DIC · ASSET
AKTIENGESELLSCHAFT

Q1

INTERIM REPORT Q1/2010

Mannheim, Dynamostraße

KEY FIGURES

Key operating figures in EUR million	Q1 2010	Q1 2009	Change
Gross rental income	31.7	33.2	-5%
Net rental income	29.0	31.2	-7%
Profit on disposal of properties	1.5	4.4	-66%
Total revenues	38.4	43.7	-12%
Funds from Operations (FFO)	10.9	10.2	+7%
EBITDA	25.3	27.5	-8%
EBIT	17.6	20.2	-13%
EBDA	10.5	9.9	+6%
Profit for the period	2.8	2.6	+8%
Investment	8,6	35,6	-76%

Balance sheet data in EUR million	31.03.2010	31.12.2009	Change
Equity ratio in %	25.4	24.0	+6%
Investment property	2,023.0	2,024.2	0%
Debt	1,684.5	1,682.7	0%
Total assets	2,257.9	2,213.4	+2%

Per share in EUR	Q1 2010	Q1 2009	Change
FFO	0.35	0.34	+3%
EBDA	0.34	0.33	+3%
Basic/diluted earnings	0.09	0.09	0%

CONTENT

The Management Board of DIC Asset AG (from left): Markus Koch, Ulrich Höller, Dr. Jürgen Schäfer

Dear Shareholders, Business Partners, Employees and Friends,

Anybody wishing to attract new capital in these times has to convince investors with a stable business model and attractive prospects. We are delighted that our shareholders have expressed their trust in DIC Asset AG across a broad front. We view the substantial participation in the capital increase in March 2010 as a mandate to continue along our previous course with a clear idea of where we are going and the sound policies that will take us there.

Our shareholders have invested in a business model that generates attractive profits with reliable earnings even during the crisis. We generated a sound result in the first quarter of 2010 even though conditions remained difficult:

- FFO increases to EUR 10.9 million
- Below the line there is an improved positive profit of EUR 2.8 million
- Net financing costs improved considerably again, by 9%

The aim of our capital measure was to be well prepared in good time to take advantage of opportunities as the market picks up. Having consolidated our financial position, we are now preparing the next steps in the development of DIC Asset AG. New investments are a perfectly matched addition to our portfolio and will reinforce our three key factors for success:

1. A balanced portfolio to provide crucial stability
Balance and resilience characterise our portfolio. To achieve balance, we invest both in top quality portfolio properties and in more management intensive properties, which offer more opportunity for attractive returns. The fact that investment is focused across a number of economically prosperous regions and varied tenant groups from a range of sectors provides additional security.

2. Value is added from our own resources
We add value to our investments through our persistence, endurance and tried and tested concepts. We have developed resources in the DIC Group to allow us to boost the earnings power of our properties through our own efforts. To this end, some 100 staff are employed in property management in our branches and they are supported by an experienced team in project developments and repositioning properties.

3. Sound financial structure

Our cautious financing policy provided the foundation for DIC Asset AG's reliable course – even in the last two turbulent years. At portfolio level, our financing is long-term in its focus, meaning that we can keep to our course despite short-term changes in the market. At the same time, we ensure that we have sufficient flexibility to always keep entrepreneurial options open - by postponing sales to times when conditions are better, for example.

We shall take a fair degree of optimism into the challenging months ahead from the successful capital increase and the encouragement of our shareholders. Our sector is facing further difficult months ahead. The letting market reacts with some delay to changes in the economy – while the worst may be over in other sectors, the real estate sector must actively counter falling demand in the face of fierce competition.

We are prepared for these challenges and aim to achieve our targets quietly and with perseverance in 2010, and consequently to achieve good profits. Thereby, we have the following priorities:

- Securing income through effective property management will remain our most important activity in 2010. This will secure long-term robust cash flows and generate the basic return for our shareholders.
- We shall extend our activities by launching funds. This will allow us to address a new group of investors and to add recurrent earnings from investment and real estate management to our income base.
- We ensure that we retain our lean corporate structure. Efficient administration, which ensures lower ancillary costs for tenants, leads to satisfied tenants and increases tenant loyalty. Our shareholders also benefit from this with good returns.

At this point, we should also like to thank our shareholders for the trust that they have placed in our company over many years and recently reiterated. We are confident that we shall be able to report good news from both our tried and tested activities and new activities in 2010.

Yours sincerely,

Ulrich Höller   Markus Koch   Dr. Jürgen Schäfer

GENERAL ECONOMIC CONDITIONS

A brief pause in the economy's path to recovery

The recovery in the German economy stuttered temporarily during the 2009/2010 winter: in the first quarter of 2010, gross domestic product probably stagnated at the level of the previous quarter, having been affected by the severe winter, among other things. In principle, however, the trend in the German economy is likely to be positive in 2010, since a rise in incoming orders and the sentiment indicators are sending out positive signals. However, risks continue to exist, most notably with regard to the stability of some EU member states.

A spring revival on the employment market

The employment market is still characterised by a high degree of stability, which is encountering economy-related improvements in spring 2010. In April 2010, the number of unemployed fell by some 160,000 to 3.4 million compared with the previous month, which equates to an unemployment rate of 8.1%. Compared with the previous year, there were some 180,000 fewer people out of work at the end of April 2010.

Interest rate policy remains expansionary

The key interest rate for the euro zone has remained unchanged on 1.0% since May 2009. Banks continue to be very hesitant in granting loans to companies; irrespective of the economic situation, this reluctance is also based on the continuing necessity of stabilising the supply of credit. The ECB is therefore likely to retain its expansionary interest rate policy until further notice and – if possible – initially abandon its extraordinary measures to supply liquidity to financial institutions.

Leasing market emits its first positive signals

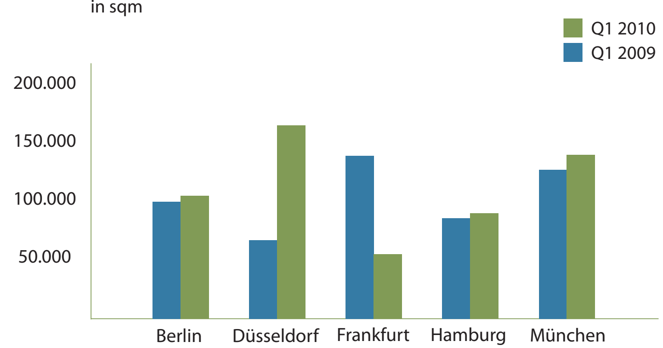
For the first time in six quarters, there was an increase in the total space let in the major office locations, namely Berlin, Düsseldorf, Frankfurt, Hamburg and Munich. Analysts from the leading estate agents reported a letting volume of around 550,000 sqm, which equates to an increase of some 18% on the previous quarter. Gains were achieved in all locations with the exception of Frankfurt. At the same time, peak rentals were slightly down on the figure for the previous year. Vacancy rates increased because of the amount of new space coming onto the market in all cities. In the first quarter, the number of completions fell – with regional differences – by some 10% overall. In 2010, completion volume is expected to match the level of the previous year, with more than one third having already been pre-let.

