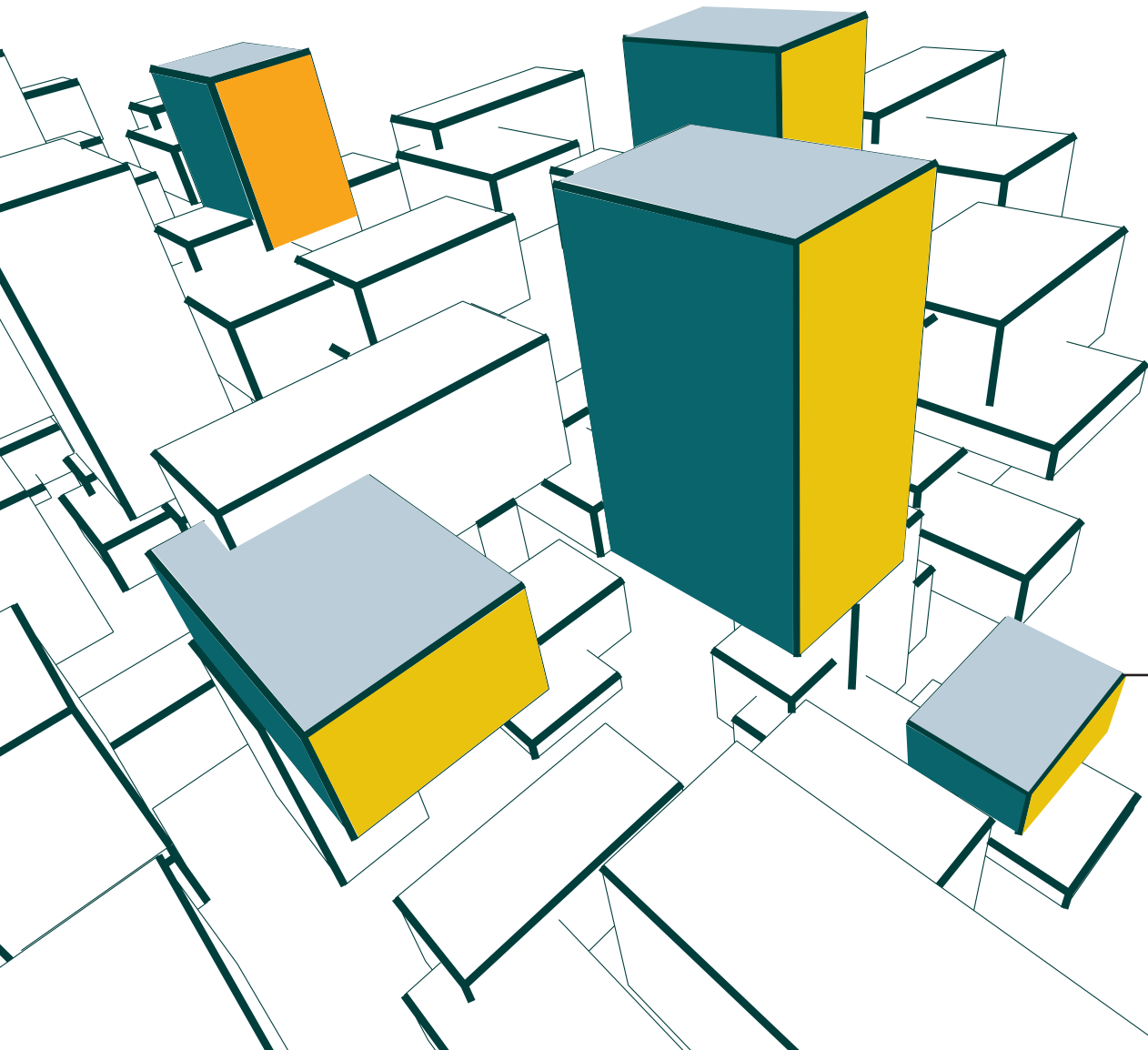


Q2 2018

HALF-YEAR RESULTS | WEBCAST



AGENDA

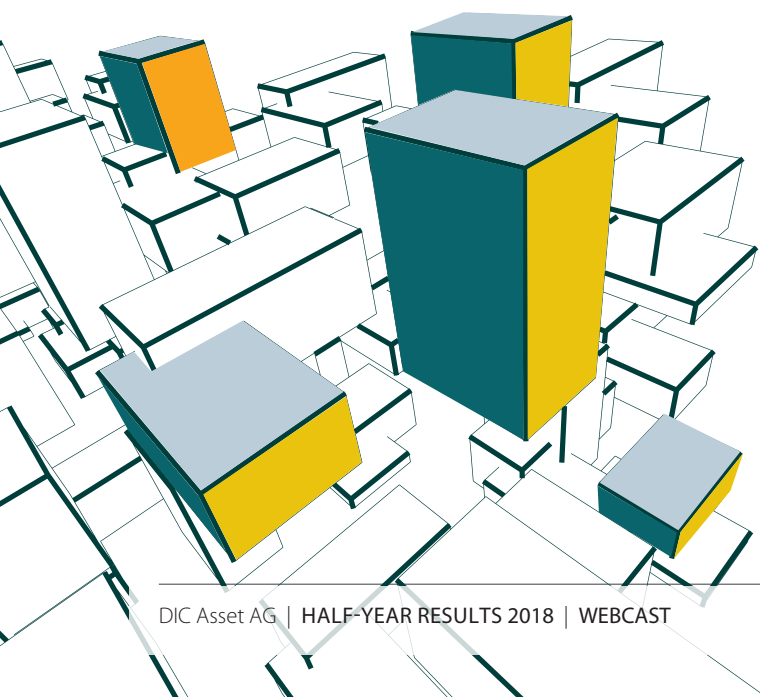
Q2 2018

HIGHLIGHTS

COURSE OF BUSINESS

FINANCIALS

FORECAST



HIGHLIGHTS

Q2
2018



FFO grew by 7% to EUR 32.0 million



Assets under Management reached the threshold of EUR 5.0 billion and grew by 22%



Like-for-like rental income in the Commercial Portfolio increased by 2.3%



Share of the profit of associates increased sharply to EUR 10.8 million



