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DIC ■

Q3

2015

INTERIM REPORT

## ABOUT DIC ASSET AG

Established in 2002, DIC Asset AG, with registered offices in Frankfurt/Main, is a real estate company with a dedicated investment focus on commercial real estate in Germany, pursuing a return-oriented investment policy. Real estate assets under management currently amount to approximately EUR 3.1 billion, comprising 215 properties.

The Company's investment strategy is geared to the continued development of a high-quality, highly profitable and regionally diversified portfolio. The real estate portfolio is structured in two segments: the "Commercial Portfolio" (market value of EUR 2.0 billion) comprises existing properties with long-term rental contracts generating attractive rental yields. The "Co-Investments" segment (pro-rata share of EUR 0.2 billion) comprises fund investments, joint venture investments and interests in development projects.

DIC Asset AG provides a direct service to tenants through its own real estate management teams with 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.

## OVERVIEW

Key financial figures in EUR million	9M 2015	9M 2014	Δ	Q3 2015	Q2 2015	Δ
Gross rental income	104.1	110.7	-6%	33.6	35.3	-5%
Net rental income	92.2	99.2	-7%	29.5	31.7	-7%
Real estate management fees	4.5	3.6	+25%	1.5	1.6	-6%
Proceeds from sales of property	126.0	22.7	>100%	106.1	17.8	>100%
Total income	254.6	165.3	+54%	146.7	62.1	>100%
Profits on property disposals	14.1	1.0	>100%	12.4	1.4	>100%
Share of the profit or loss of associates	3.8	3.7	+3%	0.6	2.2	-73%
Funds from Operations (FFO)	36.8	35.4	+4%	12.8	11.9	+8%
EBITDA	97.1	91.0	+7%	38.0	31.1	+22%
EBIT	64.7	58.8	+10%	27.5	20.4	+35%
EPRA earnings	35.3	35.3	+0%	11.3	12.1	-7%
Profit for the period	16.1	5.9	>100%	11.1	3.7	>100%
Cash flow from operating activities	32.1	26.1	+23%	6.4	14.3	-55%

Key financial figures per share in EUR	9M 2015	9M 2014		Q3 2015	Q2 2015	
FFO	0.54	0.52	+4%	0.19	0.17	+12%
EPRA earnings	0.52	0.51	+2%	0.16	0.18	-11%

Balance sheet figures in EUR million	30.09.2015	31.12.2014	30.09.2015	30.06.2015
Net debt/equity ratio in %	35.2	33.4	35.2	34.2
Loan-to-value ratio (LTV) in %	64.1	65.9	64.1	65.5
Investment property	1,930.4	2,143.9	1,930.4	2,007.2
Total assets	2,440.7	2,537.0	2,440.7	2,533.7

Key operating figures	9M 2015	9M 2014	Q3 2015	Q2 2015
Letting result in EUR million	13.6	16.3	7.5	4.1
Vacancy rate in %	11.8	11.5	11.8	11.1

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## FOREWORD

### Dear Shareholders,

DIC Asset AG once again successfully used the favourable constellation of the financial and transaction markets for its real estate business in the third quarter of 2015 and generated a strong operating profit. At the same time, we managed to optimise our capital structure by further reducing our loan-to-value ratio through continuous sales. Overall, we already achieved most of our goals for 2015 in the first nine months of the financial year. This puts us on course to meet all of our strategic objectives and has also given us a solid foundation for financial year 2016. An overview of the most important data is provided below:

- At EUR 36.8 million, funds from operations (FFO), our key operating performance indicator, were up 4% on the already good prior-year figure.
- As planned, we succeeded in lifting the earnings contribution provided by the expansion of our fund business considerably. Real estate management fees climbed 25% year-on-year to EUR 4.5 million.
- Sales totalling around EUR 220 million have been notarised to date, meaning that we have already reached our increased sales target for the current year earlier than planned. On average, the properties were sold at 5% above the most recent market value.
- At 64.1%, the loan-to-value (LTV) ratio was reduced by 3.5 percentage points compared with the previous year.

Continuing our successful strategy to sell properties from different segments of the portfolio in order to effectively reduce our LTV ratio automatically results in lower rental income. Furthermore, by progressively expanding the fund business DIC Asset AG is benefiting from a reliable source of income with low risk in a real estate investment market that is currently fuelled primarily by institutional demand. Our company enjoys a high level and stable quality of earnings marked by continuity and reliability. Thanks to the earnings generated in the third quarter, we assume that at the end of the year our operating profit will be in the projected target corridor. Even with the high volume of sales achieved, we are reiterating our forecast for 2015 as a whole and expect an FFO of between EUR 48 million and EUR 50 million.

Frankfurt am Main, November 2015



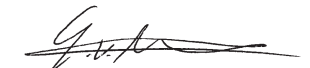
Ulrich Höller



Sonja Wärntges



Rainer Pillmayer



Johannes von Mutius

# INTERIM GROUP MANAGEMENT REPORT

## GENERAL ECONOMIC CONDITIONS

### Stable economic trend

Germany's economy continues to experience a modest upturn. In their autumn forecast, the leading economic research institutes report that the German economy is on a moderate growth trajectory but with slightly less momentum than the 2.1% forecast in spring, mainly because a decline in investment activity put a damper on growth mid-year. The experts now forecast that GDP will increase by 1.8% in 2015 as a whole (2014: 1.6%) and by the same rate in 2016. The International Monetary Fund downgraded its forecast from the spring by 0.1 percentage points and predicts that both the German economy and the eurozone will expand by 1.5% (2014: 1.6% and 0.9%, respectively).

Brisk household consumption buoyed by the encouraging situation in the employment market, positive income prospects and low price increases continue to provide a solid foundation for the German economy. Consumer spending, which was last published for the second quarter, rose for the fourth time in succession. At 6.2% for September, the unemployment rate in the third quarter remained at a low level and the number of people out of work was the lowest in almost 24 years. The German government expects the number of people in gainful employment to continue to rise even if the unemployment figure does not decrease any further in the future. This will be partly due to the influx of refugees, the overall economic effect of which is still difficult to estimate. Economists believe that the refugee migration will give a boost by accelerating public consumption. Increased government spending in providing for refugees will lead to investments and recruitment in Germany, stimulating the country's economy.

Companies are optimistic about the coming months. At the beginning of the second half of the year, the Ifo Business Climate Index recorded its third consecutive rise, climbing to 108.5 points in September. The economic recovery also continued in the eurozone. The situation in the former crisis countries has improved, though the pace of investment is still being weighed down by surplus capacity and companies' efforts to reduce debt.

### Further increase in office space turnover

The strong take-up in the office rental markets continued into the third quarter. According to JLL, from January to September 2015 Germany's seven largest office locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart) recorded take-up of 2.49 million sqm, up 18% year-on-year (2.11 million sqm). JLL is raising its forecast for the full year to 3.3 million sqm.

Vacancies in the top seven locations continue to decline, falling to 6.17 million sqm in the third quarter, a decrease of 12% compared with the prior-year period (7 million sqm). The vacancy rate amounted to 6.9%, down one percentage point on the prior-year figure. JLL does not see any indications that demand will wane significantly in the medium term and expects the vacancy rate to continue to fall, especially as building activity has not increased. Efforts to find solutions for housing refugees could also cause older office space in particular to disappear from the vacancy statistics.

