



UPDATE CALL PRESENTATION

FULL YEAR RESULTS 2013

18 March 2014



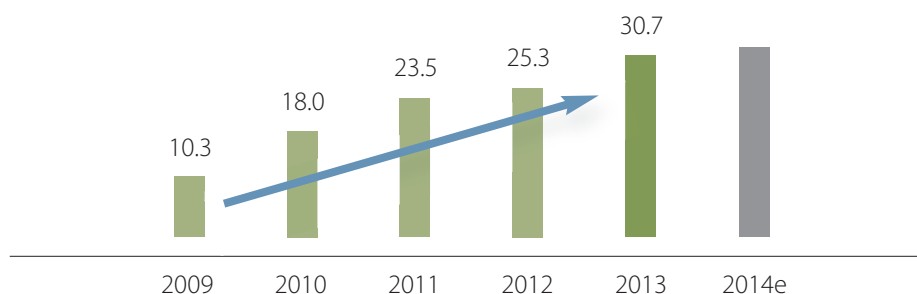
SUMMARY



- FFO up to € 45.9 mn
- Dividend proposal of € 0.35 per share
- Stable property values, NAV per share at € 12.58
- Strong growth of **fund business**
- **Loan to value** reduced to 66.9%
- **Outlook 2014:** ongoing work on targets of roadmap, further FFO growth and reduction of LTV

GERMAN COMMERCIAL REAL ESTATE MARKET

Transaction volume in EUR billion



- **MIPIM market impressions:**
 - Positive market sentiment
 - Strong focus on German real estate
 - High demand and liquidity for investment market

- German **GDP growth** 2013 at 0.4%, expectations for 2014 at 1.7%

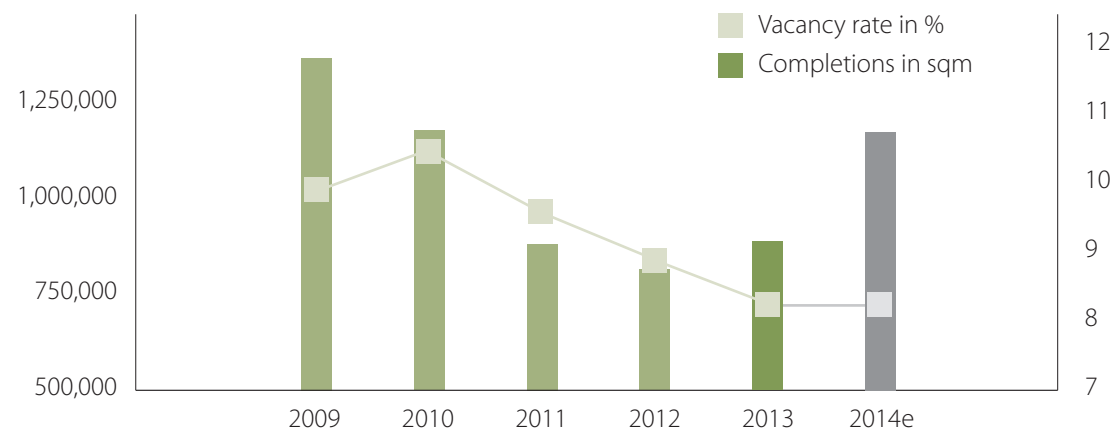
- **Letting results** on high level: Big 7 slightly lower at 2.9 mn sqm

- **Vacancy rates** across BIG 7 with 8.3% at lowest rate since 2002

- **Investment volume** increased to € 31 bn (+21%)

