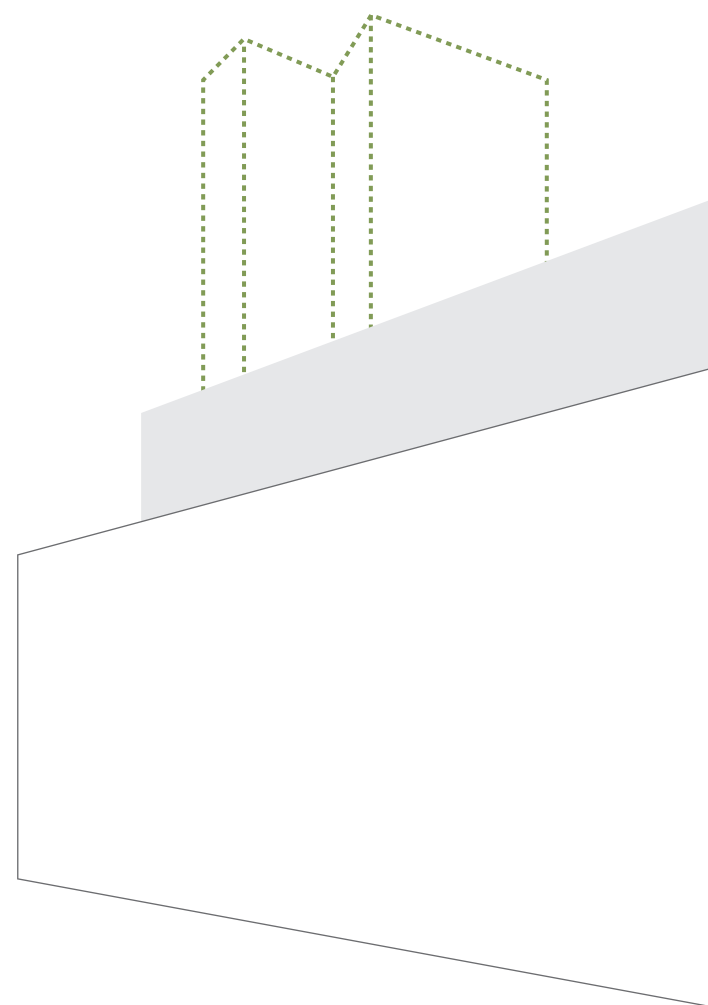
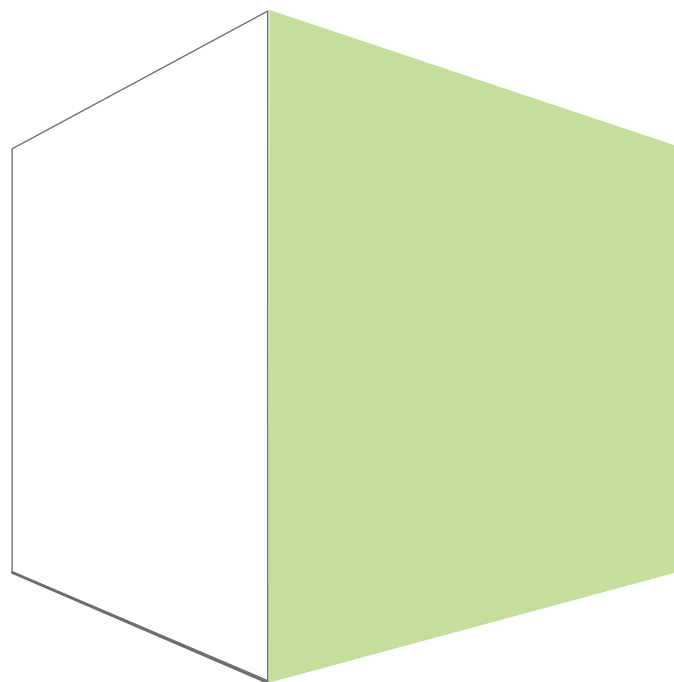


Q1 2016

INTERIM REPORT



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ABOUT DIC ASSET AG

Established in 2002, DIC Asset AG, with registered offices in Frankfurt/Main, is a real estate company with an investment focus on commercial real estate in Germany, pursuing a return-oriented investment policy.

The Company's investment strategy is geared to the continued development of a high-quality, highly profitable and regionally diversified portfolio. Real estate assets under management comprise 216 properties with an aggregate market value of EUR 3.2 billion. The real estate portfolio is structured in two segments: the Commercial Portfolio (EUR 1.8 billion) comprises existing properties with long-term rental contracts generating attractive rental yields. The Co-Investments segment (EUR 1.4 billion) comprises fund investments (accounting for a share of EUR 1.1 billion), joint-venture investments, and interests in development projects.

DIC Asset AG provides a direct service to tenants through its own real estate management teams in six offices located at the regional hubs within the portfolio. This provides DIC Asset AG with an edge in terms of market presence and expertise, and builds the foundation for maintaining and increasing income – and the value of its real estate assets.

DIC Asset AG has been included in the SDAX® segment of the Frankfurt Stock Exchange since June 2006. The Company's shares are also included in the EPRA index, which tracks the performance of the most important European real estate companies.

DIC ASSET AG AT A GLANCE

Key financial figures in EUR million	Q1 2016	Q1 2015	Δ
Gross rental income	27.6	35.1	-21%
Net rental income	23.5	31.0	-24%
Real estate management fees	7.4	1.4	>100%
Proceeds from sales of property	237.6	2.1	>100%
Total income	278.3	45.8	>100%
Profits on property disposals	9.9	0.3	>100%
Share of the profit or loss of associates	1.3	0.9	+44%
Funds from operations (FFO)	14.5	12.1	+20%
EBITDA	36.1	27.9	+29%
EBIT	27.0	16.9	+60%
EPRA earnings	13.6	11.9	+14%
Profit for the period	11.8	1.3	>100%
Cash flow from operating activities	6.6	11.4	-42%

Key figures per share in EUR	Q1 2016	Q1 2015	Δ
FFO	0.21	0.18	+17%
EPRA earnings	0.20	0.17	+18%

Balance sheet figures in EUR million	31.03.2016	31.12.2015
Loan-to-value ratio (LTV) in %	58.8	62.6
Investment property	1,675.9	1,700.2
Total assets	2,200.4	2,456.1

Key operating figures	Q1 2016	Q1 2015
Letting result in EUR million	5.2	2.0

FOREWORD

Dear Shareholders,

DIC Asset AG began 2016 as expected. First quarter highlights:

- At EUR 14.5 million, funds from operations (FFO), our most important operating performance indicator, are up 20% on the very good prior-year figure.
- Our new "DIC Office Balance III" office fund was put into operation; the volume of our fund business was expanded to over EUR 1.1 billion.
- Real estate management fees more than quintupled to EUR 7.4 million.
- Consolidated profit came to EUR 11.8 million thanks to sizeable sales profits.
- The loan-to-value ratio (LTV) target for 2016 of below 60% was achieved as early as January and amounted to 58.8% at the reporting date.
- We remain on course to achieve all of our goals for 2016.

