DIC ASSET

DIC

SUSTAINABILITY REPORT 2011

Update

CONTENT

FOREWORD

Ulrich Höller (CEO) and Markus Koch (CFO)

DEAR SHAREHOLDERS, BUSINESS PARTNERS, EMPLOYEES AND FRIENDS OF OUR COMPANY,

In our first Sustainability Report from March 2012, we primarily outlined the basic principles underlying our approach to sustainability. We also set out the goals that we consider essential if we are to work successfully with our stakeholders.

These goals are still valid. For instance: we want to offer our capital partners an attractive return on their investment and create long-term value through our future-oriented management of the company. We offer our tenants high-quality properties for them to use in a manner that is as efficient and as economical with resources as possible, and we provide rapid assistance in the event of any problems – whether large or small. For our employees, we want to ensure we remain a reliable and attractive employer. We aim to work fairly with service providers and other business partners.

Now, with 2012 drawing to a close, we are pleased to present our second Sustainability Report. It is very much a report on our progress and provides an update and extension on our issues and key figures. It reports on our first successes and the measures we have implemented as well as identifying where further action is required in individual areas. The areas in which we have made most significant progress include the following:

- We have enhanced our reporting in both qualitative and quantitative terms. In making this report, we had access to consumption figures for some 80 properties compared with approximately 60 in the first report. For the first time, we have asked our tenants for help in calculating the amount of electricity that they use. Thanks to their excellent cooperation, we are able to rely on real figures and thus make even more precise statements.
- We have recorded DIC Asset AG's own consumption for the first time and will be able to use these consumption figures as a basis to formulate even more efficient measures in future.
- We remain well on track in the current financial year 2012 as far as our economic and operating performance is concerned: we have reduced vacancy rates in the portfolio, increased rental income, strengthened our portfolio with more acquisitions, and sold properties on attractive terms.
- Our largest sustainable project, the MainTor district, is growing and flourishing: we have already marketed more than half the project volume and begun implementation; recently, we also began the sale of the owner-occupied apartments. We are aiming to achieve the top Green Building certificate from the German Sustainable Building Council, a DGNB gold certificate, for all of the commercial sub-projects in the MainTor district.

We hope to report further progress in our next Sustainability Report, which will be published in late 2013. We shall press on with our successful projects, while additional areas that need action have already been identified. By acting sustainably and responsibly, we ensure that DIC Asset AG remains a company enjoying lasting success.

Yours sincerely,

Ulrich Höller
CEO

Markus Koch
CFO

KEY FIGURES ON SUSTAINABILITY

Economic key figures	2011	2010
Number of properties	**278**	288
Lettable area in sqm *	**1,228,000**	1,171,100
Vacancy rate *	**12.4%**	14.3%
Rental income per sqm in EUR *	**10.50**	10.40
Gross rental yield *	**6.6%**	6.6%
Annualised rental income in EUR million *	**139.5**	128.9
Market value in EUR million *	**2,202.3**	2,001.8
Funds from Operations (FFO) in EUR million	**40.6**	44.0
Profit for the period in EUR million	**10.6**	16.5
Cash flow from operating activities in EUR million	**38.4**	37.7
Equity ratio	**27.8%**	28.6%
Net Asset Value in EUR million	**682.6**	598.5

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

Ecological key figures **	2011 per sqm	2010 per sqm	2011 per work place	2010 per work place
Electricity consumption in kWh	**107.2**	112.9	**1,822**	1,919
Heating energy consumption in kWh	**95.7**	111.5	**1,627**	1,895
CO_2 emissions in $kgCO_2e$	**57.6**	59.0	**731**	794
Water consumption in m^3	**0.27**	0.26	**4.6**	4.5

** based on the analysis portfolio

Social key figures	2011	2010
Total employees	**127**	110
Fluctuation rate	**7.8%**	22.7%
Percentage of women	**44%**	48%
Percentage of men	**56%**	52%
Absence rate	**2.4%**	2.7%

PROFILE

Established in 2002, DIC Asset AG, with its registered office in Frankfurt am Main, is a real estate company with a dedicated focus on investing in commercial real estate in Germany, pursuing a return-oriented investment policy.

It manages some 270 properties worth approximately EUR 3.3 billion, of which EUR 2.2 billion is reported as pro rata investment on DIC Asset AG's balance sheet as of 30 September 2012. The company's investment strategy is geared towards developing a quality-oriented, high-yield and regionally diversified portfolio.

The real estate portfolio is divided into two segments: the commercial portfolio (EUR 1.9 billion) comprises portfolio properties leased long-term and offering attractive rental yields. The co-investments segment (EUR 0.3 billion) combines fund and joint venture investments and investments in developments.

Property management teams working in six branch offices based where the regional portfolio is concentrated look after tenants directly. This market presence and expertise provide the basis for maintaining and increasing the value of the properties.

DIC Asset AG has been listed on the SDAX index since June 2006 and is represented in the international EPRA Index of the leading real estate companies in Europe.

Highlights in 2011/2012

MainTor Frankfurt:
DIC is implementing one of Germany's biggest sustainable developments in a top city-centre location on the bank of the River Main. We have continued to achieve notable progress in 2012. With the pre-marketing, we have signalled the launch of four sub-projects representing over half the project volume. More details from page 38 onwards.

Green Energy project:
In the last report, we advised that a majority of the DIC portfolio would be converted to run on communal electricity from renewable energy sources. The switch has now been completed for all contracts. The existing framework agreements to supply our properties with green electricity were recently extended for a further year. More details from page 37 onwards

Portfolio growth:
In 2011 we made purchases worth EUR 300 million and thus increased our portfolio's yield. The portfolio grew by approx. 112,000 sqm pro rata, contributing some EUR 8.5 million to FFO on an annual basis. We made further purchases totalling some EUR 135 million up to November 2012. Based on the share allocation, the new properties contribute around EUR 3 million to FFO per annum. More details on page 19.

Equity position strengthened, financing arranged:
In 2011 we undertook a capital increase to finance growth and accessed a new group of investors with the first DIC Asset bond. In addition to strengthening our equity, we have worked on our borrowings in particular during the current year 2012 and, in so doing, arranged loans of some EUR 550 million across all the DIC portfolios. More details on page 21.

CORPORATE RESPONSIBILITY

SUSTAINABILITY AT DIC ASSET AG

Introduction

This is the second separate Sustainability Report for DIC Asset AG. In previous years, we only reported on our sustainability activities in our Annual Report. We have chosen this more comprehensive reporting method to give appropriate scope to the growing importance of sustainability within our company.

The Investor Relations division is therefore the business unit mainly responsible for coordinating reporting processes and preparing and analysing the necessary information, in close cooperation with other divisions. It reports directly to the Management Board.

We published the first report at the beginning of 2012 together with the Annual Report and laid the foundations for our reporting with this work. We are now taking the opportunity to move the publication date in line with the recording of property consumption data, which is calculated each autumn. By reporting at the year-end, we can synchronise our reporting on the corresponding financial year across the board.

In our current report, we are expanding the "Ecology" section in particular. We have collected more comprehensive operating and consumption data on our properties and the additional data will allow us to make our analyses more detailed. The rest of the information in the report also relates to financial year 2011. It has been partly revised and expanded in places to reflect the latest developments in 2012.

This year's Sustainability Report covers the following issues:

- We set out the fundamentals of DIC Asset AG's business model and describe corporate objectives for the next few years, as far as sustainability and its importance for our strategic direction is concerned.
- We describe our stakeholders, their differing needs and our stakeholder objectives.
- We depict DIC Asset AG's structure and corporate governance principles.
- In the Economy, Ecology and Social sections we provide a detailed report on our activities in the form of sustainability indicators.

DARMSTADT, WILHELMINENSTRASSE:

Complete window refurbishment

Measures:
In 2010, we completely refurbished the windows of our property in Wilhelminenstraße in Darmstadt, a high-rise office building in a city centre location which was originally built in 1961. By replacing the existing windows with double and triple insulating glazing, we were able to significantly improve insulation in accordance with the EnEV 2009. User comfort was also improved considerably by reducing the draught inside the office tower.

Investment and benefits:
The benefits of this extensive work, which cost in the region of EUR 1.2 million, include the improved equipment and fittings, the enhanced quality of use for our tenant and an increase in the value of the property. Overall, we are expecting total energy savings in the region of 15% per year.

Our sustainability strategy

We estimate that more than 83,000 people work in our properties every day. These business activities influence the environment because, among other things, energy is used, carbon dioxide released and waste produced. As a real estate company which numbers amongst Germany's biggest portfolio holders, we have a position which obliges us to take a long-term approach to our assets, our tenants, business partners, co-workers and residents.

As a real estate company with a long-term investment horizon, we are geared to dealing with resources and the environment in a sustainable manner. This minimises risks, promotes existing business and opens up new business opportunities to us. In our entrepreneurial decisions and processes, we take account of ecological and social requirements and, wherever possible, forego the opportunities for short-term gains in favour of fundamental options for optimisation.

Our strategic approach combines ecological, social and economical aspects and helps us with decisions and business efficiency. We use various systems and indicators, starting with company statistics, sector-wide benchmarks and best-practice examples right through to environmental aspects, building efficiency, employees, tenant satisfaction and other economic and financial indicators.

Our approach to sustainability includes

- gearing ourselves to environmental, safety and social standards
- integrating sustainability issues into our business processes
- maintaining good, long-term relationships with all interest groups
- open and transparent communication.

We strive to further develop and optimise the strategic and organisational approach to sustainability step by step, which also includes implementing sustainability targets in our business processes and consequently making them achievable for employees in their day-to-day work. This will be a lengthier process in some areas, which we will regularly document in our sustainability reports.

Basis of our sustainability reporting

We report annually on our corporate activities' objectives, measures, results and progress according to the three-pillar approach for social, ecological and economic sustainability. In the process, we use the past financial year as a basis and are therefore reporting on the period from 1 January to 31 December 2011. We recommend you refer to our Annual Report 2011 for additional, more detailed information, which can be accessed at www.dic-asset.de.

BOCHUM, HENRY-BESSEMER-PARK:

Energy contracting agreement and replacement of the heating system

Measures:

Henry Bessemer Park is a commercial site in Bochum with a variety of uses ranging from the retail market and office space to storage and logistics areas. In 1970, extensive general renovation work was carried out and the heating system was included in this work. The existing energy supply contract expired at the end of 2011. Given the age of the system, we decided in favour of inviting bids for an energy contracting agreement under the supervision of our technical property management experts. The contracting agreement includes the replacement of the heating system in order to update the energy supply system in line with the latest technological standards. In return, we undertake to purchase our heating energy from the relevant energy provider for a period of ten years. The replacement of the system took place in summer 2012.

Investment and benefits:

It is estimated that the energy savings and reduction in CO_2 emissions will be in the region of 10%. We are expecting cost savings of up to EUR 50,000 per year. The investment costs are covered by the contracting agreement.

The information and data in the economic and social reports relate to the DIC Asset Group and its subsidiaries. If this approach differs we will highlight this at the appropriate point. In our statements concerning ecology, we cover the entire range of properties in our managed portfolio. We therefore consider data from both our existing portfolio with directly held properties, the commercial portfolio and properties from co-investments, in which we hold minority shares.

We investigated an analysis portfolio of 78 properties to obtain our findings for the ecological report and took into account data for the period 2009 to 2011. We provide information within the individual report sections and in the Appendix on the calculation stages and scope of the analysed data.

Focus on reporting standards

In recent years, the topic of sustainability has increased in importance for real estate companies on the back of social influences and statutory provisions as well as a change in the expectations of various interest groups. In conjunction with the ZIA (German Property Federation) and other enterprises in the sector, DIC Asset AG has therefore worked hard to introduce a sustainability code for the German real estate industry. This code was published in the autumn of 2011. We have heeded the recommendation of the code for our sustainability reports and will also strive to do so in future.

The key feature of the ZIA industry code is the self-imposed obligation to prepare a sustainability report. This allows a company's sustainability activities to be measured in a verifiable manner. For this, the ZIA recommends adopting the globally recognised Global Reporting Initiative (GRI) approach. This addresses sector-specific details via an allocation to industry clusters. As a company that is both investor and portfolio manager as well as participating in selected developments, DIC Asset AG belongs to the "Operate and lease", "Invest" and "Build" clusters.

In addition, the EPRA (European Public Real Estate Association) published its "Best Practices Recommendations on Sustainability Reporting" in September 2011, compiling the key figures which it feels are most important for sustainability reporting in real estate companies.

This report is based on the ZIA Code, the current reporting standards of the GRI 3.1 guidelines and the construction and real estate sector supplements (CRESS) as well as EPRA recommendations.

The European Public Real Estate Association (EPRA) is a non-profit organisation based in Brussels, which represents the interests of major European real estate companies vis-à-vis the public and supports the European real estate corporations' development and market presence.
www.epra.com

Global Reporting Initiative (GRI)

The Global Reporting Initiative was founded in 1997, to provide the foundation for transparent, standardised and comparable sustainability reporting on the global economy's economic, ecological and social performance. Its guidelines are intended to promote sustainable global development while helping companies/organisations to prepare sustainability reports with a voluntary framework for reporting.
www.globalreporting.org

The ZIA (Zentraler Immobilen Ausschuss e.V., German Property Federation) was founded in 2006 to provide uniform representation of the real estate industry's interests. The Federation promotes and follows up measures likely to maintain and improve the economic, legal, political and fiscal environment for the real estate industry as a whole.
www.zia-deutschland.de

DIC ASSET AG

DIC Asset AG specialises in commercial real estate, particularly office property in Germany. We currently manage a portfolio of 270 properties worth EUR 3.3 billion. The aim of our strategy is to continue developing a high-yield, regionally diversified portfolio. We invest in selected properties and secure and increase the rental income and the value of our properties and co-investments.

Active in the German real estate market

Overall, the real estate industry is the second biggest branch of industry in Germany and is accordingly very important to the economy. Property has a pre-eminent share of German fixed assets. Compared to other European countries, the commercial property market is very heterogeneous, regionally diversified and covers many different-sized market players. There is a high volume of office space, a very active level of transactions and liquid trading, strong competition and therefore more marked price and rent movements, but also greater vacancies, to a certain extent, in the major economic centres of Frankfurt, Hamburg, Berlin, Düsseldorf and Munich. At the same time, there is a multitude of medium-sized towns and cities, which form the centre of economically strong regions. Thus, for example, the metropolitan region of Nuremberg has a GDP of around EUR 110 billion and is the headquarters for DAX-listed corporations Adidas and Puma, among others. The competition is less in these regions, the level of transactions less marked, but prices and rents are relatively stable and vacancies are fewer.

Because, through our branch offices, we operate throughout Germany, we are able to exploit the advantages and opportunities offered by regional centres and appropriately diversify our property portfolio, while minimising risk.

Our business strategy

1. Clear focus **We invest exclusively in German commercial real estate**

We are one of Germany's biggest investors in commercial real estate and operate exclusively in the German market. Our investments focus solely on commercial real estate.

2. Portfolio with strong earnings potential **We manage a high-quality, regionally diversified portfolio with a high level of cash flow**

We operate a sound portfolio, which constantly yields attractive returns and deflects risks because of its broad diversification.

3. Regional presence **We set up branches to maintain a presence in the areas where our property portfolio is concentrated**

We operate throughout Germany. Our permanent presence, with regional branch offices, lets us seize market opportunities that remain closed to investors with a short-term outlook.

4. Internal real estate management **We guarantee professional support with our internal teams of experts**

Our portfolio activities are aimed at increasing rental income and earning power, as well as improving the quality of our portfolio. This is why our own DIC Onsite real-estate managers provide direct, local services for our tenants and real estate.

