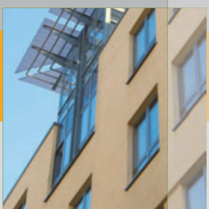
DIC ASSET

Q2

INTERIM REPORT 2/2011



Neu-Isenburg, Martin-Behaim-Straße

CONTENT

KEY FIGURES

Key operating figures EUR million	**H1 2011**	**H1 2010**		**Q2 2011**	**Q1 2011**	
Gross rental income	56.5	64.1	-12%	28.9	27.6	+5%
Net rental income	52.2	58.4	-11%	26.9	25.3	+6%
Management fee income	2.3	1.5	+53%	1.3	1.0	+30%
Property disposal proceeds	9.3	18.5	-50%	9.3	0.0	--
Total revenues	76.0	93.9	-19%	43.3	32.7	+32%
Funds from Operations (FFO)	20.1	22.0	-9%	10.1	10.0	+1%
Profit on disposal of properties	0.6	0.6	0%	0.6	0.0	--
EBITDA	45.9	51.9	-12%	23.9	22.0	+9%
EBIT	31.8	36.3	-12%	16.7	15.1	+11%
EBDA	20.3	21.9	-7%	10.6	9.7	+9%
Profit for the period	6.2	6.3	-2%	3.4	2.8	+21%
Cash flow from operating activities	19.3	15.4	+25%	9.9	9.4	+5%

Balance sheet data EUR million	**30.06. 2011**	**31.12. 2010**		**30.06. 2011**	**31.03. 2011**	
Equity ratio in %	30.5	28.6	+7%	30.5	31.3	-3%
Investment property	1,810.2	1,718.2	+5%	1,810.2	1,822.4	-1%
Debt	1,497.6	1,462.9	+2%	1,497.6	1,449.0	+3%
Total assets	2,155.2	2,050.0	+5%	2,155.2	2,109.4	+2%

Per share* EUR	**H1 2011**	**H1 2010**		**Q2 2011**	**Q1 2011**	
FFO	0.47	0.60	-22%	0.22	0.25	-12%
EBDA	0.47	0.60	-22%	0.23	0.24	-4%
Earnings	0.14	0.17	-18%	0.07	0.07	0%

* Previous year's figure adjusted for the effects of the capital increase in accordance with IFRS (IAS 33), cf p. 46

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

Dear Shareholders, Business Partners,
Employees and Friends,

DIC Asset AG switched to growth with the start of 2011, as was amply demonstrated by the first quarter's excellent figures. This trend continued in the second quarter: we have improved still further on the first quarter in almost all key figures. The key developments first of all:

- At 137,800 sqm, we have let 18% more space in the portfolio than at the midpoint of 2010, while the comparative figure at the end of the first quarter of this year was 48,300 sqm. New tenancies, which increased by more than 40%, must be highlighted particularly here.
- Our FFO remains stable at a high level, at EUR 20.1 million, despite the reduction in the portfolio. The comparative figure in the first quarter was EUR 10.0 million.
- We achieved a profit in the first half year of EUR 6.2 million – and are consequently matching the good level of the previous year.

We shall step up the pace of growth further this year, both in acquisitions, in letting and in project development.

We have already laid the foundations for our next acquisitions: we started with the capital increase in March 2011 and then launched the first DIC Asset bond on the capital market in May. With the funds raised, totalling EUR 122 million, we can act rapidly and flexibly on the acquisition market. Acquisitions totalling between EUR 200 and 300 million are planned for 2011. The starting position for growth is promising at present: the economic framework data for Germany are excellent and developments on the letting market, which has been challenging for a long time, are positive.

For us, the dynamic trend in the letting market provides a most welcome opportunity for internal growth, which is why we are stepping up our letting activities. The fact that we have an established and effective letting team operating locally in the regions in which our portfolio is concentrated is paying dividends. It allows us to offer the market bespoke products and guarantee high levels of tenant satisfaction through our rapid and flexible services. Ultimately this all results in long-term relationships with our tenants and stable revenues. Overall, we have already come very close to our target of achieving internal growth and an improvement in the occupancy rate in 2011.

In the first half year, we have already invested some EUR 109 million in two major retail properties offering substantial rental income. This acquisition boosted our rental income in the second quarter. Thanks to long-term tenancies, we shall also continue to benefit from the substantial cash flows generated by these properties at regular intervals.

Our project developments are focused on the MainTor project, the large urban development in Frankfurt, in which DIC Asset AG has a stake. Our progress there will soon be apparent for all to see: we have sold the first unit, "Primus", and consequently achieved the preconditions for the start of construction this year. Having been gutted, the Primus complex will be modernised by 2013. Together with other DIC Group companies, we shall move our new headquarters to premises comprising some 3,300 sqm from 2013. There is no better location for us as a listed Frankfurt-based company: we shall be right at the centre of things, in the Riverside Financial District next to the Main river.

We are very confident of being able to continue our path of successful, balanced growth. And we are very happy that you trust us to do this.

Yours sincerely,

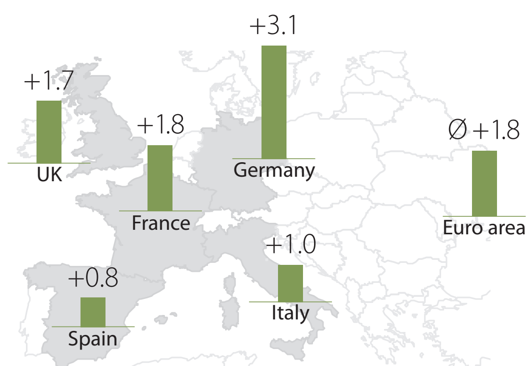
Ulrich Höller   Markus Koch

GENERAL ECONOMIC CONDITIONS

Domestic economy gaining in significance

Economic growth in Germany is increasingly supported by the domestic economy, in particular, by the procurement of new equipment and domestic demand. This is gratifying, since the strong impetus provided by foreign demand has weakened recently. According to the latest findings of the ifo index, the assessment of the current situation of companies has improved once more but the extremely confident expectations regarding the future have fallen somewhat – from a high level – in the meantime. Overall, therefore, there are signs of a moderate slowdown in the rapid economic growth. According to the Bundesbank's forecasts, gross domestic product will rise by 3.1% in 2011, having risen by 3.6% in 2010.

EXPECTED GDP GROWTH IN EUROPE 2011
in %



Source: Deutsche Bundesbank, eurostat

Further expansion in the employment market

The trend in the employment market continues to reflect positive medium term expectations vis-à-vis the economy. The number of people in gainful employment is increasing: the figure stood at 41.0 million at the end of June 2011, which is 0.5 million more than in the previous year. Some 2.9 million people were unemployed, which equates to an unemployment rate of only 7.0%. In the previous year, the number of unemployed still amounted to 3.2 million; the unemployment rate was far higher at 7.6%.

Next small increase in the interest rate – risks remain unchanged

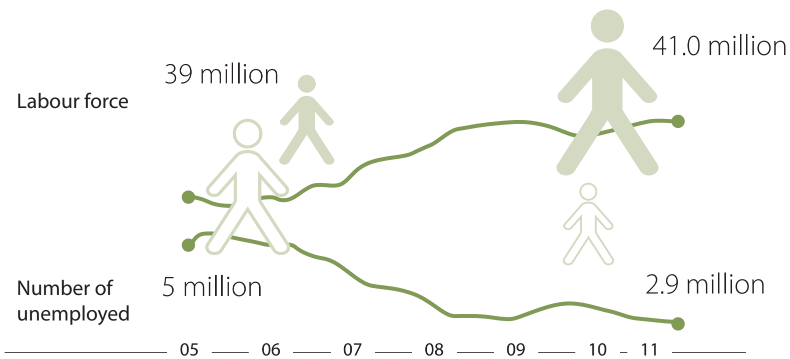
At the beginning of July 2011, the ECB raised its key interest rate slightly once again from 1.25% to 1.50%. This move shows that the inflationary tendencies in Europe are being taken seriously. Nevertheless, general discourse is dominated by the current risks, above all the sovereign finance crises in Europe and the USA, which are continuing to unsettle the financial market, and most recently in the first week of August with the turbulence on the stock markets and the U.S. credit rating downgrade.

A marked rise in rental earnings

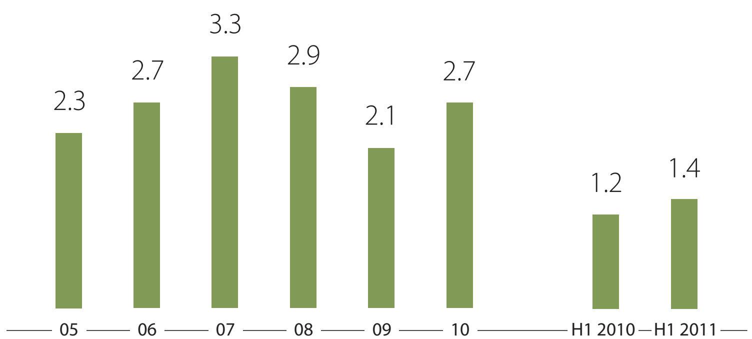
In aggregate, some 1.4 million sqm was rented at the major office locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart). The figure is 17% up on the first half of last year (some 1.2 million sqm) and also well up on the five year average in 2006-2010. The good letting results are also having an impact on vacancies for the first time in a long time; net absorption is positive. Previously, the focus was on consolidation and switching properties. The vacancy rate in the major office locations has fallen overall by 0.2 percentage points compared with the previous quarter to 10.4%.