- High letting and transaction results expected for 2014

Completions and vacancy in BIG 7



Source: Jones Lang LaSalle

PORTFOLIO QUALITY IMPROVED

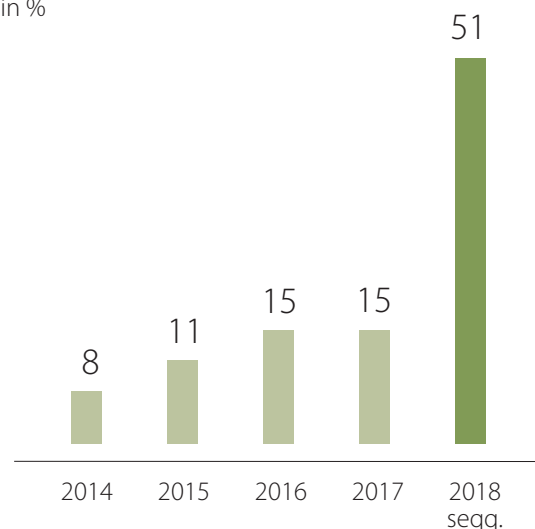
Vacancy rate

in %



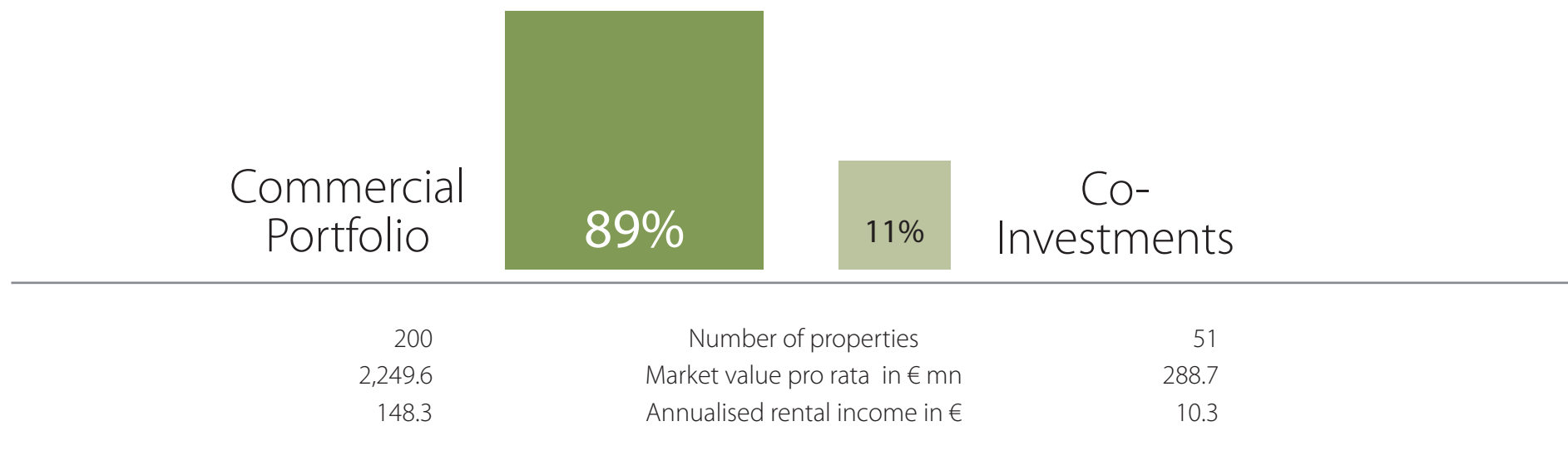
Lease maturities

in %



- With letting volume of 176,000 sqm, **vacancy rate** was lowered to 10.7%, including portfolio acquisition (2012: 10.9%)
- Reduction of vacancy rate by 3.6 pp since peak in 2010
- **Like-for-like rental income** +0.2% in 2013, stronger second half (+0.4 and +0.5%) compensated first quarter (-0.9%)
- **Maturity structure improved** in 2013:
 - Expiries from 2018 up to 51%
 - Expiries in 2014 already reduced from 11% to 8%
- Average **lease term** stable at around 5 years

PORTFOLIO INVESTMENT SPECTRUM



Commercial Portfolio

- High rental yields and stable rental income from investment properties
- Preserving values and taking advantage of value creation
- Mid to long-term investment horizon
- Selective disposals at appropriate time

Funds

- Core properties in major cities and regional centres
- Steady income from investments and services
- Using access to German institutional real estate investors