Profit for the period rose by 20% to EUR 23.9 million



Letting performance increased by 60% with annualised rental income of EUR 12.0 million



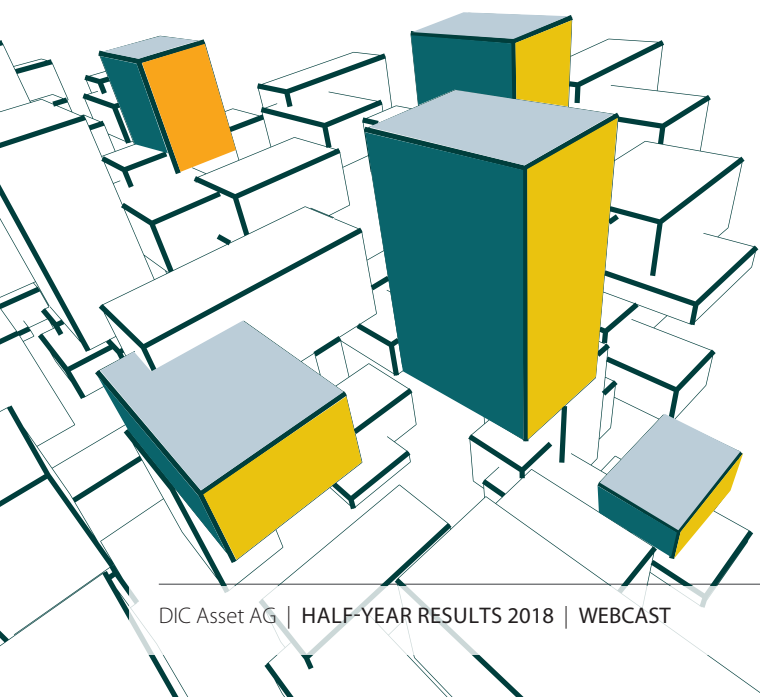
EPRA vacancy rate declined to 8.9%



Real estate management fees rose by 56% to EUR 12.2 million

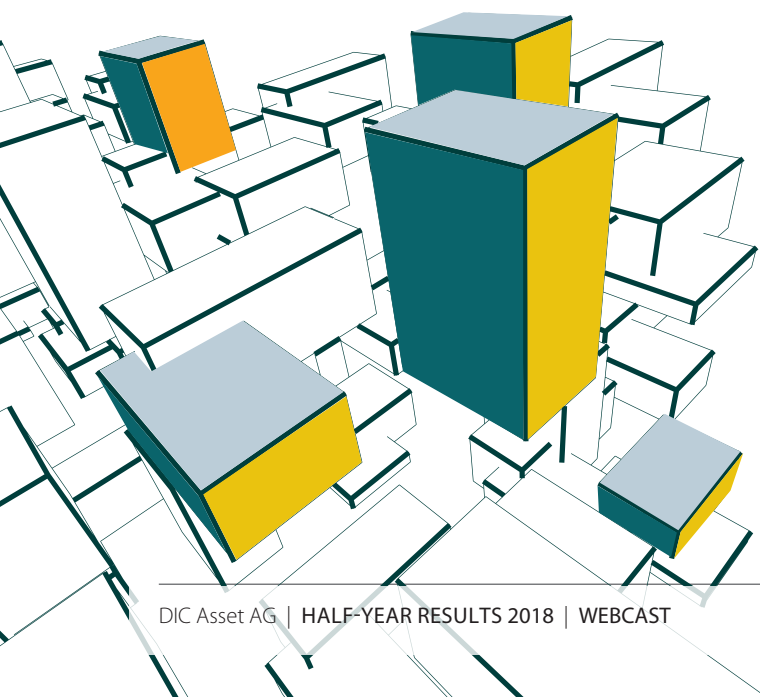


DIC Office Balance V fund was launched end of June



AGENDA

Q2 2018

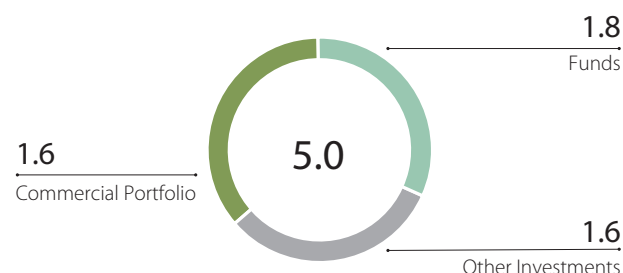


PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Growing Assets under Management