Completions in the top seven locations amounted to 563,000 sqm from January to September, down almost 9% on the comparable figure for 2014. JLL anticipates that completions for 2015 will total 995,000 sqm, hovering around the prior-year level. Although almost 2 million sqm is currently under construction in the top seven locations, this is not expected to lead to any major expansion in market supply since only slightly less than one-third of these spaces (650,000 sqm) are available. JLL estimates that just under 1.2 million sqm of the new spaces will be completed in 2016.

### Strong investor interest in the transaction market

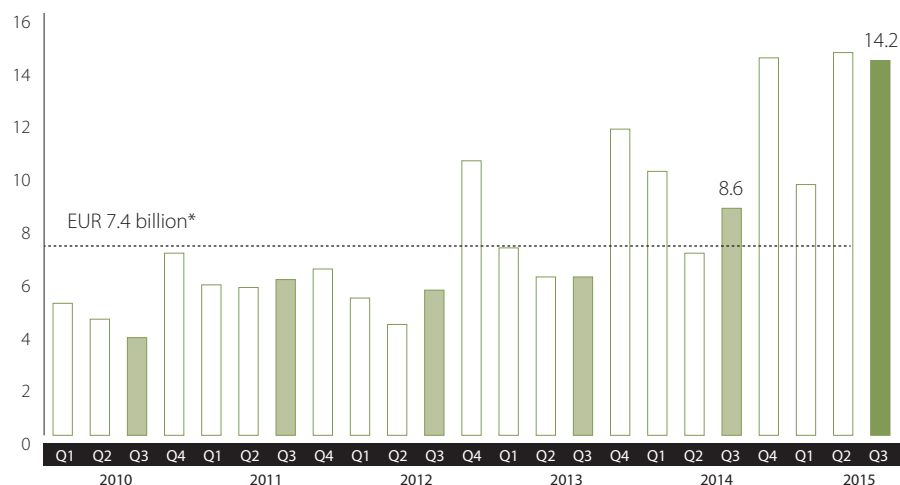
Meanwhile, the German commercial real estate market is hurtling towards new record highs. With sales totalling EUR 38.2 billion from January to September, activities surpassed the very strong prior-year figure by 50% (prior-year period: EUR 25.5 billion). The third quarter alone brought in EUR 14.2 billion (around 37%) of this amount. JLL is forecasting a transaction volume of around EUR 55 billion for the full year. This would be the sixth consecutive annual increase and a new record for the German commercial real estate market.

The share attributable to foreign investors continues to grow and accounts for approximately 54% of the investment volume. In the year to date, foreign sources of capital have funded 16 of the 20 largest transactions. The low yields are not deterring overseas players from investing in German commercial real estate. North American investors in particular are taking advantage of the favourable exchange rate and value the strong fundamentals and the stable real estate market.

In the third quarter, office properties were in the lead as the most popular asset class, at EUR 15.2 billion (40%). Retail followed at EUR 13.3 billion (35%). The remaining 25% is divided into hotels (8%) and mixed-use properties (8%) as well as warehouses and logistics properties (7%). At just under EUR 21 billion, investments in the top seven locations accounted for over half of the total volume. According to JLL, investors are becoming more willing to take on higher risks, though this is not leading to a significant price increase in secondary locations.

Prime yields in the office segment for the top seven locations fell further in the third quarter, to an average of 4.2%. The low financing costs coupled with sufficient availability of credit in a stable economic situation has led to a downward trend in the course of the year. JLL is forecasting a further reduction in yields across all asset classes up to the end of the year. Characteristic for the office investment market at present is the large share of individual transactions, which make up 80% of the total volume.

## GERMAN COMMERCIAL REAL ESTATE TRANSACTION VOLUME in EUR billion



\* Average Q1 2010–Q2 2015 Source: JLL

## BUSINESS DEVELOPMENT

### Highlights

- FFO up 4% to EUR 36.8 million
- Significant increase in real estate management fees (+25%)
- Sales totalling roughly EUR 220 million notarised
- LtV down considerably to 64.1%

In the first nine months of the 2015 financial year, DIC Asset AG successfully implemented its strategic objectives for further reducing its debt and increasing its operating profit at the same time. Funds from operations (FFO) rose by 4% to EUR 36.8 million as at 30 September 2015 (previous year: EUR 35.4 million).

### Portfolio development

As at the reporting date, the portfolio managed by DIC Asset AG comprised 215 properties with total rental space of 1.7 million sqm and a total value of approximately EUR 3.1 billion (assets under management).

The share of the property value attributable to DIC Asset AG amounted to EUR 2.2 billion, down EUR 0.2 billion year-on-year following the scheduled sales. The properties generated annual rental income of EUR 138.9 million (proportionate, including Co-Investments). The increase in sales reduced rental income, as expected. The gross rental yield remained stable and at 6.5% is still on the same level as the previous year (6.6%).

Ongoing letting activities led to leases being signed in the first nine months of 2015 representing total annualised rental income of around EUR 13.6 million; of this figure, new leases accounted for EUR 3.9 million and successful lease renewals for expiring leases accounted for EUR 9.7 million. Take-up in the prior-year period had amounted to EUR 16.3 million after several exceptionally high-value leases were signed. The average lease term was 4.2 years, down on the previous quarter (4.4 years). Due to scheduled lease expiries in the third quarter, the vacancy rate in the portfolio increased from 11.5% in the prior-year period to 11.8% at the reporting date.

## › REGIONAL DEVELOPMENT

as at 30 September in all cases

	North	East	Central	West	South	Total
	2014 2015	2014 2015	2014 2015	2014 2015	2014 2015	2014 2015
Gross rental yield	6.6% <b>6.7%</b>	7.3% <b>7.3%</b>	6.0% <b>5.8%</b>	6.6% <b>6.4%</b>	6.9% <b>6.9%</b>	6.6% <b>6.5%</b>
Vacancy rate	6.2% <b>5.7%</b>	7.6% <b>6.8%</b>	21.2% <b>22.5%</b>	10.7% <b>12.3%</b>	10.5% <b>9.7%</b>	11.5% <b>11.8%</b>
WALT in years	6.2 <b>6.0</b>	4.7 <b>4.2</b>	4.9 <b>4.1</b>	4.3 <b>3.8</b>	3.9 <b>3.4</b>	4.7 <b>4.2</b>
Annualised rental income (EUR million)	23.8 <b>23.1</b>	20.4 <b>19.2</b>	33.5 <b>30.7</b>	45.9 <b>40.3</b>	29.9 <b>25.6</b>	153.5 <b>138.9</b>

## › TAKE-UP

annualised in EUR million	9M 2015	9M 2014
Office	11.0	9.6
Retail	1.1	1.6
Further commercial	1.4	4.9
Residential	0.1	0.2
Total	13.6	16.3
Parking (units)	1,321	945

## › TOP LEASES

### Top 3 new leases

Robert Bosch GmbH	Korntal	4,300 sqm
Finanz Colloquium Heidelberg GmbH	Heidelberg	1,800 sqm
NTT DATA Deutschland GmbH	Frankfurt	1,400 sqm