Letting conditions, however, remain difficult

At present, companies in regional markets have very little enthusiasm for moving despite surplus supply and the various incentives offered. Uncertainty regarding economic growth is a contributory factor here, as is the alternative of being able to conclude short-term, attractive extensions to tenancy agreements. At present, forecasts of the annual leasing result scarcely seem possible because of various factors – the aftermath of the financial crisis, stability of EU member countries, termination of economic stimulus packages. However, the employment market should continue to serve as a reliable stabilisation factor. Further economic recovery remains a precondition for a positive trend on the letting market.

Letting volume January to March

in sqm



Activity on the transaction market picks up once more

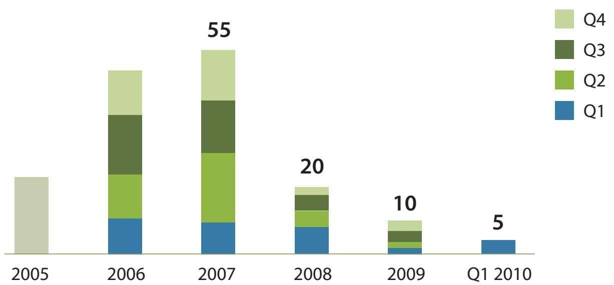
The investment market enjoyed a stronger start in the new year and closed the first quarter of 2010 with a transaction volume of around EUR 5 billion. Compared with the previous quarter, growth amounted to almost EUR 2 billion. Interest was focused on retail properties with a volume of around EUR 3 billion. For the first time in a long time, several large volume transactions were completed, most notably the sale of a retail portfolio for EUR 1.7 billion. Transactions of this size have not been realisable in previous quarters, due in particular to the difficulties in obtaining finance.

Interest is focused on core products

Foreign investors' activities reached an appreciable level once more – accounting for around 40% of transaction volume. Open-ended and closed-end funds were the most active purchasers in the first quarter. Investors remain almost exclusively focused on core and core plus products. However, as a consequence of the limited supply, investment criteria look set to be interpreted increasingly flexibly, meaning that shorter remaining terms on tenancies or a proportion of vacant properties are accepted. Peak rentals softened slightly in the face of increased demand and accumulated liquidity among investors.

Transaction volume of German commercial real estate

in EUR billion



BUSINESS DEVELOPMENT

Profit in the first quarter above the level of the previous year

- ➜ **Successful capital increase with substantial demand**
- ➜ **FFO exceeds the previous year's level at EUR 10.9 million**
- ➜ **Profit for the period increases to EUR 2.8 million**

Despite conditions remaining difficult by and large, we succeeded in letting 31,200 sqm in our portfolio in the first quarter of 2010. At EUR 31.7 million, rental income was 5% down on the figure for the previous year. Thanks to lower financing costs and an increase in income from Co-Investments, we were able to exceed the previous year's profit with FFO of EUR 10.9 million. The Group profit for the period increased to EUR 2.8 million. This corresponds to earnings per share of EUR 0.09. At the end of the first quarter, we carried out a capital increase, which gave us fresh resources of around EUR 47 million.

Segments overview

As at 31.03.2010	Core plus	Value added	Co-Investments	Total
Proportionate floor space in sqm	472,600	625,000	167,800	1,265,400
Real estate assets* in EUR million	997.7	928.4	269.2	2,195.3
Rental income 9M in EUR million	16.9	14.8	–**	31.7
EBT Q1 in EUR million	2.0	1.1	1.9	5.0

* Market value as at 31.12.2009

** relates to minority interests, reported in share of the profit of associates

Business activities of DIC Asset AG

DIC Asset AG invests solely in German commercial real estate with a clear focus on office space. It manages, lets and optimises its property portfolio via the asset and property management services of its subsidiary DIC ONSITE and its six branches. The properties are divided into the Core plus, Value added and Opportunistic Co-Investments segments according to risk/reward criteria. We realise capital growth by selling properties at suitable moments.

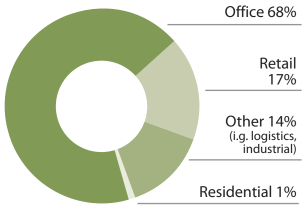
Real estate value of EUR 2.2 billion

On 31 March 2010, the real estate portfolio comprised 316 properties with a total area of around 2.0 million sqm. The pro rata value of the properties has remained unchanged compared with the figure at the end of 2009, at EUR 2.2 billion. In total, the properties generate annual pro rata rental income (including our co-investments) of EUR 141.7 million.

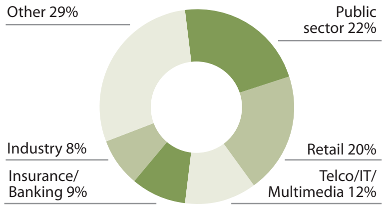
A clear focus, a broadly based position

- ▷ **Investment in commercial real estate, focus on offices**
- ▷ **Supplemented by attractive types of secondary use**
- ▷ **Broad diversification with tenants from various sectors**

Types of use
by rents paid



Main tenants
by rents paid



Capital increase within the existing shareholder group

In March 2010, we carried out a capital increase of around 25% of the share capital, which increased to around EUR 39.2 million – with effect from 7 April. At a price of EUR 6.00 per share, the inflow of funds amounted to around EUR 47 million. The capital measure was carried out from authorised capital and was offered exclusively to our existing group of shareholders with any trading of subscription rights via the stock exchange being excluded. The advantage of this approach was that it could be implemented quickly and cost-efficiently.

Successful offer oversubscribed 4.4 times

The overwhelming majority of our shareholders subscribed for new shares with 85% of subscription rights being exercised. Demand for unsubscribed shares amounted to EUR 209 million, which amounts to a 4.4 times oversubscription for the entire capital increase. The capital measure has extended our financial room for manoeuvre by increasing the capital base and liquidity. At the same time, we aim to use the funds received selectively for attractive acquisitions.

Letting business facing major challenges

Competition for tenants remains fierce and new tenancy agreements in particular involve increased expenditure and the provision of incentives. We therefore continue to focus in particular on extending tenancy agreements. In the first quarter of 2010, we failed to achieve the level of deals achieved in the previous year, which is due both to market conditions and intensive activities at the end of the previous year which reduced the potential for possible extended lettings.

Letting result by types of use

Lettable area in sqm	Q1 2010	Q1 2009
Office	18,700	27,900
Retail	5,500	5,600
Other commercial	5,300	30,100
Residential	1,700	1,400
Total	**31,200**	**65,000**
Parking (units)	291	502

31,200 sqm let in the first quarter

In the first quarter of 2010, we let 31,200 sqm in our portfolio. 18,900 sqm (61%) was attributable to new tenancies, while 12,300 sqm (39%) was attributable to renewals of existing tenancies. Overall, the letting volume is 52% down on the previous year's result. We increased the figure for new tenancies compared with the same period in the previous year. However, having achieved good figures for renewals in 2009, some of which were concluded before the tenancy expired, the number of existing tenancies which we agreed to renew was, as expected, far lower. Furthermore, several large-volume tenancies were concluded in the retail and logistics sectors last year. The letting volume corresponds to annualised rental income of some EUR 3.2 million.

