Q2 2017

HALF-YEAR REPORT

CONTENT

ABOUT DIC ASSET AG

Specialising in commercial real estate, DIC is one of Germany's leading listed real estate companies. The Company has around 20 years of experience in the German property market and, with six regional offices, maintains a local presence in all key German markets, managing 183 properties with a market value of around EUR 3.4 billion. Based on its hybrid business model, DIC focuses on three business segments: Commercial Portfolio, Funds and Other Investments. To leverage the potential for appreciation in its segments and to increase income, DIC utilises its own integrated asset management platform.

In the Commercial Portfolio segment (EUR 1.7 billion in assets under management), DIC acts as property owner and holder to generate income from managing its own real estate portfolio and optimising its value. The Funds segment (EUR 1.3 billion in assets under management) generates income from issuing and managing real estate special funds for institutional investors. The Other Investments segment covers joint venture investments, investments in project developments, strategic financial investments and the management of properties not co-owned by the Company (EUR 0.4 billion in assets under management).

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	**H1 2017**	H1 2016	Δ	**Q2 2017**	Q1 2017	Δ
Gross rental income	**59.2**	54.6	+8%	**28.7**	30.5	-6%
Net rental income	**50.4**	46.5	+8%	**24.7**	25.7	-4%
Real estate management fees	**7.8**	15.0	-48%	**3.9**	3.9	+0%
Proceeds from sales of property	**166.4**	265.5	-37%	**153.1**	13.3	>100%
Total income	**245.3**	346.3	-29%	**191.4**	53.9	>100%
Profits on property disposals	**10.8**	16.9	-36%	**8.6**	2.2	>100%
Share of the profit or loss of associates	**2.2**	1.3	+69%	**1.2**	1.0	+20%
Funds from Operations (FFO)	**29.8**	27.7	+8%	**14.0**	15.8	-11%
EBITDA	**55.9**	67.2	-17%	**30.7**	25.2	+22%
EBIT	**40.0**	49.1	-19%	**22.8**	17.2	+33%
EPRA earnings	**28.2**	26.5	+6%	**13.8**	14.4	-4%
Profit for the period	**20.0**	20.2	-1%	**12.4**	7.6	+63%
Cash flow from operating activities	**23.6**	11.6	>100%	**13.5**	10.1	+34%

Key financial figures per share in EUR	**H1 2017**	H1 2016	Δ	**Q2 2017**	Q1 2017	Δ
FFO	**0.43**	0.40	+7%	**0.20**	0.23	-13%
EPRA earnings	**0.41**	0.39	+5%	**0.20**	0.21	-5%

Balance sheet figures in EUR million	**30.06.2017**	31.12.2016
Loan-to-value ratio (LTV) in %	**58.4**	59.9
Investment property	**1,406.9**	1,583.4
Total assets	**2,272.3**	2,395.5

Key operating figures	**H1 2017**	H1 2016	**Q2 2017**	Q1 2017
Letting result in EUR million	**7.5**	15.3	**3.6**	3.9
Vacancy rate Commercial Portfolio in %	**12.9**	13.9	**12.9**	12.4

FOREWORD

Dear Shareholders,

In the first half of 2017, DIC Asset AG significantly improved its operating profit and reinforced the foundations for the further strategic expansion of its business model. The highlights:

- Funds from operations (FFO), our key operating performance indicator, reach EUR 29.8 million, surpassing the very good prior-year figure by 8%.
- The volume of our fund business was expanded to over EUR 1.3 billion.
- The DIC Office Balance III office fund launched last year has already been fully placed. The new DIC Office Balance IV office fund has since been launched as a follow-up product and a retail fund is in the implementation phase. Further products are in the planning stage.
- We have considerably reduced our interest expenses by refinancing our portfolio.
- In the current favourable interest rate environment, we successfully placed a EUR 130 million bond.

The second quarter of 2017 has once again shown that our hybrid business model has enabled us to achieve the planned success and that our asset management platform, which we have been constantly developing, is generating reliable income. We are also continuing to make progress with the expansion of our real estate assets under management. In light of current yield compression on the investment market, it seems to us to be all the more important to approach acquisitions in an extremely selective and analytical manner. As a result, to ensure further profitable growth, we are adjusting our targets for 2017 and aiming for, with a restricted acquisition volume of around EUR 350 million, both higher gross rental income of between EUR 106 and 108 million and stronger FFO growth to between EUR 59 and 61 million.

Frankfurt am Main, August 2017

Aydin Karaduman   Sonja Wärntges   Johannes von Mutius

INTERIM GROUP MANAGEMENT REPORT

MACROECONOMIC ENVIRONMENT

Despite several political risks – including the election in France – and the start of a shift in monetary policy, the economy remained stable in the first half of the year. While the global economy continued on its solid growth trajectory, momentum slowed slightly in the USA. The eurozone reported very good figures, continuing its recovery not only in the core states but across almost all European countries.

In the first quarter, gross domestic product in Germany rose by a strong 0.6%, significantly exceeding the 0.4% growth recorded in the same quarter last year. Early economic indicators suggest that this upturn in the German economy persisted in the second quarter. Production and employment continued to increase sharply. Numerous incoming orders in the fourth quarter of 2016 provided a boost to manufacturing activity and caused industrial production to expand in May for the fifth consecutive month. Companies' demand for new employees rose accordingly. The job index of the Federal Labour Office, which reflects demand for workers in Germany, climbed to a new record level in June, while the number of registered unemployed fell to 2.47 million, the lowest level since mid-1991. At the end of the first six months, unemployment stood at 5.5%, down from 5.9% the previous year. In June, the ifo Business Climate Index reached its highest level since reunification. The ifo Institute significantly raised its economic forecast for 2017 and 2018. Experts now expect 1.8% growth in the current year instead of 1.5%, with this trend set to continue at 2.0% next year. The positive order situation is also causing prices to increase. After capital investments rose by 1.2% and construction investments climbed even more sharply by 2.3% in the first quarter, capital goods manufacturers and mainstream construction companies were slightly more cautious about prospects at the mid-year point amid expectations of rising prices. Nevertheless, economic development indicators in Germany remain at a very high level. In a tight labour market, however, economic experts' latest assessments also anticipate a scenario in which collective negotiations due in early 2018 will result in significantly higher wages.

The eurozone economy has recently been performing considerably better than the USA and the United Kingdom, with political risks subsiding. The election of pro-EU President Macron in France alleviated fears that the eurozone might drift further apart, while the election result in the United Kingdom is likely to lead to more moderate Brexit negotiations. So far, uncertainties surrounding the consequences of Brexit have primarily affected the British market. Since the Brexit referendum, the British currency has weakened by around 15 %, imports have become more expensive, consumer prices have risen and diminishing consumer spending power is placing a strain on consumer confidence and retail sales. Despite boasting the strongest economy of the G7 nations at the time of the referendum, the United Kingdom has become the weakest in the group within a year. The surprising result of the general election on 8 June 2017 has generally strengthened the European Union's position at the negotiating table while increasing uncertainty about general economic data for future growth in the United Kingdom. As a result, market analysts are increasingly observing a preference among international companies and investors to focus their commitment on locations and markets in continental Europe that allow for better planning in an economic and political context. When it comes to investments, the exclusion of British risks – Europe ex-UK – is already regarded as a seal of quality.