5. Balanced financial structure **We secure long-term financing through equity and borrowing**

When financing our company we take a long-term approach, which coincides with the objectives we pursue with our real estate.

6. Internal and external portfolio growth **We exploit the potential for increasing value in both the rental and the transaction market**

We follow up external and internal opportunities for growth, so we can profitably develop our real estate portfolio in the long term. In doing so, we invariably ensure the stable and appropriate spread of risk.

7. Diversified sources of income **We combine high-yield portfolio properties and attractive co-investments in a balanced manner**

Our sources of income are diversified: In addition to our rental income, we make regular earnings from our investments and from real estate management for our co-investments.

A detailed presentation of our strategy can be found in our 2011 Annual Report at www.dic-asset.de.

Regional portfolio structure

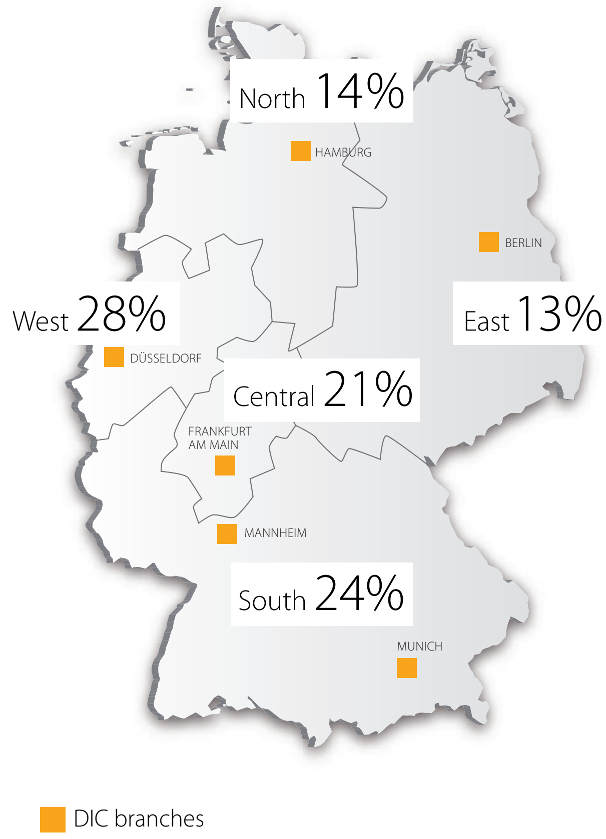
Our proximity to tenants and regional markets gives us a significant location and know-how advantage over national and international competitors who are more remote. We look after our tenants directly and manage the real estate through our own teams at six branch offices. That is why all our activities are managed with a focus on regional markets.

The network of DIC branch offices is divided into five portfolio regions across Germany: North (Hamburg office), West (Düsseldorf office), Central (Frankfurt office), South (Munich and Mannheim offices) and East (Berlin office).

With our investments, we strive for a balanced diversification, which both opens up attractive opportunities and avoids cluster risks. Approximately half our portfolio volume is located in large cities, with the other half in financially robust regional centres. Our tenant structure has a broad regional and sectoral distribution. This includes a high proportion of financially sound public corporations, many medium-sized business and sole trader tenants. Some 1,500 tenancies offer a broad spread of risk.

PORTFOLIO BY REGIONS

Basis: pro rata lettable area in sqm



PORTFOLIO BY REGIONS *

	North	East	Central	West	South	Total 2011	Total 2010
Number of properties	50	38	56	62	72	**278**	288
Market value in EUR million **	234.2	270.6	646.5	641.3	409.7	**2,202.3**	2,001.8
Lettable area in sqm	178,300	160,700	245,200	340,700	303,200	**1,228,000**	1,171,100
Portfolio proportion based on rental space	15%	13%	20%	27%	25%	**100%**	
Annualised rental income in EUR million	14.7	19.7	33.4	41.4	30.3	**139.5**	128.9
Rental income per sqm in EUR	7.70	10.90	13.20	11.50	8.80	**10.50**	10.40
Lease expiry in years	6.9	4.8	6.6	5.5	3.9	**5.5**	5.4
Rental yield	6.4%	7.3%	6.0%	6.5%	7.4%	**6.6%**	6.6%
Vacancy rate	11.1%	9.3%	16.2%	14.2%	9.5%	**12.4%**	14.3%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2011, later acquisitions considered at cost

CORPORATE GOVERNANCE

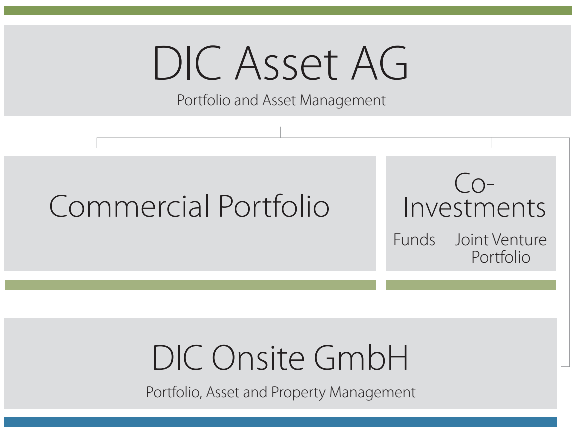
Strategic Group structure

As the parent company, DIC Asset AG manages the Group. All the management functions are centrally bundled here, including determination of corporate strategy (in particular investment, portfolio management and sales strategy), corporate financing, risk management and control of real estate management. Furthermore, responsibility for corporate communications, including contact with the capital and financial markets and shareholders, is at Group level.

Two DIC Asset AG subsidiaries also have important operational duties: With its six regional branch offices, DIC Onsite is responsible for portfolio, asset and property management, while DIC Fund Balance is responsible for the funds business segment. In 2012, the portfolio management team of DIC Asset AG was fully integrated into DIC Onsite's organisational structure as the "Portfolio Management" unit, with the aim of shortening decision-making processes and increasing efficiency even more.

As at 31 December 2011, the Group had a total of 153 indirect and direct holdings. The majority of these are operating property holding companies, which are themselves managed via intermediate holding companies.

Company structure



Information on Corporate Governance practices

DIC Asset AG attaches great value to corporate governance. The Management Board and Supervisory Board feel they have an obligation to ensure the company's continued existence and the generation of sustained value added through responsible Corporate Governance that is focused on the long term. Good Corporate Governance also includes dealing with risks in a responsible manner. The Management Board makes sure that risks are adequately managed and controlled in the company (see also the detailed comments in the 2011 Annual Report) and ensures that the company complies with the law, as well as the recommendations of the German Corporate Governance Code in accordance with the annual Declaration of Conformity. The company's internal control, reporting and compliance structures are continuously revised, enhanced and adjusted to changes in framework conditions.

Close cooperation between the Management Board and the Supervisory Board

The Supervisory Board and Management Board regularly inform each other of changes to the German Corporate Governance Code and every year adopt an updated Declaration of Conformity, which provides information on how DIC Asset AG complies with the Code's recommendations. The current Declaration of Conformity is published on the website.

Management Board

The Management Board manages the company's business. It establishes strategy, runs the company, carries out corporate planning and installs effective and adequate risk management systems. The Management Board consists of two members. Each member of the Management Board is responsible for an area within the company which is specified in the rules of procedure.

Supervisory Board

The Management Board works closely with the Supervisory Board when making any material commercial decisions and keeps it informed regularly and when required of all business developments and strategic issues. The Supervisory Board is the statutory control and supervisory body and, as such, advises the Management Board in relation to commercial decisions, supervises its operations and decisions and is authorised to make decisions in specific situations. The Supervisory Board of DIC Asset AG consists of six members. In 2001 the Supervisory Board held four ordinary meetings and ten teleconferences jointly with the Management Board.

Further information about remits, powers and remuneration can be found in the 2011 Annual Report at www.dic-asset.de.

Risk management

The risk management system, including the early warning system, helps DIC Asset AG to achieve its aims and plays a fundamental part in the management of the company. It secures its continued existence in the long term in the interests of its management, employees and investors and protects it from critical situations. The fact that it is integrated within our organisation and is mandatory for all employees should ensure that risks are recognised promptly and can be countered in an appropriate and timely manner.

Material business risks have been defined for all levels of responsibility to ensure a standardised and comprehensible approach. Systematic risk analysis has been integrated into the general work processes. All employees are required to conscientiously deal with and take responsibility for risks and opportunities, as part of their skill sets. If an employee identifies a risk, it is assessed for the probability of it happening and the extent of the potential damage. Newly occurring risks entailing a substantial financial impact are notified immediately. The Management Board and Supervisory Board are informed regularly and ad hoc using established reporting pathways. This enables them to take appropriate risk-management measures at an early stage and control risk.

The existing guidelines, procedures, instruments, areas of risk and responsibilities are documented in writing and are expanded on an ongoing basis. A document summarises the key elements of the normal cycle introduced as part of the risk management system. Employees therefore always have access to binding, job-related instructions for standard, cross-Group approaches to dealing with risk.

Details on risk management can be found in the current 2011 Annual Report.

RADOLFZELL,
HÖLLTURMPASSAGE:

Replacement heating system

Measures:

We had originally planned a partial renovation of the heating system in our retail property. However, following a detailed analysis of the heating supply system, it was decided that, for both ecological and economic reasons, it would be better to replace the system completely. Apart from the fact that it no longer used energy efficiently, the age of the original system meant it was at increased risk of breaking down. We therefore took the decision to install a completely new heating system.

Investment and benefits:

By investing around EUR 66,000 to replace the heating system, we have provided this property with a state-of-the-art heating system that will function reliably over the coming years. Future energy savings of around 25% will be achieved with the direct benefit of a reduction in operating costs for our tenants.

OUR STAKEHOLDERS

Thanks to its pan-German activities, DIC Asset AG has a wide real estate industry network, with a multitude of links to players and service providers in the real estate sector. Our decisions and activities influence our investors and shareholders, more than 140 employees, some 1,500 commercial tenancies, a multitude of business partners, and the entire global environment surrounding our properties.

We realise that our entrepreneurial decisions affect the various interest groups differently, which is why it is essential that we identify and understand our interest groups' requirements and needs through regular, reciprocal exchanges. We include the interests of all participating stakeholders for the purpose of sustainability. As far as possible, we strive to pursue our interests and activities in consideration of the different requirements involved and in the interests of all the stakeholders involved.

AIMS AND SUCCESSES

Capital partners

Capital partners either have direct shareholdings in DIC Asset AG or have made finance available to our company. These are primarily shareholders (including the major shareholders Deutsche Immobilien Chancen Group, Morgan Stanley Real Estate Funds, solvia Vermögensverwaltung), holders of DIC bonds and financial institutions (banks and insurance companies).

GOALS

- We want to offer our capital partners sufficiently attractive rates of interest and simultaneously create long-term value.
- Our aim is invariably to convey to DIC Asset AG's investors and shareholders a realistic and detailed picture of our company, its situation and the future trend.
- To achieve this we work closely with our capital partners and take care to maintain open and transparent communications.

ACTIVITIES AND SUCCESSES

- In 2011 we enhanced our portfolio by an investment volume of around EUR 300 million. To finance this growth, we increased our capital and issued the first DIC Asset bond. Our focus on growth has continued in 2012
- In 2011, we cut the vacancy rate significantly by just under 2 percentage points to 12.4%. At the end of the third quarter of 2012, it stood at 11.7%.
- We have supplemented our business with special funds, which offer institutional investors the opportunity to invest in selected classes of real estate. As 2012 draws to a close, we have already achieved a fund volume of around EUR 365 million, half our target of some EUR 700 million.
- One of Germany's biggest and most sustainable city quarter developments – "MainTor – The Riverside Financial District" – is currently being successfully implemented. By November 2012, more than half the project volume, at some EUR 340 million, has already been marketed and is being implemented.
- Our dividend policy is continuous, with a dividend of EUR 0.35 per share paid for the 2011 financial year. This corresponds to an attractive dividend yield of 6.5% (based on the closing price as at 31.12.2011).
- Since 2009 we have gradually raised the equity ratio from 24% towards 30%.
- We have gained new capital partners with issue of the DIC Asset bond in May 2011. The funds from the bond offer us flexibility, particularly when financing acquisitions.
- By refinancing and arranging purchase financing on improved market terms, we have improved the term structure of our loans and cut the average interest rate in 2011.
- We further developed our communication with capital partners in 2011, laying the foundation for sustainability reporting.
- At 22 roadshows, at conferences in seven countries and in discussions with more than 200 institutional investors, we provided shareholders and analysts with information about our company.
- We launched the DIC Investors' Day. More than 300 capital and business partners came together at this event in the autumn of 2011 for in-depth industry discussions and cross-company networking.
- The quality of our communication activities is recognised internationally: in the world's largest Annual Report competition, the LACP Vision Awards, our 2011 Annual Report was chosen as one of the 10 best reports and was again ranked first in the real estate sector, ahead of over 5,000 participants.

Tenants

Some 1,500 commercial tenants use spaces in our real estate. These are primarily office tenants and trading companies. The size ranges from small and medium-sized enterprises to international groups of companies.

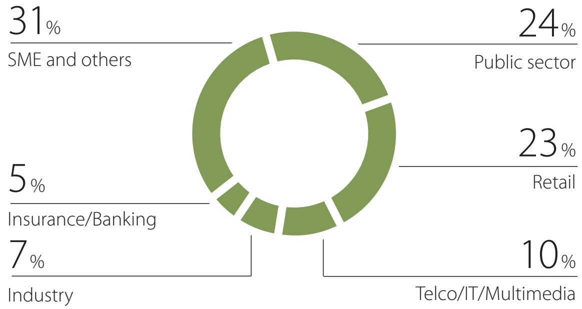
GOALS

- Our tenants' satisfaction is a key condition for our long-term success. We are interested in a good landlord-tenant relationship lasting many years.
- We provide our tenants with a personal, direct and local service.
- We optimise our organisation in a tenant-focused manner, by ensuring our employees are specialised in companies of a certain size or which belong to a certain sector, for instance.
- We support our tenants in making efficient use of real estate in a manner that is economical with resources.
- Regular investments in our portfolio, which increase useful life, building efficiency, equipment and attractiveness, improve the quality of our real estate and thus provide the impetus for a high level of tenant satisfaction.

ACTIVITIES AND SUCCESSES

- We conducted a satisfaction survey of our major tenants. Our overall rating was good, in particular where property management was concerned. Our ongoing local presence pays off in this respect.
- We immediately discussed criticisms regarding the length of time required for processing and decision-making with the tenants concerned and took measures that could be implemented in the short term without delay to make improvements and increase tenant satisfaction.
- To make our tenants even happier, we want above all to further standardise our enquiry response process, convey our high quality of service more effectively and outshine our competitors on relevant factors.
- In 2011, we increased investment in our real estate by EUR 3.2 million to EUR 15.3 million. The main aim was to optimise equipment and energy-saving technical measures, which also have a positive impact on our tenants' service charges.

TENANTS´ STRUCTURE *
by rental income p.a.



* pro rata

- We are in constant communication with our tenants, with the priority being on quality service, reliability and permanent ease of access to our commercial and technical property managers. This helps us with early identification of our tenants' wishes or requirements.
- In conjunction with tenants, we try to initiate opportunities for cost optimisation and sustainable use of resources and to implement these long term. Recently, we significantly improved waste disposal with a logistically optimised process which allows us to do this more efficiently and cheaply. Further information is available on page 45.

Employees

DIC Asset AG currently has around 140 employees. Headcount at the end of 2011 stood at 127. Most staff work in local real estate management at six branch offices. DIC Asset AG is managed from the company headquarters in Frankfurt am Main, which handles strategic and administrative tasks.

