Q3 2016
QUARTERLY STATEMENT – WEBCAST
HIGHLIGHTS

- **Strong take-up**, annualised rental income of EUR **22.2 million**
- Like-for-like rental growth **+0.6%**
- Real estate management fees increase to around EUR **18 million**
- Retail portfolio with a volume of EUR **220 million** acquired for planned fund
- **Sales target** 2016 for the Commercial Portfolio achieved with EUR **86 million**
- **FFO forecast** for 2016 raised to EUR **46–47 million**

**Q3 2016**
PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Driver for further growth

TRANSACTIONS IN 2016
in EUR million, as of November 2016

Sales
Acquisitions

270
C. 163
C. 330

Fund DIC OB III
Sales
Acquisitions

SALES IN 2016*

in EUR million
Notarisations in 2016**
Transfer of possession, benefits and associated risks 9M 2016

Commercial Portfolio
Co-Investments
Total

86.3
6.6
162.9
50.0
73.2
123.2

Numbers of properties
22
14

* excluding DIC Office Balance III transaction
** as of November 2016

"WAREHOUSING" SINCE 1 OCTOBER 2016

- Interim management of properties for planned retail fund
- Three retail properties with a total volume of EUR 220 million
- Rental space of approx. 75,000 sqm
- Fully occupied; remaining lease term of around 11 years

Sales totalling approximately EUR 163 million notarised in 2016 to date including 16 properties from the Commercial Portfolio (amounting to around EUR 86 million) and six from Co-Investments (approximately EUR 77 million)

On average, sales prices around 11% higher than the most recently determined market value

Acquisitions of EUR 330 million for further growth of the fund business

Since October 2016, DIC Asset AG has managed purchased retail properties on an interim basis until the transfer of the benefits and risks to the planned fund ("warehousing" model)
DEVELOPMENT OF THE PORTFOLIO

Strong take-up reduces vacancy rate

TAKE-UP (by operating segment)
annualised in EUR million

<table>
<thead>
<tr>
<th></th>
<th>9M 2015</th>
<th>9M 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Investments</td>
<td>2.4</td>
<td>13.6</td>
</tr>
<tr>
<td>Commercial Portfolio</td>
<td>11.2</td>
<td>10.1</td>
</tr>
</tbody>
</table>

TAKE-UP (by type of use)
in sqm annualised in EUR million

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>163,700</td>
<td>98,500</td>
<td>19.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Retail</td>
<td>6,200</td>
<td>11,000</td>
<td>0.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Further commercial</td>
<td>37,500</td>
<td>23,600</td>
<td>1.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Residential</td>
<td>1,900</td>
<td>1,900</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>209,300</td>
<td>135,000</td>
<td>22.2</td>
<td>13.6</td>
</tr>
</tbody>
</table>

Parking

|                  | 1,784 units | 1,321 units | 1.0 | 0.5 |

OVERVIEW PORTFOLIO*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>208</td>
<td>215</td>
<td>147</td>
<td>171</td>
<td>61</td>
<td>44</td>
</tr>
<tr>
<td>Market value in EUR million**</td>
<td>1,894.4</td>
<td>2,222.2</td>
<td>1,698.2</td>
<td>2,036.3</td>
<td>196.2</td>
<td>185.9</td>
</tr>
<tr>
<td>Rental space in sqm</td>
<td>1,085,700</td>
<td>1,317,300</td>
<td>1,028,700</td>
<td>1,252,500</td>
<td>57,000</td>
<td>64,800</td>
</tr>
<tr>
<td>Annualised rental income in EUR million</td>
<td>114.9</td>
<td>138.9</td>
<td>106.8</td>
<td>130.3</td>
<td>8.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Rental income in EUR per sqm</td>
<td>9.70</td>
<td>9.70</td>
<td>9.60</td>
<td>9.60</td>
<td>11.60</td>
<td>11.20</td>
</tr>
<tr>
<td>Lease maturities in years</td>
<td>4.2</td>
<td>4.2</td>
<td>4.3</td>
<td>4.2</td>
<td>3.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Vacancy rate in %</td>
<td>11.9</td>
<td>11.8</td>
<td>12.4</td>
<td>12.1</td>
<td>2.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Gross rental yield in %</td>
<td>6.5</td>
<td>6.5</td>
<td>6.4</td>
<td>6.5</td>
<td>6.8</td>
<td>6.4</td>
</tr>
</tbody>
</table>