Office space market: supply becoming increasingly scarce

Strong general economic data did not directly impact the rental market in the first half of the year. The German office rental markets recorded figures slightly above those of the prior-year period, with 1.84 million square metres taken up – an increase of 0.8 %. Growth during the previous year amounted to 9 %. Estate agents are noting that company expansion plans are not the only crucial factor in relocation decisions; instead, changing workplace concepts mean that other criteria and requirements concerning flexibility, facilities and infrastructure are also becoming increasingly important. The supply of suitable space is already scarce in all of Germany's real estate strongholds. By the end of the second quarter, the amount of vacant space fell to 4.7 million square metres, equivalent to a vacancy rate of 5.1 % (previous year: 6.1 %). Companies' requirements are prolonging the search process and necessitating comprehensive modernisation and redesign works in the remaining stock.

A little over 400,000 square metres of office space were completed in the first six months of the year, equivalent to a drop of almost 20 % compared to the first half of 2016. Only 69,000 square metres of this space – 17 % – are available on the market. The majority is taken up by owner-occupiers or has already been rented. By the end of 2017, JLL expects an additional 602,000 square metres in completion volume, of which around a third is currently still available. According to JLL projections, rental volumes for the year as a whole are expected to rise to between 3.5 and 3.7 million square metres taken up (previous year: around 4.0 million square metres).

Transaction market with excess demand

With investment volumes of EUR 25.8 billion across Germany in the first half of the year, the commercial real estate investment market recorded an increase of 47 % compared to the same period last year. The second quarter accounted for EUR 13.2 billion of this figure. According to market analysts, this means there is considerable excess demand and strong competition between bidders.

Portfolio transactions rose particularly sharply, up 92 % on the first half of 2016. While transactions in Germany's real estate strongholds increased by 30 %, markets outside the Big 7 recorded above-average growth of 66 %, emphasising the fact that investors seeking returns have now expanded their horizons to include locations that have historically attracted less attention.

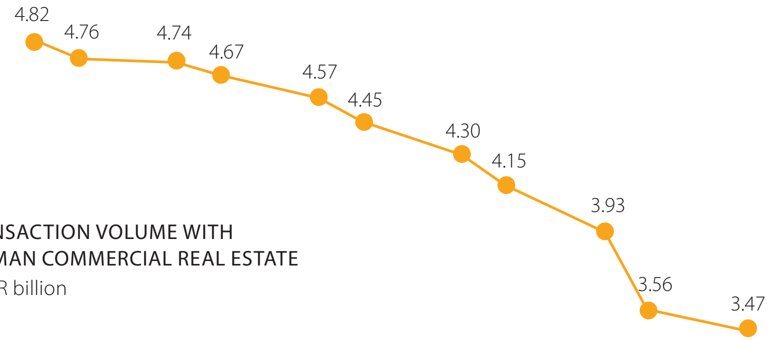
Yield compression also continued, with prime yields on office properties reaching an average of 3.47 % across all seven real estate strongholds by the end of the second quarter after 3.93 % the previous year. Experts expect observed yields to drop below the three-percent mark by the end of the year due to competition between buyers and agreements signed at high prices.

Office properties remain the preferred asset class, making up 39 % of the investment volume, while logistics properties are in second place at 22 %, displacing the previous occupiers of this spot, retail properties, which now make up 19 % of total volumes. JLL reports an inhibiting scepticism among financing banks as to whether high entry prices can be justified on the basis of the expected growth in rental prices; they currently appear more comfortable with financing logistics and special properties. Mixed-use properties make up around 8 % of supply, followed by hotels with just over 7 %. The remainder is spread between development plots and special properties. The proportion of foreign buyers in this transaction volume fell slightly year-on-year from around 45 % to approximately 43 %.

By the end of the year, JLL anticipates a transaction volume of around EUR 50 billion in the German commercial real estate investment market, slightly down on the previous year's level. Estate agents' analysts note that commercial real estate financiers' expectations surrounding the financing of real estate acquisitions are clouded by pressure on margins across all types of use and a regulatory environment seen as obstructive. According to JLL, the adequate supply of real estate financing is and remains far from a foregone conclusion.

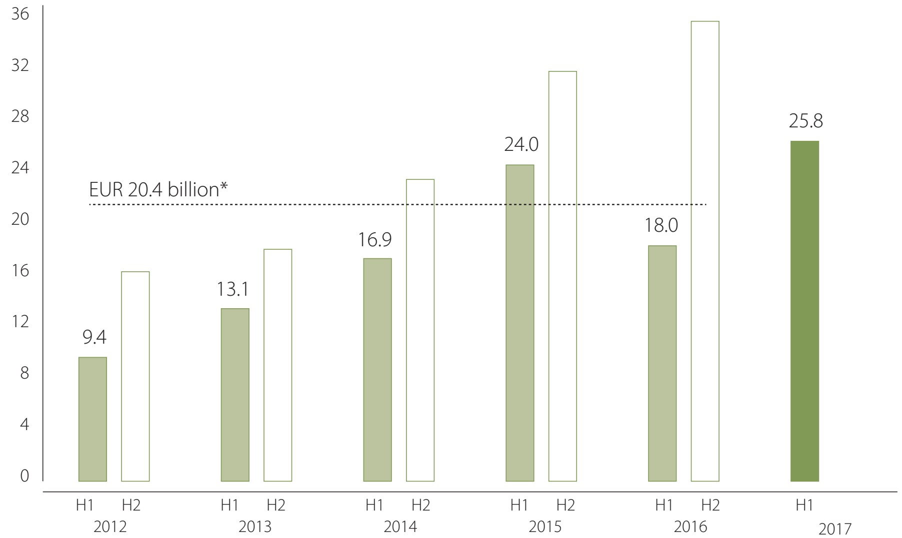
PRIME YIELDS FOR OFFICES IN PRIME (1A) LOCATIONS

Aggregated initial yield in the Big 7 in %, Q2 and Q4



TRANSACTION VOLUME WITH GERMAN COMMERCIAL REAL ESTATE

in EUR billion



Source: JLL

* 5-year average H1 2012–2016

BUSINESS DEVELOPMENT

Highlights

- ➔ FFO increases by 8% to EUR 29.8 million (H1 2016: EUR 27.7 million)
- ➔ Real estate assets under management reach EUR 3.4 billion
- ➔ Growth in rental income and portfolio optimisation
- ➔ Fifth special fund – DIC Office Balance IV – launched, implementation of a new retail fund, further products in the planning stage
- ➔ Net financing result improved considerably
- ➔ Targets for 2017 adjusted

DIC Asset AG significantly increased its operating profit in the first half of 2017. Funds from operations (FFO) rose by 8% year-on-year to EUR 29.8 million as at 30 June 2017. Despite lower planned sales, profit for the period was EUR 20.0 million, primarily due to significantly improved net interest income, at a level similar to that of the previous year (H1 2016: EUR 20.2 million).

Starting with this report, we have adjusted our reporting to reflect our current business model and now report on the Commercial Portfolio, Funds and Other Investments segments. In the Other Investments segment, we show our expiring joint venture investments, our investments in the MainTor project development, our strategic financial investments and the earnings contributions made with our third-party business.

The section below provides an overview of the performance of our managed portfolio.