At the beginning of January, a group of properties with a volume of EUR 270 million was transferred from our portfolio to the newly created "DIC Office Balance III" office fund – the launch of the new fund with high management fee income and sales profits is reflected in earnings for the first quarter. This also means that we very successfully continued our increased focus on steady sources of income and the optimisation of our portfolio and financing structures. We believe we are well on the way to achieving our goals for the year once again and thus confirming DIC Asset AG's continued profitability.

Frankfurt am Main, May 2016



Aydin Karaduman Sonja Wärtnges Rainer Pillmayer Johannes von Mutius

INTERIM GROUP MANAGEMENT REPORT

MACROECONOMIC ENVIRONMENT

In the first quarter of 2016, the German economy remained on a moderate growth course in spite of the persistently uncertain global environment. Economic growth in Germany is being driven mainly by consumer spending, as the encouraging trend in the labour market and falling energy prices give households greater purchasing power.

Following a slow start to the year, the mood in the German business community brightened at the end of the first quarter. In March, companies were upbeat about their own economic position as well as their business prospects. The Ifo Business Climate Index climbed again to 106.7 points after falling three times in succession. Domestic demand was the principal driver of development, with low oil prices, the favourable environment of low interest rates and the euro/US dollar exchange rate providing additional stimulus. The German labour market continued to perform well. In January, employment levels increased at the fastest rate in five years. Unemployment stood at 6.5% in March.

The Federal Ministry for Economic Affairs estimates that German economic output will continue to increase as the year goes on. In its spring forecast issued in April, the Federal Government predicts that gross domestic product (GDP) will rise by 1.7% (2015: 1.7%). In the spring, the leading economic research institutes in Germany forecast GDP growth of 1.6% (2015: 1.7%) for 2016. The IMF expects growth of 1.7% (2015: 1.5%). However, the uncertainty about the further development of the global economy remains a limiting factor, especially the slowdown in large emerging economies such as China.

The European Central Bank (ECB) cut its key rate to 0.0% in March and decided to extend its bond-buying programme from a monthly EUR 60 billion to EUR 80 billion starting in April. This will increase the overall volume to EUR 1.74 trillion by March 2017. The ECB sees these two measures as effective instruments for invigorating growth in the eurozone.

Office space turnover

Following a strong 2015, the positive trend in the office rental markets is continuing. According to JLL, Germany's top seven locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart) recorded take-up of 889,000 sqm in the first quarter, up over 10% year-on-year (805,000 sqm). Berlin and Frankfurt stood out with increases in take-up of 60% and 51% respectively compared with the first quarter of 2015. JLL expects take-up in the top seven locations to come to around 3.3 million sqm for 2016 as a whole. This would constitute a decrease of 9% versus 2015.

Vacancies in the top seven locations amounted to approximately 5.6 million sqm in the first quarter, down 16% on the prior-year figure. The vacancy rate in the top seven locations was 6.3%, and JLL anticipates a vacancy rate of 6.2% by the end of the year.

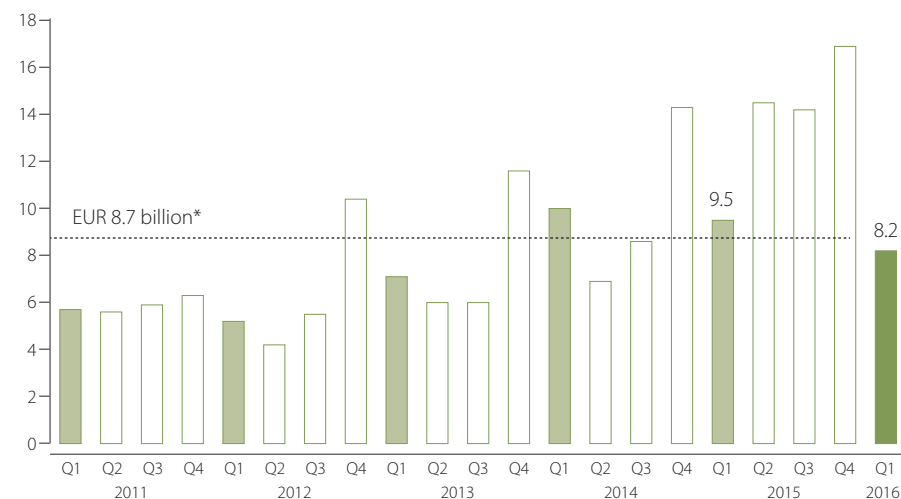
Approximately 167,000 sqm of the new construction was completed in the first quarter, 16% less than in the same period in 2015. JLL expects a volume of new construction of 1.2 million sqm for full-year 2016, 43% more than in 2015. However, only around one-third (329,000 sqm) of the new construction sites expected for the current year is available.

Transaction market

The transaction volume in the German commercial real estate market in the first quarter was EUR 8.2 billion, a decrease of 14% compared with the prior-year period (EUR 9.5 billion). This was therefore the weakest quarter for the overall market since the second quarter of 2014. According to estimates by JLL, this decline is attributable not to a slowdown in demand, but rather to the absence of high-volume transactions. In the first quarter, only 13 agreements for more than EUR 100 million were signed with a total volume of approximately EUR 2.1 billion. This compares with 15 transactions in the same period in 2015, with a volume in excess of EUR 3.3 billion. JLL sees this development as proof of a high awareness of quality among investors and anticipates a transaction volume of around EUR 50 billion for full-year 2016 (2015: EUR 55.1 billion).

Office properties account for around 47% (approximately EUR 3.9 billion) of the transaction volume, followed by retail at 20% (EUR 1.7 billion). The remaining share is divided into warehouse and logistics properties (over 10%), mixed-use properties (just under 8%), hotels (7%) and other properties (almost 9%).

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE
in EUR billion



* Average Q1 2011–Q4 2015 Source: JLL

In the opening quarter of the year, the overall transaction volume for the top seven locations was EUR 4 billion, down approximately 22% on the first three months of 2015 (EUR 5.2 billion). The absence of high-volume transactions is particularly noticeable here. Amounting to around EUR 4.2 billion, the transaction volume outside the top seven locations was relatively stable compared with the same quarter in 2015 (EUR 4.3 billion). According to JLL, this confirms the trend seen at the end of 2015, i.e. that investors are increasingly also focusing on regions outside the top seven locations. Demand in the top seven locations remains intact, but it is becoming more and more difficult to find attractive offerings.

The share attributable to foreign investors was 42% in the first quarter (Q1 2015: 50%). The majority of investors continue to be from North America, the United Kingdom and France. The average prime yield on office properties decreased only marginally again in the first quarter to 4.1% at the end of the period.

BUSINESS DEVELOPMENT

Highlights

- ➔ FFO up 20% to EUR 14.5 million
- ➔ New "DIC Office Balance III" office fund launched
- ➔ Large increase in real estate management fees (>100%)
- ➔ High sales profits generated by the fund transaction
- ➔ LTV reaches 58.8%
- ➔ Targets for 2016 confirmed

DIC Asset AG achieved its planned targets in the first quarter of 2016 and generated an outstanding operating profit. Funds from operations (FFO) amounted to EUR 14.5 million as at 31 March 2016, up 20% on the high prior-year figure. Profit for the period increased to EUR 11.8 million at the reporting date (previous year: EUR 1.3 million) as a result of the transfer of the properties to the "DIC Office Balance III" start-up portfolio that took effect at the beginning of the year.