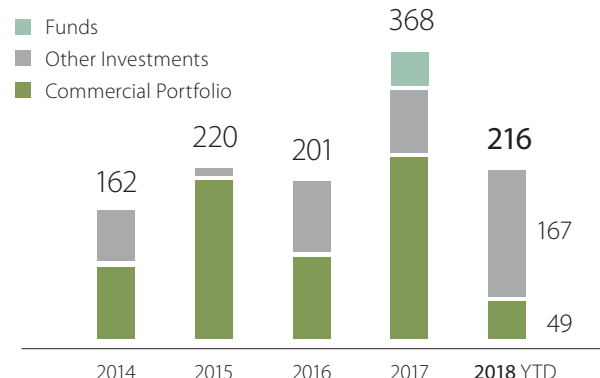
ASSETS UNDER MANAGEMENT

in EUR billion



SALES VOLUME

in EUR million, YTD



- **Assets under Management** grew by 22% to **EUR 5.0 billion** (H1 2017: EUR 4.1 billion), comprising 185 properties with rental space of c. 1.9 million sqm
- **Acquisitions:** approx. EUR 105 million YTD, thereof c. EUR 70 million for the Commercial Portfolio and c. EUR 35 million for our fund business
- **Sales:** Properties with a volume of EUR 216 million notarised in 2018, including 4 properties of EUR 49 million from the Commercial Portfolio and 2 properties of EUR 167 million from the segment Other Investments (remaining joint ventures)

PORTFOLIO BY SEGMENT*

		Commercial Portfolio	Funds	Other Investments**	Total
Number of properties	H1 2018	108	63	14	185
	H1 2017	123	52	14	189
Market value in EUR million ***	H1 2018	1,598.3	1,763.3	1,630.0	4,991.6
	H1 2017	1,721.6	1,314.4	1,065.2	4,101.2
Rental space in sqm	H1 2018	927,800	679,300	255,700	1,862,800
	H1 2017	1,005,800	564,600	210,100	1,780,500

* all figures including warehousing, project developments and repositioning properties

** including third-party business

*** Market value as at 31.12.2017, later acquisitions considered at cost

PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Strong letting performance in first half year

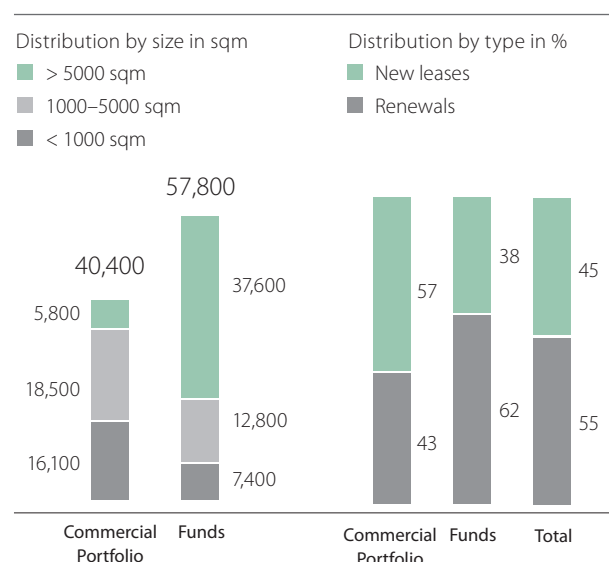
LETTING VOLUME (by type of use)

	in sqm		annualised in EUR million	
	H1 18	H1 17	H1 18	H1 17
Office	72,000	46,100	9.4	5.6
Retail	9,800	4,100	1.6	0.4
Storage/logistics	10,600	17,200	0.6	1.0
Further commercial	5,200	8,400	0.3	0.4
Residential	600	700	0.1	0.1
Total	98,200	76,500	12.0	7.5
Parking	1,085 units	811 units	0.6	0.4

TOP 5 LETTINGS

Tenant	Type	Segment	City	Rental space
Allianz Deutschland AG	Renewal	Funds	Leipzig	12,300 sqm
Land Niedersachsen	New lease	Funds	Hannover	9,700 sqm
eBay GmbH	Renewal	Funds	Berlin Kleinmachnow	8,100 sqm
SiNN GmbH	Renewal	Funds	Trier	7,400 sqm
Maintrans Intern. Sped. GmbH	New lease	Commercial Portfolio	Langenselbold	5,800 sqm

