DIC

Q2 2014

INTERIM REPORT

ABOUT DIC ASSET AG

Established in 2002, DIC Asset AG, with registered offices in Frankfurt/Main, is a real estate company with a dedicated investment focus on commercial real estate in Germany, pursuing a return-oriented investment policy. Real estate assets under management currently amount to approximately EUR 3.4 billion, comprising around 250 properties.

The Company's investment strategy is geared to the continued development of a high-quality, highly profitable and regionally diversified portfolio. The real estate portfolio is structured in two segments: the "Commercial Portfolio" (market value of EUR 2.2 billion) comprises existing properties with long-term rental contracts generating attractive rental yields. The "Co-Investments" segment (pro-rata share of EUR 0.2 billion) comprises fund investments, joint venture investments and interests in development projects.

DIC Asset AG provides a direct service to tenants through its own real estate management teams in six branch offices located at the regional hubs within the portfolio. This provides DIC Asset AG with an edge in terms of market presence and expertise, and builds the foundation for maintaining and increasing income and the value of its real estate assets.

DIC Asset AG has been included in the SDAX segment of the Frankfurt Stock Exchange since June 2006. The Company's shares are also included in the EPRA index, which tracks the performance of the most important European real estate companies.

OVERVIEW

Key financial figures in EUR million	**H1 2014**	H1 2013	Δ	**Q2 2014**	Q1 2014	Δ
Gross rental income	**73.6**	61.0	+21%	**36.8**	36.8	±0%
Net rental income	**65.8**	53.3	+23%	**32.3**	33.5	-4%
Fees from real estate management	**2.3**	3.1	-26%	**1.2**	1.1	+9%
Property disposal proceeds	**19.6**	37.1	-47%	**3.5**	16.1	-78%
Total income	**114.4**	111.9	+2%	**52.3**	62.1	-16%
Profits on property disposals	**0.6**	1.7	-65%	**-0.1**	0.7	>-100%
Share of the profit of associates	**1.5**	1.2	+25%	**0.5**	1.0	-50%
Funds from Operations (FFO)	**23.6**	23.1	+2%	**11.6**	12.0	-3%
EBITDA	**59.3**	48.2	+23%	**28.4**	30.9	-8%
EBIT	**38.3**	32.1	+19%	**18.1**	20.2	-10%
EPRA earnings	**23.5**	21.6	+9%	**11.9**	11.6	+3%
Profit for the period	**4.0**	6.5	-38%	**2,0**	2.0	±0%
Cash flow from operating activities	**24.2**	23.0	+5%	**12.0**	12.2	-2%

Key financial figures per share in EUR	**H1 2014**	H1 2013	Δ	**Q2 2014**	Q1 2014	Δ
EPRA earnings*	**0.34**	0.46	-26%	**0.17**	0.17	±0%
FFO*	**0.34**	0.49	-31%	**0.16**	0.18	-11%

Balance sheet figures in EUR million	**30.06. 2014**	31.12. 2013	**30.06. 2014**	31.03. 2014
Net debt equity ratio in %	**33.3**	32.6	**33.3**	32.8
Investment property	**2,209.8**	2,256.4	**2,209.8**	2,232.6
Total assets	**2,587.4**	2,596.0	**2,587.4**	2,605.5

Key operating figures	**H1 2014**	H1 2013	**Q2 2014**	Q1 2014
Letting result in EUR million	**11.3**	10.7	**4.5**	6.8
Vacancy rate in %	**11.5**	11.1	**11.5**	11.1

* with the new average number of shares in accordance with IFRS

CONTENT

FOREWORD

Dear Shareholders,

In the first half of 2014, DIC Asset AG has successfully, and according to plan, continued to grow its income from operations and is thus making consistent progress towards its targets for the current financial year. We had created the basis for doing so at the end of 2013 with the acquisition and consolidation of a joint venture portfolio; the related positive performance of DIC Asset AG is evident already from the most important key data:

- Our real estate assets under management reached some EUR 3.4 billion (previous year: EUR 3.3 billion); we have thereby increased the share of our direct investments from EUR 1.8 billion to EUR 2.2 billion.
- We improved our operating profits (FFO) by 2% to EUR 23.6 million.
- We have to date already successfully made sales amounting to around EUR 60 million and numerous other transactions are in the pipeline.
- In the current year to date, we have already purchased property in the value of approximately EUR 60 million for our funds. With the launch of the third fund, we are further expanding the basis for reliable income.
- Our net debt equity ratio has risen by almost one percentage point to 33.3% compared to the same period in the previous year.

As one of the leading German property investors, we will continue to stick to this strategy of steps that are reliable and on target. The strategy continually builds trust in our company among you, our shareholders, and on the markets. The details in our interim report provide clear evidence of this. With our profits in the first half of the year, we confirm the targets for the current financial year that we set at the beginning of 2014.

Frankfurt am Main, August 2014

Ulrich Höller | Sonja Wärntges | Rainer Pillmayer

FRAMEWORK CONDITIONS

After a strong start to the year, German economic growth was subdued as we reached the six-month point. As expected, the traditional spring upturn was weaker than usual following a mild winter. Whilst consumer spending slowed towards the mid-point of the year, the domestic economy is still stimulating demand significantly. Although foreign trade is also providing less momentum than at the start of the year, the upswing is continuing in Germany on the whole.

The industrialised countries, led by the USA, are injecting key momentum into a global economy that is still seeing only modest growth. The recovery in the euro zone remains sluggish and continues to be characterised by vastly uneven trends in the individual countries.

In early June, the ECB cut the key interest rate to a new record low of 0.15% in a bid to counteract the low rates of inflation in Germany and its fellow euro zone countries and shore up tentative economic growth. According to the ifo Institute for Economic Research, the current business situation has softened slightly since the first quarter. Especially the possible ramifications of the sanctions imposed on Russia and the crisis in Ukraine have put the damper on the economy's optimism.

Following strong growth in the first quarter (up 0.8% on the final quarter of 2013), the second quarter will see gross domestic product rise moderately, by 0.1% on the previous quarter, according to the economic barometer of the German Institute for Economic Research (DIW Berlin). The ifo Institute expects that Germany's economic growth will slow in the course of the year and that the growth rate of 1.9% (2013: 0.4%) still predicted by the spring survey of the leading economic research institutes will have to be adjusted downward.

Office space lettings stable

After a good start to the year, the office letting markets were rather restrained in the second quarter. According to JLL, sales volume in the seven largest office locations Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart reached 1.38 million sqm in the first half of the year and was consequently around 3% down on the same period for the previous year.

