DIC ASSET DIC

FINANCIAL REPORT

Short version of the financial statements

2012

DIC ASSET AG AT A GLANCE

Key financial figures in EUR million	**2012**	**2011**	
Gross rental income	126.5	116.7	+8%
Net rental income	113.2	106.8	+6%
Fees from real estate management	5.7	5.3	+8%
Property disposal proceeds	75.7	17.7	+328%
Profits on property disposals	3.8	1.7	+124%
Share of the profit of associates	1.8	2.6	-31%
Funds from Operations (FFO)	44.9	40.8	+10%
EBITDA	102.1	95.6	+7%
EBIT	68.5	66.0	+4%
EPRA earnings	41.7	37.9	+10%
Profit for the period	11.8	10.6	+11%
Cash flow from operating activities	43.9	38.4	+14%

Key financial figures per share in EUR	**2012**	**2011**	
EPRA earnings	0.91	0.83	+10%
FFO	0.98	0.92	+7%
Basic/diluted earnings	0.26	0.35	+8%
Net asset value	14.99	14.85	+1%

Balance sheet figures in EUR million	**2012**	**2011**	
Net equity ratio	31.2%	31.6%	-0.4 pp
Investment property	1,847.4	1,902.1	-3%
Net asset value	685.4	678.8	+1%
Total assets	2,210.2	2,244.6	-2%

Key operating figures	**2012**	**2011**	
Letting volume in sqm	237,800	247,000	-4%
Vacancy rate	10.9%	12.4%	-1.5 pp
Like-for-like rental income growth	1.0%	1.7%	-0.7 pp

CONTENT FINANCIAL REPORT

This Financial Report contains a summary of the consolidated financial statements with selected information about the 2012 financial year. The complete consolidated financial statements and the management report for the 2012 financial year summarised with the Group management report have been audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, and an unqualified audit opinion was issued for each of them. We will publish these documents on our website dic-asset.de on 14.03.2013 in the 2012 Annual Report and submit them to the German Federal Bulletin (Bundesanzeiger).

Prof. Dr. Gerhard Schmidt, Chairman of the Supervisory Board, Ulrich Höller, Chief Executive Officer

DEAR SHAREHOLDERS,
BUSINESS PARTNERS,
EMPLOYEES AND FRIENDS,

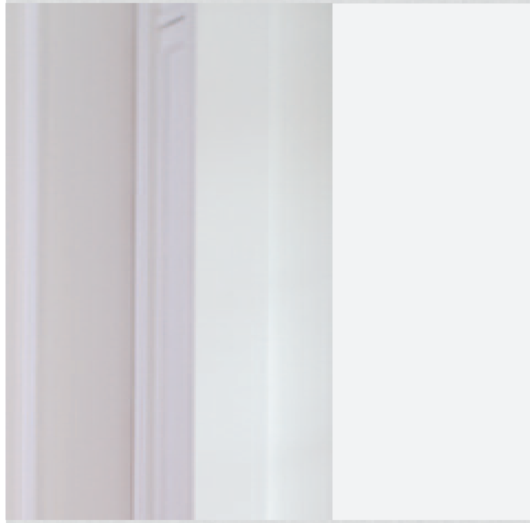
Many experts remained sceptical of economic developments in Germany during the past year, mainly because scarcely anybody expected the German economy to maintain its growth in the face of the problems facing some of its European neighbours.

The efficient organisation of German companies, the high quality of their products and the degree to which the German economy is connected with the global economy have again combined to generate growth despite all the external challenges. The real estate sector has benefited immensely from this. This was linked to key positive results for our company and our shareholders:

- We have improved the high quality of our earnings once again. In addition, we have acquired real estate on attractive terms and significantly reduced the vacancy rate through lettings.
- There has been notable progress in marketing for the MainTor development in Frankfurt.
- The crucial figure for our performance is the FFO, which we increased by approx. 10% to EUR 45 million compared with 2011.
- The financial structure was strengthened by a total of EUR 640 million and the corporate bond increased to EUR 100 million.
- The DIC Asset AG share price gained considerably in the past year; at the beginning of 2013, it again rose significantly.
- Our shareholders are to share the proceeds of this growth. We shall again pay a dividend of EUR 0.35 per share, which equates to an attractive dividend yield of 4.8%.

At the same time, we have achieved key strategic objectives with these good results, the full effect of which is still to be felt. DIC Asset AG is positioned attractively for growth and future profits.

Today, our financing structure is stronger than it was previously: the term of our debt has increased significantly. In addition, we were able to arrange financing on very attractive terms - at 3.25%, the interest on existing financing is well below the previous cost of funds. We have already dealt with the majority of our financing requirements for 2013.



The constantly outstanding letting activities, which resulted in lettings of some 240,000 sqm, have raised the quality of our portfolio to a new level. In the last two years, the vacancy rate has been reduced sharply by 3.5 percentage points to 10.9%. Bucking the trend, we are maintaining an average tenancy length of over 5 years. We have a portfolio with such profitability and stability that operating success will continue to be guaranteed in future.

There has also been significant progress in the new Funds business segment, attracting capital resources worth over EUR 90 million (including our co-investment stake) for our second special fund, "DIC HighStreet Balance", in 2012. This will allow us to make acquisitions of top-quality retail properties worth some EUR 170 million. In the next two years, we will gradually expand the fund volume planned for the two special funds to around EUR 700 million.

We were able to press ahead with the implementation of the MainTor quarter far more rapidly than planned in 2012. It can thus already be described as a very considerable success: around 60% of the entire project is already being implemented. A significant basis for generating future profits has already been laid through significant sales and successful rentals: as co-investor , we will benefit from this progress in the years to come.

In summary, we can say: in 2012, we achieved all of our important goals and in some cases even exceeded them. This is a good starting position for business development in 2013. This year too, we will stick to our course of generating growth that maximises our earnings in the medium and long term to the benefit of our employees and shareholders. We shall use acquisitions and optimise our existing properties to add value within our portfolio. In 2013, for example, we aim to significantly decrease the vacancy rate again.

In view of the slowdown in the economic environment, our objectives are ambitious but achievable. This is because DIC Asset AG has the preconditions in place to implement them: capital-efficient structures, a strong portfolio with stable earnings as a starting point, a Germany-wide network for dealing efficiently with even challenging property-related tasks, however difficult they may be, and, last but not least, highly motivated and qualified employees.

We would like to take this opportunity to thank our employees for their major commitment and excellent performance, which has made a decisive contribution to the company's good results. Successful growth, particularly under difficult conditions, will give us a significant edge over our competitors. We would like you, as shareholders, to participate in this growth, and would like to express our heartfelt thanks for your support to date.

Yours sincerely,

Prof. Dr. Gerhard Schmidt
Chairman of the Supervisory Board

Ulrich Höller
Chief Executive Officer

INVESTOR RELATIONS AND CAPITAL MARKET

INVESTMENT PROFILE FOR DIC ASSET AG

- **Clear focus** on the German commercial real estate market
- **Balanced investments** in major office locations and strong business regions
- **Continuous income** from rents and management fees, which is secured long-term
- **Attractive results** from sales and co-investments (funds, joint venture portfolios, project development)
- **Balanced financing structure**, high interest cover ratio
- High yield, diversified **portfolio generating a stable FFO**
- **In-house real estate management** with around 100 experienced employees at local level
- Ongoing and **attractive dividend policy**
- **Experienced management** with strong track record

Unexpectedly positive year for shares

Even if uncertainty about the future of the European single currency was the dominant issue in 2012, the year ended surprisingly positively. This was thanks most notably to the large-scale rescue measures by the European Central Bank (ECB), which made a considerable contribution to calming the financial markets, and not just in the short term.

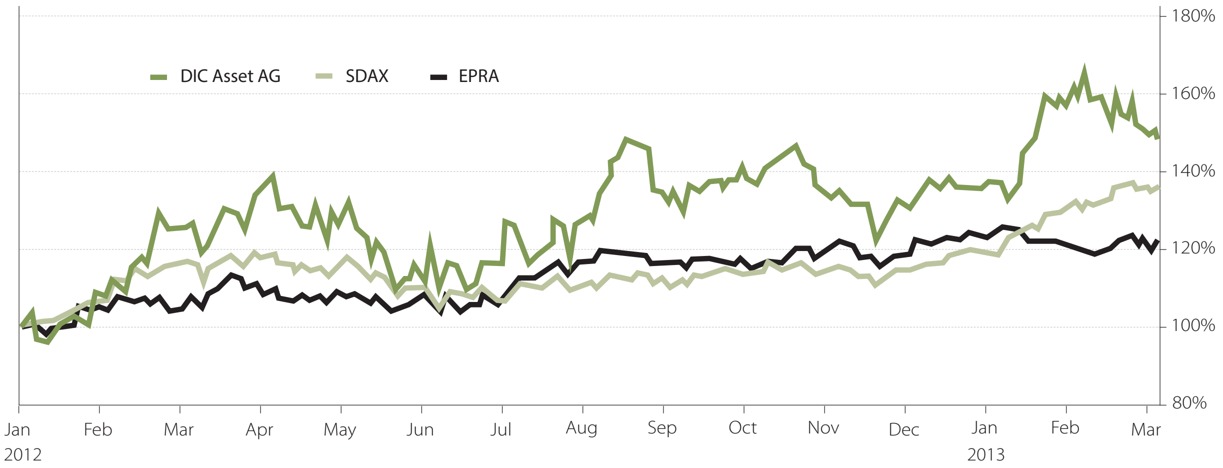
The German stock markets benefited from the uncertainty on the market, as investors favoured tangible assets and the low level of interest rates also meant there was a dearth of attractive investment opportunities. The larger German stocks in the DAX and MDAX, in particular, posted above-average performances. The strength of the German economy also meant that international investors were attracted, since the German economy remained stable while many countries in the euro zone were already mired in recession.