GOALS

- Our employees are key building blocks in our success. We treat them fairly, we ensure a good work environment and we appropriately reward good performance.
- In keeping with the corporate philosophy, when making appointments the highest priority is placed on qualifications, personal suitability and ability to work in a team.
- We promote our employees according to their abilities and examine opportunities for development within DIC. Because we have a flat hierarchy with small teams, we purposefully dispense with complex organisational and personnel structures.
- We assist our managers with personnel tasks and provide them with the necessary tools through training and other methods. Our personnel development ensures that talent can be discovered and fostered.
- We offer flexible working time models, mainly to help employees with the return to work after maternity/paternity leave.

ACTIVITIES AND SUCCESSES

- In 2011 we enhanced our personnel development system. We use modern analysis tools and processes to systematically identify our employees' skills and to help them to develop them over the long term. The aim is to fairly assess our employees.
- We have enhanced our image as an attractive employer by taking part in job fairs, by attending the Expo Real real estate exhibition as an employer and through other link-ups.
- We regularly organise work meetings and events at which branch and head office employees can get to know each other and have a chat, to promote good cooperation and improve exchange of know-how.
- We support and foster performance orientation and business awareness. In 2011, we paid out 14% of the total wage bill as bonuses.

FRANKFURT, SCHAUMAINKAI

Windows refurbishment with improved insulation

Measures:

In 2012, cutting-edge insulated glass windows were installed in our property, a doctors' surgery constructed in 1955, on the southern bank of the River Main in Frankfurt without interrupting business activities. By using a special structural and technical process (use of renovation windows) involving a shorter construction period, the problems caused by dust and noise were reduced to a minimum. The new windows facing the road comply with the requirements of soundproofing class 4 (standard value on main roads), which makes the building far quieter and more comfortable to work in. They therefore exceed the soundproofing and insulation requirements specified in the EnEV 2009.

Investment and benefits:

The investment came to around EUR 260,000. It increases user comfort, enhances the quality of the environment and consequently adds to the value of the property. The improvement in the insulation will lead to total energy savings in the region of 15% per year.

Business partners

DIC Asset AG maintains business relationships with many enterprises, with whom we jointly implement projects, or whose services we use. Most relationships exist along the real estate value-added chain.

GOALS

- We see ourselves as a long-term partner throughout the overall real estate industry value-added chain, starting with financing, through to efficient real estate management.
- Our in-house real estate management covers the majority of the tenant support task. Furthermore, we work with national and regional partners who we select according to sustainable principles.
- We create an economically sound corporate structure, geared to the long term, with sustainable, clear and fair structures for our business partners. This basis allows us to pursue real estate strategies with a timescale covering several years.
- In the next few years we want to gradually persuade all our service providers of the importance of sustainability and together devise potential improvements and optimisations. Where possible, sustainability will in future form an integral part of our service providers' services.

ACTIVITIES AND SUCCESSES

- "Green Energy" project: Since 2010, we have concluded framework agreements for all real estate managed by DIC Onsite to supply electricity sourced 100% from renewable energy sources. These have replaced several hundred individual agreements for electricity generated from fossil and nuclear sources. We are thus making a meaningful ecological contribution in the interests of our tenants and are helping to reduce CO_2 emissions.
- In facility management we have started to incorporate the subject of sustainability into master agreements with our service providers. Even now, the responsible facility managers are recording energy consumption in 70 properties, preparing a monthly energy report and highlighting ideas for optimisation.

ZIRCON TOWER, GUSTAV-STRESEMANN-RING, WIESBADEN

Space with flexible options

Measures:

In late 2011 and early 2012, work was started on an extensive programme to convert the single-tenant "Zircon Tower", a high-rise office building in the centre of Wiesbaden dating from 1973, to an office building offering flexible options for its future use.

At present, the property is divided into many small offices with areas of well below 200 sqm in some cases. Split up like this, the space cannot be let on Wiesbaden's office market under ideal conditions. We have therefore decided to create large office spaces that will permit flexible use and to modify the whole infrastructure, a move which will allow us to let the property long-term. With a revised fire protection concept, which includes an emergency staircase and delivers a higher standard of safety, we succeeded in having our plans approved by the authorities.

Investment and benefits:

The total amount invested for the multiple use concept comes to around EUR 3 million. It will prepare the property for modern, state-of-the-art use and improve the preconditions for its successful marketing on the current rental market.

Public
This group comprises everyone who has an interest in DIC Asset AG, or has contact with our company. We also include our tenants' employees who work in our properties as well as people who live and work around our properties.

GOALS

- Through our pan-German offices we, as a real estate company, are interlinked with local and regional structures. We recognise the needs, wishes and concerns that surround us and enter into a debate.
- We support local, regional and national initiatives to regenerate and develop residential and economic areas.
- DIC Asset AG is involved in projects which have a clear impact on urban development. In the process, in addition to sustainable aspects, we pay attention to high quality and take into account the impact on the immediate surroundings. To achieve this, we consult closely with the various interest groups, to uphold the common good.

ACTIVITIES AND SUCCESSES

- In 2011 we got involved in industry associations and organisations with two key aims: sustainability in the real estate industry and the promotion of recognition of German real estate shares. Among others aspects, the results include the ZIA's introduction of a Sustainability Code for the German real estate industry and the focus of the EPRA conference in Berlin in 2012.
- Our "MainTor – The Riverside Financial District" project is one of Germany's biggest and most sustainable city quarter developments.
- In recent years we have sponsored cultural institutions such as the Museum of Modern Art (MMA) and the Goethe House in Frankfurt and the Klingspor Museum in Offenbach.

NEU-ULM,
GOLDEN TULIP PARK HOTEL:

Complete window refurbishment

Measures:
In 2011, we decided in favour of a thorough refurbishment of the Golden Tulip Parkhotel in Neu-Ulm which was originally built in 1980. Both the technical installations and a majority of the hotel rooms were extensively modernised and the work included the installation of windows with triple glazing over a total area of more than 400 square metres. The result was a notable improvement in the level of comfort experienced by hotel guests. The refurbishment work secures our rental income for the long term, helps to increase the value of the property and also satisfies the technical standards of the Energy Savings Ordinance.

Investment and benefits:
The total investment was in the region of EUR 2.5 million. By upgrading the hotel, we were able to conclude a new long-term tenancy agreement. Heat energy savings of more than 30% are also being achieved during operation.

MILESTONE PLANNING

We know that we are only just embarking on our efforts towards sustainability. Reporting on the status quo of sustainability at DIC Asset AG is an early step. It allows us to document our efforts, our progress and our successes in pursuing our sustainable corporate strategy. We shall continue working towards increasing our employees' enthusiasm for a sustainable approach and further integrating our awareness of sustainability into our daily work. We also want to set our tenants, investors and service partners a good example and convince them to use resources sustainably.

We are setting ourselves targets to support and manage this long-term process. Combined with the plans with which we want to confront our stakeholders, the result is a comprehensive milestone schedule for DIC Asset AG's approach to sustainability.

Status quo and successes since 2011/2012

- Launch of sustainability reporting
- Implementation of sustainability in future business strategy
- Nomination of officers responsible for sustainability at Management Board and Division level
- Compilation of an initial analysis portfolio to record energy consumption data (electricity, heating) and water
- Calculation of CO_2 contribution
- "Green Energy" project largely implemented – bundling of communal electricity supply from 100% renewable energy sources for the DIC real estate portfolio
- Inclusion of aspects of sustainability in facility management service agreements newly put out to tender and concluded
- Development of standard reporting structures and expansion of basis of data for determining energy consumption values (electricity, heating) and water
- Documentation of DIC Asset AG's energy consumption and emissions
- Reporting of annual sustainability initiative data
- Raising awareness of sustainability amongst employees of DIC Asset AG and its subsidiaries
- Expansion of communication with tenants and service providers with the aim of implementing aspects of sustainability in operational processes

2012-2016 goals

- Drawing up of an initial sustainability action plan for 2012-2016 based on findings from our initial analysis portfolio (e.g. optimisation of energy efficiency through improved energy management or technical innovations)
- Gradual expansion of sustainability reporting according to GRI, ZIA and EPRA standards, achievement of a higher reporting level according to GRI
- Participation in education and training on the subject of sustainability
- Participation in initiatives and projects which promote the subject of sustainability in the real estate industry
- Supporting projects that have a positive influence on the social, cultural and economic environment

ECONOMY

ECONOMIC KEY FIGURES

	2011	2010
Number of properties	278	288
Lettable area in sqm *	1,228,000	1,171,100
Vacancy rate *	12.4%	14.3%
Rental income per sqm in EUR *	10.50	10.40
Gross rental yield *	6.6%	6.6%
Annualised rental income in EUR million *	139.5	128.9
Market value in EUR million *	2,202.3	2,001.8
Funds from Operations (FFO) in EUR million	40.6	44.0
Profit for the period in EUR million	10.6	16.5
Cash flow from operating activities in EUR million	38.4	37.7
Equity ratio	27.8%	28.6%
Net Asset Value in EUR million	682.6	598.5

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2011, later acquisitions considered at cost

DIC Asset AG is a cost-effective company, geared in the long term to creating lasting value through its activities for the benefit of shareholders, employees, tenants and business partners and making a positive contribution to the community.

Our economic sustainability principles:

- Investment in long-term value added
- Stable, long-term cash flows based on a diversified real estate portfolio
- Balanced financial structure geared to the long term
- Profit-orientated growth for corporate development
- Continuity: continuous positive contributions to results and dividends

FINANCIAL YEAR 2011: GROWTH TARGETS REALISED

We have set ourselves the major goals for 2011 of further developing DIC Asset AG's internal and external growth and increasing the quality of our portfolio.

Good letting figures have reduced vacancy rates

With a high letting volume of 247,000 sqm, we have secured our rental income and improved the portfolio quality in 2011. The positive result is based on new leases, which we were able to increase by 16% and which made a decisive contribution to decreasing the vacancy rate by 1.9% to 12.4%. Our rental income increased significantly by 1.7% on a like-for-like basis as a result of new leases.

Growth: foundations laid and goals implemented

In 2011, we strengthened our capital basis with a capital increase of EUR 52 million, as well as by means of our first corporate bond with an issue amount of EUR 70 million. With an acquisition volume of approx. EUR 300 million, we reached the upper end of our planning volume, attractively expanding our real estate portfolio for the long term. The main focus was on real estate with strong cash flows and long-term leasing in economically strong regions of Germany. The portfolio grew pro rata by approx. 112,000 sqm and produced an FFO contribution of some EUR 8.5 million on an annual basis.

Fund business expanded

In addition, the beginning of 2011 saw the complete placement of our first special fund "DIC Office Balance I", which invests in top quality office real estate, and also increased the fund volume to around EUR 275 million at the end of the year through the acquisition of two properties.

Portfolio market value at EUR 2.2 billion

In order to optimise our portfolio, we sold 22 real estate properties, mostly smaller properties, with a volume of EUR 72 million. The annual valuation of our real estate resulted in a 0.7% increase in market value. As of 31 December 2011, our real estate portfolio had a proportional market value of around EUR 2,202.3 million. The net asset value was EUR 682.6 million (2010: EUR 598.5 million), while the net asset value per share totalled EUR 14.93 (2010: EUR 15.27).

Increasing rental income

In 2011, we were able to record increasing rental income on a quarter to quarter basis. In comparison with the first half of the year, the rental income increased by EUR 3.7 million to EUR 60.2 million. The acquisitions for the year and good rental performance contributed to this. In 2011, rental income was lower year-on-year, at EUR 116.7, because of the reduction in the portfolio caused by sales in the previous year. As a result of the fact that, in line with our plans, our lower transaction volume in 2011 led to lower profits from sales and, as expected, the results from co-investments were lower, Group profit totalled EUR 10.6 million (2010: EUR 16.5 million). As a decisive key figure for our operating success in real estate management, FFO remained at a good level of EUR 40.6 million. The FFO yield remained stable at 35% with reference to rental income. At EUR 0.92, FFO per share remained at a high level (previous year: EUR 1.15).





ACQUISITIONS 2011	Galeria Kaufhof properties	Marktforum Duisburg	Office properties Karlsruhe, Leipzig	Joint venture portfolios	Office property Airport Frankfurt
Number of properties	2	1	2	22	1
Volume in EUR million	108	16	62	95	22
Rental area in sqm	49,000	10,000	40,000	90,000	11,500
Vacancy rate	0%	0%	0%	10%	0% *
Average lease term in years	11	12	8	6	7
Annual rental income in EUR million, pro rata	7.3	1.2	4.0	7.0	1.6
Transfer of ownership	Q1 2011	Q4 2011	Q4 2011	Q4 2011	planned Q1 2012
Portfolio segment	Commercial Portfolio	Commercial Portfolio	Co-Investments/ Funds	Commercial Portfolio	Commercial Portfolio

* including rental guarantee of the seller

Successes in 2012

- Vacancy rate cut further to 11.7%
- Sales volume at over EUR 100 million as of November
- Bienenkorbhaus sold at a profit for some EUR 73 million
- Acquisitions of some EUR 140 million as of November 2012
- Fund business expanded, around half target volume already achieved, at EUR 340 million
- Financing of some EUR 550 million arranged
- Sale of MainTor Panorama and MainTor Patio before construction starts
- More than 50% of the MainTor project volume is already being implemented

FINANCIAL MANAGEMENT

Sound equity base

Our company is based on a sustainable financing architecture. We use traditional bank financing, bonds, our access to the capital markets, and other financing partners for financing purposes. We have significantly strengthened our capital base over the past few years by means of continuous profits, capital increases, regular sales and loan repayments. In addition, we offer strategic financing partners the opportunity to participate in investments, growth and our expertise with their own capital, for example by means of joint ventures, our special funds and other co-investments.

Use of borrowed funds appropriate to property targets

We conclude real estate financing on a strictly long-term basis. The financing focuses on the respective property targets. Ongoing business, as well as the portfolio investments, are financed primarily by the strong cash flows from our real estate properties. We have been continually building up our portfolio for many years now. As a result of the fact that our income is easy to calculate, it offers a reliable basis for efficient and long-term external capital. We agree attractive terms for these borrowings and hedge them adequately against any increase in interest rates. We finance our investments at property and portfolio level and use a balanced ratio of our own capital, funds from our bond, as well as external capital.

Reduced interest costs

After steadily increasing our equity ratio from 24% to around 30% since 2009, we want to increase our equity share in investments to 35% in the medium term. As at 31 December 2011, the average term of our liabilities was around 3.4 years. The term structure was further strengthened by the acquisitions and refinancing carried out in 2011. The largest refinancing measure, involving some EUR 37 million for two office properties, was implemented in the fourth quarter of 2011 with a five-year term. Compared with the previous financing structure, interest costs are now some 120 basis points lower. Interest costs were also lower than before in the case of a number of other extensions worth some EUR 33 million.

MANAGEMENT VIA RESULT-ORIENTED FIGURES

In order to monitor the agreed targets, we use result-oriented figures which are a part of regular reporting. We manage our portfolio with a regional focus, particularly with regard to the increase in value from property management (including letting volume, rental income (nominal and like-for-like) and vacancy rates. The operating profit from real estate management (funds from operations, FFO), and funds from operations after deducting interest related to capital employed (return on equity, ROE) are of the greatest importance from the perspective of the company as a whole. In the case of sale-oriented investments and project developments, the internal rate of return (IRR) is also used as a key figure, whereas for fund investments the distribution yield and performance are used. We control our growth targets above all by the acquisition volumes achieved. Deviations are analysed promptly and management measures are established in regular meetings with the Management Board and the respective managers.