LETTING STRUCTURE



- **Letting volume 60% higher** with an annualised rental income of EUR 12.0 million (H1 2017: EUR 7.5 million)
- 59% of the 98,200 sqm leased were attributable to the segment **Funds**, primarily for large-sized spaces (65%)
- Whereas 86% of the letting volume in the **Commercial Portfolio** were attributable to smaller- and medium-sized spaces
- **New leases** accounted for 45% of the letting volume (44,600 sqm), **lease renewals** for 55% (53,600 sqm)
- Successful letting activities improved our overall **portfolio quality**:
 - **Weighted average lease term (WALT)** increased from 4.2 to **5.1 years**
 - **2018 lease expiry volume** dropped to 4.7%

SEGMENT COMMERCIAL PORTFOLIO

Portfolio quality significantly improved

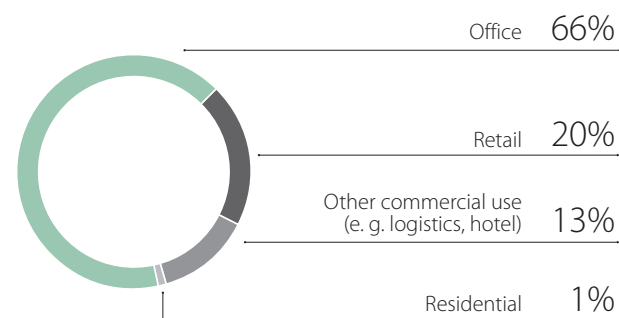
DEVELOPMENT COMMERCIAL PORTFOLIO*

	H1 2018	H1 2017
Number of properties	108	123
Market value in EUR million	1,598.3	1,721.6
Rental space in sqm	927,800	1,005,800
Annualised rental income in EUR million	96.2	93.7
Rental income in EUR per sqm	9.49	9.38
WALT in years	5.2	4.3
EPRA vacancy rate in %	8.9	11.2
Gross rental yield in %	6.3	6.3

* all figures excluding project developments and warehousing properties, except for number of properties, market value and rental space

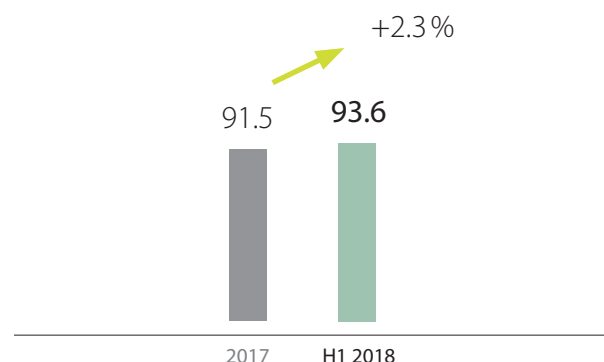
TYPES OF USE

based on annualised rental income



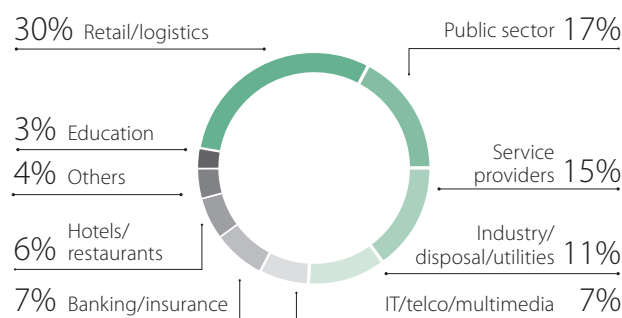
LIKE-FOR-LIKE RENTAL INCOME GROWTH

based on annualised rental income in EUR million



SECTORS*

based on annualised rental income



* new sector categorisation from 30.06.2018
(Chamber of Industry and Commerce sector key)

- **Commercial Portfolio** comprised 108 properties with a **market value** of approx. EUR 1.6 billion as at 30.06.2018
- Strong letting activities lifted **like-for-like rental income by 2.3%**, driven primarily by vacancy reduction and increasing in-place rents (61%); 39% coming from indexations
- **Annualised rental income** increased by 2.7% to EUR 96.2 million
- Weighted average lease term (**WALT**) increased to 5.2 years (H1 2017: 4.3 years)
- EPRA **vacancy rate** was reduced further by 230 bp to **8.9%** (H1 2017: 11.2%)

SEGMENT COMMERCIAL PORTFOLIO

Case Study “Office property acquisition in Leverkusen”