### Top 3 lease renewals

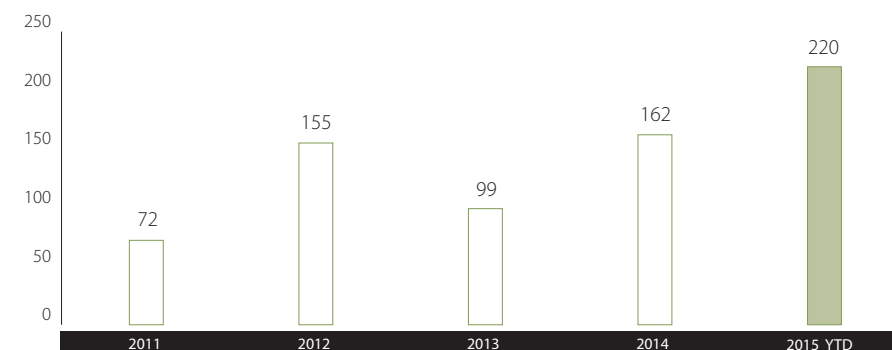
Deutsche Bahn	Hanover	20,000 sqm
RICOH DEUTSCHLAND	Hanover	15,800 sqm
Vermögen und Bau Baden-Württemberg	Mannheim	9,600 sqm

### Momentum successfully leveraged for sales transactions

In selling properties from all segments of its portfolio, DIC Asset AG is leveraging the current market conditions to reduce its loan-to-value ratio. By the end of the first six months, the sales target range of between EUR 150 million and EUR 170 million originally projected for the full year had already been reached. In light of further attractive transaction opportunities, we then increased our sales target for the financial year to at least EUR 180 million.

## › SALES VOLUME

in EUR million



We have now reached and exceeded this increased sales target thanks to a series of successful transactions. The sales of 22 properties have been notarised in 2015 to date for a total of approximately EUR 220 million. Of these, 19 properties were from the Commercial Portfolio (amounting to around EUR 210 million in total) and three from Co-Investments (approximately EUR 10 million). On average, the properties were sold at around 5% above the most recent market value. As at 30 September 2015, the Company recognised EUR 126.0 million in net proceeds from property sales.

### Funds business on planned growth path

Acquisition activities in 2015 have focused on further growth in funds. Expanding the funds business enables DIC Asset AG to increase the share of income generated with real estate management fees for fund properties. The medium-term target volume in the funds business is approximately EUR 1 billion.

The first half of the year saw the transfer of possession, benefits and associated risks for two properties with a volume of around EUR 30 million that had been acquired at the end of 2014. Further acquisitions with a total volume of approximately EUR 91 million were made in the financial year up to the publication date of this report. Since additional acquisitions are already at an advanced stage, our plan for the full year is to make acquisitions amounting to at least around EUR 130 million.

An office property in Bonn with long-term leases and a volume of approximately EUR 27 million was acquired for the "DIC Office Balance I" real estate fund. The conclusion of this acquisition marks the successful end of the investment phase for "DIC Office Balance I". Since the launch of this first office real estate fund, its total assets have been doubled from approximately EUR 210 million to approximately EUR 430 million.

In the second quarter, a distinctive office property in Dusseldorf city centre was acquired for around EUR 15 million for the new "DIC Office Balance II" real estate fund, which was launched in 2014, and in October a further acquisition of a commercial building in a prominent location in Frankfurt with a volume of approximately EUR 21 million was notarised.

In the third quarter, a fully leased commercial building in a prime retail location in Saarbrücken was acquired for the "DIC HighStreet Balance" retail property fund with a volume of approximately EUR 16 million, and in October a property was acquired in Neuss with a volume of around EUR 13 million. As a consequence, aggregate total assets for the funds increased to the current figure of approximately EUR 755 million.

*Saarbrücken, commercial building:  
purchased for the "DIC HighStreet  
Balance" real estate fund*



*Frankfurt, commercial building:  
purchased for the "DIC Office  
Balance II" real estate fund*

**“MainTor” district development and “Opera Offices NEO”:  
high occupancy rate achieved before completion**

At the beginning of 2015, construction work began on “WINX – The Riverside Tower”. The foundation stone ceremony for this distinctive office tower, which was acquired by entrepreneur Susanne Klatten at the end of 2014, was held mid-July. “WINX” is already 60% pre-leased, and completion is planned for the end of 2017/beginning of 2018. The “MainTor Patio” was handed over to its owner as scheduled at the end of June. Work on the “MainTor Palazzi” and the “MainTor Panorama” buildings is well advanced and construction work is scheduled to be almost completed at the end of the year.

All of the “MainTor” district subprojects were marketed to investors before construction commenced; a total of around 80% of the space has been successfully let.



“MainTor” district

The foundation stone ceremony for the new “Opera Offices NEO” office and commercial centre in Hamburg took place at the end of May 2015. A total of 8,500 sqm of commercial space will be available by the third quarter of 2016. After around 30% had already been pre-let to a Hamburg-based fund management company in the previous year, three more leases were signed in September 2015 for the property on Große Theaterstraße. The tenants occupying a total of around 2,000 sqm will be two tax consulting firms and one law firm. This means that approximately 60% of the office and commercial space has been leased prior to completion.

**Workforce changes**

Previously outsourced accounting and finance, financial control, human resources, and IT functions (part of Group management and administration) have been performed by DIC Asset AG employees since 1 January 2015. The employees previously responsible for these functions were integrated into DIC Asset AG and the existing service agreements were terminated as at 31 December 2014. Johannes von Mutius was appointed to the Management Board of DIC Asset AG effective 1 April 2015.

The number of employees increased by a total of 35 in comparison with the end of 2014. The workforce comprised 167 employees as at 30 September 2015. As a consequence, personnel costs increased and administration costs decreased as against the prior-year quarter.

› **NUMBER OF EMPLOYEES**

	30.09.2015	31.06.2015	30.09.2014
Portfolio management, investment and funds	15	16	17
Asset and property management	106	103	100
Group management and administration	46	45	15
Total	167	164	132

## REVENUE AND RESULTS OF OPERATIONS

### Rental income lower as expected following sales

We generated gross rental income of EUR 104.1 million in the first nine months of 2015 (previous year: EUR 110.7 million). The 6% decline in rental income is attributable to the scheduled sales in the Commercial Portfolio. Net rental income amounted to EUR 92.2 million, down 7% year-on-year (previous year: EUR 99.2 million).

### Real estate management fees up 25%

Real estate management fees increased by 25%, from EUR 3.6 million in the previous year to EUR 4.5 million. This is largely attributable to the further expansion of the fund business, which ensures an increase in recurring income. Real estate management fees from the fund business rose by EUR 0.6 million to EUR 3.3 million.

### Total income up 54%

Total income amounted to EUR 254.6 million, compared with EUR 165.3 million in the previous year. The increase largely reflects the sale of properties. We generated proceeds of EUR 126.0 million and a profit of EUR 14.1 million from sales of properties by the end of the reporting period. In the previous year, we had generated proceeds of EUR 22.7 million and a profit of EUR 1.0 million from sales by the end of September.