Transparency: expansion of reporting structure to include a regional perspective

From 2011, we are expanding our reporting to include a regional perspective on our portfolio. In doing so, we increase transparency and generally follow the internal management of our portfolio. The growth of our real estate portfolio and the expansion of real estate with a current total of six branches in Germany has continually increased the importance of managing the content of our portfolio by region.

Outlook

We aim to achieve a significantly improved result in 2012 on the basis of our operational strengths. In addition, we will continue to implement acquisitions and use our internal real estate management to further extend the quality and earnings power of our portfolio.

On the basis of our current portfolio and a further reduction in the vacancy rate to around 11.5% at the end of the year, we are expecting rental income of between EUR 124 and 126 million including planned acquisitions. On this basis, we expect operating profit with an FFO of between EUR 43 and 45 million.

Details of DIC Asset AG's current business development in 2012 can be found in our quarterly reports at www.dic-asset.de.

GIESSEN,
CARLO-MIERENDORFF-STRASSE:

Renovation of the heating and cooling system

Measures:

In our property in Gießen, a mixed-use property built in 1981 with office and storage areas, the system installed for heating and cooling was technologically outdated. By installing an electric control unit, the flow and return temperature is now regulated more efficiently and the entire system can be used much more effectively.

Investment and benefits:

The investment costs of this work were in the region of EUR 230,000. Thanks to the high energy savings and the lower maintenance requirements, the user can enjoy the benefits of much lower operating costs. The savings in the amount of gas energy required are in the region of 65%.

ECOLOGY

Ecological sustainability is geared towards preserving the sustainability and resilience of our ecosystems on a permanent basis. The primary goal of sustainable use of natural resources such as energy, water and other raw materials is to maintain ecological functionality in order to guarantee the long-term and fair use of all tangible and intangible assets and functions of the environment.

Real estate makes a significant contribution to general energy consumption and the emission of greenhouse gases. The efficient and environmentally friendly operation of our real estate properties is important to us and is also of interest to our tenants. We constantly discuss ways of saving energy with tenants and inform them of optimisation opportunities. We adjust properties, processes and procedures to enable the most efficient yet cost-effective provision of services while bearing profitability in mind.

Our ecological sustainability principles

- Efficient management of our real estate
- Long-term measures in the portfolio and during project developments
- Optimisation and reduction of CO_2 emissions and consumption of resources

THE ANALYSIS PORTFOLIO

At the end of 2011, DIC Asset AG's entire real estate portfolio comprised 278 properties with a pro rata rental space of some 1.23 million sqm. We expanded our analysis portfolio to 78 properties for this report, 21 or 37% more than in the previous report. On this basis, we collect data on the power, heating energy and water consumed and determine how much they contribute to CO_2 emissions. We can thus draw conclusions on the effect the real estate portfolio we manage has on the environment. We used an analysis portfolio of 57 properties for our first Sustainability Report.

As at the end of 2011, the analysis portfolio comprises a total lettable space of some 715,000 sqm.

Calculating consumption

The analysis of the data from our analysis portfolio covers the period from 2009 to 2011. We use the utility bills from the supply companies to calculate consumption of heating energy and water. This year, we only used actual consumption figures obtained by asking our tenants to calculate the amount of electricity consumed. For this reason, we had no need to use the energy requirement certificates that we had mainly used in the first Sustainability Report to report electricity consumption. The statements on power consumption are thus far more meaningful than previously.

In this Sustainability Report, we also performed a like-for-like analysis for the years 2009 to 2011 for the first time in addition to the overall consideration. This compares identical property portfolios across several different years, eliminating the effects of purchases and sales.

We calculate averages for our reporting and benchmarking. The fact that our statistics may be significantly affected by differences in the intensity with which buildings are used must be taken into account here: for example, properties which have their own computer centre and a cooling system in constant operation consume more energy on average. On the other hand, properties with a bigger proportion of storage space or without their own cooling systems generally have a much lower rate of energy consumption.

Other influencing factors are the different material properties of buildings as well as their age and potential external influences due for instance to different weather conditions across the years, which can have either a positive or negative effect on energy consumption.

The aim is to extend our analysis

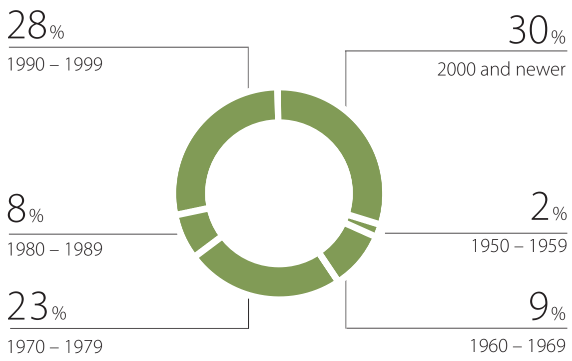
Over the next few years, we want to gradually expand our analysis portfolio and work on persuading more tenants of our properties to cooperate on data collection. The aim is to achieve the greatest possible coverage of our real estate portfolio.

The most challenging aspect remains how to calculate the total power consumption for each property, since the majority of our tenants arrange their own supply contracts. In order to obtain the most comprehensive information possible, we rely on the cooperation of our tenants, who obtain electricity and, to some extent, water for their business operations themselves.

The more precise our data, the more precisely we can draw conclusions concerning sustainable property management and devise suitable approaches for optimising the energy efficiency of our properties in consultation with our tenants.

Distribution by construction year *

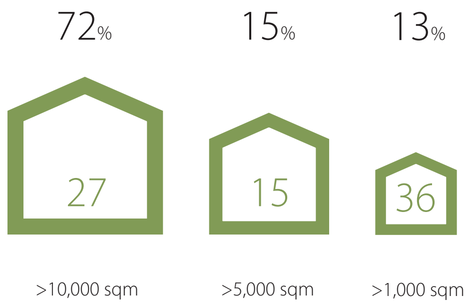
as % of lettable area of the analysis portfolio



* In case of extensive refurbishments/modernisations: Year of most recent modernisation

Number of properties and distribution by size

as % of lettable area of the analysis portfolio



CONSUMPTION DEVELOPMENT

Electricity

In 2011, absolute power consumption in our analysis portfolio was 42.1 million kWh (2010: 45.9 million kWh), equating to 107.2 kWh/sqm (2010: 112.9 kWh/sqm). In the like-for-like comparison, 41.3 million kWh were consumed in 2011. Like-for-like power consumption thus fell by 12.6% (3.5 million kWh) between 2009 and 2011. It is therefore clear from the like-for-like comparison that energy efficiency within the portfolio has improved, which has had a positive impact on absolute power consumption.

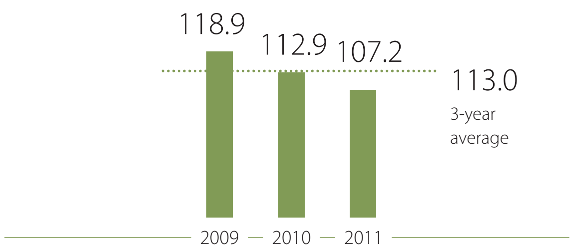
For the evaluation of power consumption during the period 2009 - 2011, we had data on the power used by our tenants for an average of 56% of the analysis portfolio.

Heating

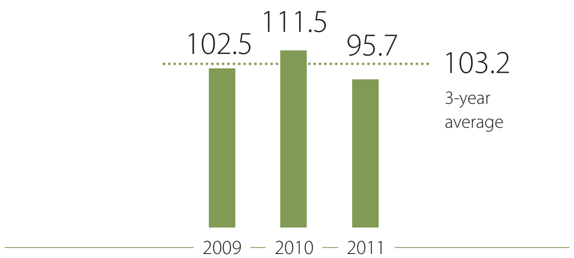
In 2011, absolute heating energy consumption in our analysis portfolio was 64.9 million kWh (2010: 77.9 million kWh), equating to 95.7 kWh/sqm (2010: 111.5 kWh/sqm). In the like-for-like comparison, 45.4 million kWh were consumed in 2011. Like-for-like heating energy consumption thus fell by 13.1% (8.8 million kWh) between 2009 and 2011. The fall in consumption in both the overall consideration and the like-for-like comparison is attributable to the relatively mild winter spells in 2011 but also to improvements in our tenants' consumption patterns – the price increase clearly increased peoples' awareness of how much energy they were using.

Based on the utility bills, we identified three different forms of energy for a direct and indirect heating energy supply: district heating, natural gas and heating oil. For 95% of the analysis portfolio, we were able to evaluate data based on the utility bills submitted and the consumption figures supplied by our tenants. The number of properties analysed in the like-for-like comparison since 2009 is different from that

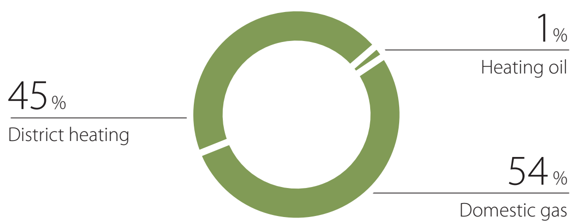
Electricity consumption
in kWh/sqm



Heating energy consumption
in kWh/sqm



Energy supply by type of energy



for the overall consideration. This is attributable to the fact that some tenants did not move into the property until after the period under consideration started on 1 January 2009 and consequently no meaningful data is available for 2009.

Water

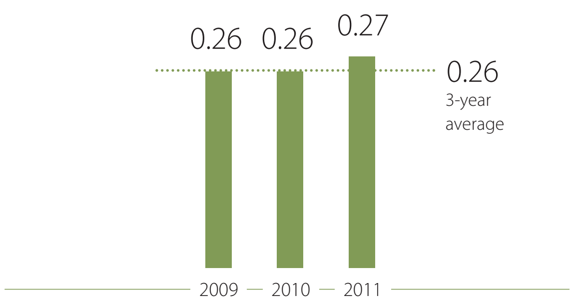
In 2011, absolute water consumption in our analysis portfolio was some 177,400 m^3 (2010: approx. 166,000 m^3), equating to 0.27 m^3/sqm (2010: 0.26 m^3/sqm). In the like-for-like comparison, 116,500 m^3 were consumed in 2011. Like-for-like water consumption thus fell by 2.8% (1,600 m^3) between 2009 and 2011. The overall consideration reveals a largely stable consumption.

By using utility bills from the supplier companies, we were able to evaluate water consumption for an average of 90% of the analysis portfolio for the period 2009 - 2011. The number of properties analysed in the like-for-like comparison since 2009 is different from that for the overall consideration, because some tenants could not deliver a reliable value for 2009, just like in case of the heating energy consumption.

District heating

District heating is the collective term for all types of heating generated centrally in a power plant and then distributed to the user via a network of pipes. Water or steam is generally used as the distribution medium, as it has a high specific heat capacity.

Water consumption
in m^3/sqm



CONSUMPTION DATA IN ABSOLUTE NUMBERS *

	2011	2010	2009
Electricity consumption in kWh	**42,124,562**	45,921,567	48,681,065
Number of analysed properties	**38 of 278**	36 of 278	36 of 278
Corresponding rental space in sqm	**393,120**	406,895	409,357
Heating energy consumption in kWh	**64,922,874**	77,928,635	66,664,751
Number of analysed properties	**75 of 278**	76 of 278	70 of 278
Corresponding rental space in sqm	**678,394**	698,946	650,037
CO_2 emission in $kgCO_2e$	**29,120,830**	31,663,845	30,244,199
Number of analysed properties	**75 of 278**	76 of 278	72 of 278
Corresponding rental space in sqm	**678,394**	698,946	677,622
Water consumption in m^3	**177,448**	166,012	164,919
Number of analysed properties	**73 of 278**	71 of 278	68 of 278
Corresponding rental space in sqm	**661,880**	629,862	635,392

* related to the analysis portfolio

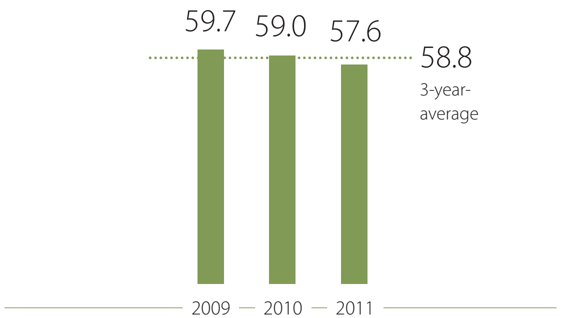
CO_2 emissions

The consumption of energy releases greenhouse gases, which play a major part in climate change. Our aim is to reduce the emission of greenhouse gases to the lowest possible level.

In 2011, CO_2 emissions from our analysis portfolio totalled some 29,121 tCO_2e (2010: approx. 31,664 tCO_2e), equating to 57.6 kg CO_2e/sqm (2010: 59.0 kg CO_2e/sqm). In the like-for-like comparison, some 24,108 tCO_2e were consumed in 2011. Like-for-like CO_2 emissions fell by -8.6% (-2,267 tCO_2e) between 2009 and 2011. A downward trend can thus be observed in both the overall consideration and like-for-like comparison.

Total CO_2 emissions

in $kgCO_2e$/sqm



LIKE-FOR-LIKE CONSUMPTION FIGURES *

	2011	2010	2009	Change in %
Electricity consumption in kWh	**41,345,631**	44,751,363	47,301,156	-12.6%
Number of analysed properties	33 of 278	33 of 278	33 of 278	
Corresponding rental space in sqm	381,288	381,288	381,288	
Heating energy consumption in kWh	**45,438,713**	54,233,750	52,306,764	-13.1%
Number of analysed properties	59 of 278	59 of 278	59 of 278	
Corresponding rental space in sqm	491,014	491,014	491,014	
CO_2 emission in $kgCO_2$	**24,108,297**	25,685,227	26,375,597	-8.6%
Number of analysed properties	61 of 278	61 of 278	61 of 278	
Corresponding rental space in sqm	518,599	518,599	518,599	
Water consumption in m^3	**116,531**	118,122	119,830	-2.8%
Number of analysed properties	57 of 278	57 of 278	57 of 278	
Corresponding rental space in sqm	462,932	462,932	462,932	

KEY FIGURES *

	2011	2010	2009	Change in %
Electricity consumption in kWh/sqm/year	**107.2**	112.9	118.9	-9.8%
in kWh/work place/year **	**1,822**	1,919	2,022	
Number of analysed properties	**38 of 278**	36 of 278	36 of 278	
Heating energy consumption in kWh/sqm/year	**95.7**	111.5	102.5	-6.6%
in kWh/work place/year **	**1,627**	1,895	1,743	
Number of analysed properties	**75 of 278**	76 of 278	70 of 278	
CO_2 emission in $kgCO_2e$/sqm/year	**57.6**	59.0	59.7	-3.5%
in $kgCO_2e$/work place/year **	**731**	794	759	
Number of analysed properties	**75 of 278**	76 of 278	72 of 278	
Water consumption in m^3/sqm/year	**0.27**	0.26	0.26	3.8%
in m^3/work place/year **	**4.6**	4.5	4.4	
Number of analysed properties	**73 of 278**	71 of 278	68 of 278	

* related to the analysis portfolio
** Average size of office work place in the five largest German cities: around 17 sqm (source: DTZ Occupier Perspective Offices of Feb. 2012)

We evaluated the data published by the regional and local companies that supply our properties with electricity to calculate the CO_2 emissions from electricity consumption.

