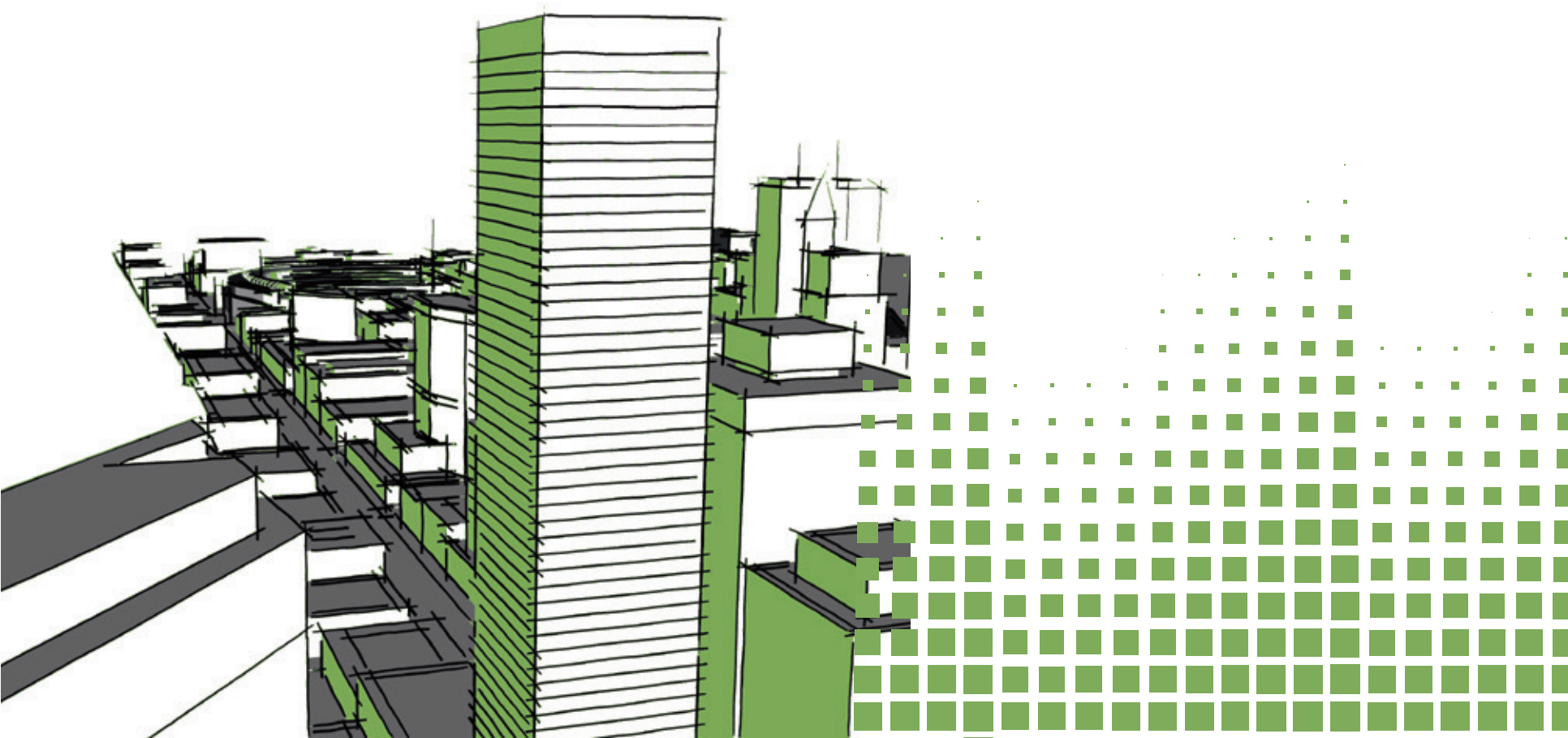


Q1 2017

QUARTERLY STATEMENT



DEAR SHAREHOLDERS,

DIC Asset AG concluded the first quarter of 2017 as planned and thereby reached several major milestones in the continued optimisation of the Company's financial and portfolio structures.

