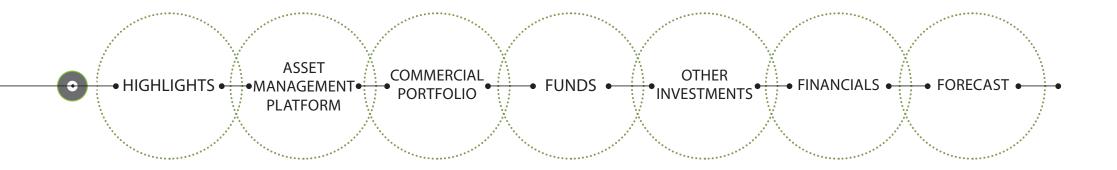
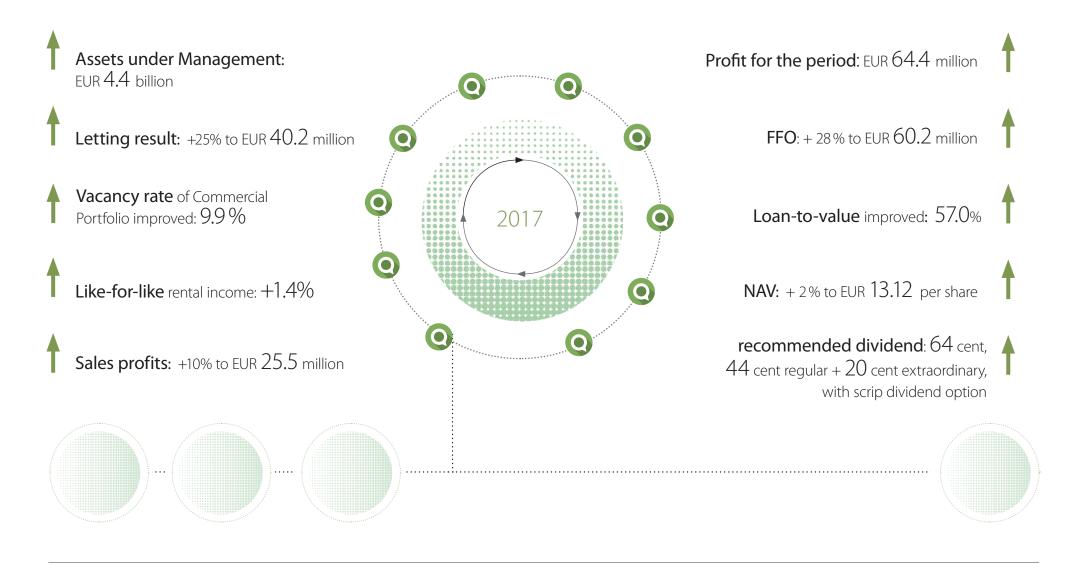
# DIC -



