DIC ASSET

DIC

Q3

INTERIM REPORT 3/2011

Frankfurt, Adolph-Prior-Straße

CONTENT

KEY FIGURES

Key operating figures EUR million	**9M 2011**	9M 2010		**Q3 2011**	Q2 2011	
Gross rental income	**85.8**	95.7	-10%	**29.3**	28.9	+1%
Net rental income	**78.8**	87.3	-10%	**26.6**	26.9	-1%
Management fee income	**3.6**	2.4	+50%	**1.3**	1.3	0%
Property disposal proceeds	**9.3**	23.2	-60%	**0.0**	9.3	--
Total revenues	**111.1**	135.9	-18%	**35.1**	43.3	-19%
Share of the profit of associates	**1.6**	5.6	-71%	**0.7**	0.5	+40%
Funds from Operations (FFO)	**29.8**	33.1	-10%	**9.7**	10.1	-4%
Profits on property disposals	**0.6**	1.0	-40%	**0.0**	0.6	-100%
EBITDA	**69.9**	78.0	-10%	**23.9**	23.9	0%
Profit for the period	**8.1**	9.5	-15%	**1.9**	3.4	-44%
Cash flow from operating activities	**32.1**	27.9	+15%	**12.8**	9.9	+29%

Balance sheet data EUR million	**30.09. 2011**	31.12. 2010		**30.09. 2011**	30.06. 2011	
Equity	**622.7**	587.1	+6%	**622.7**	657.6	-5%
Equity ratio in %	**29.2**	28.6	+0.6	**29.2**	30.5	-1.3
Investment property	**1,803.6**	1,718.2	+5%	**1,803.6**	1,810.2	0%
Debt	**1,511.3**	1,462.9	+3%	**1,511.3**	1,497.6	+1%
Total assets	**2,134.0**	2,050.0	+4%	**2,134.0**	2,155.2	-1%

Key figures per share* in Euro	**9M 2011**	9M 2010		**Q3 2011**	Q2 2011	
FFO	**0.68**	0.88	-23%	**0.21**	0.22	-5%
Earnings (basic/diluted)	**0.18**	0.25	-28%	**0.04**	0.07	-43%

Key facts letting	**9M 2011**	9M 2010		**Q3 2011**	Q2 2011	
Vacancy rate in %	**13.5**	14.0	-0.5	**13.5**	13.8	-0.3
Like-for-like rental income growth in %	**+0.7**	0.0	+0.7	**+0.6**	+0.5	+0.1

* 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): Ulrich Höller, Markus Koch

Dear Shareholders, Business Partners,
Employees and Friends,

As in the two previous quarters, DIC Asset AG has also generated satisfactory results in the third quarter of 2011. Rental income has fallen, as planned, because of the known reduction in portfolio volume compared with the previous year and, consequently, results are also lower. Anyhow, DIC Asset AG is well on track to achieving its targets, which we presented to you at the beginning of the year. The main results are as follows:

- In terms of letting, we are 4% up on the pleasing previous year – and have already achieved 80% of our planed letting level in September.

- The latest acquisitions will lift our acquisition volume to EUR 280 million. Our portfolio is growing by these attractive new additions, that will provide a significant FFO contribution from 2012 onwards.

- We have once again achieved stable rental income and substantial FFO in the third quarter. In total, FFO for the period from January to September amounts to around EUR 30 million.

We are thus well on track to achieve our overall targets by the year-end; due not least to the rigorous implementation of our acquisition plan. General economic conditions also remain good for the fourth quarter – the German economy and the real estate sector have enough momentum for a positive final quarter.

By contrast, the view a little further down the line is clouded. The global crisis of confidence, which was triggered by the massive over-indebtedness of some countries, has become acute, meaning that a haircut for Greek government bonds remains inevitable. Consequently, the measures to rescue and recapitalise the banks had to be far more extensive than planned. The associated uncertainties were clearly visible on equity markets, with the DAX initially plunging dramatically in summer. Prices recovered slightly as prospects of a political solution brightened. Both trends were apparent in the performance of our share.

In view of the uncertainties regarding the impact of the debt crisis, the question arises as to the resilience of the positive trend on the real estate market. The crisis of confidence has still not penetrated the real economy in Germany. However, there is no unity even among the experts as to whether any repercussions are to be expected. We have still not noticed any real reaction in our business – neither in letting nor in our activities on the transaction market.

Even if the German government is still forecasting growth (though moderate), we at DIC Asset AG are focusing on being stable and crisis-resistant. We are currently better placed – both operationally and financially – than we were before the collapse of Lehman Brothers at the end of 2008:

- DIC Asset AG is more effective, more diverse and more broadly positioned than it was three years ago – our six efficient local branches are very active in property management and our first fund is opening up an entirely new field of business. We have implemented these changes in the throes of the challenges of recent years – while consistently achieving a successful and profitable result, quarter after quarter.

- We have significantly boosted our capital and liquidity resources through capital increases, sales and the fund placement, and have also tapped new sources of financing. In addition to a stronger capital basis, we have also bolstered our long-term financing.

- The assets in our portfolio are secured on an ongoing basis through our effective letting activities – by September 2011, we had already concluded agreements generating an annual rent of approximately EUR 20 million. Our balanced portfolio is also attractive to the market, as our properties are spread throughout major and medium-sized locations in Germany and are of a suitable size for good marketability.

- We have also further improved our efficiency in recent quarters. After the third quarter, we achieved an operating cost ratio for administrative and personnel expenses of around 11% in relation to rental income, a figure that does not even include the most recent acquisitions.

- We are involved in an attractive development with the MainTor site, which has an extraordinary nationwide profile and will open up outstanding sources of income for us in future. Parts of the project have already been sold and let as construction commences. With the start of demolition, the redevelopment of the city quarter is now clearly apparent in the Frankfurt cityscape and the marketing is meeting with considerable interest. The risk is limited: we shall complete the additional sub-projects step by step with the rental success and not on a speculative basis.

We are convinced that we are thus as well prepared as possible for the challenges ahead. This also means that we remain focused at all times on our long-term targets, where offering our shareholders an attractive investment, focused on sustained performance and good profitability, with the DIC Asset share is our top priority. We should like to thank you, our shareholders, for your continuing support.

Yours sincerely,

Ulrich Höller   Markus Koch

GENERAL ECONOMIC CONDITIONS

A good third quarter, more moderate prospects for 2012

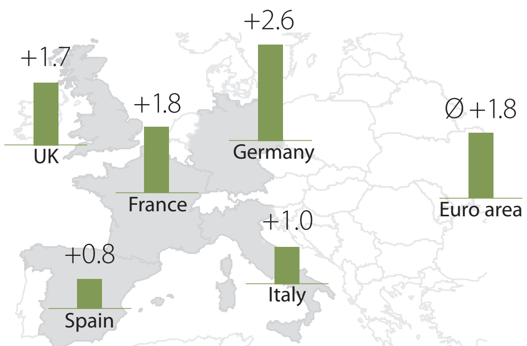
The economic upturn remained entirely intact in the third quarter of 2011. Economic indicators continue to show a marked increase in economic output. In seasonally adjusted terms, industrial production increased in the first two months of the quarter compared with the same period in the previous year and private consumption should also have risen compared with the previous quarter. This positive trend is offset by the deterioration in the economic outlook from the beginning of the 2011/2012 winter. Trade and industry's expectations regarding the future have fallen sharply, which is due predominantly to the loss of momentum in the global economy. Accordingly, the German government has cut its GDP growth forecast for 2012 sharply from 1.8% to 1.0%.

Employment market remains positive

Thanks to positive economic growth in the third quarter of 2011, the situation on the employment market has improved further. The number of unemployed people fell by some 60,000 to 2.7 million in October, which is around 200,000 fewer than a year ago. The number of people in gainful employment is also

EXPECTED GDP GROWTH IN EUROPE 2011

in %



Source: eurostat

continuing to grow; in August, the Federal Statistical Office reported growth of 485,000 to 41.4 million compared with the previous year. As a result, the unemployment rate stood at 6.5% in October 2011(October 2010: 7.0%).

Debt crisis comes to a head

The European Central Bank raised the key interest rate to 1.50% at the beginning of the third quarter. At the meeting of the ECB's Governing Council in early November – the first to be held under the leadership of its new President – the bank cut the rate again by 25 basis points to 1.25%, justifying its decision by pointing to the poorer prospects for economic growth. At the same time, the debt crisis in Europe is coming to a head: The public finances of some euro countries are currently viewed as no longer sustainable by the financial market. In the first instance, action seems to be urgently required with regard to Greek public finances, in particular, where a substantial haircut is being openly discussed. Against this background, the euro rescue fund, the EFSF, is to be significantly expanded to minimise any potential damage to other EU countries if action is taken to provide financial support for Greece. Despite these hedging mechanisms, the risk of short-term negative impact on the German and European economy as a result of Greece's de facto insolvency is increasing.