Aggregate vacancies in the top seven locations decreased to 7.2 million sqm at the end of the first half of the year (down 6.5% year-on-year). At 8.1%, the vacancy rate is 60 basis points lower than the previous year. In view of the increase in completion volumes, JLL is expecting the vacancy rate to rise slightly by the end of the year.

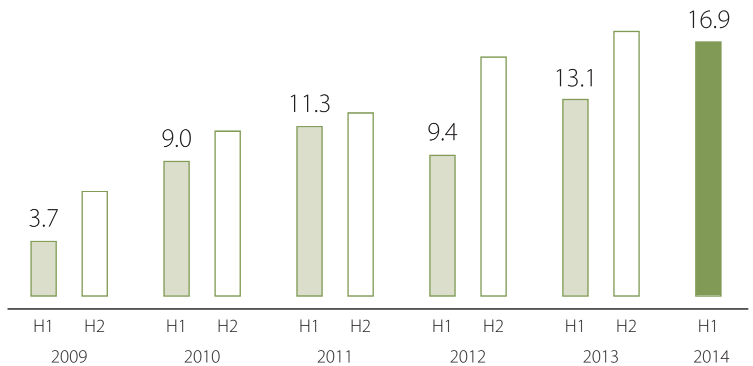
In the first half of 2014, over 420,000 sqm in new space was created in the top seven locations (up 17% year-on-year). However, only around 27% of this is freely available, with the rest being pre-let or owner-occupied. JLL believes that the amount of freely available space will increase only slightly between now and the end of the year.

Transaction market continues on the path of growth

The German commercial real estate investment market enjoyed a strong start to the year and bore up well throughout the first six months. A volume of EUR 16.9 billion at the mid-point of the year represents a year-on-year rise of 29%. This was down to the huge demand for investment opportunities from international capital and to an attractive environment for financing, with interest rates still at a historic low.

On the transaction market, investors focused on office and retail properties, which made up 40% and 29% of deals respectively. Portfolio transactions were up by 82% year-on-year to around EUR 6.2 billion, accounting for some 36% of total sales.

TRANSACTION VOLUME IN GERMAN COMMERCIAL REAL ESTATE
in EUR billion



Sources: JLL, CBRE

BUSINESS DEVELOPMENT

Highlights

- ➜ Successful sales totalling approximately EUR 60 million
- ➜ FFO increases to EUR 23.6 million (+2%)
- ➜ Net debt equity ratio up to 33.3%
- ➜ Third real estate fund ”DIC Office Balance II” launched

In the first half of 2014, DIC Asset AG increased its operating profit. As at 30 June 2014, FFO had risen to EUR 23.6 million (previous year: EUR 23.1 million).

Portfolio: high rental income, stable rental yield

At the end of June, the DIC Asset AG portfolio under management comprised 246 properties with rental space totalling 1.8 million sqm and an overall value of approximately EUR 3.4 billion (assets under management). Pro rata, the properties accruing to DIC Asset AG are now worth some EUR 2.4 billion, an increase of EUR 0.2 billion on the same period in the previous year. There were no major changes in the portfolio volume and the regional allocation compared with the final quarter of 2013. The gross rental yield remains almost unchanged at 6.6% (previous year: 6.7%). The properties generate annual rental income (including Co-Investments pro rata) of EUR 153 million.

Thanks to ongoing letting activity in the regions, tenancy agreements generating an annualised rental income of around EUR 11.3 million in total were concluded in the first half of 2014, of which EUR 5.5 million related to new lettings and EUR 5.8 million to renewals of existing tenancies. In the equivalent period in 2013, letting volume amounted to EUR 10.7 million.

A major contract in Dusseldorf with a hotel operator for 12,800 sqm and the letting of approximately 1,500 additional sqm in the ”Bochumer Fenster” property to the Ruhr-University Bochum made a key contribution to generated rental income. A significant renewal was secured in the second quarter, with ”Zweirad-Center Stadler” (bicycle store) extending the tenancy agreement for its approximately 9,700 sqm in Mannheim for the long term.

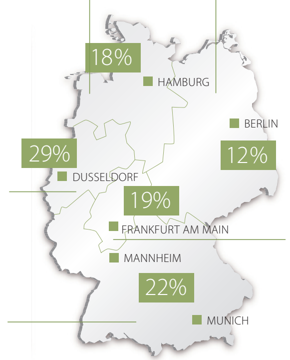
REGIONAL DEVELOPMENT

each as at 30.06.

North	2014	2013
Gross rental yield	6.6%	6.7%
Vacancy rate	6.2%	5.5%
WALT in years	6.0	5.8
Annualised rental income (EUR million)	23.8	15.2

West	2014	2013
Gross rental yield	6.5%	6.6%
Vacancy rate	11.1%	12.7%
WALT in years	4.5	5.1
Annualised rental income (EUR million)	45.7	41.8

South	2014	2013
Gross rental yield	7.0%	7.2%
Vacancy rate	9.4%	8.2%
WALT in years	3.9	3.9
Annualised rental income (EUR million)	30.2	29.2



East	2014	2013
Gross rental yield	7.3%	7.7%
Vacancy rate	8.2%	5.3%
WALT in years	4.9	5.6
Annualised rental income (EUR million)	20.2	20.5

Central	2014	2013
Gross rental yield	6.0%	6.1%
Vacancy rate	21.5%	19.1%
WALT in years	5.0	5.7
Annualised rental income (EUR million)	33.6	31.9

Total	2014	2013
Gross rental yield	6.6%	6.7%
Vacancy rate	11.5%	11.1%
WALT in years	4.8	5.1
Annualised rental income (EUR million)	153.4	138.6

LETTING RESULT

annualised in EUR million	H1 2014	H1 2013
Office	5.9	8.6
Retail	1.1	1.2
Further commercial	4.1	0.7
Residential	0.2	0.2
Total	11.3	10.7
Parking (units)	945	970

TOP LETTING DEALS

Top 5 new lettings

Renaissance Düsseldorf Hotelmanagement	Dusseldorf	12,800 sqm
Floortex Europe	Mannheim	2,900 sqm
Oberlandesgericht Oldenburg	Oldenburg	1,600 sqm
Ruhr-University Bochum	Bochum	1,500 sqm
HEICO Holding	Wiesbaden	1,400 sqm

Top 5 renewals

Zweirad-Center Stadler	Mannheim	9,700 sqm
Nokia Solutions and Networks	Ulm	7,800 sqm
EOS Deutschland	Hamburg	4,700 sqm
Walter Kluxen GmbH	Hamburg	2,800 sqm
Freie Hansestadt Hamburg	Hamburg	2,800 sqm

The portfolio's vacancy rate rose slightly year-on-year from 11.1% to 11.5%. As a result of leases coming to an end that have not yet been fully compensated for by new lettings in the first half of the year, in line with expectations the rate rose slightly in the second quarter; it is thus within the range planned for. At 4.8 years, the average lease period is unchanged on the previous quarter.