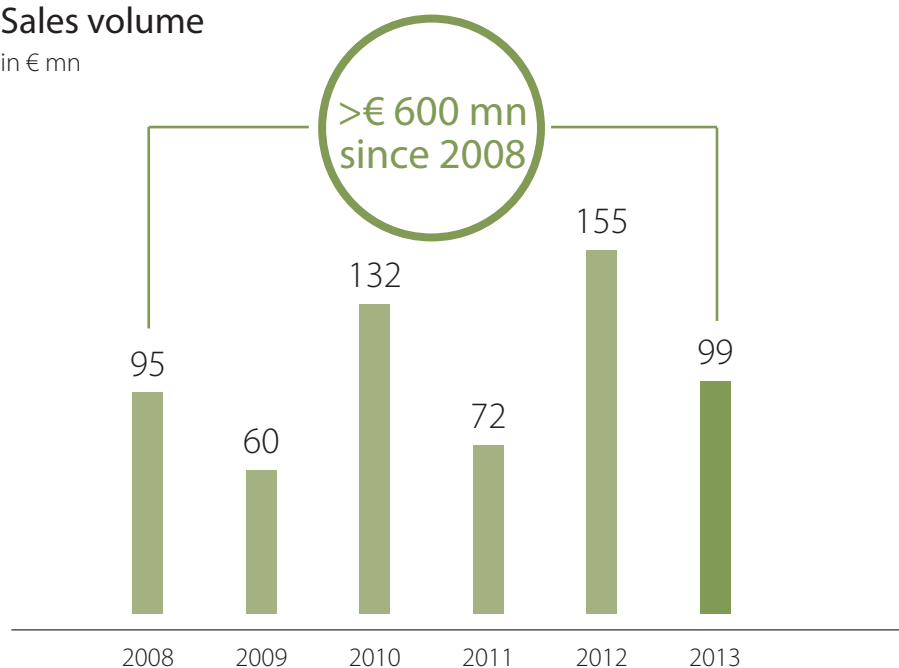
Developments

- Investments with potential for value creation and new positioning
- Upside potential in developments and refurbishments arising from existing properties
- Lower exposure of developments going forward

PROFITABLE SALES

Sales volume

in € mn



- **Integral part** of DIC Asset's business strategy for
 - Diversification and optimisation of portfolio structure
 - Debt reduction and cash release
 - Realising profits

- **Disposals** of more than € 600 mn **since 2008** (excluding transfer to office fund) – on average, transactions realised well above market values

- **Sales volume 2013** at € 99 mn, purchase prices around 6% above latest market values

- **Sales profits** doubled with € 7.6 mn (2012: € 3.8 mn)

FUND BUSINESS WITH SIGNIFICANT FFO CONTRIBUTION



Office building
„Stadttor Heidelberg“



Retail property in
Trier

- Highly **increased FFO contribution** of € 6.5 mn
(2012: € 4.0 mn)
- **Fund acquisition volume** 2013 at € 119 mn (six properties)
- Additional annual FFO contribution of c. € 1.5 mn
from acquisitions 2013
- **Investment volume** already at € 525 mn,
around 75% of target volume

MAINTOR - THE RIVERSIDE FINANCIAL DISTRICT



Current MainTor site under construction

- DIC Asset AG as **Co-Investor** with 40% stake
- Marketing and construction progressing well, **five of six subprojects sold** and under construction
- Marketing and major letting activities of last subproject „**WINX – The Riverside Tower**“ started
- Further **marketing progress**:
 - Sale of „**MainTor Porta**“ for € 155 mn to Union Investment Real Estate fund in December 2013
 - 92% of „**MainTor Palazzi**“ condominiums already sold

FINANCIAL HIGHLIGHTS



- **FFO increased** to € 45.9 mn (+2%, 2012: € 44.9 mn)
- Numerous long-term **financing** of € 960 mn arranged in 2013
- **Average debt maturity** significantly higher at 4.5 years (2012: 3.2 years)
- **Net debt equity ratio** increased to 32.6% compared to end of 2012 (31.6%)
- **Loan to value** decreased to 66.9% (2012: 68.1%)
- **Average interest rate** stable at low level with 4.1%
- **Interest Cover Ratio** increased to 179%

PROFIT AND LOSS ACCOUNT

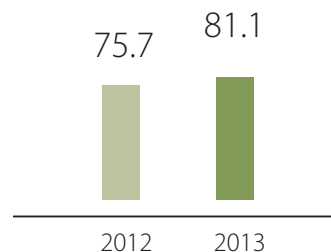
€ mn	2013	2012	Δ
Gross rental income	125.2	126.5	-1%
Net rental income	112.3	113.2	-1%
Administr./Personnel expenses	-22.2	-21.0	+6%
Management fee income	6.5	5.7	+14%
Depreciation	-35.4	-33.5	+6%
Net other income	0.6	0.3	+100%
Profit on property disposals	7.6	3.8	+100%
Share of the profit of associates	1.6	1.8	-11%
Net financing result	-53.0	-56.2	-6%
Tax expense	-2.0	-2.3	-13%
Profit for the period	16.0	11.8	+36%
FFO	45.9	44.9	+2%