Letting market: result well up on the previous year

Despite the dire reports from the financial sector: there have been no signs of any adverse effects on the letting market in the first nine months. In aggregate, approximately 2.5 million sqm was rented at the major office locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart). This means that the result is well up at 19% on the previous year (approximately 2.1 million sqm). With the exception of the Frankfurt letting market, which reported a fall of around 6% and is most likely to reflect the nervousness of the financial sector, all major office locations demonstrated strong growth rates. At 9.8%, the vacancy rate fell below 10% once more. At the medium-sized office locations, the total space let increased by 8% – although vacancies were significantly lower in most cases.

In the course of the year to date, far less new space has been completed than in 2010, which has had a positive impact on vacancy rates. This is just as true of the nine month period as of the third quarter, in which approximately 220,000 sqm were completed, which is around 40% less than in the previous year. Admittedly, a far higher volume than in recent quarters of up to 400,000 sqm is awaiting completion in the final quarter of 2011. However, this space is already 75% let.

Positive trend in rents – even in smaller locations

In 2011, peak rentals in the major office locations either remained stable overall (Frankfurt) or increased compared with the previous year from 2.4% (Cologne) up to 5.3% (Munich). In the third quarter, peak rentals remained at the level of the previous quarter. In the far broader market segment of average rentals in city locations, even sharper growth of 6% was apparent at 14 large and medium-sized locations within the last 12 months according to DIP (German Real Estate Partners).

Letting market heading for a good result

Smaller tenancies continue to dominate events on the market. This ensures that the market is characterised by both a healthy diversity and stability meaning that overall a volume in excess of three million sqm is expected for 2011 in the major office locations. This would be a marked increase on the previous year (approximately 2.7 million sqm).

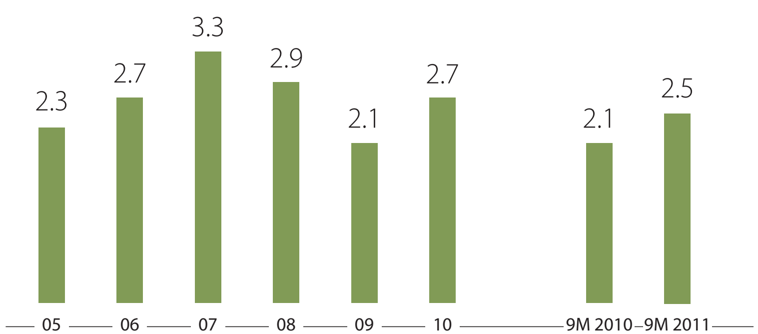
A strong transaction market

Like the letting market, the transaction market for commercial real estate is showing no signs of a crisis at present. The highest quarterly result since 2008 was achieved at around EUR 5.8 billion. As a result, the transaction volume for the nine month period increased to around EUR 17.2 billion, which is an increase of 27% on the previous year. The retail sector continued to constitute the majority of the transactions, at EUR 8.3 billion (49%), well ahead of office properties (EUR 4.2 billion; 24%) and mixed use properties (EUR 2.2 billion; 13%). Portfolio transactions dominated events in the third quarter. The largest deal here was the sale of property owned by Deutsche Post AG to a Canadian REIT for approximately EUR 740 million.

Investors are continuing to focus on security

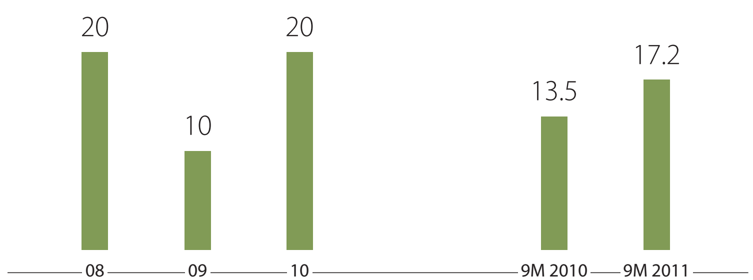
Investors' fixation on core properties in the office and retail sectors is still affecting the market as a whole - and is the sole expression of the uncertainty on financial markets. Sales of top quality properties let on long-term leases in the best locations therefore take place under intense competition. This competition and the fact that interest rates remain low is exerting pressure on peak rentals: in the case of office properties this has led to falls of five basis points in Frankfurt, Hamburg and Munich. With retail properties the decline was even greater in some cases. However, more than half the investments took place outside the major office locations. As a matter of principle, vacancy rates are lower here and yields are less volatile. Brokers' analysts think it is possible that momentum will be just as strong in the final quarter as in the previous one, meaning that a transaction volume of up to EUR 24 billion is expected for 2011.

LETTING VOLUME IN MAJOR GERMAN OFFICE LOCATIONS
in sqm million



Source: Jones Lang LaSalle

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE
EUR billion



Source: Jones Lang Lasalle

BUSINESS DEVELOPMENT

Highlights from January to September 2011

- 201,800 sqm let with a sharp increase in new tenancies
- Acquisition volume increased to EUR 280 million
- Operating income (FFO) of some EUR 30 million

In a more benign market environment, we have significantly increased our successful rental activity. We let 201,800 sqm up to September, which is already 80% of the forecast for the year as a whole. We posted growth of 10% in new tenancies. In line with expectations, rental income decreased in the nine months by EUR 9.9 million to EUR 85.5 million. This decrease was caused mainly by the reduction in the portfolio due to sales during the past year. By contrast, the trend in rental income is positive compared to other quarters, with rental income in the second and third quarter at EUR 28.9 million and EUR 29.3 million respectively, well up on Q1 (EUR 27.6 million) mainly because of the increase in our portfolio. This rising trend will continue noticeably from 2012 onwards: we have significantly increased our acquisition volume to EUR 280 million with several purchases in September and October. As at 30 September 2011, we achieved FFO of EUR 29.8 million, which was influenced last year by the income from associated companies and a larger portfolio. The profit for the period amounts to EUR 8.1 million.

OVERVIEW PORTFOLIO AND SEGMENTS

as at 30 September 2011*	Core plus	Value added	Co-Investments	**Total**
Rental space in sqm	441,100	584,500	154,200	**1,179,800**
Real estate assets in EUR million**	899.7	868.4	301.8	**2,069.9**
Rental income 9M in EUR million	45.0	40.8	--- ***	**85.8**
EBTDA 9M in EUR million	19.8	16.0	1.6	**30.5**

* pro rata figures
** Market value as at 31.12.2010, later Acquisitions considered at cost
*** related 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 internally 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. Capital growth is realised by selling properties at suitable moments.

Stable real estate assets worth EUR 3.2 billion

At the end of September 2011, our real estate portfolio included 281 properties encompassing a total rental space of 1.9 million sqm. The value of our real estate under management remained unchanged at EUR 3.2 billion and the pro rata value of the properties came to EUR 2.1 billion. Our properties generate annual rental income (pro rata, including Co-Investments) of EUR 130.4 million.

More benign preconditions for letting activities

In the third quarter of 2011, conditions for lettings were also better than in the previous two years. Increased demand meant that substantial incentives needed

FORUM AM ANGER F1, ERFURT

Expansion with existing tenants

- Full letting achieved
- Lease term increased

The property, which includes office space as well as multi-faceted retail space, is situated in the pedestrian precinct in the centre of Erfurt. We cancelled an existing tenancy covering a spacious floor area in the property by mutual agreement with the aim of taking on a new long-term tenant earlier than planned. Applying a new usage concept, we offered this floor area of 1,400 sqm to one of the property's retail tenants, which was looking to expand. Following complete redevelopment of the floor for retail use, we were able to conclude a 10-year lease – for the tenant's entire space. Together with additional extensions and smaller new tenancies, we reduced the vacancy rate from 10% to virtually zero, extended the average lease term. We benefited from growth in income of around 10%.

to be used less frequently. In particular, it was easier to attract and acquire new tenants – despite continuing tough competition - than previously. The extent to which and when the current negative headlines regarding the banking and debt crisis will impact on letting is unclear. At present, we are still not sensing any discernible caution in the day-to-day work of our local branches.