Käfertaler Straße, Mannheim

(Mannheim Branch – Southwest Region)

FULL LETTING AND AN INCREASE IN THE RENTAL

- **Vacancies gradually reduced**
- **Attractive tenants found**

On acquisition in 2006, the 15,000 sqm office property had a vacancy rate of 20% and additional tenancy agreements were due to run out over the next few years. Following intensive letting activities focused on the region, new tenancy agreements were concluded with two public sector tenants and an international company, while the tenancy agreement with the anchor tenant was extended in the medium term. Full letting combined with a respectable increase in the rental will be achieved in mid-2010.

Portfolio: a slight reduction in the occupancy rate

The effects of the challenging general conditions are also reflected in the portfolio data. The occupancy rate fell by 0.6 percentage points to 86.1% as at 31 March 2010. However, the average remaining term of lease agreements was held virtually stable at 5.5 years. In a like-for-like comparison (consideration excluding changes in the portfolio resulting from purchases or sales and project developments), annualised rental income fell by 0.8% to EUR 137.4 million compared with 31 December 2009, which is attributable, most notably, to the termination of larger individual tenancy agreements in the first quarter of 2010.

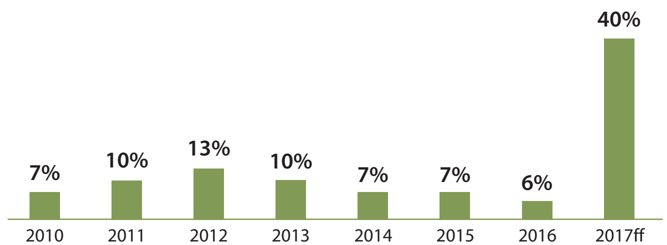
A brief overview of the composition of our portfolio and the key data is provided on pages 44 and 45 of the quarterly report.

Additional purchase: retail space in Pfungstadt extended

In February 2010, we acquired three retail properties in Pfungstadt with a volume of some EUR 5.0 million and consequently extended our existing specialist shopping centre there. The properties are let long-term to well-known retail companies.

Potential lease expiries

Rental income in %, as of 31.03.2010



Sales strategy remains unchanged for the time being

We sell properties – as a rule after measures to increase their value – to generate profits and to optimise the portfolio with regard to its regional focus and types of use. In view of the fact that the transaction market has not yet bounced back fully, we currently offer mostly smaller to medium-sized properties, which can be marketed without long-winded decision-making and financing processes.

Sales activities continuing

From the Co-Investment segment we sold a property in Hamburg for EUR 1.5 million. In the first quarter of the previous year, we sold two properties with a total volume of EUR 12 million.

Following a larger sale at the end of April 2010, we were able to increase the transaction volume significantly during the ongoing financial year: we sold a portfolio containing several properties in Berlin from our Value added segment, worth EUR 15.1 million.

Universitätsstraße, Bochum
(Düsseldorf – West Region)

STATE UNIVERSITY IS THE NEW TENANT

- **Uninterrupted reletting**
- **A prestigious tenant**

The property, which offers some 4,200 sqm of office space was let to a pension fund, which cancelled its tenancy agreement as at 31 December 2010. We succeeded very rapidly in finding a new tenant on comparable terms in the form of the provincial government of North Rhine-Westphalia's Hochschule für Gesundheit. Parallel with this, we achieved a change of use allowing the building to be used as a university and, as a quid pro quo for the premature termination of the tenancy agreement, reached agreement whereby the previous tenant would pay a significant proportion of the remodelling costs.

Architecture for the MainTor project decided

The designs by the architect firms KSP Jürgen Engel and Prof. Christoph Mäckler for the completion of the WinX and MainTor Panorama towers have been decided. Following an expert tendering process in which seven firms participated and a subsequent detailed examination and survey, these proposals together form a harmonious urban solution for the quarter. With the MainTor project in Frankfurt, the DIC Group is developing a central site between the Main riverbank and the city centre covering an area of 108,000 sqm in total. Following conclusion of the zoning process, initial construction work can start in 2011.

Bienenkorbhaus awarded a prize

The Bienenkorbhaus project development on Frankfurt's Zeil was completed in 2009. The ensemble, consisting of the historic high-rise building and a modern annex was awarded the immobilienmanager.AWARD 2010 prize as the best German project development in February 2010. Currently, some 85% of the space is let. We would like to sell this property in a top quality trading location once attractive levels of utilisation are achieved and are currently – in parallel with letting activities – making preparations to start sales activities rapidly.

Funds business segment: marketing started

Our preparations for launching and placing a first DIC Asset AG special fund are proceeding. We have been able to acquire an experienced partner in the form of Warburg-Henderson, which will provide the platform for the investment company via its service provider IntReal. This means that the design phase has been successfully completed. Marketing has started. The first fund, "DIC Office Balance", will feature core properties from our portfolio. Institutional investors will benefit from an immediate capital call and a dividend from day one. They will also be able to take advantage of the expertise of DIC Asset AG in investment and property management. DIC Asset AG will continue to hold a significant stake, of 20%, as a co-investor.

Employee numbers stable

There have been no major changes to our personnel. As at 31 March 2010, DIC Asset AG employed 108 members of staff. There were five more employees than at the end of the same quarter in the previous year. The majority of our employees are involved at local level in the letting and optimisation of our property portfolio in the branches of our asset and property management company DIC ONSITE.

Number of employees

	31.03.2010	31.03.2009
Portfolio management and investment	8	8
Property and asset management	85	81
Administration	15	14
Total	**108**	**103**

REVENUES AND RESULTS

Rental income lower

In the first quarter of 2010, gross rental income stood at EUR 31.7 million, which equates to a fall of EUR 1.5 million (-5%) on the previous year. This is the result, firstly, of a reduction in portfolio volume caused by sales and, secondly, of a few larger tenancy agreements expiring, which have not yet been entirely offset by new letting. Net rental income decreased by EUR 2.2 million (-7%) to EUR 29.0 million, since other property related expenses and operating costs to be borne by the owner, increased.

Revenues overview

EUR million	Q1 2010	Q1 2009	
Rental income	31.7	33.2	-5%
Revenues from disposal of properties	1.5	4.4	-66%
Other income	5.2	6.1	-15%
Total revenues	**38.4**	**43.7**	**-12%**

We achieved pro rata sales proceeds of EUR 1.5 million on completing the sale of one property. In the previous year, sales proceeds amounted to EUR 4.4 million. Overall, total income of EUR 38.4 million was EUR 5.3 million (-12%) down on the previous year because of changes to the rental income base and the reduction in sales volume.