In particular, the expected positive impact of the refinancing of our Commercial Portfolio arranged at the turn of the year 2016 to 2017 can already be seen very clearly. The results of our operational management work were also positive and enabled us to increase the funds from operations (FFO) as planned. Specifically:

- Our portfolio optimisation efforts remain successful. We focused our sales activities on the Commercial Portfolio and completed scheduled sales totalling around EUR 157 million, which means we have already achieved more than three-quarters of our sales target for 2017. Rental income from the Commercial Portfolio increased 0.9% on a like-for-like basis, while gross rental income rose by 11% compared to the previous year.
- We were able to post a greatly improved net financing result as a direct and lasting positive consequence of the portfolio refinancing arranged at the end of 2016 and completed in January 2017. Agreeing more favourable terms for the long term meant that our interest expense fell by 30% compared to the same quarter last year.

- The results of these portfolio and financing activities are reflected in the 9% increase in funds from operations (FFO).
- As far as income in the fund business is concerned, we recorded an increase in recurring ongoing fees as planned.

These results attest to the quality, reliability and performance of our real estate management platform, which now comprises real estate assets under management of around EUR 3.6 billion (previous year: EUR 3.2 billion).

We concluded the first quarter with solid consolidated profit of EUR 7.6 million. For the remainder of the financial year, we plan to continue significantly expanding our real estate assets under management.

In light of the success we have achieved to date, we are confirming our guidance for 2017.