Letting volume increased through new tenancy agreements

In the third quarter of 2011, we once again carried out a large number of deals. As a result, our letting volume totalled 201,800 sqm in the first nine months. This is 4% more than in the previous year – a good result from a portfolio that is far smaller as a result of sales. We are doing very well with our new lettings, which we increased by 7,700 sqm (+10%) to 86,300 sqm. With renewals to existing tenancies, we matched the previous year's result exactly, at 115,500 sqm. The letting volume from January to September 2011 represents annualised rental income of EUR 19.5 million (previous year: EUR 20.5 million). The slight reduction can be explained by the fact that we completed more deals involving properties and locations with lower average rentals in 2011.

LETTING VOLUME

in sqm after signing	**9M 2011**	9M 2010
Office	**123,500**	121,300
Retail	**28,900**	17,000
Other commercial	**44,100**	50,000
Residential	**5,300**	5,600
Total	**201,800**	193,900
Parking (units)	**1,630**	1,400

HAIDGRABEN, OTTOBRUNN

100% newly let

- Adaptation for new tenants
- Vacant property newly let

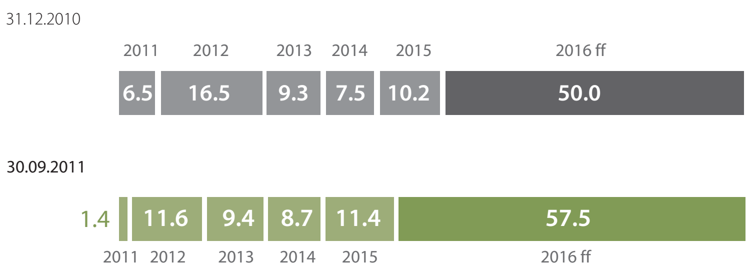
The property of approximately 2,000 sqm was purchased by DIC in 2007 and has been vacant since mid-2010. By applying a suitable usage concept, we have been able to acquire a highly specialised security technology company for the property, which is located in Ottobrunn near Munich and enjoys good transport links. The company will rent the entire building once various adaptations are complete. We will increase our annual rental income significantly by letting this property.

Portfolio quality is benefiting from letting contracts

The good letting performance in recent months is successively improving the quality of the portfolio – the delay is the result of the deals becoming effective at a later date. Compared with the previous quarter, annualised rental income rose by 0.6% in a like-for-like comparison (excluding changes to the portfolio caused by acquisitions/disposals or project developments) and consequently by

LEASE MATURITIES: INCREASE OF LONGER LEASES

Distribution of annual rental income by lease maturities, in %

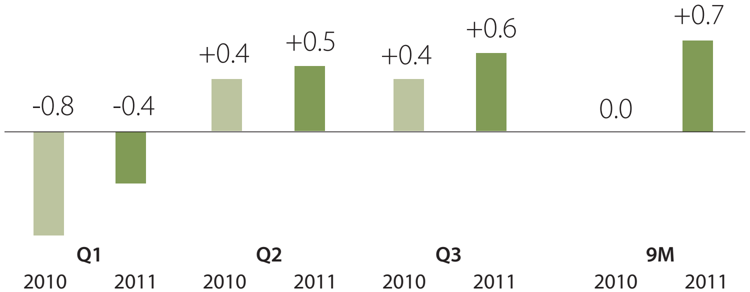


0.7% compared with the end of 2010. In the same period in the previous year, growth in annualised rental income amounted to +-0.0%. The volume of potentially expiring tenancy agreements is just as positive: for 2011, the possible volume of expiring tenancies is falling by EUR 5.7 million compared with the end of 2010 from 6.5% to some 1.4% of annual total rental income. The possible volume of expiring tenancies in 2012 has also already been reduced very significantly by EUR 4.7 million from 16.5% to 11.6% of total rental income.

Our portfolio's occupancy rate is also demonstrating pleasing growth. It increased from 85.7% to 86.5% compared with the end of 2010, which is an increase of 0.8 percentage points. The average lease period remains virtually stable, at 5.4 years, compared with the second quarter (5.5 years). The brief overview on pages 52 and 53 of the quarterly report provides additional portfolio data.

GROWTH IN RENTAL INCOME

like-for-like in %, excluding project developments



TOP LETTING DEALS

Top 5 New Lettings

MainArbeit	Offenbach	7,400 sqm	Office
Golden Tulip Parkhotel	Neu-Ulm	6,600 sqm	Hotel
City of Heilbronn	Heilbronn	3,300 sqm	Office
AXA	Wiesbaden	2,500 sqm	Office
Security system company	München-Ottobrunn	1,900 sqm	Office

Top 5 Renewals

Galeria Kaufhof	Leverkusen	20,400 sqm	Retail
Landesbank Berlin	Berlin	13,800 sqm	Office
Streif Baulogistik	Mörfelden-Walldorf	9,200 sqm	Office/logistics
Delacamp	Hamburg	7,300 sqm	Logistics/office
EOS Deutschland	Hamburg	5,000 sqm	Office

ROSENBERGSTRASSE, HEILBRONN

Tenant structure broadened

- Full letting secured long-term
- Increase in the rental achieved

This fully let property offering rental space of approximately 15,000 sqm, which DIC acquired in 2006, is so far let long-term to the sole tenant Deutsche Telekom. The tenant has indicated a plan to give up individual areas in the building over the next few years. We have already started remarketing in good time and have prepared our property for letting to several tenants. We have acquired a top-quality public sector tenant in the employment agency, which will rent approximately 3,300 sqm for 15 years. This new lease has enabled us to broaden the tenant base and increase the rent for this tenancy by approximately 10%.

Acquisitions are boosting our portfolio

As a result of several acquisitions in September and October we have already reached our planned acquisition volume for 2011 ahead of schedule. Together with the real estate purchases in March (EUR 108 million), acquisitions already total more than EUR 280 million. As a result of acquisitions, the portfolio has grown pro rata by approximately 112,000 sqm, with FFO increasing pro rata by around EUR 8 million in 2012. The balance sheet value of our portfolio has risen by some EUR 225 million.

Individual properties acquired for the direct portfolio and funds

The "Marktforum" Duisburg retail property with rental space of approximately 10,000 sqm, which we acquired for some EUR 16 million, will be transferred to our direct portfolio. Apart from EDEKA, well-known tenants include dm, Deichmann and Takko. We realised the purchase, which is likely to generate income in the fourth quarter of 2011, at an attractive initial rental yield of around 8%. The FFO contribution in 2012 will amount to more than EUR 0.7 million. With a loan-to-value of around 65%, we were able to agree attractive terms with a long-term interest rate of less than 4% with a regional financial institution. We acquired two core office properties in Karlsruhe and Leipzig with 40,000 sqm rental space for our "DIC Office Balance I" fund for approximately EUR 62 million. These are let to international insurance and services companies with an average term of around eight years.

Joint ventures acquired 100%

In October 2011, we acquired the remaining 50% in three joint ventures with Morgan Stanley Real Estate Funds. As a result, we are the sole owner of the attractive portfolio with a market value of around EUR 190 million and, at present, 22 commercial properties in Berlin and Frankfurt in the Core plus and Value added segments with some 90,000 sqm. The vacancy rate amounts to only 10%, with an average rental term of some 5.5 years. The Bienenkorbhaus in Frankfurt is one of the outstanding properties among these. The average initial rental yield in relation to the purchase price is 7.7%. We are continuing the financing with a loan-to-value of approximately 70% and an average interest rate of about 3.2%. Our rental income will increase by some EUR 7 million year-on-year. As a result, FFO will rise by approximately EUR 3.5 million next year, of which approximately EUR 0.9 million will be reflected in the income statement in Q4 2011. We are also simplifying our asset and property management structures in the Core plus and Value added segments.

Sales: on track towards EUR 80-100 million

In the third quarter of 2011, we sold seven properties worth EUR 27.9 million in total. We placed three properties from the Value added segment for EUR 8.3 million and four properties from our Opportunistic Co-Investments segment for EUR 19.5 million. The largest property was an office building in Mannheim worth approximately EUR 10 million.

Our sales volume totalled EUR 56.1 million with 14 properties up to the end of September 2011. As a result, we are on target in terms of our sales planning, which envisages a volume of between EUR 80 and 100 million for the year as a whole. In the previous year, we had sold properties worth EUR 70 million by the end of September.

Frankfurt, MainTor

MainTor district: demolition started – first part payment received

At the end of June, DIC announced that it had already succeeding in selling the "Primus" complex in the future MainTor district as part of a forward sale before construction started. Work on the first sub-project started in the third quarter with a comprehensive demolition programme. The first pro rata purchase price payment was due at the beginning of August when this construction work started. The purchase price payments and capital gains from this transaction will gradually be reflected in the income statement in line with further progress in construction.