Balanced cost items

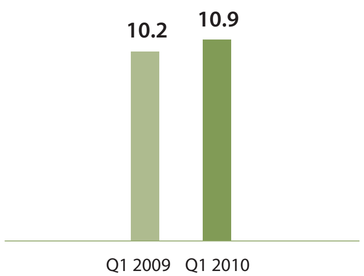
Slight increases in personnel expenses were more than offset by a reduction in administrative expenses. Personnel expenses rose by EUR 0.2 million (+10%) to EUR 2.3 million because of the increase in staff numbers; administrative expenses fell by EUR 0.5 million (-20%) to EUR 2.0 million. The operating cost ratio (the ratio of administrative and personnel expenses to gross rental income, adjusted for property management income) rose slightly by 0.6 percentage points to 11.7%, primarily because of changes to the rental income base. On 31 March 2010, depreciation and amortisation, at EUR 7.7 million, was slightly up on the previous year's figure of EUR 7.3 million.

Financing expenses sharply reduced
Net financing costs improved by EUR 1.3 million (-9%) to EUR -16.3 million compared with the same period in the previous year. This was the result of lower financing expenses following the restructuring of loans and interest hedges and as a consequence of the lower level of interest rates.

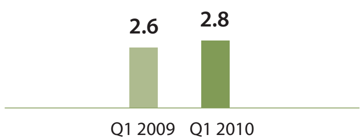
Strong contribution from Co-Investments
Profits from associates (these are contributions to profits from the Co-Investments segment) rose by EUR 1.1 million (+138%) to EUR 1.9 million. This is primarily attributable to a higher share of MainTor rental income resulting from the increase in our investment.

FFO up on the level of the previous year
At EUR 10.9 million, FFO was EUR 0.7 million (+7%) up on the level of the previous year. In particular, the reduction in financing expenses and higher profits from associates exceeded the fall in rental income. The FFO per share increased by 3%, to EUR 0.35.

Funds from Operations
EUR million



Profit for the period
EUR million



Profit for the period of EUR 2.8 million
Consolidated profit for the period rose by EUR 0.2 million (+8%) to EUR 2.8 million, slightly above the level of the previous year. A reduction in rental income was offset by savings on operating costs and financing expenses and by higher profits from our Co-Investments segment. Earnings per share amount to EUR 0.09 (previous year: EUR 0.09).

Balanced profit contributions from segments
Of the rental income, some EUR 16.9 million or 53% was attributable to the Core plus portfolio, while the Value added portfolio accounted for some EUR 14.8 million or 47%. Rental income is not reported for the Co-Investments segment because of the minority holdings. The contributions from the segments to pre-tax earnings are relatively balanced: at EUR 2.0 million, the largest contribution comes from the Core plus segment, while the contributions from the Value added and Co-Investment segments were EUR 1.1 million and EUR 1.9 million respectively.

Earnings overview

EUR million	Q1 2010	Q1 2009	
FFO	10.9	10.2	+7%
EBITDA	25.3	27.5	-8%
EBIT	17.6	20.2	-13%
EBDA	10.5	9.9	+6%
Profit for the period	2.8	2.6	+8%
Earnings per share (EUR)	0.09	0.09	0%
FFO per share (EUR)	0.35	0.34	+3%

NET ASSETS AND FINANCIAL POSITION

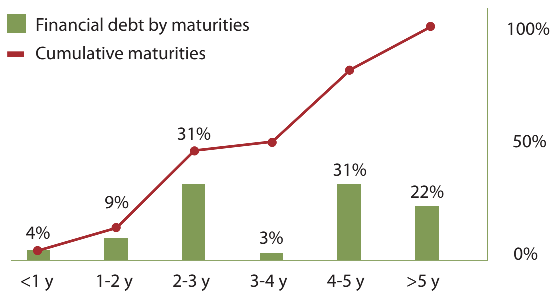
Key requirements for our financing structure

In financing our investments and real estate, we pursue two fundamental aims in addition to purely considering costs: firstly, we build on a strong, long-term financing architecture, which will not directly be adversely affected by short-term changes in the market. Secondly, we aim to achieve a substantial degree of flexibility, which will keep alternative entrepreneurial decisions open and allow us to react to market opportunities.

Little short-term refinancing required

As at 31 March 2010, debts amounted to EUR 1,583.6 million. Of this figure, over half, namely 53%, have a term of more than four years. Within the next twelve months only 4% of total debt – that equates to EUR 70.5 million - is due to be refinanced.

Financial debt fixed on a long-term basis



Effective hedging against risks

We hedge our financing against rising interest rates on a broad basis – by agreeing fixed interest rates or using interest rate hedging instruments. This means that some 84% of our loans are hedged against rising interest rates. In the first quarter, we were able to eliminate a theoretical risk amounting to around EUR 440 million in a larger portfolio financing by suspending the loan-to-value covenant (loan clause, which requires a specific ratio of loan volume to market value) for three years. Any shortfall in the defined threshold may have resulted in negative financial consequences for DIC Asset AG. In return, we have agreed to invest a total of up to EUR 6 million within two years.

Interest expense reduced

We are exploiting the fact that interest rates remain favourable to optimise our financing structure by taking out less expensive loans or concluding new interest rate hedging instruments. In the first quarter, we succeeded in paying EUR 1.5 million less in interest expenses on a comparable financing volume compared with the same period in the previous year. As at 31 March 2010, the average interest rate amounted to 4.55%. At the end of the first quarter of 2009, the average interest rate across all debt amounted to 4.85%, compared with 4.60% at the end of 2009.

Continuation of portfolio investments

In the first quarter, we invested a total of EUR 8.6 million. At EUR 3.3 million, we contributed significantly to increasing the value of our properties, most notably through refurbishment, tenants' fittings and technical improvements. EUR 5.3 million was spent on the acquisition of three properties. In the same period in the previous year, attention was focused on the purchase of new properties at a cost of EUR 35.6 million.

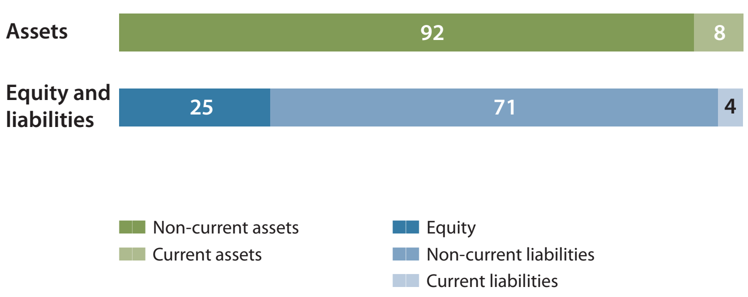
Cash flow overview

EUR million	Q1 2010	Q1 2009
Profit for the period	2.8	2.6
Cash flow from operating activities	7.6	9.1
Cash flow from investing activities	-9.9	-17.8
Cash flow from financing activities	41.1	-5.1
Net increase in cash and cash equivalents	38.8	-13.8
Cash and cash equivalents as at 31 March	77.6	32.7

Increased liquidity

In the first quarter, cash flow was dominated by the inflow of funds following the capital increase in March 2010. Cash flow from ongoing business activity fell by EUR 1.5 million to EUR 7.6 million. This is primarily the result of rental pre-payments of EUR 0.8 million for January 2010 which had already been collected in the previous year. Furthermore, in the first quarter of 2010, tax liabilities were reduced by EUR 1.2 million.