Asset management platform

Growth in assets under management

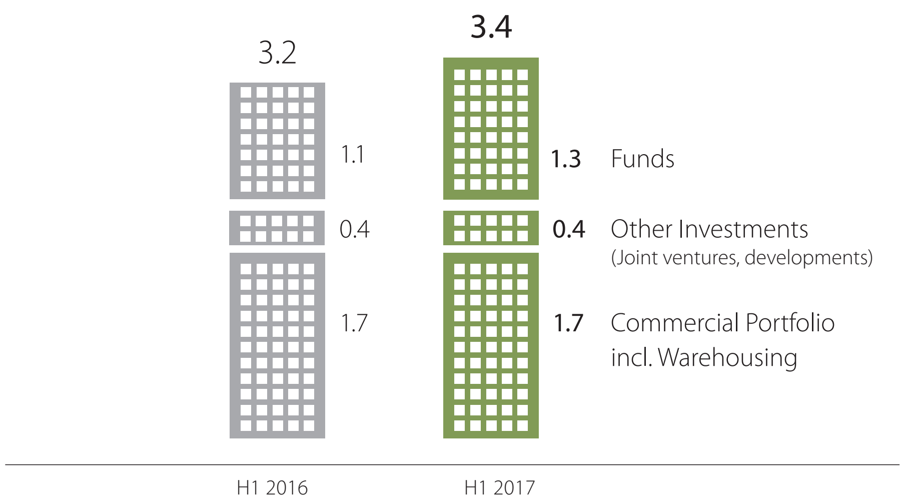
As at the reporting date, the portfolio managed by DIC Asset AG comprised 183 properties with total rental space of 1.6 million sqm. The total value of assets under management in the segments Commercial Portfolio (EUR 1.7 billion), Funds (EUR 1.3 billion) and Other Investments (EUR 0.4 billion) as at 30 June 2017 amounted to around EUR 3.4 billion, compared with EUR 3.2 billion in the previous year. As planned, there was a year-on-year increase in the Funds segment.

OVERVIEW PORTFOLIO

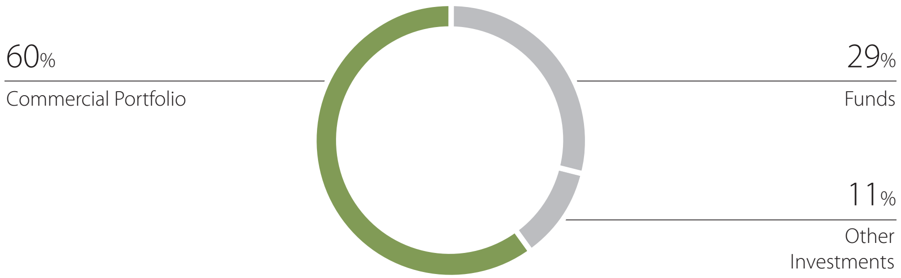
		Commercial Portfolio	Funds	Other Investments	Total
Number of properties	H1 2017	123	52	8	183
	H1 2016	149	46	15	210
Market value in EUR million*	H1 2017	1,721.6	1,314.4	373.1	3,409.1
	H1 2016	1,732.1	1,088.4	411.8	3,232.3
Rental space in sqm**	H1 2017	996,200	564,600	71,100	1,631,900
	H1 2016	1,053,000	490,600	133,200	1,676,800

* Market value as at 31.12.2016, later acquisitions considered at cost
** excluding developments and repositioning

ASSETS UNDER MANAGEMENT
in EUR million



LETTING VOLUME BY SEGMENTS
based on annualised rental income



Ongoing letting activities resulted in the signing of long-term leases representing total annualised rental income of approximately EUR 7.5 million in the first half of 2017. Of this figure, 48 % was attributable to new leases and 52 % to lease renewals. Letting activities for the current year increasingly covered small and medium-sized spaces within the portfolio.

Sales activity for portfolio optimisation

So far this year, a total of 23 properties for around EUR 203 million have been notarised. For 13 properties notarised in 2017 and three properties notarised in 2016 with a total volume of around EUR 157 million and EUR 22 million, respectively, possession, benefits and associated risks were transferred by the 30 June 2017 reporting date. The sales took place as part of the ongoing portfolio optimisation. Further sales, particularly those aimed at reducing joint venture investments, are planned in the course of the year. With the sales activities of the first six months, DIC Asset AG has already reached its initial sales target for the full year. Due to this, we are adjusting our sales target for 2017 from EUR 200 million to up to EUR 250 million.

TOP LEASES

New lettings		
h.a.l.m. elektronik GmbH	4,100 sqm	Frankfurt
OLIMP Laboratories Germany	3,000 sqm	Langenselbold
Vario Pack GmbH & Co. KG	2,700 sqm	Hamburg
Renewals		
DELACAMP AG	5,900 sqm	Hamburg
bergler Industrieservices GmbH	4,400 sqm	Langenselbold
Landesbetrieb Bau und Immobilien Hessen	3,700 sqm	Kassel

LETTING VOLUME BY TYPES OF USE

	in sqm		annualised in EUR million	
	H1 2017	H1 2016	**H1 2017**	H1 2016
Office	**46,100**	115,900	**5.6**	13.6
Retail	**4,100**	4,300	**0.4**	0.5
Further commercial	**25,600**	22,000	**1.4**	1.1
Residential	**700**	1,500	**0.1**	0.1
Total	**76,500**	143,700	**7.5**	15.3
Parking	**811 units**	877 units	**0.4**	0.7

Commercial Portfolio segment:

Continued portfolio optimisation

Our Commercial Portfolio segment comprises our direct real estate investments. In addition to using these investments to generate stable long-term rental income, we are also optimising our portfolio properties through active asset management and repositioning, and we are realising profits by selling properties at the right time.

At 6.3 %, the gross rental yield of our own real estate portfolio remains at the same high level as in 2016 despite lower sales and is the result of our successful portfolio optimisation. The further reduction of the vacancy rate, from 13.9 % in the first half of 2016 to 12.9 %, reaffirms this improvement in quality. However, sales have been accompanied by a reduction in annualised rental income, from EUR 105.2 million in the first half of 2016 to EUR 93.7 million as of 30 June 2017.

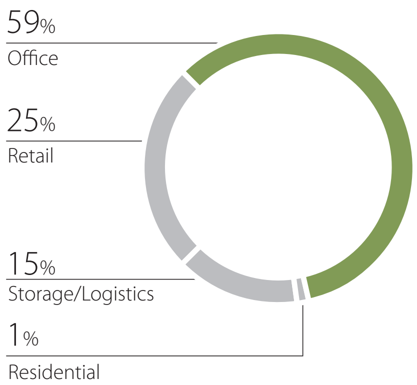
As a result of active lettings management, we increased rental income in the Commercial Portfolio by 0.8 % on a like-for-like basis in the first half of the year. At approximately 4.3 years, the weighted average lease term in our portfolio properties remained virtually unchanged compared to the previous year. The share of the potential leases expiring in 2021 and thereafter is 54 %.