## › OVERVIEW OF INCOME

in EUR million	9M 2015	9M 2014	Δ
Gross rental income	104.1	110.7	-6%
Real estate management fees	4.5	3.6	+25%
Proceeds from sales of properties	126.0	22.7	>100%
Other	20.0	28.3	-30%
Total income	254.6	165.3	+54%

### Operating costs on target

As expected, operating costs in the first nine months of 2015 were slightly higher than in the previous year. Personnel expenses rose by EUR 1.7 million to EUR 11.1 million as a result of the insourcing of administrative and accounting functions and the transfer of the corresponding employees. By contrast, administrative expenses fell year-on-year, from EUR 7.7 million to EUR 6.6 million. The operating cost ratio (the ratio of administrative and personnel expenses to gross rental income, adjusted for real estate management fees) rose by 0.5 percentage points to 12.7% compared with the prior-year period.

### Significant improvement in net financing result

The net financing result of EUR -46.3 million (previous year: EUR -52.7 million) primarily reflects lower interest expenses following loan repayments as well as improved interest rates in connection with refinancing arrangements completed. Interest expenses fell from EUR 60.2 million to EUR 54.0 million. The interest cover ratio, i.e. the ratio of net rental income to interest payments, rose by six percentage points to 171% compared with 165% at the prior-year reporting date.

### Higher income from Co-Investments following expansion of the fund business

At EUR 3.8 million, the share of the profit or loss of associates (Co-Investments) was up slightly year-on-year. A substantial portion of the income from Co-Investments was investment income from our fund business, which amounted to EUR 1.8 million (previous year: EUR 1.3 million). Project development and other Co-Investment earnings totalling EUR 2.0 million also contributed to the share of the profit of associates.

## › RECONCILIATION TO FFO

in EUR million	9M 2015	9M 2014	Δ
Net rental income	92.2	99.2	-7%
Administrative expenses	-6.6	-7.7	-14%
Personnel expenses	-11.1	-9.4	+18%
Other operating income/expenses	0.5	0.9	-44%
Real estate management fees	4.5	3.6	+25%
Share of the profit or loss of associates without project developments and sales	2.7	1.8	+50%
Interest result	-45.4	-53.0	-14%
Funds from operations	36.8	35.4	+4%

### FFO rises to EUR 36.8 million

Funds from operations (FFO), in other words our operating profit, amounted to EUR 36.8 million in the first nine months of 2015, up 4% year-on-year despite the expected lower rental income. This is primarily due to the 28% increase in the FFO contribution made by the funds and the significant improvement in net interest income. FFO per share amounted to EUR 0.54 (previous year: EUR 0.52).

### Profit for the period up to EUR 16.1 million

Profit for the period rose by EUR 10.2 million year-on-year as at 30 September 2015, an almost three-fold increase, due in particular to higher profits from disposal of investment property, lower interest expense year-on-year as well as growing income from the fund business. Earnings per share were EUR 0.23 (previous year: EUR 0.10).

## FINANCIAL POSITION AND NET ASSETS

At 83%, most of our financial debt consists of loans arranged with a wide range of German banks. The rest relates to our corporate bonds. Following sales and scheduled repayments, we had repaid EUR 127.9 million by the end of the reporting period.

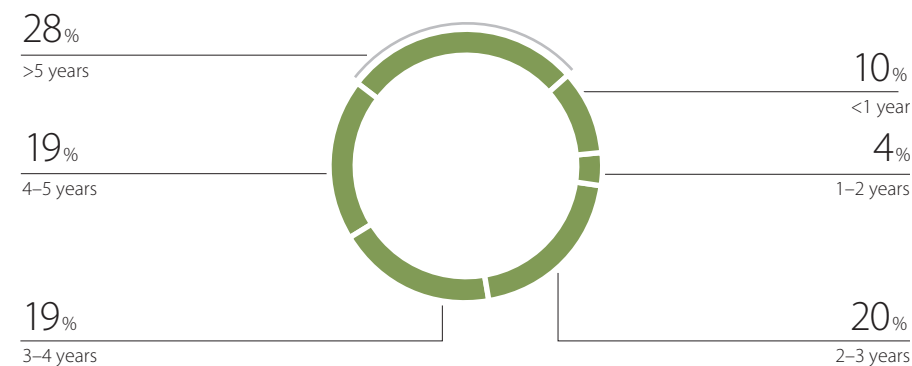
### Financial debt reduced considerably

Our financial debt amounted to EUR 1,585.4 million as at 30 September 2015. This is a total of EUR 82.5 million less than at year-end 2014 (EUR 1,667.9 million), and EUR 241.5 million less than at 30 September 2014 (EUR 1,826.9 million).

The average maturity of our debt – including the bonds – was 4.4 years at the end of the nine-month period (Q3 2014: 4.0 years); as expected, this represents an increase as against year-end 2014 (4.0 years). The portion of financial liabilities with maturities of less than one year was 10% at the end of the reporting period, compared to 24% in the previous year. The remaining volume of debt due for refinancing in the Commercial Portfolio in the current financial year amounts to approximately EUR 66 million.

## › DEBT MATURITIES

Financial debt as at 30 September 2015



The average interest rate on all bank liabilities was approximately 3.5%, a 40 basis point decrease compared with the prior-year period (3.9%). More than 84% of our financial debt is fixed-rate or covered by long-term hedges against interest rate volatility (previous year: 91%).

#### **Cash flow driven by transactions**

Cash flow in the first nine months of 2015 was driven in particular by cash inflows from our sales activities and by the increase in our third corporate bond. This was reduced by cash outflows for loan redemptions and the dividend distribution in July.

At EUR 32.1 million, cash flow from operating activities was up EUR 6.0 million year-on-year after the first nine months of 2015 (prior-year period: EUR 26.1 million), mainly due to the lower interest paid. This was partially offset by the expected reduction in rental income from sales.

Cash flow from investing activities amounted to EUR 115.7 million compared with EUR 21.9 million in the previous year. After loan redemptions, the proceeds from sales of EUR 126.0 million resulted in a free cash flow in the amount of EUR 32.0 million.

Cash flow from financing activities amounted to EUR -101.5 million as at 30 September 2015; this compares with EUR 78.1 million in the prior-year period, which was driven mainly by the cash inflow from two bond placements. Key factors in the current financial year were, on one hand, the cash inflow from the increase in the third corporate bond amounting to EUR 51.5 million and, on the other hand, scheduled repayments and loan redemptions amounting to EUR 127.9 million as well as the dividend payment of EUR 24.0 million.

Cash and cash equivalents increased by EUR 46.3 million as against year-end 2014 to EUR 143.8 million.

#### **Further reduction of the loan-to-value ratio**

Total assets as at 30 September 2015 declined by EUR 96.2 million as against year-end 2014 to EUR 2,440.7 million, mainly because of disposals and loan repayments following sales.

On the asset side, disposal of properties led to a reduction in the non-current asset item, while assets were increased by the higher level of cash and cash equivalents. On the liabilities side, the increase in the third corporate bond of EUR 50.0 million was recognised as financial debt under loans and borrowings. Loan repayments due to sales and scheduled redemptions reduced financial debt, resulting in a net decrease in loans and borrowings of EUR 82.5 million in the nine-month period compared with year-end 2014.