Balance sheet structure in %



Cash outflow for investment purposes fell by EUR 7.9 million to EUR 9.9 million, due most notably to fewer purchases than in the previous year. Cash flow from financing activities rose sharply by EUR 42.6 million to EUR 41.1 million, mainly as a result of the inflow of equity following the capital increase. Compared to the previous year, the loan repayment volume was smaller.

Liquidity rose sharply, as a result of the inflow of equity: as at 31 March 2010, cash and cash equivalents rose by EUR 44.9 million to EUR 77.6 million (previous year: EUR 32.7 million).

Total assets increased slightly as a result of the influx of capital

The balance sheet total increased by EUR 44.5 million (+2%) to EUR 2,257.9 million principally as a result of the capital increase.

Assets: cash and cash equivalents increase current assets

Non-current assets remained virtually unchanged, at EUR 2,074.7 million compared with 31 December 2009. Current assets increased by EUR 42.4 million (+30%) to EUR 183.2 million as a result of the inflow of cash and cash equivalents generated by the capital increase.

Balance sheet overview

EUR million	**31.03.2010**	31.12.2009
Total assets	2,257.9	2,213.4
Non-current assets	2,074.7	2,072.6
Current assets	183.2	140.8
Equity	573.4	530.7
Non-current debt	1,591.8	1,605.0
Current debt	92.7	77.7
Equity ratio in %	25.4	24.0
Debt ratio in %	74.6	76.0

Equity ratio increased to 25.4%

Equity rose by EUR 42.7 million (+8%) to EUR 573.4 million. The increase in contributions of EUR 46.4 million was offset by the increase in the hedging reserve to EUR -62.9 million on account of the ongoing low interest rates. As a result of the increase in equity, the equity ratio increased by some 1.4 percentage points to 25.4% (31 December 2009 24.0%).

Total debt virtually unchanged

In the first quarter, total debt remained stable at EUR 1,684.5 million. There were only minor shifts between non-current and current liabilities, principally as a result of shifts in maturities. Non-current liabilities fell slightly by EUR 13.2 million to EUR 1,591.8 million. Current liabilities rose by EUR 15.0 million (+19%) to EUR 92.7 million.

EVENTS AFTER THE BALANCE SHEET DATE

The capital increase was recorded in the Commercial Register at the beginning of April 2010, since then the new shares have been included in trading. The share capital increased to 39,187,498 shares. The new shares are already considered entitled to a dividend for financial year 2009. The dividend payment of EUR 0.30 per share (EUR 11.8 million) is expected to be made on 6 July 2010, the day after the General Shareholders' Meeting.

Through a contract at the end of April 2010, we sold a portfolio containing several properties in Berlin worth EUR 15.1 million from the Value added segment.

OPPORTUNITIES AND RISKS

The Annual Report for 2009, in which we examine the risks of our business activities in detail and highlight the risk management system and internal control system, appeared in March 2010. Since then, there have been no major changes – as far as risks are concerned – in either the company or the relevant environment. In recent months, we have extended our risk management of legal cases by introducing a routine report, which keeps the Board of Directors informed of the current situation on a regular basis.

We also explain the opportunities offered by our business model in the current Annual Report. It should be added here that we have extended our financing room for manoeuvre through the successful conclusion of the capital increase and raising some EUR 47 million worth of equity. This has significantly increased our chances of participating in opportunities for acquisitions and for further corporate growth.

TRANSACTIONS WITH RELATED COMPANIES AND PERSONS

As part of its normal business activities, DIC Asset AG maintains business relations with a number of related companies and persons. In principle, the same conditions apply to transactions with these companies and persons as to comparable transactions with third parties. No material transactions were carried out with related companies and persons in the first quarter of 2010.

FORECAST

Continued recovery but risks remain

The revival in the German economy will continue in the course of the year. Leading German economic institutes come to this conclusion in their spring statements. While the upward trend in the global economy at the beginning of the year is being supported primarily by the strong recovery in newly industrialising countries, momentum here is subdued. Overall, gross domestic product should increase by 1.5% in 2010 with growth being driven by exports in particular. However, there are still risks for the economy as German companies continue to battle with the repercussions of the financial crisis. There are also fears regarding the financial strength of some member states of the European Union.

Support from the employment market, impetus through economic policy

The employment market should continue to play a stabilising role over the next few months. In their spring statements, the economic institutes attach major importance most notably to the promotion of short-time working programmes and flexible collective pay arrangements. Therefore only a slight fall in gainful employment is forecast in 2010. Researchers see impetus for economic activity in the ECB's expansionary monetary policy, which is to be retained in 2010, while the measures to supply extraordinary liquidity will be gradually reduced first. Financial policy will also continue to exercise a positive impact on the economy through economic stimulus programmes in 2010.

Letting volume planned at the same level as the previous year

For the moment, we are not expecting any changes in letting – as a result of the delay in market reaction to improvements in the economy. Tenants' willingness to move is likely to remain low and instead attention will be focused on short to medium-term extensions of existing agreements. Competition for tenants will therefore remain intense and rental prices will remain under pressure for the moment. Our in-house property management services, involving direct contact with tenants via the local DIC ONSITE branches and a high level of customer loyalty, offer us the preconditions for achieving a good letting result in 2010. Despite the subdued first quarter of 2010, we anticipate that letting volume will more or less match the previous year's figure.

More momentum expected on the transaction market

The upward trend on the transaction market for German commercial real estate should continue throughout 2010. In the first quarter of 2010, activities picked up significantly by around EUR 2 billion to some EUR 5 billion. Among other things, the stabilisation of banks and companies, the fact that it is easier to obtain loan financing and the return of foreign investors are primarily responsible for the revival in the market. Recently, larger transaction volumes have become realisable once more. Interest remains concentrated, in essence, on core properties, although there are signs of a gradual softening in the stringent investment criteria.

Sales strategy: smaller properties

Thanks to our flexible business plans and the financing underpinning them, we are not forced to sell properties at a defined date, but exploit opportunities that will offer an optimal return. In the first quarter of 2010, we generated a total transaction volume of around EUR 1.5 million as well as a volume of EUR 15 million at the start of the current quarter. For 2010, we are expecting a somewhat livelier transaction market than in the previous year, and plan to sell small to medium-sized properties worth around EUR 60 million.

Fund placement on schedule

We also wish to use this environment to place the first fund in DIC Asset AG's new business segment. This special fund with selected core properties from our portfolio is aimed at institutional investors. Implementation is proceeding on schedule.