DEVELOPMENT OF VACANCY RATE

in % at the end of the quarter

Selling activities continue according to plan

We exploited the high level of investor interest in the first half of the year to make a series of successful sales from both our Commercial Portfolio and our Co-Investments. By 30 June 2014, a total of seven properties had been sold for EUR 54 million (previous year: EUR 56 million). Five properties (EUR 32 million) came from the Commercial Portfolio and two (EUR 22 million) from the Co-Investments. A property in Ludwigshafen from the Commercial portfolio worth around 5 million euros was sold after the balance sheet date. The sales prices achieved in the transactions carried out averaged 4% more than the most recent market values assessed.

Fund business developed further

Following the strategic reduction in the volume of joint ventures among the Co-Investments, we began to adjust the investment policy governing our fund business in the course of the first half of the year. We reduced our share in the "DIC Office Balance I" fund to 10% in April. Although it will temporarily reduce the FFO contribution, we will thereby tie up less capital and achieve more equity-efficient growth in the fund business. At the moment, our equity interest in the funds is somewhere between 5% and 20%.

A key milestone in the further expansion of our fund business was marked with the start of our third fund "DIC Office Balance II". The fund was created specifically for two clients: SV SparkassenVersicherung, Stuttgart, and Helaba Invest KAGmbH, Frankfurt, for several institutional investors. The fund's first acquisition in the amount of EUR 32 million was made in July. The fund will invest in German office property and have an initial target volume of EUR 200 million, which can be increased at a later stage. As co-investor, DIC Asset AG holds a stake of around 5% as well as assuming responsibility as a service provider for asset and property management and for transacting acquisitions and sales, as it does for its other two funds.

With the third fund now having been launched, the target volume for all three funds has increased to some EUR 1 billion. Another two acquisitions for the fund "DIC HighStreet Balance" in a volume of EUR 27 million in July has brought the acquisition volume transacted by DIC Asset AG on behalf of the fund to approximately EUR 60 million this financial year to date.

Barbarossa Center, Cologne: first acquisition for the new real estate fund "DIC Office Balance II"

Personnel development

At the end of June 2014, 133 employees were employed in the company in total, seven employees less than in the previous year.

NUMBER OF EMPLOYEES

	30.06.2014	31.03.2014	30.06.2013
Portfolio management, investment and funds	16	16	12
Asset and property management	102	106	110
Group management and administration	15	16	18
Total	133	138	140

Retail property in prime high street location in Wuppertal: acquisition for the fund "DIC HighStreet Balance"

REVENUES AND RESULTS

Growth in rental income

In the first half of 2014, we generated gross rental income of EUR 73.6 million (previous year: EUR 61.0 million). The growth in rental income of 21% is mainly due to the acquisition of the joint venture portfolio at the end of 2013. The acquisition has compensated the negative effects due to the loss of rental income following sales. Net rental income stood at EUR 65.8 million and, up 23% compared to previous year (EUR 53.3 million).

Different effects apparent in income from property management

Income from property management fees from Co-Investments decreased by EUR 0.8 million (-26%) compared with the previous year to EUR 2.3 million. This is directly linked to the acquisition of the joint venture portfolio, as a result of which income from the management of properties previously under management was consolidated. By contrast, recurring income from the management of fund properties grew by EUR 0.2 million to EUR 1.7 million, continuing the positive trend of reliable income in connection with the further expansion of the fund business.

Total income on the rise

Up to the reporting date, we achieved proceeds of EUR 19.6 million from sales and a sales profit of EUR 0.6 million. In the previous year, we had achieved sales proceeds of EUR 37.1 million and a sales profit of EUR 1.7 million up to the end of June. The 2% increase in total earnings to EUR 114.4 million is explained by the growth in rental income, which compensates the decreased property sales proceeds.

OVERVIEW OF INCOME

in EUR million	H1 2014	H1 2013	Δ
Gross rental income	**73.6**	61.0	+21%
Fees from real estate management	**2.3**	3.1	-26%
Property disposal proceeds	**19.6**	37.1	-47%
Other	**18.9**	10.7	+77%
Total income	**114.4**	111.9	+2%

Operating costs stable

In the first half of 2014, operating costs matched the level of the previous year. Both personnel expenses and administrative expenses were kept stable at EUR 6.3 million and EUR 5.1 million respectively. The operating cost ratio (administrative and personnel expenses to gross rental income, adjusted for fees from real estate management) decreased due to higher gross rental income by just under one percentage point to 12.4% (previous year: 13.3%).

Net financing costs affected by higher financing volume

Net financing costs of EUR -34.0 million (previous year: EUR -24.8 million) reflect mainly the increase in interest expenses following the portfolio acquisition and the increase of the corporate bond financing by EUR 100 million in total. Additionally, interest income was reduced following the lower volume of loans to related parties.

Co-Investments restructured

At EUR 1.5 million, the share of the profit of associates (Co-Investments) was up 25% on the figure for the same period in the previous year (EUR 1.2 million). Despite scaling back our investment in our first fund, income from our fund investments remained nearly stable at EUR 1.1 million (previous year: EUR 1.2 million), mainly as a result of the significant increase in the fund volumes.

RECONCILIATION OF FFO

in EUR million	H1 2014	H1 2013	Δ
Net rental income	65.8	53.3	+23%
Administrative expenses	-5.1	-5.0	-2%
Personnel expenses	-6.3	-6.3	±0%
Other operating income/expenses	0.6	0.2	>100%
Fees from real estate management	2.3	3.1	-26%
Share of the profit of associates without project developments and sales	1.6	2.6	-38%
Interest result	-35.3	-24.8	-42%
Funds from Operations	23.6	23.1	+2%

FFO increases to EUR 23.6 million

In the first half of 2014, operating profit or FFO amounted to EUR 23.6 million and was therefore EUR 0.5 million (+2%) above the previous year's result. This was mainly due to the increase in rental income. Following the increase in the share capital, FFO per share as at 30 June 2014 stood at EUR 0.34 up to the end of 2013 (previous year: EUR 0.49).

