UPDATE CALL PRESENTATION

HALF YEAR
RESULTS 2014

14 August 2014
Growth of FFO and gross rental income:
- FFO up 2% to € 23.6 mn
- Gross rental income increased by 21%

Ongoing deleveraging:
- Net debt equity ratio up to 33.3%
- LTV down to 66.4%

Sales volume of c. € 60 mn YTD

Growing fund business:
- Start of third institutional fund „DIC Office Balance II“
German economy positive, but optimism falling due to potential impacts from geopolitical concerns

Moderate GDP growth of 0.1% in the second quarter, expectations for 2014 between 1.2 and 2.6%

Investment volume increased by 29% to €16.9 bn (H1 2013: €13.1 bn), strong focus on office properties

Letting results with 1,380,000 sqm 3% below previous year’s quarter

Vacancy rates across Top 7 down to 8.1% (Q2 2013: 8.7%)
LETTING VOLUME INCREASED

- Signed lettings up by 6% with annualised rental income of €11.3 mn (H1 2013: €10.7 mn)
- Vacancy rate at 11.5%, down 2.5pp since 2010. Increase since end of 2013 due to terminated leases in H1 as expected
- Maturity structure improved: Expiries in 2014 reduced to 3%, expiries from 2018 up to 57%
- Gross rental yield stable at 6.6%

<table>
<thead>
<tr>
<th>Letting volume</th>
<th>Vacancy rate</th>
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<tbody>
<tr>
<td>€ mn</td>
<td>in %</td>
</tr>
<tr>
<td>H1 10</td>
<td>12.6</td>
</tr>
<tr>
<td>H1 11</td>
<td>12.4</td>
</tr>
<tr>
<td>H1 12</td>
<td>11.7</td>
</tr>
<tr>
<td>H1 13</td>
<td>10.7</td>
</tr>
<tr>
<td>H1 14</td>
<td>11.3</td>
</tr>
</tbody>
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Sales

Sales volume
in € mn

Sales volume YTD at c. € 60mn
- 6 properties (€ 37 mn) from Commercial Portfolio
- 2 properties (€ 22 mn) from Co-Investments, further reducing joint venture portion

Sales prices on average 4% above latest market value

Several transactions in the pipeline

<table>
<thead>
<tr>
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<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>72</td>
<td>155</td>
<td>99</td>
<td>60</td>
</tr>
</tbody>
</table>
Start of 3rd institutional fund, DIC Asset’s equity stake of around 5%

Reduction of equity stake in fund “DIC Office Balance I” to 10%

Acquisitions of around €60 mn YTD for fund business
- First acquisition of €32 mn in July: “Barbarossa Center” in Cologne
- Further acquisitions for retail fund with volume of €27 mn

Target volume of all three funds up to €1 bn
FINANCIAL HIGHLIGHTS

- **Ongoing deleveraging:**
  - Net debt equity ratio increased to 33.3%
  - Loan to value further decreased to 66.4%

- **Growth:** FFO increased to € 23.6 mn (+2%)

- **Stable financial structure:**
  - Average debt maturity at 4.0 years
  - Average interest rate at low level with 4.1%
  - Interest cover ratio (NRI/interest expense) at 169%
**Higher Income**

- **Higher gross rental income** with € 73.6 mn (H1 2013: € 61.0 mn) after portfolio acquisition end of 2013
- **Sales proceeds** at € 19.6 mn
- **Total income** increased 2% to € 114.4 mn (H1 2013: € 111.9 mn), increased rental income compensating for lower sales proceeds

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**Gross rental income** in € mn:
- H1 13: € 61.0
- H1 14: € 73.6 (+21%)

**Sales proceeds** in € mn:
- H1 13: € 37.1
- H1 14: € 19.6 (-47%)

**Total income** in € mn:
- H1 13: € 111.9
- H1 14: € 114.4 (+2%)
Personnel and administrative costs almost stable with € 11.4 mn (H1 2013: € 11.3 mn)

Management fee income declined to € 2.3 mn as expected after loss of fees from acquired portfolio

Cost ratio improved 0.9pp to 12.4%, based on higher gross rental income
Profit for the period in € mn
-38%

FFO in € mn
+2%
23.1 23.6

EPRA earnings in € mn
+9%
21.6 23.5

- FFO increased to € 23.6 mn (+2 %) driven by higher rental income
- FFO per share at € 0.34 lower due to higher number of outstanding shares (H1 2013: € 0.49)
- Profit for the period lower mainly due to lower profits on property disposals and increased depreciations on investments for existing properties
- EPRA earnings per share at € 0.34 (H1 2013: € 0.46)
STABLE FINANCIAL STRUCTURE

Ongoing deleveraging:
- **Net debt equity ratio** increased to 33.3% (31.12.2013: 32.6%)
- **Loan to value** further reduced to 66.4% (31.12.2013: 66.9%)

Stable financial structure:
- Average **debt maturities** at 4.0 years (31.12.2013: 4.5 years), average **interest rate** at low level of 4.1% (31.12.2013: 4.1%)
- **Interest result** at - € 34.0 mn (H1 2013: - € 24.8 mn) due to higher debt volume after portfolio acquisition and second bond issued in H2 2013
- **Interest cover ratio** (NRI/interest expense) at 169%

Debt maturities
as at 30.06.2014

- 37% >5 years
- 24% < 1 year
- 10% 1-2 years
- 4% 2-3 years
- 8% 3-4 years
- 17% 4-5 years
- 37% >5 years
- 24% < 1 year
- 10% 1-2 years
- 4% 2-3 years
- 8% 3-4 years
- 17% 4-5 years
STRONG CASH FLOW STATEMENT

- **Cash flow from operating activities**
  - Stable at € 24.2 mn (H1 2013: € 23.0 mn)

- **Cash flow from investing activities**
  - Higher at € 25.6 mn (H1 2013: € 21.9 mn), reduction of equity stake in "DIC Office Balance I" more than compensating for lower proceeds from disposals

- **Cash flow from financing activities**
  - At -€ 13.8 mn (H1 2013: -€ 31.8 mn), mostly attributable to repayment of loans

- **Cash at hand** of € 92.5 mn offers high flexibility going forward

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<table>
<thead>
<tr>
<th>Cash and cash equivalents bridge in € mn</th>
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<tbody>
<tr>
<td>Cash and cash equivalents at 1 January: 56.4</td>
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<tr>
<td>Cash flow from operating activities: 24.2</td>
</tr>
<tr>
<td>Cash flow from investing activities: 25.6</td>
</tr>
<tr>
<td>Cash flow from financing activities: -13.8</td>
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<td>Cash and cash equivalents at 31 June: 92.4</td>
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KEEPPING FOCUS ON ROADMAP

- **Funds from Operations**
  - Full year forecast: € 47 mn up to € 49 mn

- **Portfolio**
  - Focus on deleveraging
  - Disposals of at least around € 130 mn
  - Full year forecast gross rental income: around € 145 – 147 mn

- **Funds**
  - Further growth of fund business, with investments in the range of at least € 150 mn
For more information:

www.dic-asset.de/ir

For instance:
- Up-to-date company presentation
- Recording and presentation of Update Call available

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