We calculate the CO_2 emissions of the various types of heating energy (district heating, heating oil and gas) on the basis of the available consumption data with the help of specific conversion factors:

- District heating: 219.3 gCO_2e/kWh, Institute for Applied Ecology in Freiburg *
- Heating oil: 327.0 gCO_2e/kWh, GEMIS (Global Emission Model for Integrated Systems) database *
- Natural gas: 251.0 gCO_2e/kWh, GEMIS database *

Source: GEMIS database version 4.6 and the report by the Institute for Applied Ecology "Bestimmung spezifischer Treibhausgas-Emissionsfaktoren für Fernwärme" ["Calculating specific greenhouse gas emission factors for district heating"]

Consumption of a typical DIC property

A DIC property has an average surface area of around 6,750 sqm at the end of 2011.* Based on the calculated average values for the analysis portfolio, the annual environmental performance results for a property of this size are as follows:

AVERAGE ENERGY, WATER AND EMISSION VALUES PER SQM 2009-2011

	per year	sqm/year
Heating energy consumption	0.76 mn kWh	113 kWh
Electricity consumption	0,70 mn kWh	103.2 kWh
CO_2e emissions	397 tCO_2e	58.8 $kgCO_2e$
Water consumption	1,755 m^3	0.26 m^3

* Total lettable area / Number of properties at the end of 2011

DIC ASSET AG'S ECO-BALANCE

We also evaluated DIC Asset AG's consumption at all six locations in Germany for the first time for this report. In financial year 2011, DIC Asset AG's electricity consumption amounted to some 37.2 kWh/sqm (2010: 40.0 kWh/sqm). Thanks to lower consumption despite a simultaneous increase in the average number of employees, electricity consumption per employee has fallen by approximately 20% to 1,377 kWh per employee since 2009.

DIC Asset AG obtains heating energy from district heating and gas at all six locations. At 71.7 kWh/sqm in 2011 (2010: 80.0 kWh/sqm), the figure has improved by approximately 14% compared with 2009. Water consumption, 0.31 in m^3/sqm, has risen sharply compared with 2010 but has fallen by approximately 6% compared with 2009. The marked fluctuation in water consumption is largely attributable to data collection at one location, where our consumption can only be determined by making a pro rata calculation of the total consumption of all the tenants in this property. Depending on the degree to which the individual tenants actually use the property, substantial fluctuations in data acquisition may occur here.

ELECTRICITY AND WATER CONSUMPTION OF DIC ASSET AG Absolute figures

	2011	2010	2009	Change in %
Electricity consumption in kWh	**167,270**	179,497	181,990	-8.1%
in kWh/sqm/year	**37.2**	40.0	41.6	-10.5%
in kWh/sqm/employee	**1,377**	1,639	1,717	-19.8%
Heating energy consumption in kWh	**322,691**	358,685	364,164	-11,4%
in kWh/sqm/year	**71.7**	80.0	83.2	-13.8%
in kWh/sqm/employee	**2,656**	3,276	3,436	-22.7%
Water consumption in m^3	**1,408**	1,103	1,459	-3,5%
in m^3/sqm/year	**0.31**	0.25	0.33	-6.1%
in m^3/sqm/employee	**11.6**	10.1	13.8	-15.9%
Number of properties	**6**	6	6	
Corresponding rental space in sqm	**4,500**	4,480	4,380	
Number of employees (annual average)	**121.5**	109.5	106.5	

Alongside energy and water consumption, our business activities also generate additional emissions. DIC Asset AG mainly produces CO_2 emissions through its employees' business travel by air and rail and its own vehicle fleet.

In the 2011 financial year, the carbon footprint (total of all greenhouse gas emissions, measured in carbon dioxide) of DIC Asset AG amounted to 445 tons of CO_2e (2010: 460 tCO_2e).

With the "Green Energy" project, we have secured electricity sourced from renewable, carbon-neutral energy sources for the communal power needed to manage the communal areas in our properties. We are therefore supporting the environmentally friendly generation of power.

In future, we aim to record the evaluation of DIC Asset AG's emissions even more precisely and to optimise them. In particular, we shall focus in the next reporting period on collecting data on commuter travel by our employees.

We also aim to raise our employees' enthusiasm for environmentally friendly thinking and the issue of energy efficiency at all locations through various measures. With the planned relocation of our head office in Frankfurt am Main in the second half of 2013, we shall move to a property that meets the most exacting Green Building standards. As a result, we shall enhance the necessary foundations for working in an energy-efficient manner.

GREENHOUSE GAS EMISSIONS ACCORDING TO GHG PROTOCOL in tCO_2e

	2011	2010	Change in %
Scope 1			
Vehicle fleet	**269**	271	-1.0%
Scope 2			
Consumption of DIC Asset AG	**144**	160	-10.1%
Scope 3			
Business trips	**32**	28	13.5%
Consumption of tenants (basis: analysis portfolio)	**29,121**	31,664	-8.0%
Total tCO_2e	**29,565**	32,123	-8.0%
Thereof attributable to DIC Asset AG	445	460	-3.2%

"Greenhouse Gas Protocol" (GHG)

Our calculations are based on the globally recognised "Greenhouse Gas Protocol" standard. This standard distinguishes between three areas of emissions, called scopes:

- Scope 1 covers all direct CO_2 emissions. For DIC Asset AG, these are generated by the company's own vehicle fleet.
- Scope 2 covers the indirect CO_2 emissions generated by our suppliers in energy production (power and heat), which we purchase for our business premises.
- Scope 3 covers all other CO_2 emissions connected with business activities. These relate primarily to greenhouse gas emissions from business trips and commuting.

Comparison with the ISA international benchmark

The International Sustainability Alliance (ISA) has been active since 2009. It aims to intensify research into sustainable building and to promote this internationally. It is a global network of leading real estate suppliers who are committed to the issue of increasing the sustainability of the built environment even further. To this end, the ISA collects data from its members relating to buildings in commercial use at both a national and an international level and provides average figures as benchmark parameters. For office buildings in Europe, the calculation is based on the results of properties from the Netherlands, Belgium, France, Spain, Germany and other European countries. However, country-related benchmarks are not published.

The ISA has published benchmark figures for office buildings at a European level since 2010.

ISA DATA SINCE 2010 FOR OFFICE BUILDINGS IN EUROPE

	2011	2010
Electricity consumption (kWh/sqm/year)	174	288
Water consumption (m^3/sqm/year)	0.35	0.34
CO_2 emission ($kgCO_2e$/sqm/year)	22	36

The benchmarks 2011 have changed significantly compared with 2010. Water consumption is stable but energy consumption has fallen from 288 kWh/sqm to 174 kWh/sqm. This has led to far lower CO_2e emissions of 22 $kgCO_2e$/sqm compared with 36 $kgCO_2e$ in 2010.

Our buildings' consumption figures for power, heating and CO_2e emissions deviate from the benchmarks: our average energy value is 202.9 kWh/sqm (benchmark: 174 kWh/sqm), our figure for water is 0.27 m^3/sqm (benchmark: 0.35 m^3/sqm) and for CO_2e 57.6 kg/sqm (benchmark 22 kg/sqm). A true comparison of CO_2 figures is not really possible due to the differences between different countries. The energy mix in France, for example, contains a high proportion of electricity generated by nuclear power, which leads to much lower CO_2 emissions. The marked deviations of the reference data mean that the development and significance of the ISA benchmark will not become clear for a few years yet.

RECKLINGHAUSEN,
HERNER STRASSE:

Façade and roof refurbishment

Measures:
In 2011, it was decided that a partial façade and roof refurbishment was required for our property in Recklinghausen, an office building originally built in 1969, with the aim of making the building more attractive and increasing its energy efficiency. We decided in favour of a long-term solution: the installation of a thermal insulation composite system.

Investment and benefits:
Following an investment of around EUR 250,000, we are expecting to make annual energy savings of between 10 and 15% for the heating of the renovated part of the building, and this will also have a positive impact on the operating costs. As a result of the upgrade, we made the property more attractive on the market and successfully acquired a well-known high-street bank as a long-term tenant.

SOCIAL SUSTAINABILITY

With our properties, we are part of the social and daily lives of many people. We therefore assume social responsibility and become involved, even if this does not contribute directly to financial success. We also strive to treat our employees, customers and business partners in a fair and responsible manner at all times.

Our principles of social sustainability

- Fair and tolerant interactions with our stakeholders
- Good working environment, together with support and promotion of our employees
- Long-term partnerships with high-performing companies
- Cautious urban development with respect for the growing environment
- Charitable and social involvement focused on breathing new life into public spaces

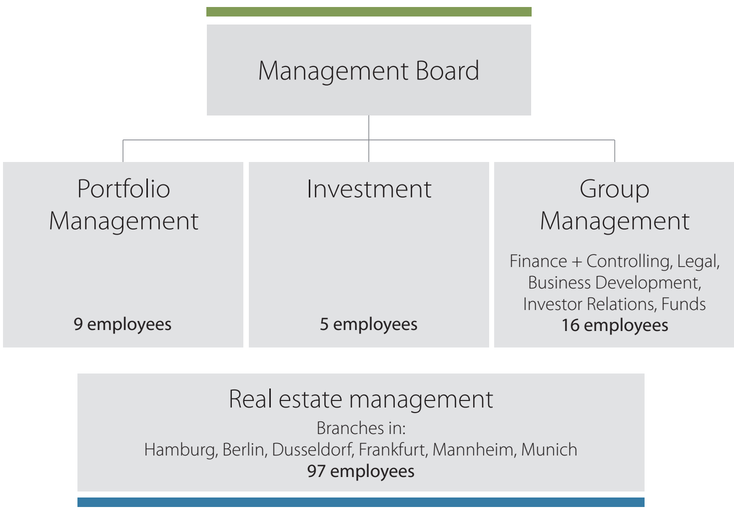
OUR EMPLOYEES

DIC Asset AG is one of the large listed real estate companies in Germany, but without the specific features of a large company. We focus on lean structures, the ongoing exchange of ideas and the requisite flexibility to strive for the best solution at all times. We strive to empower our employees to display and develop their ideas and potential. The resulting speed in decision-making and flexibility in responding to opportunities is important – it allows us to be faster in taking any decisive steps.

The knowledge, performance and commitment of our employees form the basis for our company's success. We can only achieve our ambitious targets if we have qualified and motivated employees, who represent our company to the outside successfully and with conviction. We therefore value and promote entrepreneurial thinking and action, the ability to act on one's own initiative, flexibility and specialist knowledge. Other important aspects include a healthy corporate environment, characterised by fairness and where variety and equal opportunities have a positive impact both on the work itself and on the sense of cohesion amongst our employees.

In 2011, DIC Asset AG had an average of 121.5 employees (2010: 109.5). At the year-end, headcount stood at 127 (2010: 110). In 2011, we increased our staffing levels in order to allow us to achieve our company's growth targets and the expansion of our business segments. The required expansion of capacity applied in particular to portfolio management, investment, fund business and DIC Onsite's real estate management. On average, we hired around 12 additional employees.

Organisational structure



Number of employees

	31.12.11	31.12.10
Portfolio management, investment and funds	14	10
Asset and property management	97	85
Group management and administration	16	15
Total	127	110

The majority of our employees work in real estate management on the direct creation of added value for our properties at our subsidiary DIC Onsite. It operates throughout Germany with six branches located in areas where our portfolio is concentrated. DIC Asset AG's Management Board is based in Frankfurt, from where central management and administrative duties are carried out.

Salaries: fair remuneration and promoting performance

Our salaries consist of a basic income, supplementary benefits and performance-related components. We base our salaries on industry standards and those of our competitors. The performance-related component is linked to the achievement of strategic, operative and personal targets. In this way, we encourage and support an awareness of entrepreneurial issues among our employees. In 2011, DIC Asset AG paid a total of EUR 10.2 million to its employees. This figure included performance-related payments of EUR 1.4 million, which represents 14% of the total. Social security taxes, pension contributions and other additional benefits amounted to a total of EUR 1.3 million.

Systematic personal development

Systematic personal development is a major part of our long-term corporate development strategy. The aim of personal development is to support and promote our employees and improve their qualifications, and to secure their long-term loyalty.

We have recently focused in particular on refining our personal development system. We use defined analytical tools and processes to identify employees' skills systematically and to provide long-term support for these as part of the further development process. This analysis is also used to identify and promote employees with particular talents (High Potentials). We are working on a consolidated approach to job interviews and appraisals in a number of ways, including the structured assessment of skills, and on ensuring that our assessments are both systematically and always comprehensible to our employees.

We support our employees in their personal further development goals and invest in consolidating and expanding knowledge and skills. Specific training is therefore offered in every specialist area (e.g. training on changes to IFRS in accounting or sustainability in project development), as well as interdepartmental training in particular areas, such as language or presentation skills.

Training of junior employees, support for students

We invest in the training of young people and regard this as an important socio-political contribution. In 2011, we trained one employee in the real estate sector in the Frankfurt am Main office. In addition, students and pupils spend periods ranging from 2 to 6 months gaining an insight into various areas of our company and are entrusted with duties relating to everyday business. We offer university graduates the opportunity to embark upon a 12-month training programme following their studies, and we currently have three employees on this scheme. We also provide students with support for their Bachelor's dissertations or Master's theses. We view these programmes as important ways of acquiring well-qualified up-and-coming employees for our company.

BERLIN, BADENSCHE STRASSE:

Installation of a heat recovery system

Measures:

In 2010, some 3,000 sqm were developed and prepared for occupation by a new tenant within our property in Badensche Straße in Berlin, which was originally built in 1988. As part of this work, we installed an effective system for supplying fresh air and removing waste air at least three times per hour. The system also recovers heat.

Investment and benefits:

We use a system for air exchange, which – with the help of heat recovery – reduces the total amount of heating energy required by around 40 to 50%. The additional investment for the heat recovery system increases user comfort and reduces our tenant's operating costs to a minimum.

Flexible working hours

DIC Asset AG offers flexible working hours, particularly to support parents returning to work following parental leave. All part-time employees can therefore benefit from family-friendly working patterns. In 2011, one employee returned from parental leave. In 2011, there were six part-time employees in total (5% of a total of 127 employees). There were also six part-time employees in 2010 (6% of 110 employees).

Promoting open communication and fostering team spirit

In addition to the established tools for personal development, such as annual feedback reviews, we also place great value on promoting an open exchange amongst our employees, unimpeded by different hierarchical levels. As a general rule, it is important that our employees are able to approach their managers with questions or concerns at any time. There is regular cooperation between head office and the individual branches, with work groups working on projects together and sharing knowledge.

In order to support this form of shared work, we hold an annual event for our employees at which we use team-building activities to promote a sense of community and cohesion among our employees. We also participate regularly in the Frankfurt JP Morgan Corporate Challenge, with a large number of our employees taking part in this each year. In addition to the sporting elements of this event, the focus is also on values such as team spirit, communication, loyalty to colleagues, fairness and a sense of community.

Balanced employee structure

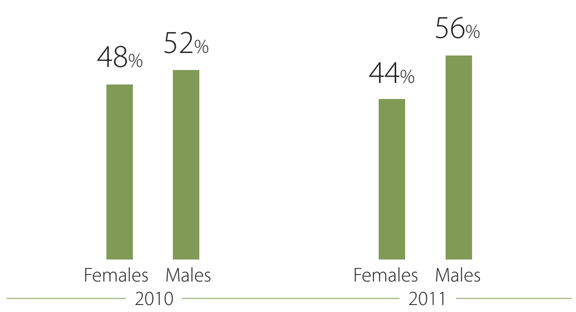
We have balanced proportions of male and female employees. At the end of 2011, 56% of our employees were male and 44% were female. At around 67%, the majority of our employees are aged between 31 and 50.