DEVELOPMENT COMMERCIAL PORTFOLIO SEGMENT *

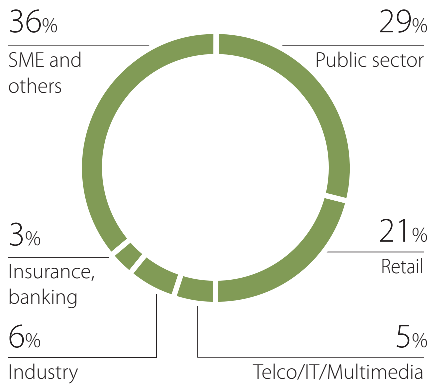
	H1 2017	H1 2016
Annualised rental income in EUR million	**93.7**	105.2
Rental income in EUR per sqm	**9.4**	9.6
Lease maturities in years	**4.3**	4.3
Vacancy rate in %	**12.9**	13.9
Gross rental yield in %	**6.3**	6.3

* all figures excluding project developments and repositioning properties

TYPES OF USE
COMMERCIAL PORTFOLIO SEGMENT
by annualised rental income



TENANT STRUCTURE
COMMERCIAL PORTFOLIO SEGMENT
by annualised rental income



PORTFOLIO OPTIMISATION EXAMPLE

Kaiserpassage, Frankfurt am Main

- Redesign of contorted rental space
- Mix of retail, hotel and residential space
- Modernisation of lighting concept, layout and façade
- Lease agreements signed for 97 % of space even before remodelling began

- Existing tenants involved; long-term anchor tenants acquired
- Friendly, inviting atmosphere
- Increase in rental income: latest rental income target estimates almost doubled
- Reopening scheduled for spring 2018

Funds segment:

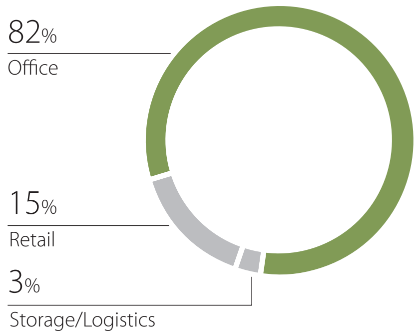
Fifth special fund launched

For our institutional investors, we structure investment vehicles with attractive distribution yields in the German commercial real estate market. Our equity share in these funds ranges from 5 to 10 %. As a service provider, DIC Asset AG also performs asset and property management and is executing the sales and purchases, thereby generating continually growing management income. The volume of properties managed in the Funds segment grew from EUR 1.1 billion in the previous year to EUR 1.3 billion.

During the first quarter, the eleventh property – an office building in Frankfurt am Main - was acquired for the DIC Office Balance III fund. Just a year after its operational launch, the fund is now fully placed and has achieved its target volume with a fund portfolio of EUR 327 million. We also placed our fifth real estate special fund in the first quarter as a follow-up product in the Office Balance series. Equity commitments have already been received from several institutional investors for this new fund with a target volume of EUR 300 to 350 million. Around a third of this volume has already been deposited in a start-up portfolio. A sixth fund, investing in strong cash-flow retail real estate, is in the implementation phase.

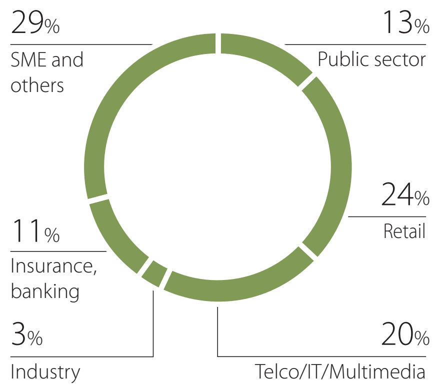
TYPES OF USE FUNDS SEGMENT

by annualised rental income



TENANT STRUCTURE FUNDS SEGMENT

by annualised rental income



By successfully increasing its assets under management in the fund business and with more attractive fund products in the pipeline, DIC Asset AG is focused on delivering continued growth in this pillar of earnings in 2017. In light of this, we have once again increased our capacities and expanded the teams in the fund business.

Other Investments segment:

Reduction of joint ventures successfully continued

The Other Investments segment includes joint venture properties, the equity investment in the MainTor project development in Frankfurt and our strategic investments as well as our third party business.

As planned, we have consciously reduced our joint ventures year-on-year through sales. In May 2017 another property was successfully sold. The MainTor project development is in the final stages of implementation with its sixth construction phase, the WINX office tower. The rental space is expected to be completed in the second half of 2018. Leases have already been signed for 76 % of approximately 42,000 sqm of rental space in this impressive building.

On a like-for-like basis, we were able to increase the rental income for properties in this segment by 2.5 % in the first six months of the financial year and thus optimise revenue through remarketing.

Workforce changes

DIC Asset AG had 185 employees as at 30 June 2017, 8 more than in the previous year. To support further growth, we increased staffing primarily in our fund management teams.

NUMBER OF EMPLOYEES

	30.06.2017	31.12.2016	30.06.2016
Portfolio management, investment and funds	23	22	18
Asset and property management	110	111	110
Group management and administration	52	51	49
Total	185	184	177

REVENUE AND RESULTS OF OPERATIONS

Sharp rise in rental income due to acquisitions

We generated gross rental income of EUR 59.2 million in the first half of 2017 (H1 2016: EUR 54.6 million). The 8% increase in rental income is mainly due to the warehousing phase of the properties acquired in the second half of 2016 for the newly launched and implemented funds. Net rental income amounted to EUR 50.4 million, up 8% year-on-year (previous year: EUR 46.5 million).

Real estate management fees on target

Real estate management fees fell from EUR 15.0 million in the previous year to EUR 7.8 million. The prior-year figure had included EUR 10.3 million income from the operational launch of the DIC Office Balance III fund. This year, we expect to generate further structuring fees from new funds, particularly in the second half of the year. Income of EUR 6.9 million was attributable to the Funds segment as compared to income of EUR 14.1 million in the previous year. The Other Investments segment recorded real estate management fees of EUR 0.9 million (previous year: EUR 0.9 million).

Total income of EUR 245.3 million

We generated proceeds of EUR 166.4 million and a profit of EUR 10.8 million from sales of properties by the end of the reporting period. In the previous year, we had generated proceeds of EUR 265.5 million and a profit of EUR 16.9 million from sales by the end of June. Total income amounted to EUR 245.3 million, compared with EUR 346.3 million in the previous year. The decrease is largely attributable to the income received in the prior-year period 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	H1 2017	H1 2016	Δ
Gross rental income	59.2	54.6	+8%
Real estate management fees	7.8	15.0	-48%
Proceeds from sales of properties	166.4	265.5	-37%
Other	11.9	11.2	+6%
Total income	245.3	346.3	-29%

Operating costs dominated by development of fund business

Operating costs in the first half of 2017 increased by EUR 2.7 million year-on-year, primarily as a result of the structural development of the fund business.

Net financing result improved considerably by 28%

The significantly improved net financing result of EUR -16.8 million (H1 2016: EUR -23.2 million) primarily reflects the improved financing conditions created by the refinancing of our Commercial Portfolio.

Investment income almost doubled

At EUR 2.2 million, the share of the profit or loss of associates was up on the prior-year period (EUR 1.3 million). Of this figure, EUR 1.1 million is attributable to the Funds segment (previous year: EUR 1.4 million) and EUR 1.1 million to the Other Investments segment (previous year: EUR -0.1 million). The drop in investment income from the Funds segment is primarily due to a reduction in our equity stakes last year. Investment income from the Other Investments segment is largely composed of results from the declining joint venture business and from strategic financial investments.