Portfolio

As at the reporting date, the portfolio managed by DIC Asset AG comprised 216 properties with total rental space of 1.7 million sqm. The total value of assets under management in the two segments Commercial Portfolio (EUR 1.8 billion) and Co-Investments (EUR 1.4 billion) as at 31 March 2016 amounted to around EUR 3.2 billion (31 March 2015: EUR 3.3 billion). There were no material changes to the portfolio volumes or regional distribution as against the final quarter of 2015. The gross rental yield remained virtually unchanged at 6.4% (Q1 2015: 6.5%). The properties generate annual rental income of EUR 117.5 million (proportionate, including Co-Investments).

Long-term leases representing total annualised rental income of EUR 5.2 million were signed in the first quarter of 2016. Of this figure, EUR 1.2 million was attributable to new leases and EUR 4.0 million to lease renewals. Take-up in the prior-year period had amounted to EUR 2.0 million. As a result of the "DIC Office Balance III" transaction that took effect at the beginning of the year, the vacancy rate was 13.1% as at 31 March 2016 (2015: 11.4%). The average lease term was 4.4 years, down only slightly compared with the prior-year period (4.5 years).

REGIONAL DEVELOPMENT

as at 31 March in all cases

		North	East	Central	West	South	Total
Gross rental yield	Q1 2016	6.6%	6.8%	5.9%	6.2%	6.9%	6.4%
	Q1 2015	6.5%	7.2%	6.1%	6.4%	6.8%	6.5%
Vacancy rate	Q1 2016	6.7%	8.2%	23.4%	13.9%	10.0%	13.1%
	Q1 2015	7.3%	7.4%	18.3%	10.8%	11.7%	11.4%
Weighted average lease term in years	Q1 2016	6.1	3.7	4.1	4.1	4.1	4.4
	Q1 2015	6.0	4.5	4.6	4.2	3.5	4.5
Annualised rental income in EUR million	Q1 2016	19.4	12.5	28.4	34.4	22.8	117.5
	Q1 2015	23.1	19.4	34.8	43.6	27.5	148.4

LETTING VOLUME

	in sqm		annualised in EUR million	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Office	43,100	13,300	4.6	1.4
Retail	500	5,000	0.1	0.3
Further commercial	9,400	5,900	0.4	0.2
Residential	700	800	0.1	<0.1
Total	53,700	25,000	5.2	2.0
Parking (units)	402	945	0.2	0.3

TOP LEASES

Top 3 new lettings

Goetzfried AG	Wiesbaden	1,300 sqm
TOPCART GmbH	Wiesbaden	1,200 sqm
truckpower GmbH	Krefeld	1,000 sqm

Top 3 renewals

Deutsche Bahn AG	Nürnberg	26,500 sqm
Siemens AG	Erlangen	6,500 sqm
Freie und Hansestadt Hamburg	Hamburg	2,600 sqm

Sales activities in the current year to optimise the portfolio

The sales of five properties have been notised in the year to date for a total of approximately EUR 24.5 million, comprising three properties from the Commercial Portfolio in Esslingen, Berlin and Worms with a volume of EUR 5.0 million and two properties from the Co-Investments segment in Essen and Radolfzell with a volume of EUR 19.5 million. The sales took place as part of the ongoing further optimisation of the Commercial Portfolio and the scaling back of existing joint venture investments. The transfer of possession, benefits and associated risks for two Commercial Portfolio properties whose sale was notised in financial year 2015 took place in the first quarter of 2016.

New “DIC Office Balance III” office fund in operation, further fund growth in 2016

The new “DIC Office Balance III” office fund was put into operation at the beginning of 2016 and comprises a start-up portfolio of nine properties with a volume of EUR 270 million. The transfer of eight properties from the Commercial Portfolio and one property from Co-Investments took place in January.

To expand the fund business further, two more acquisitions in Essen have been made in the current financial year for the existing “DIC Office Balance II” and “DIC HighStreet Balance” funds. The overall transaction volume is around EUR 35 million. Further acquisitions are in advanced negotiations. A total acquisition volume of EUR 400–450 million is planned in 2016 to grow the fund business, which will include launching up to two new funds for the office and retail asset classes. The assets under management in four funds currently have a volume in excess of EUR 1.1 billion.



Top: “DIC Office Balance III” start-up portfolio, nine office properties in Berlin, Cologne, Frankfurt, Munich and other economically strong regions

Bottom: Two further acquisitions in Essen for “DIC Office Balance II” respectively “DIC HighStreet Balance”

“MainTor” district development

At the beginning of the year, commercial law firm CMS Hasche Sigle moved into its new Frankfurt offices spread over nine storeys of the “MainTor Panorama” building on the “MainTor” site. With several restaurant openings and other service providers, urban life has now found its way into the site located between the banking district and the river: some 1,500 people already work here, and around 200 people have already moved into apartments on the “MainTor” site. The “WINX” office tower, the last of the subprojects in this district, is scheduled to be ready for occupancy at the beginning of 2018. The rental spaces in the MainTor district totalling approximately 100,000 sqm have now been completely sold and around 80% have already been let.

Workforce changes

DIC Asset AG had 180 employees as at 31 March 2016, six more than in the previous year.

NUMBER OF EMPLOYEES

	31.03.2016	31.03.2015	31.12.2015
Portfolio management, investment and funds	17	15	14
Asset and property management	112	103	112
Group management and administration	51	46	48
Total	180	164	174



REVENUE AND RESULTS OF OPERATIONS

Rental income lower as expected following sales

We generated gross rental income of EUR 27.6 million in the first quarter of 2016 (Q1 2015: EUR 35.1 million). The 21% decline in rental income is largely attributable to the scheduled sales in the Commercial Portfolio. Net rental income amounted to EUR 23.5 million, down 24% year-on-year (previous year: EUR 31.0 million).

Growth in real estate management fees

Real estate management fees grew substantially from EUR 1.4 million in the previous year to EUR 7.4 million. This reflects the successful further expansion of the fund business, especially the commencement of operations of "DIC Office Balance III", which was structured at the end of 2015. Real estate management fees from the fund business rose by EUR 5.8 million to EUR 6.9 million.

Total income of EUR 278.3 million

We generated proceeds of EUR 237.6 million and a profit of EUR 9.9 million from sales of properties by the end of the reporting period. In the previous year, we had generated proceeds of EUR 2.1 million and a profit of EUR 0.3 million from sales by the end of March. Total income amounted to EUR 278.3 million, compared with EUR 45.8 million in the previous year. The increase is largely attributable to the income received in connection with the transfer of our own properties to the "DIC Office Balance III" fund as at 1 January 2016.

OVERVIEW OF INCOME

in EUR million	Q1 2016	Q1 2015	Δ
Gross rental income	27.6	35.1	-21%
Real estate management fees	7.4	1.4	>100%
Proceeds from sales of properties	237.6	2.1	>100%
Other	5.7	7.2	-21%
Total income	278.3	45.8	>100%

Operating cost ratio impacted by real estate management fees

Operating costs in the first quarter of 2016 increased by EUR 0.3 million. After adjusting for the income from real estate management fees that was adjusted on a quarterly basis at the launch of the "DIC Office Balance III" fund, the operating cost ratio (the ratio of administrative and personnel expenses to gross rental income, adjusted for real estate management fees) declined to 4.5% as at the end of the first quarter of 2016.

