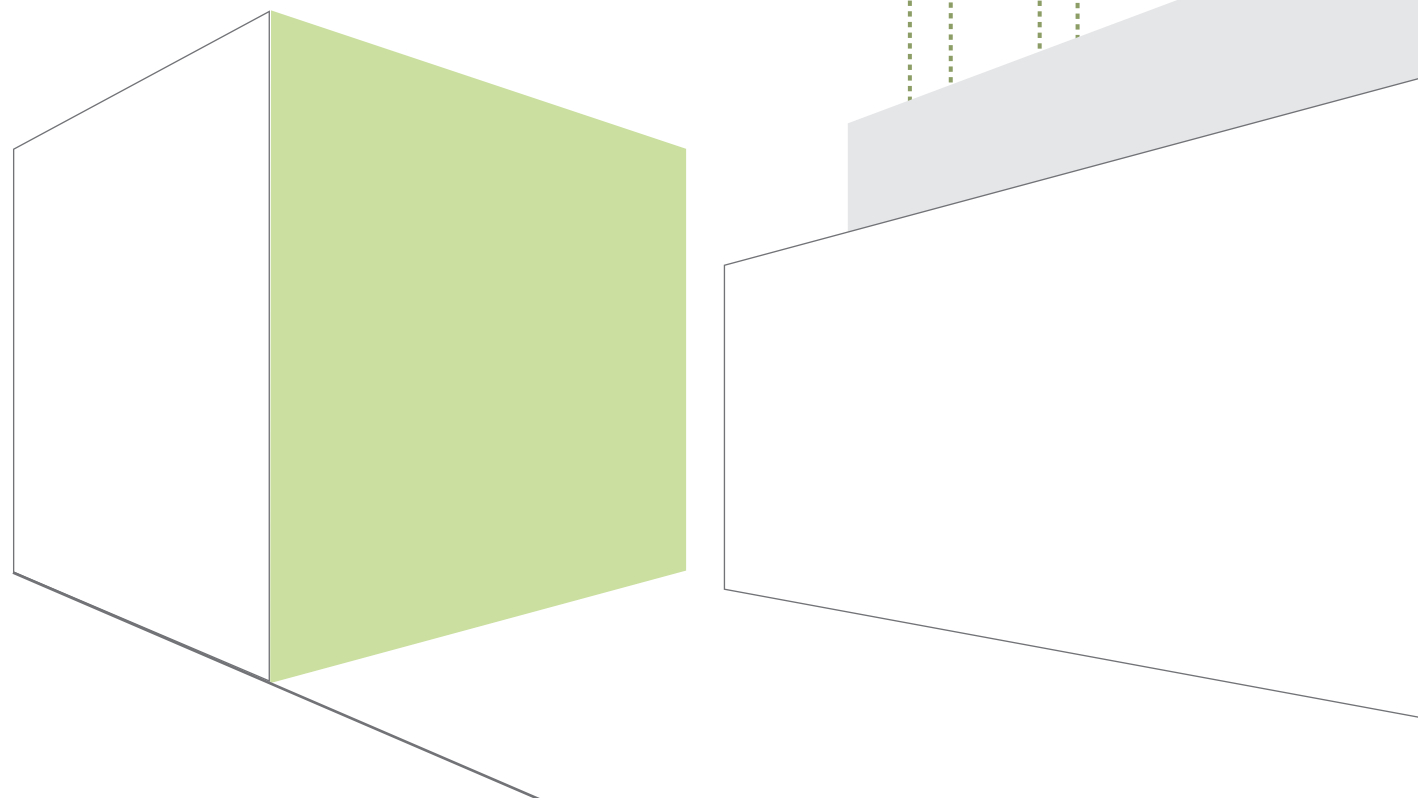


Q1 /2016

CONFERENCE
CALL

12 May 2016



HIGHLIGHTS

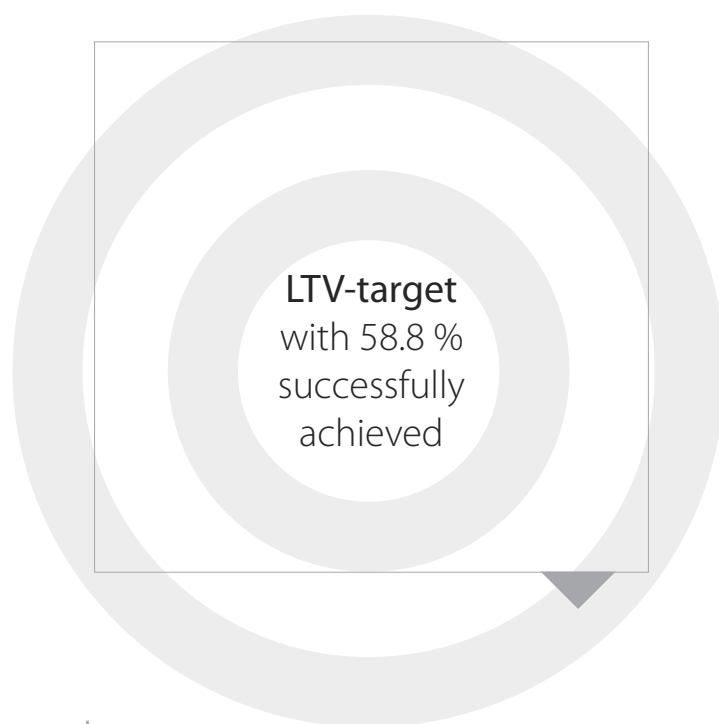
- FFO grew strongly by 20% to € 14.5 mn
- Assets under Management in the **fund business** exceeds € 1.1 bn
- **Management fees** up more than 100% to € 7.4 mn
- High **sales profits** after „DIC Office Balance III“ transaction
- **LTV** at 58.8%

Q1 / 2016

2016



LTV-TARGET ACHIEVED – MAIN GOALS GOING FORWARD



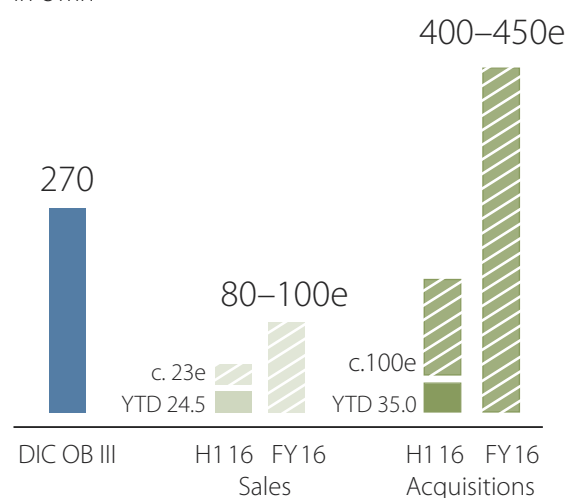