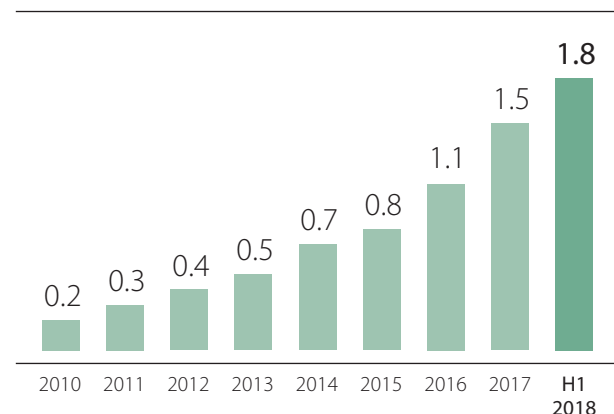


- Purchase price of approx. EUR 52 million
- Total rental space of around 13,300 sqm, 301 parking spaces
- 100% occupancy rate
- Long-term leases; WALT of 16.76 years
- The anchor tenant is pronova BKK, one of Germany's largest company health insurance providers
- New building, completed in early 2018
- Friendly and light ambience, barrier-free access and small office units for personal customer advice
- Leverkusen is a location with economic potential
- DIC's good regional market access pays off

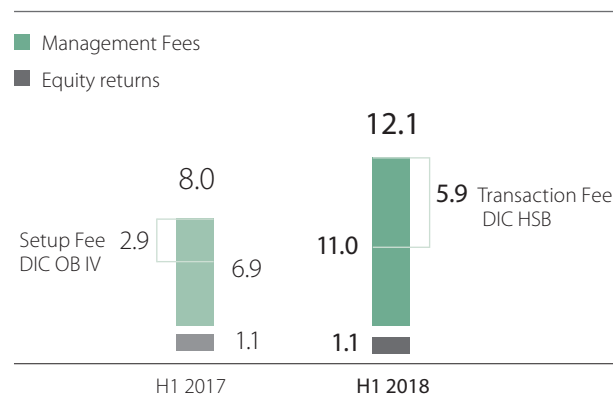
SEGMENT FUNDS

New fund DIC Office Balance V launched

FUND VOLUME in EUR billion



INCOME OF FUND BUSINESS in EUR million



■ **Assets under Management** grew to **EUR 1.8 billion** by acquisitions and new implemented DIC OB V

■ **Sale of DIC HighStreet Balance** (still under management) executed as a sale of share certificates generating transaction fees of EUR 5.9 million

■ **Income from fund business** increased by 50% to **EUR 12.1 million** (H1 2017: EUR 8.0 million), thereof management fees of EUR 11.0 million (H1 2017: EUR 6.9 million)

- **DIC Office Balance V** launched in June:
 - Target volume of EUR 350 to 400 million
 - Start-up portfolio of two properties in Munich and Hamburg with a total volume of c. EUR 130 million transferred from warehousing
 - Setup fees will be recognised in H2 2018
- Further **new funds** in preparation

Circulation

2010 2012 2014 2015 03/2017 09/2017 06/2018

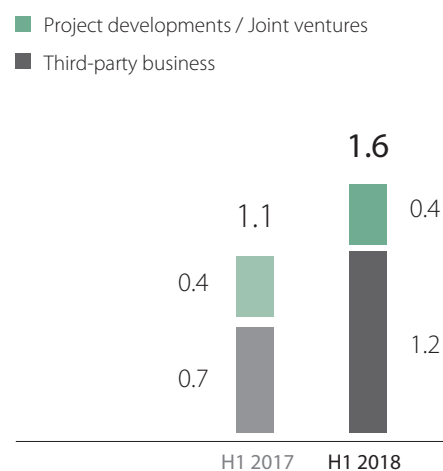


	DIC Office Balance I	DIC HighStreet Balance	DIC Office Balance II	DIC Office Balance III	DIC Office Balance IV	DIC Retail Balance I	DIC Office Balance V
AuM	c. 420 EUR mn	c. 210 EUR mn	c. 320 EUR mn	c. 340 EUR mn	c. 170 EUR mn	c. 180 EUR mn	c. 130 EUR mn
Target volume	400–450 EUR mn	200–250 EUR mn	300–350 EUR mn	c. 330 EUR mn	c. 240 EUR mn	c. 250 EUR mn	350–400 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%	4.0–4.5%
Status / Phase	Management	Sold / Management	Management	Management	Investment	Investment	Investment