DIC Asset share significantly exceeds reference values

Our share made a weak start in the new year and reached its lowest level for the year in mid-January at EUR 5.14. At that time, European stock markets were under pressure after the ratings of nine European countries were downgraded. However, this brief setback in the market was followed by a strong rally lasting until April, which drove our share up to EUR 7.34 in a positive market. In the second quarter, market players' doubts regarding the potential demise of the single currency increased sharply once more – stock markets were depressed most notably by a possible victory for the Eurosceptics in the elections in Greece and a change of political direction in France following the presidential elections. The DAX fell below 6,000 points up to June, with the DIC Asset share slumping to EUR 5.85.

Market players' persistent scepticism was dispelled temporarily by the ECB's large-scale rescue strategy. The election of a new ECB President was followed in summer first by a clear commitment to a decisive rescue of the euro and a little later by the plan for unlimited bond purchases by the ECB. In a quieter market, the DAX subsequently rose by a good quarter between June and the end of the year, virtually returning to its level before the financial crisis. Our share also rose strongly by the end of the year and closed on EUR 7.31.

MARKET TREND



BASIC DATA ON THE DIC ASSET SHARE

Number of shares	45,718,747 (no-par bearer shares)
Share capital in EUR	45,718,747
WKN / ISIN	509840 / DE0005098404
Ticker symbol	DAZ
Free float	52.4%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard

KEY FIGURES [1]

		2012	2011
Net asset value per share	EUR	14.99	14.85
FFO per share	EUR	0.98	0.92
FFO yield [2]		13.4%	17.2%
Dividend per share	EUR	0.35	0.35
Dividend yield [2]		4.8%	6.5%
Annual closing price		7.31	5.36
52-week high	EUR	7.96	10.88
52-week low	EUR	5.00	4.90
Number of shares on 31.12.	in thousand	45,719	45,719
Market capitalisation [2]	EUR million	334	245
Price on 04.03.2013	EUR	8.20	

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

In 2012, the DIC Asset share rose by 36% in total, thus significantly outperforming the comparable indices. The EPRA/NAREIT Europe Index, which tracks the largest listed joint-stock companies in Europe, only posted growth of 23%. The DAX rose by 29% and the SDAX by 19%. As at 31 December 2012, the market capitalisation of DIC Asset AG stood at EUR 334 million.

Strong support from analysts for our share

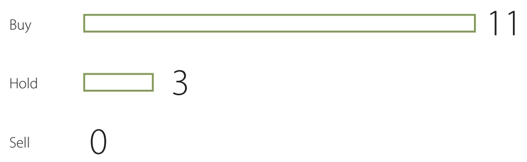
Our company benefits from being monitored intensively by a wide range of analysts, who play a key role in making investors more aware of our share. A total of 14 analysts and institutions now report regularly on our business development. This is certainly due to a large extent to our successful business model and to our relevance as a major player on the German commercial real estate market - but we also believe that our active and continuous collaboration with the analysts plays a part here.

Following the end of the 2012 financial year, the majority of analysts are confident about our company's medium- and long-term potential, as is clear from the current analysts' recommendations. At the end of February 2013, 11 analysts recommend buying – corresponding to a percentage share of 79%. (2011: 93%). Three analysts recommend holding the share, nobody recommends selling it. We always publish up-to-date appraisals by analysts promptly on our website.

Stable shareholder structure

The shareholder structure remained largely unchanged during 2012. The DIC Group holds 35.4% of the shares, as the largest

ANALYSTS' COVERAGE



Bank/financial institute	Analyst	Current recommendation
ABN AMRO	Michiel de Jonge	Hold
Baader Bank	Andre Remke	Buy
Bankhaus Lampe	Dr. Georg Kanders	Buy
Berenberg Bank	Kai Klose	Buy
Close Brothers Seydler	Manuel Martin	Buy
Commerzbank	Thomas Rothäusler	Buy
DZ Bank	Ulrich Geis	Buy
HSBC	Thomas Martin	Overweight
Kempen & Co	Thomas van der Meij	Neutral
Kepler Capital Markets	Dirk Becker	Buy
Metzler	Jochen Schmitt	Buy
Société Générale	Marc Mozzi	Buy
Solventis	Ulf van Lengerich	Buy
Viscardi	Robert Willis	Buy

As at March 2013

single shareholder, followed by MSREF with 7.1% and then solvia Vermögensverwaltung with 5.1%. The free float stands at 52.4% (2011: 49,1%). We are not aware of any additional shareholders which directly or indirectly hold more than 10% of share capital. We publish all available voting rights announcements on our website.

Bond increase to EUR 100 million

In recent months, we took advantage of the increased interest and demand for our bond and we issued a bond volume of an additional EUR 30 million to institutional investors as part of a private placement. With a total volume of EUR 100 million, our bond was fully placed in January 2013, although the recent demand would have allowed for a greater volume. The non-subordinated, unsecured corporate bond was issued in May 2011 to broaden our financing base. It was floated at an interest rate of 5.875% p.a. and a term of five years and is currently traded over the counter at the Frankfurt Stock Exchange in the Prime Standard for corporate bonds segment.

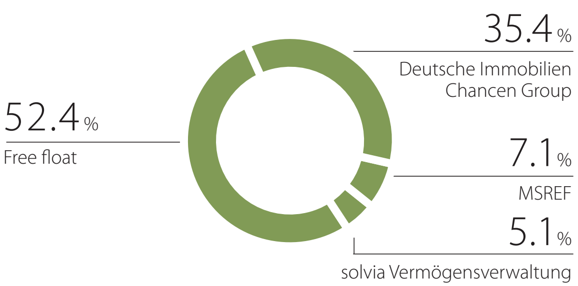
With sales of some EUR 250,000 per day, the bond is registering strong demand and good liquidity on the Frankfurt Stock Exchange. It was priced at around 98% on average during the year. At the end of February 2013, it was at 101.5%.

Attractive dividend planned

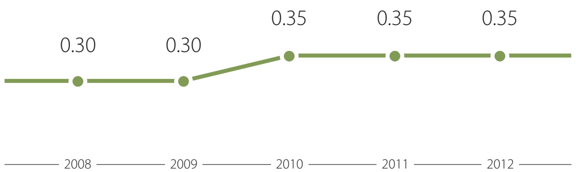
The amount of our dividend payment is always geared primarily to the operating profit from property management. The success of our business model, which is based on sound earnings from a highly diversified portfolio, is reflected here. Additional factors include the company's current condition as well as the assessment of future market development and the need for financing.

We are continuing to pursue our dividend policy: for the past financial year, the Management Board shall propose a dividend payment of EUR 0.35 per share (totalling EUR 16 million) to the General Shareholders' Meeting. We have achieved our operating targets in 2012 and, secondly, we have successfully implemented other key strategic objectives, particularly growth through acquisitions, successful lettings, attractive sales and significant progress in funds and development projects. We want to allow our shareholders to participate in this appropriately and at a high level. The dividend payment corresponds to an attractive return of approximately 4.8% on the closing price.

SHAREHOLDER STRUCTURE



DIVIDEND PER SHARE in Euro



BASIC DATA ON THE DIC ASSET BOND

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

KEY FIGURES

	2012	2011
Annual closing price	98.750	92.300
Yield at annual closing price	6.28%	8.02%
Price on 04.03.13	101.55	
Yield	5.33%	

IR ACTIVITIES IN 2012

First Quarter

24.01.	DIC Analysts' Evening to mark the start of the year	Frankfurt
31.01.	Roadshow	Hamburg
02.02.	Close Brothers Seydler Small & Mid Cap Conference	Frankfurt
01.03.	HSBC Real Estate and Construction Conference	Frankfurt
13.03.	Publication of 2011 annual results*	
15.03.	Kempen European Property Seminar	New York
20.-29.03.	Roadshows on the 2011 annual financial statements; Frankfurt, Munich, Amsterdam, Zürich, Genf	

Second Quarter

03.-04.04.	Deutsche Bank Real Estate Conference	Frankfurt
03.05.	Roadshow	London
15.05.	Q1 2012 publication*	
31.05.	Kempen European Property Seminar	Amsterdam
21.06.	Morgan Stanley European Property Conference	London
26.06.	Close Brothers Seydler Small & Mid Cap Conference	Paris

Third Quarter

03.07.	General Shareholders' Meeting	Frankfurt
15.08.	Q2 2012 publication*	
21.08.	Roadshow	Frankfurt
23.08.	Commerzbank German Office Event	London
05.09.	Real Estate Share Initiative Conference	Berlin
06.-07.09.	EPRA Annual Conference	Berlin
12.-13.09.	BoA Merrill Lynch Global Real Estate Conference	New York
25.09.	Berenberg/Goldman Sachs German Corporate Conference	Munich
26.09.	UniCredit German Investment Conference	Munich
27.09.	Baader Investment Conference	Munich

General Shareholders' Meeting

The General Shareholders' Meeting for the 2011 financial year took place on 3 July 2012. The shareholders agreed to ratify the actions of the Management Board and Supervisory Board and to pay a dividend of EUR 0.35 per share and to all the other agenda items. Payment of the dividend totalling EUR 16.0 million took place immediately afterwards on 4 July 2012. The members of the Supervisory Board Prof. Dr. Gerhard Schmidt, Klaus-Jürgen Sontowski and Michael Bock were re-elected to the Supervisory Board for four years following the end of their period in office.