- ⇒ Grow **Assets under Management** in the fund and 3rd party business
- ⇒ Expand **product and investor base** in Germany
- ⇒ Increase fees and equity returns through **real estate management platform**
- ⇒ **Active asset management** of own portfolio – increase cash flow and profitability through optimisation
- ⇒ Elaborate growth potential via **strategic partnerships**



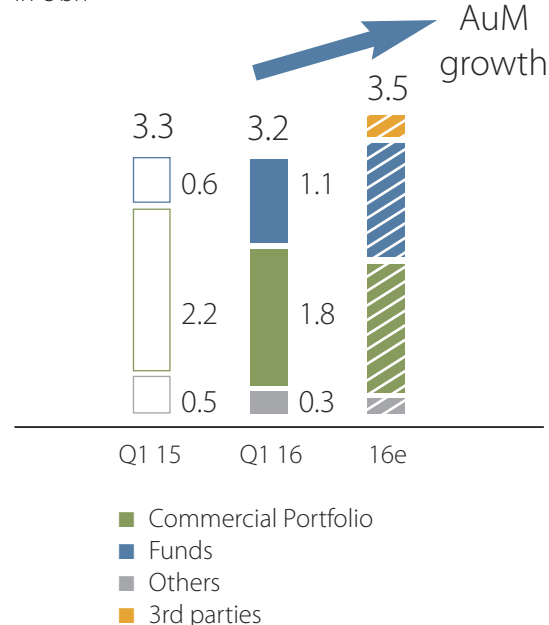
PERFORMANCE REAL ESTATE MANAGEMENT-PLATFORM