Equity as at 30 September 2015 increased by EUR 6.9 million as against 31 December 2014, from EUR 774.8 million to EUR 781.7 million. While the decline in the hedging reserve due especially to derivatives' lower nominal volume had a positive effect, the dividend distribution in July reduced retained earnings. This led to temporary negative retained earnings as at 30 September 2015 amounting to EUR 1.9 million. The net debt/equity ratio rose by 180 basis points, from 33.4% at year-end 2014 to 35.2%, as a result of the further optimisation of our borrowings. At 64.1%, the loan-to-value (LTV) ratio declined by 180 basis points compared with year-end 2014 and by 350 basis points compared with the prior-year quarter.

## FORECAST

We continue to expect a stable environment overall for DIC Asset AG in financial year 2015. Available space in the office rental markets has been declining continuously, and the overwhelming majority of the new space expected to be completed by the end of the year has already been absorbed by pre-letting. The persistently low interest rates are continuing to fuel transaction activity in the real estate investment markets.

In this environment, and in view of the fact that we have now reached milestones in our strategic plan, we expect to achieve the goals we set ourselves by the end of the year, while continuing to focus on increasing our net debt/equity ratio and reducing DIC Asset AG's loan-to-value ratio.

We are planning an investment volume of at least EUR 130 million, slightly below the prior-year level. This is intended for the further growth of our fund business. Due to the continued high level of sales activities, at the date of publishing the nine-month figures we surpassed the sales target of at least EUR 180 million, which we had raised at the end of the first half of 2015. By the November report date, we achieved a sales volume of around EUR 220 million.

We are expecting rental income of between EUR 134 million and EUR 136 million and a vacancy rate of around 11 per cent for the overall portfolio for 2015. On the strength of further growth in real estate management fees and the optimisation of our financing structures, we continue to assume an increase of up to 4% on the prior-year operating profit to an FFO of between EUR 48 million and EUR 50 million (approximately EUR 0.73 per share), despite the higher sales volume achieved.

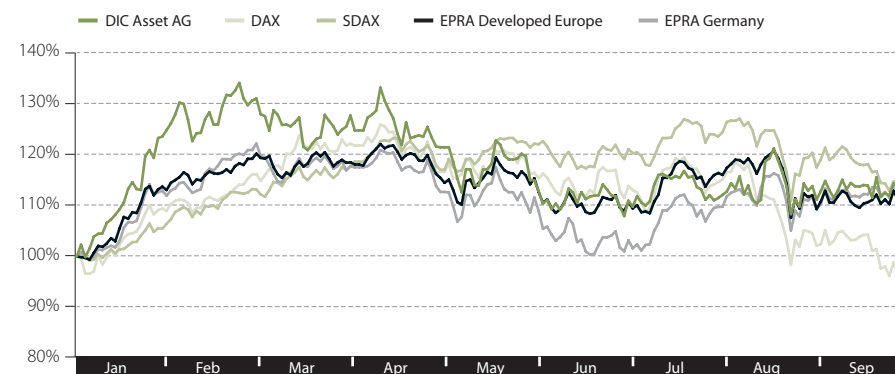
## INVESTOR RELATIONS AND CAPITAL MARKETS

### DIC Asset AG's shares hold their own with strong performance

At the beginning of the year, the DAX repeatedly hit fresh highs, breaking through the 12,000 mark several times in the period up to May. However, the sluggish global economy, uncertainty about whether the Federal Reserve would raise US interest rates and the Volkswagen emissions scandal in the third quarter subsequently put a damper on the index's performance. The DAX closed the third quarter at 9,660 points, down almost 12% on the previous quarter and below the year-end 2014 figure.

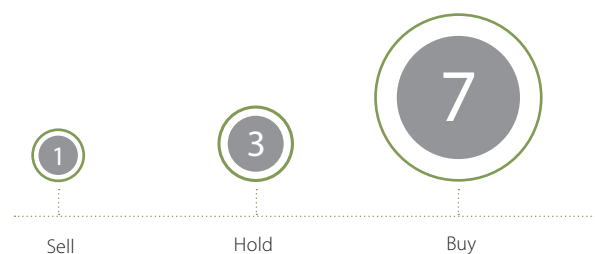
DIC Asset AG's shares made a dynamic start to the year before continuing to develop almost in step with the overall market of German bellwether stocks. While unable to maintain this high level with a temporary gain of almost 35% in parallel with the general market trend, the share has steadily outperformed Germany's benchmark index since the end of August. DIC Asset AG's shares closed the third quarter of the year at EUR 8.05, an increase of 8.7% in the nine-month period.

### › SHARE PRICE



## › ANALYST COVERAGE FROM 11 BANKS

(as at November 2015)



## Corporate bonds on a firm footing

DIC Asset AG's two corporate bond issues, which are traded in Deutsche Börse AG's Prime Standard segment for corporate bonds, have gained a firm footing in the market and consistently exceeded their issue prices in the reporting period. DIC Asset AG's 13/18 bond closed at 107.2% on 30 September 2015. Its 14/19 bond stood at 103.9% on 30 September 2015.

## › BASIC DATA ON DIC ASSET AG'S SHARES

Number of shares	68,577,747 (registered shares)
Share capital in euro	68,577,747
WKN/ISIN	A1X3XX/DE000A1X3XX4
Abbreviation	DIC
Free float	66.8%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	Odyssey Seydler, HSBC Trinkaus

## › KEY FIGURES FOR DIC ASSET AG'S SHARES<sup>(1)</sup>

		9M 2015	9M 2014
FFO per share	euro	0.54	0.52
FFO yield <sup>(2)</sup>		8.9%	10.4%
Closing price for quarter	euro	8.05	6.66
52-week high	euro	9.99	8.20
52-week low	euro	5.83	6.26
Number of shares on 30.09.		68,577,747	68,577,747
Market capitalisation <sup>(2)</sup>	EUR million	552	457

(1) Xetra closing prices in each case.

(2) In relation to the Xetra quarterly closing price.

## › BASIC DATA ON DIC ASSET AG'S 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 FOR DIC ASSET AG'S BONDS

	30.09.2015	30.09.2014
DIC Asset AG bond 13/18		
Closing price	107.2	106.5
Yield to maturity	3.00%	3.87%
DIC Asset AG bond 14/19		
Closing price	103.9	103.0
Yield to maturity	3.60%	3.97%

## IR activities

At the General Shareholders' Meeting in Frankfurt/Main on 2 July 2015, shareholders agreed to the Management Board's proposals by a large majority in the case of all agenda items. This was immediately followed by the distribution of a dividend in the amount of EUR 0.35 per share on 3 July 2015. Based on the 2014 year-end price, this is an attractive dividend yield of 4.7%.

During the current year, the Management Board and the Investor Relations team presented details about the business model and the current course of business at DIC Asset AG at four investor conferences and five road show dates. The Company announced on 3 September 2015 that the Supervisory Board had appointed Aydin Karaduman as the new Chairman of the Management Board of DIC Asset AG succeeding Ulrich Höller effective 1 January 2016.