RECONCILIATION TO FFO

in EUR million	H1 2017	H1 2016	Δ
Net rental income	50.4	46.5	+8%
Administrative expenses	-6.0	-4.6	+30%
Personnel expenses	-9.3	-8.0	+16%
Other operating income/expenses	0.2	0.3	-33%
Real estate management fees	7.8	15.0	-48%
Share of the profit or loss of associates without project developments and sales	3.3	1.3	>100%
Interest result	-16.6	-22.8	-27%
Funds from operations	29.8	27.7	+8%

FFO up 8 % to EUR 29.8 million

Funds from operations (FFO) amounted to EUR 29.8 million in the first half of 2017, up approximately 8 % year-on-year. This primarily resulted from a significantly higher FFO contribution of EUR 26.1 million (previous year: EUR 17.9 million) from the Commercial Portfolio segment due in particular to improved financing conditions triggered by the refinancing of the Commercial Portfolio. As of 30 June 2017, the FFO contribution from the Funds segment was EUR 3.5 million (previous year: EUR 9.6 million). This reduction is primarily attributable to fees recorded from the launch of the DIC Office Balance III fund in the prior-year period. The Other Investments segment generated a FFO of EUR 0.2 million (previous year: EUR 0.2 million). Consolidated FFO per share amounted to EUR 0.43 (H1 2016: EUR 0.40).

Profit for the period: EUR 20.0 million

Despite the year-on-year decline in profits on property disposals, driven by our significantly improved net interest income we were able to recognize a profit of EUR 20.0 million for the first six months of 2017, which is comparable to the strong prior-year figure of EUR 20.2 million. Earnings per share were EUR 0.28 (H1 2016: EUR 0.30).

FINANCIAL POSITION AND NET ASSETS

At 75 %, most of our financial debt consists of loans agreed with a wide range of German banks. The rest relates primarily to our corporate bonds. Following sales and scheduled repayments, we had repaid EUR 220 million by the end of the reporting period, excluding the effects from refinancing.

Total assets as at 30 June 2017 declined by EUR 123.2 million as against year-end 2016 to EUR 2,272.3 million, mainly because of the transfer of 15 properties as at 30 June 2017 and derecognition of the assets and liabilities that were transferred to DIC Office Balance IV.

As a result, our financial debt decreased to EUR 1,436.9 million as at 30 June 2017, which represents a decline of EUR 129.9 million compared to year-end 2016 (EUR 1,566.8 million). Together with the significantly improved terms of the previous year's refinancing, this has a lasting, positive effect on our net financing result and cash flow.

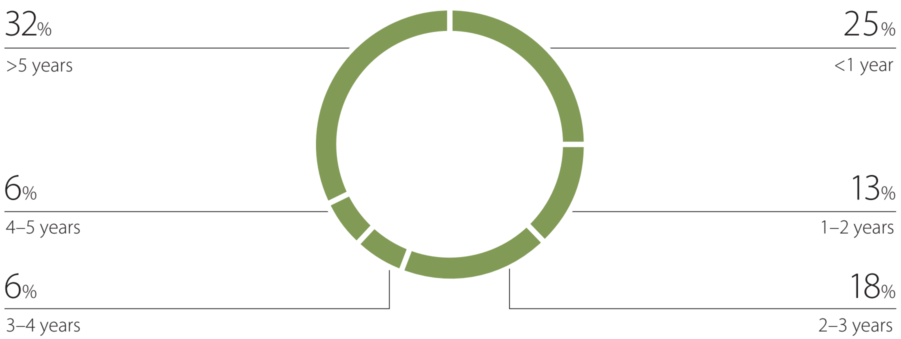
Positive effects of portfolio refinancing

As a result of the refinancing carried out at the end of 2016, the average maturity of our debt – including the bonds – increased to 5.3 years (H1 2016: 3.6 years); as expected, this represents a slight reduction compared to year-end 2016 (5.9 years). The portion of financial liabilities with maturities greater than five years was 32 % at the end of the reporting period (31 December 2016: 34 %).

The average interest rate on all bank liabilities was approximately 1.7 %, a 170 basis point decrease compared to the prior-year period (3.4 %).

The interest cover ratio, i.e. the ratio of net rental income to interest expenses, rose to 236 % in the first half of the year (full-year 2016 – adjusted –): 173 %). Around 89 % of our financial debt is arranged at a fixed-rate (31 December 2016: 87 %).

DEBT MATURITIES
as at 30 June 2017



Cash flow driven by refinancing and sales

Cash flow in the first half of the year was largely driven by the implementation of the refinancing of the Commercial Portfolio at the start of the year and our sales activities in the first half of the year. The cash outflow from financing activities was more than offset by the cash inflow from operating activities and investments.

At EUR 23.6 million, cash flow from operating activities was up significantly year-on-year in the first half of 2017 (H1 2016: EUR 11.6 million), due in particular to lower interest payments resulting from the refinancing of the Commercial Portfolio implemented at the start of the year. Cash flow from investing activities amounted to EUR 133.5 million (H1 2016: EUR -14.3 million). This primarily reflects our sales activities in the first half of the year, our strategic investments and our ongoing investments in the fund business. Cash flow from financing activities amounted to EUR -135.4 million in the first six months of 2017, following EUR -39.3 million in the prior-year period. It mainly reflects the early repayment of the loans in the Commercial Portfolio and their refinancing, scheduled repayments and loan redemptions in connection with sales.

Cash and cash equivalents increased by EUR 21.7 million as against the end of the year to EUR 174.1 million.

Equity increased

Equity as at 30 June 2017 increased by EUR 19.6 million compared with 31 December 2016, from EUR 757.0 million to EUR 776.6 million. This was due in particular to the profit of EUR 20.0 million generated in the first half of 2017. The reported equity ratio rose from 31.6 % at year-end 2016 to 34.2 %. Adjusted for warehousing effects, the loan-to-value ratio (LTV) declined significantly by 150 basis points to 58.4 % compared with year-end 2016.

FORECAST

The German economy is continuing to experience clearly positive momentum. According to the ifo Business Climate Index's latest figures, business outlook assessments are at their strongest since the ifo began collecting data. On the real estate investment market, optimism and the still favourable interest rate environment are fuelling competition between buyers and high-priced agreements. The ECB is expected to adjust interest rates in the medium term.

In 2017, we plan to further optimise our Commercial Portfolio with an active asset management and by selling properties at the right time. Having already fully achieved the sales target of EUR 200 million we set ourselves at the start of the year, we are subsequently adjusting it to exploit the present market situation to up to EUR 250 million for the full year. At the same time, the current market environment requires an extremely selective approach on the acquisitions side in order to ensure attractive medium and long-term yield potential in the real estate management business. In light of the current excess demand on the transaction market and the accompanying yield compression, we are adjusting our planned acquisition target for the current financial year from EUR 500 million to around EUR 350 million. Our focus thereby is on growing the fund business, which we are continuing to expand in line with our hybrid business model strategy in order to continually enhance profitability through the associated asset and property management activities.

The overall result in the current financial year will be influenced by the effects of the favourable portfolio refinancing, attractive income from the Commercial Portfolio and further growth in the fund business. Based on our key portfolio data, we now expect to achieve rental income of between EUR 106 and 108 million in 2017 and are thus raising our previous forecast. This means that we are also raising our forecast for FFO in 2017 to between EUR 59 and 61 million.