### AGENDA



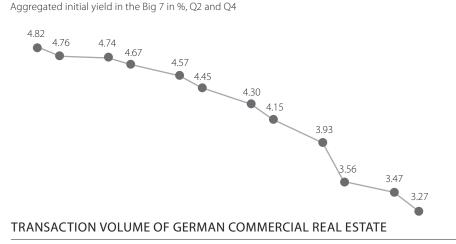
## HIGHLIGHTS



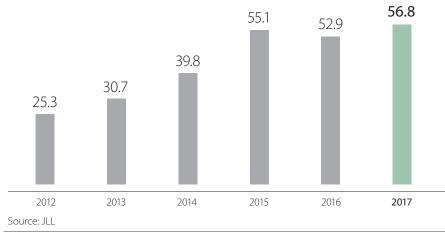
### TRANSACTION MARKET

#### Ongoing yield compression

#### PRIME YIELDS FOR OFFICES IN PRIME LOCATIONS



in EUR billion

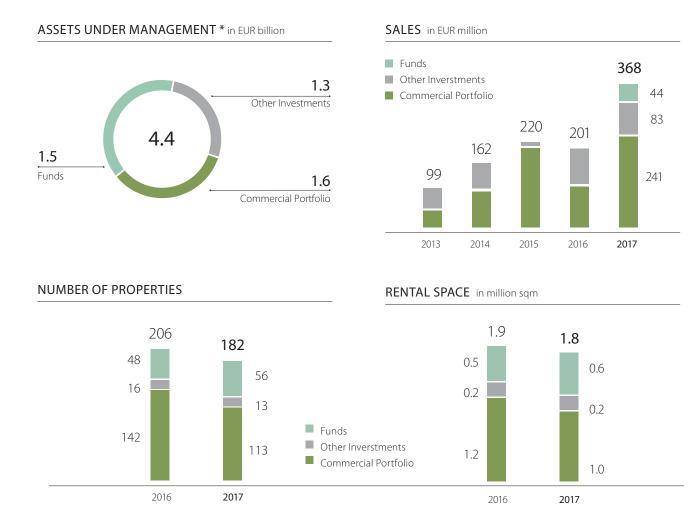


- Significant upturn in the German economy with **GDP growth** of 2.2%
- Broad-based growth: strong domestic demand, rising corporate investment and increase in foreign trade, supported by recovery of the global economy
- Excellent mood with **ifo Index** reaching new record levels in 2017
- Rising demand due to higher employment rate lifts take-up by 7% to 4.2 million sqm
- Year-on-year drop in **vacancy rate** from 6.0% to 4.7%
- Shortage of space in office rental market with demand rising and completion level falling 22% year-on-year
- Transaction volume up 7% to a new all-time high of EUR 56.8 billion
- Yields down further across all asset classes. Prime yields for office properties down 29 basis points to 3.27% across BIG 7, dropping below the 3% mark in Berlin



## PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

#### EUR 4.4 billion Assets under Management

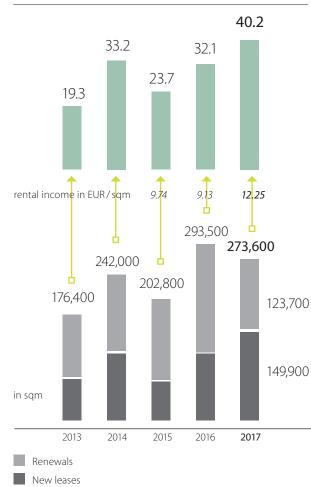


- Assets under management total EUR 4.4 billion, thereof EUR 1.3 billion Other Investments including managed third-party properties
- The Portfolio includes 182 properties with 1.8 million sqm rental space
- Sales volume of EUR 368 million notarised
  - 22 properties from the Commercial Portfolio for optimization (EUR 241 million)
  - 1 property from Funds to realise attractive returns (EUR 44 million)
  - 5 properties from Other Investments to reduce JVs (EUR 83 million)
- Acquisition volume totalling EUR 240 million
  - 4 properties for existing funds (EUR 74 million)
  - 3 properties for formation of new funds in warehousing phase (EUR 166 million)
- Transfer volume: 4 properties with a volume of EUR 294 million transferred from warehousing to funds

## PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

### Highest letting performance in 5 years

LETTING VOLUME in EUR million



#### LETTING VOLUME (by type of use)

	in sqm		annual EUR m	
	2017	2016	2017	2016
Office	205,400	212,100	34.4	27.5
Retail	15,700	15,800	2.2	1.8
Storage/logistics	38,000	43,700	2.5	2.1
Further commercial	12,300	19,100	0.9	0.5
Residential	2,200	2,800	0.2	0.2
Total	273,600	293,500	40.2	32.1
Parking	2,285 units	2,065 units	1.4	1.0

#### TOP 5 LETTINGS

Tenant	Туре	Segment	City	Rental space
Bundesanstalt für Immobilienaufgaben	New lease	Funds	Wiesbaden	25,100 sqm
Land Hessen	Renewal	Commercial Portfolio	Darmstadt	22,400 sqm
Land Hessen	Renewal	Commercial Portfolio	Frankfurt	10,100 sqm
DELACAMP AG	Renewal	Commercial Portfolio	Hamburg	5,900 sqm
htp GmbH	Renewal	Funds	Hannover	5,300 sqm

- Strong letting volume of 273.600 sqm
- Annualised rental income of EUR 40.2 million
- Average rental income of letting volume 2017 up to EUR 12.25 per sqm (2016: EUR 9.13)
- 55% of lettings attributable to new leases (149,900 sqm), 45% to renewals (123.700 sqm)
- Strong letting improved portfolio quality
  - WALT up from 4.3 to 5.2 years
  - Vacancy rate reduced from 8.4% to 8.0%