Profit for the period: EUR 4.0 million

In the first half of 2014, we achieved a profit for the period of EUR 4.0 million as planned (previous year: EUR 6.5 million). The year-on-year change was primarily attributable to lower profits on property disposals as well as higher depreciation as scheduled, mainly due to investments on existing properties, which were completed at the end of 2013. Earnings per share amounted to EUR 0.07 (previous year: EUR 0.14).

FINANCIAL AND ASSET POSITION

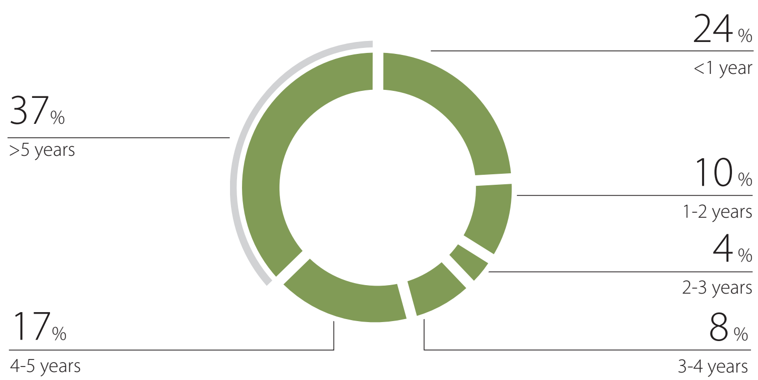
At 89%, the vast majority of our financial debt consists of loans, which are agreed with a broad range of German financial institutions. The remaining portion comes from our corporate bonds. With the increase in our second bond in February 2014, we attracted additional external funds of some EUR 25 million. We agreed refinancing amounting to around EUR 65 million in the first half of the year. At the same time, we reduced the debt burden by around EUR 37 million by the end of the six-month period on the back of sales and scheduled repayments.

As at 30 June 2014, financial debt amounted to EUR 1,716.0 million. This is a reduction of around EUR 8 million compared to the end of 2013 (EUR 1,723.9 million).

The average maturity of financial liabilities was 4.0 years at the end of the second quarter (Q2 2013: 3.1 years), thus down on the end of 2013 (4.5 years) as expected, since a large proportion of the volume due for refinancing was rearranged. The proportion of financing with terms in excess of five years came to 37% at the reporting date compared with 44% at the end of 2013. The average interest expenses of all financing via bank loans amounted to around 4.1%, unchanged from the end of 2013.

DEBT MATURITIES

Financial debt as at 30.06.2014



The interest cover ratio, the ratio of net rental income to interest payments, was 169% at the end of the second quarter, thus lower than the year-before period (178%). This was mainly attributable to the changes in the financing structure following integration of the joint venture portfolio acquired at the end of 2013. Over 94% of our financial debt has a fixed interest rate or is hedged long-term against interest rate fluctuations.

Cash flow dominated by bond placements, sales and loan repayments

In the first half of 2014, cash flow was influenced in particular by the cash inflows from sales as well as the increase of our second bond. Posted on the other side was a cash outflow due to loans repaid.

Cash flow from operating activities was stable, climbing EUR 1.2 million year-on-year to EUR 24.2 million. Cash flow from investing activities was EUR 25.6 million (H1 2013: EUR 21.9 million); the increase reflects property sales, the disposal of shares in funds in the second quarter and ongoing investment in our properties. In the first half of 2014, cash flow from financing activities totalled EUR -13.8 million after EUR -31.8 million in the previous-year period. The cash inflow from the bond placement (EUR 25.2 million) and loan repayments of EUR -36.6 million had a major impact here.

Cash and cash equivalents increased by EUR 36.0 million on the end of 2013 from EUR 56.4 million to EUR 92.4 million.

Net debt equity ratio increased

In the first half of the year, total assets fell slightly as at 30 June 2014 compared with the end of 2013, down EUR 8.6 million to EUR 2,587.4 million, mainly as a result of disposals and repayments of borrowing following sales.

As at 30 June 2014, equity remained largely stable compared with 31 December 2013 with a change of EUR 3.0 million to EUR 790.1 million compared with EUR 793.1 million. The net debt equity ratio increased considerably by 70 basis points, climbing from 32.6% at the end of 2013 to 33.3% as a result of loan repayments and further improvements in the company's financing. Loan-to-value (LTV) fell a further 0.5 percentage points to 66.4% compared to 31 December 2013.

FORECAST

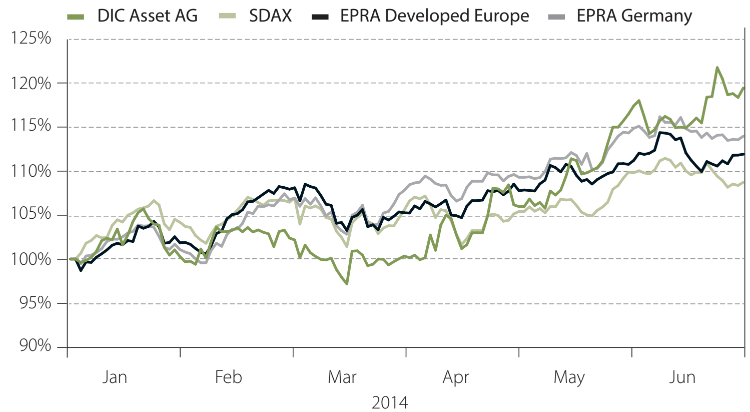
By the end of 2014, we expect to see a somewhat slower economic growth than forecast at the beginning of the year as a result of the current geopolitical upheavals, while the level of activities on the real estate investment markets will remain high. Against this backdrop, we confirm our goals for 2014. We plan to invest at least around EUR 150 million in the fund sector and to conduct sales totalling at least around EUR 130 million in 2014. On the basis of our current portfolio and planned sales, we are anticipating a stable vacancy rate and rental income of between EUR 145 and 147 million. We expect to exceed the previous year's operating profit once again and plan to increase FFO to EUR 47–49 million.

The DIC Asset share: an attractive dividend

Following a mixed start with marked fluctuations in the first quarter, the DAX, Germany's leading index, rose to a new high during the second quarter. Having hit 10,000 points in early June, it could not quite maintain this level following profit-taking and closed the first half of the year up nearly 3% at 9,833 points.

