UPDATE CALL PRESENTATION

FULL YEAR RESULTS 2014

18 March 2015
TARGETS ACHIEVED – ON TRACK WITH STRATEGY

- FFO up to € 47.9 mn (+4%)
- Gross rental income +18% up to € 147.5 mn
- Stable property values, NAV per share at € 12.61
- Loan-to-value ratio reduced to 65.9%
- Growth of fund business, € 135 mn of acquisitions
- Significant marketing milestones with „MainTor“ and „Opera Offices“ developments
- High dividend continuity: proposal of € 0.35 per share, attractive yield of 4.7%
Positive German economy with strong job market, growing domestic demand but still uncertainty due to international crises.

German GDP growth 2014 by 1.6%, expectations for 2015 within the range of 1.0 – 2.0%.

Office letting results stable: Big 7 at 3 mn sqm (+3%).

Vacancy rates across Big 7 decreased further to 7.6%, lowest rate since 2002.

Investment volume increased to €39.8 bn (+30%), ongoing pressure on yields expected.

Expectations 2015: Investment volume above €40 bn and stable letting results.
STRONG LETTING PERFORMANCE

- High **letting volume** of 242,000 sqm (2013: 176,000 sqm), **new lettings** increased to 114,000 sqm (2013: 69,000 sqm), thereof 27,000 sqm for project developments

- **Vacancy rate** on low level of 10.9% (2013: 10.7%)

- **Like-for-like** annualised rental income with € 147 mn stable year-on-year

- **Maturity structure**: few expiries in 2015 (8%), 51% of annualised rent with maturity from 2019 onwards

- Average **lease term** at 4.6 years

- **Gross rental yield** stable at 6.6%

<table>
<thead>
<tr>
<th>Vacancy rate in %</th>
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<tbody>
<tr>
<td>2010: 14.3</td>
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<tr>
<td>2011: 12.4</td>
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<tr>
<td>2012: 10.9</td>
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<tr>
<td>2013: 10.7</td>
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<td>2014: 10.9</td>
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<table>
<thead>
<tr>
<th>Letting volume in sqm</th>
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<tbody>
<tr>
<td>2013: 176,000</td>
</tr>
<tr>
<td>2014: 242,000</td>
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</tbody>
</table>

- Renewals
- New lettings
SALES 2014: LAST QUARTER WITH HIGH DYNAMICS

- Total sales volume 2014 of €162 mn
  - Sales prices on average 6% above latest market values
  - Commercial Portfolio: 14 properties (€95 mn)
  - Co-Investments: 6 properties (€67 mn)

- Free cash flow of €20.3 mn (c. 22%) from sales proceeds

Sales volume in € mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume</th>
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<tbody>
<tr>
<td>2010</td>
<td>132</td>
</tr>
<tr>
<td>2011</td>
<td>72</td>
</tr>
<tr>
<td>2012</td>
<td>155</td>
</tr>
<tr>
<td>2013</td>
<td>99</td>
</tr>
<tr>
<td>2014</td>
<td>162</td>
</tr>
</tbody>
</table>
FUND BUSINESS ON GROWTH PATH

- **Acquisition volume**: 2014 of €135 mn (2013: €120 mn); fund volume increased to €650 mn

- **FFO-contribution**: of €5.6 mn (2013: €6.5 mn)

- Two steady sources of income: equity returns and real estate management fees
  - **Equity returns**: decreased to €1.6 mn after reduction of equity stake in first office fund
  - **Real estate management fees**: increased by +18% to €4.0 mn (2013: €3.4 mn)
**MainTor**

- All subprojects sold: they are either under construction or already completed
- Office subprojects “Primus” and “Porta” handed over to purchaser, condominiums of “Palazzi” nearly fully sold (more than 96%)
- “WINX” successfully marketed last quarter:
  - 60% let to Union Investment (c. 24,000 sqm)
  - Sold via forward deal to well-known German HNWI
  - Construction has just started

**Opera Offices Neo**

- Sold via forward deal in September 2014
- Letting of more than 30% in November 2014
- Construction has started
FINANCIAL HIGHLIGHTS - TARGETS ACHIEVED

- **FFO increased** by 4% to €47.9 mn (2013: €45.9 mn)
- **Profit of associates** driven by MainTor profits up to €6.6 mn (2013: €1.6 mn)
- Enhanced **operational efficiency** with improved cost ratio
- **Loan-to-value ratio** decreased to 65.9% (2013: 66.9%)
- **Average interest rate** reduced to 3.9% (2013: 4.1%)
- **Net Asset Value** stable at €864.8 mn (+0.3%), €12.61 per share
Total income increased to €277.6 mn, following higher gross rental income due to increased portfolio after acquisition end of 2013.