HIGHER INCOME

Gross rental income
in € mn



Sales proceeds
in € mn



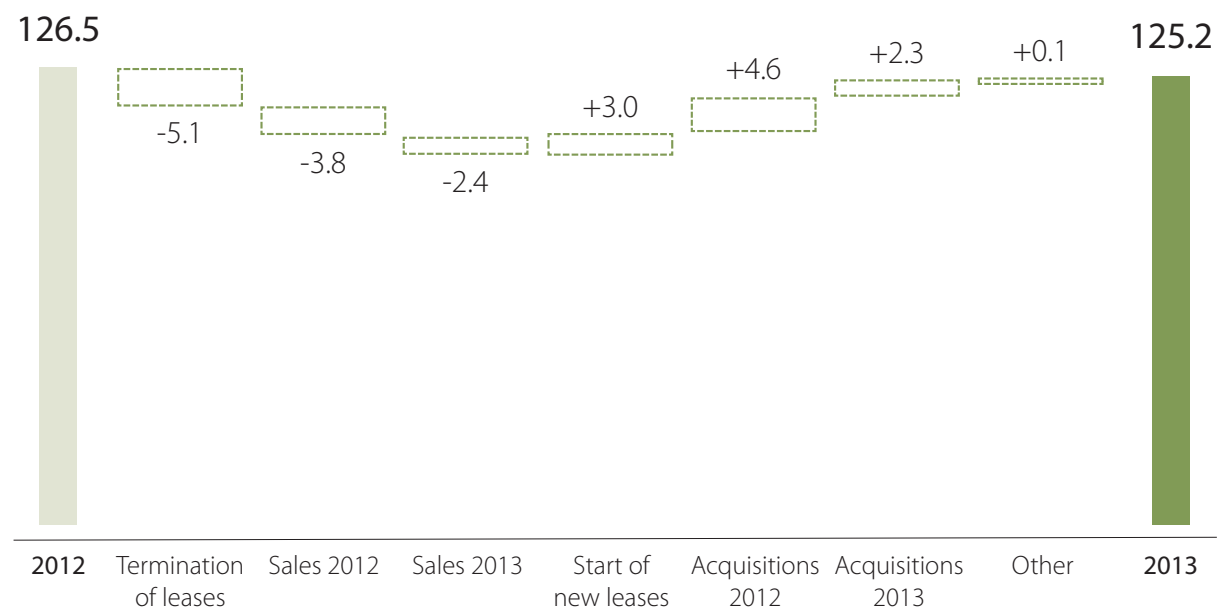
Total income
in € mn



- **Gross rental income** stable at high level with € 125.2 mn (2012: € 126.5 mn) thanks to portfolio acquisition compensating disposals
- **Higher sales proceeds** with € 81.1 mn, strong **sales profits** of € 7.6 mn (2012: € 3.8 mn)
- **Total income increased** to € 236.1 mn, following higher sales volume and service fee income

RENTAL INCOME STABLE

Gross rental income bridge in € mn

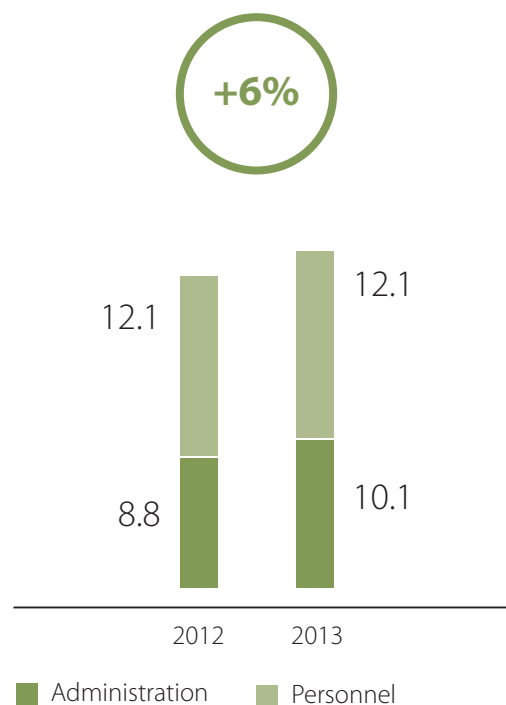


- Gross rental income stable at € 125.2 mn
- Effect from acquisitions exceeding effect from disposals
- Portfolio acquisition effective only one month in 2013