## › IR CALENDAR 2015

02.07.	General Shareholders' Meeting	Frankfurt
14.07.	Analyst Update "MainTor"	Frankfurt
13.08.	Publication of Q2 2015 Report*	
08.–10.09.	EPRA Annual Conference 2015	Berlin
22.09.	Berenberg/Goldman Sachs German Corporate Conference	Munich
23.09.	Baader Investment Conference	Munich
01.10.	Société Générale Real Estate Conference	London
12.11.	Publication of Q3 2015 Report*	

\*with conference call

## CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2015

### CONSOLIDATED INCOME STATEMENT

in EUR thousand	9M 2015	9M 2014	Q3 2015	Q3 2014
Total income	254,615	165,287	146,702	50,932
Total expenses	-193,651	-110,120	-119,871	-32,650
Gross rental income	104,051	110,734	33,620	37,133
Ground rents	-947	-946	-303	-309
Service charge income on principal basis	19,452	27,286	5,336	9,099
Service charge expenses on principal basis	-20,659	-25,680	-5,365	-7,847
Other property-related expenses	-9,674	-12,215	-3,784	-4,698
Net rental income	92,223	99,179	29,504	33,378
Administrative expenses	-6,634	-7,690	-2,230	-2,570
Personnel expenses	-11,050	-9,409	-3,780	-3,062
Depreciation and amortisation	-32,339	-32,153	-10,561	-11,189
Real estate management fees	4,461	3,613	1,498	1,301
Other operating income	613	917	126	234
Other operating expenses	-362	-243	-84	-166
Net other income	251	674	42	68
Net proceeds from disposal of investment property	126,036	22,737	106,121	3,164
Carrying amount of investment property disposed	-111,984	-21,785	-93,763	-2,809
Profit on disposal of investment property	14,052	952	12,358	355
Net operating profit before financing activities	60,964	55,166	26,831	18,281
Share of the profit or loss of associates	3,769	3,665	633	2,210
Interest income	7,722	7,538	2,733	2,632
Interest expense	-54,010	-60,194	-17,103	-21,283
Profit before tax	18,445	6,175	13,094	1,840
Current income tax expense	-4,805	-2,378	-1,266	-430
Deferred tax income/expense	2,469	2,064	-738	476
Profit for the period	16,109	5,861	11,090	1,886
Attributable to equity holders of the parent	15,839	6,679	11,060	2,099
Attributable to non-controlling interest	270	-818	30	-213
Basic (=diluted) earnings per share (EUR)	0.23	0.10	0.16	0.03

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	9M 2015	9M 2014	Q3 2015	Q3 2014
Profit for the period	16,109	5,861	11,090	1,886
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Gain/losses on measurement of available-for-sale financial instruments	1,451	0	229	0
Fair value measurement of hedging instruments*				
Cash flow hedges	13,323	-7,484	-65	-1,446
Cash flow hedges of associates	-17	-281	-16	-200
Other comprehensive income	14,757	-7,765	-81	-1,646
Comprehensive income	30,866	-1,904	11,237	240
Attributable to equity holders of the parent	30,596	-1,086	11,207	453
Attributable to non-controlling interest	270	-818	30	-213

\* after tax

## CONSOLIDATED STATEMENT OF CASH FLOW

in EUR thousand	9M 2015	9M 2014
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid	62,299	62,716
Realised gains/losses on disposals of investment property	-14,052	-952
Depreciation and amortisation	32,339	32,153
Changes in receivables, payables and provisions	8,192	-582
Other non-cash transactions	-3,816	-4,590
Cash generated from operations	84,962	88,745
Interest paid	-57,056	-62,339
Interest received	805	391
Income taxes paid/received	3,397	-660
Cash flow from operating activities	32,108	26,138
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	130,441	23,078
Capital expenditure on investment properties	-6,835	-7,998
Acquisition/disposal of other investments	-1,948	20,850
Loans to other entities	-5,779	-13,903
Acquisition/disposal of office furniture and equipment, software	-198	-137
Cash flow from investing activities	115,681	21,890
FINANCING ACTIVITIES		
Proceeds from the issuance of corporate bond	51,500	150,250
Proceeds from other non-current borrowings	415	16,500
Repayment of borrowings	-127,943	-58,914
Tenant deposits	0	-600
Payment of transaction costs	-1,430	-5,104
Dividends paid	-24,002	-24,002
Cash flow from financing activities	-101,460	78,130
Net changes in cash and cash equivalents	46,329	126,158
Cash and cash equivalents as at 1 January	97,421	56,418
Cash and cash equivalents as at 30 September	143,750	182,576

## CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	30.09.2015	31.12.2014
Investment property	1,930,393	2,143,939
Office furniture and equipment	621	604
Investments in associates	84,319	81,027
Loans to related parties	112,191	108,564
Other investments	22,044	20,593
Intangible assets	1,077	1,273
Deferred tax assets	26,119	28,334
<b>Total non-current assets</b>	<b>2,176,764</b>	<b>2,384,334</b>
Receivables from sale of investment property	1,199	5,603
Trade receivables	5,102	7,667
Receivables from related parties	15,607	14,323
Income tax receivable	4,948	11,695
Other receivables	8,060	7,747
Other current assets	7,095	6,482
Cash and cash equivalents	143,750	97,421
	<b>185,761</b>	<b>150,938</b>
Non-current assets held for sale	78,209	1,691
<b>Total current assets</b>	<b>263,970</b>	<b>152,629</b>
<b>Total assets</b>	<b>2,440,734</b>	<b>2,536,963</b>

Equity and liabilities in EUR thousand	30.09.2015	31.12.2014
<b>EQUITY</b>		
Issued capital	68,578	68,578
Share premium	732,846	732,846
Hedging reserve	-24,360	-37,667
Reserves for available-for-sale financial instruments	1,542	91
Retained earnings	-1,911	6,252
<b>Total shareholders' equity</b>	<b>776,695</b>	<b>770,100</b>
Non-controlling interest	5,014	4,744
<b>Total equity</b>	<b>781,709</b>	<b>774,844</b>
<b>LIABILITIES</b>		
Corporate bonds	270,565	219,595
Non-current interest-bearing loans and borrowings	1,151,306	1,040,740
Provisions	50	30
Deferred tax liabilities	12,093	16,598
Derivatives	31,175	47,103
<b>Total non-current liabilities</b>	<b>1,465,189</b>	<b>1,324,066</b>
Current interest-bearing loans and borrowings	98,441	405,846
Trade payables	1,418	1,461
Liabilities to related parties	861	3,773
Provisions	530	732
Income tax payable	5,064	3,608
Other liabilities	22,427	20,944
	<b>128,741</b>	<b>436,364</b>
Liabilities related to non-current assets held for sale	65,095	1,689
<b>Total current liabilities</b>	<b>193,836</b>	<b>438,053</b>
<b>Total liabilities</b>	<b>1,659,025</b>	<b>1,762,119</b>
<b>Total equity and liabilities</b>	<b>2,440,734</b>	<b>2,536,963</b>