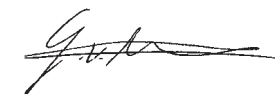
Frankfurt am Main, May 2017



Aydin Karaduman



Sonja Wärntges



Johannes von Mutius

HIGHLIGHTS

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

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

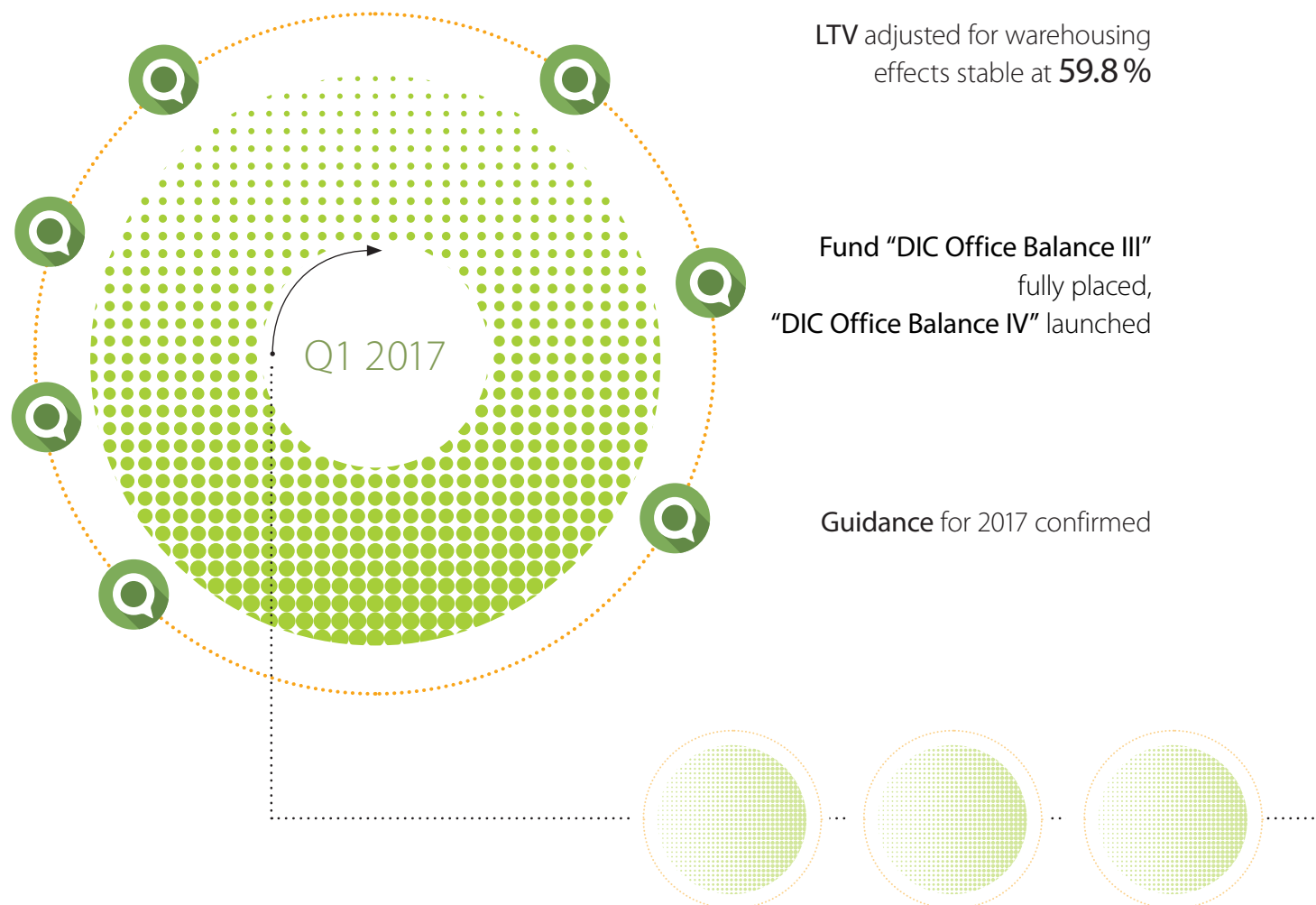
FFO up 9% to EUR **15.8 million**

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

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

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

Guidance for 2017 confirmed



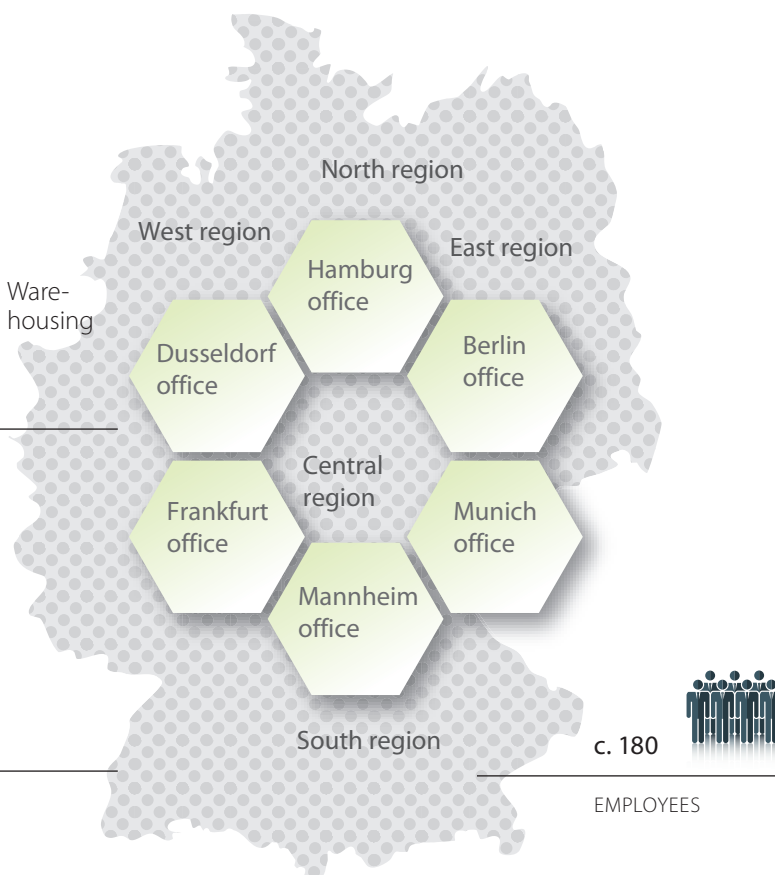
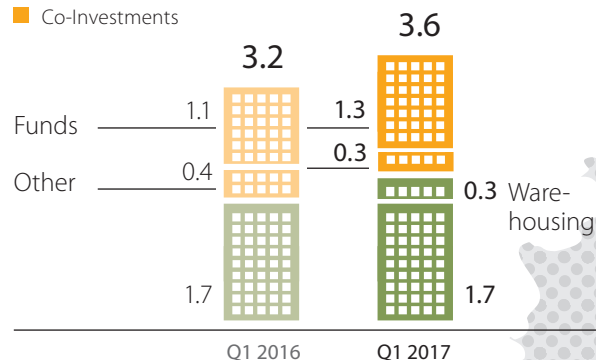
PERFORMANCE OF THE ASSET MANAGEMENT PLATFORM

