
<tr>
<td>Administr./Personnel expenses</td>
<td>-13.3</td>
<td>-13.0</td>
<td>-2%</td>
<td>-4.2</td>
</tr>
<tr>
<td>Management fee income</td>
<td>3.6</td>
<td>2.4</td>
<td>+50%</td>
<td>1.3</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-21.5</td>
<td>-23.6</td>
<td>+9%</td>
<td>-7.4</td>
</tr>
<tr>
<td>Net other income</td>
<td>0.2</td>
<td>0.3</td>
<td>-33%</td>
<td>0.3</td>
</tr>
<tr>
<td>Profit on property disposals</td>
<td>0.6</td>
<td>1.0</td>
<td>-40%</td>
<td>0.0</td>
</tr>
<tr>
<td>Share of the profit of associates</td>
<td>1.6</td>
<td>5.6</td>
<td>-71%</td>
<td>0.7</td>
</tr>
<tr>
<td>Net financing cost</td>
<td>-41.0</td>
<td>-49.4</td>
<td>+17%</td>
<td>-14.9</td>
</tr>
<tr>
<td>Tax expense</td>
<td>-0.8</td>
<td>-1.1</td>
<td>+27%</td>
<td>-0.4</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td><strong>8.1</strong></td>
<td><strong>9.5</strong></td>
<td><strong>-15%</strong></td>
<td><strong>1.9</strong></td>
</tr>
<tr>
<td>FFO</td>
<td>29.8</td>
<td>33.1</td>
<td>-10%</td>
<td>9.7</td>
</tr>
</tbody>
</table>
**REVENUES**

Acquisitions improve rental income basis

- **Gross rental income** as planned at € 85.8 mn (9M 2010: € 95.7 mn); still due to significant portfolio reduction last year

- **Positive trend in Q3**: due to first impacts from acquisitions, GRI increase to € 29.3; further increase in Q4 expected

- **Net rental income** follows GRI with -10% at € 78.8 mn (9M 2010: € 87.3 mn)

- **Total revenues** at € 111.1 mn (9M 2010: € 135.9 mn), reduction mainly due to lower sales volume (-€ 14 mn)
Personnel and administrative cost slightly up by €0.3 mn (+2%) to €13.3 mn; Q3 below Q2

Management fee income increased by €1.2 mn to €3.6 mn (+50%) – 25% of operating costs covered

Ratio of personnel and administrative expenses (reduced by management fee income) to gross rental income with 11.4% in target range

In Q3 2011, operating cost ratio with 10.2% at the lower end of target range
Interest result for 9M 2011 clearly below previous year

- Interest result in 9M 2011 significantly reduced by € 8.4 mn (-17%) to -€ 41.0 mn
- Interest expense in Q3 2011 rose to € 16.9 mn (-9%) compared to Q2 mainly due to bond issue (€ 0.6 mn)
- Interest cover ratio (NRI/interest expenses) improved to 169% (9M 2010: 162%)
RESULTS
Earnings in line with our plans, segments stronger

- **FFO** at € 29.8 mn (-€ 3.3 mn) in line with target 2011

- Decrease in profits from associates (-€ 4.0 mn) **overcompensated** by increase in direct investments

- Proceeds from **property disposals** at € 9.3 mn (9M 2010: € 23.2 mn) – profit 2010 (€ 0.6 mn) with higher margin

- **Profit for the period** at € 8.1 mn (- € 1.4 mn) – decrease in income from opportunistic Co-Investments and disposals nearly compensated through higher operating efficiency

- **FFO per share** at € 0.68 and earnings per share at € 0.18
### BALANCE SHEET

#### Overview

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>2,134.0</td>
<td>2,050.0</td>
<td>+4%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,890.3</td>
<td>1,803.1</td>
<td>+5%</td>
</tr>
<tr>
<td>Current assets</td>
<td>243.7</td>
<td>246.8</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>622.7</td>
<td>587.1</td>
<td>+6%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,304.4</td>
<td>1,307.4</td>
<td>0%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>206.9</td>
<td>155.5</td>
<td>+33%</td>
</tr>
<tr>
<td><strong>Equity ratio in %</strong></td>
<td>29.2</td>
<td>28.6</td>
<td>-0.6</td>
</tr>
<tr>
<td><strong>Debt ratio in %</strong></td>
<td>70.8</td>
<td>71.4</td>
<td>+0.6</td>
</tr>
</tbody>
</table>
**BalanCe sHeet**

**Stable financial fundament**

**Debt maturities**
as of 30 September 2011

- 10% > 5 years
- 7% 4-5 years
- 23% 3-4 years
- > 1 year 13%
- 1-2 years 11%
- 2-3 years 35%

- **Equity ratio** 29.2% (31.12.2010: 28.6%)
- Equity ratio reduced compared to Q2 because of dividend payments and increase of negative hedging reserve
- **Financial debt nearly stable** at € 1,415.8 mn compared to Q2
- **Average debt maturities** of 3.4 years, only 13% debt expiries with several smaller financings in the next 12 months
- 84% of all interest expenses are **fixed long-term** (31.12.2010: 81%)
- **Average interest rate** at 4.45% improved from 4.50% (9M 2010)
Cash and cash equivalents
in € mn

Cash Flow
Substantial amount of cash at hand

Cash generated from operations at € 71.8 mn, below previous year due to smaller portfolio (9M 2010: € 79.4 mn)

Cash flow from operating activities increased by € 4.2 mn (+15%) to € 32.1 mn – mainly due to optimised financing costs

Cash flow for investments of € 105 mn mainly for acquisitions

Cash flow from financing of € 73 mn through capital increase and bond issue as well as new loans

€ 117.8 mn cash and cash equivalents (+52%) at hand
OUTLOOK
Promising prospects for the last quarter

- Well on track for all targets 2011
- Reduction of vacancy rate by 1 percentage point to around 13%
- Rental income at higher end of range with €112-115 mn
- Like-for-like rental income growth 2011 plus 1-1.5%
- FFO between €40-42 mn for full year
- Sales volume of around €80-100 mn
- With high level of cash at hand well prepared for further selective opportunities and financial flexibility
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