Up to June 2011, new space amounting to some 250,000 sqm was completed, which is some 40% less than in the previous year. A far higher completion figure is expected for the second half year, at over 630,000 sqm. This space is already more than 3/4 let meaning that only a limited amount of additional space will come onto the market for the first time.

DEVELOPMENT OF EMPLOYMENT MARKET IN GERMANY



LETTING VOLUME IN MAJOR GERMAN OFFICE MARKETS
in sqm million

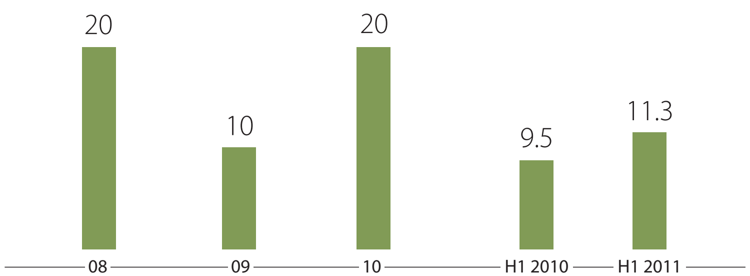


Source: Jones Lang LaSalle

Letting market continuing to do well

The letting market has not only picked up in 2011 but has become significantly more stable in structural terms. Under the positive influence of current economic activity, growth in the letting market, which traditionally occurs later in the economic cycle, is providing additional impetus for growth. While 2010 was mainly characterised by major rentals of over 10,000 sqm, the market has recovered across the spectrum in 2011. The growth in medium-sized deals is providing the market with a sound foundation and can, in total, more than offset the reduction in major rentals. The availability of new space featuring top quality equipment and fittings has fallen further, most notably in particularly sought-after city centre locations, which is largely due to lower levels of new construction. This is resulting in rising peak rentals in several of the major office locations. There are still no signs of significant price increases in the far broader market segments outside the prime locations. Overall, real estate agents' analysts are predicting a positive outlook and expect letting volume to exceed the figure for 2010.

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE
EUR billion



Source: Jones Lang Lasalle

Transaction market remains selectively buoyant

The high levels of activity continued into the second quarter on the transaction market for German commercial real estate. As at 30 June 2011, properties worth some EUR 11.3 billion had changed hands – this equates to growth of some 20% compared with 2010. Interest remains focused on core properties, particularly in the retail segment with its substantial cash flows and top-quality tenants. Some 55% of transaction amounts, which is around EUR 6.2 billion, was spent on retail properties. Some 25%, or EUR 2.9 billion, was attributable to office properties. Investment in office properties increased compared with the first quarter, which led to a greater share of transactions within cities. Peak rents remained stable in most major locations in the second quarter. The large gap in yields between the very best properties in prime locations and locations outside cities remains striking.

Favourable conditions for investment in commercial real estate

The continued appeal of German commercial real estate is not surprising since the combination of positive framework data remains in place: strong economic growth combined with a stable employment market and good prospects, continuing low interest rates and an up-and-coming letting market. This should also be the case for the rest of 2011. Despite these excellent prospects, investment decisions have been dominated by security considerations to date. An excellent location, strong cash flows and long-term leases were the most important arguments regarding any purchases. The market for more opportunistic properties is still limited – firstly by the small number of investors in this segment and secondly by vendors' ideas on price. This delays the already rare purchasing processes. However, this could change over the next few months if the market continues in an upwards trend, with leasing conditions continuing to improve at the same time. Market observers expect transaction volume to total EUR 22-24 billion up to the year-end.

BUSINESS DEVELOPMENT

Highlights in the first half of the year

- Strong letting performance, thanks primarily to large numbers of new tenancies
- Substantial FFO of EUR 20.1 million
- At EUR 6.2 million, net profit for the period matches the level of the previous year

As a result of further intensive activity we increased the letting volume to 137,800 sqm in the second quarter of 2011. In the process, we increased the amount of new space let significantly by more than 41% to 64,000 sqm. In May 2011, we placed the DIC bond on the capital market. Together with the capital increase a few weeks earlier, this gives us additional funds of some EUR 122 million for acquisitions. Rental income as at 30 June 2011 fell compared with 2010, as expected, by EUR 7.6 million to EUR 56.5 million, due in particular to the reduction in the portfolio volume. Compared with the previous quarter, there are already signs of a positive trend here: our rental income increased by EUR 1.4 million (+5%) to EUR 28.9 million. At the mid-point of 2011, we again achieved substantial FFO of EUR 20.1 million. At EUR 6.2 million, the profit for the first six months matches the level of the previous year.

OVERVIEW PORTFOLIO AND SEGMENTS

as at 30.06.2011	Core plus	Value added	Co-Investments	**Total**
Proportionate rental space in sqm	441,500	584,900	155,000	**1,181,400**
Real estate assets in EUR million*	899.7	868.3	303.0	**2,071.0**
Rental income H1 in EUR million	29.3	27.3	--- **	**56.5**
EBT H1 in EUR million	5.6	4.3	0.9	**6.6**

* Market value as at 31.12.2010, later Acquisitions considered at cost
** 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 the 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 Co-Investments (opportunistic investments, funds) segments according to risk/reward criteria. We realise capital growth by selling properties at suitable moments.

Real estate assets stable at EUR 3.2 billion

At the middle of 2011, our real estate portfolio comprised 283 properties with total rental space of 1.9 million sqm. The value of our real estate assets under management amounted to EUR 3.2 billion as at the end of the previous year. The pro rata value of the properties came to EUR 2.1 billion. Our properties generate annual rental income (pro rata, including the co-investments) of EUR 129.7 million.

Local letting: an improved starting position

From the letting figures for our properties reported by our local branches we can confirm that the market as a whole is benefiting from a stable upward trend.

KAUFHOF, LEVERKUSEN

Complete letting secured long-term
- Extension to 10.5 years
- No investment commitments

In Leverkusen, we were able to extend a large scale tenancy agreement long term. We own a retail property offering some 20,400 sqm in the town's most important pedestrian precinct, which is let to Galeria Kaufhof. We were able to extend this tenancy agreement by nine years to 10.5 years – without incurring investment commitments and additional expenditure associated therewith. This will secure our cash flow and the complete letting of the space long-term.

The economic climate is boosting demand for space and recently this has also been evident in increasing numbers of enquiries for new tenancies. As a result, the need for incentives to persuade tenants to rent is diminishing further.

Far more new tenancies

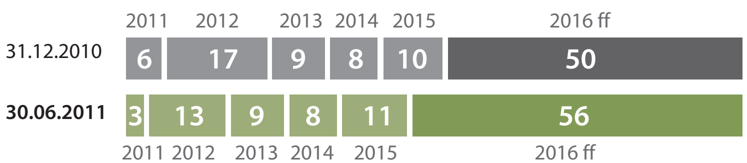
We have strongly used the upward trend in the market: we have let 137,800 sqm of space in our properties on new tenancies or through renewing existing tenancies in the first half year. This exceeds the previous year's result of 116,300 significantly, namely by 18% – despite the reduction in the portfolio compared with the previous year. The trend in new tenancy agreements was particularly pleasing: the letting volume here rose by 41% from 45,100 sqm to 63,700 sqm. We also increased renewals of existing tenancies, exceeding the previous year's result by 4%, at 74,100 sqm. The letting volume as at 30 June 2011, equates to annualised rental income of EUR 12.4 million (previous year: EUR 12.6 million).

Portfolio: sharp reduction in potential lease expiries

The large number of renewals of existing tenancies had a very positive impact on the volume of potentially expiring tenancy agreements: for the remainder of 2011, the possible volume of expiring tenancies has been reduced by EUR 3.4 million from 6% to around 3% of total annual rental income compared with 31 December 2010. We have also already significantly reduced the potential volume of tenancies expiring in 2012 by EUR 2.9 million from 17% to 13% of total rental income.

LEASE EXPERIES: INCREASE OF LONG LEASES

Distribution of annual rental income by lease expiry, in %



LETTING RESULT

in sqm on signature	**H1 2011**	H1 2010
Office	**75,900**	76,800
Retail	**25,800**	10,000
Other commercial	**33,500**	25,800
Residential	**2,600**	3,700
Total	**137,800**	116,300
Parking (units)	**640**	840

GROSSBEERENSTRASSE, POTSDAM

Repositioning as a multi-tenant property

- Vacancy rate reduced sharply
- Rental income increased and secured long-term

The property offering total floor space of 5,300 sqm, which was acquired in 2007, was 40% vacant at the end of 2010 and the way in which the space was structured meant that it was originally tailored to letting to a single tenant. By investing a small amount and applying suitable structural solutions, we first changed the structure of the property to make it suitable for letting to several tenants. Thanks to the improvement in positioning, we were able to attract a new major tenant in the form of an E.ON subsidiary for a long-term tenancy. Another major tenant concluded a long-term agreement for 2,300 sqm. The agreements have reduced the vacancy rate to below 10% and increased our rental income by some 50%.

