

DIC Asset AG acquires Retail Property Portfolio worth 220 Million Euros for Planned Investment Fund

Munich, 28 July 2016 – DIC Asset AG just purchased three retail properties for circa 220 million euros. The portfolio's three assets have a gross lettable area of around 75,000 square metres, and are fully occupied. The weighted average lease term is around eleven years.

Two of the properties are shopping centres in the non-discretionary retail sector located in Hamburg, one in the district of Harburg and the other in the Bergedorf district. Their combined floor area of around 44,500 square metres is fully occupied on long-term leases. The anchor tenant in both properties, which were modernised in 2011 and now sold by their private owner, is Marktkauf Holding GmbH, a member company of Edeka Group. Additionally, DIC Asset acquired the hybrid centre "Neustadt-Centrum" in the East German town of Halle an der Saale, which in addition to the retail units includes offices, restaurants and a cinema. The seller is a joint venture between Curzon Capital Partners III, a fund managed by Tristan Capital Partners, and Cornerstone Real Estate Advisers GmbH. The shopping centre, which has a gross lettable area of 30,700 square metres plus 933 parking spots, is 99 percent occupied. The anchor tenant is a "real,-" superstore on a long-term lease. The three-storey standalone property is located next to a heavily frequented artery, and is conveniently connected to the public transport system. Jones Lang LaSalle facilitated the transactions in Halle and Hamburg. The HSH Nordbank AG provided the financing for the purchase.

Aydin Karaduman, CEO of DIC Asset AG: "What distinguishes the retail properties we acquired are their long-term leases and therefore their highly stable revenues, the outstanding micro-locations, and the high degree of centrality in their respective sub-markets. The assets are superbly suited for a retail investment fund with attractive dividend yields. At the moment, it is planned to set these properties aside for a retail fund we have yet to launch. We have already received encouraging feedback from potential investors."

In addition to office property, the company also demonstrates a long-term track record in the retail usage category. Indeed, DIC Asset has proven retail expertise in selecting suitable retail assets, as well as in buying and letting them. Great contacts to a number of leading retail multiples in Germany (including Metro Group, H&M, C&A, P&C, SinnLeffers, among others) help to identify tenant leads of first-rate credit worthiness. The overall portfolio under DIC's management adds up to 250,000 sqm of retail area, occupied by roughly 275 retail tenants.

In addition to the purchase just transacted, DIC Asset has already spent 77 million euros on property acquisitions this year to date. This means that nearly 300 million euros have already been committed out of a target volume of 400 to 450 million euros earmarked for the investment fund division of DIC Asset in 2016. The assets under the management of the fund division, which are administrated on behalf of third-party AIF management companies, currently add up to circa 1.2 billion euros.

Aydin Karaduman: "We have kept expanding our fund business with much success. As a result, the income of DIC Asset will have two major sources in the future: One is the fund business, and the other being the rental income from our commercial portfolio."

Advisors regarding the acquisition of the objects Hamburg Harburg und Bergedorf:

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