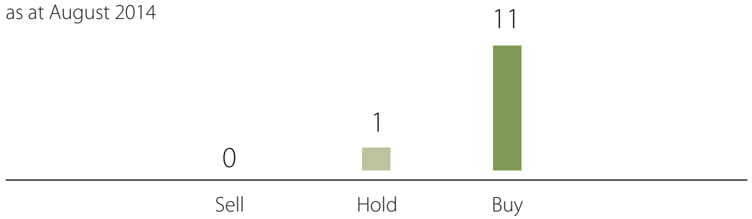
The DIC asset share began the year mirroring the overall market of major German stocks. From mid-March onward, the price rose steadily, reaching its previous annual high of EUR 8.16 on 23 June and closing the first half of the year up some 20% at EUR 8.00.

STOCK MARKET TREND



ANALYSTS' COVERAGE

as at August 2014



BASIC DATA ON THE DIC ASSET SHARE

Number of shares	68,577,747 (registered shares)
Share capital in EUR	68,577,747
WKN / ISIN	A1X3XX / DE000A1X3XX4
Abbreviation	DIC
Free float	66.8%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	Close Brothers Seydler, HSBC Trinkaus

KEY FIGURES DIC ASSET SHARE

in Euro (1)		**H1 2014**	H1 2013
FFO per share	EUR	**0.34**	0.49
FFO yield (2)		**8.5%**	12.8%
Closing price for quarter	EUR	**8.00**	7.64
52-week high	EUR	**8.20**	8.89
52-week low	EUR	**6.26**	6.09
Number of shares on 30.06.	in thousand	**68,578**	45,719
Market capitalisation (2)	EUR million	**549**	349
Closing price 13.08.2014	EUR	**6.77**	

(1) Xetra closing prices in each case
(2) in relation to the Xetra closing price for quarter

Success for corporate bonds

Both corporate bonds are listed in the prime Standard for corporate bonds and are consistently priced above their issue price. The price of the first bond closed at EUR 104.4 on 30 June 2014. To continue to tap into powerful and flexible financing solutions at portfolio and property level, the volume of our second corporate bond was increased in February by EUR 25 million to EUR 100 million. Its closing price on 30 June 2014 was EUR 108.2.

Focal points of IR work

In the first half of the year, IR work focused on publishing and communicating the annual financial statements, reporting on the increase in the second corporate bond and making preparations for the General Shareholders' Meeting. The Management Board and the Investor Relations team took part in conferences and roadshow meetings in cities including Frankfurt, London, Paris, Vienna, Amsterdam and Brussels and updated shareholders, investors and analysts on the company's current business situation and its strategic objectives. In mid-June, we were notified that the RAG Foundation had bought a block of shares corresponding to 4.76% of the total number of shares in DIC Asset AG from Morgan Stanley Real Estate Funds.

BASIC DATA ON THE DIC ASSET BONDS

Name	DIC Asset AG bond 11/16	DIC Asset AG bond 13/18
ISIN / WKN	DE000A1KQ1N3 / A1KQ1N	DE000A1TNJ22 / A1TNJ2
Abbreviation	DICA	DICB
Deutsche Börse segment	Prime Standard for corporate bonds	Prime Standard for corporate bonds
Minimum investment amount	EUR 1,000	EUR 1,000
Coupon	5.875%	5.750%
Issuance volume	EUR 100 million	EUR 100 million
Maturity	16.05.2016	09.07.2018

KEY FIGURES DIC ASSET BONDS

	13.08.2014	30.06.2014	30.06.2013
DIC Asset AG bond 11/16			
Closing price	102.6	104.4	101.8
Yield to maturity	4.50%	3.46%	5.44%
DIC Asset AG bond 13/18	– issued on 09.07.2013 –		
Closing price	107.0	108.2	
Yield to maturity	4.18%	3.77%	

At the General Shareholders' Meeting on 2 July 2014 in Frankfurt am Main, the management's resolutions on all agenda items were passed by a large majority. A dividend of EUR 0.35 per share was paid out on the following day.

IR CALENDAR 2014

03.04.	HSBC Real Estate and Construction Conference	Frankfurt
04.04.	Bankhaus Lampe Germany-Conference	Baden-Baden
08.05.	Analysts' Breakfast "Update MainTor"	Frankfurt
12.05.	Publication Report Q1 2014*	
19.-23.05	Kepler Cheuvreux Mid Cap Week	London, Paris
20.05.	Roadshow	Brussels
04.06.	Kempen European Property Seminar	Amsterdam
02.07.	General Shareholders' Meeting	Frankfurt
08.07.	Roadshow	Vienna
14.08.	Publication Report Q2 2014*	
22.09.	Berenberg / Goldman Sachs German Corporate Conference	Munich
23.09.	Baader Investment Conference	Munich
23.-24.09.	EPRA Annual Conference 2014	London
16.10.	Conference "Initiative Immobilienaktie"	Frankfurt
29.-30.10.	Roadshow	USA
06.11.	DIC Investors' Day	Frankfurt
11.11.	Publication Report Q3 2014*	
13.11.	Commerzbank German Commercial Property Forum	London
08.-12.12.	EPRA Asia Investor Outreach	Peking, Tokio, Shanghai, Hongkong

* with conference call

CONSOLIDATED PROFIT AND LOSS ACCOUNT

in KEUR	H1 2014	H1 2013	Q2 2014	Q2 2013
Total income	114,355	111,929	52,294	37,831
Total expenses	-77,470	-80,998	-34,567	-23,188
Gross rental income	73,601	61,047	36,753	30,741
Ground rents	-637	-348	-309	-175
Service charge income on principal basis	18,186	10,394	10,504	5,316
Service charge expenses on principal basis	-17,833	-11,889	-9,428	-6,109
Other property-related expenses	-7,517	-5,904	-5,204	-3,104
Net rental income	65,800	53,300	32,316	26,669
Administrative expenses	-5,120	-4,968	-2,662	-2,507
Personnel expenses	-6,347	-6,257	-3,184	-3,119
Depreciation and amortisation	-20,963	-16,104	-10,232	-8,063
Fees from real estate management	2,312	3,090	1,204	1,487
Other income	683	304	370	178
Other expenses	-77	-102	31	0
Net other income	606	202	401	178
Investment property disposal proceeds	19,573	37,093	3,464	109
Carrying value of investment property disposed	-18,975	-35,425	-3,580	-111
Profit on disposal of investment property	598	1,668	-116	-2
Net operating profit before financing activities	36,886	30,931	17,727	14,643
Share of the profit of associates	1,455	1,211	451	460
Interest income	4,906	5,210	2,751	2,862
Interest expense	-38,911	-29,972	-18,912	-14,799
Profit before tax	4,336	7,380	2,017	3,166
Current income tax expense	-1,948	-845	-1,259	-341
Deferred income tax expense	1,588	-78	1,189	-54
Profit for the period	3,976	6,457	1,946	2,771
Attributable to equity holders of the parent	4,581	6,427	2,363	2,773
Attributable to non-controlling interest	-605	30	-417	-2
Basic (=diluted) earnings per share (EUR)	0.07	0.14	0.04	0.06