Absence rate reduced

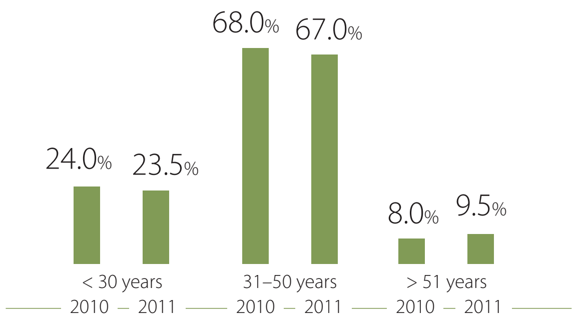
We are endeavouring through suitable measures to reduce the number of days lost due to sick leave. Following prolonged sick leave, we hold talks with the employees concerned when they return to work, in order to agree on specific prevention measures to minimise the probability of a repeated absence. The absence rate per employee has improved considerably, from an average of 6.9 days in 2010 to 6.1 days in 2011. This is the equivalent of an absence rate of 2.4% in 2011 (2010: 2,7%). Sick leave at DIC Asset AG is therefore much lower than the average figure for members of two major German health insurance companies; the average number of sick leave days among these members was 13.2 days in 2011, an absence rate of 5.2%*.

* DAK health report 2012 (www.presse.dak.de) and Techniker Krankenkasse (www.tk.de) health report 2011

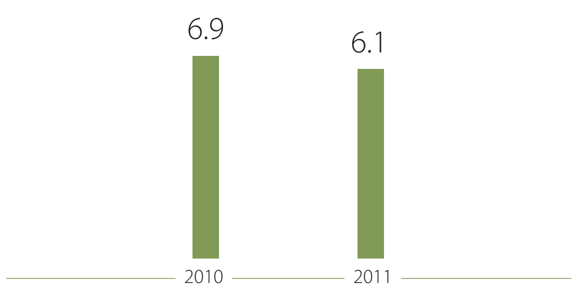
Proportion between female male employees



Age structure



Days of absence per employee



Staff turnover reduced to a minimum

In 2011, the staff turnover rate was around 8%. This good result is lower than the figure for 2010 and was mainly achieved by stepping up our personal development work, with clearly formulated job profiles, regular feedback and personal career prospects. There was also greater movement in 2010 as a result of our regional expansion phase, meaning that there was a strong focus on consolidating the organisation and on establishing standardised structures and tried-and-tested processes. This resulted in changes to job specifications in a number of areas and to responsibilities in everyday business.

New/leaving employees

	2011 *	2010 *
New employees	38	25
Leaving employees	10	38
Staff turnover in %	7,8	22,7

* adjusted, does not include parental leave

Absence

	2011	2010
Total days of absence	754	741
Ø days of absence per employee	6.1	6.9
Absence rate ** in %	2.4	2.7

* DAK health report 2012 (www.presse.dak.de) and Techniker Krankenkasse (www.tk.de health report) 2011

** Calculation: Absent days in the year/(total working days in the year multiplied by average number of employees in the year)

INVOLVEMENT AND MEMBERSHIPS

We are involved in associations and organisations in the sector, with the aim of embedding sustainability-related issues such as transparency, reporting and communication with investors in the real estate sector even more firmly. We are therefore a member of a number of organisations, including the German Property Federation (ZIA), the European Public Real Estate Association (EPRA), the German Investor Relations Association (DIRK), the Real Estate Share Initiative and the Corporate Governance Initiative of the German Real Estate Economy.

Involvement in establishing a sustainability code for the property industry

In 2011, we were involved in developing a Sustainability Code for the German real estate industry by the ZIA. This was published in September 2011 and, as a key element of the industry's code, includes the (self-imposed) obligation to compile a Sustainability Report and should form the basis of the verifiable measurement of corporate activities relating to sustainability.

Strengthening the interests of German real estate companies at a European level

The CEO of DIC Asset AG, Ulrich Höller, was elected to the Management Board of the European Public Real Estate Association (EPRA) in 2011 and, in this role, will represent the interests of the German real estate companies. In order to raise the European market profile of the listed real estate companies in Germany, the 2012 annual conference was held in Berlin.

DIC Investors' Day: meetings between investors and the industry

In October 2011, we organised an Investors' Day for the first time and invited investors, financial partners and individuals involved in the industry. The format for the event was panel discussions between opinion leaders in economics and politics, and, on the following day, a presentation specially for investors and analysts about the redevelopment of the MainTor district in Frankfurt. The direct dialogue with the Management Board and senior management, together with the opportunities for discussion with other delegates went down well. Since this Investors' Day was both successful and well received, we are planning to make this a regular event and to establish it as a fixed feature in the industry's calendar.

Supporting networking within the sector

Our involvement also includes sponsoring real estate conferences and major sector meet-ups (e.g. Quo Vadis, Real Estate Forum) to promote the exchange of experience and information within the sector and to profile DIC on the national and international stage.

PROPERTY-RELATED SOCIAL ACTIVITIES

As part of the local and regional community structures, we place great importance on the preservation and improvement of the social and cultural environment in the immediate vicinity of our properties and business locations. Some examples from 2011:

- We support economic initiatives such as the Frankfurt Rhine Main, the Rhine-Neckar metropolitan region and the Industriehof Frankfurt district initiatives. The aim of these initiatives is to improve perception of the advantages of the area through financial contributions or by providing human resources.

- We have been supporting the Butzweiler-Ossendorf initiative in Cologne since 2010. The aim was to finance construction work for better public transport links which would benefit our local tenants. The construction of the new 1.8 kilometre long line was made possible through a subsidy of EUR 5 million from local companies and property owners and a private cofinancing model that is unique throughout Germany. The new extension of line 5 opened in February 2011.

- We regularly sponsor cultural and artistic projects by making empty office and shop premises available for a specific period of time, thereby supporting campaigns and exhibitions. We also benefit from this, as it increases awareness of our properties.

- From June to October, MainTor served as a temporary exhibition site for the MMK Museum of Modern Art that was celebrating its 20th anniversary and was exhibiting part of its collection to more than 100,000 visitors. DIC was the main sponsor of the special anniversary exhibition "MMK 1991-2011. 20 Years of Presence". We made one of the buildings on the MainTor site available for this exhibition, thus providing an area of around 4,000 sqm over seven floors for the showcasing of a cross-section of contemporary art.

- As a Frankfurt-based company which also benefits from the diversity of the city, we generally support cultural life by sponsoring museums such as the Goethe Museum or the Klingspor Museum in Offenbach, as well as supporting up-and-coming young artists at Städel Schule Art College.

MMK MUSEUM FÜR MODERNE KUNST
FRANKFURT AM MAIN

Information about the MainTor project was displayesd in the Blue Room of the MMK art show

SUSTAINABLE SUCCESS

“GREEN ENERGY” PROJECT

The electric power supply for our properties is a key focus when we are devising our sustainability policy. In our properties, we are directly responsible for the use of the communal power supply (e.g. electric power for air conditioning and ventilation systems or lighting in communal areas). As one of the biggest commercial portfolio holders in Germany, we use approximately 17 GWh of communal electric power per year in order to operate our properties – the same amount of energy as would be required to keep one million 11-watt energy-saving lamps continuously lit for 17 months.

Our approach: Contract bundling and an electric power supply from renewable energy sources

In 2010, we decided that we would switch to electricity supply contracts which guarantee a power supply from renewable, environmentally friendly energy sources. The power is generated mainly in wind and hydroelectric power stations, by solar and photovoltaic systems and in geothermal power plants.

Since 2012, all our properties have been supplied with communal power from renewable energy sources. In the last two years, we have renewed several hundred separate contracts with more than 40 energy providers and have bundled these into framework agreements with three energy providers.

The changeover to sustainable energy not only protects the environment, but will also result in future cost-savings, thanks to the bundling of our purchase quantity. Operational processes will also become more efficient, since we have far fewer contractual partners. As a company, we are therefore supporting the environmentally friendly and carbon-neutral generation of electric power from renewable sources to the greatest possible extent, thus making a contribution towards the further development of sustainable electric power production.

Further untapped potential

The communal power supply is just one part of the total power requirement for a property – the majority of the electric power is consumed by our tenants who have individual contracts with electricity providers. Further significant potential for the protection of the environment by using electricity from renewable sources is therefore in the hands of our tenants.

We are happy to discuss energy consumption with our tenants and also encourage them to be energy-efficient in their use of electricity and to get their electricity from environmentally friendly sources. We therefore intend to share with them our experiences of both energy-efficient property management and the purchasing of electric power from renewable sources. This approach not only saves money thanks to increased energy efficiency, but also makes a contribution to a cleaner environment thanks to the use of electric power from renewable energy sources.

Contract bundling for gas supply

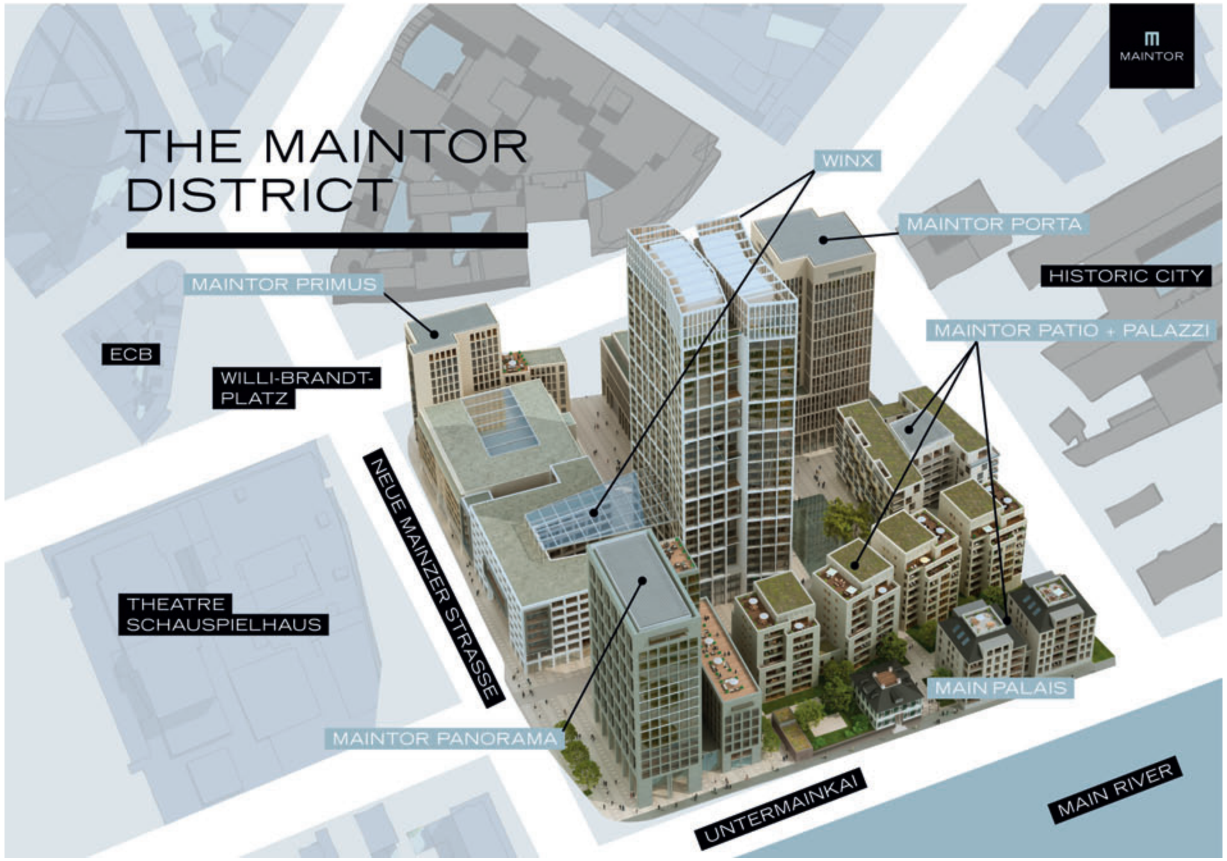
As a property owner and manager, DIC Asset AG assumes responsibility for the heating energy supply in most cases and allocates the costs incurred to the tenants. For reasons of efficiency, we have bundled the heat supply contracts into framework agreements for as many properties as possible. At present, this is the case for 73 properties supplied by gas with a total area of some 500,000 sqm where a total quantity of some 46 gigawatt hours is covered (average consumption 92 kWh/sqm).

By bundling contracts, we can streamline processes and secure lower costs, from which our tenants can also benefit.

MAINTOR – THE RIVERSIDE FINANCIAL DISTRICT - A SUSTAINABLE PROJECT DEVELOPMENT

THE GREEN BUILDING COMPLEX

DIC is constructing an open and lively quarter on one of the most attractive development sites in Frankfurt city centre. In the banking district located directly next to the Main river, three high-rise buildings are being constructed – the "WinX" at a height of around 110 metres and two other towers, each measuring some 65 metres. While the towers will be used almost entirely as office space, smaller residential buildings will supplement the variety of uses available to the site. Now, in late 2012, more than half the project volume has either already been marketed or is even being implemented. The buildings, which are being constructed in accordance with the latest Green Building Standards, form a district with a variety of urban uses, including offices, residential areas, retail units and restaurants, with space for approximately 3,000 workers and around 200 exclusive apartments. The MainTor project will enhance the part of Frankfurt's banking quarter that lies alongside the river Main, from both an architectural and an urban planning perspective.



MainTor: Sustainability from the planning phase through to use

Considerable importance was attached to the subject of sustainability right from the planning stage for the MainTor

site. Sustainable project development means consistently exploiting cost-saving potential, making optimal use of the available space, improving productivity and the quality of life for employees and the inclusion of the property's surroundings in considerations. If these aims are to be achieved, it is important to make the right decisions early in the planning phase. It is not only the developers who benefit from a modern, efficient and environmentally friendly property – it is above all the users of the building who reap the benefits.

Aiming for sustainability certification

The construction stage is to take account of numerous aspects relating to sustainability and will thus make the MainTor project one of the major sustainable development projects in Germany. We are aiming to achieve the top Green Building certificate from the German Sustainable Building Council, a DGNB gold certificate, for all of the commercial sub-projects in the MainTor district. Additional certification of the properties in accordance with the American LEED (Leadership in Energy and Environmental Design) criteria is also feasible.

MIPIM Award 2012: Best German Project

On 8 March 2012, at the annual MIPIM in Cannes, one of the world's largest real estate fairs with some 20,000 participants from 80 countries per year, the MainTor project won the MIPIM Award 2012 in the "Best German Project" category. The prize is further evidence of an extraordinary city-centre development and a premium quality project at the international financial centre in the heart of Frankfurt am Main.

DGNB certification

The DGNB certificate not only evaluates ecological, economic and socio-cultural aspects but also defines additional issues which must be considered when planning and constructing a sustainable building such as:

- Technical quality
- Process quality and
- Location quality

The DGNB certificate fundamentally analyses a building's entire lifecycle and distinguishes between a new building and an existing building. Having met the defined requirements, the building then receives a bronze, silver or gold award.