## 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 2013	68,578	733,577	-30,078	0	15,433	787,510	5,544	793,054
Profit for the period					6,679	6,679	-818	5,861
Other comprehensive incomes								
Gains/losses on cash flow hedges*			-7,484			-7,484		-7,484
Gains/losses on cash flow hedges from associates*			-281			-281		-281
Comprehensive income			-7,765	0	6,679	-1,086	-818	-1,904
Dividend payments for 2013					-24,002	-24,002		-24,002
Transaction costs of equity transactions		-731				-731		-731
Repayment of non-controlling interest						0	128	128
Balance at 30 September 2014	68,578	732,846	-37,843	0	-1,890	761,691	4,854	766,545
Profit for the period					8,142	8,142	32	8,174
Other comprehensive incomes								
Gains/losses on cash flow hedges*			-69			-69		-69
Gains/losses on cash flow hedges from associates*			245			245		245
Gains/losses on measurement of available-for-sale financial instruments				91		91		91
Comprehensive income			176	91	8,142	8,409	32	8,441
Repayment of non-controlling interest						0	-142	-142
Balance at 31 December 2014	68,578	732,846	-37,667	91	6,252	770,100	4,744	774,844
Profit for the period					15,839	15,839	270	16,109
Other comprehensive incomes								
Gains/losses on cash flow hedges*			13,323			13,323		13,323
Gains/losses on cash flow hedges from associates*			-17			-17		-17
Gains/losses on measurement of available-for-sale financial instruments				1,451		1,451		1,451
Comprehensive income			13,306	1,451	15,839	30,596	270	30,866
Dividend payments for 2014					-24,002	-24,002		-24,002
Balance at 30 September 2015	68,578	732,846	-24,360	1,542	-1,911	776,695	5,014	781,709

\*Net of deferred taxes

## SEGMENT REPORTING

### Annualised rental income of the operating segments as at 30 September 2015

In EUR thousand	North	East	Central	West	South	Total 9M 2015	Total 9M 2014	Rental income 9M 2015 (P&L)
Commercial Portfolio	22,472	18,333	28,361	39,065	22,111	130,342	146,035	104,051
Co-Investments	618	905	2,358	1,185	3,511	8,578	7,428	
Total	23,090	19,238	30,719	40,250	25,622	138,920	153,463	104,051

### Segment assets as at 30 September 2015

	North	East	Central	West	South	Total 9M 2015	Total 9M 2014
Number of properties	33	29	41	51	61	215	246
Market value (in EUR million)	346.2	264.3	592.7	645.8	373.2	2,222.2	2,436.2

### Annualised rental income of the operating segments as at 30 September 2014

In EUR thousand	North	East	Central	West	South	Total 9M 2014	Total 9M 2013	Rental income 9M 2014 (P&L)
Commercial Portfolio	23,397	18,865	32,770	44,711	26,292	146,035	122,453	110,734
Co-Investments	416	1,491	751	1,154	3,616	7,428	14,957	
Total	23,814	20,356	33,520	45,865	29,908	153,463	137,410	110,734

### Segment assets as at 30 September 2014

	North	East	Central	West	South	Total 9M 2014	Total 9M 2013
Number of properties	36	31	53	59	67	246	251
Market value (in EUR million)	362.8	278.2	664.8	699.9	430.5	2,436.2	2,144.1

## NOTES

### General information on reporting

In accordance with section 37x (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 2014, 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 2014, 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 30 September 2015.

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 September 2015.

### New standards and interpretations

DIC Asset AG has applied all accounting standards and interpretations, including revised pronouncements, adopted by the EU as of 01 January 2015. Please refer to the 2014 Annual Report and the following explanations for a detailed description of the new and revised accounting pronouncements:

- Annual Improvements to IFRSs: 2011-2013 Cycle, comprising clarifications on the following standards and issues:
  - IFRS 1: Effective date of IFRSs applied in first-time adoption of IFRSs
  - IFRS 3: Scope exceptions for joint arrangements

- IFRS 13: Scope of the portfolio exception; this clarifies that the scope of IFRS 13.52 includes all contracts accounted for within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definition of financial assets or liabilities under IAS 32
- IAS 40: Clarifies the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or as owner-occupied

The amendments are effective for annual periods beginning on or after 1 January 2015; earlier application is permitted. They were endorsed by the EU on 18 December 2014. These amendments do not affect the consolidated financial statements.

In addition, a number of other pronouncements and amendments are now effective, for example IAS 19 "Employee Benefits" and IFRIC 21 "Levies", but these do not affect the consolidated financial statements or the condensed interim consolidated financial statements.

### Financial instruments disclosures

The bond issued in September 2014 was increased by EUR 50 million to EUR 175 million by way of a private placement in April 2015.

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 2014 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 assets. Changes in fair value between 31 December 2014 and the end of the reporting period amounted to EUR 1,451 thousand. Please refer to our consolidated financial statements for the year ended 31 December 2014 for information on the valuation of the real estate assets.

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 that are 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 30.09.2015	Fair value at 30.09.2015	Carrying amount at 31.12.2014	Fair value at 31.12.2014
<b>ASSETS</b>					
Equity investments	AfS	22,044	22,044	20,593	20,593
Other loans	LaR	112,191	112,191	108,564	108,564
Receivables from sale of investment property	LaR	1,199	1,199	5,603	5,603
Trade receivables	LaR	5,102	5,102	7,667	7,667
Related party receivables	LaR	15,607	15,607	14,323	14,323
Other receivables	LaR	8,060	8,060	7,747	7,747
Other current assets	LaR	7,095	7,095	6,482	6,482
Cash and cash equivalents	LaR	143,750	143,750	97,421	97,421
<b>Total</b>	LaR	<b>293,004</b>	<b>293,004</b>	<b>247,807</b>	<b>247,807</b>
<b>LIABILITIES</b>					
Derivatives included in hedging relationships	n.a.	27,041	27,041	42,087	42,087
Derivatives not included in hedging relationships	FLHfT	4,135	4,135	5,016	5,016
Corporate bonds	FLAC	270,565	288,305	219,595	238,875
Non-current interest-bearing loans and borrowings	FLAC	1,151,306	1,136,926	1,040,740	1,017,726
Current interest-bearing loans and borrowings	FLAC	98,441	98,398	405,846	410,693
Trade payables	FLAC	1,418	1,418	1,461	1,461
Related party liabilities	FLAC	861	861	3,773	3,773
Other liabilities	FLAC	22,427	22,427	20,944	20,944
Liabilities in connection with financial investments held for sale	FLAC	65,095	65,095	1,689	1,689
<b>Total</b>	FLAC	<b>1,610,113</b>	<b>1,613,430</b>	<b>1,694,048</b>	<b>1,695,161</b>

Changes in Level 3 financial instruments are as follows:

in EUR thousand	2015	2014
Balance at 01.01.	20,593	20,502
Additions	0	0
Measurement gains/losses	1,451	91
Balance at 30.09./31.12.	22,044	20,593

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 2014 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 proposed a dividend of EUR 0.35 per share for financial year 2014 at the General Shareholders' Meeting on 2 July 2015. The dividend of EUR 24.0 million was paid out on 3 July 2015 following the adoption of the corresponding resolution.

### Related party disclosures

The following new guarantees were issued up to 30 September 2015:

Together with DIC KGaA and DICP, DIC Asset AG has issued an unlimited, directly enforceable guarantee for the "MainTor Porta" project to Jaeger Ausbau GmbH & Co. KG Rhein-Main in the amount of EUR 5,000 thousand.

