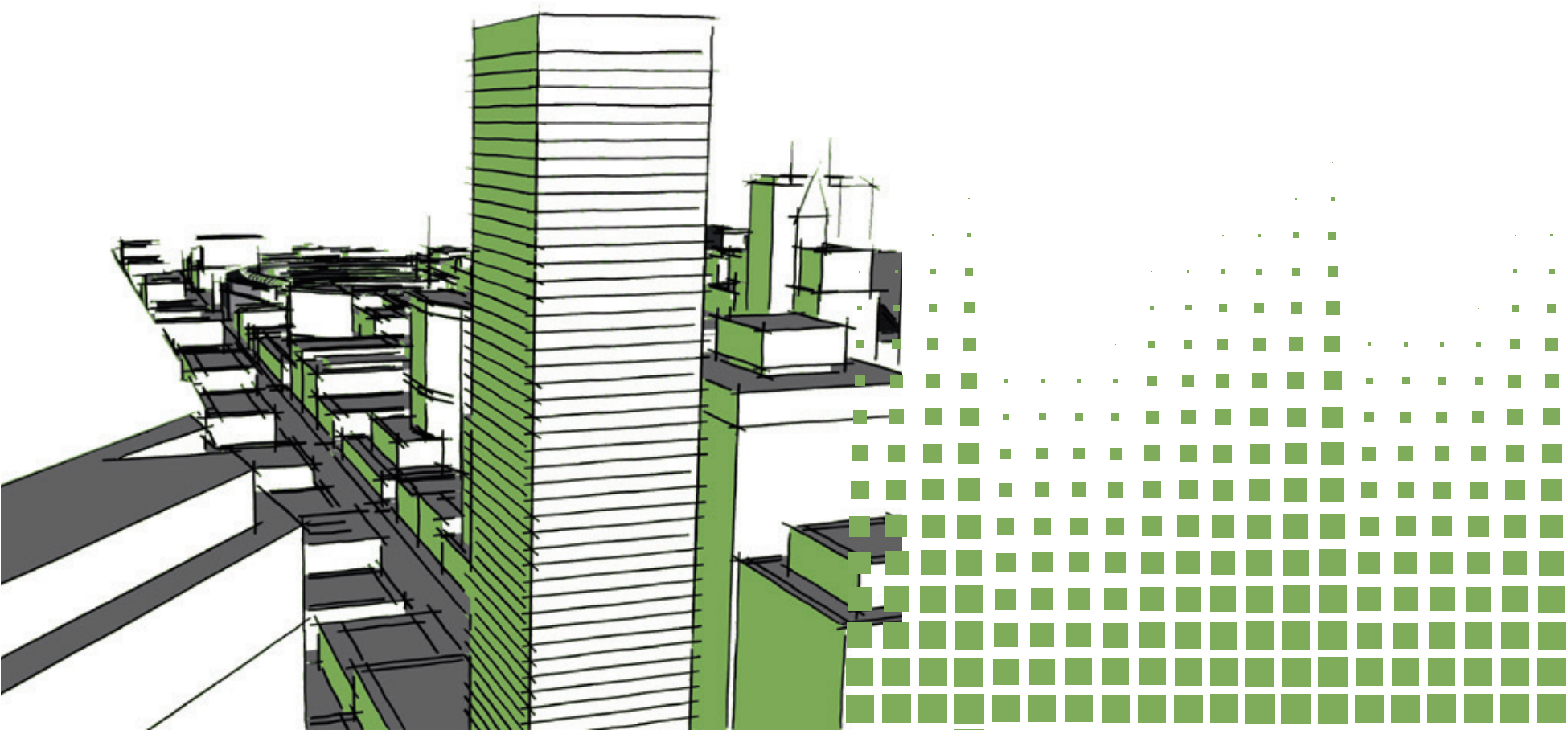


# Q1 2017

QUARTERLY STATEMENT | WEBCAST



# HIGHLIGHTS

Like-for-like rental income  
up **+0.9%**

Properties sold for EUR **157 million**;  
more than three-quarters of sales  
forecast for 2017 already achieved