Growth in assets under management

ASSETS UNDER MANAGEMENT

in EUR billion

- Commercial Portfolio
- Co-Investments



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

TRANSACTIONS

in EUR million



DEVELOPMENT OF THE PORTFOLIO

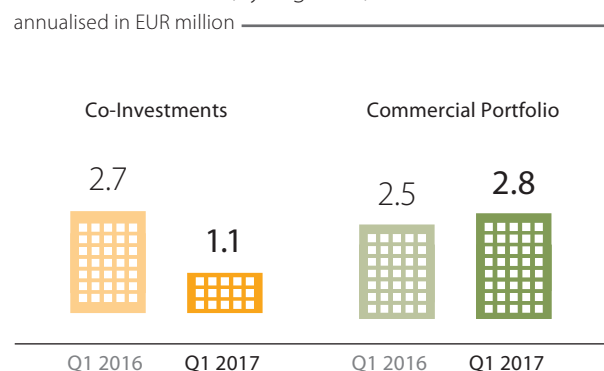
Optimisation of the Commercial Portfolio

TOP LETTINGS (selected)

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

* N: New Letting, R: Renewal

LETTING VOLUME (by segment)



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

PORTFOLIO OVERVIEW*

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

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

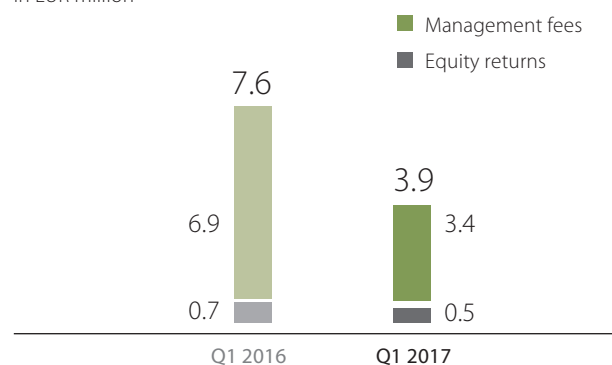
** Market value as at 31.12.2016, later acquisitions considered at cost