## COMMERCIAL PORTFOLIO

### Higher quality of portfolio after strong letting performance

#### DEVELOPMENT COMMERCIAL PORTFOLIO\*

	2017	2016
Number of properties	113	142
Market value in EUR million	1,639.2	1,948.3
Rental space in sqm	911,600	1,020,400
Annualised rental income in EUR million	95.5	106.3
Rental income in EUR per sqm	9.32	9.56
WALT in years	5.1	4.5
Vacancy rate in %	9.9	11.8
Gross rental yield in %	6.4	6.5

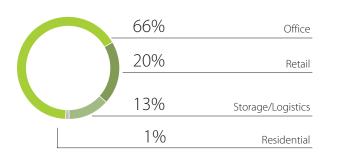
\* all figures excluding developments and warehousing, except for number of properties and market value

## LIKE-FOR-LIKE RENTAL INCOME GROWTH

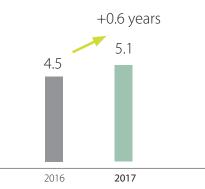


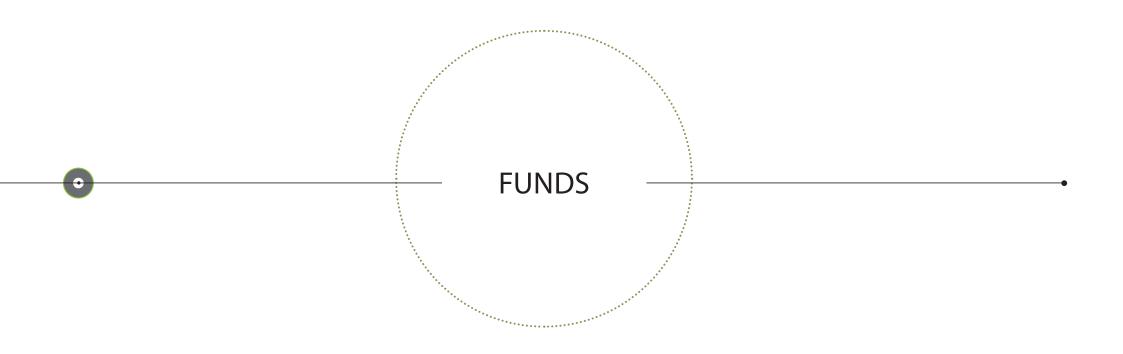
- 113 properties generate annual rental income of EUR 95.5 million. That translates into recognised GRI in P&L of EUR 110 million (thereof warehousing EUR 11.4 million)
- Like-for-like rental income grew 1.4% due to strong letting performance and ongoing portfolio optimization
- WALT rose more than 10% from 4.5 years to 5.1 years
- Vacancy rate down from 11.8% to 9.9%

#### TENANT STRUCTURE by annualised rental income



#### WEIGHTED AVERAGE LEASE TERM



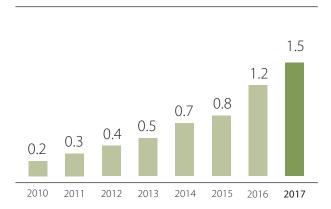


## SUCCESSFUL FUND BUSINESS

### Launch of two additional funds

FUND VOLUME in EUR billion

Circulation



2012-

2010

#### INCOME OF FUND BUSINESS in EUR million



03/2017

-09/2017 -----

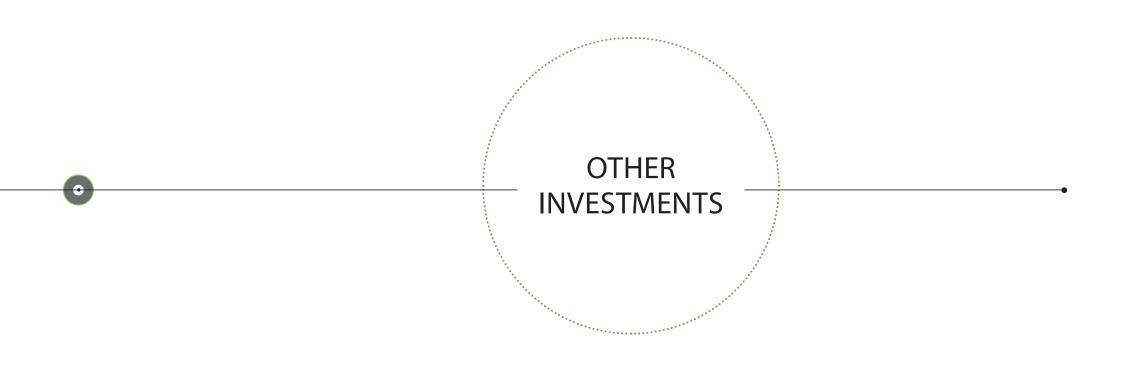
chediation	2010	2012	2011	2010	00,201,	00,201,
	DIC Office Balance I	DIC HighStreet Balance	DIC Office Balance II	DIC Office Balance III	DIC Office Balance IV	DIC Retail Balance I
AuM		c. 210 EUR mn				
Target volume	400–450 EUR mn	200–250 EUR mn	300–350 EUR mn	330 EUR mn	c. 240 EUR mn	c. 250 EUR mn
Target yield	c. 6.0%	c. 5.0%	4.5-5.0%	4.5-5.0%	4.5-5.0%	c. 5.0%
Yield 2017	6.3%	5.1 %			start 2017	
Status	Management phase	Management phase	Investment phase	Management phase	Investment phase	Investment phase