Net financing result improved considerably

The considerably improved net financing result of EUR -11.6 million (previous year: EUR -15.6 million) primarily reflects lower interest expenses following loan repayments and improved interest rates.

Income from Co-Investments improved year-on-year

At EUR 1.3 million, the share of the profit or loss of associates (Co-Investments) was up on the prior-year quarter (EUR 0.9 million). Income from our fund investments increased slightly year-on-year to EUR 0.7 million (Q1 2015: EUR 0.6 million). Project development and other Co-Investment earnings totalling EUR 0.4 million also contributed to the share of the profit of associates.

RECONCILIATION TO FFO

in EUR million	Q1 2016	Q1 2015	Δ
Net rental income	23.5	31.0	-24%
Administrative expenses	-2.2	-2.0	+10%
Personnel expenses	-3.9	-3.8	+3%
Other operating income/expenses	0.2	0.1	+100%
Real estate management fees	7.4	1.4	>100%
Share of the profit or loss of associates without project developments and sales	0.9	0.9	+0%
Interest result	-11.4	-15.5	+26%
Funds from operations	14.5	12.1	+20%

FFO up 20% to EUR 14.5 million

Funds from operations (FFO), in other words our operating profit, amounted to EUR 14.5 million in the first quarter of 2016, up approx. 20% year-on-year despite the expected lower rental income. This is a result in particular of the significantly increased FFO contribution from the funds (+ EUR 5.9 million) and the improvement in net interest income. FFO per share amounted to EUR 0.21 (previous year: EUR 0.18).

Profit for the period: EUR 11.8 million

Due in particular to the operational launch of the new "DIC Office Balance III" fund, the profit for the first quarter of 2016 rose by EUR 10.5 million year-on-year to EUR 11.8 million (previous year: EUR 1.3 million). Earnings per share were EUR 0.17 (previous year: EUR 0.02).

FINANCIAL POSITION AND NET ASSETS

At 87%, most of our financial debt consists of loans agreed with a wide range of German banks. The rest relates to our corporate bonds. Following sales and scheduled repayments, we had repaid EUR 14.1 million by the end of the reporting period.

Our financial debt amounted to EUR 1,319.9 million as at 31 March 2016. This is a total of EUR 253.9 million less than at year-end 2015 (EUR 1,573.8 million), and EUR 336.6 million less than at 31 March 2015 (EUR 1,656.5 million).

Further reduction in volume of debt due for short-term renewal

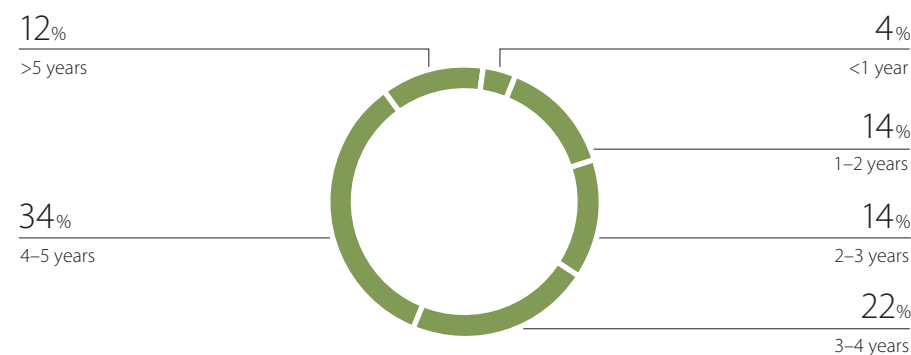
The average maturity of our debt – including the bonds – was 3.9 years at the end of the first quarter (Q1 2015: 3.8 years); as expected, this represents a reduction as against year-end 2015 (4.3 years). The portion of financial liabilities with maturities greater than five years was 12% at the end of the reporting period, compared to 13% at year-end.

The average interest rate on all bank liabilities was approximately 3.4%, a significant 50 basis point decrease compared with the prior-year period (3.9%).

The interest cover ratio, i.e. the ratio of net rental income to interest payments, fell to 162% in the first quarter (full-year 2015: 171%). Around 88% of our financial debt is fixed-rate or covered by long-term hedges against interest rate volatility (31 December 2015: 89%).

DEBT MATURITIES

as at 31.03.2016



Cash flow influenced by strategic investments

Cash flow in the first quarter of the year was largely influenced by strategic investments. The cash flow from operating activities was more than offset by the investments and the cash flow from financing activities.

At EUR 6.6 million, cash flow from operating activities was down year-on-year in the first quarter of 2016 (Q1 2015: EUR 11.4 million), due in particular to the scheduled reduction in rental income. Cash flow from investing activities amounted to EUR -73.5 million (previous year: EUR -0.8 million); this primarily reflects the strategic investment in shares in WCM Beteiligungs und Grundbesitz-AG as well as ongoing investments in the fund business. Cash flow from financing activities amounted to EUR -14.1 million in the first quarter of 2016, following EUR -11.7 million in the prior-year quarter; it includes scheduled repayments and loan redemptions.

Cash and cash equivalents declined by EUR 81.0 million as against the year-end to EUR 123.6 million.

Further optimisation of balance sheet structure

Total assets as at 31 March 2016 declined by EUR 255.7 million as against year-end 2015 to EUR 2,200.4 million, mainly because of derecognition of the assets and liabilities that were transferred to "DIC Office Balance III".

In addition to the transfer of assets to "DIC Office Balance III", particularly the acquisition of more than 20% of the shares in WCM Beteiligungs und Grundbesitz-AG and the classification of this company as an associate led to an increase in investments in associates on the asset side of the balance sheet. By contrast, cash and cash equivalents decreased as compared with year-end 2015. Similar to the asset side, the transfer of the liabilities to "DIC Office Balance III" led to a reduction on the liabilities side of the balance sheet. Total financial debt declined by EUR 253.9 million compared with year-end 2015.

Long-term LTV target achieved ahead of time

Equity as at 31 March 2016 increased slightly by EUR 8.5 million as against 31 December 2015, from EUR 792.1 million to EUR 800.6 million. This was due in particular to the profit generated in the first quarter of 2016. The reported equity ratio rose from 32.3% at year-

end 2015 to 36.4%. At 58.8%, the loan-to-value ratio (LTV) declined significantly by 380 basis points compared with year-end 2015 and at the beginning of the year is already below the stated target of 60%.

FORECAST

Overall, we expect the environment for DIC Asset AG to remain stable in financial year 2016. In 2016, we plan to further optimise our Commercial Portfolio, considerably expand the fund business and improve profitability through asset and property management associated with this.