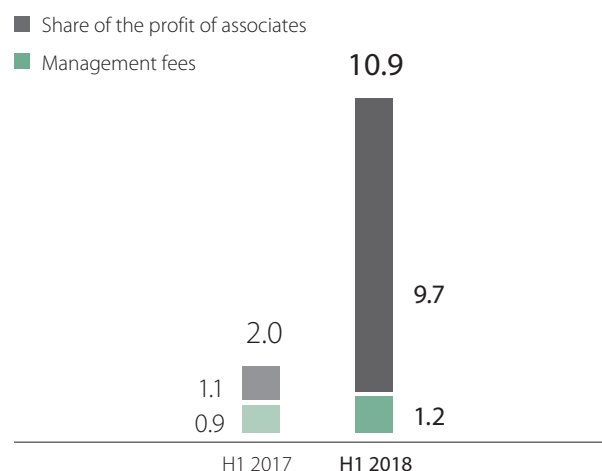
SEGMENT OTHER INVESTMENTS

Joint ventures fully divested, strong contribution from TLG dividend

ASSETS UNDER MANAGEMENT in EUR billion



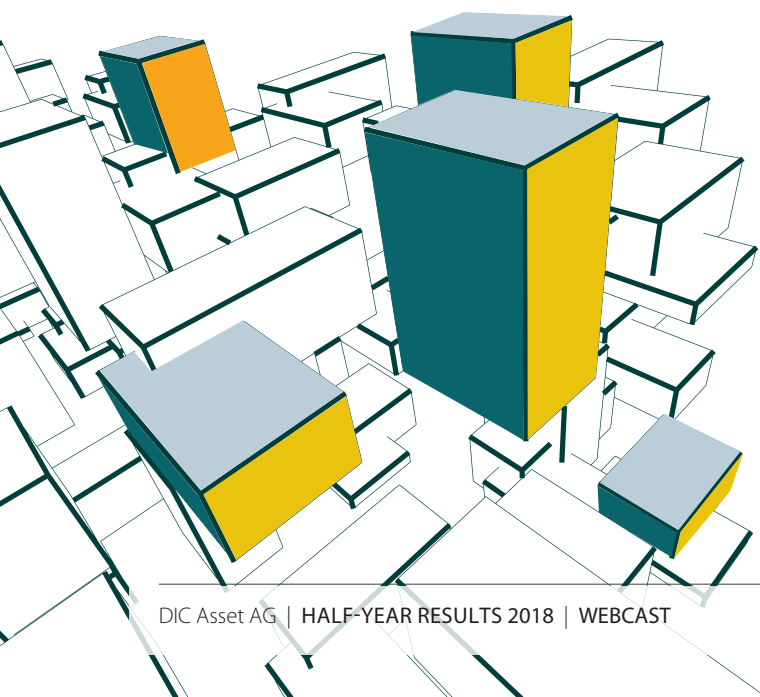
INCOME OF OTHER INVESTMENTS in EUR million



- **Assets under Management** increased to **EUR 1.6 billion** mainly due to expansion of third-party business (11 properties with a market value of EUR 1.2 billion)
- **Share of the profit of associates** grew up to **EUR 9.7 million** (H1 2017: EUR 1.1 million) mainly attributable to dividend income from strategic TLG investment
- **Management fees** increased to **EUR 1.2 million** (H1 2017: EUR 0.9 million) after expansion of third-party business and sales of joint ventures
- **Joint ventures** fully divested: sale of last remaining properties notarised

AGENDA

Q2 2018



INCOME STATEMENT

Profit for the period up 20%

CONSOLIDATED INCOME STATEMENT

in EUR million	H1 2018	H1 2017	Δ
Gross rental income	50.3 ①	59.2	-15%
Profit on disposal of properties	11.1 ②	10.8	3%
Real estate management fees	12.2 ③	7.8	56%
Share of the profit of associates	10.8 ④	2.2	>100%
Operating expenses	-15.2	-15.3	-1%
Depreciation and amortisation	-14.7	-15.9	-8%
Net interest result	-19.2 ⑤	-16.8	-14%
Profit for the period	23.9 ⑥	20.0	20%

- ① **Gross rental income** declined to EUR 50.3 million as planned driven by sales and transfers of warehousing properties to new funds
- ② **Profits on property disposals** increased by 3% to EUR 11.1 million despite lower sales proceeds; sales prices around 16% higher than most recently determined market value
- ③ **Real estate management fees** rose by 56% to EUR 12.2 million, mainly due to fees for the sale of shares in the DIC HighStreet Balance fund end of Q1 2018
- ④ **Share of the profit of associates** increased significantly to EUR 10.8 million, with dividend income from our strategic TLG investment accounting for EUR 10.2 million in May
- ⑤ **Net interest result** lower at EUR -19.2 million, mainly driven by temporary double interest payment for the early refinancing of the corporate bond. Issue of the fourth corporate bond was used to repay the second bond 13/18 in July 2018
- ⑥ **Profit for the period** increased 20 % to EUR 23.9 million (H1 2017: EUR 20.0 million), with significant rise in management fees and share of the profit of associates as main drivers overcompensating the reduction in rental income

SEGMENT REPORTING AND FFO

FFO increased 7% to EUR 32.0 million

RECONCILIATION TO FFO

in EUR million	H1 2018	H1 2017	Δ
Net rental income	42.5	50.4	-15%
Administrative expenses	-5.9	-6.0	-2%
Personnel expenses	-9.3	-9.3	+0%
Other operating income/expenses	-0.1	0.2	>100%
Real estate management fees	12.2	7.8	+56%
Share of the profit of associates without project developments and sales	11.6	3.3	>100%
Interest result	-19.0	-16.6	-14%
Funds from operations (FFO)	32.0	29.8	+7%