Active capital market communication

We work daily to provide all investors and analysts with sufficient information for their investment decisions and recommendations and to make this information open, transparent and fair. We provide comprehensive, prompt and objective information regarding our strategy and all events of relevance to the capital market relating to DIC Asset AG. Due to the importance of information requirements, the Investor Relations Department reports directly to the Management Board.

In the past year, we have worked intensively on giving investors an understanding of our business model and the specific features of our financing structure. In a market which sees any kind of borrowing as a risk in some cases, work was and is required to persuade investors of its merits. To improve the transparency of our operations overall, we also repositioned our business segments on a regional basis in the 2011 financial year. We also significantly expanded the information that we make available to investors and the public in 2012. The greatest innovation here was the publication of a Sustainability Report for the first time in March 2012 and an update to this in December 2012.

For reporting on 2012, we issued a financial report immediately after the determination of the annual and group financial statements in order to inform our investors and shareholders immediately and more efficiently.

Some 240 discussions held and properties viewed

In 2012, the Management Board and IR team held 240 discussions and property tours with our shareholders, investors and analysts. In addition, we participated in 18 investor conferences and organised ten roadshows with institutional investors in seven different countries. Apart from providing information and maintaining contact with current investors, the aim of these events is always to attract new shareholders in order to further develop our shareholder structure and to increase trading volume in both our share and our bond.

We also explain our results in detail immediately after the publication of the annual and quarterly figures and answer questions in teleconferences. We also go beyond the mandatory disclosures in updating information in the Investor Relations section of our website promptly. We report there in greater detail on analysts' reports, for example, and make company presentations with the latest information on business development available.

Fourth Quarter

12.11.	Equity Forum	Frankfurt
13.11.	Q3 2012 publication*	
14.11.	DZ Bank Equity Conference	Frankfurt
23.11.	Roadshow	Hamburg
27.11.	UBS Global Real Estate Conference	London
29.11.	Roadshow	Brüssel
12.12.	Close Brothers Seydler Conference	Genf

* with conference call

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Immo von Homeyer
Head of Investor Relations &
Corporate Communications

Peer Schlinkmann
Investor Relations Manager

Key association activities

We are involved most notably in two very influential and powerful associations: ZIA (Zentraler Immobilien Ausschuss, the association of the German real estate industry) and EPRA (European Public Real Estate Association, the well-known worldwide association for listed real estate companies) in order to work together with other individuals in the industry to improve the perception of real estate companies. The Chairman of the Management Board Ulrich Höller campaigns on the Management Boards of EPRA and ZIA as Executive Board member and Vice President respectively; the CFO Markus Koch contributes his expertise to EPRA's Reporting & Accounting Committee and on the corresponding ZIA committee. The head of Investor Relations Immo von Homeyer also supports various activities on the EPRA Investor Relations Committee and at ZIA in order to develop professional contacts with investors and the media in our sector.

Annual Report receives an international award

We have received major awards in prestigious competitions for the 2011 Annual Report. In the overall assessment, our annual report was selected by the jury at LACP Vision Awards, the largest international Annual Report competition, as among the ten best reports in the world from among over 5,500 participants. As a result the report came first in the real estate sector for the third time in succession. Our report was also given the highest award, a gold, at the ARC awards.

In preparation: DIC Investors' Day

We shall hold our second DIC Investors' Day on 18 and 19 April 2013, to which we have invited investors, finance partners and major key players and multipliers in the industry. Cross-sector panel discussions with opinion leaders from the economic and political worlds will provide the framework and starting point for animated discussions. As host, we should also like to support the exchange of information and networking within our industry and beyond it. On 19 April, the Management Board will give shareholders and analysts an overview of current issues. A property tour will also take place in Frankfurt, during which participants will be able to view newly acquired properties in addition to the progress on the MainTor district.

IR CALENDAR 2013

First Quarter

21.01.	DIC Analysts' Evening to mark the start of the year	Frankfurt
05.02.	Close Brothers Small & Mid Cap Conference	Frankfurt
28.-29.02.	HSBC Real Estate and Construction Conference and HSBC Property Tour	Frankfurt
05.03.	Publication of 2012 financial report *	
06.03.	Roadshow	Boston
06.-19.03.	Roadshows Frankfurt, Hamburg, Munich, Zürich, London	
07.-08.03.	Kempen Property Seminar	New York
14.03.	Publication of 2012 Annual Report	

Second Quarter

03.-04.04.	Deutsche Bank 3rd VIP Real Estate Event	Frankfurt
12.04.	Bankhaus Lampe Germany Conference	Baden-Baden
18.-19.04.	DIC Investors' Day	Frankfurt
14.05.	Q1 2013 publication in conference call	
22.-23.05.	Commerzbank German MidCap Conference	Boston, New York
29.05.	Kempen European Property Seminar	Amsterdam

Third Quarter

02.07.	General Shareholders' Meeting	Frankfurt
13.08.	Q2 2013 publication *	
05.-06.09.	EPRA Annual Conference 2013	Paris
23.-25.09.	Berenberg / Goldman Sachs German Corporate Conference	Munich
24.-26.09.	UniCredit German Investment Conference	Munich
24.-26.09.	Baader Investment Conference	Munich

Fourth Quarter

03.10.	Société Générale Annual Real Estate Conference	London
13.11.	Q3 2013 publication *	

* with conference call

SUMMARISED MANAGEMENT REPORT

UNDERLYING PRINCIPLES OF THE GROUP

BRIEF PROFILE

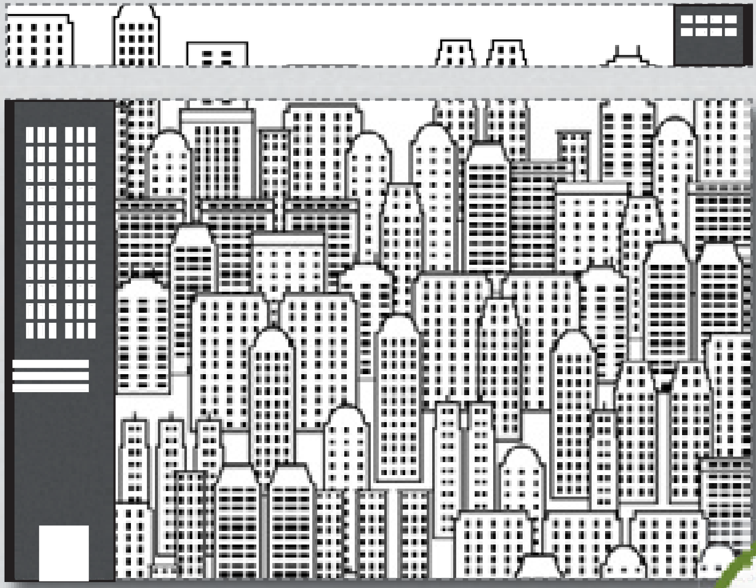
DIC Asset AG, with registered office in Frankfurt am Main, is a real estate company that focuses exclusively on investing in German office and commercial real estate. The real estate portfolio amounts to approximately EUR 3.4 billion with around 270 properties, of which EUR 2.2 billion is shown pro rata in the DIC Asset AG balance sheet.

The aim of DIC Asset AG's investment strategy is to continue developing a quality-oriented, high-yield, regionally diversified portfolio. The real estate portfolio is divided into two segments: The Commercial Portfolio (EUR 1.9 billion) comprises portfolio properties leased long-term, offering attractive rental yields and owned by DIC Asset AG. The co-investments segment (EUR 0.3 billion) comprises fund investments, joint venture investments and investments in project developments.

In-house property management teams in six branches located in the regions where the portfolio is concentrated manage tenants directly. This market presence and expertise provide the basis for maintaining and increasing cash flow and the value of our real estate.

Germany
100% Focus
Commercial
Real Estate

Real estate assets /
portfolio segments

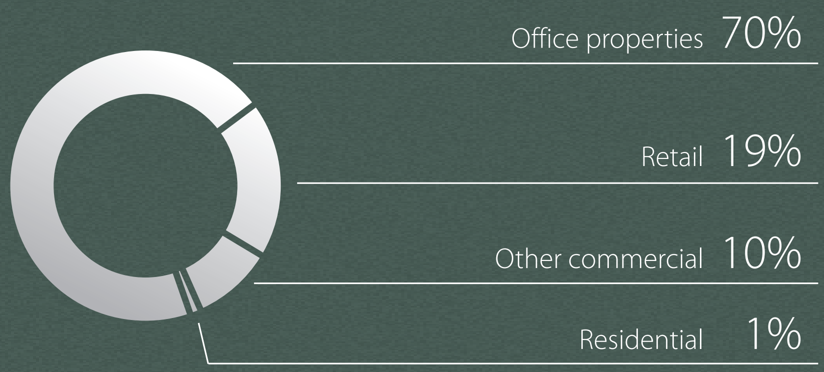


12 % Co-Investments
Funds investments,
joint venture investments,
investments in developments