Number of employees has risen

At the end of September 2011, DIC Asset AG had 124 employees. The increase of 13 employees compared with the previous year is attributable to our company's expansionary course and the qualitative enhancement of our business segments. This relates primarily to portfolio management, investment, the development of fund business and the strengthening of DIC Onsite's asset and property management activities. The majority of our employees are involved at local level across Germany in the letting and optimisation of our properties at our asset and property management company DIC Onsite.

NUMBER OF EMPLOYEES

	30.09.11	30.06.11	30.09.10
Portfolio management, investment and funds	**14**	11	9
Asset and property management	**94**	90	85
Group management and administration	**16**	16	17
Total	**124**	117	111

REVENUES AND RESULTS

Positive trend in rental income

In the first nine months, we achieved gross rental income of EUR 85.8 million. This is a fall of EUR 9.9 million (-10%). At EUR 78.8 million, net rental income for the months from January to September decreased by a similar amount, namely EUR 8.5 million (-10%), compared with the previous year. These falls continue to be primarily attributable to the reduction in the portfolio following sales and the fund placement last year. However, the trend is now positive thanks to the income generated by the first acquisition. Both gross rental income, at EUR 29.3 million, and net rental income at EUR 26.6 million matched the level of the previous quarter and were some way above the first quarter of 2011.

Revenue from property management increasing

We have further increased the steady, long-term income we receive for managing properties in which DIC Asset AG's partners have invested. Revenue from property management rose compared with the previous year by EUR 1.2 million (+50%) to EUR 3.6 million. This is due primarily to our assuming the management of the properties in our first fund, "DIC Office Balance I".

REVENUES OVERVIEW

EUR million	**9M 2011**	9M 2010	
Rental income	**85.8**	95.7	-10%
Management fee income	**3.6**	2.4	+50%
Revenues from the disposal of properties	**9.3**	23.2	-60%
Other income	**12.4**	14.6	-15%
Total revenues	**111.1**	135.9	-18%

Total revenues of EUR 111.1 million

Total revenues amount to EUR 111.1 million overall, as against EUR 135.9 million last year. Lower revenues from the disposal of properties also played a significant part in this decrease. As a result of sales, we achieved revenues of EUR 9.3 million up to September. This is less than in the previous year, when we achieved a figure of EUR 23.2 million.

Operating cost ratio at 11.4%

As planned, operating costs slightly exceeded the level of the previous year because of the increase in the number of employees and an expansion in our activities including letting. Personnel expenses remained stable at EUR 7.1 million, while administrative expenses rose slightly by EUR 0.3 million (+5%) to EUR 6.2 million. The operating cost ratio (the ratio of administrative and personnel expenses to gross rental income, adjusted for property management fee income) is up on the previous year's figure of 11.1%, at 11.4%, most notably because rental income is temporarily lower. In the third quarter, the cost ratio decreased from 11.1% to 10.2%. This result puts us at a very good level and is better than our target figure of between 11% and 12%. Depreciation was EUR 2.1 million (-9%) lower at EUR 21.5 million, primarily because of the disposal of properties.

EARNINGS OVERVIEW

EUR million	9M 2011	9M 2010	
FFO	**29.8**	33.1	-10%
EBITDA	**69.9**	78.0	-10%
EBIT	**48.3**	54.4	-11%
EBDA	**29.7**	33.1	-10%
Profit for the period	**8.1**	9.5	-15%
Earnings per share (EUR)	**0.18**	0.25	
FFO per share (EUR)	**0.68**	0.88	

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

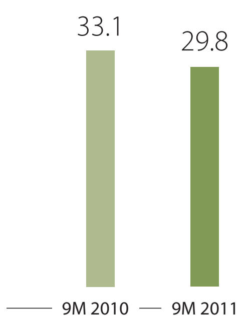
Interest result improved by EUR 8.4 million

The interest result was EUR -41.0 million at 30 September 2011, up by EUR 8.4 million (+17%) year-on-year. The improvement comes as the result of several developments: a reduction in funds borrowed, optimised interest costs and an increase in cash and cash equivalents with the interest income associated therewith. In the third quarter, the negative interest result decreased by EUR 1.2 million to EUR -14.9 million, most notably due to the bond issue and temporary effects on our unhedged financial debt.

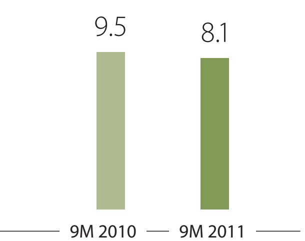
Co-Investments: income falls as expected

As planned, income from associated companies (earnings from the Co-Investments segment) was well down on the previous year, at EUR 1.6 million. Year-on-year, the decline amounts to EUR 4.0 million (-71%). It is the result primarily of the loss of the contribution to earnings from the MainTor site, which was still let last year. The contribution to earnings from our special fund DIC Office Balance I and part of the sales profit from the MainTor Primus project development offset the loss to a certain extent. Compared with the previous quarter, income from associated companies increased by EUR 0.2 million to EUR 0.7 million.

FFO
EUR million



PROFIT FOR THE PERIOD
EUR million



FFO within the target range at EUR 30 million

Operating income, FFO, amounted to EUR 29.8 million for the months from January to September. The decrease of EUR 3.3 million (-10%) is due to the reduction in the portfolio resulting in lower rental income and lower earnings compared with the previous year from associated companies. FFO per share, adjusted for the effects of the capital increase in accordance with IFRS – IAS 33 (cf. page 46), stood at EUR 0.68 (previous year: EUR 0.88).

Profit for the period of EUR 8.1 million

As at 30 September 2011, we realised a profit for the period of EUR 8.1 million. The decrease on the previous year amounts to EUR 1.4 million (-15%), mainly due to the loss of earnings from associated companies (EUR -4.0 million) and lower gains from sales (EUR -0.4 million). The decrease could not be fully offset with improvements in the other segments and increased cost-efficiency. Earnings per share stand at EUR 0.18 (previous year: EUR 0.25).

DERIVATION STATEMENT FFO

EUR million	**9M 2011**	9M 2010	
Net rental income	**78.8**	87.3	-10%
Administrative expenses	**-6.2**	-5.9	-5%
Personnel expenses	**-7.1**	-7.1	0%
Result of other operating income/expenses	**0.1**	0.2	-50%
Income from real estate management fees	**3.6**	2.4	+50%
Result from associates	**1.6**	5.6	-71%
Interest result	**-41.0**	-49.4	+17%
Funds from operations	**29.8**	33.1	-10%

Segments: operative results Core plus and Value added above previous year

For the months from January to September, rental income was below the same period in the previous year, primarily because of the reduction in the portfolio last year. It was approximately EUR 6.6 less in the Core plus segment, at EUR 45.0 million, and EUR 3.3 million less in the Value added segment, at EUR 40.8 million. No rental income is reported for the Co-Investments segment because of the minority holdings. Essentially, rental income in the current year rose in the Core plus segment as a consequence of the purchase of the Kaufhof properties: both the second and the third quarter were well up on the first. This positive trend will continue thanks to the expansion in the portfolio in the fourth quarter and will also affect the Value added segment.

In the Core plus segment, earnings before tax and depreciation (EBTDA) rose sharply by EUR 1.5 million to EUR 19.8 million, while EBTDA in the Value added segment increased by EUR 0.6 million to EUR 15.9 million. In both segments, savings on financing costs led to improvements in earnings, which went a long way to compensating for the decline in rental income. EBTDA in the Co-Investments segment fell by EUR 4.0 million to EUR 1.6 million. The drop is caused primarily by the planned loss of the rental income from the MainTor site. This was offset to a certain degree by higher contributions to earnings from our special fund DIC Office Balance I and pro rata earnings from the placement of the first MainTor sub-project. Taking account of EBTDA in the "Other" segment of EUR -6.9 million, that were mainly influenced by the bond issue, this results in an EBTDA for the group of EUR 30.5 million.

There have been no material changes to the value of the total assets per segment compared with 31 December 2010, with the exception of the real estate assets in the Core plus segment, which have increased by EUR 109 million as a result of the purchase of the Kaufhof properties. The Value added segment has shrunk as a result of the sale of three properties worth EUR 9 million.

