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**

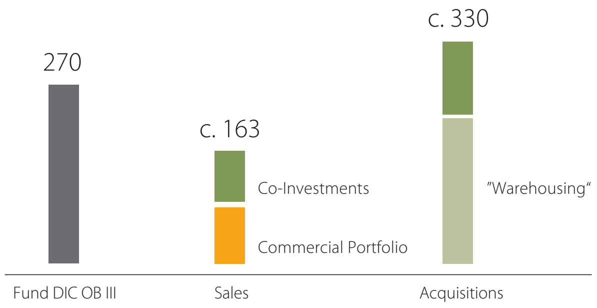
Q3 2016

PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Driver for further growth

TRANSACTIONS IN 2016

in EUR million, as of November 2016



SALES IN 2016*

in EUR million	Notarisations in 2016**	Transfer of possession, benefits and associated risks 9M 2016
Commercial Portfolio	86.3	50.0
Co-Investments	76.6	73.2
Total	**162.9**	**123.2**
Numbers of properties	22	14

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

- **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**)

"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

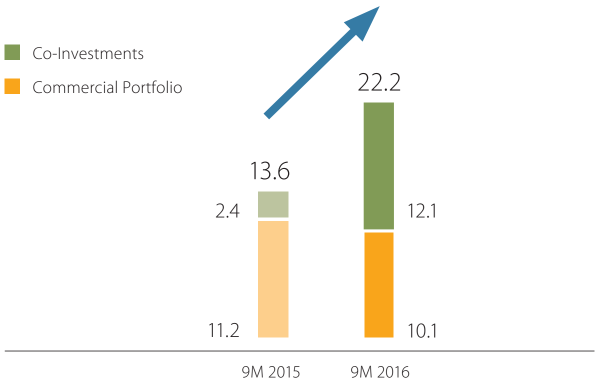
"Hybrid centre" in Halle (above) and shopping centre in Hamburg (below)

DEVELOPMENT OF THE PORTFOLIO

Strong take-up reduces vacancy rate

TAKE-UP (by operating segment)

annualised in EUR million



TAKE-UP (by type of use)

	in sqm		annualised in EUR million	
	9M 2016	9M 2015	**9M 2016**	9M 2015
Office	**163,700**	98,500	**19.5**	11.0
Retail	**6,200**	11,000	**0.7**	1.1
Further commercial	**37,500**	23,600	**1.8**	1.4
Residential	**1,900**	1,900	**0.2**	0.1
Total	**209,300**	135,000	**22.2**	13.6
Parking	**1,784 units**	1,321 units	**1.0**	0.5

- 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)

OVERVIEW PORTFOLIO*

	Total		Commercial Portfolio		Co-Investments	
	Q3 2016	Q3 2015	**Q3 2016**	Q3 2015	**Q3 2016**	Q3 2015
Number of properties	**208**	215	**147**	171	**61**	44
Market value in EUR million**	**1,894.4**	2,222.2	**1,698.2**	2,036.3	**196.2**	185.9
Rental space in sqm	**1,085,700**	1,317,300	**1,028,700**	1,252,500	**57,000**	64,800
Annualised rental income in EUR million	**114.9**	138.9	**106.8**	130.3	**8.1**	8.6
Rental income in EUR per sqm	**9.70**	9.70	**9.60**	9.60	**11.60**	11.20
Lease maturities in years	**4.2**	4.2	**4.3**	4.2	**3.5**	4.3
Vacancy rate in %	**11.9**	11.8	**12.4**	12.1	**2.1**	5.8
Gross rental yield in %	**6.5**	6.5	**6.4**	6.5	**6.8**	6.4

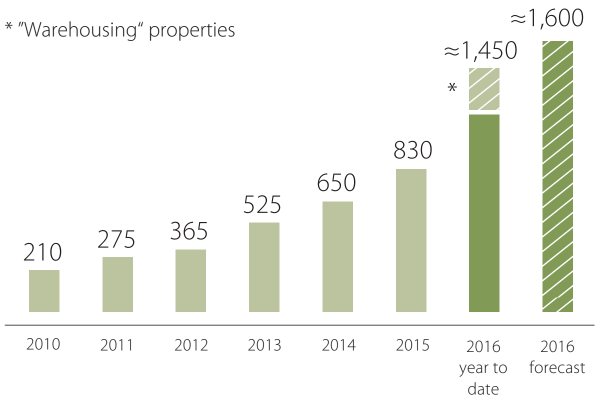
* All figures pro rata, except number of properties; all figures excluding developments, except number of properties and market value
** Market value as at 31.12.2015, later acquisitions considered at cost