Euphoria and correction phase in German equity market

The first half of 2017 went exceptionally well for German blue-chip shares. At the end of April, the DAX reached a new record high of 12,428 points during the first round of presidential elections in France. When Macron secured a clear victory in the duel for the French presidency in the run-off in early May, the DAX climbed to 12,762 points. With the index continuing its upward trend, profit taking increased as investors anticipated a potential discrepancy between the extremely euphoric economic sentiment and reported growth rates; concerns about the ECB adopting a stricter monetary policy also played a role. While company profit estimates continued to be adjusted upward in the first quarter, this profit revision trend was reversed as the first half of the year drew to a close. More profit estimates were lowered than raised in the DAX and EURO STOXX 50 recently. The DAX reflected this correction in expectations and increasing yields on the bond market by falling back to 12,325 points at the end of the half-year, meaning that it lost more than 2 % during the month of June. In the year-to-date, Germany's benchmark index – which almost reached the 13,000-point mark at one point – still gained around 7.3 % by the end of trading on 30 June. The DIC Asset share passed the EUR 10 mark in early June. Shortly afterwards, Europe-wide concerns about the prospect of the ECB adopting a stricter approach to monetary policy had a significant impact on real estate shares in particular. The DIC Asset share closed the first half of the year at EUR 9.59, equivalent to an increase of 5.5 % compared to the 2016 year-end.

SHARE PERFORMANCE

ECB prepares to gradually abandon its extremely expansive monetary policy

The interest rate turnaround in the USA is continuing in 2017. The US Federal Reserve raised the funds rate twice this year – from between 0.50 % and 0.75 % to between 1.0 % and 1.25 %. The first interest rate hike was made in mid-March, with the second following in mid-June. Despite the Fed's rate increases, the US dollar slid lower while the euro made an impressive comeback, climbing from USD 1.04 at the start of the year to over USD 1.14. The dissipation of political risks and a strong economic outlook hauled the single currency upwards, while the dollar suffered from a decline in 'Trump euphoria'. The eurozone's recovery was given a major boost in late June by comments made by ECB President Mario Draghi that were construed as indicators of a less expansive monetary policy.

Yields on the German bond market rose further in the first six months of the year amid consistently high levels of activity on the primary market. In the first half of 2017, German companies with high credit ratings issued almost 70 % more interest-bearing securities than in the first half of 2016. The yield curve for long-term interest rates moved upwards by around 50 basis points from its previous low at the end of 2016. Over the past six months, the ECB took cautious steps to tighten its monetary policy. It initially lowered the volume of its bond purchases from the original EUR 80 billion to EUR 60 billion per month, and at the meeting of its Governing Council in June it removed the words "or lower levels" from its outlook on the future level of interest rates. In both cases, it justified its decision by pointing to significantly lower deflation risks. At the end of June, the ECB President finally spoke for the first time about a gradual withdrawal from its extremely loose monetary policy at the ECB annual conference. In the wake of Draghi's speech, German bond yields rose by around 15 basis points and the euro appreciated in value. At its latest meeting at the end of July, the ECB left its key rates at their current low level, thus confirming that the deposits held by the Bank should remain unprofitable. Market observers are interpreting the ECB's signals as indications of an extremely gradual and slow withdrawal from its extremely expansive monetary policy with the potential for interest rate increases from mid-2018 onwards, which it intended to avoid strong turbulence in the capital markets and a stifling of economic recovery in the eurozone.

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	67.8%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	Oddo Seydler, HSBC Trinkaus

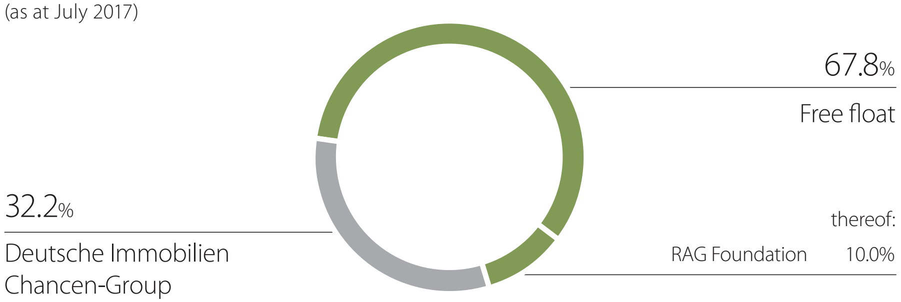
KEY FIGURES ON THE DIC ASSET AG SHARE (1)

		H1 2017	H1 2016
FFO per share	Euro	**0.43**	0.40
Closing price for quarter	Euro	**9.59**	8.51
52-week high	Euro	**10.05**	9.43
52-week low	Euro	**8.00**	7.28
Market capitalisation (2)	EUR million	**658**	584

(1) Xetra closing prices in each case
(2) based on the Xetra quarterly closing price

SHAREHOLDERS' STRUCTURE

(as at July 2017)



DIC Asset AG places fourth bond

In light of the current favourable interest rate environment, DIC Asset AG placed another bond with a volume of EUR 130 million with institutional investors in early July. This interest-bearing security has a lower coupon than previous issues at 3.25%. The funds raised by this placement are expected to be used to repay older debts, particularly the second bond maturing in 2018 as well as for general corporate purposes. As with previous issues, the tranche was oversubscribed. This successful placement reconfirms DIC Asset AG's good standing in the capital markets.

BASIC DATA ON THE DIC ASSET AG BONDS

Name	DIC Asset AG bond 13/18	DIC Asset AG bond 14/19	DIC Asset AG bond 17/22
ISIN	DE000A1TNJ22	DE000A12T648	DE000A2GSCV5
WKN	A1TNJ2	A12T64	A2GSCV
Kürzel	DICB	DICC	
Listing	Prime Standard Deutsche Börse, Frankfurt	Prime Standard Deutsche Börse, Frankfurt	Official List of the Luxembourg Stock Exchange, Luxembourg
Minimum investment amount	1,000 Euro	1,000 Euro	1,000 Euro
Coupon	5.750%	4.625%	3.250%
Issuance volume	EUR 100 million	EUR 175 million	EUR 130 million
Maturity	09.07.2018	08.09.2019	11.07.2022

KEY FIGURES ON THE DIC ASSET AG BONDS

	30.06.2017	30.06.2016
DIC Asset AG bond 13/18		
Closing price	**103.75**	103.80
Yield to maturity at closing price	**2.01%**	3.76%
DIC Asset AG bond 14/19		
Closing price	**105.25**	104.75
Yield to maturity at closing price	**2.14%**	3.04%
DIC Asset AG bond 17/22 – issued on 11.07.2017 –		
Closing price	–	–
Yield to maturity at closing price	–	–

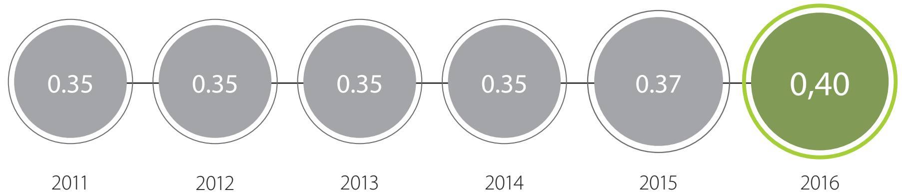
IR activities

In the first six months, IR activities focused on communicating the 2016 consolidated financial statements, the further strategic alignment of DIC Asset AG and preparations for placing the bond issue. The Management Board and the Investor Relations team outlined the 2016 results and the business objectives at five investor conferences and several road shows. Shareholders, investors and analysts are continuously briefed on current developments and the course of business. DIC Asset AG is currently actively covered by eight analysts, of which five recommend a buy on the DIC share and three recommend holding it. Since 1 May 2017, Nina Wittkopf has been responsible for DIC Asset AG's capital markets communications as Head of the Investor Relations team.