Growing the Assets under Management

Transaction volume
in € mn



Assets under Management
in € bn



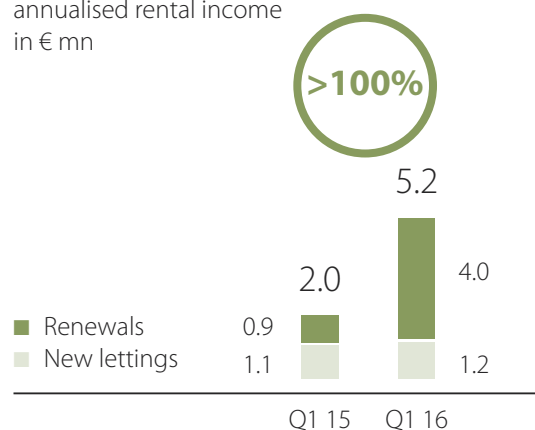
- **Sales** of € 24.5 mn YTD, with 3 properties from Commercial Portfolio (€ 5.0 mn) and 2 properties from Co-Investments (€ 19.5 mn)
- **Acquisitions** of around € 35 mn YTD for fund business
- **Further acquisitions** of roughly € 100 mn in advanced negotiations, **further sales** of € 23.2 mn expected in the coming weeks
- **Assets under Management:**
 - Commercial Portfolio with € 1.8 bn
 - Co-Investments with € 1.4 bn, thereof € 1.1 bn Funds

PORTFOLIO DEVELOPMENT

Strong letting results in Q1 2016

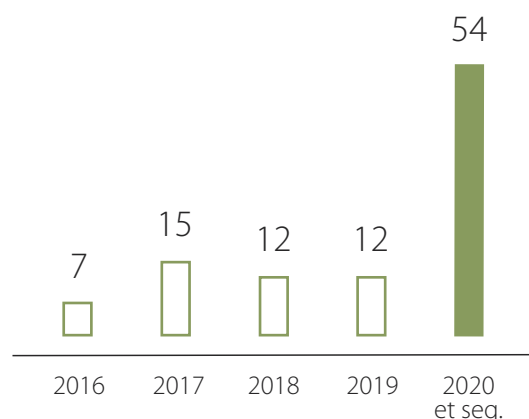
Letting result

annualised rental income
in € mn



Lease maturities

in %, based on annualised rental income



- Strong **letting performance** with a volume of 53,700 sqm (Q1 2015: 25,000 sqm), **renewals** accounted for annualised rental income of € 4.0 mn, **new lettings** for € 1.2 mn
- **Vacancy rate** increased to 13.1% mainly due to DIC Office Balance III transaction
- Remaining **lease expiries** 2016 at low level (7%), 54% of annualised rent with maturity from 2020 onwards

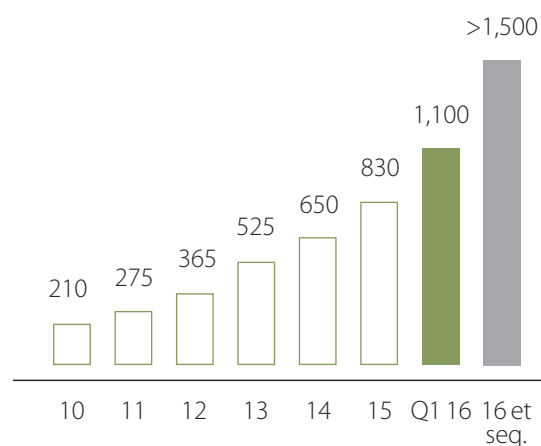
Portfolio overview

	Q1 2016	Q1 2015
Number of properties	216	236
Market value Assets under Management in € bn	3.2	3.3
Annualised rental income in € mn	117.5	148.5
WALT in years	4.4	4.5
Vacancy rate	13.1%	11.4%
Gross rental yield	6.4%	6.5%