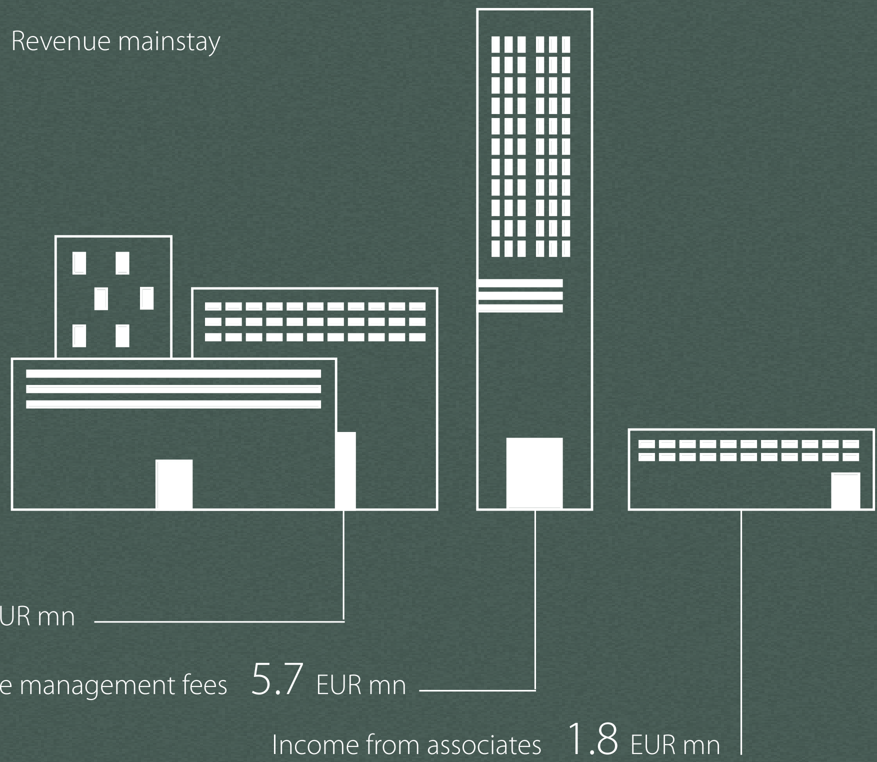
88 % Commercial Portfolio
Properties with long-term leases and
high rental yields

FULL SPECTRUM of investment profiles

Types of use
pro rata rental income p.a.



Revenue mainstay



Our business model is based primarily on substantial **earnings**, secured long-term, **from property portfolio management** with the focus on office properties. The rental income is highly diversified in terms of regions, sectors and tenants.

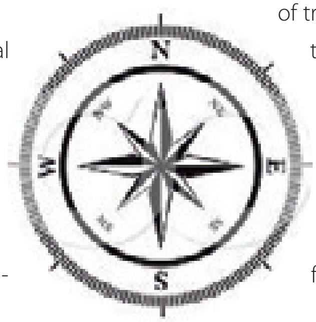
We achieve regular income from attractive, long-term tenancy agreements from our existing portfolio of direct **real estate investments** (Commercial Portfolio). We also receive investment income from our **co-investments**. In this segment, we invest indirectly by taking minority interests in properties offering a higher risk-reward profile, development projects and special funds. We also receive recurring, long-term management income from providing asset and property management services for our co-investments. Our sales round off our total income.

OUR EARNINGS AND INVESTMENT STRUCTURE

MULTI-LAYERED GERMAN MARKET

The real estate industry is of major significance for the German economy: It is the second-largest branch of industry in Germany and real estate thus also accounts for an inordinate proportion of German assets. In addition, the German commercial investment market is extremely attractive to both national and international investors.

The transaction market for German commercial properties is stable, with long-term liquidity, and international investors also playing a significant role. In addition, office properties in particular offer a high level of flexibility with regard to rental and are generally quite easy to put to alternative use. Compared to other European countries, the domestic commercial property market is very heterogeneous, regionally diversified and covers many different-sized market players.



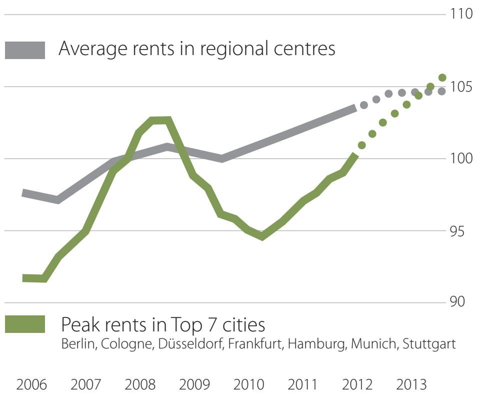
REGIONAL SEGMENTATION AND COMPANY LOCATIONS

There are high volumes of office space, a very active level of transactions and liquid trading, strong competition and therefore more marked price and rent movements, but also often greater vacancies, in the major economic centres of Frankfurt, Hamburg, Berlin, Düsseldorf, Cologne and Munich. At the same time, there is a multitude of medium-sized towns and cities, which form the centre of economically strong regions. The competition is less fierce in these regions and transactions less frequent, but prices and rents are relatively stable and vacancy rates are mostly lower.

Because, through our branch offices, we operate throughout Germany, we are able to exploit the advantages and opportunities offered by cities and regional centres and appropriately diversify our property portfolio while minimising risk. This also allows us to provide efficient and rapid-response local management of our tenants and properties and to ensure that we remain well-integrated in the market.

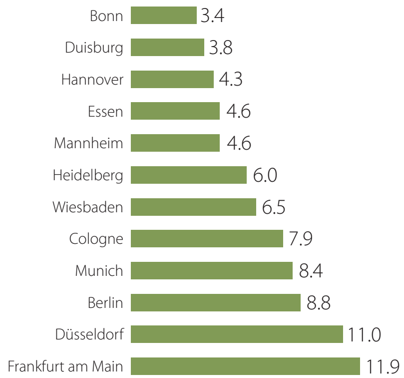
HIGH POTENTIAL IN MAJOR CITIES

Long-term benchmark comparison



CONSIDERABLE STABILITY IN REGIONAL CENTRES

Office vacancy rate in %



INVESTMENTS IN LARGE METROPOLITAN AREAS

by investment volume

around 50%

INVESTMENTS IN REGIONAL CENTRES

by investment volume

around 50%

Portfolio by region *	North	East	Central	West	South	Total 31.12.2012	Total 31.12.2011
Number of properties	45	34	57	62	71	269	278
Market value in EUR million	238.1	270.7	642.4	656.6	415.7	2,223.5	2,202.3
Rental space in sqm	176,600	157,700	254,100	365,700	301,900	1,256,000	1,228,100
Portfolio share by rental space	14%	13%	20%	29%	24%	100%	
Annualised rental income in EUR million	15.6	20.7	31.8	43.3	30.5	141.9	139.5
Rental income per sqm in EUR	7.80	11.50	12.40	10.90	8.70	10.30	10.50
Lease maturity in years	6.2	4.3	6.0	5.3	4.1	5.2	5.5
Gross rental yield	6.7%	7.6%	6.0%	6.6%	7.4%	6.8%	6.6%
Vacancy rate	5.2%	7.8%	18.8%	12.1%	7.6%	10.9%	12.4%

* All figures pro rata, except number of properties; all figures excluding developments, except number of properties and market value

Regional distribution of the portfolio
by rental space

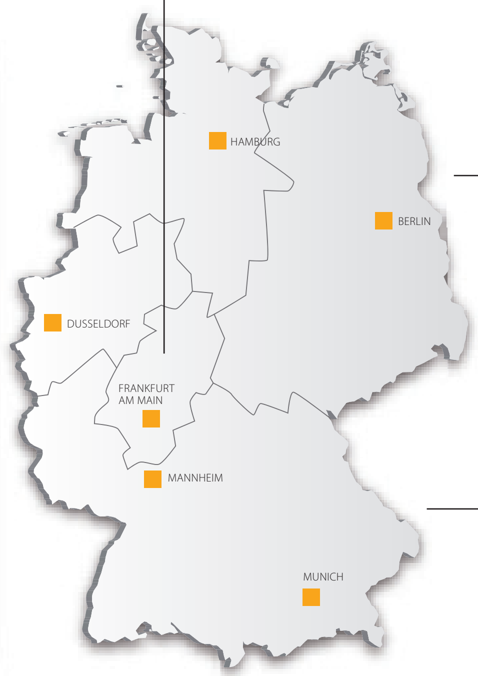
N 14 % North

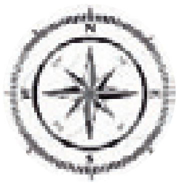
W 29 % West

M 20 % Central

E 13 % East

S 24 % South



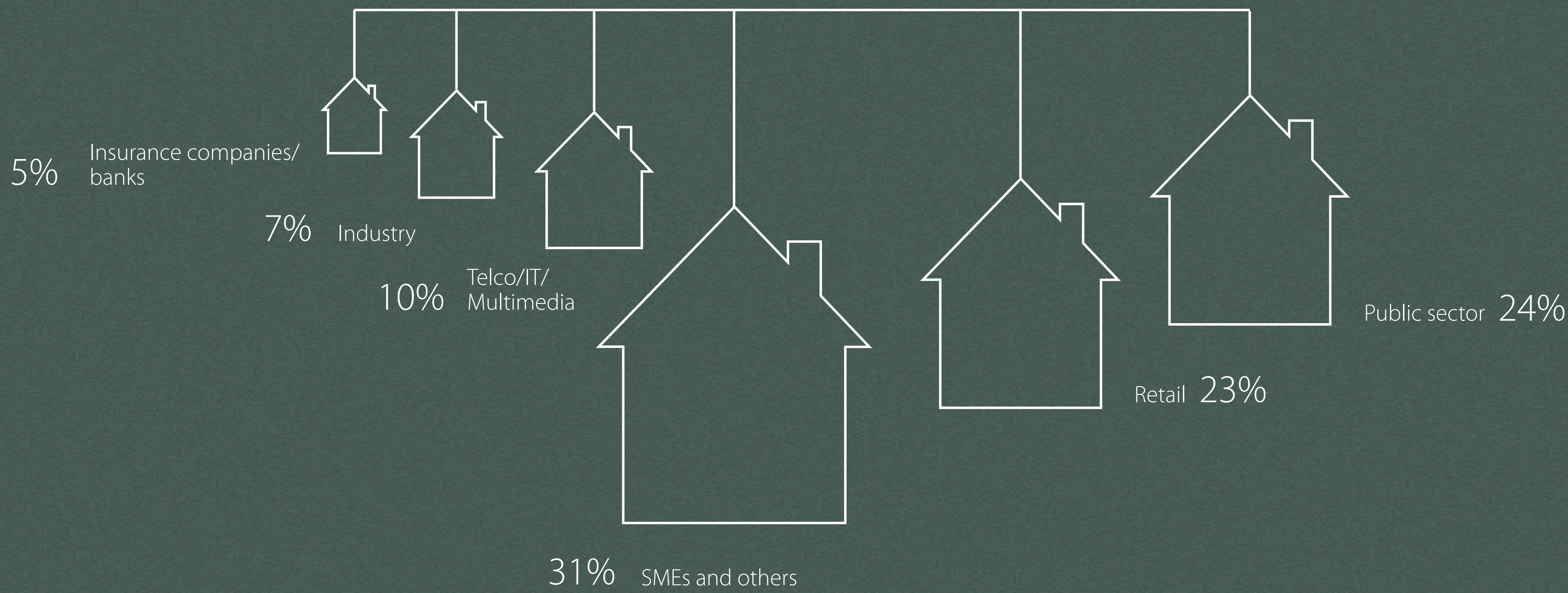


Assets under management: approximately 3.4 EUR bn, around 270 properties across Germany