FUND BUSINESS

Operational launch of “DIC Office Balance IV” office fund

FFO CONTRIBUTION OF FUND BUSINESS

in EUR million



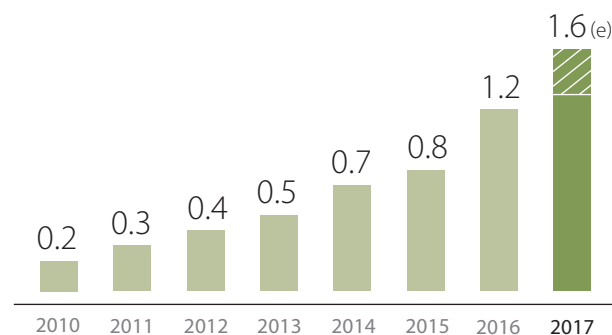
LATEST ACQUISITION: BRIXX IN FRANKFURT



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

FUND VOLUME

in EUR billion



“DIC OFFICE BALANCE IV” KEY DATA

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

INCOME DEVELOPMENT

Higher gross rental income

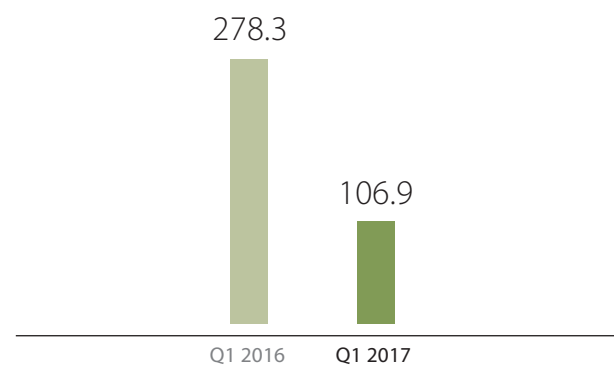
OVERVIEW OF INCOME

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

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

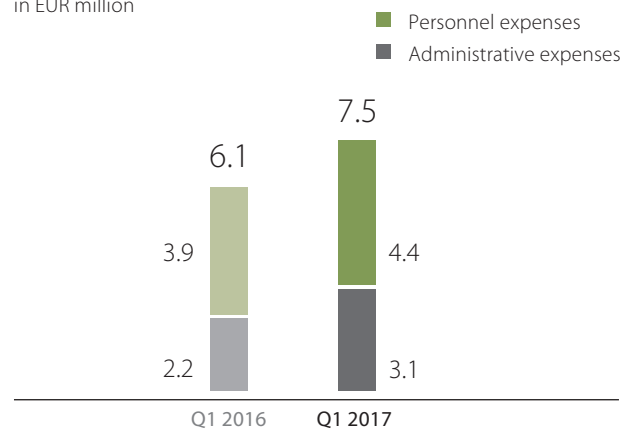
TOTAL INCOME

in EUR million



OPERATING COSTS

in EUR million

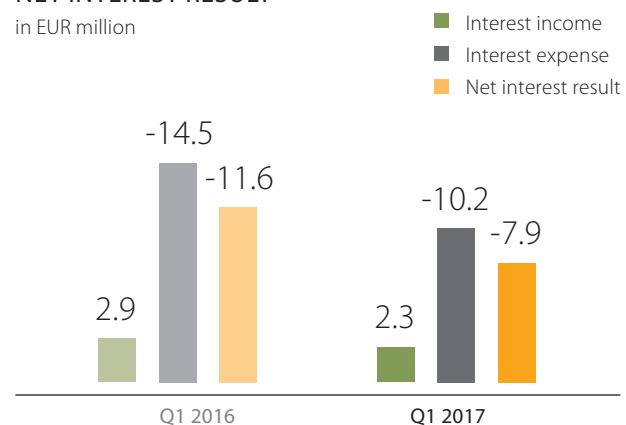


EARNINGS

Refinancing strengthens earnings

NET INTEREST RESULT

in EUR million



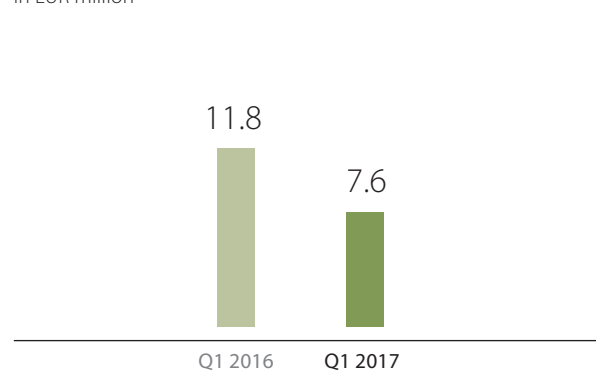
RECONCILIATION TO FFO

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

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

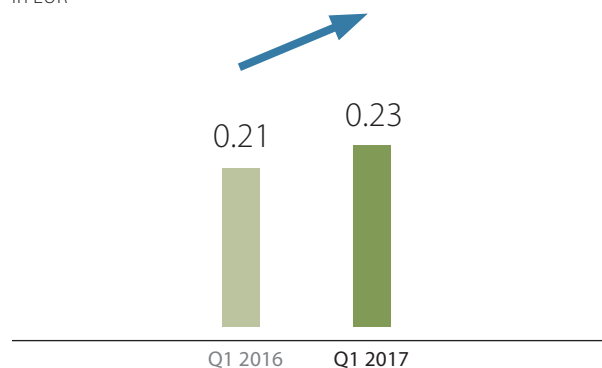
PROFIT FOR THE PERIOD

in EUR million



FFO PER SHARE

in EUR



FINANCIAL STRUCTURE

Significant improvement as a result of refinancing

FINANCIAL DEBT MATURITIES*

as at 31.03.2017



*incl. bonds/IFRS 5

AVERAGE INTEREST RATE

in %, based on bank liabilities



■ Main effects on net assets:

- Implementation of financing agreed at end of 2016 in January 2017
 - Average financial debt maturity increased to 5.6 years due to refinancing
 - Average interest rate across all liabilities to banks halved to 1.7 %
 - **Loan repayments** and scheduled repayments of EUR 1,051.9 million at the reporting date and borrowings of EUR 1,025.3 million
 - Reclassification of sales portfolio into non-current assets held for sale together with corresponding liabilities
- **Loan-to-Value (LTV)** stable at 59.8% on 31 March 2017 reporting date (adjusted for warehousing)
- **Cash flow** dominated by the implementation of refinancing and the associated lower interest payments

FORECAST

Guidance for 2017 confirmed



>> APPENDIX

OVERVIEW

Key financial figures in EUR million	Q1 2017	Q1 2016	Δ
Gross rental income	30.5	27.6	+11 %
Net rental income	25.7	23.5	+9 %
Real estate management fees	3.9	7.4	-47 %
Proceeds from sales of property	66.2	237.6	-72 %
Total income	106.9	278.3	-62 %
Profits on property disposals	2.2	9.9	-78 %
Share of the profit or loss of associates	1.0	1.3	-23 %
Funds from operations (FFO)	15.8	14.5	+9 %
EBITDA	25.2	36.1	-30 %
EBIT	17.2	27.0	-36 %
EPRA earnings	14.4	13.6	+6 %
Profit for the period	7.6	11.8	-36 %
Cash flow from operating activities	10.1	6.6	+53 %