As expected, the occupancy rate as at 30 June 2011 remained stable, at 86%, compared with the end of 2010. The average lease period has increased slightly, namely by 0.1 years to 5.5 years.

Thanks to good letting volume, we markedly improved annualised rental income in a like-for-like comparison (excluding changes to the portfolio caused by acquisitions/disposals or project developments) compared with the previous quarter. Growth in the second quarter of 2011 amounted to 0.6%. However, in the first quarter of 2011 rental income on a like-for-like basis had fallen by 0.5%. We have already achieved an increase of 0.1% compared with the end of 2010. As a result, the trend in rental income on a like-for-like basis in the period under review is clearly above that of the previous year: in the first half of 2010 letting volume fell by -0.4%. We are assuming a very positive trend in rental income based on a like-for-like comparison and an increase in the occupancy rate in the second half year, since some tenancies that have already been agreed will not become effective until the second half of 2011.

The brief overview on pages 52/53 of the quarterly report provides additional portfolio data.

RENTAL GROWTH

like-for-like in %, without developments

TOP LETTING DEALS

Top 5 New Lettings

MainArbeit	Offenbach	7,400 sqm	Office	
Golden Tulip Parkhotel	Neu-Ulm	6,600 sqm	Hotel	
AXA	Wiesbaden	2,500 sqm	Office	
Telefónica Germany	Rostock	1,500 sqm	Office	
Geier Schuhe + Sport Mode	Erfurt	1,500 sqm	Retail	

Top 5 Renewals

Galeria Kaufhof	Leverkusen	20,400 sqm	Retail	
Streif Baulogistik	Mörfelden-Walldorf	9,200 sqm	Office/ Logistics	
Delacamp	Hamburg	7,300 sqm	Office/ Logistics	
Thales	Korntal-Münchingen	4,800 sqm	Office	
Deutsche Bahn	Koblenz	4,000 sqm	Office	

TRIO OFFENBACH

Most significant tenancy in Offenbach since 2007

- New 7,400 sqm tenancy
- Municipal tenants found for 17 years

Following the departure of the anchor tenant, the Offenbach office property had not been let since mid-2010. We repositioned the site – under the name TRIO Offenbach – as a renovation project with an additional new building in a prominent location at the entrance to Offenbach. This scheme won over the City of Offenbach, which concluded a tenancy agreement in mid-June 2011 through its municipal subsidiary "MainArbeit" for 7,400 sqm over a period of 17 years. This deal is the most significant tenancy concluded in Offenbach since 2007. We shall start renovation of the existing building (5,200 sqm) by the end of the year and shall then construct a new building. Additional buildings will be constructed on the rest of the site in the long-term if matching levels of pre-letting are achieved. Overall, we shall again achieve long-term additional rental income at the good level of the previous anchor tenant for the leased space.

Transaction volume higher in second quarter

In the second quarter of 2011, we sold two properties worth EUR 23.4 million in total. These were a retail property in Ulm from the Value added segment and a supermarket in Würzburg from our opportunistic co-investments. As a result, the volume sold in the first half year totalled EUR 28.2 million, as planned, compared with EUR 35.8 million in 2010. In early August, the transaction volume increased to around EUR 33 million through the disposal of a property from our opportunistic co-investments for around EUR 5 million.

MainTor district: construction measures starting

At the end of June 2011, the DIC Group sold the Primus complex at the MainTor project successfully to a private investor. The DIC Group will complete the construction of the building by mid-2013, subsequently the DIC companies will move their corporate headquarters there to offices comprising some 3,300 sqm. This successful marketing via a forward sale has created the preconditions for construction to start on the MainTor district in Frankfurt: the first phase of construction comprises the demolition of virtually the entire site and the redevelopment of the Primus complex. The building will be completely gutted and modernised with a new façade and building services that comply with the most exacting sustainability standards. The total investment for the first phase of construction (including demolition, preparatory work and the construction of the Primus building) will come to around EUR 50 million.

Frankfurt, MainTor

The 46-metre "Primus" tower features an arcade as well as a roof terrace with a unique view of the old town and skyline. Following the move, the DIC companies will have a presence – in the form of a modern, attractive headquarters – in Frankfurt's financial district on the site of the Group's most important project development. The new location will also provide a visual expression of the company's successful development in recent years.

There is further interest in renting other phases of the project. Rental demand is picking up and interest in the MainTor site has increased significantly. 40,000 visitors have already viewed the spectacular anniversary exhibition by the MMK (Museum of Modern Art), at which the MainTor project is also being showcased.

More employees for growth

New offices at a central location in Frankfurt's city centre are also an indicator of quality for our employees, which characterises DIC as an attractive employer. The move to a new corporate location in the heart of the city of Frankfurt is also connected to the DIC Group's growth: we have increased our staff numbers in recent months as part of our focus on growth. As at 30 June 2011, there are 117 people working for DIC Asset AG. This is seven more than at the end of 2010 and eight more than the middle of 2010. The majority of our employees work throughout Germany in the local branches of our asset and property manager DIC Onsite in letting and optimising our properties.

NUMBER OF EMPLOYEES

	30.06.2011	30.06.2010
Portfolio management, investment and funds	**11**	9
Asset and property management	**90**	84
Group management and administration	**16**	16
Total	**117**	109

REVENUES AND RESULTS

Rental income increases in the second quarter

We achieved gross rental income of EUR 56.5 million up to 30 June 2011. This is EUR 7.6 million less than in the previous year (-12%) – as before, this fall is attributable to the reduction in our portfolio following disposals and the fund placement in 2010. However, at EUR 28.9 million, we achieved a marked increase in gross rental income in the second quarter of EUR 1.4 million (+5%) compared with the previous quarter, which was largely due to the inclusion of the two Kaufhof properties purchased. Net rental income amounted to EUR 52.2 million, which is EUR 6.2 million (-11%) less than in the first half of 2010. We have been able to increase net rental income by EUR 1.6 million (+6%) to EUR 26.9 million compared with the first quarter of 2011.

Significant increase in income from real estate management

The constant income from real estate management for properties from joint ventures and minority interests, for which we use our organisation, has become more significant for results as clear profit contributions. In total, income from management fees rose by EUR 0.8 million (+53%) to EUR 2.3 million, most notably as a result of assuming the management of the fund properties.

Total revenues at EUR 76.0 million

In the first half-year, we sold properties from our directly held portfolio for EUR 9.3 million. This means that we were about 50% down on the previous year's figure in terms of volume but achieved a profit, at EUR 0.6 million, which matched that of the previous year. At EUR 76.0 million, total revenues in the first half of 2011 were EUR 17.9 million (-19%) down on the level of the previous year.

REVENUES OVERVIEW

EUR million	H1 2011	H1 2010	
Rental income	**56.5**	64.1	-12%
Property disposal proceeds	**9.3**	18.5	-50%
Other income	**10.2**	11.3	-10%
Total revenues	**76.0**	93.9	-19%

Operating costs ratio lower in the second quarter

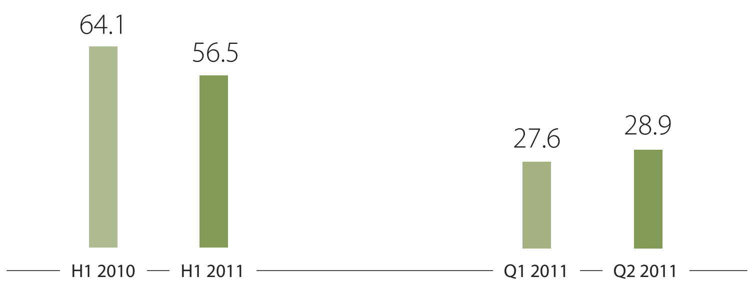
As planned, operating costs have risen compared with last year as a result of the increase in staff numbers. Personnel expenses increased by EUR 0.2 million (+4%) to EUR 4.9 million, while administrative expenses rose by EUR 0.2 million (+5%) to EUR 4.2 million. As a result, the operating cost ratio (the ratio of administrative and personnel expenses to gross rental income, adjusted for property management income) also increased to 12.0% (previous year: 11.4%) – this can be explained by both the increase in costs and the reduction in rental income. We are aiming for an operating costs ratio of between 11% and 12% and have achieved our targets in the first half year. In the second quarter of 2011, at 11.1%, we are clearly already at the lower end of our target corridor, due to the portfolio expansion and higher income from property management.

Depreciation was EUR 1.6 million (-10%) lower at EUR 14.1 million, primarily because of the sale of properties.

Interest result improved by EUR 6.8 million

At the middle of 2011, we recorded an interest result of EUR -26.1 million. This is well down on the previous year's figure, namely by EUR 6.8 million (+21%), which is attributable to several key reasons: we have reduced funds borrowed through disposals, optimised interest expense on loans and hedging instruments and have more substantial liquid funds generating corresponding interest income following the latest capital measures. In the second quarter, interest expendi-

GROSS RENTAL INCOME INCREASED IN SECOND QUARTER
EUR million



ture rose slightly compared with the previous quarter, since funds borrowed increased as a result of financing the acquisition of the Kaufhof properties and higher interest rates made short-term financing more expensive.

Co-Investments: income down on the previous year

As expected, income from associated companies (this is the results from the Co-Investments segment) fell by EUR 2.7 million (-75%) to EUR 0.9 million. This is clear evidence, above all, of the loss of the income from the MainTor site, which was still let last year. These factors could be partly offset by income from our special fund DIC Office Balance I, which did not exist last year.