The DIC branch network divides Germany into **five portfolio regions: North (Hamburg), West (Dusseldorf), Central (Frankfurt); South (Munich/Mannheim) and East (Berlin)**. Most of our employees are involved in property management at our offices in Hamburg, Berlin, Düsseldorf, Mannheim, Munich and Frankfurt am Main. The **Management Board** and the **head office** are located in Frankfurt am Main, from where central strategic, management and administrative functions are carried out and the whole Group is managed.

Tenant structure

Basis: pro rata rental income p.a. (as at 31.12.2012)



DIVERSIFIED PORTFOLIO

It comprises real estate assets under management of EUR 3.4 billion with a rental area of 1.9 million sqm and generates pro rata annual rental income of over EUR 140 million (including co-investments). Our focus is concentrated on office properties (approximately 70%) and retail (approximately 20%). Thanks to our Germany-wide property management service, we are able to operate equally effectively in cities and in regional centres. Investment is concentrated in the rapidly growing western and southern federal states (Central region approximately 20%, South approximately 25% and West approximately 30%). At the same time, this investment is very evenly balanced with 50% of total investment respectively being accounted for in both the major office locations and the regional economic centres.

Long-term rentals averaging 5.2 years and the reduction in the vacancy rate to below 11% are a reliable basis for stable cash flows. Compared with the rest of the industry, our portfolio is broadly diversified and consequently allows us to spread risk effectively. Our tenant structure is characterised by a balance between small and large tenants; it comprises approximately 1,500 commercial tenancies in total. It is also concentrated in various rapidly-growing industries.

Approx. 38% of income is attributable to the 10 largest tenants and approx. 50% to the 20 largest. As a rule, several tenancy agreements, frequently allocated to various properties in different towns, are concluded with our large tenants. Our tenant structure therefore reduces cluster risks to a large extent.

POSITIONING AND COMPETITIVE STRENGTHS

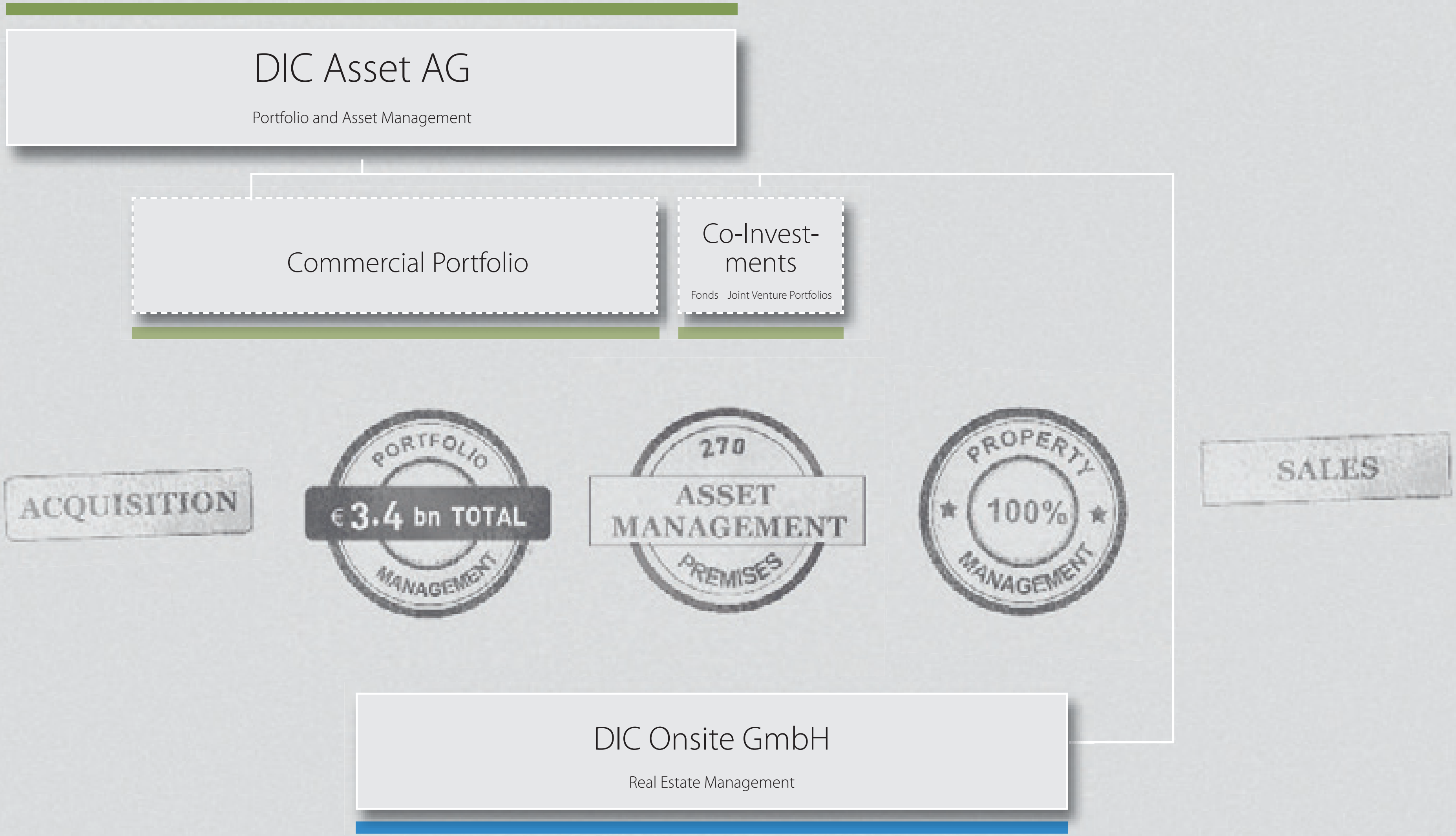
In order **to conclude lease agreements successfully**, our offering must be better than that of competing properties of similar quality in a comparable location and price category. The competition varies by location and is particularly high in the major cities. In this process, price is just one of the criteria; it is the whole package that is the deciding factor for tenants. Our **local presence** gives us advantages in terms of client retention, response times and proximity to the market, above all in comparison with investors located far away. We talk to our potential clients directly on the spot and are able to adapt our portfolio to meet regional needs. In addition, we are able to provide appropriate investment capacity on occasion.

When **acquiring** real estate, we compete with local, national and international companies. The intensity of the competition depends, among other things, on economic factors, the situation in the sector and the availability of equity and borrowed capital. Our regional presence and detailed market knowledge give us a clear advantage, above all over international competition. We are therefore often in a position to realise acquisitions as an exclusive bidder in off-market transactions.

When **selling real estate**, we are pitted against market players offering properties in comparable income and risk categories, of comparable quality and offering a comparable return. Our good access to banking partners means that we are in a position with long-term financing to sell when the appropriate occasion arises and also to adapt to the market conditions. In addition, our regional market knowledge and established networking in the investment market gives us the opportunity to identify suitable purchasers and to approach them in a targeted manner and so to position selected properties favourably. With our range of **special funds** for institutional investors, we compete with providers of comparable long-term investment opportunities, most notably special funds governed by German legislation. The fact that we **manage our assets ourselves** and our investors are able to rely on our proven, longstanding track record in property management and investment expertise gives us an advantage compared with other offerings. Our 20% stake also proves to our investors that we share a common interest with them over the long term.

STRATEGIC GROUP STRUCTURE

As the parent company, DIC Asset AG manages the Group. All management functions are brought together here centrally, including amongst other things the setting of Group strategy (and in particular the investment, portfolio management and disposals strategy), corporate and real estate financing, risk management as well as the steering of property management. Furthermore, responsibility for corporate communications, including contact with the capital and financial markets and shareholders, is at Group level. Two DIC Asset AG subsidiaries also have important operational duties: DIC Onsite GmbH is responsible for real estate management through six branch offices, and DIC Fund Balance GmbH is responsible for the funds business segment.


DIC Asset AG
Portfolio and Asset Management
Commercial Portfolio
Co-Investments
Fonds
Joint Venture Portfolios
ACQUISITION
PORTFOLIO
€ 3.4 bn TOTAL
MANAGEMENT
270
ASSET MANAGEMENT
PREMISES
PROPERTY
100%
MANAGEMENT
SALES
DIC Onsite GmbH
Real Estate Management

The Group has a total of 160 indirect and direct holdings. The majority of these are property holding companies, through which the Group's operations are presented and which we manage via intermediate holdings.