Our extensive sales activity in 2015 enabled us to reduce our loan-to-value (LTV) ratio to 58.8% as at the 31 March 2016 reporting date. As a result, we reached our goal of achieving an LTV ratio of under 60% one year earlier than planned. We intend to continue enhancing our directly held Commercial Portfolio in 2016 through active asset management and selective sales with a volume of EUR 80 to 100 million, taking full advantage of the prevailing market environment. In addition, we are planning to significantly expand our established, successfully positioned full-service offering through our nationwide real estate management platform in the fund business, especially in the third-party business for related parties. In the fund business, we expect strong growth in assets under management by EUR 400 to 450 million in 2016. This should enable us to make significant earnings contributions to DIC Asset AG's future business performance.

The overall result in the current financial year will be influenced by sales in 2015, particularly at the end of the year, the scaling back of sales activity in 2016, current income from the Commercial Portfolio and further growth in the fund business. On the basis of our planning assumptions, we expect rental income of around EUR 100 million for 2016 and a lower operating profit year-on-year, with FFO of EUR 43 to 45 million (around EUR 0.66 per share).

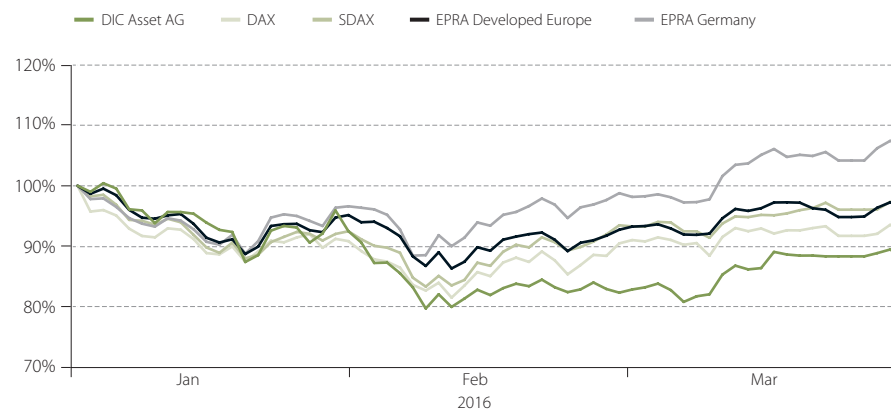
INVESTOR RELATIONS AND CAPITAL MARKETS

DAX closes first quarter with a loss

Germany's benchmark index, the DAX, started the year amid some turmoil. The slump in the financial markets in China, the weak performance of the global economy and falling oil prices weighed on sentiment, causing the DAX to drop below the 8,800-point mark at the beginning of February and suffer losses of around 17% since the beginning of the year. As time went on, a surplus of oil, leading to the scenario of possible defaults at raw material suppliers and companies from emerging economies, also fuelled concern among investors about the global economy and a crisis in the banking sector. Added to this was the uncertainty about the direction the Federal Reserve will take with its interest rate policy. In spite of the ECB's interest rate signal, which prompted a recovery beginning mid-March, the DAX closed the quarter at 9,965 points and a loss of 7%.

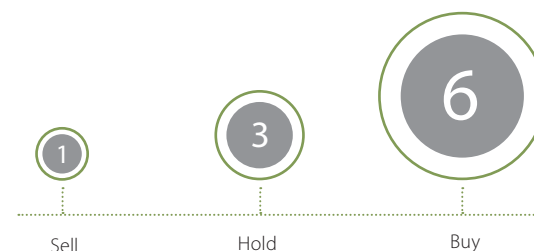
DIC Asset AG's shares came under pressure from the general market trend and finished the first quarter at EUR 8.21, down almost 12% on the high reference level of the year-end closing price.

SHARE PERFORMANCE



ANALYSTS' COVERAGE FROM 10 BANKS

(as at May 2016)



BASIC DATA ON THE DIC ASSET AG SHARE

Number of shares	68,577,747 (registered shares)
Share capital in EUR	68,577,747
WKN/ISIN	A1X3XX/DE000A1X3XX4
Symbol	DIC
Free float	68.2%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	Oddo Seydler, HSBC Trinkaus

KEY FIGURES ON THE DIC ASSET AG SHARE ⁽¹⁾

		Q1 2016	Q1 2015
FFO per share	Euro	0.21	0.18
Closing price for quarter	Euro	8.21	9.32
52-week high	Euro	9.89	9.99
52-week low	Euro	7.28	5.83
Market capitalisation ⁽²⁾	EUR million	590	639

(1) Xetra closing prices in each case

(2) based on the Xetra annual closing price

BASIC DATA ON THE DIC ASSET AG BONDS

Name	DIC Asset AG bond 13/18	DIC Asset AG bond 14/19
ISIN	DE000A1TNJ22	DE000A12T648
WKN	A1TNJ2	A12T64
Abbreviation	DICB	DICC
Deutsche Börse segment	Prime Standard for corporate bonds	Prime Standard for corporate bonds
Minimum investment amount	1,000 Euro	1,000 Euro
Coupon	5.750%	4.625%
Issuance volume	EUR 100 million	EUR 175 million
Maturity	09.07.2018	08.09.2019

KEY FIGURES ON THE DIC ASSET AG BONDS

	31.03.2016	31.03.2015
DIC Asset AG bond 13/18		
Closing price	105.60	107.65
Yield to maturity at closing price	3.2%	3.2%
DIC Asset AG bond 14/19		
Closing price	106.75	106.55
Yield to maturity at closing price	2.6%	3.0%

IR activities

In the first quarter, IR activities focused on publishing the 2015 annual financial statements and on communicating the results. The Management Board and the Investor Relations team outlined the 2015 results and the strategic objectives at an analysts' breakfast at the start of the year. They also attended two investor conferences and briefed shareholders, investors and analysts about current developments and the course of business.

IR-CALENDAR 2016

11.04.	Roadshow	London
13.04.	Bankhaus Lampe Germany-Conference	Baden-Baden
26./27.04.	Roadshow	New York/Boston
12.05.	Publication of Q1 2016 Report*	
18.05.	Roadshow	Amsterdam/Den Haag
25.05.	Roadshow	Zurich
02.06.	Roadshow	Paris
05.07.	General Shareholders' Meeting	Frankfurt
03.08.	Publication of Q2 2016 Report*	
19.09.	Berenberg / Goldman Sachs German Corporate Conference	Munich
20.09.	Baader Investment Conference	Munich
29.09.	Société Générale Real Estate Conference	London
06.–08.10.	EPRA Annual Conference	Paris
04.11.	Publication of Q3 2016 Report*	

*with conference call

Upcoming events can be found on our website:
www.dic-asset.de/engl/investor-relations/events