Key financial figures per share in EUR	Q1 2017	Q1 2016	Δ
FFO	0.23	0.21	+10 %
EPRA earnings	0.21	0.20	+5 %
Earnings	0.11	0.17	-35 %

Balance sheet figures in EUR million	31.03.2017	31.12.2016
Loan-to-value ratio (LTV) in %	59.8	59.9
Investment property	1,430.7	1,583.4
Total equity	764.3	757.0
Financial debt	1,565.6	1,566.8
Total assets	2,383.3	2,395.5
Cash and cash equivalents	144.1	152.4

Key operating figures	31.03.2017	31.12.2016
Letting result in EUR million	3.9	5.2
Vacancy rate in %	12.4	13.1

CONSOLIDATED INCOME STATEMENT from 1 January to 31 March

in EUR thousand	Q1 2017	Q1 2016
Total income	106,864	278,255
Total expenses	-90,663	-252,613
Gross rental income	30,524	27,552
Ground rents	-316	-306
Service charge income on principal basis	5,972	5,563
Service charge expenses on principal basis	-6,549	-6,013
Other property-related expenses	-3,961	-3,318
Net rental income	25,670	23,478
Administrative expenses	-3,132	-2,225
Personnel expenses	-4,432	-3,858
Depreciation and amortisation	-7,995	-9,107
Real estate management fees	3,878	7,384
Other operating income	248	123
Other operating expenses	-234	-26
Net other income	14	97
Net proceeds from disposal of investment property	66,243	237,632
Carrying amount of investment property disposed	-64,045	-227,759
Profit on disposal of investment property	2,198	9,873
Net operating profit before financing activities	16,201	25,642
Share of the profit or loss of associates	1,043	1,326
Interest income	2,247	2,869
Interest expense	-10,191	-14,469
Profit before tax	9,300	15,368
Current income tax expense	-1,026	-201
Deferred tax income/expense	-626	-3,366
Profit for the period	7,648	11,801
Attributable to equity holders of the parent	7,769	11,950
Attributable to non-controlling interest	-121	-149
Basic (=diluted) earnings per share (EUR)	0.11	0.17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January to 31 March

in EUR thousand	Q1 2017	Q1 2016
Profit for the period	7,648	11,801
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Gains/losses on measurement of available-for-sale financial instruments	-308	-1,724
Fair value measurement of hedging instruments*		
Cash flow hedges	15	-1,437
Cash flow hedges of associates	21	-10
Other comprehensive income	-272	-3,171
Comprehensive income	7,376	8,630
Attributable to equity holders of the parent		
	7,497	8,779
Attributable to non-controlling interest		
	-121	-149

* after tax

CONSOLIDATED STATEMENT OF CASH FLOW

from 1 January to 31 March

in EUR thousand	Q1 2017	Q1 2016
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid	16,569	23,289
Realised gains/losses on disposals of investment property	-2,198	-9,873
Depreciation and amortisation	7,995	9,107
Changes in receivables and other assets	189	315
Other non-cash transactions	-3,498	-4,744
Cash generated from operations	19,057	18,094
Interest paid		
	-7,488	-12,961
Interest received		
	153	431
Income taxes paid/received		
	-1,586	1,041
Cash flow from operating activities	10,136	6,605
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	67,774	3,396
Capital expenditure on investment properties	-55,326	-857
Acquisition/disposal of other investments	-5,089	-81,752
Loans to other entities	-2,330	5,734
Acquisition/disposal of office furniture and equipment, software	132	-34
Cash flow from investing activities	5,161	-73,513
FINANCING ACTIVITIES		
Proceeds from non-current borrowings	1,025,256	0
Repayment of borrowings	-1,051,879	-14,094
Tenant deposits	3,000	0
Cash flow from financing activities	-23,623	-14,094
Net changes in cash and cash equivalents		
	-8,326	-81,002
Cash and cash equivalents as at 1 January		
	152,414	204,590
Cash and cash equivalents as at 31 March		
	144,088	123,588

CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	31.03.2017	31.12.2016
Investment property	1,430,703	1,583,432
Office furniture and equipment	557	582
Investments in associates	182,683	175,491
Loans to related parties	101,075	98,402
Other investments	23,356	23,664
Intangible assets	551	658
Deferred tax assets	25,952	26,403
Total non-current assets	1,764,877	1,908,632
Receivables from sale of investment property	750	3,872
Trade receivables	3,621	3,679
Receivables from related parties	9,119	8,625
Income tax receivable	11,175	12,109
Other receivables	8,523	8,381
Other current assets	4,434	5,337
Cash and cash equivalents	144,088	152,414
Total current assets	181,710	194,417
Non-current assets held for sale	436,716	292,499
Total current assets	618,426	486,916
Total assets	2,383,303	2,395,548

Equity and liabilities in EUR thousand	31.03.2017	31.12.2016
EQUITY		
Issued capital	68,578	68,578
Share premium	732,846	732,846
Hedging reserve	-170	-206
Reserve for available-for-sale financial instruments	2,854	3,162
Retained earnings	-43,156	-50,925
Total shareholders' equity	760,952	753,455
Non-controlling interest	3,299	3,518
Total equity	764,251	756,973
LIABILITIES		
Corporate bonds	272,121	272,121
Non-current interest-bearing loans and borrowings	855,256	909,328
Deferred tax liabilities	15,155	15,653
Derivatives	95	113
Total non-current liabilities	1,142,627	1,197,215
Current interest-bearing loans and borrowings	257,162	268,916
Trade payables	2,328	1,408
Liabilities to related parties	11,874	12,024
Derivatives	0	21,579
Provisions	0	10
Income tax payable	1,166	2,088
Other liabilities	22,795	18,878
Total current liabilities	295,325	324,903
Liabilities related to non-current assets held for sale	181,100	116,457
Total current liabilities	476,425	441,360
Total liabilities	1,619,052	1,638,575
Total equity and liabilities	2,383,303	2,395,548

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 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
Profit for the period					-40,164	-40,164	-1,023	-41,187
Other comprehensive income								
Gains/losses on cash flow hedges*			21,764			21,764		21,764
Gains/losses on cash flow hedges from associates*			109			109		109
Gains/losses on measurement of available-for-sale financial instruments				1,268		1,268		1,268
Comprehensive income			21,873	1,268	-40,164	-17,023	-1,023	-18,046
Dividend payments for 2015					-25,374	-25,374		-25,374
Repayment of non-controlling interest							-203	-203
Balance at 31 December 2016	68,578	732,846	-206	3,162	-50,925	753,455	3,518	756,973
Profit for the period					7,769	7,769	-121	7,648
Other comprehensive income								
Gains/losses on cash flow hedges*			15			15		15
Gains/losses on cash flow hedges from associates*			21			21		21
Gains/losses on measurement of available-for-sale financial instruments				-308		-308		-308
Comprehensive income			36	-308	7,769	7,497	-121	7,376
Repayment of non-controlling interest							-98	-98
Balance at 31 March 2017	68,578	732,846	-170	2,854	-43,156	760,952	3,299	764,251

* net of deferred taxes

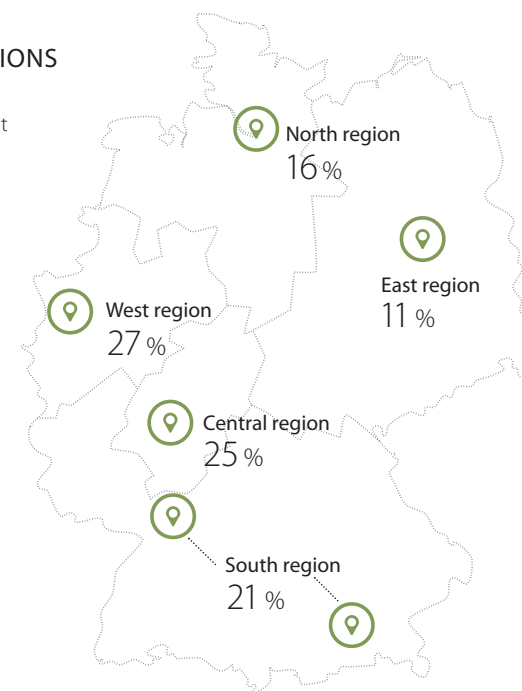
PORTFOLIO (as at 31 March 2017)