* All figures pro rata, except number of properties; all figures excluding developments, except number of properties and market value
** Market value as at 31.12.2015, later acquisitions considered at cost

- Sharp rise in take-up: annualised rental income of EUR 22.2 million, including EUR 7.6 million from new leases and EUR 14.6 million from lease renewals
- Reduced vacancy rate: lowered by 1.3 percentage points quarter-on-quarter to 11.9% through successful letting activities (Q2 2016: 13.2%)
- Like-for-like rental growth +0.6% due to new leases and indexation
- Large-volume leases signed: lease renewals with the Axa Group (35,100 sqm), Deutsche Bahn (26,500 sqm), Hanseatic City of Hamburg (14,700 sqm) and new leases with the City of Munich (24,000 sqm) and Angleterre Hotel in Hamburg (4,400 sqm)
FUND BUSINESS
Strong fund growth as planned

FUND VOLUME
in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 year to date</th>
<th>2016 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>210</td>
<td>275</td>
<td>365</td>
<td>525</td>
<td>650</td>
<td>830</td>
<td>1,450</td>
<td>≈ 1,600</td>
</tr>
</tbody>
</table>

* "Warehousing" properties

FFO CONTRIBUTION OF FUND BUSINESS
in EUR million

- Management fees
- Equity returns

<table>
<thead>
<tr>
<th>Year</th>
<th>9M 2015</th>
<th>9M 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Value</td>
<td>5.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Value</td>
<td>18.0</td>
<td>16.1</td>
</tr>
</tbody>
</table>

LATEST ACQUISITION: OFFICE CENTER PLAZA IN HANOVER

- Usage: Office
- Total rental space: 17,700 sqm
- Anchor tenants:
  - Niedersächsische Landesentwicklungs gesellschaft (NILEG) Immobilien GmbH
  - htp GmbH
- Occupancy rate: 93%
- Fund: DIC Office Balance II

- Acquisition of a further office property in Hanover for the “DIC Office Balance II” fund for around EUR 32 million
- FFO contribution from the funds for 9M 2016 of EUR 18.0 million
- Properties with a volume of EUR 220 million for planned new retail fund in the "warehousing" phase since 1 October 2016
INCOME DEVELOPMENT

Rising real estate management fees

OVERVIEW OF INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>9M 2016</th>
<th>9M 2015</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rental income</td>
<td>81.4</td>
<td>104.1</td>
<td>-22%</td>
</tr>
<tr>
<td>Real estate management fees</td>
<td>18.0</td>
<td>4.5</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Proceeds from sales of properties</td>
<td>281.6</td>
<td>126.0</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Other</td>
<td>16.9</td>
<td>20.0</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>397.9</td>
<td>254.6</td>
<td>56%</td>
</tr>
</tbody>
</table>

TOTAL INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>9M 2015</th>
<th>9M 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rental income</td>
<td>254.6</td>
<td>397.9</td>
</tr>
<tr>
<td>Real estate management fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>254.6</td>
<td>397.9</td>
</tr>
</tbody>
</table>

OPERATING COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>9M 2015</th>
<th>9M 2016</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expenses</td>
<td>11.1</td>
<td>12.1</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>6.6</td>
<td>7.5</td>
<td></td>
</tr>
</tbody>
</table>

- Decrease in gross rental income compared with the prior period as a result of sales from the Commercial Portfolio
- Real estate management fees up from EUR 4.5 million to EUR 18.0 million due to fund growth
- Increase in total income to EUR 397.9 million, mainly on account of high sale proceeds from the “DIC Office Balance III” fund transaction in early 2016
- Recruitment of new staff in the fund business and real estate management is leading to higher operating costs
EARNINGS

Strong increase of the profit for the period

RECONCILIATION TO FFO

| in EUR million | 9M 2016 | 9M 2015 | ∆  
|----------------|---------|---------|------
| Net rental income | 69.5    | 92.2    | -25% |
| Administrative expenses | -7.5    | -6.6    | 14%  |
| Personnel expenses   | -12.1   | -11.1   | 9%   |
| Other operating income/expenses | 0.4     | 0.5     | -20% |
| Real estate management fees | 18.0    | 4.5     | >100% |
| Share of the profit or loss of associates without project developments and sales | 2.4     | 2.7     | -11% |
| Interest result      | -33.8   | -45.4   | -26% |
| Funds from operations | 36.9    | 36.8    | 0%   |