Opportunities for acquisitions from the second half of 2010 and in 2011

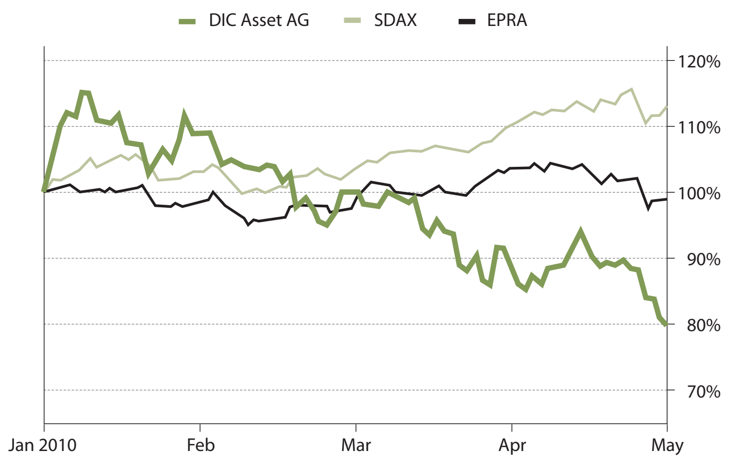
We expect that the number of attractive purchase opportunities will increase, particularly from the second half of 2010 and in 2011. The capital increase in March 2010 has provided us with new resources to exploit these opportunities. Our broadly-based position within the DIC Group and the diverse range of services in property management and project development open up significant advantages in the acquisition of more management intensive properties or portfolios, particularly compared with purely financial investors.

Forecast unchanged: FFO of EUR 39-41 million

It remains true that forecasts are still fraught with a high degree of uncertainty with the economy in its current state. Our plans may therefore differ from actual results if general conditions or underlying assumptions change. On the basis of our real estate portfolio, we are still expecting rental income of some EUR 126 million and FFO of between EUR 39 and 41 million for 2010.

Share performance: relatively stable despite the capital measure

The DIC Asset AG share made a strong start to the new year and reached its previous 52-week high, at EUR 9,40, on 11 January. By the beginning of March, our stock returned to the level of the beginning of the year in a weak market. In March 2010 – during the subscription period for the capital increase – we tested the stability of the price with an issue price of EUR 6.00. Throughout the entire subscription period, when far more shares were being traded, the price always maintained a significant premium over the subscription price, which clearly underlines the appeal of our company. The share closed the quarter at a price of EUR 7.25, which equates to a fall of 11% compared with the beginning of the year. The EPRA Developed Europe Index closed +3% higher. The DAX moved at the same level, while the SDAX performed better, gaining 10%.



Successful capital increase with substantial over-subscription

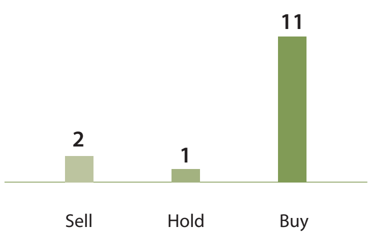
On 12 March 2010, we announced that we would be carrying out a capital increase amounting to 25% of the shares from authorised capital in which only existing shareholders would be invited to participate. By opting not to allow subscription via the stock exchange, we were able to complete the capital measure quickly and at manageable financial expense and, at the same time, allow all our shareholders to participate in line with their respective shareholdings. The performance of the share during the subscription period and the substantial subscription ratio of over 85% reflect the high levels of trust among our shareholders. There was also strong interest in the shares which were not subscribed, with the over-subscription equating to 4.4 times the entire capital measure.

Shareholder structure following the capital increase

The shareholder structure remains largely unchanged: following the capital increase, the DIC Group holds 39.4% of the shares, MSREF follows with 8.3% (previously 10.4%) and solvia Vermögensverwaltung with 5.1%. The free float stands at 47.2%.

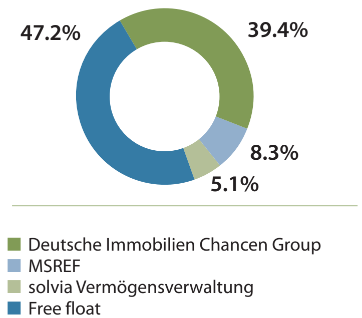
Reporting on the share

Coverage by 14 banks
(as at May 2010)



Shareholders' structure

(as at May 2010)



Presentation of our results in roadshows and individual meetings

In the first quarter of 2010, following publication of the results for 2009, the Board of Directors and Investor Relations Team held conferences and meetings in Frankfurt, London, Amsterdam and New York, and outlined our company and the current business trend to investors.

Positive reporting

14 banks prepare regular analyses of our company at present. With eleven positive ratings (as at 7 May 2010), the majority of the analysts are convinced that the DIC Asset AG share has above-average potential and recommend purchasing it. One analyst rates the share neutrally.

Key figures in EUR (1)

	Q1 2010	Q1 2009
Number of shares (2)	39,187,498	29,875,977
52-week high	9.60	22.68
52-week low	3.69	2.65
Closing price for quarter	7.25	3.57
Market capitalisation in EUR million	284	107
Current share price as at 30.04.2010	6.50	

(1) closing prices
(2) 2010: including new shares from capital increase; 2009: excluding own shares

Financial calendar

10.05.2010	Publication of Interim Report Q1/2010	
26.-27.05.2010	Kempen European Property Seminar	Amsterdam
10.06.2010	Morgan Stanley European Property Conference	London
05.07.2010	General Shareholders' Meeting 2009	Frankfurt
17.08.2010	Publication of Interim Report Q2/2010	
02.-03.09.2010	EPRA Annual Conference 2010	Amsterdam
19.10.2010	Initiative Immobilien-Aktie	Frankfurt
09.11.2010	Publication of Interim Report Q3/2010	

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2010

TEUR	01.01.-31.03.10	01.01.-31.03.09
Total revenues	**38,447**	**43,651**
Total expenses	**-20,859**	**-23,450**
Gross rental income	31,686	33,180
Ground rents	-193	-58
Ground rents	4,467	4,998
Service charge expenses on principal basis	-5,218	-5,358
Other real estate related operating expenses	-1,717	-1,600
Net rental income	**29,025**	**31,162**
Administrative expenses	-1,955	-2,454
Personnel expenses	-2,285	-2,131
Depreciation and amortisation	-7,737	7,349
Management fee income	625	917
Other income	158	133
Other expenses	-244	-245
Net other income	**-86**	**-112**
Investment property net disposal proceeds	1,511	4,423
Carrying value of investment property disposal	-1,510	-4,255
Profit on disposal of investment property	**1**	**168**
Net operating profit before financing activities	**17,588**	**20,201**
Share of the profit of associates	1,853	783
Net financing costs	-16,324	-17,896
Profit before tax	**3,117**	**3,088**
Income tax expense	-338	-1,215
Deferred income tax expense	26	690
Profit for the period	**2,805**	**2,563**
Attributable to equity holders of the parent	2,768	2,550
Attributable to minority interest	37	13
Basic (=diluted) earnings per share (EUR)	0.09	0.09

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

ASSETS

TEUR	31.03.2010	31.12.2009
Investment property	2,022,957	2,024,225
Office furniture and equipment	549	567
Investments in associates	30,785	28,946
Intangible assets	228	221
Deferred tax assets	20,223	18,652
Total non-current assets	**2,074,742**	**2,072,611**
Receivables from the sale of property	67	67
Trade receivables	4,405	4,500
Receivables due from related parties	90,657	86,876
Income taxes receivable	5,532	6,079
Other receivables	2,596	2,619
Other current assets	2,303	1,808
Cash and cash equivalents	77,620	38,826
Total current assets	**183,180**	**140,775**
Total assets	**2,257,922**	**2,213,386**