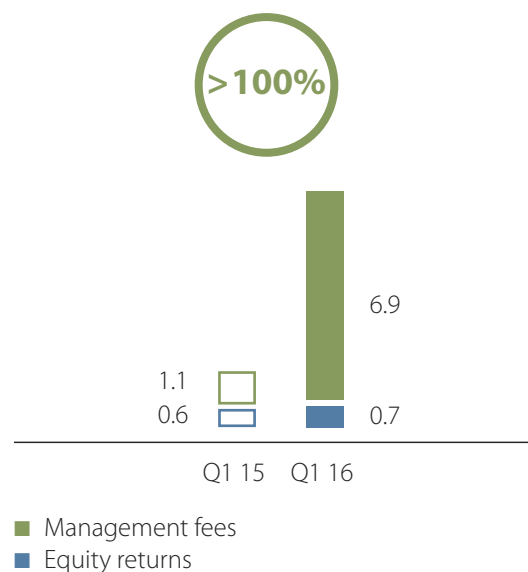
FUND BUSINESS

New fund „DIC Office Balance III“ in operation since January

Fund volume
in € mn



FFO contribution
in € mn



- **Transfer of properties** with a market value of around € 270 mn in January to new fund „DIC Office Balance III“
- Two properties worth € 35 mn **acquired YTD** for „DIC Office Balance II“ and „DIC HighStreet Balance“
- **FFO-contribution** of fund business increased >100% to € 7.6 mn (Q1 2015: € 1.7 mn)
- Set-up of two **additional funds** (office, retail) in the planning phase

FINANCIAL HIGHLIGHTS

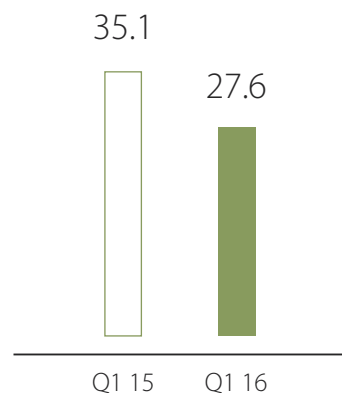


- FFO grew strongly by 20% to € 14.5 mn
- Real estate management fees rose >100% to € 7.4 mn
- Profit for the period at € 11.8 mn (>100%)
- LTV down to 58.8%
- Interest result improved by 26% to € -11.6 mn

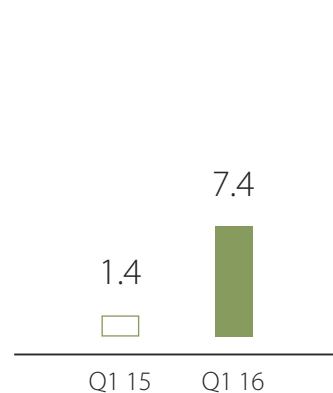
OPERATING RESULT

Total income driven by DIC Office Balance III transaction

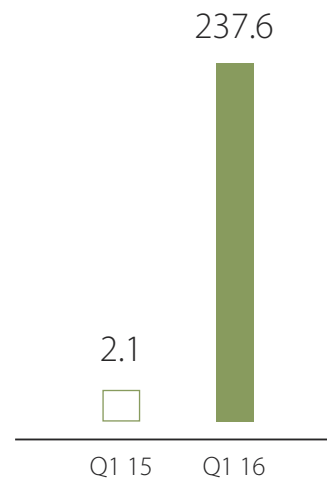
Gross rental income
in € mn



Management fees
in € mn



Sales proceeds
in € mn



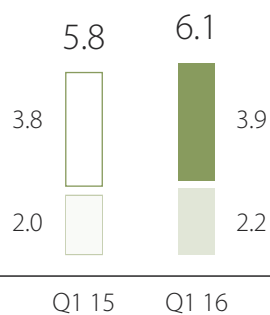
- **Gross rental income** lower at € 27.6 mn (Q1 2015: 35.1 mn) after high sales activities from Commercial Portfolio in 2015
- **Management fees** rose to € 7.4 mn mainly due to partially recognised set-up fee for the new fund
- Sharp rise in **sales proceeds** to € 237.6 mn (Q1 2015: € 2.1 mn) mainly because of DIC OB III transaction