REGIONAL DEVELOPMENT

		North	East	Central	West	South	Total
Number of properties	Q1 2017	30	23	37	53	55	198
	Q1 2016	33	25	41	55	62	216
Portfolio proportion by rental space in %	Q1 2017	18	11	21	30	20	100
	Q1 2016	19	11	21	28	22	100
Annualised rental income in EUR million	Q1 2017	18.4	11.9	28.5	32.7	20.2	111.8
	Q1 2016	19.4	12.5	28.4	34.4	22.7	117.5
Rental income in EUR per sqm	Q1 2017	8.40	9.10	12.40	9.70	8.30	9.60
	Q1 2016	8.30	9.10	12.70	10.40	8.10	9.70
Weighted average lease term in years	Q1 2017	6.4	3.3	4.3	3.9	3.4	4.3
	Q1 2016	6.1	3.7	4.1	4.1	4.1	4.4
Gross rental yield in %	Q1 2017	6.7	6.9	6.1	6.2	6.9	6.5
	Q1 2016	6.6	6.8	5.9	6.2	6.9	6.4
Vacancy rate in %	Q1 2017	6.8	8.1	16.8	14.6	12.2	12.4
	Q1 2016	6.7	8.2	23.4	13.9	10.0	13.1

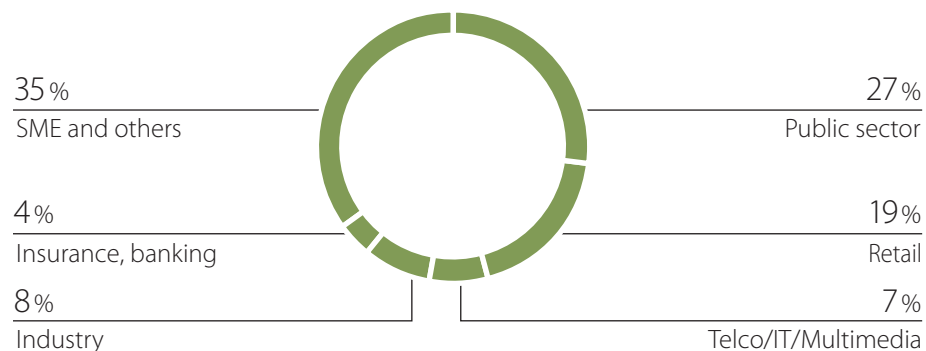
PORTFOLIO BY REGIONS

by market value of assets under management



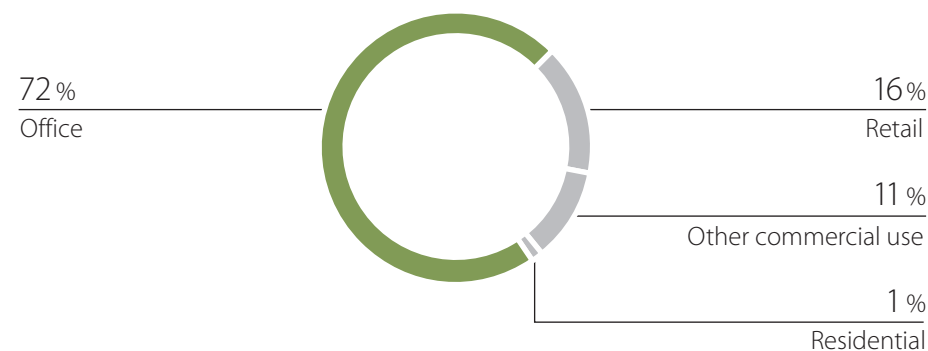
TENANT STRUCTURE

pro rata by annualised rental income



TYPES OF USE

pro rata by annualised rental income



INVESTOR RELATIONS

Contact



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For more information:

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

For instance:

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

FINANCIAL CALENDAR 2017

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

Disclaimer

This quarterly statement contains forward-looking statements including associated risks and uncertainties. These statements are based on the Management Board's current experience, assumptions and forecasts and the information currently available to it. The forward-looking statements are not to be interpreted as guarantees of the future developments and results mentioned therein. The actual business performance and results of DIC Asset AG and of the Group are dependent on a multitude of factors that contain various risks and uncertainties. In the future, these might deviate significantly from the underlying assumptions made in this quarterly statement. Said risks and uncertainties are discussed in detail in the risk report as part of financial reporting. This quarterly statement does not constitute an offer to sell or an invitation to make an offer to buy shares of DIC Asset AG. DIC Asset AG is under no obligation to adjust or update the forward-looking statements contained in this quarterly statement.

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

Realisation
 LinusContent AG, Frankfurt am Main