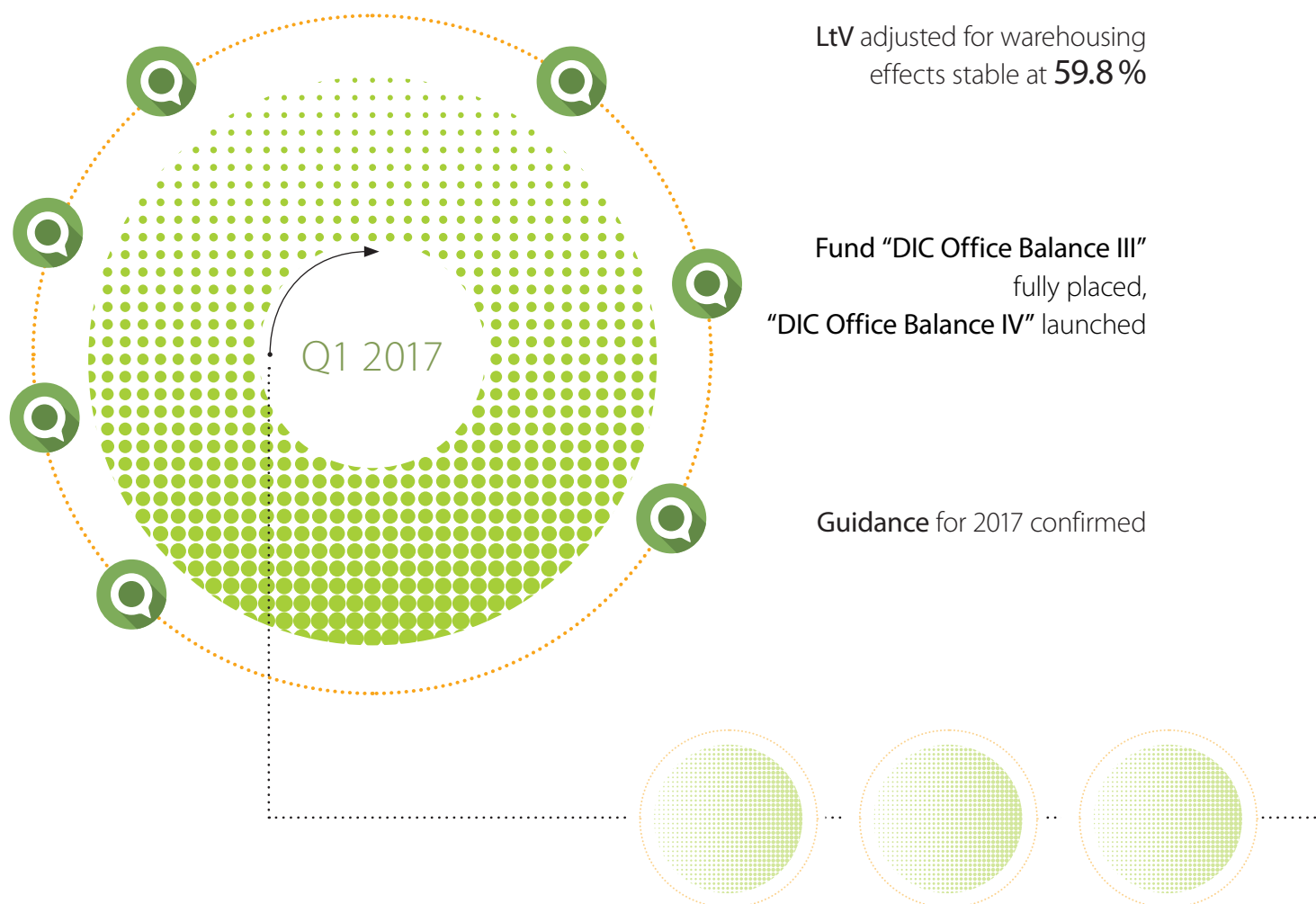
FFO up 9% to EUR **15.8 million**

Interest expense down by  
EUR **4.3 million** (30%)