EQUITY AND LIABILITIES

TEUR	31.03.2010	31.12.2009
Equity		
Issued capital	31,350	31,350
Share premium	530,747	530,747
Hedging and translation reserve	-62,892	-56,489
Deposits for executing the agreed capital increase	46,379	0
Other reserves	1,136	1,136
Retained earnings	25,252	22,484
Total shareholders' equity	**571,972**	**529,228**
Minority interest	1,457	1,450
Total equity	**573,429**	**530,678**
Liabilities		
Interest-bearing loans and borrowings	1,513,012	1,535,582
Deferred tax liabilities	9,115	9,396
Derivatives	69,690	60,052
Total non-current liabilities	**1,591,817**	**1,605,030**
Interest-bearing loans and borrowings	70,541	53,272
Trade payables	4,084	3,177
Liabilities to related parties	3,478	4,020
Provisions	22	24
Income taxes payable	2,871	4,253
Other liabilities	11,680	12,932
Total current liabilities	**92,676**	**77,678**
Total liabilities	**1,684,493**	**1,682,708**
Total equity and liabilities	**2,257,922**	**2,213,386**

CONSOLIDATED STATEMENT OF CASH FLOW ENDED AT 31 MARCH 2010

TEUR	31.03.2010	31.03.2009
Operating activities		
Net operating profit before interest and taxes paid	19,071	23,411
Realised gains on disposals	-1	-168
Depreciation and amortisation	7,737	7,349
Movements in receivables, payables and provisions	-862	818
Other non-cash transactions	-2,061	-1,422
Cash generated from operations	**23,884**	**29,988**
Interest paid	-16,503	-21,672
Interest received	1,411	1,770
Income taxes paid	-1,173	-947
Cash flow from operating activities	**7,619**	**9,139**
Investing activities		
Proceeds from sale of investment property	1,511	23,437
Acquisition of investment property	-5,271	-33,426
Capital expenditure on investment property	-3,358	-2,315
Loans to other entities	-2,766	-5,527
Acquisition of office furniture and equipment	-18	-15
Cash flow from investing activities	**-9,902**	**-17,846**
Financing activities		
Proceeds from the issue of share capital	47,025	0
Proceeds from other non-current borrowings	4,943	20,252
Repurchase/disposal of own shares	0	-2,270
Repayment of borrowings	-10,245	-23,033
Payment of transaction costs	-646	0
Cash flow from financing activities	**41,077**	**-5,051**
Net increase in cash and cash equivalents	38,794	-13,758
Cash and cash equivalents at 1 January	38,826	46,417
Cash and cash equivalents at 31 March	**77,620**	**32,659**

SEGMENT REPORTING AS AT 31 MARCH 2010

TEUR	Q1 2010	Q1 2009
Rental income		
Core plus	16,945	17,175
Value added	14,741	16,005
Co-Investments	0	0
Other	0	0
Group	**31,686**	**33,180**
EBITDA		
Core plus	15,087	15,571
Value added	12,930	14,443
Co-Investments	0	0
Other	-2,692	-2,698
Group	**25,325**	**27,316**
EBTDA		
Core plus	6,262	6,004
Value added	4,538	5,451
Co-Investments	1,853	783
Other	-1,799	-1,801
Group	**10,854**	**10,437**
EBT		
Core plus	2,021	2,118
Value added	1,085	2,044
Co-Investments	1,853	783
Other	-1,842	-1,857
Group	**3,117**	**3,088**

RECORDED GAINS AND LOSSES AS AT 31 MARCH 2010

TEUR	Q1 2010	Q1 2009
Fair value of hedge instruments		
Cash flow hedges	-7,949	-19,788
Cash flow hedges of associates	1,546	-1,456
Recorded directly in equity	**6,403**	**-21,244**
Profit for the period	2,805	2,563
Recorded gains and losses	**-3,598**	**-18,681**
Equity holders of the parent	-3,635	-18,694
Minority interest	37	13

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2010

TEUR	Issued Capital	Share premium	Reserve for treasury shares	Reserve for cash flow hedges	Deposits for executing the agreed capital increase	Other reserves	Retained earnings	Minority interest	Total
Status as of 31 December 2008	**31,350**	**528,450**	**-4,977**	**-39,521**	**0**	**1,136**	**15,820**	**1,537**	**533,795**
Profit for the period							2,550	13	2,563
Loss from cash flow hedges*				-19,788					-19,788
Loss from cash flow hedges of associates*				-1,456					-1,456
Repurchase of own shares			-2,270						-2,270
Status as of 31 March 2009	**31,350**	**528,450**	**-7,247**	**-60,765**	**0**	**1,136**	**18,370**	**1,550**	**512,844**
Profit for the period							13,519	47	13,566
Gains from cash flow hedges*				3,783					3,783
Gains from cash flow hedges of associates*				493					493
Comprehensive Income				**4,276**			**13,519**	**47**	**17,842**
Dividends 2008							-9,405	0	-9,405
Sales of own shares		2,297	7,247						9,544
Repayment of minority interest								-147	-147
Status as of 31 December 2009	**31,350**	**530,747**	**0**	**-56,489**	**0**	**1,136**	**22,484**	**1,450**	**530,678**
Profit for the period							2,768	37	2,805
Loss from cash flow hedges*				-7,949					-7,949
Gains from cash flow hedges of associates*				1,546					1,546
Comprehensive Income				**-6,403**			**2,768**	**37**	**-3,598**
Repayment of minority interest								-30	-30
Payment for capital increase					46,379				46,379
Status as of 31 March 2010	**31,350**	**530,747**	**0**	**-62,892**	**46,379**	**1,136**	**25,252**	**1,457**	**573,429**

* deferred taxes deducted

General information on reporting

Pursuant to § 37 x paragraph 3 of the Securities Trading Act (WpHG), the interim financial statements shall consist of interim consolidated financial statements and a Group management report. These interim financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS), as applicable in the EU, for interim reporting. The quarterly accounts for the consolidated companies are based on uniform accounting and measurement principles. The Group Management Report was prepared in accordance with the applicable provisions of the WpHG.

In line with IAS 34, a shorter reporting format was used to present the consolidated interim financial report of DIC Asset AG as at 31 March 2010 than in the annual financial statements. The same methods were used in the consolidated interim financial report for consolidation, currency translation, recognition and measurement as in the 2009 consolidated financial statements. Income tax was deferred on the basis of the tax rate expected for the year as a whole. For further information, please refer to the consolidated financial statements as at 31 December 2009. We also refer to the interim management report in this document with regard to material changes and transactions up to 31 March 2010.

Notes to the consolidated financial statements

Up to March 2010, external loans of EUR 5 million were taken up. These are being used to finance a property in the RMN portfolio (EUR 4 million) and to finance capex/TI measures (EUR 1 million). Of this figure, EUR 4 million is hedged through fixed interest-rate agreements.

Capital increase

Through a resolution dated 12 March 2010, DIC Asset AG increased its share capital from 31,349,999 shares to 39,187,498 shares by issuing 7,837,499 new shares in return for cash contributions. As a result, the company's equity increased by some EUR 47 million at the end of the quarter.