CUSTOMER RELATIONS

Our tenants include the public sector, large national and international companies, the major German retailers and telecommunications service providers, but also many small and medium-sized companies.

Through our real estate management staff, we remain in close contact with existing tenants since we are present locally and ongoing coordination and services are necessary in order to administer our properties. In doing so we obtain feedback which we then use to optimise and improve tenant satisfaction. In addition to this, we provide centralized support to major clients. Our regional presence also works to our benefit on the letting market. We are in constant contact with potential tenants in order to understand their needs at an early stage and to convince them to lease our properties.

We are currently introducing a central software solution for uniform Group-wide customer relationship management that will integrate existing individual solutions. For acquisitions and sales, we are able to rely heavily on a network of established contacts with which we have already concluded transactions to the satisfaction of both parties.

OBJECTIVES AND STRATEGIES

OVERVIEW

1. Clear focus: We invest exclusively in German commercial real estate
2. Portfolio with strong earnings potential: We manage a regionally diversified portfolio with high rental yields
3. Regional presence: We set up branches to maintain a presence in the areas where our property portfolio is concentrated
4. Internal real estate management: We guarantee professional support with our internal teams of experts
5. Balanced financial structure: We secure long-term financing through equity and borrowing
6. Diversified sources of income: We combine high-yield portfolio properties and attractive co-investments in a balanced manner
7. Internal and external portfolio growth: We exploit potential to increase value in both the rental and transaction market

Clear focus: We invest exclusively in German commercial real estate

We are one of Germany's biggest investors in commercial real estate focusing on office properties and operate exclusively in the German market.

We strive to achieve substantial rental cash flows that are secure in the long term by investing in German commercial real estate and to expand our portfolio continuously. DIC Asset AG also specialises in properties with the potential to increase in value, which can be tapped into by intensive letting activities, repositioning and project development. Our organisational structure is set up and our system of in-house real estate management across Germany mean that we have the extensive resources required to do this. Our regional presence also allows us to invest in locations outside of the larger cities with a lower level of competition and a higher level of opportunity.

Portfolio with strong earnings potential: We manage a high-quality, diversified portfolio with high rental yields

We have a quality portfolio, which generates strong ongoing returns that are secured long-term and whose broad diversification enables it to absorb risk.

Our portfolio consists of real estate with substantial rental yields of 6.8% on average, which generates an attractive profit after covering the costs of financing and management. The focus of our activities is on office space. We ensure a balance of different properties in the portfolio, which allows for opportunities but also avoids risk being concentrated. Our rental structure is therefore highly diversified across regions and industries and, with some 1,500 tenancy agreements, has a broad distribution of risk. With an average lease term of five 5 years, we are above the market average despite the recent trend towards shorter-term letting.

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

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

The German market for commercial real estate is very varied, regionally diversified and therefore stable yet challenging. Real estate strongholds and regional centres alike have specific advantages and risks that we exploit by diversifying our investments to extend our portfolio so that it is both high-income and robust.

With its own branch network, DIC Asset AG therefore has a permanent presence in the German regional real estate markets. This makes it possible to identify attractive locations and real estate beyond the focal points for investment that are well known internationally and to develop these successfully.

Internal real estate management: we manage our portfolio and tenants optimally

We aim to increase rental income and earnings power as well as to improve the quality of our portfolio through the internal management of our own property portfolio.

We support our tenants in everyday questions relating to the property, as well as helping with special projects through our property manager DIC Onsite, which has around 100 employees working out of six branches in the areas where our portfolio is concentrated. In addition to quick successes in renting properties, we also aim to achieve a high level of tenant loyalty. To this end, we have reduced the number of organisational interfaces among other things in order to provide tenants with a rapid and comprehensive service. We increase the potential of our real estate and investments by means of long-term leases and by upgrading and refurbishing properties. This enables us to secure and increase the cash flow and profitability of our portfolio.

Balanced financial structure: We secure long-term financing through equity and borrowing

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

Our company is based on a sustainable financing architecture in which we have recourse to a range of funding including traditional bank financing, bonds, our access to capital markets and other financing partners. We have a solid equity ratio, which we intend to expand to over 35% in the medium term and to over 40% in the long term.

As a result of the fact that our income is secured long-term and is easy to calculate, it offers a reliable basis for the efficient and sustainable deployment of external capital. We agree attractive terms for these borrowings and hedge them adequately against any increase in interest rates. We conclude real estate financing on a strictly long-term basis. The financing focuses on the respective property targets. Our financing structure also prevents unlimited enforcement against the Group or against other portfolios or properties. We pursue strong long-term relationships with our financing partners. At present, all property loans are concluded with German financing partners (most notably mortgage banks, Landesbanks, savings banks, co-operative banks).

Diversified sources of income: Highly profitable existing portfolio and additional earnings from Co-Investments

The majority of our income originates from the Commercial Portfolio, our existing portfolio. In order to tap additional attractive sources of income, we act as a co-investor in addition to our investments in our existing portfolio. This means that we can participate in investments that offer a higher risk-reward profile while retaining our focus on security. We also initiate real estate special funds, mainly for investments in the core segment that do not fit the investment profile of our Commercial Portfolio. This also develops cooperation with very prestigious investors, who participate in DIC Asset AG's business model via this fund business. We acquire a stake – generally a significant 20% – in our Co-Investments.

We contribute our investment expertise and national real estate management service to partnerships. With these services, DIC Asset AG achieves regular management income in addition to its earnings from investments. This earnings structure makes us less dependent on market fluctuations and guarantees a constantly high and at the same time capital-efficient income.

Internal and external portfolio growth: We exploit earnings potential in the rental and transaction market

We strive for external and internal growth, so we can profitably develop our real estate portfolio in the long term.

We invest in real estate and equity interests with high rental returns and continuous cash flow. We act in a dynamic manner with a focus on opportunities and we always ensure appropriate risk distribution. Growing management income offers us additional stable earnings levels. In addition, we pursue internal growth, for example by cutting vacancy rates thanks to our own real estate management service. We use our sales to optimise our portfolio, realise profits at the right time, and release resources for new acquisitions as well as to optimise our capital structure.

Achievement of strategic targets in 2012

We have made significant progress in developing DIC Asset AG in line with our targets in the past financial year. We have significantly improved the quality of our portfolio by means of successful letting and the reduction of the vacancy ratio by 1.5 percentage points to 10.9%. By concluding long-term refinancings and new financings worth approx. EUR 250 million in the Commercial Portfolio alone, we have improved our financing profile significantly. In addition, we have successfully strengthened the portfolio with selective acquisitions worth some EUR 135 million this year.

Thanks to significant progress, we have advanced our Co-Investments, which we enter into to diversify our sources of income. The significant success of our marketing measures has put us well ahead of schedule with the MainTor project. We have also ensured that the amount of equity required for the implementation of the development of the district is far less than originally planned by selling sub-projects at an early stage and obtaining construction financing from external financing partners. Progress with the development projects and the development of our second special fund will also secure us future earnings potential.

We enhanced our property management service in 2012 by expanding the DIC Onsite management team and combining functions, among other things. We have also further ensured the readiness of the property management service to handle future requirements by introducing a new software system that integrates several corporate functions.

COMPANY MANAGEMENT

Management and supervision

▷ Management Board

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

▷ Supervisory Board

The Management Board works closely with the Supervisory Board when making any material commercial decisions and reports regularly and when required on all business developments and strategic issues. The Supervisory Board is the statutory control and supervisory body and, as such, advises the Management Board in relation to commercial decisions, supervises its operations and decisions and is authorised to make decisions in specific situations. The Supervisory Board of DIC Asset AG consists of six members. In 2012 the Supervisory Board held five ordinary meetings and a further six extraordinary meetings jointly with the Management Board.

Statement on corporate governance and additional disclosures

The statement on corporate governance was published on the website www.dic-asset.de (whole link: dic-asset.de/investor-relations/CG/entsprechenserklaerung.php). The statement is also included in the section on corporate governance. Further information on corporate governance, such as the composition and working methods of the Management Board and the Supervisory Board, can also be found there, as can the Remuneration Report, containing individual information on the compensation of Management Board and the Supervisory Board. We explain our control system and its processes in detail in the Risk and Opportunities Report, and in particular in the comments in the internal control system.

Internal planning and management system

The management system of DIC Asset AG aims to increase corporate value for shareholders, employees and business partners and to achieve long-term profitable growth without incurring disproportionate corporate risk.

Planning process

The planning process of DIC Asset AG combines projections on the basis of current value with concrete targets. This is assisted by detailed planning at regional, individual property and portfolio level (bottom-up planning) as a basis, which is finalised through objectives and strategic elements (as top-down planning).

Constituent parts of planning:

- Detailed business plans for real estate and portfolios including, amongst other things, expected key figures such as rental income, costs, investments and gross profit.
- Objectives for operating real estate management including action planning, in particular with reference to rentals, sales, investments and development projects
- Planning operational implementation, e.g. with leasing and management services, planned costs and measures to optimise income and minimise expenditure.
- Consideration of human resources and an examination of financial and liquidity issues.
- Risk management results in the addition of risks and specific opportunities. This is firstly carried out at the property and portfolio level and then aggregated to Group level.

Consolidated Group planning is then complemented by strategic Group measures and estimates of framework conditions by the Management Board. Group planning is reviewed annually and adjusted to the current market situation and changes which are expected.

Company-specific leading indicators

We use leading indicators for our operating policy decisions in order to exploit opportunities rapidly and avoid possible undesirable developments. The early warning system that is a component of our risk management ensures that risk management is embedded in our organisation. We differentiate between two types of indicators: general economic and operating leading indicators.