LtV adjusted for warehousing  
effects stable at **59.8%**

Fund "DIC Office Balance III"  
fully placed,  
"DIC Office Balance IV" launched

Guidance for 2017 confirmed



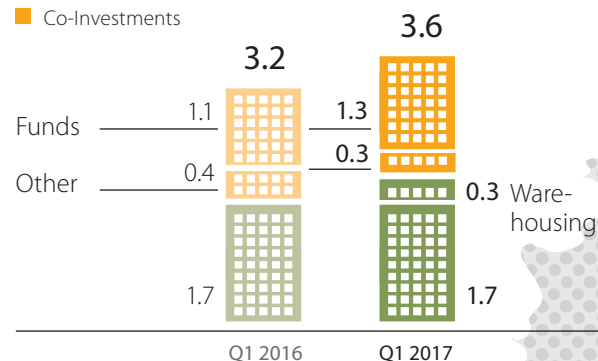
# PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

## Growth in assets under management

### ASSETS UNDER MANAGEMENT

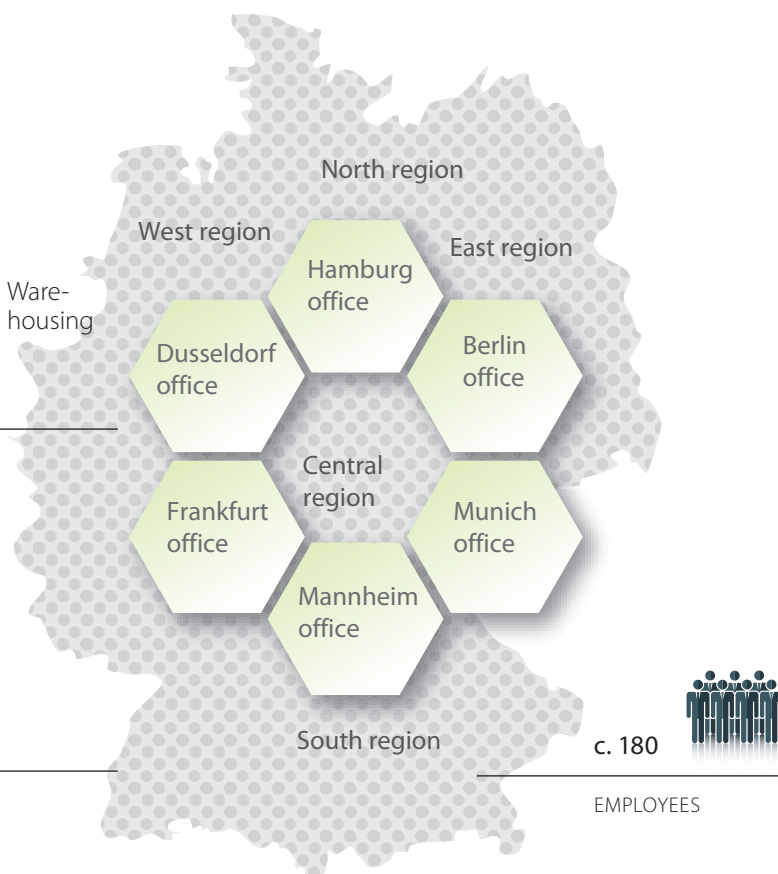
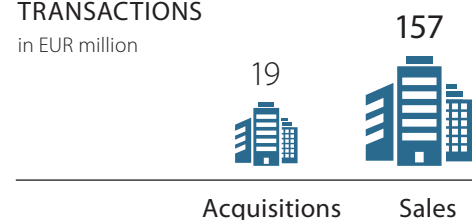
in EUR billion

■ Commercial Portfolio  
■ Co-Investments



### TRANSACTIONS

in EUR million



- **Assets under management** rise to EUR 3.6 billion
- To date, the **sale** of 13 properties from the Commercial Portfolio totalling EUR 157 million have been notarised for the further optimisation of the portfolio. As a result, more than three-quarters of the 2017 **sales target** has already been achieved.
- **Acquisitions:** To date, one property for the "DIC Office Balance III" fund amounting to EUR 19 million