NET ASSETS AND FINANCIAL POSITION

Management of financing is very important

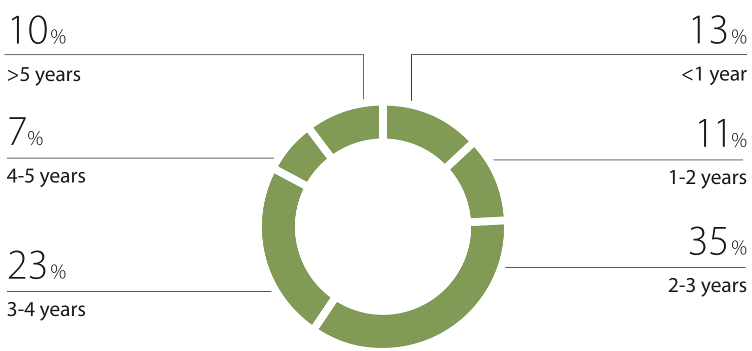
The financing of DIC Asset AG is a matter of great importance since we invest with a long-term focus and not insubstantial levels of borrowed funds. To reproduce this temporal focus, our financing is both structured long-term and characterised by high levels of stability so that it can withstand market changes as unscathed as possible. A constant and reliable supply of liquidity is just as important. We also focus on having as much flexibility as possible, which will give us room for manoeuvre and allow us to exploit market opportunities. Finally, ensuring that we pay the most attractive interest rate possible for our portfolio and property financing is a key precondition for the profitability of DIC Asset AG.

Debts slightly increased

Our total debts increased in this financial year primarily as a result of the funds raised through the bond (EUR 70 million) by EUR 39.7 million to EUR 1,415.8 million. The debts have an average term of some 3.4 years. Only 13% of debts have to be refinanced in the short term – in other words within the next 12 months.

MATURITY OF FINANCIAL DEBT

Financial debt as at 30.09.2011



Hedging against increases in interest rates

We have protected our debts against the risk of rising interest rates on a broad basis. Some 84% of the volume is hedged either through agreeing fixed interest rates or through interest rate hedging instruments. Only 16% of debts – the majority of which are short-term loans – are agreed on a variable basis. At the end of 2010, the proportion of this variable debt was still 19%.

Far lower interest costs

Our financing is far more attractive than in the previous year: apart from reducing the level of borrowed funds through the disposal of portfolio properties, we have secured the low level of interest rates long-term and have further optimised the financing structure. Interest expenses fell by EUR 7.4 million (-14%) compared with the same period in the previous year to EUR 46.6 million. The EUR 1.0 million increase in interest income to EUR 5.6 million is attributable to an increase in cash and cash equivalents compared with the previous year. As at 30 September 2011, our average interest rate across all debt stood at 4.45% (previous year: 4.50%). 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.

Operating cash flow increases by 15% to EUR 32.1 million

The acquisition of the retail properties in spring and the capital measures had a marked impact on DIC Asset AG's cash flow in the months from January to September.

We increased cash flow from operating activities substantially by EUR 4.2 million (+15%) to EUR 32.1 million. Lower financing costs are continuing to more than offset lower cash flow from the reduced portfolio. A total of EUR 104.8 million was spent on investments. The expansion of our portfolio was a major factor here. The investment in new properties involved the purchase of two retail properties in March 2011. At EUR 10.3 million, investment in the portfolio was EUR 2.1 million up on the level of the previous year. In the previous year, we focused on sales, with cash inflows from investing activities amounting to EUR 5.2 million. Cash flow from financing activities came to EUR 73.2 million. Around EUR 122.3 million was received from the capital increase and the issue of the bond, while new borrowing raised a further EUR 42.7 million. The loan repayments of EUR 72.6 million comprise scheduled repayments and repayments related to the sale of properties. This was offset primarily by the dividend payment. In the previous year, we received a total of EUR 5.8 million for financing purposes because of the reduction in investing activities.

Cash and cash equivalents rose markedly by EUR 40.1 million (+52%) compared with the previous year to EUR 117.3 million. In the previous year, cash and cash equivalents amounted to EUR 77.7 million.

Slight increase in total assets
Most notably the acquisition of the Kaufhof properties and the capital measures had an impact on DIC Asset AG's assets from January to September. Total assets increased by EUR 84.0 million (+4%) to EUR 2,134.0 million.

Assets growing through acquisition
Non-current assets increased by EUR 87.2 million (+5%) to EUR 1,890.3 million, most notably as a result of the acquisition of the Kaufhof properties in March. This increase was offset by sales from the direct portfolio. Current assets fell by EUR 3.1 million (-1%) to EUR 243.7 million. Receivables from the disposal of properties shrank following payment of the purchase price. As at 30 September 2011, DIC Asset AG's cash assets are back at the level of the end of 2010. Cash outflows from the acquisition of the Kaufhof properties and the dividend payment in July were financed through the capital increase, the bond issue and operating cash flow.

OVERVIEW OF CASH FLOW

EUR million	**9M 2011**	9M 2010
Net profit for the period	**8.1**	9.5
Cash flow from operating activities	**32.1**	27.9
Cash flow from investing activities	**-104.8**	5.2
Cash flow from financing activities	**73.2**	5.8
Net changes in cash and cash equivalents	**0.5**	38.9
Cash and cash equivalents as at 30 September	**117.8**	77.7

Equity increased, ratio at 29.2%
As at 30 September 2011, equity increased by EUR 35.6 million (+6%) to EUR 622.7 million compared with 31 December 2010. While the capital increase in March and the current profit for the period, in particular, had a positive impact on equity, it was reduced in the third quarter mainly through the dividend payment and the negative change in the hedging reserve caused by the marked fall in interest rates. As at 30 September 2011, the equity ratio amounted to 29.2% (31 December 2010: 28.6%).

Debt increased slightly
As at 30 September 2011, debt totalled EUR 1,511.3 million, which is an increase of approximately 3% on the end of 2010. Non-current debt, at EUR 1,307.8 million, matched the level of the same period in the previous year. The raising of loans within the year, most notably as part of the bond issue, and the growth in derivatives resulting from the fall in interest rates in the third quarter, was equalised by the repayment of loans. Current liabilities rose by EUR 48.1 million (+33%) to EUR 206.9 million, primarily as a result of outstanding refinancing and the reclassification of properties for sale.

OVERVIEW OF BALANCE SHEET

EUR million	**30.09.2011**	31.12.2010
Total assets	**2,134.0**	2,050.0
Non-current assets	**1,890.3**	1,803.1
Current assets	**243.7**	246.8
Equity	**622.7**	587.1
Non-current debt	**1,304.4**	1,307.4
Current debt	**206.9**	155.5
Equity ratio in %	**29.2**	28.6
Debt ratio in %	**70.8**	71.4

EVENTS AFTER THE BALANCE SHEET DATE

In an agreement dated 7 October 2011, DIC Asset AG acquired the shares in three joint ventures with Morgan Stanley Real Estate Funds, in which it had previously held a stake of 50%, in their entirety. It is now the sole owner of the portfolios with 22 properties in total. More detailed information is provided under "Acquisitions" on page 16.

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 risk management, the individual risks identified in the respective specialist departments are combined in an overview of total risk by the Finance department. With regard to the individual risks listed in the Annual Report 2010 – taking account of the probability of their occurring and the potential financial loss – as well as the aggregate total risk, the management continues to assume that these risks cannot directly jeopardise the company's future development. There have been no material changes to DIC Asset AG's overall risk profile compared with the situation as at 31 December 2010.

However, the situation on financial markets remains tense, most notably with regard to the persistently critical financing requirements of individual European countries and the high levels of public sector debt in the USA. The resultant developments and their potential repercussions on the German economy and its companies are not foreseeable at present. We have laid the financial foundations for our expansion with the capital measures carried out most recently.

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 an agreement dated 7 October 2011, DIC Asset AG acquired the shares in three joint ventures that had previously been managed jointly with Morgan Stanley Real Estate Funds. It is now the sole owner of the portfolios with 22 properties in total. This transaction is explained in greater detail on page 16 of the quarterly report.

In principle, the same conditions apply to transactions with related companies and persons as to comparable transactions with third parties.

Frankfurt, Insterburger Straße

FORECAST

Good general economic conditions for the rest of 2011

The boost which the German economy received in 2011 will ensure a good performance in the fourth quarter of 2011. Industry's order books are full and the employment market situation is favourable. By contrast, at the end of the third quarter, the prospects for 2012 are not as positive as they were recently. In October 2011, the ifo index fell for the fourth time in succession but remains at a high level at over 106 points. The German government cut its forecast for growth in gross domestic product in October 2011 from the previous figure of 1.8% to 1.0%. This downward revision was caused by the extraordinary demand in the global economy ebbing and uncertainties in the financial sector in the wake of the banking and debt crisis. In 2012, German exports will have less significance as the engine of economic activity than in previous years, whereupon the domestic economy will play a more important role. Over the next few months, we shall continue to be exposed to increased risks emanating from the debt crises in the USA and Europe. Their development and the type, scope and effects of government intervention are not foreseeable at present and could also have a negative impact on the German economy.