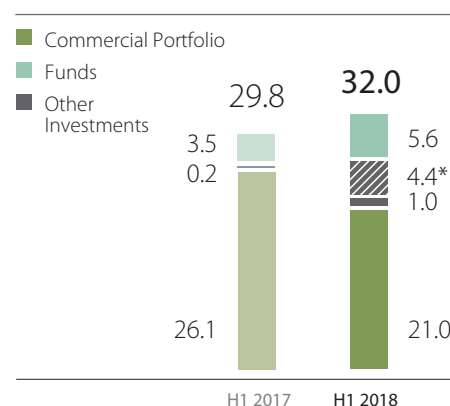
SEGMENT REPORTING

in EUR million	H1 2018					H1 2017			
	CP	Funds	Ol *	adj **	Total	CP	Funds	Ol	Total
Gross rental income	50.3				50.3	59.2			59.2
Net rental income	42.5				42.5	50.4			50.4
Profit on disposal of properties	11.1				11.1	10.8			10.8
Real estate management fees		11.0	1.2	0.0	12.2		6.9	0.9	7.8
Share of the profit or loss of associates		1.1	5.3	4.4	10.8		1.1	1.1	2.2
FFO	21.0	5.6	1.0	4.4	32.0	26.1	3.5	0.2	29.8

* according to management reporting, includes pro rata TLG dividend

** adjusted to external reporting

FFO-CONTRIBUTION in EUR million



* adjusted to external reporting

- Funds from operations (FFO) increased by 7% to **EUR 32.0 million** (H1 2017: EUR 29.8 million)
- FFO contribution of the **Commercial Portfolio** decreased to EUR 21.0 million primarily driven by lower rental income and additional interest expenses related to the bond 17/22
- FFO contribution of **Funds** rose to EUR 5.6 million (H1 2017: EUR 3.5 million), based on higher management fees in light of the DIC HighStreet Balance transaction and higher assets under management
- FFO contribution of **Other Investments** increased to EUR 1.0 million on the basis of the pro rata dividend income from the TLG investment (H1 2017: EUR: 0.2 million)
- The segment reporting follows the internal management reporting where the TLG dividend is disposed pro rata, the **adjustment** is EUR 4.4 million

BALANCE SHEET

Higher total assets after acquisitions and tapping of corporate bond

BALANCE SHEET OVERVIEW

in EUR million	30.06.2018	31.12.2017
Total assets	2,427.3 ¹	2,341.3
Non-current assets	2,008.4	1,955.6
Current assets	419.0	385.7
Total equity	829.7 ²	828.9
Non-current financial liabilities	1,216.1 ³	1,109.6
Current financial liabilities	289.8	296.1
Other liabilities	91.8 ⁴	106.7
Total liabilities	1,597.7	1,512.4
Balance sheet equity ratio	34.2%	35.4%
Loan-to-value ratio (LTV)*	57.3% ⁵	57.0%

* adjusted for warehousing

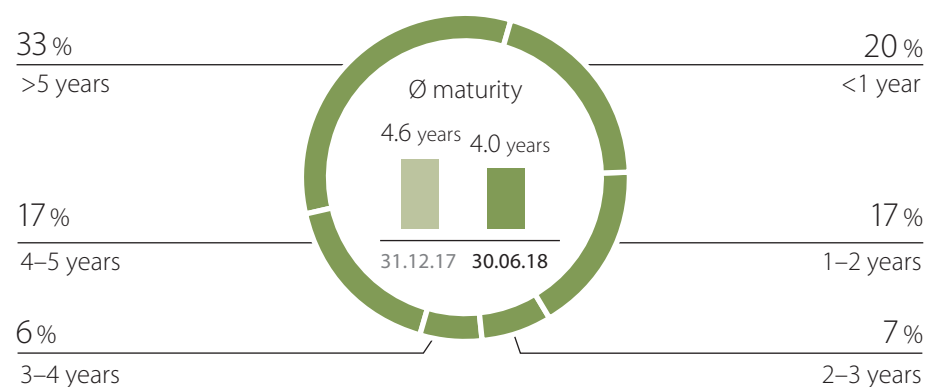
- 1 Total assets** increased by EUR 86.0 million to EUR 2,427.3 million. **Non-current assets** rose by EUR 52.8 million mainly due to acquisitions for the Commercial Portfolio. **Current assets** increased by EUR 33.3 million, primarily driven by higher cash and cash equivalents due to the tapping of the corporate bond 17/22
- 2 Total equity** was slightly higher at EUR 829.7 million. Negative effect of payment of the dividend in cash was equalized by the profit for the period and the capital increase in kind relative to the scrip dividend
- 3 Non-current financial liabilities** were higher following the tapping of the fourth corporate bond and acquisitions for the Commercial Portfolio
- 4 Other liabilities** decreased mainly as a result of the transfer of warehousing properties (liabilities in conjunction of non-current assets held for sale)
- 5 LTV** slightly increased to 57.3% (31.12.2017: 57.0%) due to the dividend payment in Q2