COST STRUCTURE AT TARGET

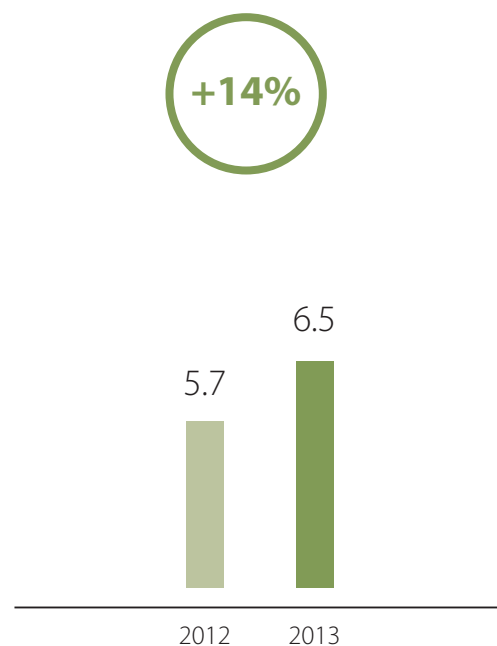
Operating costs

in € mn



Management fee income

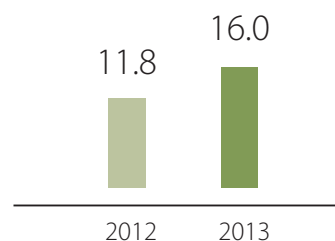
in € mn



- **Personnel and administrative costs** at € 22.2 mn, mostly driven by higher administrative costs in accordance with financing activities and intensified marketing efforts
- **Management fee income** raised due to expanding fund business to € 6.5 mn
- **29% of operating costs** covered by management fee income (2012: 27%)
- **Cost ratio** at 12.6% in line with expectations

EARNING GROWTH

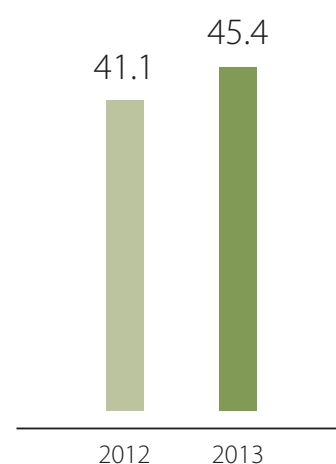
Profit for the period
in € mn



FFO
in € mn



EPRA earnings
in € mn



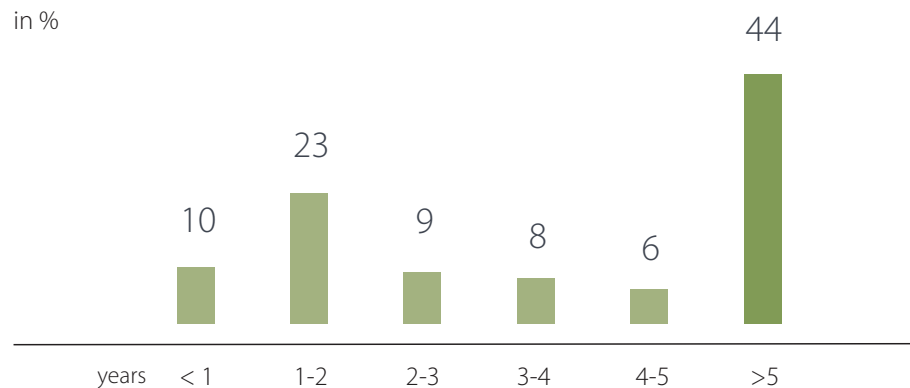
- **Profit for the period** strongly increased (+36%) due to increased FFO and higher profit on disposals
- **FFO** up to € 45.9 mn (+2 %) based on improved net financial result and higher management fee income
- **FFO per share** at € 0.94* (2012: € 0.95)
- **EPRA earnings per share** at € 0.93* (2012: € 0.89)