OPERATING RESULT

Extraordinarily good cost ratio

Operating costs

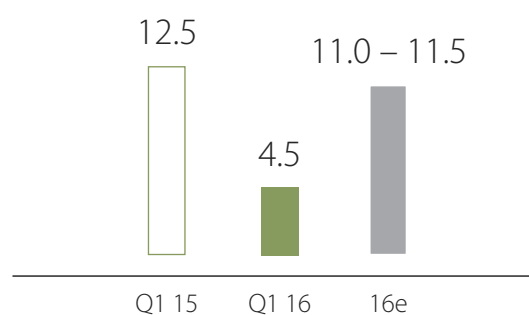
in € mn



■ Personnel
■ Administrative

Cost ratio*

in %



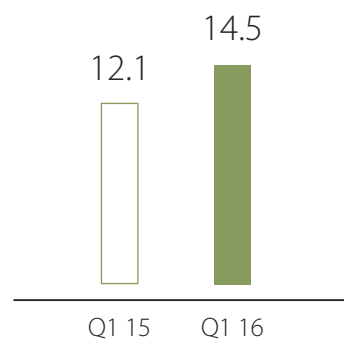
- Operating costs rose by 5% to € 6.1 mn
- Cost ratio down to 4.5%, adjusted by set-up fee for DIC OB III transaction

* adjusted by set-up fee for DIC OB III transaction on quarterly basis

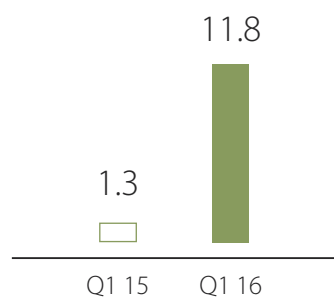
EARNINGS

Substantially higher operative earnings

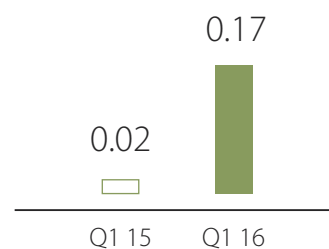
FFO
in € mn



Profit for the period
in € mn



Earnings per share
in €



- FFO considerably improved to € 14.5 mn (Q1 2015: € 12.1 mn)
- Profit for the period strongly increased to € 11.8 mn (Q1 2015: € 1.3 mn) attributable to improved net interest income and impact of DIC OB III transaction
- Earnings per share amounted to € 0.17 after € 0.02 in the previous year

FFO RECONCILIATION

€ mn	Q1 2016	Q1 2015	Δ
Net rental income	23.5	31.0	-24%
Administrative expenses	-2.2	-2.0	+10%
Personnel expenses	-3.9	-3.8	+3%
Result of other operating income/expenses	0.2	0.1	>100%
Management fee income	7.4	1.4	>100%
Share of the profit of associates *	0.9	0.9	0%
Interest result	-11.4	-15.5	+26%
Funds from operations	14.5	12.1	+20%
FFO per share in €	0.21	0.18	+17%

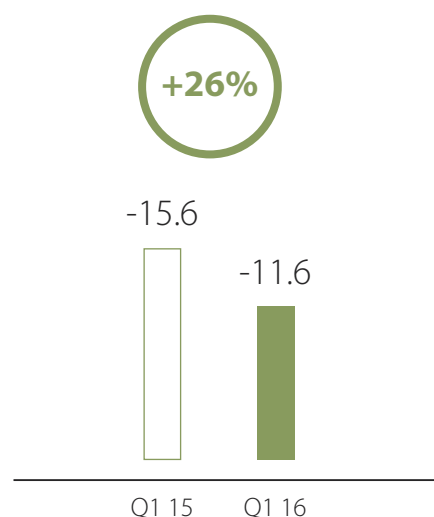
- **FFO margin** (FFO in relation to gross rental income) increased significantly by around 19 pp to 53% due to the decrease in interest expenses and higher management fees
- **FFO per share** up 17% at € 0.21 (Q1 2015: € 0.18)