DIC

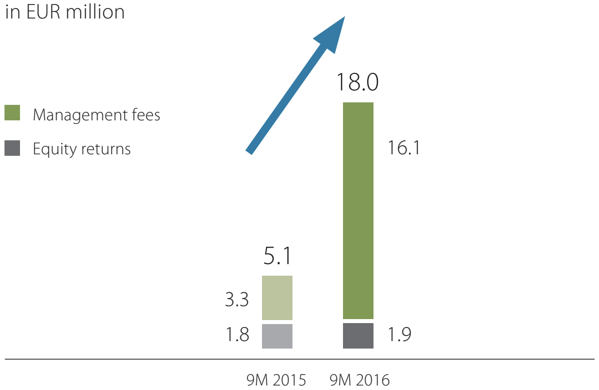
FUND BUSINESS

Strong fund growth as planned

FUND VOLUME
in EUR million



FFO CONTRIBUTION OF FUND BUSINESS
in EUR million



- 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

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

INCOME DEVELOPMENT

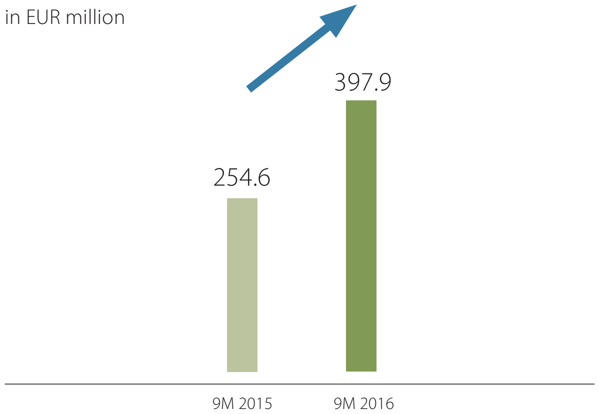
Rising real estate management fees

OVERVIEW OF INCOME

in EUR million	9M 2016	9M 2015	Δ
Gross rental income	**81.4**	104.1	-22%
Real estate management fees	**18.0**	4.5	>100%
Proceeds from sales of properties	**281.6**	126.0	>100%
Other	**16.9**	20.0	-16%
Total income	**397.9**	254.6	56%

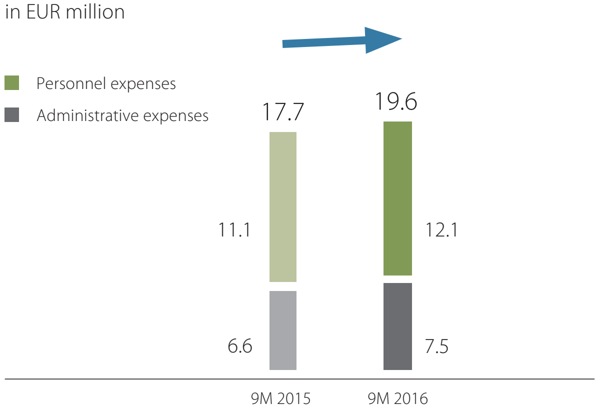
TOTAL INCOME

in EUR million



OPERATING COSTS

in EUR million



- 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

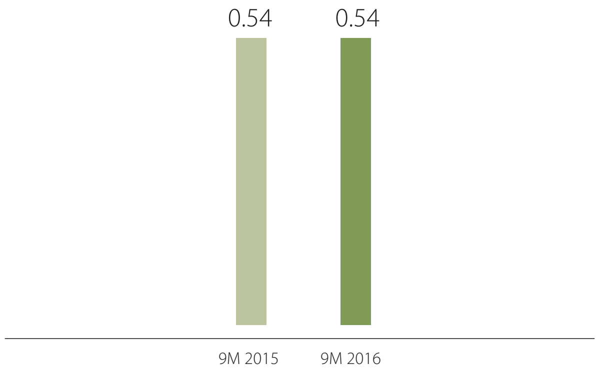
Strong increase of the profit for the period