* based on average number of shares of 48,991,351

MAJOR FINANCIAL UPLIFT

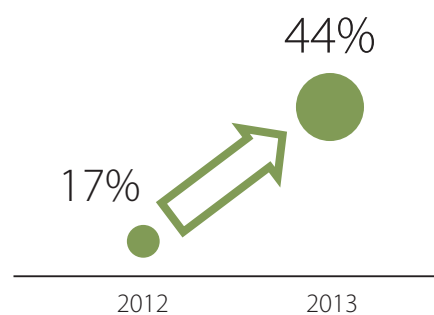
Debt maturities

in %



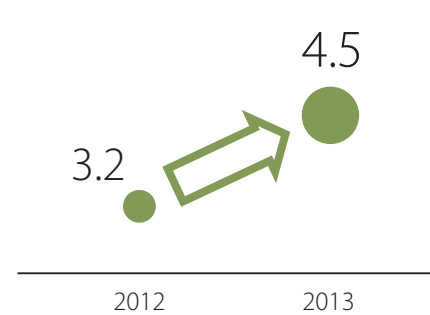
Debt maturities > 5 years

in %



Average debt maturity

in years

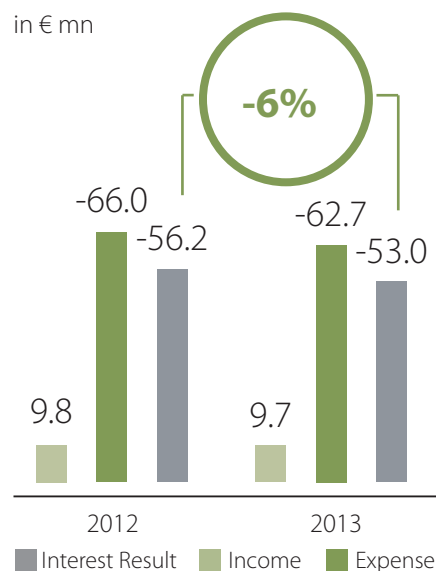


- Long-term **refinancing of € 960 mn** arranged in 2013
- **Average debt maturities** increased significantly to 4.5 years (31.12.2012: 3.2 years)
- **Loan to value** reduced to 66.9% (31.12.2012: 68.1%)
- **Net debt equity ratio increased** to 32.6% (31.12.2012: 31.6%)
- Lower **refinancing volume** in 2014 with around € 130 mn (four different loans, as per end of 2013)

NET FINANCING RESULT ENHANCED

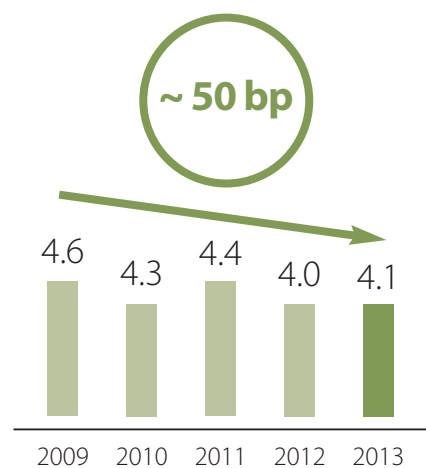
Interest result

in € mn



Interest rate

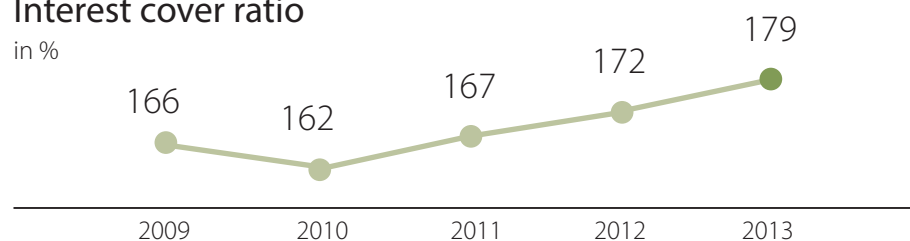
average, in %



- **Interest result** improved 6% to - € 53.0mn (2012: - € 56.2 mn)
- **Average interest rate** at ongoing low level of 4.1% (2012: 4.0%)
- **Interest cover ratio** (NRI/interest expense) increased to 179%
- Around 95% of debt is **long-term hedged** against interest rate fluctuations (2012: 81%)

Interest cover ratio

in %



FFO RECONCILIATION

€ mn	2013	2012	Δ
Net rental income	112.3	113.2	-1%
Administrative expenses	-10.1	-8.8	+15%
Personnel expenses	-12.1	-12.1	0%
Result of other operating income/expenses	0.4	0.3	+33%
Management fee income	6.5	5.7	+14%
Share of the profit from associates *	1.9	2.8	-32%
Interest result	-53.0	-56.2	+6%
Funds from operations	45.9	44.9	+2%
FFO per share in € **	0.94	0.95	-1%

■ **FFO contribution** excluding results from developments and profit from sales in Co-Investments

■ **FFO increase** driven by higher management fee income and better interest result

■ **FFO per share** at € 0.94 (2012: € 0.95)

* excluding sales and developments of Co-Investment segment

** based on new average number of shares in accordance with IFRS

BALANCE SHEET OVERVIEW

€ mn	31.12.2013	31.12.2012
Total assets	2,596.0	2,210.2
Total non-current assets	2,506.0	1,959.9
Total current assets	90.0	250.3
Total equity	793.1	614.3
Total non-current liabilities	1,608.3	1,402.0
Total current liabilities	194.6	193.8
Total liabilities	1,802.9	1,595.9
Balance sheet equity ratio	30.6%	27.8%
Net debt equity ratio *	32.6%	31.6%
Loan to value **	66.9%	68.1%

- Increase of **total assets** following portfolio acquisition
- **Total equity** plus 29% after capital increase
- Equity ratio and LTV improved