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2016

CONSOLIDATED INCOME STATEMENT from 1 January to 31 March

in EUR thousand	Q1 2016	Q1 2015
Total income	278,255	45,829
Total expenses	-252,613	-29,809
Gross rental income	27,552	35,072
Ground rents	-306	-325
Service charge income on principal basis	5,563	7,017
Service charge expenses on principal basis	-6,013	-7,690
Other property-related expenses	-3,318	-3,087
Net rental income	23,478	30,986
Administrative expenses	-2,225	-1,980
Personnel expenses	-3,858	-3,802
Depreciation and amortisation	-9,107	-11,011
Real estate management fees	7,384	1,382
Other operating income	123	248
Other operating expenses	-26	-147
Net other income	97	101
Net proceeds from disposal of investment property	237,632	2,110
Carrying amount of investment property disposed	-227,759	-1,766
Profit on disposal of investment property	9,873	344
Net operating profit before financing activities	25,642	16,020
Share of the profit or loss of associates	1,326	905
Interest income	2,869	2,550
Interest expense	-14,469	-18,157
Profit before tax	15,368	1,318
Current income tax expense	-201	-396
Deferred tax income/expense	-3,366	344
Profit for the period	11,801	1,266
Attributable to equity holders of the parent	11,950	1,246
Attributable to non-controlling interest	-149	20
Basic (=diluted) earnings per share (EUR)	0.17	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME from 1 January to 31 March

in EUR thousand	Q1 2016	Q1 2015
Profit for the period	11,801	1,266
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gains/losses on measurement of available-for-sale financial instruments	-1,724	2,945
Fair value measurement of hedging instruments*		
Cash flow hedges	-1,437	5,499
Cash flow hedges of associates	-10	-5
Other comprehensive income	-3,171	8,439
Comprehensive income	8,630	9,705
Attributable to equity holders of the parent	8,779	9,685
Attributable to non-controlling interest	-149	20

* after tax

CONSOLIDATED STATEMENT OF CASH FLOW from 1 January to 31 March

in EUR thousand	Q1 2016	Q1 2015
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid	23,289	17,060
Realised gains/losses on disposals of investment property	-9,873	-344
Depreciation and amortisation	9,107	11,011
Changes in receivables, payables and provisions	315	1,259
Other non-cash transactions	-4,744	-1,829
Cash generated from operations	18,094	27,157
Interest paid	-12,961	-15,331
Interest received	431	38
Income taxes paid/received	1,041	-502
Cash flow from operating activities	6,605	11,363
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	3,396	7,160
Capital expenditure on investment properties	-857	-4,293
Acquisition/disposal of other investments	-81,752	-763
Loans to other entities	5,734	-2,862
Acquisition/disposal of office furniture and equipment, software	-34	-4
Cash flow from investing activities	-73,513	-762
FINANCING ACTIVITIES		
Proceeds from other non-current borrowings	0	415
Repayment of borrowings	-14,094	-12,079
Cash flow from financing activities	-14,094	-11,664
Net changes in cash and cash equivalents	-81,002	-1,063
Cash and cash equivalents as at 1 January	204,590	97,421
Cash and cash equivalents as at 31 March	123,588	96,358

CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	31.03.2016	31.12.2015
Investment property	1,675,908	1,700,151
Office furniture and equipment	568	579
Investments in associates	193,611	92,677
Loans to related parties	105,155	110,222
Other investments	22,396	33,397
Intangible assets	926	1,003
Deferred tax assets	26,401	23,515
Total non-current assets	2,024,965	1,961,544
Receivables from sale of investment property	1,273	1,249
Trade receivables	5,642	7,062
Receivables from related parties	10,416	10,271
Income tax receivable	7,715	8,629
Other receivables	5,668	6,393
Other current assets	7,538	6,455
Cash and cash equivalents	123,588	204,590
Total current assets	161,840	244,649
Non-current assets held for sale	13,610	249,876
Total assets	2,200,415	2,456,069

Equity and liabilities in EUR thousand	31.03.2016	31.12.2015
EQUITY		
Issued capital	68,578	68,578
Share premium	732,846	732,846
Hedging reserve	-22,079	-20,632
Reserves for available-for-sale financial instruments	1,894	3,618
Retained earnings	14,613	2,663
Total shareholders' equity	795,852	787,073
Non-controlling interest	4,744	5,010
Total equity	800,596	792,083
LIABILITIES		
Corporate bonds	271,166	270,871
Non-current interest-bearing loans and borrowings	992,916	1,029,606
Provisions	0	10
Deferred tax liabilities	15,016	14,735
Derivatives	28,778	26,955
Total non-current liabilities	1,307,876	1,342,177
Current interest-bearing loans and borrowings	55,789	35,521
Trade payables	1,425	827
Liabilities to related parties	4,053	3,271
Provisions	510	500
Income tax payable	3,349	6,290
Other liabilities	26,817	26,361
Total current liabilities	91,943	72,770
Liabilities related to non-current assets held for sale	0	249,039
Total current liabilities	91,943	321,809
Total liabilities	1,399,819	1,663,986
Total equity and liabilities	2,200,415	2,456,069

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand	Issued capital	Share premium	Hedging reserve	Reserve for available-for-sale financial instruments	Retained earnings	Total shareholders' equity	Non-controlling interest	Total
Balance at 31 December 2014	68,578	732,846	-37,666	91	6,252	770,100	4,744	774,844
Profit for the period					1,246	1,246	20	1,266
Other comprehensive income								
Gains/losses on cash flow hedges*			5,499			5,499		5,499
Gains/losses on cash flow hedges from associates*			-5			-5		-5
Gains/losses on measurement of available-for-sale financial instruments				2,945		2,945		2,945
Comprehensive income			5,494	2,945	1,246	9,685	20	9,705
Repayment of non-controlling interest							-61	-61
Balance at 31 March 2015	68,578	732,846	-32,171	3,036	7,498	779,787	4,701	784,488
Profit for the period					19,167	19,167	283	19,450
Other comprehensive income								
Gains/losses on cash flow hedges*			11,555			11,555		11,555
Gains/losses on cash flow hedges from associates*			-16			-16		-16
Gains/losses on measurement of available-for-sale financial instruments				582		582		582
Comprehensive income			11,539	582	19,167	31,288	283	31,571
Dividend payments					-24,002	-24,002		-24,002
Addition of non-controlling interests							26	26
Balance at 31 December 2015	68,578	732,846	-20,632	3,618	2,663	787,073	5,010	792,083
Profit for the period					11,950	11,950	-149	11,801
Other comprehensive income								
Gains/losses on cash flow hedges*			-1,437			-1,437		-1,437
Gains/losses on cash flow hedges from associates*			-10			-10		-10
Gains/losses on measurement of available-for-sale financial instruments				-1,724		-1,724		-1,724
Comprehensive income			-1,447	-1,724	11,950	8,779	-149	8,630
Repayment of non-controlling interest							-117	-117
Balance at 31 March 2016	68,578	732,846	-22,079	1,894	14,613	795,852	4,744	800,596

*Net of deferred taxes

SEGMENT REPORTING

ANNUALISED RENTAL INCOME OF THE OPERATING SEGMENTS AS AT 31 MARCH 2016

In EUR thousand	North	East	Central	West	South	Total Q1 2016	Rental income Q1 2016 (P&L)
Commercial Portfolio	18,544	11,467	25,968	32,336	19,048	107,363	27,552
Co-Investments	812	1,068	2,471	2,064	3,697	10,112	
Total	19,356	12,535	28,439	34,400	22,745	117,475	27,552

SEGMENT ASSETS AS AT 31 MARCH 2016

	North	East	Central	West	South	Total Q1 2016	Total Q1 2015
Number of properties	33	25	41	55	62	216	236
Market value (in EUR million)	298.3	183.6	585.6	567.0	329.9	1,964.4	2,398.5