STATEMENT OF COMPREHENSIVE INCOME

in KEUR	H1 2014	H1 2013	Q2 2014	Q2 2013
Profit for the period	3,976	6,457	1,946	2,771
Other comprehensive income				
Items, which may under certain conditions be recycled into the income statement in future				
Fair value of hedge instruments*				
Cash flow hedges	-6,038	16,543	-3,268	8,394
Cash flow hedges from associates	-81	723	-47	483
Other comprehensive income	-6,119	17,266	-3,315	8,877
Comprehensive income	-2,143	23,723	-1,369	11,647
Attributable to equity holders of the parent	-1,538	23,693	-952	11,649
Attributable to non-controlling interest	-605	30	-417	-2

* after tax

CONSOLIDATED STATEMENT OF CASH FLOW

in KEUR	H1 2014	H1 2013
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid	37,744	36,373
Realised gains/losses on disposals	-598	-1,668
Depreciation	20,963	16,104
Movements in receivables, payables and provisions	1,965	2,185
Other non-cash transactions	967	-48
Cash generated from operations	61,041	52,946
Interest paid	-36,718	-29,367
Interest received	162	91
Income taxes paid/received	-323	-640
Cash flows from operating activities	24,163	23,031
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	19,929	37,093
Capital expenditure on investment properties	-4,111	-8,421
Acquisition/disposal of other investments	22,180	267
Loans to and from other entities	-12,334	-5,377
Acquisition of office furniture and equipment, software	-81	-1,707
Cash flow from investing activities	25,583	21,855
FINANCING ACTIVITIES		
Proceeds from the issue of corporate bond	25,250	13,095
Repayment of borrowings	-36,598	-45,814
Deposits	-600	1,600
Payment of transaction costs	-1,820	-662
Cash flows from financing activities	-13,768	-31,781
Net changes in cash and cash equivalents	35,978	13,105
Cash and cash equivalents at 1 January	56,418	56,698
Cash and cash equivalents at 30 June	92,396	69,803

CONSOLIDATED BALANCE SHEET

Assets in KEUR	**30.06.2014**	31.12.2013
Investment property	**2,209,842**	2,256,437
Office furniture and equipment	**488**	484
Investments in associates	**69,436**	89,866
Loans and borrowings to related parties	**120,268**	114,324
Other investments	**20,502**	20,502
Derivatives	**0**	6
Intangible assets	**1,523**	1,688
Deferred tax assets	**24,151**	22,735
Total non-current assets	**2,446,210**	2,506,042
Receivables from sale of investment property	**69**	425
Trade receivables	**5,034**	3,544
Receivables due from related parties	**11,498**	8,175
Income tax receivables	**7,508**	8,899
Other receivables	**7,612**	7,373
Other current assets	**6,871**	5,108
Cash and cash equivalents	**92,396**	56,418
	130,988	89,942
Non-current assets held for sale	**10,154**	0
Total current assets	**141,142**	89,942
Total assets	**2,587,352**	2,595,984

Equity and liabilities in KEUR	**30.06.2014**	31.12.2013
EQUITY		
Issued capital	**68,578**	68,578
Share premium	**732,846**	733,577
Hedging reserve	**-36,197**	-30,078
Retained earnings	**20,014**	15,433
Total shareholders' equity	**785,241**	787,510
Non-controlling interest	**4,890**	5,544
Total equity	**790,131**	793,054
LIABILITIES		
Corporate bonds	**196,119**	171,087
Non-current interest-bearing loans and borrowings	**1,101,352**	1,382,056
Provisions	**30**	40
Deferred tax liabilities	**12,473**	13,774
Derivatives	**46,705**	41,360
Total non-current liabilities	**1,356,679**	1,608,317
Current interest-bearing loans and borrowings	**409,855**	170,711
Trade payables	**1,528**	4,291
Liabilities to related parties	**717**	3,735
Provisions	**496**	608
Income tax payable	**2,160**	1,926
Other liabilities	**17,069**	13,342
	431,825	194,613
Liabilities in connection with non-current assets held for sale	**8,717**	0
Total current liabilities	**440,542**	194,613
Total liabilities	**1,797,221**	1,802,930
Total equity and liabilities	**2,587,352**	2,595,984

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in KEUR	Issued capital	Share premium	Reserve for hedges	Retained earnings	Total shareholders' equity	Non-controlling interest	Total
Status as at 31 December 2012	45,719	614,312	-62,761	15,496	612,766	1,556	**614,322**
Profit for the period				6,427	6,427	30	**6,457**
Other comprehensive incomes							
Gains/losses from cash flow hedges*			16,543		16,543		**16,543**
Gains/losses from cash flow hedges from associates*			723		723		**723**
Comprehensive income			17,265	6,427	23,692	30	**23,723**
Repayment of non-controlling interest					0	-91	**-91**
Status as at 30 June 2013	45,719	614,312	-45,495	21,923	636,459	1,495	**637,954**
Profit for the period				9,511	9,511	61	**9,573**
Other comprehensive income							
Gains/losses from cash flow hedges*			14,301		14,301		**14,301**
Gains/losses from cash flow hedges from associates*			1,116		1,116		**1,116**
Comprehensive income			15,417	9,511	24,929	61	**24,990**
Dividend payments for 2012				-16,002	-16,002		**-16,002**
Issue of shares through cash capital increase	16,653	83,398			100,051		**100,051**
Issue of shares against in-kind capital increase	6,206	39,812			46,018		**46,018**
Share issue costs		-3,945			-3,945		**-3,945**
Addition of non-controlling interest					0	3,987	**3,987**
Status as at 31 December 2013	68,578	733,577	-30,078	15,433	787,510	5,544	**793,054**
Profit for the period				4,580	4,580	-605	**3,976**
Other comprehensive incomes							
Gains/losses from cash flow hedges*			-6,038		-6,038		**-6,038**
Gains/losses from cash flow hedges from associates*			-81		-81		**-81**
Comprehensive income			-6,118	4,580	-1,538	-605	**-2,143**
Share issue costs		-731			-731		**-731**
Repayment of non-controlling interest					0	-49	**-49**
Status as at 30 June 2014	68,578	732,846	-36,197	20,014	785,241	4,890	**790,131**