Rental target and the increase in the occupancy rate to be achieved

Using the available results and forecasts, there have been no signs of any slowdown on the letting market so far in the current year. A result for the year of over 3.0 million sqm is expected. This would exceed the previous year's result significantly. In our local letting activities, as in the market as a whole, we are experiencing more favourable conditions than in previous months – we have let more than in the previous year and thanks to our success in concluding new tenancy agreements, we have even been able to expand the occupancy rate to 86.5%. Nevertheless, competition remains fierce, which is why our local positioning offers considerable advantages. We have let some 201,800 sqm in total up to September 2011. We are thus still expecting to achieve a letting performance equal to that of the previous year. On this basis, we expect to increase the occupancy rate to about 87%, as planned.

Sales volume on schedule

Like the letting market, the transaction market is also heading for a good year-end. The forecast for the amount invested in German commercial real estate stands at around EUR 24 billion. We have sold properties worth around EUR 56 million up to the end of September 2011. In a continuing positive market environment, we still expect to reach our 2011 sales target within the range set of EUR 80-100 million.

Growth targets achieved ahead of schedule

We have strengthened our portfolio with top quality properties generating strong cash flow. With the acquisition of the two retail properties (March 2011, EUR 108 million), the acquisition of three individual properties (September 2011, EUR 78 million) and the complete takeover of three joint venture portfolios, with approximately EUR 280 million we have already achieved our planned purchase volume of EUR 200-300 million for 2011 across all segments. We will continue to examine purchase opportunities on an ongoing basis, in order to realise attractive opportunities for acquisitions where applicable.

FFO forecast confirmed: between EUR 40 and 42 million

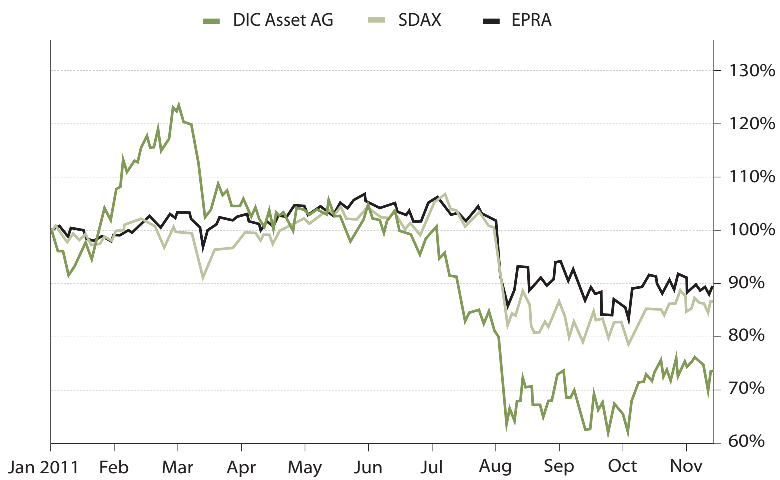
In view of the risks which could affect economic growth in Germany at present, forecasts are fraught with uncertainties at the end of the third quarter of 2011 as well. This is why our plans may differ from actual events, particularly if general conditions or underlying assumptions change significantly.

Against the background of known acquisitions and an occupancy rate of around 87% at the year end, we are expecting rental income to lie at the upper end of the planned target corridor at between EUR 112 and 115 million for 2011 as a whole. On this basis, we are forecasting higher operating income in the fourth quarter than in the third quarter and are still expecting FFO of between EUR 40 and 42 million for the year as a whole.

Recovery following slump in the third quarter

Our share significantly out-performed the market in the first quarter of 2011 and reached its high to date of EUR 10.88 on 3 March 2011. The upturn was subsequently curbed by negative market developments with the situation being exacerbated to a certain extent by the capital increase in March. Subsequently the share trended sideways while remaining very volatile. Share prices softened significantly in July and August 2011 as a consequence of the rating downgrade for the U.S. and the sovereign debt crisis in Europe. Smaller stocks were particularly hard hit by this, including our share, which is traditionally closely correlated with financial stocks and fell to its low for the year of EUR 5.43 on 23 September. The DIC Asset share closed the third quarter on EUR 5.75, which is a fall of 31% compared with the beginning of the year. The sector index, the EPRA Developed Europe, fell by 13% in the same period. The SDAX closed -17% in relation to the beginning of the year and the DAX at -20%. As at 30 September 2011, the market capitalisation of DIC Asset AG stood at EUR 263 million.

SHARE PERFORMANCE

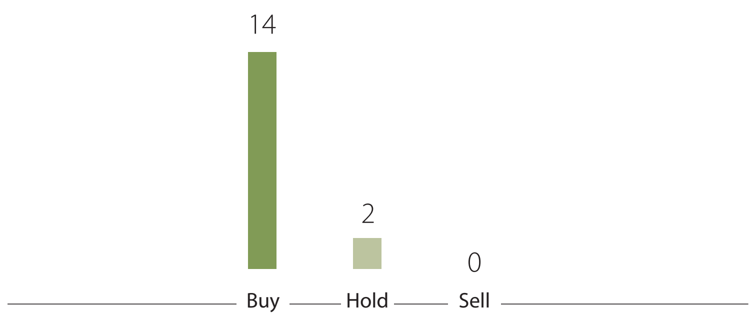


The vast majority of analysts recommend our share

At present, 16 institutions cover the performance of DIC Asset AG (as at 14 November 2011). Of these analysts, 14 (88%) recommend buying the share. Two institutions (12%) give DIC Asset AG a neutral rating. A constantly up-to-date overview and selected studies can be found on the Internet at www.dic-asset.de/ir.

REPORTING ON THE SHARE

Coverage by 16 banks (as at November 2011)



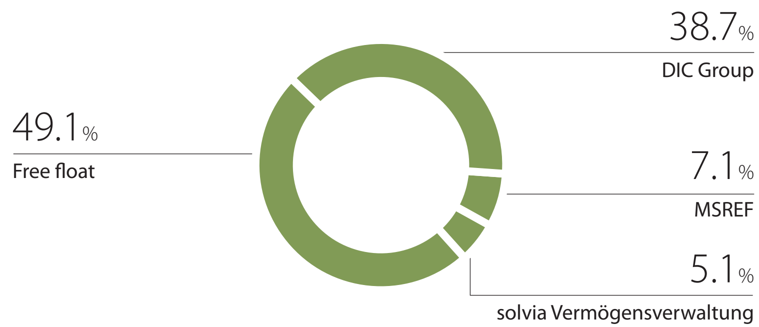
Focus of IR activities

Our General Shareholders' Meeting, on which we reported in the last quarterly report, took place on 5 July 2011. In the third quarter, the Management Board and the IR team also presented DIC Asset AG's business model, current business development and strategic objectives in conferences and meetings. Roadshows led the management to London, Chicago, New York, Frankfurt and Munich among other places, where we kept shareholders, investors and analysts informed in one-to-one discussions and lectures.

FINANCIAL CALENDAR

15.11.2011	Publication Interim Report Q3 2011	
17.11.2011	WestLB Germany Conference	Frankfurt
23.11.2011	German Equity Symposium	Frankfurt
01.12.2011	Berenberg Bank European Conference 2011	London
2012		
01.03.2012	HSBC Real Estate and Construction Conference	Frankfurt
13.03.2011	Publication Annual Report 2011	
15./16.03.2012	Kempen Property Seminar	New York
11.05.2012	Publication Interim Report Q1 2012	
15.08.2012	Publication Interim Report Q2 2012	
14.11.2012	Publication Interim Report Q3 2012	

SHAREHOLDER STRUCTURE



KEY FIGURES

EUR [1]	**9M 2011**	9M 2010
Share capital	**45,718,747**	39,187,498
Average number of shares [2]	**43,798,800**	37,719,620
Earnings per share [2]	**0.18**	0.25
FFO per share [2]	**0.68**	0.88
52-week high	**10.88**	9.43
52-week low	**5.43**	5.30
Closing price for quarter	**5.75**	7.32
Market capitalisation (in EUR million)	**263**	287
Price on 14.11.2011	**6.70**	

(1) closing prices in Xetra trading
(2) adjusted for the effects of the capital increase in accordance with IFRS (IAS 33)