HISTORY OF THE MAINTOR SITE – THE BIRTHPLACE OF THE BANKING DISTRICT

1873:	Site where Degussa was founded as the "Deutsche Gold- und Silber-Scheideanstalt" with the first modern mint in Frankfurt am Main
from 1956:	Closed-off area, loss of important public access routes between the city and the river
from 1986:	Used solely as the Degussa/Evonik headquarters
2006:	DIC purchases the Degussa site together with Morgan Stanley
2007:	Agreement reached between the City of Frankfurt and DIC concerning the redevelopment of the MainTor site
2009:	Acquisition of the 50% stake from MSREF; DIC Asset now holds 40% share
2010:	Final decision about the future architecture of the two high-rise buildings WinX and MainTor Panorama as part of an international architectural competition
2011:	Sale of the first sub-project, MainTor Primus, in June In August, demolition of the entire site and the gutting of the Primus building started
2012:	Start of construction of MainTor Porta following conclusion of a tenancy agreement covering approximately 14,000 sqm with the main tenant Union Investment (70% pre-letting)
	MIPIM Award 2012: Winner in the "Best German Project" category
	Sale of MainTor Panorama and MainTor Patio before construction starts; approximately 50% of the total volume has therefore already been marketed well ahead of schedule.
	Start of marketing of MainTor Palazzi apartments

Ecological goals

Our aspiration for the MainTor project in terms of ecological sustainability is to find energy-saving, resource-protecting and environmentally compatible solutions for the construction and operation of the properties and to make full use of structural and technical optimisation potential. We have therefore focused on the requirements to achieve the highest sustainability standards from the earliest planning phases. For example, a specification for the energy-efficient use and future energy supply was drawn up at an early stage to define the specific energy targets for each building. This also incorporates the entire procurement process, including the manufacturing of construction materials, in the implementation phase. When selecting the companies to be involved in the construction work, we also ensure that the defined sustainability targets are met and check this constantly as the building work progresses.

MAIN APPROACHES

▷ Extensive recycling and responsible waste disposal

A total of around 320,000 cubic metres of existing buildings will be demolished on the MainTor site. We commissioned experienced companies for the demolition work, which involves reusing demolition materials as much as possible. Some 90 employees of our service providers, including a manager responsible for coordinating environmental issues, are responsible for the deconstruction of the entire site. Our service providers have an obligation to dispose of materials using environmentally compatible methods, including extensive recycling and the removal of hazardous substances.

▷ Saving energy

The MainTor buildings are to be fitted with natural stone façades with good heat insulation. 100 per cent of heating requirements met by cogeneration. Moreover, the intelligent building services system allows for efficient use of energy and water and keeps CO_2 emissions to a minimum level. We are setting ourselves the target of achieving figures which are more than 25% lower than those set by the current Energy Savings Ordinance (EnEV 2009).

▷ High efficiency of office space

We incorporate the latest spatial planning knowledge and use technical innovations for optimal use with highly efficient layouts. For example, access areas and shaft space were reduced to a minimum in an integrated planning process and the sizes of the weight-bearing structural elements needed for the structure were optimised. Thanks to the success of this planning process, our users can design and use their rental space far more efficiently.

▷ A high level of comfort and flexibility for the user

We use hybrid heating and cooling ceilings which offer maximum efficiency. The office user enjoys the dual benefits of lower costs and a healthy, pleasant environment in aesthetically pleasing rooms with a ceiling height of 2.75m and floor-to-ceiling windows which can be opened. External sun protection with individual controls and additional internal glare protection put the finishing touches to the quality of the room.

Advantages for the tenant

- Optimisation or reduction of ancillary leasing costs
- Enhanced sense of well-being and productivity for the building users
- Tenants benefit and make a contribution to the positive image of Green Buildings
- The location offers many options for sustainable mobility - including local public transport links, charging points for E-cars, cycle parks

PIONEERING SUSTAINABILITY CONCEPT MAINTOR

INSULATION

+ Minimising heat loss
+ Well insulated façade with triple-glazed windows (glass U-value: < 0.7 W/m²*K)

SOLAR PROTECTION

+ Minimising negative effects of sunlight
+ Solar protection on the building exterior
+ Sun shades reflect light into the room, maximising natural daylight
+ Minimising incoming heat in summer

NATURAL VENTILATION

+ Excellent natural ventilation through the windows
+ Openable elements in every second window section

COOLING

+ State-of-the-art highly effcient turbo chillers (COP > 6)
+ Hybrid heat exchanger / free cooling (COP > 20)
+ Adiabatic cooling system humidifies outgoing air to cool incoming air

HEATING

+ Energy-effcient district heating
+ Good primary energy factor of 0.687
+ 100 per cent of heating requirements met by cogeneration
+ Efficient recovery of waste heat and moisture

HEATING/COOLING/ACOUSTICS

+ Highly responsive thermally activated chilled and heated ceilings
+ Pleasant indoor environment and good acoustics

MECHANICAL VENTILATION

+ Excellent ventilation, pleasant indoor environment
+ Up to 90 per cent of waste heat and 75 per cent of waste moisture recovered
+ Ventilation is operated on a room-by-room basis; automatic activation based on carbon dioxide levels
+ Energy-saving IE3 fans
+ Variable frequency transformer

LIGHTING

+ Minimal use of artificial lighting thanks to maximum use of natural daylight
+ Energy-saving LED lights
+ Daylight-/motion-controlled lights

PHOTOVOLTAIC TECHNOLOGY (OPTIONAL)

+ Electricity for cooling, pumping and control systems generated by photovoltaic system

WATER CONSUMPTION

+ Urinals with one-litre flush
+ Water-saving taps
+ Hot water in bathroom washbasins optional; grey water can be used to flush toilets

Economic goals

Added value data

- Available space increased from 64,000 sqm to 108,000 sqm (+40% space gained)
- Urban district development in a completely unique riverside setting
- Positioning as premium space in the banking quarter
- Excellent variety of urban uses with areas for premium apartments in addition to the main use of office space, as well as restaurant and retail areas

IMPLEMENTATION IN SUB-PROJECTS ONCE LET

The MainTor project is being planned and implemented as six self-contained sub-projects covering areas of between 5,500 and 28,000 sqm. All sub-projects will only be implemented once sufficient pre-letting levels have been achieved – i.e. not speculatively. Thanks to the wide range of sizes and various letting levels that we offer, our properties appeal to a much wider circle of potential tenants. By implementing separate sub-projects, we shall avoid the fundamental risks of a large-scale, interdependent development in terms of both construction, letting and marketing.

SOLID FINANCING

Solid and attractive land financing has been in place for the entire site for some time now. With the pre-letting and the start of the implementation phase for individual sub-projects, we will enter into separate, long-term project funding agreements in each case which will replace the land financing.

NOTABLE PROGRESS IN MARKETING

We sold the first sub-project, MainTor Primus, to a private investor as part of a forward deal in the summer of 2011. As a result of this, we were able to give the go-ahead for the demolition work and the first construction phase. At the beginning of 2012, we achieved additional significant progress through the major lease of the MainTor Porta sub-project to Union Investment. The future anchor tenant will rent some 14,000 sqm long-term (approximately 70% of the lettable area). In the third quarter of 2012, we sold the sub-projects MainTor Panorama and MainTor Patio to Nordrheinische Ärzteversorgung Westfalen-Lippe before construction started for some EUR 150 million. Recently, the sale for the approximately 100 condominiums of MainTor Palazzi started.

GOOD PROGRESS REDUCES PROJECT RISK

At EUR 340 million, more than half the buildings in the quarter have already been marketed and are in the implementation phase, well ahead of schedule. To date, the demolition and construction work has progressed both on schedule and on budget. In order to prevent financial risks, we attach great importance to constant controlling during the project planning and implementation phases. DIC Asset AG holds a 40% share in the project as a whole.

Social targets

With the MainTor project, we are aiming to improve the urban development and socio-cultural situation, with due respect for the built-up shared environment and incorporation of the historical and cultural heritage.

OPENING UP A CLOSED-OFF DISTRICT

The site, in its unique riverside position within the banking district, was inaccessible to the public for decades, but is now being opened up, thereby enhancing both the entire city and the city centre. Traditional routes between the old town, the riverside and the banking district are now being resurrected. The result is the much-sought-after amalgamation of riverside living and working – thanks to the combination of office space, shops, culture, lifestyle and residential areas.

LOOKING AFTER THE FEATURES FOR PRESERVATION

In cooperation with the Office for Historical Monuments and the Historical Museum, all of the structural features worthy of preservation have been identified and ways in which they can be dismantled and preserved have been determined. The most prominent feature is Frankfurt's historic stone statue of the "Metallgießer" (metal caster). This was carefully removed by experts prior to the start of the demolition work and has been restored and preserved. As part of the construction work, it will be reintegrated in the new façade at its historic location. Other objects to be preserved include the historic keystone in the archway, remains from the façade of the laboratory building and the Mägdelein fountain.

PROTECTION FOR LOCAL RESIDENTS

To ensure that the process runs smoothly and causes as little disruption as possible to local residents and pedestrians, we have developed a comprehensive construction management concept:

- ▷ Reducing noise, dirt and debris to a minimum:
  This concept has been jointly developed with the TÜV Hessen (Technical Control Association in the State of Hesse) and aims to minimise the problems of noise, dirt and debris, particularly for local residents. The demolition time required was minimised significantly as a result. Furthermore, the site is intended to be a daytime-only site.

- ▷ Carefully planned building demolition:
  Only in the final stage will the eastern building nearest the city centre be demolished, so that it can serve as a natural sound barrier for the city for as long as possible.

- ▷ Logistics planned in minute detail:
  We have commissioned an engineering company specialising in construction logistics to develop an optimised plan for transport logistics and to supervise its implementation. The plan includes, for example, barrier-free and traffic-light-controlled crossings to separate construction site traffic from pedestrian areas as far as possible.

- ▷ Publicity campaign:
  DIC has launched an extensive publicity campaign to ensure that the citizens of Frankfurt are constantly kept updated about what is happening in the centre of their city. Information will be provided by means of a dedicated website, press releases, information on the hoardings around the site and the magazine "The Riverside". People who live and work in the immediate vicinity have also been kept informed about all stages of the project by means of face-to-face meetings, information events and letters. A hotline is also available.

MainTor district:
well-connected to all means of transport

WASTE MANAGEMENT

First step: a waste concept that reduces costs

In 2010, we bundled the waste collection service for 13 of our properties in Frankfurt and the surrounding area into a single contract with one private-sector service provider. By managing journeys intelligently, among other things, we were able to cut our controllable costs by more than 70% (a total of around EUR 113,000).

On the basis of the pilot project in the Rhine-Main area, we have decided to bundle waste disposal for our properties in North Rhine-Westphalia with one disposal company as much as possible. We are keen to introduce sustainable practices here too and exploit any potential for reducing costs for our tenants.

Comprehensive analysis and optimisation programme planned

However, waste management is about more than just the management of waste disposal – it is also about separating waste as much as possible and the optimal utilisation of waste in the interests of sustainability. During the course of 2012 and 2013, our aim is therefore to analyse the individual waste processes for our properties – from waste separation and disposal to collection by a waste disposal company – and to optimise this step by step. We want to raise our tenants' awareness of waste management issues and lay the foundations which will enable our tenants to separate their waste in an environmentally friendly way. We further aim to reduce our tenants' waste disposal costs: approaches ranging from the intelligent planning of the intervals between collections to requirement-based collections offer the dual benefits of reduced costs and a more environmentally friendly process.

SUSTAINABILITY IN THE EXISTING PROPERTY PORTFOLIO

The efficient and environmentally friendly management of our existing properties is of great interest both for us and for our tenants. We are constantly in discussion with our tenants regarding the economical consumption of energy and show them opportunities for optimising their consumption. We combine processes and operations, such as the energy supply, waste disposal and maintenance measures, in terms of their logistics, to ensure that an efficient and, at the same time, highly cost-effective service can be provided. Many of our properties are located in close proximity to public transport and can therefore be easily accessed by our tenants´ employees.

For many years, we have been continuously increasing investment in the portfolio with the aim of modernising and increasing the efficiency of our properties and making them more attractive to tenants. In 2011, we invested a total of EUR 15.3 million in our portfolio. Further details of a number of these investments are provided at various points of this report.

SELF-ASSESSMENT ACCORDING TO GRI APPLICATION LEVEL

The guidelines of the Global Reporting Initiative (GRI) are internationally recognised guiding principles for sustainability reporting. They propose reporting principles and specific contents designed to increase the comparability of company reports and to improve the quality and accuracy of these reports.

GRI aims to continuously develop and improve its guidelines. The current valid framework G3.1 is complemented by sector-specific principles and indicators in order to improve reporting and measuring performance of individual industries.

We have used the G3.1 guidelines and supplement for the construction and real estate sector (CRESS) for measuring our economic, ecological and social performance. We rate our own performance when it comes to meeting the GRI guidelines as Level C.

	Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures (Output)	Report on 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report externally assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report externally assured	Same as requirement for Level B	Report externally assured
	G3 Management Approach (Output)	Not required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators (Output)	Report on a minimum of 10 Performance Indicators inkluding at least one from each of: Economic, Social und Environmental		Report on a minimum of 20 Performance Indicators inkluding at least one from each of: Economic, Environmental, Human Rights, Labor, Society, Product Responsability		Report on each core G3 and Sector Supplement with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission	
		DIC Asset AG					

G3.1 CONTENT INDEX - CONSTRUCTION AND REAL ESTATE SECTOR SUPPLEMENT

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Appendix	EPRA
1.	**Strategy and Analysis**				
1.1	Statement from the most senior decision-maker of the organization.	■■	page 2		
1.2	Description of key impacts, risks, and opportunities.	■■	pages 2-12		
2.	**Organizational Profile**				
2.1	Name of the organization.	■■	DIC Asset AG		
2.2	Primary brands, products, and/or services.	■■	pages 4, 9		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	■■	pages 4, 9, AR pages 26-27		
2.4	Location of organization's headquarters.	■■	Eschersheimer Landstr. 223, 60320 Frankfurt am Main, Germany		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	■■	1 country, page 4		
2.6	Nature of ownership and legal form.	■■	German public limited company		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	■■	AR pages 11-18		
2.8	Scale of the reporting organization.	■■	pages 4		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	■■	pages 8-11, AR pages 11-25		
2.10	Awards received in the reporting period.	■■	LACP Vision Award Top 20 worldwide, 1st place in sector real estate		
3.	**Report Parameters**				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	■■	Environmental consumption data from 2009-2011, Economic and social data from 2010-2011		
3.2	Date of most recent previous report (if any).	■■		(1)	
3.3	Reporting cycle (annual, biennial, etc.)	■■	Annual	(1)	
3.4	Contact point for questions regarding the report or its contents.	■■	Peer Schlinkmann and Immo von Homeyer (see page 60)		
3.5	Process for defining report content.	■■	pages 6-7		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	■■	page 6		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	■■	page 6, appendix on page 46		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	■■	see AR notes pages 99-107, 119-120		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	■■	pages 23-31, 47-57		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such restatement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	■■	pages 23-24	(1)	

Profile Disclosure	Description	Reported	Cross-reference/Direct answer	Appendix
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	■■	pages 23-24	
3.12	Table identifying the location of the Standard Disclosures in the report.	■■	pages 47-57	
3.13	Policy and current practice with regard to seeking external assurance for the report.	■■	self-assessed to be GRI-level C	
4.	**Governance, Commitments and Engagement**			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	■■	pages 11-12, AR pages 110-118	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	■■	pages 11-12, AR pages 110-118	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	■■	n.r., dual management structure (see AR page 112)	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	■■	pages 13-17, AR pages 7-9	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	■■	AR pages 113-115	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	■■	AR pages 112-113	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	■■	AR pages 111-113	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant toeconomic, environmental, and social performance and the status of their implementation.	■■	pages 2-7	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	■■	pages 2, 5-7, AR pages 39, 59-62	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	■■	AR pages 116-118	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	■■	AR pages 48-54, 59-62	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	■■	pages 7, 35	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	■■	pages 7, 35	
4,14	List of stakeholder groups engaged by the organization.	■■	pages 13-17	
4.15	Basis for identification and selection of stakeholders with whom to engage.	■■	pages 13-17	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	■■	pages 13-17	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	■■	pages 13-17	