* excluding sales and developments of Co-Investment segment

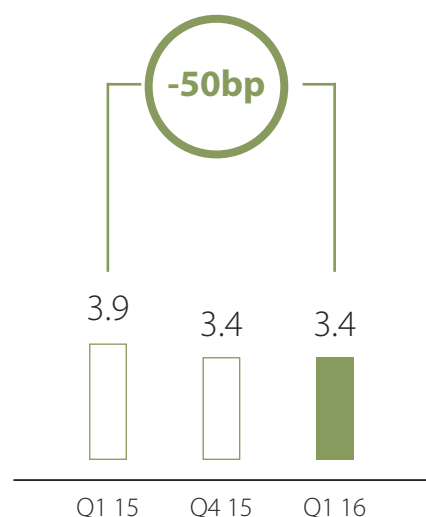
FINANCIAL STRUCTURE

Interest rate remains on low level

Interest result
in € mn



Interest rate*
average, in %



- **Interest result** improved 26% to € -11.6 mn (Q1 2015: € -15.6 mn) based on lower average interest rate and reduced debt after repayment of loans
- **Average interest rate*** at 3.4% after favourable refinancings in 2015
- **Average debt maturities** at 3.9 years (YE 2015: 4.3 years)
- Around 88% of debt **long-term hedged** against interest rate fluctuations (YE 2015: 89%)

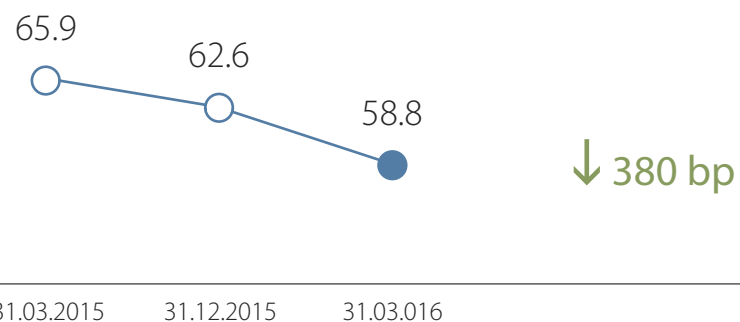
* based on bank liabilities

LTV

Target of strategy 2016 already achieved in January

Loan-to-value ratio

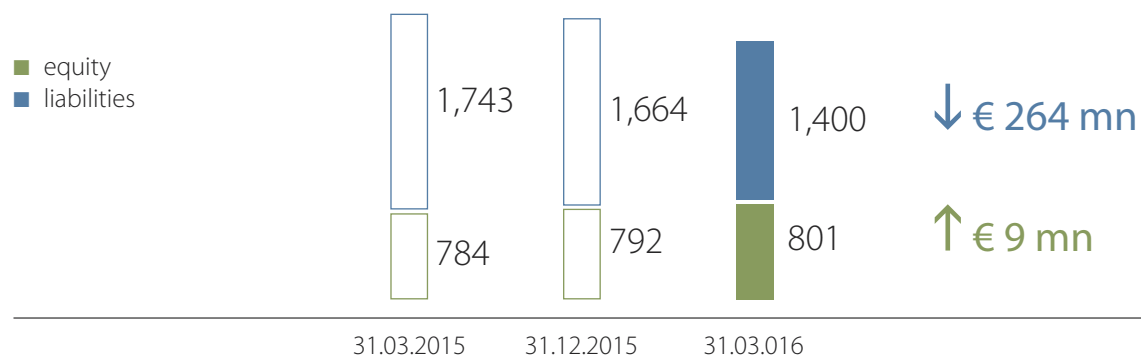
in %



- Total equity € 8.5 mn higher mainly attributable to profit for the period
- Loan-to-value ratio reduced by 380 bp to 58.8% (YE 2015: 62.6%)

Equity and liabilities

in EUR thousand



GUIDANCE

Targets confirmed with successful start of 2016



Targets for 2016

- ⇒ Gross rental income of c. € 100 mn
- ⇒ FFO of € 43 – 45 mn
- ⇒ Strong growth of fund business with **acquisition volume** of € 400 – 450 mn*
- ⇒ Ongoing portfolio optimisation with **disposals** of around € 80 – 100 mn

* transaction of DIC Office Balance III not included

THANK YOU!



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