FINANCIAL STRUCTURE

Corporate bond 13/18 fully repaid after balance sheet date

FINANCIAL DEBT MATURITIES

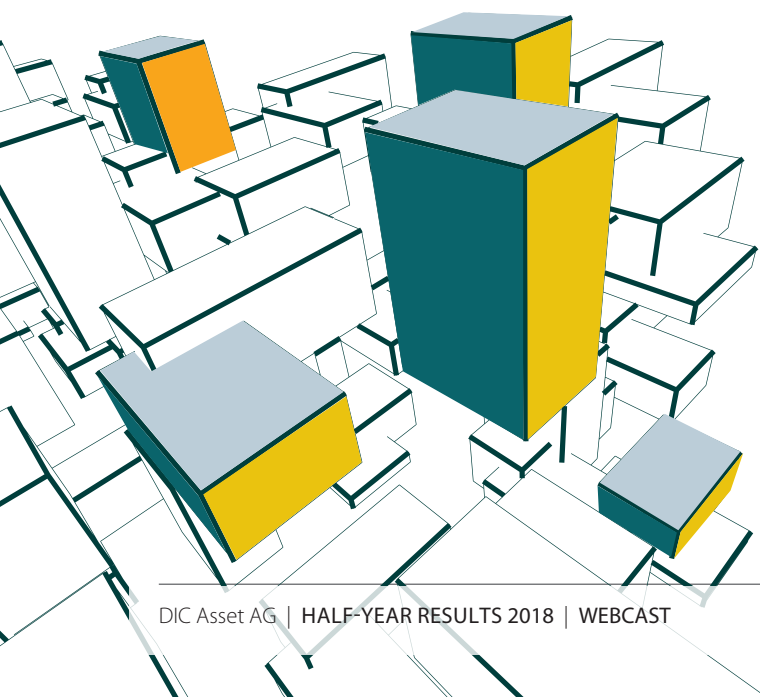
as at 30.06.2018, incl. bond/IFRS 5



- **Fourth corporate bond 17/22** tapped by EUR 50 million to EUR 180 million
- Proceeds of the corporate bond issued in July 2017 were used to fully repay the **corporate bond 13/18** in July 2018
- Average **maturity of loans and borrowings** of 4.0 years (31.12.2017: 4.6 years)
- **Average interest rate** of liabilities to banks remained at 1.8% (31.12.2017: 1.8%)
- **Interest coverage** (Net rental income/interest expenses) decreased to 181% (31.12.2017: 213%)

AGENDA

Q2 2018

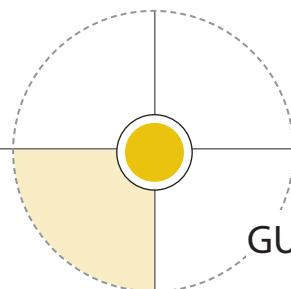
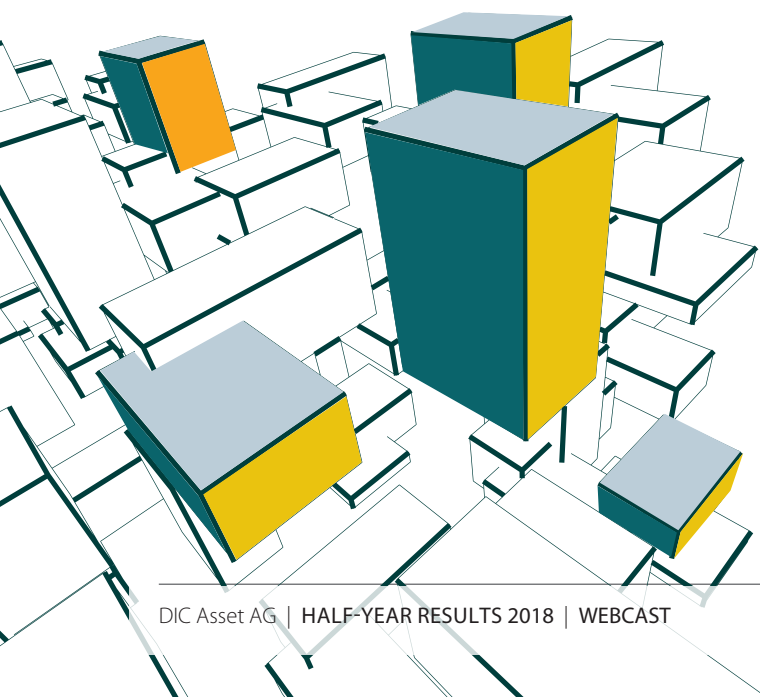


FORECAST

Full-year guidance confirmed

Q2

2018



GUIDANCE FOR 2018

EUR million



Gross rental income

95–98



FFO

62–64



Sales

from the Commercial Portfolio

100–120



Purchasing volume

for all segments

450–500

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:

<http://www.dic-asset.de/engl/investor-relations/>

For instance:

- >> Up-to-date company presentation
- >> Audio webcast

Financial calendar 2018

08.11.2018 | Publication of Q3 2018 Financial Statement

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

Realisation
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