FFO at a high level, at EUR 20.1 million

FFO amounted to EUR 20.1 million, which is EUR 1.9 million (-9%) less than at the mid-point of 2010. The decrease in income caused by the reduction in the portfolio and the loss of earnings from the MainTor site was largely offset by the marked improvement in the interest result. FFO per share, adjusted for the effects of the capital increase in accordance with IFRS – IAS 33 – (cf p. 46), stood at EUR 0.47 (previous year: EUR 0.60).

DERIVATION STATEMENT FFO

EUR million	**H1 2011**	H1 2010	
Net rental income	**52.2**	58.4	-11%
Administrative expenses	**-4.2**	-4.0	5%
Personnel expenses	**-4.9**	-4,7	4%
Result of other operating income/expenses	**-0.1**	0.1	--
Management fee income	**2.3**	1.5	53%
Share of the profits of associates	**0.9**	3.6	-75%
Interest result	**-26.1**	-32.9	-21%
Funds from Operations	**20.1**	22.0	-9%

EARNINGS OVERVIEW

EUR million	**H1 2011**	H1 2010	
FFO	**20.1**	22.0	-9%
EBITDA	**45.9**	51.9	-12%
EBIT	**31.8**	36.3	-12%
EBDA	**20.3**	21.9	-7%
Profit for the period	**6.2**	6.3	-2%
Earnings per share (EUR)*	**0.14**	0.17	-18%
FFO per share (EUR)*	**0.47**	0.60	-22%

* Previous year's figure adjusted for the effects of the capital increase in accordance with IFRS (IAS 33), cf p. 46

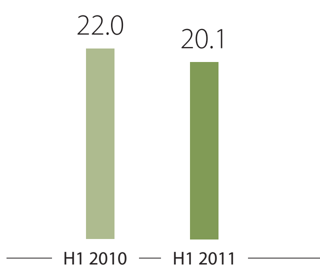
Profit for the period matches the previous year's level

Profit for the first half of 2011 was EUR 6.2 million. This means that we have virtually achieved the level of the previous year despite lower rental income and less income from our co-investments. This is primarily due to significant savings on financing and the increase in income from property management. In the second quarter, net profit for the period, at EUR 3.4 million, was EUR 0.6 million up on the previous quarter, primarily thanks to profits from sales. Earnings per share, adjusted for the effects of the capital increase in accordance with IFRS (IAS 33), amounted to EUR 0.14 (previous year: EUR 0.17).

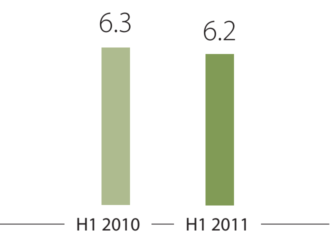
Segments: Core plus segment boosted by acquisition

The acquisition of the Kaufhof properties, in particular, had an impact on rental income in the Core plus segment: it rose significantly by EUR 1.7 million to

FFO
EUR million



PROFIT FOR THE PERIOD
EUR million

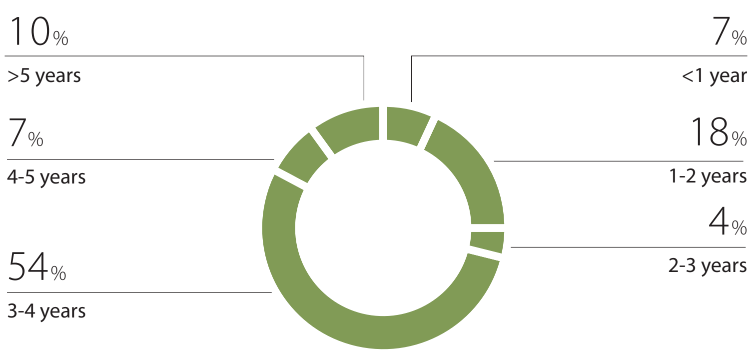


EUR 15.5 million compared with the first quarter. Compared to the corresponding period in the previous year, rental income has decreased by EUR 5.2 million to EUR 29.3 million in the Core plus segment and by EUR 2.3 million to EUR 27.3 million in the Value added segment. This comes as a result of the reduction in the portfolio, most notably through disposals and, in the Core plus segment, through the hiving-off of the fund properties. Rental income is not reported for the Co-Investments segment because of the minority holdings.

In the Core plus segment, earnings before tax rose by EUR 1.6 million to EUR 5.6 million, while earnings increased by EUR 1.5 million to EUR 4.3 million in the Value added segment. In both cases, this is attributable to savings on financing costs, which more than offset the decline in rental income. Earnings before tax by the Co-Investments segment fell by EUR 2.7 million to EUR 0.9 million. The fall is primarily the result of the planned loss of rental income from the MainTor site, which could be partly offset by profit contributions from our special fund DIC Office Balance I. Taking account of the result of the "Other" segment of EUR -4.2 million, this results in earnings before tax of EUR 6.6 million.

Total assets have not changed significantly in each segment compared with 31 December 2010. The exception are the real estate assets in the Core plus segment, which have increased by EUR 109 million through the acquisition of the Kaufhof properties. The Value added segment has shrunk as a result of the sale of a retail property for EUR 9 million.

EXPIRY FINANCIAL DEBT
Financial debt as at 30.06.2011



NET ASSETS AND FINANCIAL POSITION

Considerable demands placed on management of financing
In financing DIC Asset AG, we pursue several key aims. The financing architecture should be sufficiently stable and long-term in its focus to withstand changes in the market with as little impairment as possible. A constant and reliable supply of liquidity is just as important. In addition to long-term stability, we focus on having sufficient flexibility with the greatest possible room for manoeuvre to be able to exploit market opportunities at short notice. Finally – for a real estate company with appropriate levels of borrowed funds – obtaining financing on favourable conditions is a crucial factor for our profitability.

More flexibility: the DIC Asset bond
We issued a bond to give more scope to our use of borrowed funds in addition to traditional mortgage finance and, as a result, received EUR 70 million in outside capital in May 2011. The non-subordinated, unsecured bond runs for five years and has a coupon of 5.875% p.a. The capital is now available to help us implement our growth strategy at short notice. We plan to use these funds for property or portfolio-related financing. This gives us greater flexibility in financing at property level.

Debt maturity structurally improved
Total financial debt has risen, most notably as a result of the funds raised by the bond, by EUR 49.4 million to EUR 1,425.5 million. Some EUR 40 million of external funds is still available up to the year-end to finance the Kaufhof acquisition. At present, we are predominantly financing this transaction from equity. The average term of our debt amounts to some 3.6 years. Compared to the previous year we have significantly reduced the proportion of debt with terms of up to three years by 13 percentage points from 42% to 29%. Only 7% of debts have to be refinanced in the next twelve months.

Hedging against increases in interest rates

We hedge our debt against the risks of increases in interest rates at a broad level: at 87%, the vast majority of our debt is hedged, either by agreeing loans at fixed interest rates or via interest-rate hedging instruments. This is 6 percentage points more than at the end of 2010 - we have increasingly secured the low level of interest rates long-term. Only 13% of debt - in essence, this is short-term loans - has been agreed at variable rates. At the end of 2010, the proportion of variable debt was still 19%.

Significant reduction in financing expenditure

At the mid-point of 2011, our average interest rate across all debt amounted to 4.45% (previous year: 4.56%). It is 15 basis points more than at the end of 2010, which is primarily attributable to the issue of the bond and the increase in the hedging ratio.

In the first half of 2011, we again improved our financing – both in terms of structure and costs – this had a positive impact on our expenses, just as much as the reduction in funds borrowed. Interest expenses fell by EUR 6.2 million (-17%) to EUR 29.7 million compared with the same period in the previous year. The increase in interest income of EUR 3.5 million is attributable, most notably, to higher liquid funds resulting from the two capital measures.

CASH FLOW OVERVIEW

EUR million	**H1 2011**	H2 2010
Profit for the period	**6.2**	6.3
Cash flow from operating activities	**19.3**	15.4
Cash flow from investing activities	**-97.6**	2.0
Cash flow from financing activities	**100.1**	38.1
Net increase in cash and cash equivalents	**21.9**	55.6
Cash and cash equivalents as at 30 June	**139.2**	94.4

Investments: focus on growth

DIC Asset AG is once again on an expansionary course. A total of EUR 114.9 million was invested for this purpose up to the end of June 2011. The vast majority, at EUR 109.0 million, was the result of the acquisition of the two Kaufhof properties in March 2011. EUR 5.9 million was invested in existing properties, for example for refurbishment, tenants' fittings and technical improvements, mostly in direct connection with long-term tenancies. In the previous year, far less was invested, namely EUR 5.3 million in expanding the portfolio and EUR 5.6 million in existing properties.

Significant increase in cash flow

The acquisition of the Kaufhof properties and the capital measures had the greatest impact on cash flow in the first half of 2011.