ANNUALISED RENTAL INCOME OF THE OPERATING SEGMENTS AS AT 31 MARCH 2015

In EUR thousand	North	East	Central	West	South	Total Q1 2015	Rental income Q1 2015 (P&L)
Commercial Portfolio	22,607	18,494	32,486	42,340	23,644	139,571	35,072
Co-Investments	506	918	2,358	1,296	3,801	8,878	
Total	23,113	19,412	34,844	43,636	27,445	148,449	35,072

SEGMENT ASSETS AS AT 31 MARCH 2015

	North	East	Central	West	South	Total Q1 2015	Total Q1 2014
Number of properties	34	31	51	56	64	236	249
Market value (in EUR million)	357.4	268.5	693.1	677.5	402.0	2,398.5	2,523.1

NOTES

General information on reporting

In accordance with section 37w (3) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), the interim report comprises interim consolidated financial statements and an interim group management report. The condensed interim consolidated financial statements were prepared in accordance with the requirements of the International Financial Reporting Standards (IFRSs), as adopted by the EU, that are applicable to interim financial reporting (IAS 34). The quarterly financial statements of the companies included in the consolidated financial statements were prepared using uniform accounting policies. The interim group management report was prepared in accordance with the applicable requirements of the WpHG.

The interim consolidated financial statements were prepared using the same consolidation principles, currency translation policies and accounting policies as applied in the consolidated financial statements for financial year 2015, with the exception of the changes presented in the following. Income taxes were deferred on the basis of the tax rate expected for the full year.

These condensed interim consolidated financial statements do not contain all the information and disclosures required by IFRSs for full-year consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements for the year ended on 31 December 2015, which form the basis for the accompanying interim financial statements. Please also refer to the interim management report in this document for information on material changes and transactions in the period up to 31 March 2016.

Preparation of the financial statements requires management to make estimates and assumptions affecting both the measurement of assets, liabilities and contingent liabilities at the end of the reporting period and the measurement and presentation of income and expenses for the period. Actual amounts may differ from these estimates. There were no adjustments due to changes in estimates or assumptions in the period up to and including March 2016.

New standards and interpretations

DIC Asset AG has applied all accounting pronouncements effective as at 1 January 2016 adopted by the EU, including revised pronouncements. Please refer to the 2015 Annual Report and the following explanations for a detailed description of the new and revised accounting pronouncements:

Disclosure Initiative (Amendments to IAS 1 – Presentation of Financial Statements)

The objective of the clarifications is to remove unimportant information from IFRS financial statements while at the same time promoting the presentation of relevant information. In addition, useful information should not be obscured by aggregating relevant and irrelevant information or by aggregating material items with different characteristics. The amendments further clarify that, when determining the order of the notes, entities must consider the effects on understandability and comparability of the financial statements.

They were endorsed by the EU on 18 December 2015. These clarifications are taken into account accordingly in the preparation of the consolidated financial statements and the condensed interim financial statements of DIC Asset AG; they did not result in any material changes, however.

In addition, a number of other pronouncements and amendments are now effective, but these do not affect the consolidated financial statements or the condensed interim consolidated financial statements. These include:

- Annual Improvements to IFRSs: 2010–2012 Cycle
- Annual Improvements to IFRSs: 2012–2014 Cycle
- IAS 16/IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 16/IAS 41 Bearer Biological Assets
- IAS 27 Equity Method in Separate Financial Statements
- IFRS 10/IFRS 12/IAS 28 Investment Entities: Applying the Consolidation Exception
- IFRS 11 Acquisition of an Interest in a Joint Operation
- IFRS 14 Regulatory Deferral Accounts” – no EU adoption

Financial instruments disclosures

As in the previous year, financial liabilities measured at fair value relate to the derivatives reported in the balance sheet. These are exclusively interest rate hedging instruments. As in the previous year, they were measured using valuation models whose significant inputs are based on observable market data (Level 2 of the IFRS 13 fair value hierarchy). Please refer to the disclosures in the consolidated financial statements for the year ended 31 December 2015 for information on the valuation techniques used for measuring fair value.

No quoted prices in an active market are available for the unlisted shares of DIC Opportunistic GmbH held by the Group (Level 3 of the IFRS 13 fair value hierarchy). Their fair value is based on the indirectly held real estate and equity investments. Changes in fair value between 31 December 2015 and the end of the reporting period amounted to EUR -1,724 thousand. Please refer to our consolidated financial statements for the year ended 31 December 2015 for information on the valuation of the real estate assets. The shares in WCM Beteiligungs- und Grundbesitz-AG that were reported under other investments as at year-end 2015 are shown under investments in associates as at 31 March 2016.

The following table presents the carrying amounts and fair values of the individual financial assets and financial liabilities for each class of financial instrument and reconciles them to the corresponding line items in the balance sheet. The IAS 39 measurement categories relevant for the Group are available-for-sale financial assets (AfS), financial assets held for trading (FAHfT) and loans and receivables (LaR), as well as financial liabilities measured at amortised cost (FLAC) and financial liabilities held for trading (FLHfT).

in EUR thousand	IAS 39 measurement category	Carrying amount at 31.03.2016	Fair value at 31.03.2016	Carrying amount at 31.12.2015	Fair value at 31.12.2015
Assets					
Equity investments	AfS	22,396	22,396	33,397	33,397
Other loans	LaR	105,155	105,155	110,222	110,222
Receivables from sale of investment property	LaR	1,273	1,273	1,249	1,249
Trade receivables	LaR	5,642	5,642	7,062	7,062
Receivables from related parties	LaR	10,416	10,416	10,271	10,271
Other receivables	LaR	5,668	5,668	6,393	6,393
Other assets	LaR	7,538	7,538	6,455	6,455
Cash and cash equivalents	LaR	123,588	123,588	204,590	204,590
Total	LaR	259,280	259,280	346,242	346,242
Liabilities					
Derivatives included in hedging relationships	n.a.	24,684	24,684	22,787	22,787
Derivatives not included in hedging relationships	FLHfT	4,094	4,094	4,168	4,168
Corporate bonds	FLAC	271,166	292,413	270,871	287,610
Non-current interest-bearing loans and borrowings	FLAC	992,916	957,815	1,029,606	1,003,257
Current loans and borrowings	FLAC	55,789	55,556	35,521	26,037
Trade payables	FLAC	1,425	1,425	827	827
Liabilities to related parties	FLAC	4,053	4,053	3,271	3,271
Other liabilities	FLAC	26,817	26,817	26,361	26,361
Liabilities related to financial investments held for sale	FLAC	0	0	249,039	249,039
Total	FLAC	1,352,166	1,338,079	1,615,496	1,596,402

Changes in Level 3 financial instruments are as follows

in EUR thousand	2016	2015
Balance at 1.1.	24,120	20,593
Additions	0	0
Measurement gains/losses	-1,724	3,527
Balance at 31.03./31.12.	22,396	24,120

Measurement gains/losses are recognised in the “Gains/losses on measurement of available-for-sale financial instruments” item in other comprehensive income.

Supplementary information

The Company uses the cost model in accordance with IAS 40.56 to measure its investment properties. Please refer to the disclosures in the consolidated financial statements for the year ended on 31 December 2015 for information on the fair value measurement of investment property in accordance with IFRS 13.