Notes

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

	Description	Reported	Cross-reference/Direct answer	Appendix
DMA EC	**Disclosure on Management Approach EC (Economic)**	■■	**pages 19-22**	
Aspects	Economic Performance	■■	pages 3, 19-22	
	Market presence	■■	page 4	
	Indirect Economic Impacts	□	n.a.	
DMA EN	**Disclosure on Management Approach EN (Environmental)**	■■	**page 23-31**	
Aspects	Materials	■	pages 42-47	
	Energy	■■	pages 23-31	
	Water	■■	pages 23-31	
	Biodiversity	□	n.a.	(2)
	Emissions, effluents and waste	■	page 45	
	Land Degradation, Contamination and Remediation	□	n.a.	
	Products and Services	■	page 45	
	Compliance	■■	AR pages 111-113	
	Transport	■	page 30	
	Overall	■	page 45	
DMA LA	**LA Disclosure on Management Approach LA (Labor Practices and Decent Work)**	■■	**pages 32-35**	
Aspects	Employment	■■	pages 32-35	
	Labor/management relations	■■	pages 32-35	
	Occupational Health and Safety	■■	page 34	
	Training and Education	■■	pages 15, 33-34	
	Diversity and equal opportunity	■■	pages 32-35	
	Equal remuneration for women and men	□	n.a.	
DMA HR	**Disclosure on Management Approach HR (Human Rights)**	■		
Aspects	Investment and procurement practices	□	n.r.	(3)
	Non-discrimination	■■		(4)
	Freedom of association and collective bargaining	■■		(4)
	Child labor	■■		(4)
	Prevention of forced and compulsory labor	■■		(4)
	Security Practices	□	n.r.	(3)
	Indigenous rights	■■		(4)
	Assessment	□	n.r.	(3)
	Remediation	■■		(4)

Notes

	Description	Reported	Cross-reference/Direct answer	Appendix	EPRA
DMA SO	Disclosure on Management Approach SO (Society)	■■	pages 11-18		
Aspects	Local unities	■	pages 35-36, 44		
	Corruption	■	AR pages 48-54		
	Public policy	■■	page 35		
	Anti-competitive behavior	■■	pages 13-18	(4)	
	Compliance	■■	pages 13-18	(4)	
DMA PR	Disclosure on Management Approach PR (Product Responsibility)	■■	pages 2-6		
Aspects	Customer health and safety	■		(4)	
	Product and service labelling	■■	pages 14, 38-39		
	Marketing unications	□	n.r.		
	Customer privacy	■■		(4)	
	Compliance	■■		(4)	

STANDARD DISCLOSURES PART III: Performance Indicators

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Apprendix	EBRA
ECONOMIC					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	■■	page 3	(5)	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	□	n.a.		
EC3	Coverage of the organization's defined benefit plan obligations.	□	n.a.		
EC4	Significant financial assistance received from government.	□	n.a.		
Market presence					
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	□	n.a.		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	□	n.a.		
EC7	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	■■		(9)	

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix	EPRA
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	■	pages 35-36		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	■	pages AR 48-54		
ENVIRONMENTAL					
Materials					
EN1	Materials used by weight, value or volume.	□	n.a.		
EN2	Percentage of materials used that are recycled and reused input materials.	■	pages 41-42		
Energy					
EN3	Direct energy consumption by primary energy source.	■	pages 23-31		■■
EN4	Indirect energy consumption by primary source.	■	pages 23-31		■■
CRE1	Building energy intensity.	■■	pages 23-31	(6)	■■
EN5	Energy saved due to conservation and efficiency improvements.	■	case studies "sustainability in the existing property portfolio" on pages 5, 6, 12, 15 ,16, 17, 22, 31, 33		
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	■	pages 23-31, 37-45		■■
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	■	pages 23-31, 37-45		
Water					
EN8	Total water withdrawal by source.	■	pages 23-31		■■
EN9	Water sources significantly affected by withdrawal of water.	□	n.a.		
EN10	Percentage and total volume of water recycled and reused.	□	n.a.		
CRE2	Building water intensity.	■■	pages 23-31	(6)	■■
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	□	n.a.	(2)	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	□	n.a.	(2)	
EN13	Habitats protected or restored.	□	n.a.	(2)	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	□	n.a.	(2)	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	□	n.a.	(2)	

Notes

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix	EPRA
Emissions, effluents and waste					
EN16	Total direct and indirect greenhouse gas emissions by weight.	■	pages 23-31	(7)	■■
EN17	Other relevant indirect greenhouse gas emissions by weight.	■	pages 23-31	(7)	■■
CRE3	Greenhouse gas emissions intensity from buildings.	■■	pages 23-31	(7)	■■
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	□	n.a.		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	■	page 37		
EN19	Emissions of ozone-depleting substances by weight.	□	n.a.		
EN20	NOx, SOx, and other significant air emissions by type and weight.	□	n.a.		
EN21	Total water discharge by quality and destination.	■	pages 26-29		
EN22	Total weight of waste by type and disposal method.	□	n.a.		■■
EN23	Total number and volume of significant spills.	□	n.a.		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	□	n.a.		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	□	n.a.		
Land Degradation, Contamination and Remediation					
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	□	n.a.		
Products and services					
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	■	case studies "sustainability in the existing property portfolio" on pages 5, 6, 12, 15, 16, 17, 22, 31, 33		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	□	n.r.		
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	■■		(4)	
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	■	page 30		
Overall					
EN30	Total environmental protection expenditures and investments by type.	■	page 45, case studies "sustainability in the existing property portfolio" on pages 5, 6, 12, 15, 16, 17, 22, 31, 33		

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix	EPRA

SOCIAL: LABOR PRACTICES AND DECENT WORK

Employment

LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	■■	pages 32-35		
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	■■	pages 32-35		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	□	n.a.		
LA15	Return to work and retention rates after parental leave, by gender.	■■	page 34		

Labor/management relations

LA4	Percentage of employees covered by collective bargaining agreements.	□	n.r.		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	■■	We inform our staff regularily and early about changes regarding personnel, management and organisational issues		

Occupational health and safety

LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	□	n.r.		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	■■	page 34	(8)	
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	□	n.a.		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	■■	pages 33-35		
LA9	Health and safety topics covered in formal agreements with trade unions.	□	n.r.		

Training and education

LA10	Average hours of training per year per employee by gender, and by employee category.	■	page 33		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	■	page 33		
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	■■	pages 15, 33		

Diversity and equal opportunity

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	■■	page 33, AR pages 108, 112-113		

Equal remuneration for women and men

LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	□	n.a.		

Notes

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix
SOCIAL: HUMAN RIGHTS				
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	□	n.r.	(3)
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	□	n.r.	(3)
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	□	n.r.	(3)
Non-discrimination				
HR4	Total number of incidents of discrimination and actions taken.	■■		(4)
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	■■		(4)
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	■■		(4)
Prevention of forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	■■		(4)
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	□	n.r.	(3)
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	■■		(4)
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	□	n.r.	(3)
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	■■		(4)

Notes

SOCIAL: SOCIETY

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix
Local unities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	□	n.a.	
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	■	pages 35-40, 42-47	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	■	pages 35-36, 38-44	
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	■■		(4)
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	■■	AR pages 48-54	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	□	n.a.	
SO4	Actions taken in response to incidents of corruption.	■■		(4)
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	■■	pages 35	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	□	n.a.	
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	■■		(4)
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	■■		(4)

Notes

Performance Indicator	Description	Reported	Cross-reference/Direct answer	Appendix
SOCIAL: PRODUCT RESPONSIBILITY				
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	□	n.a.	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	■■		(4)
Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	■■		(10)
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	■	pages 42-45	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	■■		(4)
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	■■	pages 19	
Marketing unications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	□	n.r.	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	□	n.r.	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	■■		(4)
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	■■		(4)

Notes

Explanations/Abbreviations

■■	fully reported
■	partially reported
□	not reported
■■	EPRA Best Practice Recommendations on Sustainability Reporting
CRE	Real estate sector-specific key performance indicators
n.r.	not relevant
n.a.	not available
AR	Annual report 2011

Appendix

(1) First Sustainability Report published on 15 March 2012, in the future reports will be published in the second half of the year

(2) Currently DIC Asset does not own any assets in or adjacent to protected areas

(3) We do not report on this item (and do not intend to do so in future) as the disclosures prescribed by the GRI guidelines do not apply to our business model. As it focuses exclusively on the German real estate market, DIC Asset AG has not concluded any specific contracts containing human rights clauses. Furthermore, Germany as a country guarantees the most internationally recognised human rights.

(4) No incidents known

(5) Please also note the information and statements in our annual report 2011

(6) Building energy intensity calculation: total annual energy consumption in kWh divided by total floor area (sqm); no further adjustments have been made. Building water intensity calculation: total annual water consumption in m^3 divided by total floor area (sqm); no further adjustments have been made.

(7) Emission factors based on GEMIS database version 4.6 and the report by the Institute for Applied Ecology "Bestimmung spezifischer Treibhausgas-Emissionsfaktoren für Fernwärme" ["Calculating specific greenhouse gas emission factors for district heating"]

(8) Absentee rate: 754 lost days/254 total working days per year x 121.5 average number of employees during the period 2011 x 200,000 = 4,886

(9) DIC Asset AG does not have a regional recruitment policy. In recruitment, we focus on applicants' professional suitability for the role to be filled regardless of which region they come from.

(10) We comply with all disclosure obligations in accordance with statutory requirements in our respective business areas and provide the necessary product and service information.

GLOSSARY

CO_2
Carbon dioxide is a chemical compound of carbon and oxygen and is one of the main and best-known greenhouse gases. It is produced in particular during the combustion of fuels containing carbon, such as fossil energy carriers, e.g. coal, natural gas or crude oil.

CO_2e = carbon dioxide equivalent
To be able to quantify all greenhouse gas emissions using a single value, the impact on the climate of gases such as methane and nitrous oxide are converted into that for carbon dioxide. This value is termed carbon dioxide equivalent (CO_2e).

Co-investments
Comprises the investments in which DIC Asset AG has a minority interest. These include co-investments in special funds and joint venture investments.

Commercial portfolio
The commercial portfolio comprises the direct real estate investments (investment properties) of DIC Asset AG. Real estate in this portfolio is fully consolidated under the balance-sheet item "investment property".

Corporate Governance
Rules for sound, responsible business management geared towards management in line with values and standards in accordance with shareholders and other interested groups. The annual declaration of conformity of the management to the German Corporate Governance Code provides a tool to assess Corporate Governance.

CRESS (Construction and Real Estate Sector Supplement)
Sector-specific supplement to the current GRI Guidelines aimed at companies within the construction and real estate sector. In addition to general performance indicators, these also include sector-specific performance indicators.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) [German Sustainable Building Council]
The DGNB is a non-profit, non-governmental organisation whose task is to develop and promote approaches and solutions for sustainable planning, construction and the use of buildings. At the centre of its work are the composition and development of a certification system for sustainable buildings as well as the awarding of a certificate for the quality levels of gold, silver and bronze.

DIRK (Deutscher Investor Relations Verband e.V.) [German Investor Relations Association]
The DIRK is the German professional association for investor relations. With over 350 members, the DIRK sets the standards for the communication between companies and the capital market.

Energy Savings Ordinance (Energieeinsparverordnung – EnEV)
The Energy Savings Ordinance in Germany lays down standard requirements in structural engineering for developers and owners in order to ensure efficient energy consumption in buildings and construction projects. It applies to residential property, offices and certain industrial premises.

EPRA (European Public Real Estate Association)
The European Public Real Estate Association (EPRA) is an organisation based in Brussels, which represents the interests of major European real estate companies in public and supports the European real estate corporations' development and market presence.

FFO (Funds from Operations)
Operating income from property management, before depreciation, tax and before profits from sales and development projects.

GHG Protocol
The GHG Protocol defines the basic principles of relevance, completeness, consistency, transparency and precision that underpin the recording of CO_2 emissions. It is based on principles of financial reporting. Emissions are divided into three so-called scopes.

Scope 1 covers all emissions generated directly through combustion in a company's own facilities. Scope 2 covers emissions generated by energy bought in (e.g. electricity, district heating). Scope 3 covers emissions from services performed by third parties.

GRI (Global Reporting Initiative)
The Global Reporting Initiative is seen as a continuous international dialogue, involving a wide range of different stakeholders. It was founded in 1997, and its vision was to provide the foundation for transparent, standardised and comparable sustainability reporting on the global economy's economic, ecological and social performance. Its guidelines are

designed to promote sustainable global development while helping companies/organisations to prepare sustainability reports with a voluntary framework for reporting.

G3.1 guidelines
The current G3.1 guidelines serve as quality assurance in the preparation of sustainability reports. The reporting framework including the guidelines sets out the principles and indicators that the organisations can use to measure their economic, ecological and social performance.

ISA (International Sustainability Alliance)
The International Sustainability Alliance links different companies in the real estate business worldwide which jointly address the question of how sustainable construction can be better achieved in future. To this end, the ISA gathers reliable data on commercially used buildings at national and international levels.

Joint venture
Real estate investments with strategic financial partners in which DIC Asset AG has a minority interest. Part of the co-investments portfolio. Shares in these investments are consolidated as associated companies in accordance with the equity method.

LEED (Leadership in Energy and Environmental Design)
LEED is a US classification system for environmentally friendly construction developed by the US Green Building Council in 1998. It defines a series of standards for environmentally-friendly and sustainable building practices which protect resources. Points are awarded for individual criteria on the basis of a comprehensive evaluation. The overall result determines the level of certification awarded: Certified, Silver, Gold or Platinum.

Net asset value (NAV)
Represents the intrinsic value of a company. The net assets are calculated as the balance of the current value of the assets minus the liabilities.

Renewable energy sources
Renewable energy comes from sources which renew themselves within a short period of time or whose use does not contribute to the depletion of the resource and which are therefore considered to be particularly sustainable resources. They include, in particular, hydropower, wind energy, solar radiation (solar energy) and geothermal energy.

Stakeholder
Stakeholders are generally people or groups with different requirements or interests in the corporate process or result, business sector or project. The distinction can also be made between internal stakeholders (employees, proprietors) and external stakeholders (business partners, tenants, service providers, the public).

Sustainability
Sustainability means achieving a balance between economic, ecological and social aspects, which is also compatible with business targets, as well as safeguarding resultant values and future potential for all current and future stakeholders and generations.

ZIA (Zentraler Immobilien Ausschuss) [German Property Federation]
The ZIA represents the interests of the real estate industry in Germany in terms of regulation and economic policy.

Units of measurement

– kWh/year	Kilowatt hours per year
– kWh/sqm/year	Kilowatt hours per square metre per year
– m^3/year	Cubic metres per year
– m^3/sqm/year	Cubic metres per square metre per year
– $kgCO_2e$/year	Kilograms of carbon dioxide equivalent per year
– $kgCO_2e$/sqm/year	Kilograms of carbon dioxide equivalent per square metre per year
– kWh/employee/year	Kilowatt hours per employee per year
– kWh/work place/year	Kilowatt hours per work place per year
– m^3/employee/year	Cubic metres per employee per year
– m^3/work place/year	Cubic metres per work place per year

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Forward-looking statements
This annual report contains statements that refer to future developments. Such statements constitute assessments that have been taken in the light of the information available. Should the assumptions on which they are based not prove accurate, or should – as specified in the section entitled risk report – risks occur, the actual results may differ from those anticipated.

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