Cash flow from on-going operating activities rose sharply by EUR 3.9 million (+25%) to EUR 19.3 million. Lower inflows from the portfolio, which had been reduced through disposals, were more than offset by measures to optimise our financing. In total, EUR 97.6 million was spent on investments. Investment focused on expanding the portfolio: investment in new real estate comprised the acquisition of the two Kaufhof properties in March 2011, while investment in the portfolio matched the level of the previous year. In the first half of 2010, portfolio growth was not a priority; here the outflow of funds from investing activities amounted to EUR -2.0 million – following successful disposals. Cash flow from financing activities totalled EUR 100.1 million. Some EUR 119.2 million was received from the capital increase and the bond issue, with new loans being raised as part of the Kaufhof acquisition of EUR 40.9 million. Loan repayments of EUR 60.9 million comprised scheduled repayments and repayments for properties sold. In the previous year, some EUR 38.1 million was received for financing purposes.

As at 30 June 2011, cash and cash equivalents rose by EUR 44.7 million (+47%) to EUR 139.2 million. In addition a further EUR 40 million is available from available credit limits as part of the financing of the Kaufhof acquisition.

Total assets increased by 5%

The acquisition of the Kaufhof properties and the capital measures, in particular, increased the assets of DIC Asset AG in the first six months of 2011. Total assets rose by EUR 105.2 million (+5%) to EUR 2,155.2 million.

Assets: growth through acquisition

Non-current assets rose by EUR 92.9 million (+5%) to EUR 1,896.0 million, most notably as a result of the acquisition of the Kaufhof properties. This was offset by the sale of a property from the Value added segment in the second quarter. Current assets increased by EUR 12.4 million in total (+5%) to EUR 259.2 million. Receivables from the disposal of properties shrank following payment of the purchase price. There was a marked increase in cash assets in the half year. Cash was received primarily because of the capital increase (EUR 52.2 million) and bond issue (EUR 70.0 million), while above all the acquisition of the Kaufhof properties, which was temporarily financed predominantly (EUR 67.1 million) from our resources, reduced cash and cash equivalents.

Equity ratio at over 30%

Equity rose by EUR 70.5 million (+12%) to EUR 657.6 million. This was attributable primarily to the capital increase, which generated an inflow of some EUR 52 million, the profit for the period (EUR +6.2 million) and the positive trend in the hedging reserve caused by rising interest rates (EUR 12.8 million). At the middle of the year, the equity ratio amounted to 30.5% (31 December 2010: 28.6%). A year ago, the equity ratio came to 25.2%.

BALANCE SHEET OVERVIEW

EUR million	**30.06.2011**	31.12.2010
Total assets	**2,155.2**	2,050.0
Non-current assets	**1,896.0**	1,803.1
Current assets	**259.2**	246.8
Equity	**657.6**	587.1
Non-current liabilities	**1,381.8**	1.307.4
Current liabilities	**115.8**	155.5
Equity ratio in %	**30.5**	28.6
Debt ratio in %	**69.5**	71.4

Short-term debt reduced, bond increases long-term debt

As at 30 June 2011, total debt amounted to EUR 1,497.6 million, some 2% up on the end of 2010. Non-current debt rose by EUR 74.9 million in total to EUR 1,381.8 million. The increase is the result of the successful bond issue (long-term portion: EUR +67.9 million), which is included in the balance sheet for the first time, and net loans raised (EUR +41.8 million). On the other hand, the fall in derivatives resulting from rising interest rates reduced liabilities slightly.

Current liabilities fell sharply by EUR 39.6 million (-25%) to EUR 115.8 million, mainly as a result of the loan repayments in connection with the disposals last year.

EVENTS AFTER THE BALANCE SHEET DATE

The General Shareholders' Meeting for financial year 2010 took place on 5 July 2011. The shareholders agreed to ratify the actions of the Management Board and Supervisory Board and to pay a dividend of EUR 0.35 per share. Payment of the dividend totalling EUR 16.0 million took place on 6 July 2011. The creation of new authorised capital was also resolved. Dr Michael Peter Solf was elected to the Supervisory Board in the place of the departing member Hellmar Hedder for a period in office until the General Shareholders' Meeting for financial year 2015. The company boards otherwise remained unchanged from the previous year.

At the end of June, DIC announced that it had sold the "Primus" complex in the future MainTor district successfully as part of a forward sale before construction started. As a result, all the preconditions have been fulfilled to start work on the first phase of construction - starting with fundamental demolition work. The first purchase price payment was made at the beginning of August. The profits on disposal from this transaction will be realised in stages as construction targets are hit.

On 2 August 2011 the notarial contract for the sale of a property from the Co-Investments segment with a transaction volume of EUR 4.9 million was signed. The transfer of rights, entitlements and obligations is scheduled for 31 August 2011. DIC Asset AG has a 20% participation in this sale.

OPPORTUNITIES AND RISKS

We highlighted the opportunities and risks of our business activities in detail in the Annual Report for 2010 and provided information on the risk management system and the internal control system.

As part of the risk management system, the Finance department summarises the individual risks identified in the respective specialist departments to produce an overview of aggregate risk. With regard to the individual risks listed in the Annual Report for 2010 – and taking account of the probability they will occur and the potential financial losses – as well as the aggregate total risk, the management continues to assume that these risks cannot directly jeopardise the company's continued development. DIC Asset AG's overall risk profile has not therefore changed significantly compared with the state of affairs as at 31 December 2010.

However, the situation on financial markets remains tense, most notably with regard to the sustained critical financing requirements of individual European countries and the high levels of public sector debt in the U.S.. At the beginning of August 2011 this resulted in turbulence on the stock markets, associated with the U.S.'s credit rating downgrade. The resultant developments and their potential impact on the German economy and on German companies are not predictable at present. We have laid the financial foundations for our growth with the capital measures we have taken.

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. DIC Asset AG has granted a loan to DIC HI Portfolio GmbH with a volume of EUR 11.3 million, pursuant to contractual agreement from 15 June 2011. The loan matures on 30 June 2012. The interest is 7.25% p.a. 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 up to the end of June 2011.

FORECAST

Upturn gains in breadth

The German economy's economic recovery has evolved into a more broadly based upturn. Macroeconomic production capacity has now returned to normal levels and companies are preparing a further expansion in their activities. At the same time, expectations are that the previous role played by exports in driving the upturn will be assumed more and more by domestic consumption and investment in capital goods. Economic growth could reach 3.1% in 2011. This positive course would improve the situation in the employment market still further. By and large, the prospects of a long expansionary phase in the German economy are increasing. Key interest rates could be raised further during the current year to combat burgeoning inflationary tendencies in a dynamic environment. However, the continuing risks, particularly the debt crises in the U.S. and Europe, have the potential to cause major disruptions in the global and economic environment, which could slow the strong economic upturn perceptibly.

Letting volume planned at the same level as the previous year

The letting market is trending upwards with conditions for letting becoming increasingly favourable - despite competition remaining fierce. Real estate agents' analysts observing the market assume that annual turnover will match the previous year's figure and will be spread across the market. This assessment is supported by our result for the half year. With a volume of 137,800 sqm up to June 2011, we have already achieved somewhat more than half our letting target. The increase in new tenancies is particularly gratifying here. Our aim for 2011 is to exploit the pick-up in demand to increase the occupancy rate by one percentage point. At the same time, we shall, as ever, also secure our cash flow for the future by substantial reletting. We are well-positioned for this with DIC Onsite thanks to its strategy of having local branches in the areas where our portfolio is concentrated. As before, we are planning letting volume at least at the level of the previous year and an increase in the occupancy rate to 87%.

Disposals part of on-going business operations

Conditions on the transaction market for commercial real estate remain unchanged at the end of the first half of 2011: activity remains buoyant with interest being focused on core properties. Investor focus has not yet returned to properties outside prime locations or which place more demands on management. In total, results are expected to exceed the previous year, at between EUR 22 and 24 billion. This will provide us with a good basis for placing properties at regular intervals. We have already sold properties for some EUR 28 million up to the middle of 2011. We are expecting sufficient opportunities in the second half of the year to achieve the planned volume of disposals for 2011 of between EUR 80 and 100 million in total.

Preparations for expanding the portfolio completed

Following our last acquisition in March 2011, we have again improved the starting position for further growth. Thanks to the capital increase and the bond issue carried out in the second quarter, we have new funds of some EUR 122 million for investing directly in acquisitions. At the same time, thanks to our ability to add value along the output chain – which ranges from efficient property management to repositioning properties through project development – we are optimally equipped for acquisitions in all segments of both individual properties as well as mixed portfolios. The market offers attractive opportunities for expanding the portfolio at present. We are planning to invest EUR 200 to 300 million in total – indirectly and directly – in 2011.

Unchanged FFO forecast of between EUR 40-42 million

In view of the risks which could affect economic developments at present, forecasts continue to be fraught with uncertainty. This is why our plans may differ from actual events, particularly if general conditions or underlying assumptions change.

Against the background of the existing portfolio and an occupancy rate of 87% at the year end, our assumption of rental income of between EUR 112 and 115 million for 2011 remains unchanged. On this basis, we expect operating income, namely FFO, of between EUR 40 and 42 million in 2011.