RECONCILIATION TO FFO

in EUR million	9M 2016	9M 2015	Δ
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%

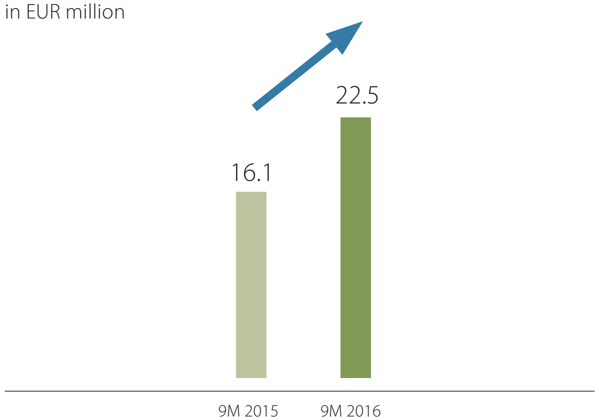
FFO PER SHARE

in EUR



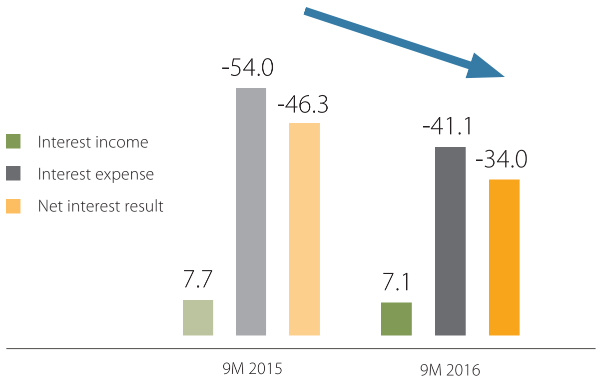
PROFIT FOR THE PERIOD

in EUR million



NET INTEREST RESULT

in EUR million

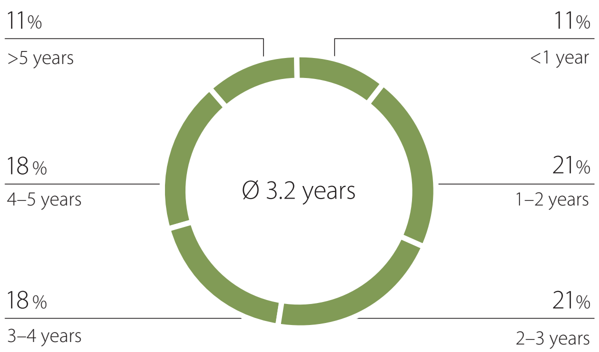


- **Main effects** on the results of operations:
  - **Share of the profit or loss of associates excluding project development and sales** down EUR 0.3 million year-on-year to EUR 2.4 million, mainly due to reduced joint venture investments. By contrast, income from fund investments increased
  - **Sustainable 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