* after deferred tax

SEGMENT REPORTING

Annualised rental income of the business segments as at 30 June 2014

in KEUR	North	East	Central	West	South	Total H1 2014	Total H1 2013	Rental income H1 2014 (P&L)
Commercial Portfolio	23,399	18,699	32,776	44,806	26,461	**146,141**	123,432	73,601
Co-Investments	416	1,457	801	923	3,699	**7,296**	15,157	
Total	23,815	20,156	33,577	45,729	30,160	**153,437**	138,589	73,601

Segment assets as at 30 June 2014

	North	East	Central	West	South	Total H1 2014	Total H1 2013
Number of properties	36	31	53	58	68	**246**	260
Market value (in EUR million)*	362.8	278.2	664.8	698.7	431.6	**2,436.1**	2,182.7

Annualised rental income of the business segments as at 30 June 2013

in KEUR	North	East	Central	West	South	Total H1 2013	Total H1 2012	Rental income H1 2013 (P&L)
Commercial Portfolio	12,677	18,094	29,789	38,750	24,122	**123,432**	126,183	61,047
Co-Investments	2,563	2,408	2,089	3,051	5,046	**15,157**	14,533	
Total	15,240	20,502	31,878	41,801	29,168	**138,589**	140,716	61,047

Segment assets as at 30 June 2013

	North	East	Central	West	South	Total H1 2013	Total H1 2012
Number of properties	40	33	57	60	70	**260**	270
Market value (in EUR million)*	231.4	265.9	642.4	638.0	405.0	**2,182.7**	2,216.5

* pro rata

General disclosures on reporting

In accordance with § 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), the quarterly financial statements comprise interim consolidated financial statements and an interim Group Management Report. The abbreviated 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, IAS 34. 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.

The same methods of consolidation, currency translation, accounting and measurement are applied in the interim consolidated financial statements as in the consolidated financial statements for the 2013 financial year. The income taxes were deferred on the basis of the tax rate anticipated for the entire year.

These abbreviated interim consolidated financial statements do not contain all the disclosures required for consolidated financial statements under IFRS and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2013, which form the basis for the present interim financial statements. We also refer to the interim management report in this document with regard to key changes and transactions up to 30 June 2014.

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 up to end of June 2014.

New standards and interpretations

DIC Asset AG has applied all IFRS and IAS effective as of 1 January 2014, as adopted by the EU. With regard to the detailed presentation of the new standards, please refer to the 2013 Annual Report and the following information:

– IAS 32 ″Financial Instruments: Presentation″
  The amendments to IAS 32 only constitute a clarification of the previous rules governing netting.

– IFRS 10, IFRS 12, IAS 27 ″Consolidation Package″
  The consolidation package has been influenced by the financial crisis in particular and aims to provide more transparency regarding the companies to be included in the scope of consolidation and, in particular, the units that are not consolidated. The amendment has provided an exemption in relation to the consolidation of subsidiaries if the parent company fulfils the definition of an ″investment company″ (certain investment funds for example). Certain subsidiaries are then measured at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

– IAS 39 ″Financial Instruments: Recognition and Measurement″
  As a result of the amendment, derivatives are still designated as hedging instruments in continuing hedging relationships despite a novation. This is subject to the precondition that the novation leads to the involvement of a central counterparty (CCP) as a consequence of legal or regulatory requirements.

In addition, some additional standards and amendments came into effect which will have no influence on the consolidated financial statements or the abbreviated interim consolidated financial statements. These include IAS 36 and IFRIC 21.

Sale of shares recognised at equity

As of mid-April 2014, DIC Asset sold 10% of the shares in “DIC Office Balance I” to investors who had already participated. The transaction was worth EUR 20.8 million.

Disclosures on financial instruments

In February 2014, additional funds were raised from our second corporate bond amounting to EUR 25 million and consequently an increase to EUR 100 million was achieved.

As in the previous year, financial liabilities measured at fair value relate to the derivatives shown in the balance sheet. They are all interest rate hedging transactions. As in the previous year, they were valued at current market prices in an active market for comparable financial instruments or using valuation models whose key input factors are based on observable market data.

The following table shows the book values and fair values for the individual financial assets and liabilities for each individual category of financial instruments and links these to the corresponding balance sheet items. The main valuation categories for the Group in accordance with IAS 39 are Available-for-Sale Financial Assets (AfS), Financial Assets held for Trading (FAhfT), Loans and Receivables (LaR) as well as Financial Liabilities measured at Amortised Cost (FLAC) and Financial Liabilities held for Trading (FLhfT).

in KEUR	Valuation category in acc. with IAS 39	**Book value 30.06.2014**	**Fair value 30.06.2014**	Book value 31.12.2013	Fair value 31.12.2013
ASSETS					
Investments	AfS	**20,502**	**20,502**	20,502	20,502
Other loans	LaR	**120,268**	**120,268**	114,324	114,324
Derivatives with a hedge relationship	n.a.	**0**	**0**	6	6
Receivables from the sale of real estate	LaR	**69**	**69**	425	425
Trade receivables	LaR	**5,034**	**5,034**	3,544	3,544
Receivables from related parties	LaR	**11,498**	**11,498**	8,175	8,175
Other receivables	LaR	**7,612**	**7,612**	7,373	7,373
Other assets	FAHfT	**0**	**0**	1	1
Other assets	LaR	**6,871**	**6,871**	5,108	5,108
Liquid funds	LaR	**92,396**	**92,396**	56,418	56,418
Total	LaR	**243,748**	**243,748**	195,367	195,367
LIABILITIES					
Corporate bonds	FLAC	**196,119**	**212,580**	171,087	182,525
Long-term interest-bearing debt	FLAC	**1,101,352**	**1,087,126**	1,382,056	1,346,181
Derivatives with hedge relationship	n.a.	**40,584**	**40,584**	32,419	32,419
Derivatives without hedge relationship	FLHfT	**6,121**	**6,121**	8,941	8,941
Current debt	FLAC	**409,855**	**418,222**	170,711	174,634
Trade payables	FLAC	**1,528**	**1,528**	4,291	4,291
Liabilities to related parties	FLAC	**717**	**717**	3,735	3,735
Other liabilities	FLAC	**17,069**	**17,069**	13,342	13,342
Liabilities in connection with financial investments held for sale	FLAC	**8,717**	**8,717**	0	0
Total	FLAC	**1,735,357**	**1,745,959**	1,745,222	1,724,708

Addendum:
All Financial Instruments measured at fair value are categorized in level 2. Financial instruments without an observable quoted price are measured at cost as in the consolidated financial statements as of 31 December 2013. For further information regarding valuation techniques, please refer to the consolidated financial statements as of 31 December 2013.