RUHRTOWER, DUISBURG

Marked increase in letting

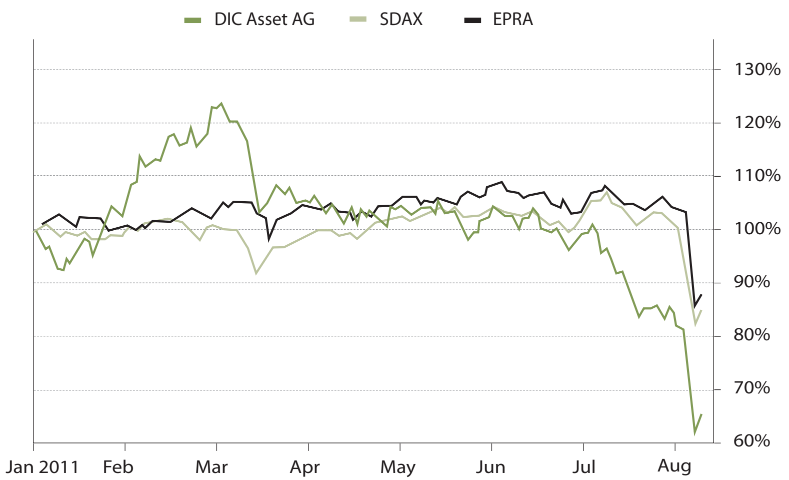
- Property modernised and management optimised
- Vacancy rate virtually halved

The high-rise building in Duisburg city centre, right in the centre of the main shopping street, comprising rental space of 8,100 sqm in total was around 50% vacant as at 31 December 2010 following the expiry of some tenancy agreements. Having undertaken a comprehensive refurbishment programme, optimised the layout and cut ancillary costs by more than 30%, we repositioned the property in Duisburg and marketed it under the name RuhrTower. With rapid success: we were able to conclude several tenancy agreements for some 2,000 sqm in total within half a year, which virtually halved the vacancy rate and increased rental income by 44%.

Share performance: volatile following a strong start
Following a brief dip to the annual low of EUR 8.08 on 11 January 2011, our share started with a strong rebound and rose to its high to date of EUR 10.88 on 3 March 2011. Since the beginning of March 2011, the discussions about Greece's solvency have depressed financial markets once more. This slowed our share's very promising recovery. The announcement of our capital increase in mid-March subjected the share to a certain amount of additional pressure. Despite the stresses, the share price exceeded the issue price set for the new shares of EUR 8.00 throughout the subscription period. In the second quarter of 2011, the price started a sideways trend characterised by significant volatility. At the end of the first half of 2011, the DIC Asset share stood at EUR 8.72 – which represents growth of 4.6% on its value at the beginning of the year. As a result, our share's performance has matched that of the sector index, the EPRA Developed Europe (+4.9%) and the SDAX (+4.7%).

In August 2011 stock market prices fell significantly worldwide, and particularly in the case of small values, in the wake of the turbulence on the markets in the light of the U.S.'s credit rating downgrade.

SHARE PRICE DEVELOPMENT



DIC bond: more alternatives for raising capital
To give our borrowing options even greater flexibility, we have floated a non-subordinated, unsecured corporate bond with an interest rate of 5.875% p.a. and a term of five years. The bond allows investors to invest in our business model directly and in small denominations and to benefit from attractive terms featuring a fixed interest rate. We shall expand our financing base and make it more flexible by issuing the bond and will gain access to a new group of investors.

The offer was directed at institutional investors and private investors. We have waived a rating, since we have fulfilled the most exacting requirements in terms of transparency as part of our stock market listing and membership of the Prime Standard for years and report in detail every quarter.

KEY FIGURES

EUR (1)	H1 2011	H1 2010
Share capital	**45,718,747**	39,187,498
Average number of shares (2)	**42,838,826**	36,599,977
Earnings per share (2)	**0.14**	0.17
52-week high	**10.88**	9.60
52-week low	**5.83**	4.30
Closing price for quarter	**8.72**	6.23
Market capitalisation (in EUR million)	**399**	244
Price on 10.08.2011	**5.77**	

(1) Closing prices in Xetra trading
(2) Previous year's figure adjusted for the effects of the capital increase in accordance with IFRS (IAS 33), cf p. 46

Bond for EUR 70 million placed

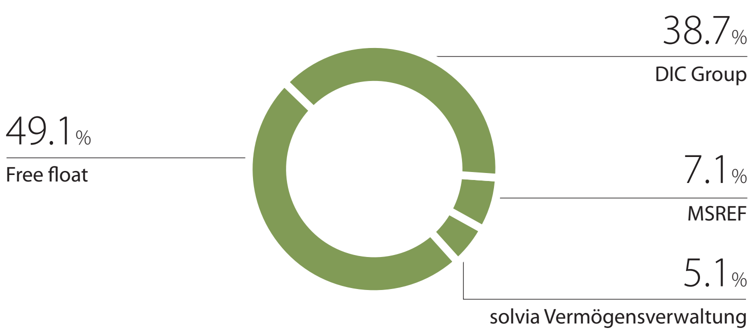
In total, we raised some EUR 70 million in external funds through the bond. Since mid-May 2011, the bond has been traded over the counter at the Frankfurt Stock Exchange in the Entry Standard for bonds segment. We are the first listed real estate company in Germany which has successfully placed a corporate bond of such a large volume. We view this option for borrowing as a sensible supplement to traditional mortgage loans for the future.

With the funds raised, we aim, above all, to implement our plans for growth quickly. Together with the capital increase in March 2011, we have successfully raised some EUR 122 million to finance DIC Asset AG's additional growth.

General Shareholders' Meeting agrees to all agenda items

At the General Shareholders' Meeting on 5 July 2011, the Management Board presented the results of financial year 2010 and current business developments. With 74% of the share capital present, the General Shareholders' Meeting decided on a dividend payment of EUR 0.35 per share and ratified the actions of the Management Board and the Supervisory Board. All the points on the agenda were agreed in line with the proposal by the Management Board, including the creation of authorised capital in the amount of around EUR 22.9 million.

SHAREHOLDER STRUCTURE



Focus of IR activities

The work of the investor relations team was concentrated in the first half year on preparing and executing the capital increase and placement of the bond. The placement of the bond was intended to appeal to a new target group and persuade them to invest, as previously fixed income investors did not have the option to participate in DIC Asset AG's business model. In the second quarter of 2011, the Management Board and the investor relations team provided new and existing shareholders, investors and analysts with information on the business model, the current performance and strategic objectives at conferences and meetings, most notably in Frankfurt, London and Amsterdam.

Annual Report receives award

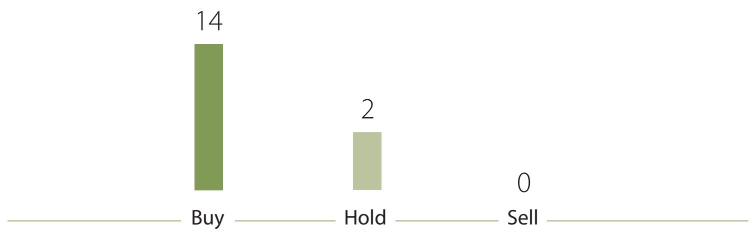
In the world's largest Annual Report competition, the LACP Vision Awards, last year's Annual Report was given a platinum award as one of the most successful reports internationally. Consequently, DIC Asset AG was ranked first in the real estate sector for the second time and ranks among the top 20 annual reports from over 5,000 reports submitted worldwide.

Broad positive assessment by analysts

All the analysts observing our share are convinced that it will perform well: 14 analysts (that is 88%) recommend purchasing the DIC Asset share, only two analysts (12%) advise holding it. The performance of the DIC Asset AG share is currently monitored by 16 analysts (as at 8 August 2011).

REPORTING ON THE SHARE

Coverage by 16 banks (as at August 2011)



FINANCIAL CALENDAR

11.08.2011	Publication of Interim Report Q2 2011	
17.08.2011	Roadshow	London
01.-02.09.2011	EPRA Annual Conference	London
06.09.11	Roadshow	Chicago
07.-08.09.2011	Bank of America Merrill Lynch Global Real Estate Conference	New York
20.-21.09.2011	Roadshow	Norway/ Sweden
27.09.2011	UniCredit German Investment Conference	Munich
04.-06.10.2011	EXPO Real	Munich
06.10.2011	Société Générale Pan European Real Estate Conference	London
19.10.2011	Real Estate Share Initiative	Frankfurt
15.11.2011	Publication Interim Report Q3 2011	
17.11.2011	WestLB Investors' Conference	Frankfurt

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2011

TEUR	**01.01.-30.06.2011**	01.01.-30.06.2010
Total revenues	**76,044**	93,874
Total expenses	**-44,218**	-57,603
Gross rental income	**56,532**	64,109
Ground rents	**-396**	-387
Service charge income on principal basis	**7,662**	9,121
Service charge expenses on principal basis	**-8,191**	-10,364
Other real estate related operating expenses	**-3,423**	-4,122
Net rental income	**52,184**	58,357
Administrative expenses	**-4,182**	-3,995
Personnel expenses	**-4,890**	-4,747
Depreciation and amortisation	**-14,121**	-15,669
Management fee income	**2,282**	1,455
Other income	**301**	641
Other expenses	**-397**	-414
Net other income	**-96**	227
Investment property net disposal proceeds	**9,266**	18,548
Carrying value of investment property disposal	**-8,617**	-17,905
Profit on disposal of investment property	**649**	643
Net operating profit before financing activities	**31,826**	36,271
Share of the profit of associates	**874**	3,564
Net financing costs	**-26,112**	-32,889
Profit before tax	**6,588**	6,946
Income tax expense	**-815**	-1,221
Deferred income tax expense	**438**	527
Profit for the period	**6,211**	6,252
Attributable to equity holders of the parent	**6,156**	6,191
Attributable to minority interest	**55**	61
Basic (=diluted) earnings per share (EUR)	**0,14**	0,17