Profit of associates significantly increased to €6.6 mn (2013: €1.6 mn) by profits from MainTor.

Higher sales proceeds with €90.5 mn (2013: €81.1 mn).
# RENTAL INCOME GREW BY 18%

## Gross rental income bridge in € mn

|  |  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|
|  | 2013 | Termination of leases | Sales 2013 | Sales 2014 | Start of new leases | Portfolio acquisition 2013 | Other | 2014 |
|  | 125.2 | -5.4 | -2.5 | -1.0 | +4.7 | +25.0 | +1.4 | 147.5 |

+18%
SUSTAINABLE COST STRUCTURE

- **Personnel costs** stable at € 12.3 mn (2013: € 12.1 mn)

- Higher **administrative costs** at € 11.0 mn (2013: € 10.1 mn) due to other general costs

- **Management fees** lower at € 5.2 mn (2013: € 6.5 mn) due to consolidation of acquired portfolio, partly compensated by increased management fees for funds

- 22% of **operating costs** covered by management fee income

- **Cost ratio** improved to 12.3% based on higher gross rental income
Funds from Operations in € mn

- **2010**: 36.2
- **2011**: 40.8
- **2012**: 44.9
- **2013**: 45.9
- **2014**: 47.9

**+32%**

**FFO with steady growth, improved by 4% to € 47.9 mn (2013: € 45.9 mn)** based on higher net rental income.

**Profit for the period** decreased to € 14.0 mn (2013: € 16.0 mn) largely attributable to one-time effects from placement of corporate bonds.
## FFO RECONCILIATION

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net rental income</td>
<td>132.2</td>
<td>112.3</td>
<td>+18%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-11.0</td>
<td>-10.1</td>
<td>+9%</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-12.3</td>
<td>-12.1</td>
<td>+2%</td>
</tr>
<tr>
<td>Result of other operating income/expenses</td>
<td>1.0</td>
<td>0.4</td>
<td>+150%</td>
</tr>
<tr>
<td>Management fee income</td>
<td>5.2</td>
<td>6.5</td>
<td>-20%</td>
</tr>
<tr>
<td>Share of the profit of associates *</td>
<td>2.8</td>
<td>1.9</td>
<td>+47%</td>
</tr>
<tr>
<td>Interest result</td>
<td>-70.0</td>
<td>-53.0</td>
<td>+32%</td>
</tr>
<tr>
<td><strong>Funds from operations</strong></td>
<td><strong>47.9</strong></td>
<td><strong>45.9</strong></td>
<td><strong>+4%</strong></td>
</tr>
<tr>
<td>FFO per share in € **</td>
<td>0.70</td>
<td>0.67</td>
<td>+4%</td>
</tr>
</tbody>
</table>

* excluding sales and developments of Co-Investment segment

** based on comparable average number of shares

- **FFO contribution** excluding results from developments and profit from sales
- **FFO increase** driven by higher rental income
- **FFO per share** at € 0.70 (+4%)
LOWER COST OF DEBT

- **Average interest rate** with 3.9% at record low (31.12.2013: 4.1%)
- **Average debt maturities** at 4.0 years (31.12.2013: 4.5 years)
- **Refinancing volume** 2015 of around € 370 mn
- Around 91% of debt **long-term hedged** against interest rate fluctuations (31.12.2013: 95%)
## BALANCE SHEET OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,537.0</td>
<td>2,596.0</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>2,384.3</td>
<td>2,506.0</td>
</tr>
<tr>
<td>Total current assets</td>
<td>152.6</td>
<td>89.9</td>
</tr>
<tr>
<td>Total equity</td>
<td>774.8</td>
<td>793.1</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>1,324.1</td>
<td>1,608.3</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>436.4</td>
<td>194.6</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,762.1</td>
<td>1,802.9</td>
</tr>
<tr>
<td>Balance sheet equity ratio</td>
<td>30.5%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Net debt equity ratio *</td>
<td>33.4%</td>
<td>32.6%</td>
</tr>
<tr>
<td>Loan-to-value ratio **</td>
<td>65.9%</td>
<td>66.9%</td>
</tr>
</tbody>
</table>