Investment properties are measured at costs in accordance with IAS 40.56. Please refer to the consolidated financial statements as of 31 December 2013 in respect of the valuation techniques in accordance with IFRS 13 for measuring fair values.

Dividend

To allow shareholders to participate commensurately in the success and appreciation in value of DIC Asset AG, the Management Board proposed a dividend of EUR 0.35 per share for the 2013 financial year at the General Shareholders' Meeting on 2 July 2014. Following a resolution to this effect, the dividend of EUR 24.0 million was paid on 3 July 2014.

Transactions with related parties

DIC Asset AG has issued a guarantee equal to its pro rata assumption of liability of 40% in connection with the developer financing of DIC MainTor Palazzi GmbH. The guarantee covers the full and timely settlement of the guarantee claims up to a maximum of EUR 7.5 million, of which part is a formal obligation to contribute capital of EUR 2.5 million and part is designed as a cost overrun and interest payment guarantee of up to EUR 5.0 million in favour of the syndicate banks. For details on other ongoing legal transactions involving loans and services with affiliated companies and entities, please see our consolidated financial statements for 2013.

Opportunities and risks

We describe opportunities and risks of our business activities in detail in the consolidated financial statements and in the Group management report for the 2013 financial year published in March 2014, and provide information on the risk management system and internal control system. Since then, there have been no major changes – either in the company or the relevant environment.

Events after the balance sheet date

Between the balance sheet date and the reporting date, notarisation was completed for two property acquisitions in Düren and Wuppertal for the institutional real estate fund (open-ended special AIF) ”DIC High Street Balance” and for one property in Cologne for the new open-ended special AIF ”DIC Office Balance II”.

The transaction volume totalled some EUR 60 million. DIC Asset has incurred financial liabilities amounting to some EUR 4.6 million as a result of the transactions.

The sale of one property located in Ludwigshafen from the Commercial Portfolio was notarised after the balance sheet date. The transfer of possession, rights and obligations is scheduled for the second half of 2014. The resulting transaction volume amounts to approximately EUR 5 million.

RESPONSIBILITY STATEMENT

To the best of our knowledge, we warrant that the interim consolidated financial statements prepared in accordance with the applicable accounting rules for interim reporting convey a true and fair picture of the Group’s assets, financial position and results and the course of business including the results and the Group’s position are presented in the interim Group Management Report so as to convey a true and fair picture and to describe the material opportunities and risks of the Group’s anticipated performance during what remains of the financial year.

Frankfurt am Main, 12 August 2014

Ulrich Höller　　Sonja Wärntges　　Rainer Pillmayer

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 June 30, 2014, which are part of the half-year financial report according to § 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). 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, 12 August 2014

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann
Wirtschaftsprüfer

Danesitz
Wirtschaftsprüfer

PORTFOLIO (as at 30. Juni 2014)

OVERVIEW PORTFOLIO*

	Commercial Portfolio	Co-Investments	**Total Q2 2014**	Total Q2 2013
Number of properties	197	49	**246**	260
Market value in EUR million**	2,230.7	205.4	**2,436.1**	2,182.7
Rental space in sqm	1,388,400	63,100	**1,451,500**	1,235,800
Portfolio proportion by rental space	96%	4%	**100%**	100%
Annualised rental income in EUR million	146.1	7.3	**153.4**	138.6
Rental income per sqm in EUR	9.60	10.10	**9.60**	10.20
Lease maturity in years	4.8	5.1	**4.8**	5.1
Rental yield	6.6%	6.6%	**6.6%**	6.7%
Vacancy rate	11.6%	10.3%	**11.5%**	11.1%

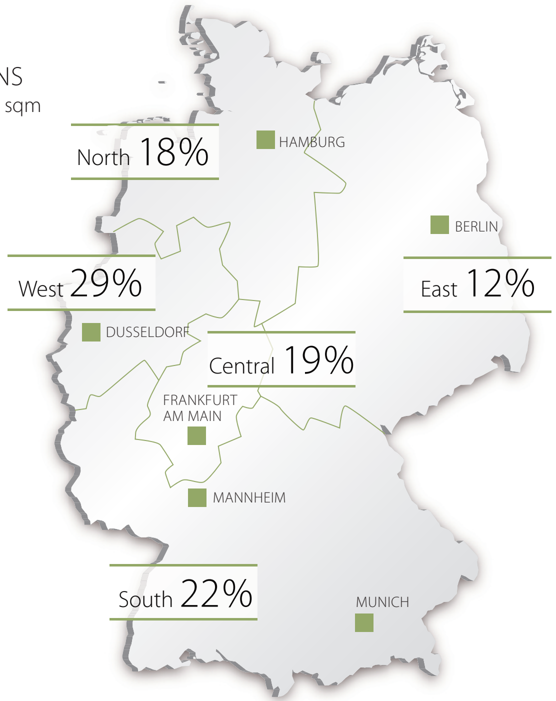
* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2013, later acquisitions considered at cost

TENANT STRUCTURE
pro rata by annualised rental income

PORTFOLIO BY REGIONS

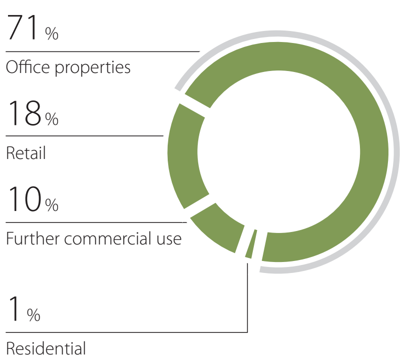
Basis: pro rata rental space in sqm

DIC branches



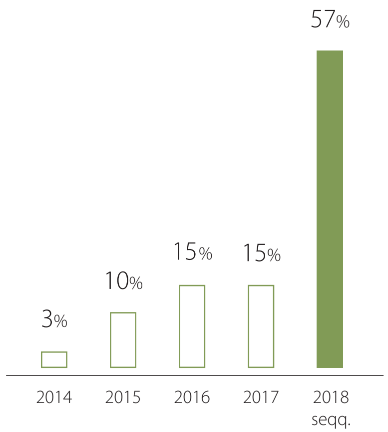
TYPES OF USE

pro rata by annualised rental income



LEASE MATURITIES

pro rata by annualised rental income



DIC Asset AG

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

Realisation:
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