Dividend

To enable the shareholders to participate appropriately in the performance and value growth of DIC Asset AG, the Management Board will propose a dividend of EUR 0.37 per share for financial year 2015 at the General Shareholders’ Meeting on 05 July 2016.

Related party transactions

The following new guarantees were issued up to 31 March 2016:

DIC Asset AG has issued an unlimited, directly enforceable guarantee for the “MainTor Patio” project to Thoma Aufzüge GmbH in the amount of EUR 105 thousand.

DIC Asset AG has granted a surety bond for OP Portfolio GmbH in the amount of EUR 21,817 thousand vis-à-vis Berlin Hyp AG in connection with the portfolio refinancing.

Please refer to our 2015 consolidated financial statements for details of other guarantees and surety bonds issued up to the end of 2015, as well as for information on ongoing loan and services transactions with entities and individuals classified as related parties.

Opportunities and risks

The consolidated financial statements and the group management report for financial year 2015, which were published in March 2016, describe in detail the opportunities and risks associated with our business activities, and provide information on the risk management system and the internal control system. There have been no material changes since that date, either in the Company or in the relevant environment.

Events after the reporting period

Between the end of the reporting period and today, the transfer of possession, benefits and associated risks took place for the properties sold in the Commercial Portfolio and the Co-Investments segment. The related transaction volume was EUR 0.8 million and EUR 10.3 million, respectively.

Between the end of the reporting period and today, the sale of two Commercial Portfolio properties with an aggregate transaction volume of EUR 18 million and one property from the Co-Investments segment with a transaction volume of EUR 9 million was notarised as a result of our sales activities. The transfer of possession, benefits and associated risks is expected in the second quarter.

In April, one property was acquired for the “DIC HighStreet Balance” special fund. The transaction volume amounted to approximately EUR 10 million, and the transfer of possession, benefits and associated risks is expected in the second quarter.

After the reporting date, DIC Asset AG has granted an unlimited guarantee in accordance with section 648 of the Bürgerliches Gesetzbuch (BGB – German Civil Code) for the “MainTor Panorama” project to ED. Züblin AG in the amount of EUR 15,333 thousand.

With the expiration of his contract on 31 May 2016, Rainer Pillmayer will leave DIC Asset AG.

Frankfurt am Main, 11 May 2016


 Aydin Karaduman
 
 Sonja Wärntges
 
 Rainer Pillmayer
 
 Johannes von Mutius

REVIEW REPORT

To DIC Asset AG, Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of DIC Asset AG, Frankfurt am Main, for the period from January 1 to March 31, 2016, which are part of the quarterly financial report according to § 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Nuremberg, May 11, 2016

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann	Luce
Wirtschaftsprüfer	Wirtschaftsprüfer

PORTFOLIO (as at 31 March 2016)

OVERVIEW PORTFOLIO*

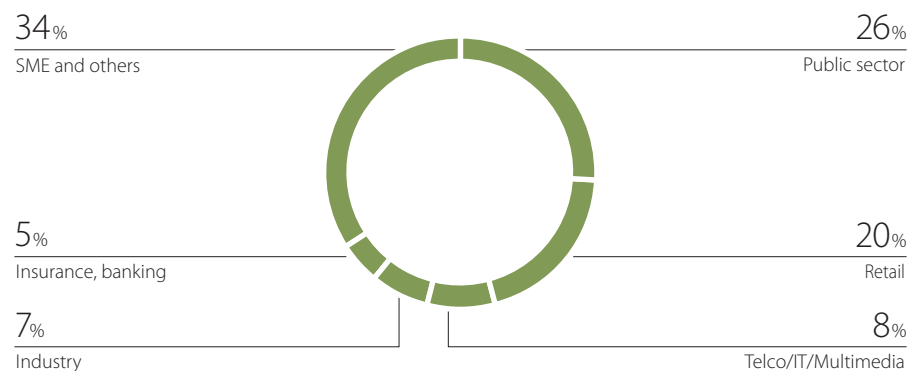
	Commercial Portfolio	Co-Investments	Total Q1 2016	Total Q1 2015
Number of properties	154	62	216	236
Market value in EUR million**	1,728.4	236.0	1,964.4	2,398.5
Rental space in sqm	1,048,000	76,000	1,124,000	1,409,600
Portfolio proportion by rental space	93%	7%	100%	100%
Annualised rental income in EUR million	107.4	10.1	117.5	148.5
Rental income in EUR per sqm	9.60	11.20	9.70	9.60
Lease maturities in years	4.4	4.4	4.4	4.5
Gross rental yield	6.4%	6.4%	6.4%	6.5%
Vacancy rate	13.7%	4.9%	13.1%	11.4%

* 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

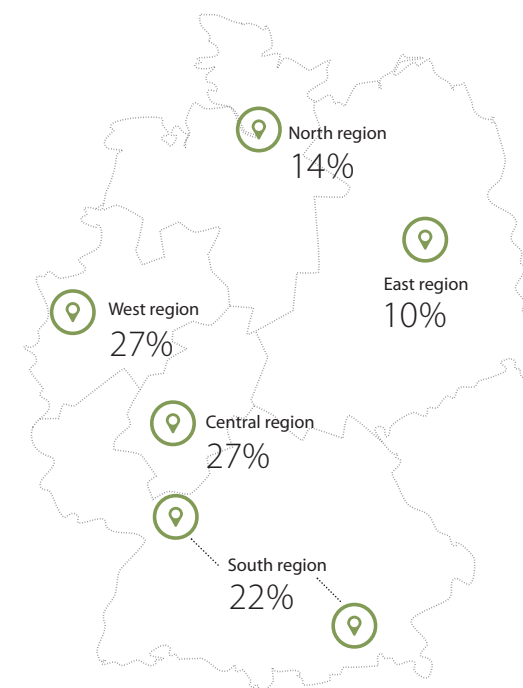
TENANT STRUCTURE

pro rata by annualised rental income



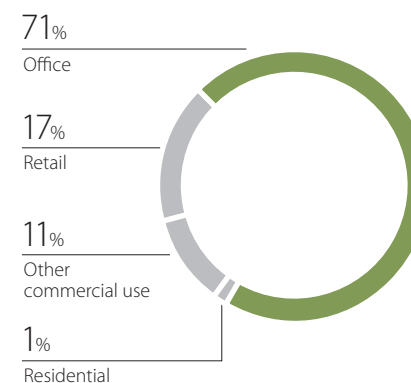
PORTFOLIO BY REGIONS

by market value
assets under management



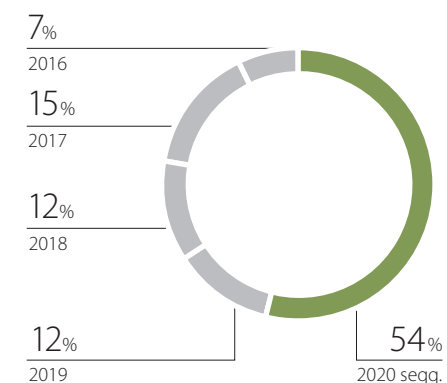
TYPES OF USE

pro rata by annualised rental income



LEASE MATURITIES

pro rata by annualised rental income



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This report is also available in German (binding version).

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