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

TEUR	9M 2011	9M 2010	Q3 2011	Q3 2010
Total revenues	**111,138**	135,917	**35,094**	42,043
Total expenses	**-62,792**	-81,552	**-18,574**	-23,949
Gross rental income	**85,766**	95,729	**29,234**	31,620
Ground rents	**-580**	-580	**-184**	-193
Service charge income on principal basis	**11,980**	13,848	**4,318**	4,727
Service charge expenses on principal basis	**-12,860**	-15,222	**-4,669**	-4,858
Other real estate related operating expenses	**-5,548**	-6,426	**-2,125**	-2,304
Net rental income	**78,758**	87,349	**26,574**	28,992
Administrative expenses	**-6,224**	-5,896	**-2,042**	-1,901
Personnel expenses	**-7,146**	-7,134	**-2,256**	-2,387
Depreciation and amortisation	**-21,548**	-23,572	**-7,427**	-7,903
Management fee income	**3,610**	2,363	**1,328**	908
Other income	**516**	729	**215**	88
Other expenses	**-269**	-478	**128**	-64
Net other income	**247**	251	**343**	24
Investment property net disposal proceeds	**9,266**	23,248	**0**	4,700
Carrying value of investment property disposal	**-8,617**	-22,244	**0**	-4,339
Profit on disposal of investment property	**649**	1,004	**0**	361
Net operating profit before financing activities	**48,346**	54,365	**16,520**	18,094
Share of the profit of associates	**1,555**	5,626	**681**	2,062
Net financing costs	**-40,996**	-49,414	**-14,884**	-16,525
Profit before tax	**8,905**	10,577	**2,317**	3,631
Income tax expense	**-1,590**	-1,789	**-775**	-568
Deferred income tax expense	**792**	732	**354**	205
Profit for the period	**8,107**	9,520	**1,896**	3,268
Attributable to equity holders of the parent	**8,030**	9,439	**1,874**	3,249
Attributable to minority interest	**77**	81	**22**	19
Basic (=diluted) earnings per share (EUR)	**0.18**	0.25	**0.04**	0.08

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

in TEUR	**9M 2011**	9M 2010	**Q3 2011**	Q3 2010
Fair value of hedge instruments				
Cash flow hedges	**-8,824**	-15,642	**-19,710**	175
Cash flow hedges from associates	**844**	2,908	**-1,056**	1,217
Recorded directly in equity	**-7,980**	-12,734	**-20,766**	1,392
Profit for the period	**8,107**	9,520	**1,896**	3,268
Comprehensive income	**127**	-3,214	**-18,870**	4,660
Equity holders of the parent	**50**	-3,295	**-18,892**	4,640
Minority interests	**77**	81	**22**	20
Deferred tax on hedges				
Cash flow hedges	**-10,836**	-12,491	**-3,705**	-17
Cash flow hedges from associates	**-304**	-524	**-199**	150

CONSOLIDATED STATEMENT OF CASH FLOW AS AT 30 SEPTEMBER 2011

TEUR	**30.09.2011**	30.09.2010
Operating activities		
Net operating profit before interest and taxes paid	**50,451**	60,992
Realised gains on disposals	**-649**	-1,004
Depreciation and amortisation	**21,548**	23,572
Movements in receivables, payables and provisions	**4,210**	428
Other non-cash transactions	**-3,783**	-4,634
Cash generated from operations	**71,776**	79,354
Interest paid	**-43,554**	-53,460
Interest received	**2,383**	2,679
Income taxes paid	**1,471**	-690
Cash flow from operating activities	**32,075**	27,883
Investing activities		
Proceeds from disposals of investment property	**17,216**	23,248
Acquisition of investment property	**-108,966**	-5,271
Capital expenditure on investment property	**-10,256**	-8,143
Repurchase/disposal of own shares	**1,700**	-255
Loans to other entities	**-4,249**	-4,298
Acquisition of office furniture and equipment	**-228**	-92
Cash flow from investing activities	**-104,784**	5,189
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	**42,726**	6,466
Repayment of borrowings	**-72,631**	-34,966
Payment of transaction costs	**-3,104**	-950
Dividends paid	**-16,002**	-11,756
Cash flow from financing activities	**73,239**	5,819
Net increase in cash and cash equivalents	**531**	38,891
Cash and cash equivalents at 1 January	**117,292**	38,826
Cash and cash equivalents at 30 September	**117,823**	77,717

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

ASSETS in TEUR	**30.09.2011**	31.12.2010
Investment property	**1,803,598**	1,718,215
Office furniture and equipment	**640**	519
Investments in associates	**63,790**	64,670
Intangible assets	**185**	255
Deferred tax assets	**22,101**	19,465
Total non-current assets	**1,890,314**	1,803,124
Receivables from the disposal of property	**17**	7,967
Trade receivables	**2,455**	2,635
Receivables due from related parties	**111,457**	105,682
Income taxes receivables	**2,936**	7,442
Other receivables	**3,813**	3,955
Other current assets	**1,552**	1,876
Cash and cash equivalents	**117,823**	117,292
	240,053	246,849
Non-current assets held for sale	**3,682**	0
Total current assets	**243,735**	246,849
Total assets	**2,134,049**	2,049,973

EQUITY AND LIABILITIES in TEUR	**30.09.2011**	31.12.2010
Equity		
Issued Capital	**45,719**	39,187
Share premium	**614,309**	569,288
Hedging and translation reserve	**-59,091**	-51,111
Retained earnings	**20,272**	28,243
Total shareholders´equity	**621,209**	585,607
Minority interest	**1,501**	1,473
Total equity	**622,710**	587,080
Liabilities		
Corporate bond	**68,098**	0
Interest-bearing loans and borrowings	**1,158,488**	1,239,804
Deferred tax liabilities	**9,362**	9,508
Derivatives	**68,504**	58,116
Total non-current liabilities	**1,304,452**	1,307,428
Interest-bearing loans and borrowings	**185,914**	136,278
Trade payables	**4,481**	3,451
Liabilities to related parties	**14**	18
Provisions	**22**	22
Income taxes payable	**1,793**	2,864
Other liabilities	**11,349**	12,832
	203,573	155,465
Liabilities in connection with non-current assets held for sale	**3,314**	0
Total current liabilities	**206,887**	155,465
Total liabilities	**1,511,339**	1,462,893
Total equity and liabilities	**2,134,049**	2,049,973

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 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				9,439	9,439	81	**9,520**
Loss from cash flow hedges*			-15,642		-15,642		**-15,642**
Gains from cash flow hedges from associates*			2,908		2,908		**2,908**
Comprehensive Income			-12,734	9,439	-3,296	81	**-3,215**
Dividends 2009				-11,756	-11,756		**-11,756**
Capital increase	7,837	38,541			46,379		**46,379**
Repayment of minority interest					0	-30	**-30**
Status as of 30 September 2010	39,187	569,288	-69,223	21,303	560,555	1,500	**562,055**
Profit for the period				6,941	6,941	4	**6,945**
Gains from cash flow hedges*			17,363		17,363		**17,363**
Gains from cash flow hedges from associates*			749		749		**749**
Comprehensive Income			18,112	6,941	25,053	4	**25,057**
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				8,030	8,030	77	**8,107**
Loss from cash flow hedges*			-8,824		-8,824		**-8,824**
Gains from cash flow hedges from associates*			844		844		**844**
Comprehensive Income			-7,980	8,030	50	77	**127**
Dividends 2010				-16,001	-16,001		**-16,001**
Capital increase	6,532	45,021			51,553		**51,553**
Repayment of minority interest					0	-49	**-49**
Status as of 30 September 2011	45,719	614,309	-59,091	20,272	621,209	1,501	**622,710**

* deferred taxes deducted

SEGMENT REPORTING AS AT 30 SEPTEMBER 2011

TEUR	**9M 2011**	9M 2010	**Q3 2011**	Q3 2010
Rental income				
Core plus	**44,969**	51,602	**15,703**	17,061
Value added	**40,798**	44,127	**13,532**	14,559
Co-Investments	**0**	0	**0**	0
Other	**0**	0	**0**	0
Group	**85,766**	95,729	**29,234**	31,620
EBITDA				
Core plus	**41,804**	45,990	**14,896**	15,192
Value added	**37,117**	39,712	**12,130**	13,415
Co-Investments	**0**	0	**0**	0
Other	**-9,027**	-7,765	**-3,078**	-2,609
Group	**69,893**	77,937	**23,947**	25,998
EBTDA				
Core plus	**19,812**	18,300	**7,240**	5,873
Value added	**15,939**	15,296	**4,674**	5,363
Co-Investments	**1,555**	5,626	**681**	2,062
Other	**-6,852**	-5,073	**-2,850**	-1,763
Group	**30,453**	34,149	**9,744**	11,535
EBT				
Core plus	**9,100**	5,713	**3,522**	1,730
Value added	**5,489**	4,437	**1,155**	1,643
Co-Investments	**1,555**	5,626	**681**	2,061
Other	**-7,239**	-5,199	**-3,041**	-1,803
Group	**8,905**	10,577	**2,317**	3,631

General disclosures on reporting

In accordance with Sec. 37x (3) WpHG (”Wertpapierhandelsgesetz”: German Securities Trading Act), the quarterly financial statements comprise interim consolidated financial statements and an interim Group Management Report. The interim consolidated financial statements were compiled in accordance with the provisions of 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 September 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 September 2011.