FFO PER SHARE

<table>
<thead>
<tr>
<th>in EUR</th>
<th>9M 2016</th>
<th>9M 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.54</td>
<td>0.54</td>
<td></td>
</tr>
</tbody>
</table>

NET INTEREST RESULT

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-54.0</td>
<td>-46.3</td>
<td></td>
</tr>
<tr>
<td>-41.1</td>
<td>-34.0</td>
<td></td>
</tr>
</tbody>
</table>

Main effects on the results of operations:

- Share of the profit or loss of associates excluding project development and sales down EUR 0.3 million year-on-year to EUR 2.4 million, mainly due to reduced joint venture investments. By contrast, income from fund investments increased.
- Sustainable interest result: considerable reduction of EUR 11.6 million to EUR -33.8 million (9M 2015: EUR -45.4 million) due to lower interest expenses following loan redemptions and improved interest rate terms.
- At EUR 22.5 million as per 30 September of 2016, profit for the period exceeded the result in the same period of the previous year by over EUR 6 million (9M 2015: EUR 16.1 million).

- FFO per share of EUR 0.54
- EPRA NAV per share of EUR 12.83
FINANCIAL STRUCTURE

Further reduction of financial liabilities

DEBT MATURITIES
as at 30.09.2016

- 11% >5 years
- 11% <1 year
- 18% 4–5 years
- 21% 1–2 years
- 18% 3–4 years
- 21% 2–3 years

Ø 3.2 years

EQUITY AND LIABILITIES
in EUR million

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,659</td>
<td>782</td>
</tr>
<tr>
<td>1,431</td>
<td>789</td>
</tr>
</tbody>
</table>

Main effects on net assets:
- Reduction in total assets of EUR 236.1 million compared with year-end 2015, due in particular to assets and liabilities transferred upon the commencement of operations of "DIC Office Balance III"
- Equity in the third quarter influenced by dividend payment of EUR 0.37 per share
- Non-current financial debt reduced to EUR 1,252.4 million
- Loan repayments and scheduled repayments of EUR 57.2 million at the reporting date
- Loan-to-value (LTV) of 58.8% at the reporting date of 30 September 2016

Cash flows dominated by cash inflows and outflows in connection with investments in the fund business

AVERAGE INTEREST RATE
in %, based on bank liabilities

- Q3 2015: 3.5%
- Q3 2016: 3.4%

LOAN-TO-VALUE
in %

- Q3 2015: 64.1%
- Q3 2016: 62.6%
- 9M 2016: 58.8%
FORECAST

FFO forecast for 2016 raised

TARGETS FOR 2016:

- Planned purchasing volume of EUR 500 million for the expansion of the fund business
- Continued portfolio optimisation with sales of EUR 80–100 million from the Commercial Portfolio
- Gross rental income of EUR 109–111 million
- FFO of EUR 46–47 million

- Letting volume exceeding target
- Additional rental income from “warehousing”
- Sales target for Commercial Portfolio already achieved
- Fund business to continue dynamic growth
- Rising gross rental income
- Increasing the FFO forecast
INVESTOR RELATIONS

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Disclaimer

This quarterly statement contains forward-looking statements including associated risks and uncertainties. These statements are based on the Management Board's current experience, assumptions and forecasts and the information currently available to it. The forward-looking statements are not to be interpreted as guarantees of the future developments and results mentioned therein. The actual business performance and results of DIC Asset AG and of the Group are dependent on a multitude of factors that contain various risks and uncertainties. In the future, these might deviate significantly from the underlying assumptions made in this quarterly statement. Said risks and uncertainties are discussed in detail in the risk report as part of financial reporting. This quarterly statement does not constitute an offer to sell or an invitation to make an offer to buy shares of DIC Asset AG. DIC Asset AG is under no obligation to adjust or update the forward-looking statements contained in this quarterly statement.

For more information:

www.dic-asset.de/ir

For instance:

>> Up-to-date company presentation
>> Audio-Webcast
>> Financial calendar

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This quarterly statement is also available in German (binding version).

Realisation
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