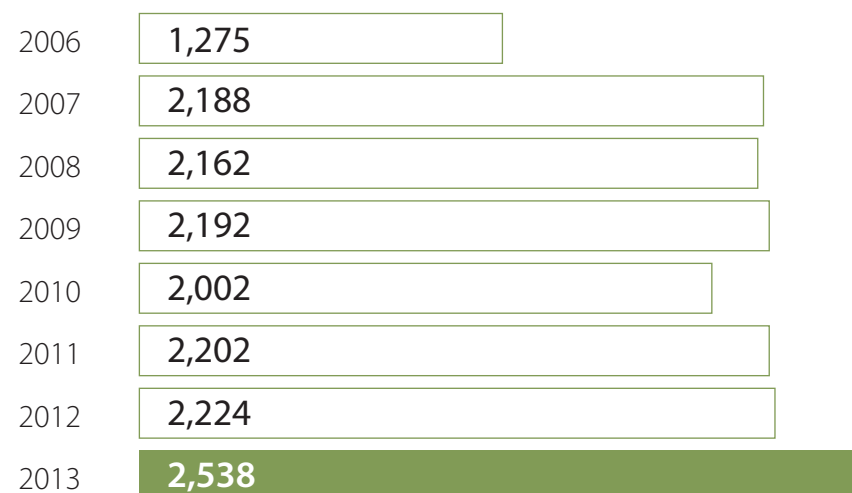
* Calculated by setting the shareholders' equity, adjusted for hedging reserve, in relation to the total assets, adjusted in turn for hedging reserve, derivatives, and cash in banks.

** 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.

MARKET VALUE PORTFOLIO STABLE

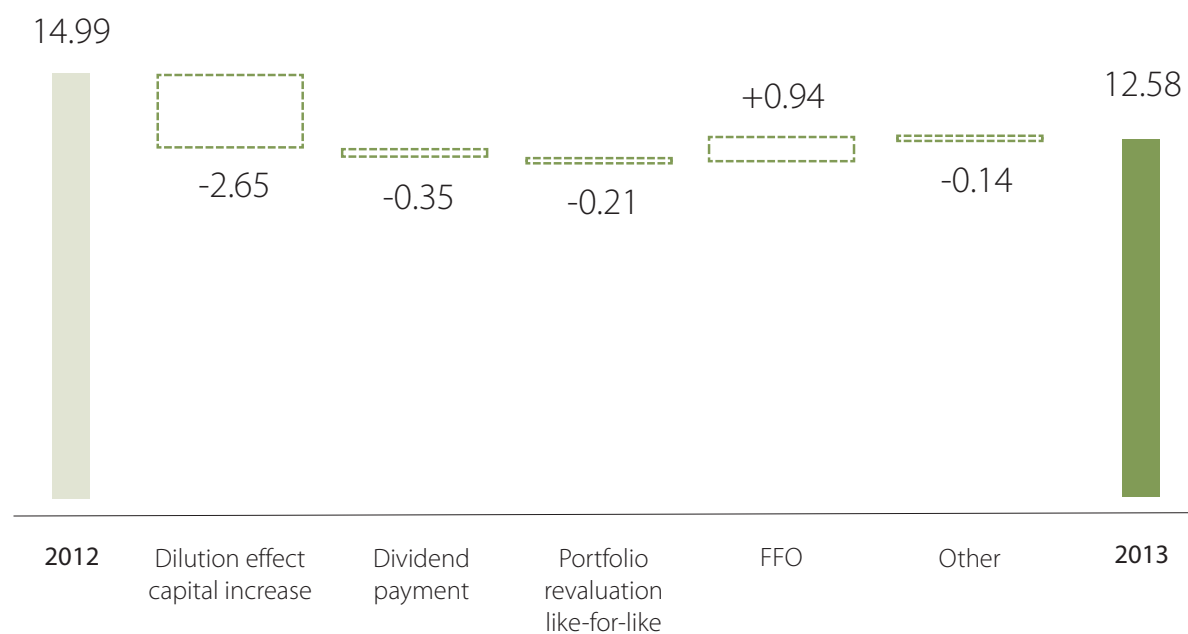
	€ mn
Market value portfolio as at 31.12.2012	2,223.5
Investments	55.8
Additions Commercial Portfolio	451.9
Additions Funds	22.3
Disposals Co-Investments	-101.1
Sales	-98.1
Valuation impact (-0.63%)	-16.0
Market value portfolio as at 31.12.2013	2,538.3