CONSOLIDATED STATEMENT OF CASH FLOW AS AT 30 JUNE 2011

TEUR	**30.06.2011**	30.06.2010
Operating activities		
Net operating profit before interest and taxes paid	**33,830**	41,971
Realised gains on disposals	**-649**	-643
Depreciation and amortisation	**14,121**	15,669
Movements in receivables, payables and provisions	**432**	1,763
Other non-cash transactions	**-1,294**	-4,080
Cash generated from operations	**46,440**	51,154
Interest paid	**-28,839**	-35,757
Interest received	**2,090**	2,062
Income taxes paid	**-367**	-2,025
Cash flow from operating activities	**19,324**	15,434
Investing activities		
Proceeds from disposals of investment property	**17,216**	18,174
Acquisition of investment property	**-108,966**	-5,271
Capital expenditure on investment property	**-5,955**	-5,603
Repurchase/disposal of own shares	**773**	0
Loans to other entities	**-556**	-5,211
Acquisition of office furniture and equipment	**-70**	-60
Cash flow from investing activities	**-97,558**	2,029
Financing activities		
Proceeds from the issue of share capital	**52,250**	47,025
Proceeds from the corporate bond issue	**70,000**	0
Proceeds from other noncurrent borrowings	**41,822**	5,600
Repayment of borrowings	**-60,855**	-13,532
Payment of transaction costs	**-3,105**	-950
Cash flow from financing activities	**100,112**	38,143
Net increase in cash and cash equivalents	**21,878**	55,606
Cash and cash equivalents at 1 January	**117,292**	38,826
Cash and cash equivalents at 30 June	**139,170**	94,432

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

ASSETS in TEUR	**30.06.2011**	31.12.2010
Investment property	**1,810,177**	1,718,215
Office furniture and equipment	**520**	519
Investments in associates	**66,785**	64,670
Derivatives	**109**	0
Intangible assets	**203**	255
Deferred tax assets	**18,217**	19,465
Total non-current assets	**1,896,011**	1,803,124
Receivables from the disposal of property	**17**	7,967
Trade receivables	**2,640**	2,635
Receivables due from related parties	**106,096**	105,682
Income taxes receivables	**5,181**	7,442
Other receivables	**4,368**	3,955
Other current assets	**1,719**	1,876
Cash and cash equivalents	**139,170**	117,292
Total current assets	**259,191**	246,849
Total assets	**2,155,202**	2,049,973

EQUITY AND LIABILITIES in TEUR	**30.06.2011**	31.12.2010
Equity		
Issued Capital	**45,719**	39,187
Share premium	**614,309**	569,288
Hedging and translation reserve	**-38,325**	-51,111
Retained earnings	**34,399**	28,243
Total shareholders´equity	**656,102**	585,607
Minority interest	**1,479**	1,473
Total equity	**657,581**	587,080
Liabilities		
Corporate bond	**67,921**	0
Interest-bearing loans and borrowings	**1,259,086**	1,239,804
Deferred tax liabilities	**9,542**	9,508
Derivatives	**45,221**	58,116
Total non-current liabilities	**1,381,770**	1,307,428
Interest-bearing loans and borrowings	**98,465**	136,278
Trade payables	**4,844**	3,451
Liabilities to related parties	**38**	18
Provisions	**21**	22
Income taxes payable	**1,333**	2,864
Other liabilities	**11,150**	12,832
Total current liabilities	**115,851**	155,465
Total liabilities	**1,497,621**	1,462,893
Total equity and liabilities	**2,155,202**	2,049,973

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2011

TEUR	Issued Capital	Share premium	Reserve for cash flow hedges	Retained earnings	Total sharholders´ equity	Minority interest	**Total**
Status as of 31 December 2009	31,350	530,747	-56,489	23,620	529,228	1,450	**530,678**
Profit for the period				6,190	6,190	61	**6,251**
Loss from cash flow hedges*			-15,817		-15,817		**-15,817**
Gains from cash flow hedges from associates*			1,690		1,690		**1,690**
Comprehensive Income			-14,126	6,190	-7,937	61	**-7,876**
Capital increase	7,837	38,541			46,379	0	**46,379**
Repayment of minority interest					0	-30	**-30**
Status as of 30 June 2010	39,187	569,288	-70,615	29,809	567,671	1,481	**569,152**
Profit for the period				10,190	10,190	24	**10,214**
Gains from cash flow hedges*			17,537		17,537		**17,537**
Gains from cash flow hedges from associates*			1,966		1,966		**1,966**
Comprehensive Income			19,503	10,190	29,693	24	**29,717**
Dividends				-11,756	-11,756		**-11,756**
Repayment of minority interest					0	-32	**-32**
Status as of 31 December 2010	39,187	569,288	-51,111	28,243	585,607	1,473	**587,080**
Profit for the period				6,156	6,156	55	**6,211**
Gains from cash flow hedges*			10,886		10,886		**10,886**
Gains from cash flow hedges from associates*			1,900		1,900		**1,900**
Comprehensive Income			12,786	6,156	18,942	55	**18,997**
Capital increase	6,532	45,021			51,553		**51,553**
Repayment of minority interest					0	-49	**-49**
Status as of 30 June 2011	45.719	614,309	-38,325	34,399	656,102	1,479	**657,581**

* deferred taxes deducted

SEGMENT REPORTING AS AT 30 JUNE 2011

TEUR	H1 2011	H1 2010
Rental income		
Core plus	**29,266**	34,541
Value added	**27,266**	29,568
Co-Investments	**0**	0
Other	**0**	0
Group	**56,532**	64,109
EBITDA		
Core plus	**26,908**	30,798
Value added	**24,987**	26,297
Co-Investments	**0**	0
Other	**-5,948**	-5,156
Group	**45,947**	51,939
EBTDA		
Core plus	**12,572**	12,427
Value added	**11,265**	9,933
Co-Investments	**874**	3,565
Other	**-4,002**	-3,310
Group	**20,709**	22,615
EBT		
Core plus	**5,578**	3,983
Value added	**4,334**	2,794
Co-Investments	**874**	3,565
Other	**-4,198**	-3,396
Group	**6,588**	6,946

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FROM 1 JANUARY TO 30 JUNE 2011

TEUR	H1 2011	H1 2010
Fair value of hedge instruments		
Cash flow hedges	**10,886**	-15,817
Cash flow hedges from associates	**1,900**	1,691
Recorded directly in equity	**12,786**	-14,126
Profit for the period	**6,211**	6,252
Comprehensive income	**18,997**	-7,874
Equity holders of the parent	**18,942**	-7,935
Minority interests	**55**	61
Deferred tax on hedges		
Cash flow hedges	**-7,131**	-12,474
Cash flow hedges of associates	**-105**	-674

General disclosures on reporting

In accordance with Sec. 37w of the German Securities Trading Act (WpHG), the quarterly financial statements comprise interim consolidated financial statements and a Group Management Report. The interim consolidated financial statements were compiled in accordance with the provisions of the International Financial Reporting Standards (IFRS), as applicable in the EU, for interim financial reporting. The quarterly financial statements of the companies included are based on uniform accounting and measurement policies. The interim Group Management Report was compiled in compliance with the applicable provisions of the WpHG.

In line with IAS 34, a shorter report compared with the consolidated financial statements was chosen for the presentation of the consolidated interim financial report of DIC Asset AG as at 30 June 2011. The same methods of consolidation, currency translation, accounting and measurement are applied in the consolidated interim financial report as in the consolidated financial statements for the 2010 financial year. Income taxes were deferred on the basis of the tax rate anticipated for the entire year. Please refer to the consolidated financial statements as at 31 December 2010, which forms the basis for the present interim financial statements, for more detailed information. We also refer to the interim management report in this document with regard to key changes and transactions up to 30 June 2011.

DIC Asset AG has implemented all accounting standards adopted by the EU and revised, application of which is compulsory from 1 January 2011. In essence, these are IAS 24 (Related Party Disclosures) and the Improvements to IFRS 2010. Application of the accounting standards to be applied for the first time can be found in the Notes for the financial year.

In preparing the financial statements, the management must make estimates and assumptions. These influence both the amount of the figures recognised for assets, liabilities and contingent liabilities on the balance sheet date and the amount of income and expenses recognised in the reporting period. Actual amounts accruing may deviate from these estimates. There were no adjustments on the basis of changes to estimates or assumptions in the first half of 2011.

Notes to the consolidated financial statements

As at 31 March 2011, DIC Asset AG acquired two retail properties in Bremen and Chemnitz from Apollo Rida Golf S.à.r.l., Luxembourg. The volume of the investment is approximately EUR 109 million. The properties are let long-term. The annual rental income amounts to around EUR 7.3 million, which equates to a rental yield of around 7% in relation to the property purchase prices.

Up to June 2011, external loans of EUR 111.8 million in total were taken up. These consist of the corporate bond including accrued interest of EUR 70 million, the loans of EUR 40.9 million raised to finance the two retail properties acquired in March and loans to finance capex/TI measures of EUR 0.9 million.