The general economic leading indicators include above all GDP growth, the ifo index, unemployment trends and employment levels as well as forecasts for interest rate movements and lending. These result in conclusions regarding the development of our regional markets and the real estate sector, which normally responds to macroeconomic changes with a certain time lag, and regarding framework conditions and costs of our financing.

Significant operating leading indicators include the conclusion of tenancy agreements as well as expiries and terminations of tenancy agreements. This is incorporated amongst other things into our monthly letting forecast. Due to the long-term nature of tenancy agreements, we are able to estimate the revenue base monthly, adopt counter-measures and draw conclusions for our short- to medium-term revenue growth. We supplement these turnover-oriented indicators with regional information and company data from our branches. Using this information we are able in particular to fine-tune our letting operations.

Management by using key figures

Planned developments and actual results are regularly checked, monitored and reported by means of controlling and risk management measures. Managers from Group companies and subsidiaries secure the implementation of Group goals in their relevant market environment. In the event of major discrepancies, the Management Board becomes involved, which decides on the implementation of appropriate measures with departmental representatives.

The internal control system, which forms part of the risk management process, serves as the fundamental instrument for monitoring and managing the achievement of the company's targets. Routine management is supplemented by additional or event-driven investigations. We have been working on the introduction of a software solution for real estate management in 2012. The program is specifically tailored to the needs of real estate companies and will lead to closer integration and greater optimisation of property management and company accounting, as well as of planning, control and analysis systems. It will also increase the efficiency of analysis and implementation.

Key control variables and targets

In order to monitor the agreed targets, we use result-oriented figures, which are a part of regular reporting.

We plan and manage our operational activities by considering our portfolio from a regional perspective. The DIC branch network divides Germany into five portfolio regions: North (Hamburg), West (Düsseldorf), Central (Frankfurt); South (Munich/Mannheim) and East (Berlin). Because of the relevance of the regions for our business, segment reporting also follows the breakdown by regions. We manage our segments' operations on a uniform basis, particularly with regard to maintaining value and increasing income from property management (including letting volume, rental income (nominal and like-for-like) and vacancy rates).

The operating profit from real estate management (funds from operations, FFO), and funds from operations after deducting interest related to capital employed (return on equity, ROE) are most significant from a Group perspective. In the case of sale-oriented investments and development projects, the internal rate of return (IRR) is also used as a key figure, whereas for fund investments the distribution yield and performance are used. We control our growth targets above all by the acquisition volumes achieved.

Deviations are analysed promptly and management measures are established in regular meetings with the Management Board and the respective manager.

BUSINESS REPORT

OVERALL VIEW ON BUSINESS DEVELOPMENT AND THE POSITION OF THE COMPANY

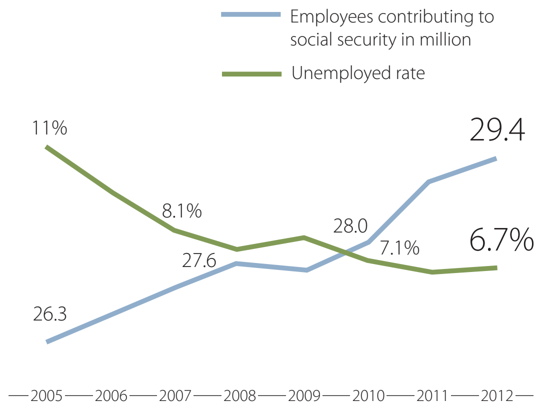
We are very pleased with our result in 2012: we increased profit for the period by EUR 1.2 million to EUR 11.8 million and increased FFO by approximately 10% or EUR 4.1 million to EUR 44.9 million.

General economic conditions had only a minor direct influence on our business but provided a stable base for our activities. Conditions became more difficult in the letting market as the economy deteriorated during the year. Despite this, we again achieved an excellent letting performance. On the transaction market, strong demand at the year-end in particular had a positive impact on our sales. On the supply side, attractive properties for the Commercial Portfolio were in short supply.

We have met and, in part, exceeded our forecasts for 2012. Rental income and FFO are within their target ranges. With a letting volume of approx. 240,000 sqm, we have matched the level of the previous year and, at the same time, reduced the vacancy rate by more than we had planned to 10.9%. We have also exceeded our forecast with sales of some EUR 155 million. We were able to implement our planned acquisition volume of approx. EUR 100 million for the special funds. We achieved total acquisitions of EUR 135 million. Our purchases on attractive terms will strengthen our portfolio and will be able to virtually offset the planned reduction in earnings resulting from sales.

In terms of income, successful acquisitions providing higher rental income and earnings from real estate management contributed to our good result. We were also able to expand our rental income thanks to success in letting and reductions in the vacancy rate. The increase in profit is also owing to the efficient operative structures, the profits from real estate sales and the stable interest result.

DEVELOPMENT OF EMPLOYMENT MARKET IN GERMANY



Numbers each per year-end; sources: Federal Employment Agency, Federal Statistical Office

GENERAL ECONOMIC CONDITIONS

Macroeconomic trends

The German economy grew by 0.7% in 2012. Following 3.9% growth in gross domestic product (GDP) in the previous year, this represents a marked fall. Nevertheless, Germany is still doing better than many European countries, which in some cases are mired in deep recessions. While exports to the USA and Asia remained buoyant despite a slowdown in global economic activity, there was no momentum coming from Europe. In the absence of support from its European neighbours, the export-oriented Germany economy was, however, unable to escape the downturn entirely and economic growth slowed quarter by quarter in 2012. Corporate investment fell sharply as a consequence of the euro debt crisis, meaning that domestic demand softened overall despite rising private consumption and the sharply increased investment in private housing.

Despite weaker economic growth, the labour market remained strong. In February 2013, the number of unemployed increased by 18,000 to 3.2 million. At the same time, the seasonal increase was somewhat lower than in previous years. Compared with the previous year, there were 46,000 more people registered as unemployed. The number of people in gainful employment and paying social security contributions has increased further year-on-year. In November, the number of people in gainful employment rose by 239,000 to 41.4 million compared with the previous year. The number of people paying social security contributions increased in December by 350,000 to 29.1 million people.

In 2012, the European Central Bank helped to calm financial markets, most recently with massive financial resources, the markets having reacted for some time with scepticism and uncertainty to attempts at reform by heavily indebted EU member states. In July, the key interest rate was cut by 0.25% to 0.75%, but doubts about a breakup of the single currency were not suppressed any more effectively until the announcement of possible unlimited bond purchases by the ECB . Banks' lending policies were virtually unchanged in 2012: a cautious approach to new business, intensive scrutiny and higher risk premiums were top of the agenda.

Economists are gearing up for a further slowdown in 2013, as the performance of the American economy looks uncertain on top of the weak European growth rate. The European Commission currently expects the German economy to grow by 0.5% in 2013. However, the fundamental solidity of the German economy suggests that it will overcome this temporary flagging without major damage thanks to the strong labour market in particular. The worst might soon be over: at the beginning of the year, there were signs that the first leading indicators were turning positive.

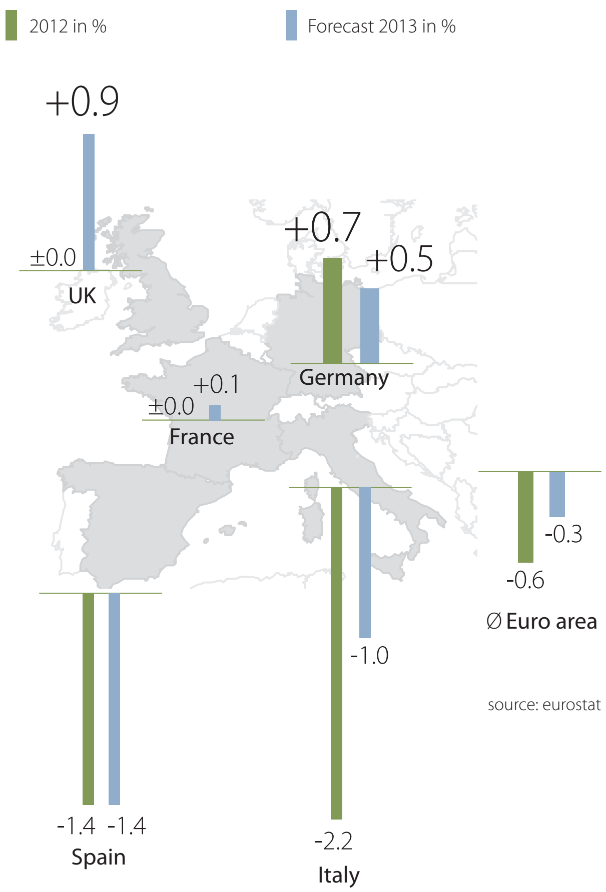
Sector trends

▷ Stable office letting
Thanks to the positive trend in employment figures, falls in the office letting market were not dire despite the economic uncertainties. With sales of 3.0 million sqm in the seven major office centres, the fall amounts to some 11% compared with 2011 - which is only slightly below the ten-year average of 3.1 million sqm. Only Frankfurt did consistently well, gaining over 20% overall, while Berlin's figure was on a par with the previous year. Peak rents rose by some 3% on average in virtually all cities, primarily due to the limited supply of high-quality, prestigious properties in central locations. Average rents grew by 0.5%.

▷ Low levels of new construction, falling vacancy rates
In 2012, the industry saw the lowest level of completions for five years, at approximately 840,000 sqm. The majority of this space was already let pre-completion. With only a small amount of space coming onto the market and letting activity remaining robust, the vacancy rate fell significantly from 9.5% to 8.8%; the fall was even sharper in Frankfurt and Munich. A below-average level of completions is also expected in 2013, meaning that the vacancy rate could fall further.