Together with DIC KGaA and DICP, DIC Asset AG has issued a limited, directly enforceable guarantee for the "MainTor Patio" project to Heberger Hoch-, Tief- und Ingenieurbau GmbH in the amount of EUR 1,330 thousand.

DIC Asset AG has granted a fixed-term security mortgage in accordance with section 648 of the Bürgerliches Gesetzbuch (BGB – German Civil Code) to INNIUS RR GmbH in relation to engineering and planning services in the amount of EUR 123 thousand.

Together with DIC KGaA and DICP, DIC Asset AG has issued a directly enforceable guarantee in the maximum amount of EUR 1,200 thousand to Union Asset Management Holding AG.

Together with DIC KGaA and DICP, DIC Asset AG issued a directly enforceable guarantee in the maximum amount of EUR 7,088 thousand to BAM Deutschland AG in the course of its appointment as general contractor for the WINX construction project.

Together with DIC KGaA and DICP, DIC Asset AG issued a warranty bond to PATRIZIA WohnInvest Kapitalverwaltungsgesellschaft mbH in the maximum amount of EUR 1,000 thousand in the course of the transfer of the "MainTor Patio" project to the purchaser.

Together with DIC KGaA and DICP, DIC Asset AG has issued an unlimited guarantee for the "MainTor Panorama" project to ED Züblin GmbH in the amount of EUR 4,519 thousand.

Please refer to our 2014 consolidated financial statements for details of other guarantees and surety bonds issued up to the end of 2014, 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 2014, which were published in March 2015, 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 sale of three Commercial Portfolio properties with an aggregate transaction volume of EUR 58 million was notarised as a result of our sales activities. The transfer of possession, benefits and associated risks is expected in the fourth quarter of 2015 and in the first quarter of 2016.

In October, one property was acquired for the "DIC Office Balance II" special fund. The transaction volume amounted to approximately EUR 21 million, and the transfer of possession, benefits and burdens is expected in the fourth quarter.

Frankfurt am Main, November 11, 2015



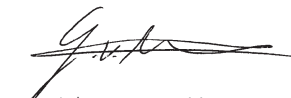
Ulrich Höller



Sonja Wärtges



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 September 30, 2015, which are part of the quarterly financial report according to § 37x (3) 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, November 11, 2015

Rödl & Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Hübschmann  
Wirtschaftsprüfer

Luce  
Wirtschaftsprüfer

## PORTFOLIO (as at 30 September 2015)

### › OVERVIEW PORTFOLIO\*

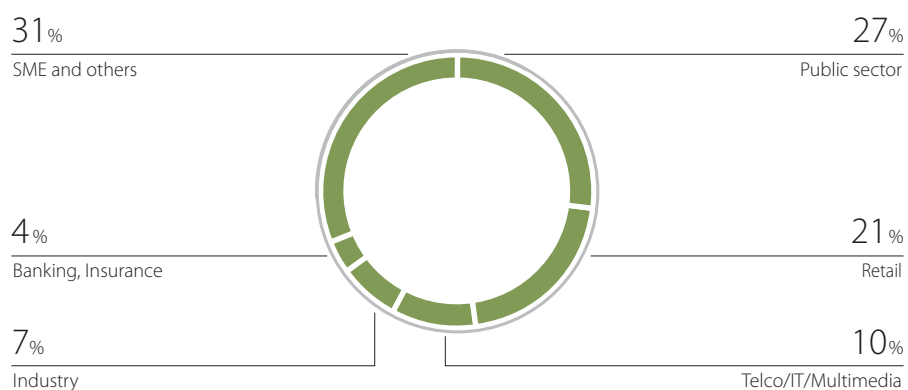
	Commercial Portfolio	Co- Investments	Total Q3 2015	Total Q3 2014
Number of properties	171	44	215	246
Market value in EUR million**	2,036.3	185.9	2,222.2	2,436.2
Rental space in sqm	1,252,526	64,813	1,317,339	1,445,700
Portfolio proportion by rental space	95%	5%	100%	100%
Annualised rental income in EUR million	130.3	8.6	138.9	153.5
Rental income per sqm in EUR	9.60	11.20	9.70	9.70
Lease maturity in years	4.2	4.3	4.2	4.7
Rental yield	6.5%	6.4%	6.5%	6.6%
Vacancy rate	12.1%	5.8%	11.8%	11.5%

\* all figures pro rata, except number of properties; all figures without developments except number of properties and market values

\*\* Market value as at 31.12.2014, later acquisitions considered at cost

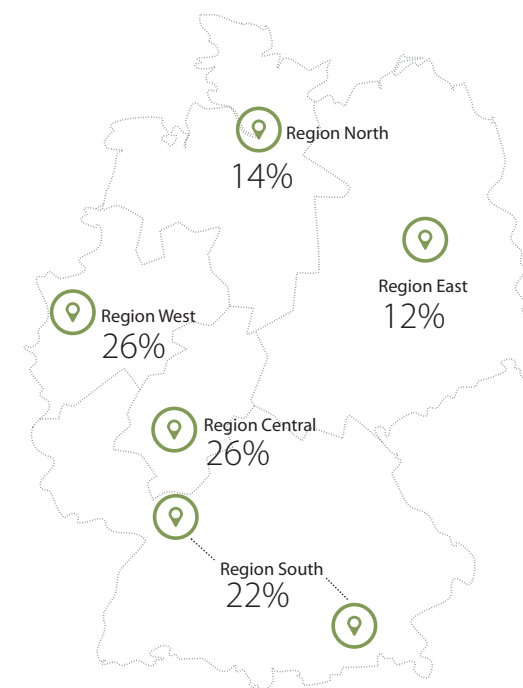
### › TENANT STRUCTURE

pro rata by annualised rental income



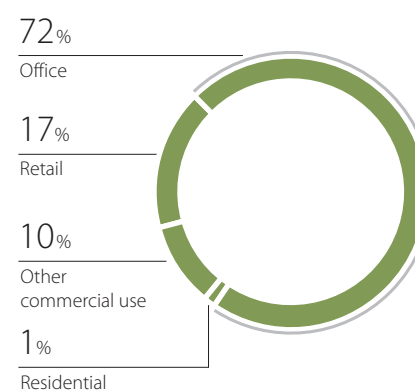
### › PORTFOLIO BY REGIONS

pro rata by market value  
assets under management



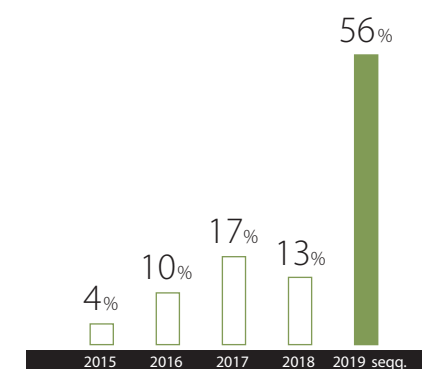
### › TYPES OF USE

pro rata by annualised rental income



### › LEASE MATURITIES

pro rata by annualised rental income



## DIC Asset AG

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

Realisation:  
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