In early July, the RAG Foundation informed us that it increased its stake in DIC Asset AG from 4.76 % to 10.01 %.

DIC Asset AG's 2016 Annual Report once again won a global gold award in the largest international financial reporting competition, while the jury also named the report among the top 20 in Germany across all sectors.

DIVIDEND PER SHARE
in EUR



At the General Shareholders' Meeting in Frankfurt/Main on 11 July 2017, shareholders agreed to the Management Board's proposals by a large majority in the case of all agenda items. A dividend of EUR 0.40 per share, up 3 cents on the previous year, was distributed on 14 July 2017, once again reaffirming DIC Asset AG's attractiveness as a dividend stock.

IR-CALENDAR 2017

11.07.	General Shareholders' Meeting	Frankfurt
03.08.	Publication of H1 2017 Report*	
18.09.	Berenberg / Goldman Sachs German Corporate Conference	München
19.09.	Baader Investment Conference	München
03.11.	Publication of Q3 2017 Report*	
22.11.	DZ Bank Equity Conference	Frankfurt

* with conference call

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

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2017

CONSOLIDATED INCOME STATEMENT for the period from 1 January to 30 June

in EUR thousand	H1 2017	H1 2016	Q2 2017	Q2 2016
Total income	245,276	346,283	191,362	68,028
Total expenses	-207,474	-298,437	-169,761	-45,824
Gross rental income	59,161	54,553	28,637	27,001
Ground rents	-628	-616	-312	-310
Service charge income on principal basis	11,430	10,982	5,458	5,419
Service charge expenses on principal basis	-12,543	-11,853	-5,994	-5,840
Other property-related expenses	-7,059	-6,602	-3,098	-3,284
Net rental income	50,361	46,464	24,691	22,986
Administrative expenses	-6,015	-4,634	-2,883	-2,409
Personnel expenses	-9,329	-8,029	-4,897	-4,171
Depreciation and amortisation	-15,897	-18,027	-7,902	-8,920
Real estate management fees	7,819	14,984	3,941	7,600
Other operating income	420	240	172	117
Other operating expenses	-379	-86	-162	-60
Net other income	41	154	10	57
Net proceeds from disposal of investment property	166,446	265,525	153,154	27,893
Carrying amount of investment property disposed	-155,624	-248,591	-144,513	-20,832
Profit on disposal of investment property	10,822	16,934	8,641	7,061
Net operating profit before financing activities	37,802	47,846	21,601	22,204
Share of the profit or loss of associates	2,225	1,277	1,182	-49
Interest income	4,546	4,857	2,299	1,988
Interest expense	-21,316	-28,049	-11,125	-13,580
Profit before tax	23,257	25,931	13,957	10,563
Current income tax expense	-2,780	-1,982	-1,754	-1,781
Deferred tax income/expense	-494	-3,740	132	-374
Profit for the period	19,983	20,209	12,335	8,408
Attributable to equity holders of the parent	18,988	20,346	11,219	8,396
Attributable to non-controlling interest	995	-137	1,116	12
Basic (=diluted) earnings per share (EUR)	0.28	0.30	0.17	0.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME from 1 January to 30 June

in EUR thousand	H1 2017	H1 2016	Q2 2017	Q2 2016
Profit for the period	19,983	20,209	12,335	8,408
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Gain/losses on measurement of available-for-sale financial instruments	427	-1,067	735	657
Fair value measurement of hedging instruments*				
Cash flow hedges	95	-1,212	80	225
Cash flow hedges of associates	42	9	21	19
Other comprehensive income	564	-2,270	836	901
Comprehensive income	20,547	17,939	13,171	9,309
Attributable to equity holders of the parent	19,552	18,076	12,055	9,297
Attributable to non-controlling interest	995	-137	1,116	12

* after tax

CONSOLIDATED STATEMENT OF CASH FLOW from 1 January to 30 June

in EUR thousand	H1 2017	H1 2016
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid / received	32,412	40,790
Realised gains/losses on disposals of investment property	-10,822	-16,935
Depreciation and amortisation	15,897	18,027
Changes in receivables, payables and provisions	2,104	-5,424
Other non-cash transactions	-3,528	-4,278
Cash generated from operations	36,063	32,180
Interest paid	-12,855	-22,178
Interest received	153	556
Income taxes paid/received	274	1,041
Cash flows from operating activities	23,635	11,599
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	169,568	31,679
Capital expenditure on investment properties	-5,214	-1,981
Acquisition/disposal of other investments	-30,800	-48,516
Loans to other entities	0	4,566
Acquisition/disposal of office furniture and equipment, software	-72	-43
Cash flow from investing activities	133,482	-14,295
FINANCING ACTIVITIES		
Proceeds from other non-current borrowings	1,058,094	0
Repayment of borrowings	-1,196,539	-39,276
Deposits	3,000	0
Cash flows from financing activities	-135,445	-39,276
Net changes in cash and cash equivalents	21,672	-41,972
Cash and cash equivalents as at 1 January	152,414	204,590
Cash and cash equivalents as at 30 June	174,086	162,618

CONSOLIDATED BALANCE SHEET

Assets in EUR thousand	30.06.2017	31.12.2016
Investment property	1,406,866	1,583,432
Office furniture and equipment	654	582
Investments in associates	183,742	175,491
Loans to related parties	99,477	98,402
Other investments	55,011	23,664
Intangible assets	442	658
Deferred tax assets	25,850	26,403
Total non-current assets	1,772,042	1,908,632
Receivables from sale of investment property	834	3,872
Trade receivables	4,090	3,679
Receivables from related parties	10,757	8,625
Income tax receivable	7,542	12,109
Other receivables	10,977	8,381
Other current assets	2,808	5,337
Cash and cash equivalents	174,086	152,414
	211,094	194,417
Non-current assets held for sale	289,193	292,499
Total current assets	500,287	486,916
Total assets	2,272,329	2,395,548

Equity and liabilities in EUR thousand	30.06.2017	31.12.2016
EQUITY		
Issued capital	68,578	68,578
Share premium	732,846	732,846
Hedging reserve	-69	-206
Reserves for available-for-sale financial instruments	3,589	3,162
Retained earnings	-31,937	-50,925
Total shareholders' equity	773,007	753,455
Non-controlling interest	3,622	3,518
Total equity	776,629	756,973
LIABILITIES		
Corporate bonds	272,774	272,121
Non-current interest-bearing loans and borrowings	806,901	909,328
Deferred tax liabilities	13,650	15,653
Derivatives	0	113
Total non-current liabilities	1,093,325	1,197,215
Current interest-bearing loans and borrowings	262,640	268,916
Trade payables	6,610	1,408
Liabilities to related parties	11,576	12,024
Derivatives	0	21,579
Provisions	0	10
Income tax payable	614	2,088
Other liabilities	26,301	18,878
	307,741	324,903
Liabilities related to non-current assets held for sale	94,634	116,457
Total current liabilities	402,375	441,360
Total liabilities	1,495,700	1,638,575
Total equity and liabilities	2,272,329	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					20,346	20,346	-137	**20,209**
Other comprehensive incomes								
Gains/losses on cash flow hedges*			-1,212			-1,212		**-1,212**
Gains/losses on cash flow hedges from associates*			9			9		**9**
Gains/losses on measurement of available-for-sale financial instruments				-1,067		-1,067		**-1,067**
Comprehensive income			-1,203	-1,067	20,346	18,076	-137	**17,939**
Repayment of non-controlling interest							-116	**-116**
Balance at 30 June 2016	68,578	732,846	-21,835	2,551	23,009	805,149	4,757	**809,906**
Profit for the period					-48,560	-48,560	-1,035	**-49,595**
Other comprehensive incomes								
Gains/losses on cash flow hedges*			21,539			21,539		**21,539**
Gains/losses on cash flow hedges from associates*			90			90		**90**
Gains/losses on measurement of available-for-sale financial instruments				611		611		**611**
Comprehensive income			21,629	611	-48,560	-26,320	-1,035	**-27,355**
Dividend payments for 2015					-25,374	-25,374		**-25,374**
Repayment of non-controlling interest							-204	**-204**
Balance at 31 December 2016	68,578	732,846	-206	3,162	-50,925	753,455	3,518	**756,973**
Profit for the period					18,988	18,988	995	**19,983**
Other comprehensive incomes								
Gains/losses on cash flow hedges*			95			95		**95**
Gains/losses on cash flow hedges from associates*			42			42		**42**
Gains/losses on measurement of available-for-sale financial instruments				427		427		**427**
Comprehensive income			137	427	18,988	19,552	995	**20,547**
Repayment of non-controlling interest							-891	**-891**
Balance at 30 June 2017	68,578	732,846	-69	3,589	-31,937	773,007	3,622	**776,629**