DIC Asset AG has implemented all accounting standards adopted and revised by the EU, 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 2010.

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 third quarter 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.a.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 September 2011, external loans totalling EUR 112.7 million were taken up. They consist of a corporate bond in the amount of EUR 70 million, a loan of EUR 40.9 million taken up to finance the two retail properties acquired in March, and loans to finance capex/TI measures in the amount of EUR 1.8 million.

As at 30 September 2011, the Group still has unutilised credit lines of EUR 54.29 million.

Capital increase

With the resolution on 15 March 2011/registration in the Commercial Register on 4 April 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. 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 new number of shares (37,719,620 shares) to be taken into account for the third quarter of 2010 includes a free element of 771,407 shares in the wake of the capital increase in March 2011.

This results in an average number of shares of 43,798,800 for the third quarter of 2011.

Earnings per share (EUR)	**Q3 2011**	Q3 2010
Group profit for the period after minority interests (EUR)		9,439,151
Average number of shares issued (before capital increase in 2011)		36,574,998
Basic (= diluted) earnings per share		0.26
Group profit for the period after minority interests (EUR)	**8,030,353**	9,439,151
Weighted average number of shares issued (after capital increase in 2011)	**43,798,800**	37,719,620
Basic earnings per share with the new number of shares	**0.18**	0.25

In October 2011, DIC Asset AG acquired the remaining 50% of shares in three joint ventures with Morgan Stanley Real Estate Funds and, as a result, become the sole owner of a property portfolio with a market value of some EUR 190 million. DIC Asset AG acquired a property in Duisburg by means of a notarised agreement dated 14 September 2011. The volume of the investment amounts to some EUR 16 million. The property is let long-term. The annual rental income amounts to EUR 1.2 million. The transfer of ownership, rights and obligations is planned for the end of November 2011.

Dr Michael Peter Solf was elected to the Supervisory Board of DIC Asset AG to replace the departing Mr Hellmar Hedder for a term to 2015 by resolution of the General Shareholders' Meeting on 5 July 2011.

Please refer to the interim management report in this document with regard to the opportunities and risks, the corporate bond, the dividend paid, and further disclosures on events after the balance sheet date.

▷ REVIEW REPORT

TO DIC ASSET AG, FRANKFURT AM MAIN

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim group management report of DIC Asset AG, Frankfurt am Main for the period from January 1 to September 30, 2011, which are part of the quarterly financial report according to Sec. 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.

Nuremberg, 14 November 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	**Q3 2011**
Gross rental income	31.7	32.4	31.6	29.2	27.6	28.9	**29.3**
Property disposal proceeds	1.5	17.0	4.7	58.0	0.0	9.3	**0.0**
Total revenues	38.4	55.5	42.0	92.9	32.7	43.3	**35.1**
EBITDA	25.3	26.6	26.0	27.5	22.0	23.9	**23.9**
EBIT	17.6	18.7	18.1	20.2	15.1	16.7	**16.5**
FFO	10.9	11.1	11.2	10.8	10.0	10.1	**9.7**
Profit before depreciation	10.5	11.4	11.2	14.2	9.7	10.6	**9.3**
Profit for the period	2.8	3.5	3.3	6.9	2.8	3.4	**1.9**
Earnings per share (EUR) *	0.08	0.09	0.08	0.18	0.07	0.07	**0.04**
FFO per share (EUR) *	0.33	0.27	0.28	0.27	0.25	0.22	**0.21**
Cash flow from operating activities	7.6	7.8	12.4	9.9	9.4	9.9	**12.8**
Market value of real estate assets **	2,195.3	2,177.4	2,169.4	2,001.8	2,083.3	2,071.0	**2,069.9**
Total assets	2,257.9	2,259.4	2,231.4	2,050.0	2,109.4	2,155.2	**2,134.0**
Equity	573.4	569.2	562.1	587.1	660.4	657.6	**622.7**
Equity ratio in %	25.4	25.2	25.2	28.6	31.3	30.5	**29.2**
Debt	1,684.5	1,690.3	1,669.3	1,462.9	1,449.0	1,497.6	**1,511.3**
Debt ratio in %	74.6	74.8	74.8	72.4	68.7	69.5	**70.8**

* 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 September 2011	Core plus	Value added	Co-Investments	**Total**
Number of properties	45	116	120	**281**
Portfolio volume in EUR million*	899.7	868.4	301.8	**2,069.9**
Portfolio proportion	43%	42%	15%	**100%**
Annualised rent in EUR million	62.2	54.4	13.8	**130.4**
Lettable area in sqm	441,100	584,500	154,200	**1,179,800**
Rental income per sqm in EUR	12.10	9.40	8.40	**10.40**
Occupancy rate	95.0%	80.5%	84.5%	**86.5%**

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

TYPES OF USE

by rental income (as at 30 September 2011)

69% Office properties

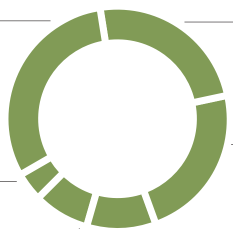
20% Retail

10% Other business (e.g. logistics, industrial)

1% Residential

MAIN TENANTS

by rental income (as at 30 September 2011)



31% SME and others

24% Public sector

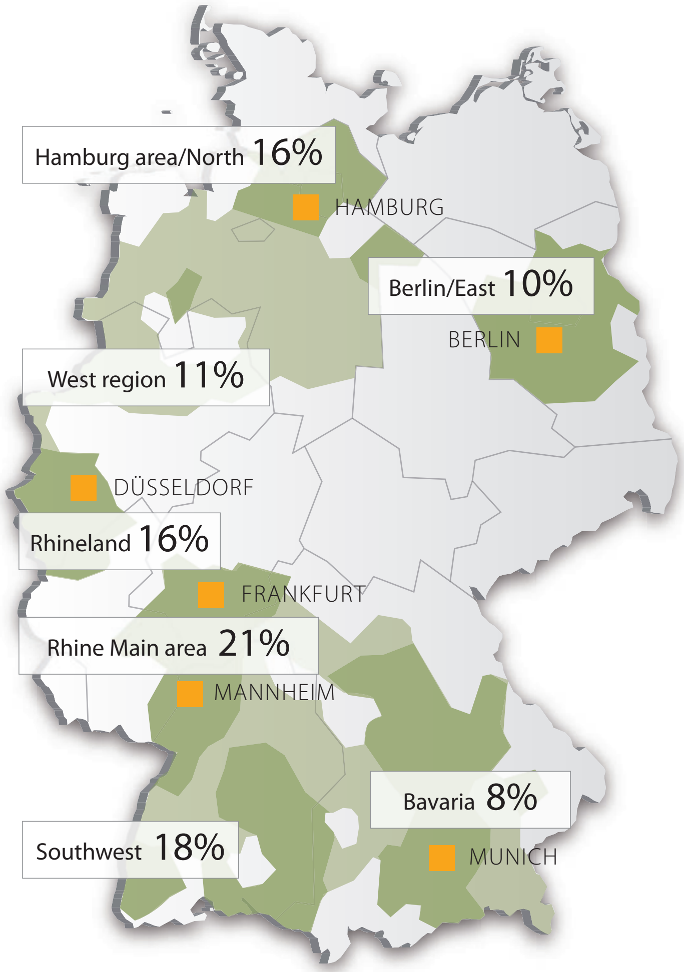
23% Retail

4% Insurance/Banking

8% Industry

10% Telco/IT/Multimedia

REGIONAL DISTRIBUTION



Branches

% Distribution of lettable area (sqm)

Region with excellent job market development

Region with good job market development

(based on regional survey regarding employment market dynamics and job opportuniites 2020, IW Consult)

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