2014

2015

#### Further fund growth realised

- Launch of two funds in 2017: "DIC Office Balance IV" with a target volume of c. EUR 240 million and "DIC Retail Balance I" with a target volume of c. EUR 250 million
- 4 properties with a volume of EUR 76 million acquired for new funds
- funds volume rose by EUR 350 million to EUR 1.5 billion
- further acquisitions of 3 properties worth EUR 166 million for planned funds in warehousing phase
- First-time sale of one property from Fund business with a volume of EUR 44 million
- Total income stabilised, rising income from recurring management fees (EUR 10.5 million) offsets lower setup fees (EUR 8.4 million)
- Further fund products are in the planning stage

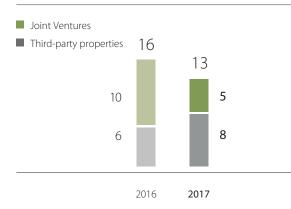


## DIC -

## OTHER INVESTMENTS

### Growing third-party business

#### NUMBER OF PROPERTIES

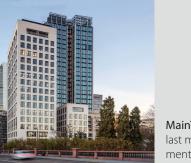


#### INCOME OF OTHER INVESTMENTS in EUR million



- Assets under management of EUR 1.3 billion now including third-party assets
- Joint ventures further reduced to 5 properties
- Growing third-party business: currently 8 properties with 0.2 million sqm and market value of EUR 0.8 billion under management
- MainTor project development close to completion, all office properties let
- Successful strategic investment in WCM/ TLG: extraordinary income of EUR 19.3 million from the exchange of the WCM-shares into TLG-shares

#### PROJECT DEVELOPMENTS



MainTor Frankfurt last major project development close to completion



### INCOME STATEMENT

#### Consolidated profit more than doubled

#### CONSOLIDATED INCOME STATEMENT

in EUR million	2017	2016
Gross rental income	109.7 🚺	111.2
Profit on disposal of properties	25.5 💈	23.2
Real Estate Management fees	20.8 🕚	21.5
Share of the profit of associates	29.0 (4)	2.3
Net other income	0.0	0.1
Operating expenses	-31.8 5	-26.8
Depreciation and amortisation	-31.0	-35.2
Net interest result	-35.1	-103.0
Interest income	8.7	9.4
Interest expenses	-43.8 6	-112.4
Profit for the period	64.4 🔽	-29.4

- Gross rental income above target due to strong lettings and rental income from warehousing properties
- **2** Sales profits increased by 10% despite lower sales volume
- 8 Real estate management fees EUR 0.7 million lower than 2016, due to reduction of JVs, fees from Funds and third parties are stable with EUR 18.9 million and EUR 1.3 million
- Strong increase of **profit of associates** mainly due to one-time extraordinary income from WCM/TLG-shares swap (EUR 19.3 million), higher current income from WCM/TLG-investment and contributions to earnings from MainTor
- **5** Operating expenses increased to EUR 31.8 million mainly due to expansion of fund business
- 6 Substantial decrease in interest expenses to EUR -43.8 million (2016: EUR -56.1 million adjusted) due to refinancing of the Commercial Portfolio in 2016
- Higher share of the profit of associates and improved net interest result led to a sharp rise in the profit for the period by more than 100% to EUR 64.4 million