* Net of deferred taxes

SEGMENT REPORTING

in EUR million	H1 2017				H1 2016			
	Commercial Portfolio	Funds	Other Investments	Total	Commercial Portfolio	Funds	Other Investments	Total
Key earnings figures								
Gross rental income (GRI)	59.2			**59.2**	54.6			**54.6**
Net rental income (NRI)	50.4			**50.4**	46.5			**46.5**
Profits on property disposals	10.8			**10.8**	16.9			**16.9**
Real estate management fees		6.9	0.9	**7.8**		14.1	0.9	**15.0**
Share of the profit or loss of associates		1.1	1.1	**2.2**		1.4	-0.1	**1.3**
Funds from Operations (FFO)	26.1	3.5	0.2	**29.8**	17.9	9.6	0.2	**27.7**
Segment assets								
Number of properties *	123	52	8	**183**	149	46	15	**210**
Assets under Management (AuM) *	1,722	1,314	373	**3,409**	1,732	1,088	412	**3,232**
Rental space in sqm **	996,153	564,585	71,154	**1,631,892**	1,052,994	490,591	133,190	**1,676,775**

* not proportionate / based on 100%, incl. project developments, repositioning and warehousing properties
** not proportionate / based on 100%, excl. project developments and repositioning

NOTES

General information on reporting

In accordance with section 37w (2) of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), the interim report comprises condensed 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 2016, 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 2016, 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 June 2017.

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 June 2017.

New standards and interpretations

DIC Asset has applied all accounting pronouncements effective as at 1 January 2017 adopted by the EU, including revised pronouncements. Please refer to the 2016 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; 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:

- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments

Financial instruments disclosures

Financial liabilities measured at fair value related to the derivatives reported in the balance sheet in previous periods. These were exclusively interest rate hedging instruments, which have been fully settled as of 30 June 2017. 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 2016 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 2016 and the end of the reporting period amounted to EUR +428 thousand. Please refer to our consolidated financial statements for the year ended 31 December 2016 for information on the valuation of the real estate assets. The Group also holds listed shares, which are shown under other investments and are classified as Level 1 in accordance with IFRS 13.

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 30.06.2017**	**Fair value at 30.06.2017**	Carrying amount at 31.12.2016	Fair value at 31.12.2016
Assets					
Equity investments	AfS	**55,011**	**55,011**	23,664	23,664
Other loans	LaR	**99,477**	**99,477**	98.402	98,402
Receivables from sale of investment property	LaR	**834**	**834**	3,872	3,872
Trade receivables	LaR	**4,090**	**4,090**	3,679	3,679
Receivables from related parties	LaR	**10,757**	**10,757**	8,625	8,625
Other receivables	LaR	**10,977**	**10,977**	8,381	8,381
Other current assets	LaR	**2,808**	**2,808**	5,337	5,337
Cash and cash equivalents	LaR	**174,086**	**174,086**	152,414	152,414
Total	LaR	**303,029**	**303,029**	280,710	280,710
Equity and liabilities					
Derivatives included in hedging relationships	n.a.	**0**	**0**	113	113
Derivatives not included in hedging relationships	FLHfT	**0**	**0**	21,579	21,579
Corporate bonds	FLAC	**272,774**	**287,938**	272,121	290,000
Non-current interest-bearing loans and borrowings	FLAC	**806,901**	**806,901**	909,328	906,570
Current loans and borrowings	FLAC	**262,640**	**262,640**	268,916	241,939
Trade payables	FLAC	**6,610**	**6,610**	1,408	1,408
Related party liabilities	FLAC	**11,576**	**11,576**	12,024	12,024
Other liabilities	FLAC	**26,301**	**26,301**	18,878	18,878
Liabilities related to financial investments held for sale	FLAC	**94,634**	**94,634**	116,457	116,457
Total	FLAC	**1,481,436**	**1,496,600**	1,599,132	1,587,276

Changes in Level 1 financial instruments are as follows:

in EUR thousand	2017	2016
Balance at 1 Jan.	0	0
Additions	30,919	0
Measurement gains/losses	0	0
Balance at 30 June/31 Dec.	30,919	0

Changes in Level 3 financial instruments are as follows:

in EUR thousand	2017	2016
Balance at 1 Jan.	23,664	24,120
Additions	0	0
Measurement gains/losses	+428	-456
Balance at 30 June/31 Dec.	24,092	23,664

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 properties. Please refer to the disclosures in the consolidated financial statements for the year ended on 31 December 2016 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 0.40 per share for financial year 2016 at the General Shareholders' Meeting on 11 July 2017. The dividend of EUR 27.4 million was paid out on 14 July 2017 following the adoption of the corresponding resolution.

Related party disclosures

The following new guarantees were issued up to 30 June 2017:

DIC Asset AG granted an unlimited guarantee in accordance with section 648 of the Bürgerliches Gesetzbuch (BGB – German Civil Code) for the construction project "Junges Quartier Obersendling" to Dodel Metallbau GmbH in the amount of EUR 1,357 thousand.

DIC Asset AG has granted a directly enforceable fixed liability guarantee for RB I Objekt Berlin GmbH & Co. KG in the amount of EUR 2,000 thousand vis-à-vis Berlin Hyp AG in connection with the portfolio refinancing.

Please refer to our 2016 consolidated financial statements for details of other guarantees and surety bonds issued up to the end of 2016, 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 2016, which were published in February 2017, 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, neither in the Company nor 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 acquisition of a property with a transaction volume of approximately EUR 30 million for a new special retail fund in implementation.

Furthermore, the sale of one property from the DIC Office Balance I fund was notarised between the end of the reporting period and today. The transfer of possession, benefits and associated risks is expected to take place in the second half of the year.

In July 2017, we successfully placed a further bond with a volume of EUR 130 million, a coupon of 3.25 % and a term of five years.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt am Main, 2 August 2017

Aydin Karaduman   Sonja Wärntges   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 June 30, 2017, which are part of the half-year 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, August 2, 2017

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