- **Decrease of total assets** following optimisation of portfolio
- **Total equity** slightly lower at € 774.8 mn mostly due to changes in hedging reserve and retained earnings
- **Net debt equity ratio** improved to 33.4% (2013: 32.6%)
- **Loan-to-value ratio** decreased by 1 pp to 65.9% (2013: 66.9%)

* 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.
STABLE MARKET VALUES

Market value portfolio as at 31.12.2013  2,538.3

Investments  55.2
Additions Co-Investments  18.4
Additions Funds  9.2
Disposals Co-Investments  -37.3
Sales  -182.1
Valuation impact (-0.20%)  -4.8

Market value portfolio as at 31.12.2014  2,396.9

- **Stable market values** of our properties (Valuation impact -0.20%, successful lettings almost offset incrementally shortened lease terms)

- **Sales volume** of around € 182 mn reduced portfolio market value to € 2,396.9 mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (€ mn)</th>
</tr>
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<tbody>
<tr>
<td>2006</td>
<td>1,275</td>
</tr>
<tr>
<td>2007</td>
<td>2,188</td>
</tr>
<tr>
<td>2008</td>
<td>2,162</td>
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<tr>
<td>2009</td>
<td>2,192</td>
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<tr>
<td>2010</td>
<td>2,002</td>
</tr>
<tr>
<td>2011</td>
<td>2,202</td>
</tr>
<tr>
<td>2012</td>
<td>2,224</td>
</tr>
<tr>
<td>2013</td>
<td>2,538</td>
</tr>
<tr>
<td>2014</td>
<td>2,397</td>
</tr>
</tbody>
</table>
### SOLID NET ASSET VALUE

#### NAV bridge per share in €

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend payment</th>
<th>Portfolio revaluation like-for-like</th>
<th>FFO</th>
<th>Other</th>
<th>NAV Bridge per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.58</td>
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<tr>
<td></td>
<td></td>
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<td>-0.35</td>
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<td>-0.07</td>
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<td></td>
<td>+0.70</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.25</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.61</td>
</tr>
</tbody>
</table>

- **NAV stable at € 864.8 mn (+0.3%)**
- **NAV per share at € 12.61** (2013: € 12.58)
Targets 2015 – following our strategy

- **Disposals** of €150 - 170 mn
- Reduction of **vacancy rate** to 10.5%
- **Gross rental income** of €134 – 136 mn, lower due to ongoing sales
- Further growth of fund business, **acquisition volume** of €130 – 150 mn
- **FFO** of €48 – €50 mn
- Ongoing **deleveraging**
STRATEGY GOING FORWARD

2014

Strategic targets

- Simplify corporate structure
- Improving financial structure
- Keeping FFO on high level, reliable recurring cashflows

Outcome

- **Increased sales** activities – total volume of €162 mn, divestment of non-core assets of Commercial portfolio, further reduction of Joint Ventures
- **Project developments** “MainTor” and “Opera Offices Neo” – successful steps in marketing and completion
- **LtV down** to 65.9%, average interest rate decreased by 20 bp to 3.9%
- **FFO increased** by +4% in 2014, since 2010 c. 32%

STRATEGY GOING FORWARD

- Strengthen profile as direct investor with lower risk profile
- Increasing operational efficiency
- **LtV down to 60% by year-end 2016**
- Looking for growth opportunities

- **Focus** on active management and cash flows of directly held commercial portfolio, no further new project development, full sale of other joint ventures
- Further **growth of fund business** up to €1 bn, delivering attractive equity returns and management fees
- Maximize efficiency of DIC Onsite, offering selective **real estate management for 3rd parties**
- **C. €450 mn of sales** (period 01/2013 – 12/2016) to reduce debt and interest expenses
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www.dic-asset.de/ir

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