### FFO Higher FFO-contribution of Commercial Portfolio

#### **RECONCILIATION TO FFO**

in EUR million	2017	2016	Δ
Net rental income	93.1	94.6	-1%
Administrative expenses	-12.8	-10.7	+20%
Personnel expenses	-18.1	-16.1	+12%
Other operating income/expenses	0.2	0.2	0%
Real estate management fees	20.8	21.5	-5 %
Share of the profit or loss of associates without project developments and sales	11.8	5.4	+38%
Interest result	-34.8	-47.9	-19%
Funds from operations	60.2	47.0	+28%

#### SEGMENT REPORTING

in EUR million	2017				2016			
	CP	Funds	OI	total	CP	Funds	OI	total
Gross rental income	109.7			109.7	111.2			111.2
Net rental income	93.1			93.1	94.5	•		94.5
Profits on property disposals*	25.5			25.5	23.2	•		23.2
Real estate management fees		18.9	1.9	20.8		18.8	2.7	21.5
Profit of associates **		2.6	26.4	29.0		2.4	-0.1	2.3
Funds from Operations	47.1	8.6	4.5	60.2	35.7	11.0	0.3	47.0

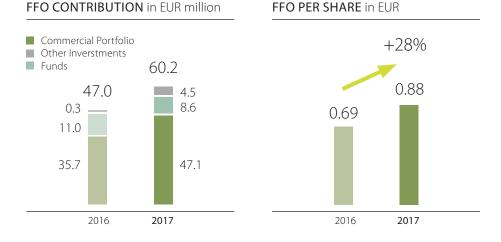
\* not relevant for FFO

\*\* Income from Other Investments: EUR 9.2 million included in FFO (2016: EUR 3.0 million)

CP: Commercial Portfolio

Ol: Other Investments

- FFO up 28% to EUR 60.2 million, at EUR 0.88 per share
- Significantly higher FFO-contribution (+ EUR 11.4 million) of Commercial Portfolio due to lower financing costs
- FFO contribution of **segment Funds** at EUR 8.6 million after expansion of fund business
- Significantly higher FFO contribution (+ EUR 4.2 million) of segment
  Other Investments mainly due to higher current income from WCM/ TLG-investment



### BALANCE SHEET

#### Strong equity ratio with 35.4%

#### BALANCE SHEET OVERVIEW

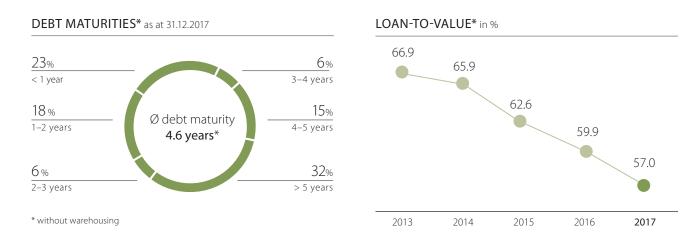
	21 12 2017	21 12 2016
in EUR million	31.12.2017	31.12.2016
Total assets	2,341.3	2,395.5
Non-current assets	1 055 6	1 009 6
Current assets	1,955.6 <b>1</b> 385.7 <b>2</b>	1,908.6 486.9
Total equity	828.9 3	757.0
Non-current financial liabilities	1,109.6	1,181.4
Current financial liabilities	296.1 4	268.9
Other liabilities	106.7 2	188.2
Total liabilities	1,512.4	1,638.5
Balance sheet equity ratio	35.4% 😉	31.6%
Loan-to-value ratio (LTV)*	57.0% 6	59.9%

\* without warehousing

- Non-current assets higher due to increased share in Other Investments
- Decrease of current assets and other liabilities primarily driven by decrease of warehousing assets/liabilities after transfer into funds and less new warehousing assets/liabilities
- **3** Total equity up EUR 71.9 million to EUR 828.9 million mainly due to strong consolidated profit for the period
- Current liabilities decreased due to repayments while increased due to the reclassification of the 2018 due corporate bond
- **5** Equity ratio increased significantly by 3.8 percentage points from 31.6% to 35.4%
- 6 LTV down 2.9 percentage points to 57.0%

## FINANCIAL STRUCTURE

### Refinancing created solid financial foundation



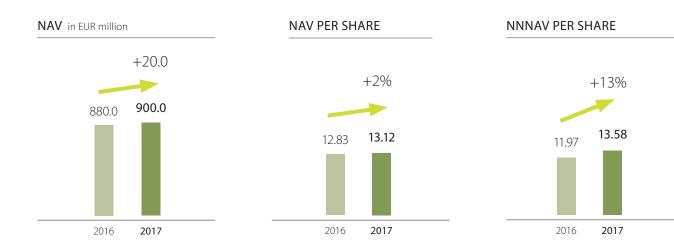
#### INTEREST EXPENSE AND AVERAGE INTEREST RATE (based on bank liabilities)