# DEVELOPMENT OF THE PORTFOLIO

## Optimisation of the Commercial Portfolio

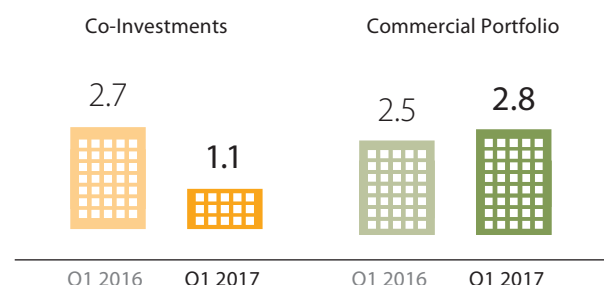
### TOP LETTINGS (selected)

Tenant	City	Rental space (sqm)	Lease term (months)
h.a.l.m. elektronik GmbH	N Frankfurt	4,100	132
Landesbetrieb Bau und Immobilien Hessen	R Kassel	3,700	120
OLIMP Laboratories Germany	N Langenselbold	3,000	60

\* N: New Letting, R: Renewal

### LETTING VOLUME (by segment)

annualised in EUR million



- **Letting result:** annualised rental income of EUR 3.9 million, including EUR 1.7 million from new leases and EUR 2.2 million from lease renewals. Over 70 % of lettings were attributable to the Commercial Portfolio
- **Vacancy rate** down 0.7 percentage points on the prior-year quarter (Q1 2016: 13.1 %)
- **Like-for-like rental growth** of +0.9 % due to new leases and indexation
- **KPIs** such as WALT and gross rental yield remain stable
- Proportionate **market value** of the Commercial Portfolio rises to EUR 1.9 billion after warehousing acquisitions

### PORTFOLIO OVERVIEW\*

	Total		Commercial Portfolio		Co-Investments	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016	Q1 2017	Q1 2016
Number of properties	198	216	141	154	57	62
Market value in EUR million**	2,114.2	1,964.4	1,905.3	1,728.4	208.9	236.0
Rental space in sqm	1,072,900	1,124,000	1,019,000	1,048,000	53,900	76,000
Annualised rental income in EUR million	111.8	117.5	104.1	107.4	7.7	10.1
Rental income in EUR per sqm	9.6	9.7	9.5	9.6	11.8	11.2
Lease maturities in years	4.3	4.4	4.3	4.4	3.4	4.4
Vacancy rate in %	12.4	13.1	12.9	13.7	3.5	4.9
Gross rental yield in %	6.5	6.4	6.5	6.4	6.5	6.4

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

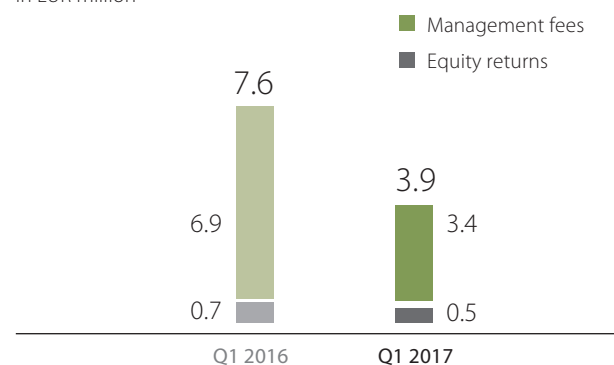
\*\* Market value as at 31.12.2016, later acquisitions considered at cost

## FUND BUSINESS

### Operational launch of “DIC Office Balance IV” office fund

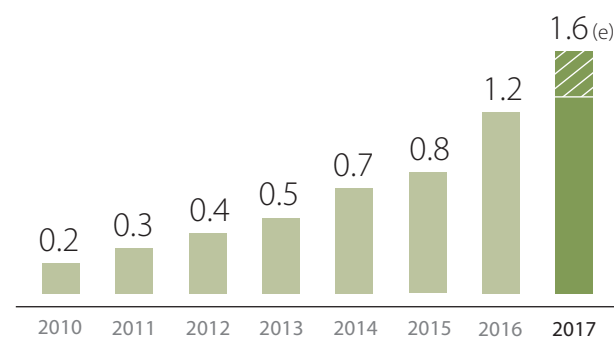
#### FFO CONTRIBUTION OF FUND BUSINESS

in EUR million



#### FUND VOLUME

in EUR billion



#### LATEST ACQUISITION: BRIXX IN FRANKFURT



#### “DIC OFFICE BALANCE IV” KEY DATA

➔ Usage:	Office
➔ Operational launch:	31.03.2017
➔ Initial fund volume:	approx. EUR 105 million (GAV)
➔ Target volume:	EUR 300–350 million (GAV)
➔ Net distribution yield:	4.5–5.0 %
➔ DIC equity stake:	around 5 %
➔ Investors:	Domestic institutional investors