Dividend

In order to allow shareholders to participate in the success and the increase in value of DIC Asset AG, at the General Shareholders' Meeting to take place on 5 July 2010, the Board of Directors will propose a dividend of EUR 0.30 per share for the financial year 2009. The shares from the capital increase are also entitled to a dividend for 2009.

Other information

There were no changes to the composition of the Board of Directors or the Supervisory Board during the period under review.

Events after the balance sheet date

The capital increase was registered in the Commercial Register on 6 April 2010. Five properties from the Berlin Portfolio worth EUR 15.1 million in total were sold by means of a notarised agreement dated 29 April 2010. DIC Asset AG had a 50% participation in this sale.

With the MainTor project the DIC Group will construct an open and lively quarter on one of the most attractive development sites in the Frankfurt city centre.

TO DIC ASSET AG, FRANKFURT AM MAIN

We have reviewed the condensed interim consolidated financial statements of the DIC Asset AG, Frankfurt am Main, comprising the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of DIC Asset AG, Frankfurt am Main for the period from January 1 to March 31, 2010, which are part of quarterly financial report according to § 37x (3) WpHG (”Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Nürnberg, May 7, 2010

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Rödl	Danesitz
Wirtschaftsprüfer	Wirtschaftsprüfer

LONGER-TERM OVERVIEW BY QUARTER

EUR million	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Gross rental income	33.2	34.1	33.5	32.8	31.7
Proceeds from the sale of real estate	4.4	2.5	3.3	5.0	1.5
Total revenues	43.7	41.7	42.3	43.7	38.4
EBITDA	27.5	28.6	27.4	27.3	25.3
EBIT	20.2	20.9	19.8	19.4	17.6
FFO	10.2	11.5	13.9	12.0	10.9
Profit before depreciation	9.9	11.2	13.1	12.4	10.5
Profit for the period	2.6	3.5	5.4	4.6	2.8
Earnings per share (EUR)	0.09	0.12	0.17	0.15	0.09
Cash flow from operating activities	9.1	9.6	10.1	9.8	7.6
Market value of real estate assets*	2,184.4	2,179.7	2,217.6	2,192.2	2,195.3
Total assets	2,214.4	2,223.2	2,209.1	2,213.4	2,257.9
Equity	512.8	528.6	517.7	530.7	573.4
Equity ratio in %	23.2	23.8	23.4	24.0	25.4
Debt	1,701.6	1,694.6	1,691.5	1,682.7	1,684.5
Debt ratio in %	76.8	76.2	76.6	76.0	74.6

* Acquisitions during the year are taken into account at the cost of acquisition

PORTFOLIO OVERVIEW

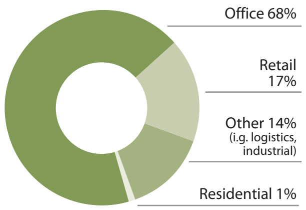
As at 31 March 2010

	Core plus	Value added	Co-Investments	Total
Number of properties	49	136	131	316
Portfolio volume in EUR million [1,2]	997.7	928.4	269.2	2,195.3
Portfolio proportion	45%	43%	12%	100%
Annualised rent [1]	66.3	60.0	15.4	141.7
Lettable area in sqm [1]	472,600	625,000	167,800	1,265,400
Rental income per sqm in EUR	12.30	9.40	8.90	10.50
Occupancy rate	92.0%	82.6%	82.9%	86.1%

(1) Pro rata numbers
(2) Market values as at 31.12.2009

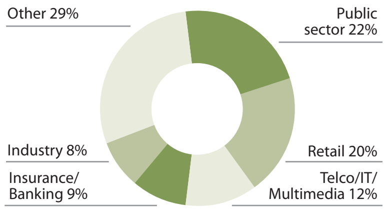
Types of use

by rents paid



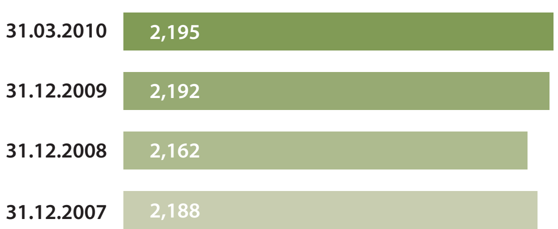
Main tenants

by rents paid



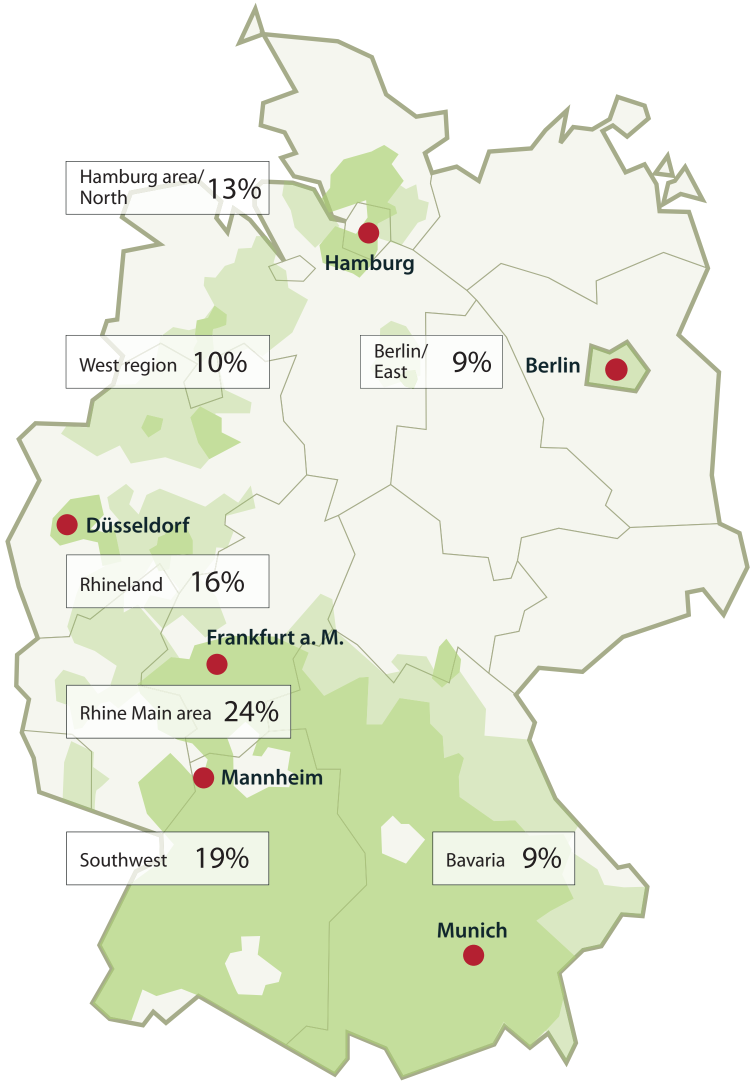
Portfolio growth

EUR million



REGIONAL DISTRIBUTION OF PROPERTIES

by lettable area in sqm, as at 31 March 2010



- Branches
- Region with excellent economic performance
- Region with good economic performance

(based on regional ranking of „Initiative Neue Soziale Marktwirtschaft" 2009)

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

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