- **Stable market values** of our properties
(Valuation impact -0.63%, successful lettings almost offset incrementally shortened lease terms)
- **Strong growth** of portfolio volume through acquisitions
- **Market value of portfolio** increased to € 2,538.3 mn



NET ASSET VALUE

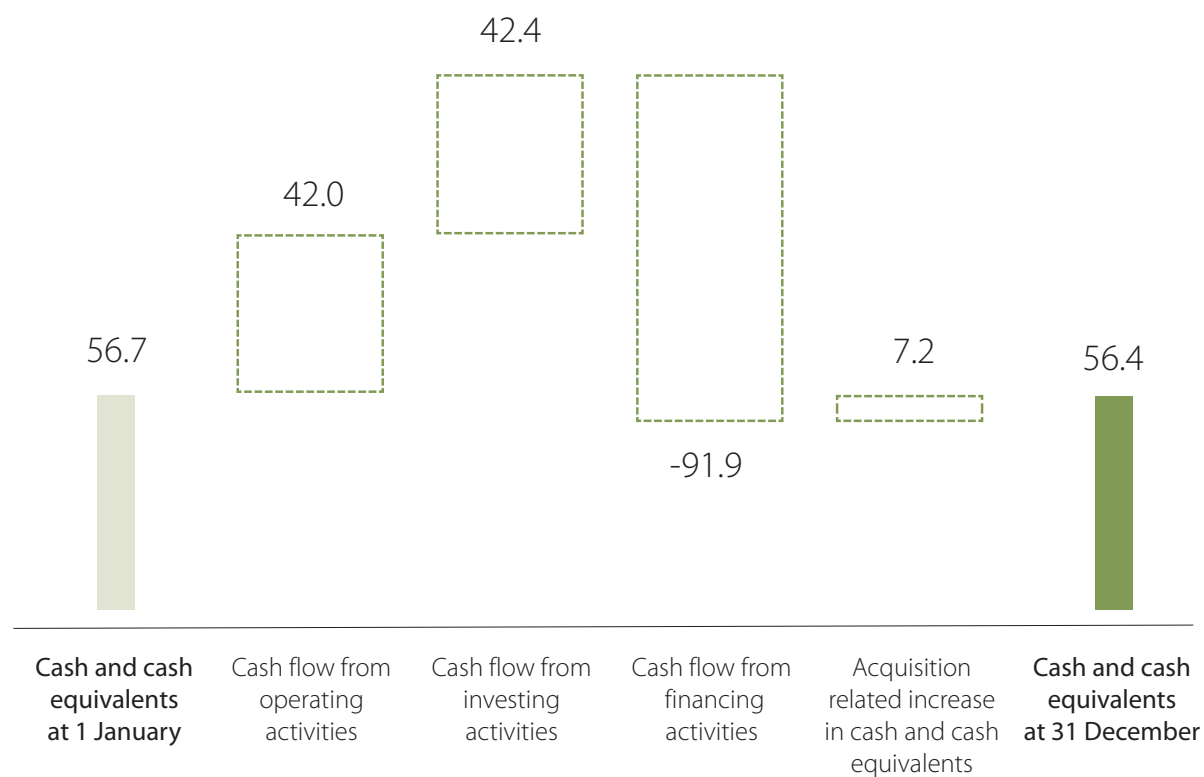
NAV bridge per share in €



- NAV at € 862.4 mn (+24%)
- NAV per share at € 12.58, reduction mostly attributable to dilution effect of capital increase
- NNAV per share at € 11.77 (2012: € 13.13)

CASH FLOW STATEMENT

Cash and cash equivalents bridge in € mn



- Cash flow from operating activities at € 42.0 mn (2012: € 43.9 mn)
- Cash flow from investing activities at € 42.4 mn due to successful sales
- Cash flow from financing activities at - € 91.9 mn, mostly attributable to repayment of loans
- Net changes in cash and cash equivalents at - € 0.3 mn
- With pile-up of corporate bond at the beginning of 2014, **cash at hand** now at around € 80 mn

OUTLOOK 2014



- Ongoing work on targets of **strategic roadmap**
- **Portfolio**
 - Focus on further portfolio optimisation and deleveraging via increased sales (disposal volume of around € 150 mn)
 - Stable vacancy rate expected
 - Gross rental income at € 145 – 147 mn
- **Funds**

Further growth of fund business, with investments in the range of € 150 – 200 mn planned
- **Developments**

MainTor with first completions in 2014, focus on marketing of „WINX“
- **Funds from Operations**

FFO at € 47 mn up to € 49 mn for full year expected

THANK YOU!



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