- **FFO contribution** from funds of EUR 3.9 million (Q1 2016: EUR 7.6 million)
- Rise in income from ongoing management fees offset by lower acquisition/setup fees (Q1 2016: DIC OB III setup fee)
- “DIC Office Balance III” fully placed: acquisition of a last office property in Frankfurt for around EUR 19 million
- Further acquisitions in the planning stage
- **New “DIC Office Balance IV” office fund** launched end of March
- Current **fund volume** of EUR 1.3 billion

# INCOME DEVELOPMENT

## Higher gross rental income

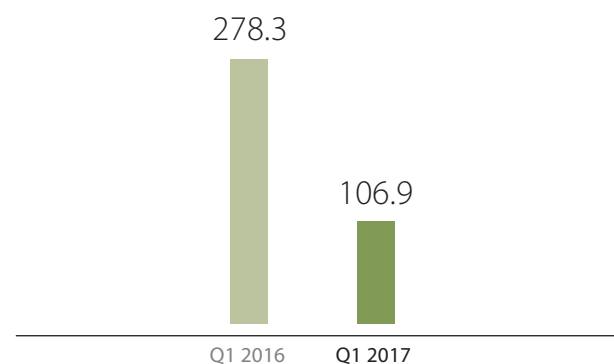
### OVERVIEW OF INCOME

in EUR million	Q1 2017	Q1 2016	Δ
Gross rental income	30.5	27.6	+11%
Real estate management fees	3.9	7.4	-47%
Proceeds from sales of properties	66.2	237.6	-72%
Other	6.3	5.7	+11%
<b>Total income</b>	<b>106.9</b>	<b>278.3</b>	<b>-62%</b>

- **Gross rental income** up on prior period due to rise in like-for-like rental income and income from properties in warehousing phase
- **Real estate management fees** of EUR 3.9 million (Q1 2016: EUR 7.4 million).
- **Total income** of EUR 106.9 million, high sale proceeds from the "DIC Office Balance III" fund transaction in prior-year quarter
- Increase in staffing capacity in the fund business and administration as well as higher legal and consulting costs led to a rise in operating costs

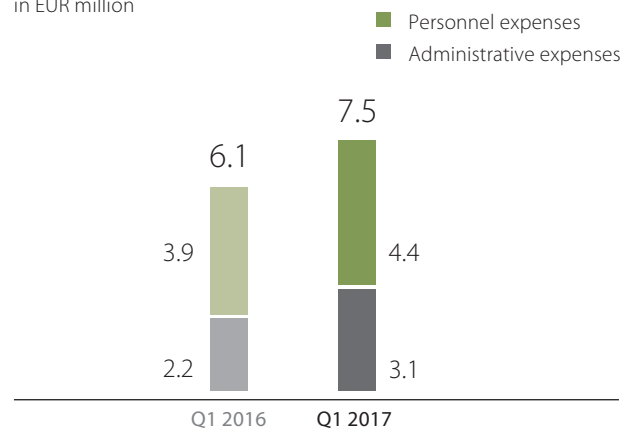
### TOTAL INCOME

in EUR million



### OPERATING COSTS

in EUR million



# EARNINGS

## Refinancing strengthens earnings

### RECONCILIATION TO FFO

in EUR million	Q1 2017	Q1 2016	Δ
Net rental income	25.7	23.5	+9%
Administrative expenses	-3.1	-2.2	+41%
Personnel expenses	-4.4	-3.9	+13%
Other operating income/expenses	0.0	0.2	-100%
Real estate management fees	3.9	7.4	-47%
Share of the profit or loss of associates without project developments and sales	1.6	0.9	+78%
Interest result	-7.9	-11.4	-31%
Funds from operations	15.8	14.5	+9%