As at 30 June 2011, the Group has unutilised credit lines of EUR 55.19 million at its disposal.

Capital increase

With the resolution on 15 March 2011, DIC Asset AG increased its share capital by issuing 6,531,249 new shares in return for cash contributions from 39,187,498 shares to 45,718,747 shares. As a result, the company's equity increased by approximately EUR 51.2 million after transaction costs. The capital increase was registered in the Commercial Register on 4 April 2011.Transaction costs of EUR 2.1 million and EUR 1.0 million were incurred for the issue of the bond and the execution of the capital increase respectively.

In accordance with IAS 33.26, the weighted average of shares in circulation in the period and all other periods presented must be reported if an event occurs which changes the number of shares in circulation without this entailing a change in resources. According to IAS 33.27 (b), this is the case if a free element, such as the issue of subscription rights to existing shareholders, is granted in the issue.

The number of new shares (36,599,977 shares) to be taken into account for the first half of 2010 takes account of a free element of 771,407 shares based on the capital increase in March 2011.

The average number of shares amounts to 42,838,826 for the first half of 2011.

Earnings per share in EUR	**H1 2011**	**H1 2010**
Group profit for the period after minority interests		6,189,812
Average number of shares issued (before 2011 capital increase)		35,268,749
Basic (= diluted) earnings per share		0.18
Group profit for the period after minority interests	**6,156,034**	6,189,812
Weighted average number of shares issued (after 2011 capital increase)	**42,838,826**	36,599,977
Undiluted earnings per share with new number of shares	**0.14**	0.17

In respect of the disclosures regarding opportunities and risks, the dividend, events after the balance sheet date and changes to the Supervisory Board, please refer to the Interim Management Report.

RESPONSIBILITY STATEMENT

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

Frankfurt am Main, 10 August 2011

Ulrich Höller

Markus Koch

TO DIC ASSET AG, FRANKFURT AM MAIN

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of DIC Asset AG, Frankfurt am Main for the period from January 1 to June 30, 2011, which are part of the half-year financial report according to Sec. 37w WpHG (”Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

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

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

Nuremberg, 10 August 2011

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann	Danesitz
German public auditor	German public auditor

LONGER-TERM OVERVIEW BY QUARTER

EUR million	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	**Q2 2011**
Gross rental income	31.7	32.4	31.6	29.2	27.6	**28.9**
Property disposal proceeds	1.5	17.0	4.7	58.0	0.0	**9.3**
Total revenues	38.4	55.5	42.0	92.9	32.7	**43.3**
EBITDA	25.3	26.6	26.0	27.5	22.0	**23.9**
EBIT	17.6	18.7	18.1	20.2	15.1	**16.7**
FFO	10.9	11.1	11.2	10.8	10.0	**10.1**
Profit before depreciation	10.5	11.4	11.2	14.2	9.7	**10.6**
Profit for the period	2.8	3.5	3.3	6.9	2.8	**3.4**
Earnings per share (EUR) *	0.08	0.09	0.08	0.18	0.07	**0.07**
Cash flow from operating activities	7.6	7.8	12.4	9.9	9.4	**9.9**
Market value of real estate assets **	2,195.3	2,177.4	2,169.4	2,001.8	2,083.3	**2,071.0**
Total assets	2,257.9	2,259.4	2,231.4	2,050.0	2,109.4	**2,155.2**
Equity	573.4	569.2	562.1	587.1	660.4	**657.6**
Equity ratio in %	25.4	25.2	25.2	28.6	31.3	**30.5**
Debt	1,684.5	1,690.3	1,669.3	1,462.9	1,449.0	**1,497.6**
Debt ratio in %	74.6	74.8	74.8	72.4	68.7	**69.5**

* Previous year's figure adjusted for the effects of the capital increase in accordance with IFRS (IAS 33), cf p. 46
** Acquisitions during the year are taken into account at the cost of acquisition

PORTFOLIO OVERVIEW

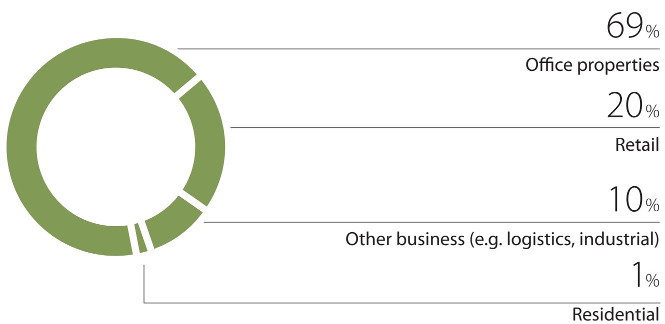
As at 30 June 2011

	Core plus	Value added	Co-Investments	**Total**
Number of properties	45	116	122	**283**
Portfolio volume in EUR million*	899.7	868.3	303.0	**2,071.0**
Portfolio proportion	43%	42%	15%	**100%**
Annualised rent in EUR million	62.0	53.8	13.9	**129.7**
Lettable area in sqm	441,500	584,900	155,000	**1,181,400**
Rental income per sqm in EUR	12.10	9.30	8.40	**10.30**
Occupancy rate	95%	80%	84%	**86%**

* Market value as at 31.12.2010, later acquisitions considered at cost

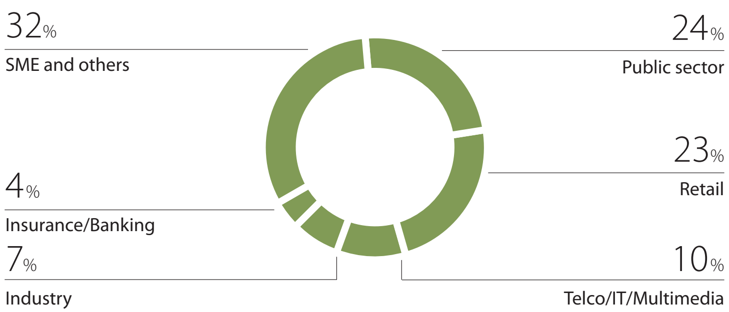
TYPES OF USE

by rental income (as at 30 June 2011)



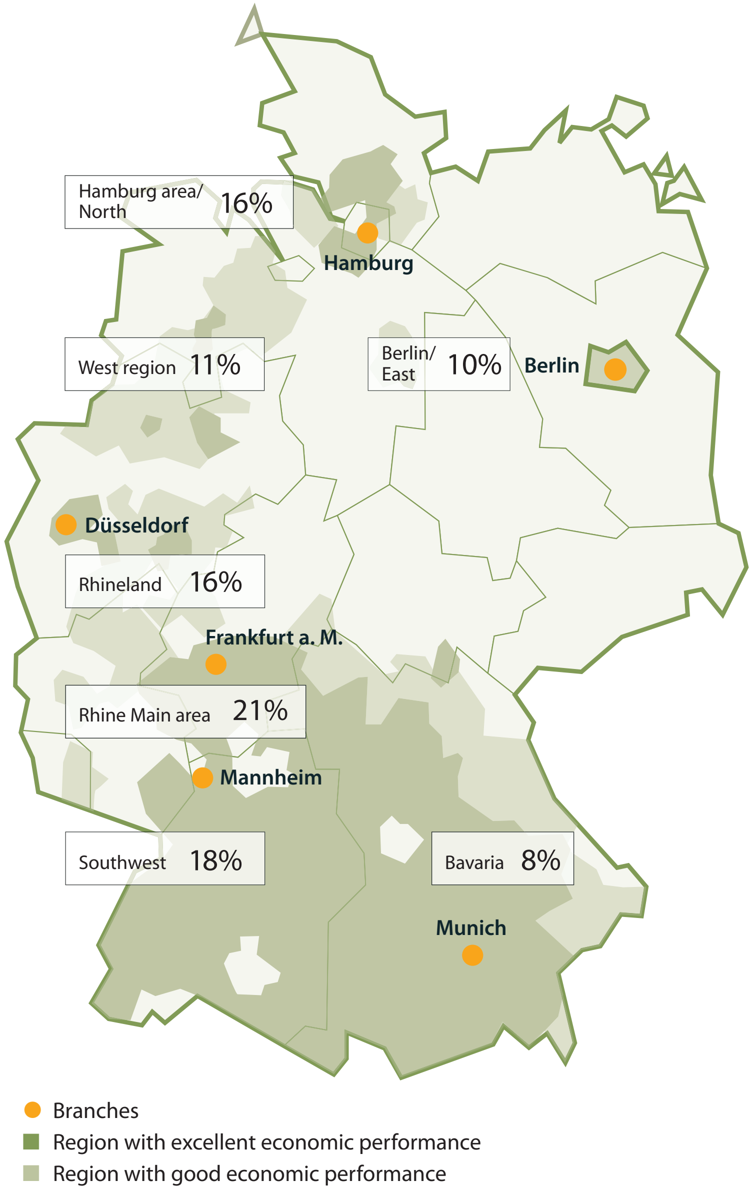
MAIN TENANTS

by rental income (as at 30 June 2011)



REGIONAL DISTRIBUTION OF PROPERTIES

by lettable area in sqm, as at 30 June 2011



(based on regional ranking of „Initiative Neue Soziale Marktwirtschaft

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

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