- Refinancing of the Commercial Portfolio in the amount of EUR 960 million in December 2016, effective February 2017
- Average interest rate of bank liabilities reduced to 1.8%
- Average debt maturity including bonds at 4.6 years
- New bond with a volume of EUR 130 million successfully issued with low coupon of 3.250% in July 2017
- LTV further reduced to 57%
- Interest cover ratio (net rental income divided by interest expense) up substantially to 213 % (31 December 2016: 173 % adjusted) due to lower interest expense
- No refinancing is due in 2018 beside the bond of EUR 100 million in July

## NET ASSET VALUE

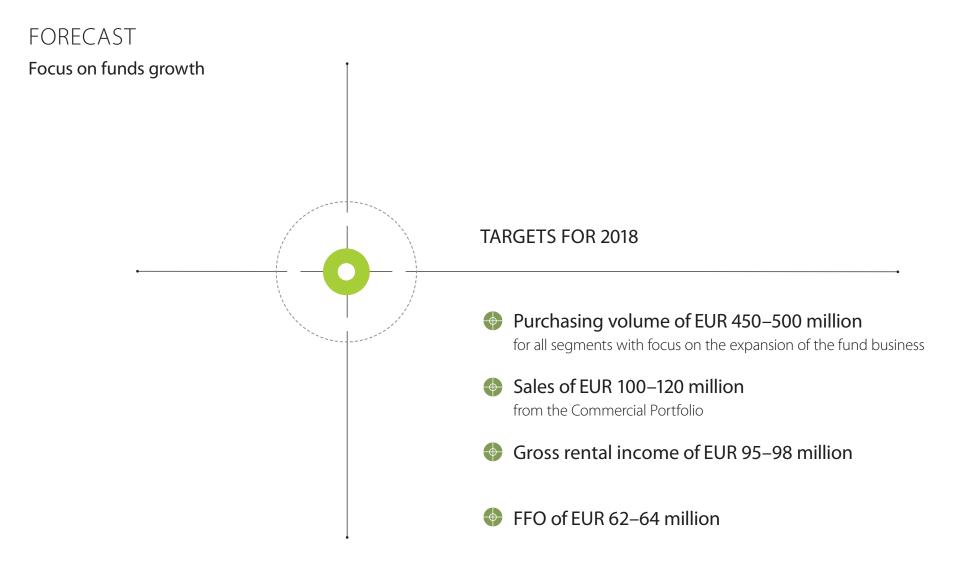
### Strong FFO leads to rise in NAV



#### CHANGES IN MARKET VALUE in EUR million

Market value, portfolio as at 31.12.2016 (pro rata)	2,128.1
Disposals, funds	-3.6
Additions, funds (including warehousing)	123.8
Sales (including OB IV/RB I)	-460.9
Valuation impact before investments (3.67%)	65.6
Market value, portfolio as at 31.12.2017 (pro rata)	1,853.0
Investments	50.3
Valuation impact after investments (0.83%)	15.3

- Net asset value EUR 20 million higher at EUR 900 million (2016: EUR 880 million) mainly due to the increased FFO and valuation impact of the portfolio
- Increased valuation impact (+3.67%) before investments due to further optimisation of the portfolio
- NAV per share 2% higher at EUR 13.12 (2016: EUR 12.83)
- NNNAV per share 13% higher at EUR 13.58 (2016: EUR 11.97) mainly due to measurement gains on our investments



## INVESTOR RELATIONS

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#### Disclaimer

This full year 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 full year statement. Said risks and uncertainties are discussed in detail in the risk report as part of financial reporting. This full year 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 guarterly statement.

#### For more information:

#### For instance:

>> Up-to-date company presentation

>> Audio webcast

#### **FINANCIAL CALENDAR 2018**

09.02.2018	Publication of Financial Report 2017
16.03.2018	General Shareholders' Meeting 2018
04.05.2018	Publication of Q1 2018 Financial Statement
30.07.2018	Publication of H1 2018 Financial Report
08.11.2018	Publication of Q3 2018 Financial Statement

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