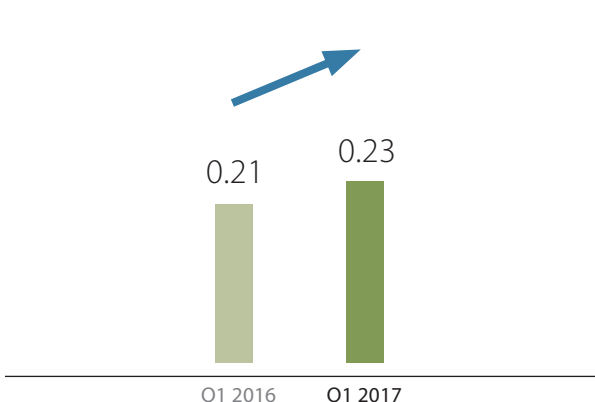
### PROFIT FOR THE PERIOD

in EUR million



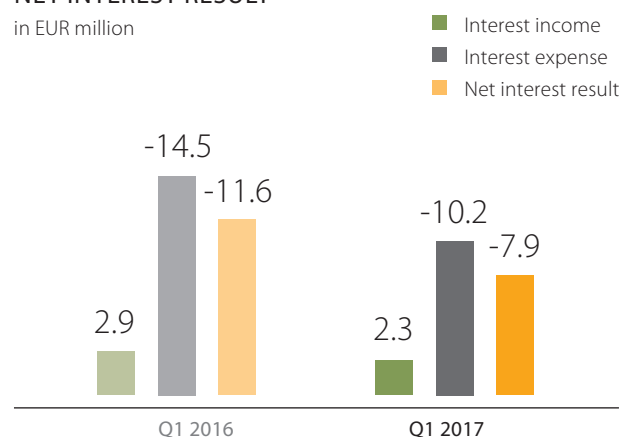
### FFO PER SHARE

in EUR



### NET INTEREST RESULT

in EUR million



- Sustainable improvement in net interest result after refinancing of Commercial Portfolio in December 2016: significant reduction in interest expenses by EUR 4.3 million to EUR -10.2 million (Q1 2016: EUR -14.5 million) due to improved interest rate terms
- FFO up 9% to EUR 15.8 million due to higher net rental income and significantly improved net financing result
- FFO per share of EUR 0.23
- Profit for the period for the previous year impacted by high sales profits from launch of "DIC Office Balance III"

# FINANCIAL STRUCTURE

Significant improvement as a result of refinancing

## FINANCIAL DEBT MATURITIES\*

as at 31.03.2017



\*incl. bonds/IFRS 5

## AVERAGE INTEREST RATE

in %, based on bank liabilities



## Main effects on net assets:

- Implementation of financing agreed at end of 2016 in January 2017
- Average financial debt maturity increased to 5.6 years due to refinancing
- Average interest rate across all liabilities to banks halved to 1.7 %
- **Loan repayments** and scheduled repayments of EUR 1,051.9 million at the reporting date and borrowings of EUR 1,025.3 million
- Reclassification of sales portfolio into non-current assets held for sale together with corresponding liabilities

■ **Loan-to-Value (LTV)** stable at 59.8% on 31 March 2017 reporting date (adjusted for warehousing)

■ **Cash flow** dominated by the implementation of refinancing and the associated lower interest payments



## FORECAST

Guidance for 2017 confirmed



# INVESTOR RELATIONS

## Contact



**Nina Wittkopf**

Head of Investor Relations

Tel. +49 (0) 69 9 45 48 58-14 62

Fax +49 (0) 69 9 45 48 58-93 99

N.Wittkopf@dic-asset.de



For more information:

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

For instance:

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

### FINANCIAL CALENDAR 2017

- |        |                               |
|--------|-------------------------------|
| 05.05. | Publication of Q1 Statement   |
| 11.07. | General Shareholders' Meeting |
| 03.08. | Publication of H1 Report      |
| 03.11. | Publication of Q3 Statement   |

### 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.

DIC Asset AG  
 Neue Mainzer Straße 20 · MainTor  
 60311 Frankfurt am Main  
 Tel. +49 (0) 69 9 45 48 58-0 · Fax +49 (0) 69 9 45 48 58-93 99  
 ir@dic-asset.de · www.dic-asset.de

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

Realisation  
 LinusContent AG, Frankfurt am Main