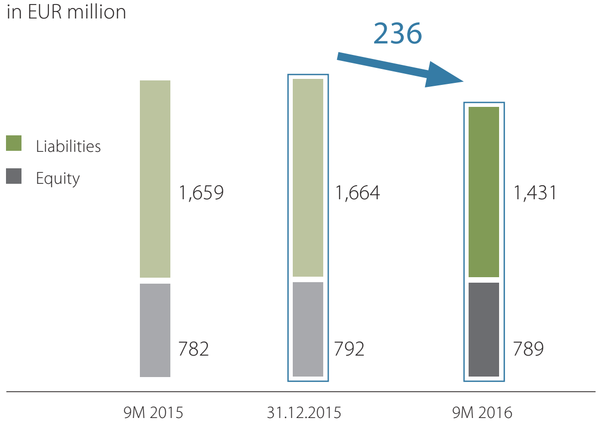
FINANCIAL STRUCTURE

Further reduction of financial liabilities

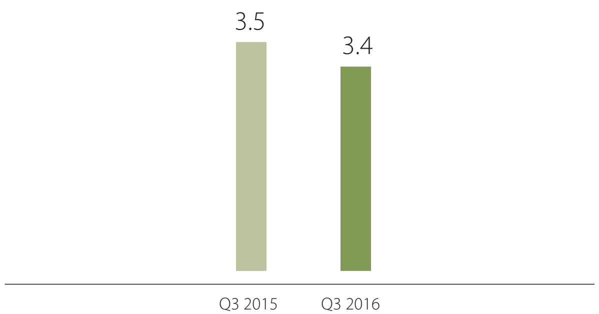
DEBT MATURITIES
as at 30.09.2016



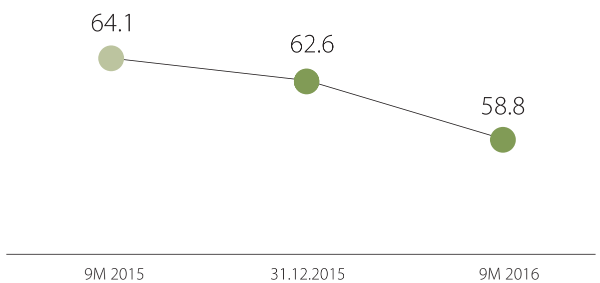
EQUITY AND LIABILITIES
in EUR million



AVERAGE INTEREST RATE
in %, based on bank liabilities



LOAN-TO-VALUE
in %



- **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

FORECAST

FFO forecast for 2016 raised

- 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

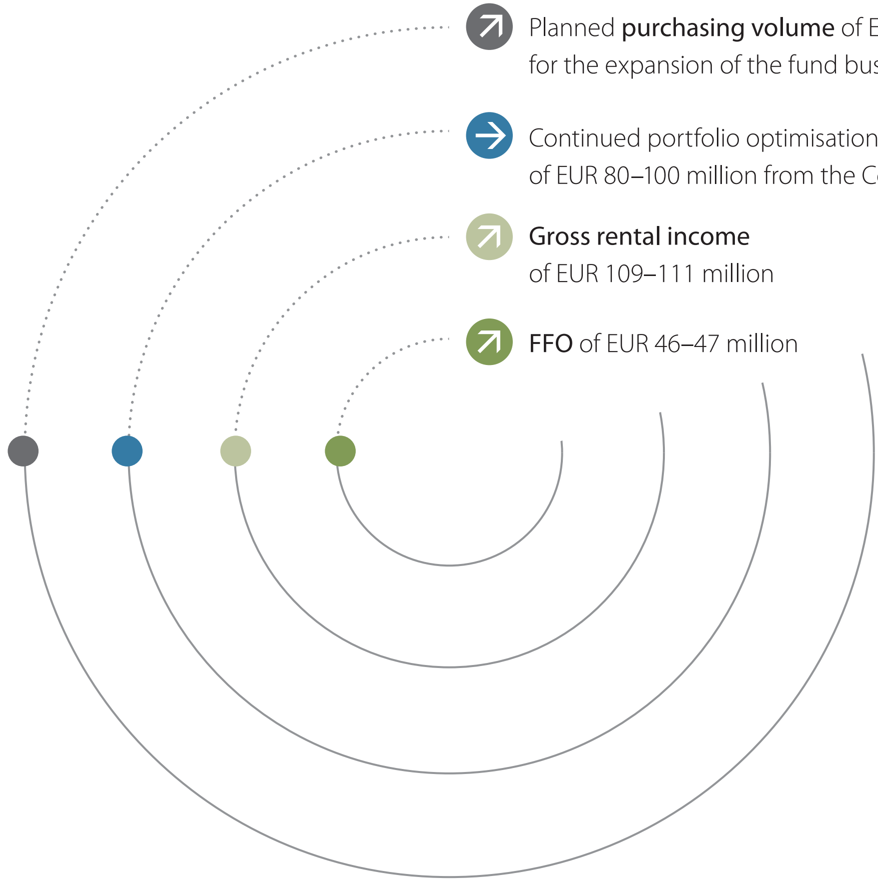
TARGETS FOR 2016:

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



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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.

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

Realisation
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