▷ Significantly higher investment volume
A final spurt in the fourth quarter in which properties worth some EUR 10.4 billion changed hands meant that commercial real estate transactions increased significantly in 2012, totalling some EUR 25.3 billion. The increase in comparison with the previous year totalled around 8% (2011: EUR 22.6 billion). In addition to the basic attractiveness of the German market both for domestic and international investors, the good result can also be traced back to a significant short-term increase in demand toward the end of the year. Because of strong demand for housing triggered by exceptional circumstances, transactions in residential property portfolios were even more successful than commercial properties.

GDP GROWTH RATES IN EUROPE



source: eurostat

▷ Focus on core properties also dominant in 2012
Investors focused on prestigious, long-term rental property in prime locations - with the result that initial yields for the limited supply of core properties came under significant pressure and in some cases fell further. In the office segment, they decreased by some 20 basis points to around 4.75%, remaining at a low 4.15% for retail premises. Also because of investors' focus on core properties, almost two thirds of all investment, at approximately EUR 16 billion, was attributable to the major office locations, where growth amounted to some 30%. While the top seven posted significant growth, transaction volume at other locations decreased by some 14%.

Investment was concentrated in office property, which accounted for a share of some 40% of transaction volume. 31% was attributable to retail properties, where the only factor limiting investment was reduced supply. In the previous year, investor-focus was unusually concentrated on retail properties (47%) followed by office properties (36%).

Specific developments in the regions

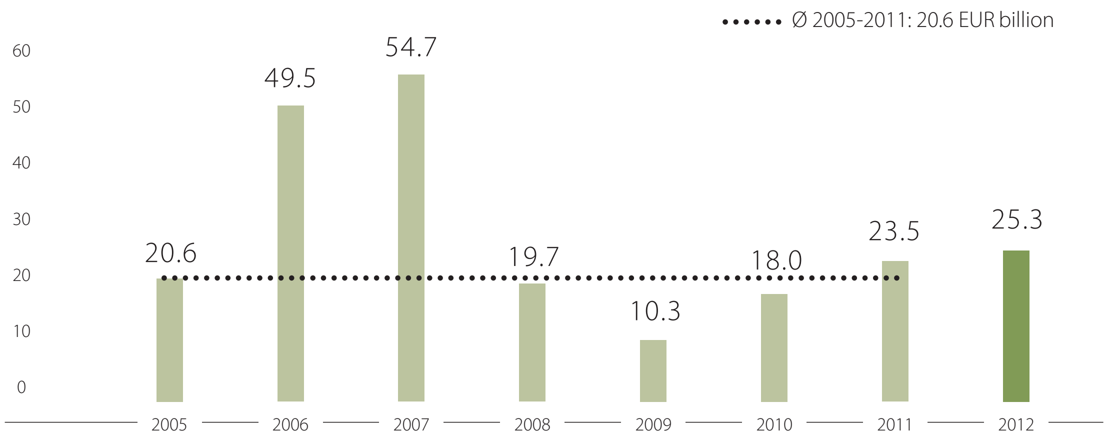
▷ Commercial investment market
- Transactions outside the major office locations fell by 14% - growth of 30% in cities
- Stuttgart had an outstanding investment year, with transactions exceeding EUR 1 billion for the first time in many years thanks to large retail properties
- At EUR 3.25 billion, Frankfurt achieved the second-best result since records began
- In Munich, the ten-year average was almost doubled, with the average transaction worth approximately EUR 50 million.
- Munich currently has the lowest prime yield of any city in Germany (4.40%).

▷ Rental market for office properties
- With lettings of 500,000 sqm, Frankfurt is well up on the previous year (approximately 20%) and the long-term average
- Berlin's letting figures are stable (540,000 sqm)
- Letting is falling in Düsseldorf, Hamburg and Munich; the falls in Cologne and Stuttgart exceed 20%
- Marked reductions in vacancy rates in Frankfurt (-2 percentage points) and Munich (-1.2 percentage points)

LETTING VOLUME IN MAJOR GERMAN OFFICE LOCATIONS in thousand sqm

Source: Jones Lang LaSalle

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE EUR billion



Source: Jones Lang LaSalle

BUSINESS DEVELOPMENT

REAL ESTATE MANAGEMENT

- Vacancy rate significantly reduced to 10.9%
- Rental volumes of 240,000 sqm matched the high level from the previous year
- Further enhancement in portfolio quality as a result of acquisitions

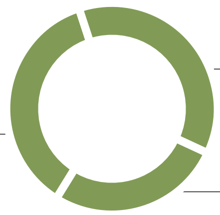
The good letting result with a significant increase in office rentals enabled us to further improve the quality of our portfolio. The vacancy rate decreased by 1.5 percentage points to 10.9%, rental income increased like-for-like by 1.0%.

Substantial letting volume of 237,800 sqm once again
With a letting volume of 237,800 sqm, we were able to pick up on our previous year's result (2011: 247,000 sqm). Here, we have been very successful in both finding new tenants and convincing existing tenants to extend their tenancies: new lettings for some 114,000 sqm (2011: 120,000 sqm) and renewals of existing tenancy agreements for approximately 124,000 sqm also matched the previous year's performance (2011: 127,000 sqm). This letting volume is based on over 320 lettings spread relatively evenly across all sizes of property although concentrated slightly on rentals over 1,000-5,000 sqm this year.

The successful letting volume in 2012 is especially visible in significant growth in the office segment. The annual rental income generated from lettings increased substantially by EUR 5.1 million to EUR 32.4 million. This primarily results from increased and profitable rentals in the office segment (+ EUR 6.7 million).

DISTRIBUTION OF LETTING RESULTS

Basis: letting volume in sqm



LETTING VOLUME

	in sqm on signature		annualised in EUR million	
	2012	2011	**2012**	2011
Office	**176,800**	156,800	**26.6**	19.9
Retail	**15,900**	30,900	**2.4**	3.5
Additional commercial	**40,600**	52,800	**3.0**	3.4
Residential	**4,500**	6,500	**0.4**	0.5
Total	**237,800**	247,000	**32.4**	27.3
Parking (units)	**2,270**	2,190	**1.2**	1.0

Top 7 renewals		in sqm	
SAP	Berlin	13,200	Office
Siemens	Erlangen	11,000	Office
State of Baden-Württemberg	Mannheim	9,200	Office
ver.di	Saalfeld	6,900	Commercial / Office
Siemens	Erlangen	6,500	Office
City of Hamburg	Hamburg	4,700	Office
Sirius	Düsseldorf	4,300	Office

Top 7 new letting		in sqm	
BASF	Mannheim	9,400	Office
CMS Hasche Sigle	Frankfurt	9,000	Office
Union Investment	Frankfurt	8,000	Office
Sunways	Konstanz	5,300	Office
Mainova	Frankfurt	5,000	Office
Floor Direct	Mannheim	4,700	Office
TK Maxx	Leipzig	4,300	Retail

Further increase in portfolio quality

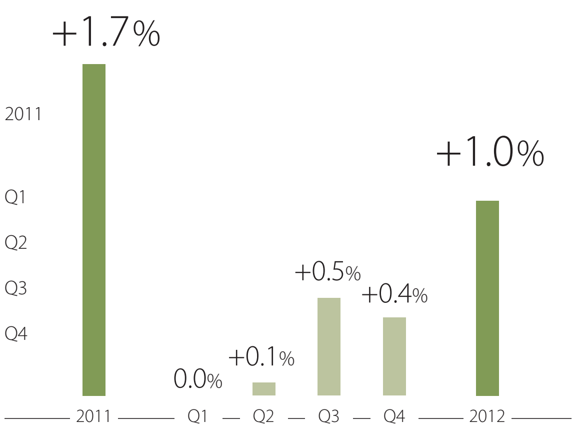
Thanks to our success in letting, we were able to increase rental income in our portfolio once again. Like-for-like rental income increased by 1.0% in 2012 (2011: 1,7%). The like-for-like comparison is based on properties which remained in the portfolio in 2012. Here, the impact on our letting activities becomes clear, and the effects of purchases and sales are not accounted for.

We also succeeded in significantly reducing the vacancy rate as at 31 December 2012 by 1.5 percentage points to 10.9%. At the end of 2011, it was as high as 12.4%. As a result, we have exceeded our planned figure by some margin - more than 0.5 percentage points - and cut vacancies by around 3.5 percentage points overall in the last two years.

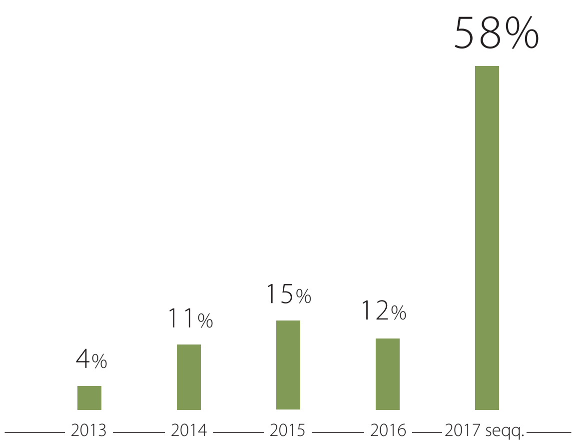
Average lease term still remains at a high level. The average lease term fell just slightly by 0.3 years to around 5.2 years despite the general trend towards shorter agreements, especially for office rentals. The rental per square metre came to EUR 10.30 (2011: EUR 10.50)

DEVELOPMENT OF VACANCY RATE
in % at the end of the quarter

RENTAL INCOME GROWTH
like-for-like in %



LEASE MATURITIES
Distribution of annual rental income in %



Lease maturities in 2013 already significantly lower

There are fewer tenancies coming up for renewal in 2013 than in previous years: the potential figure for lease maturities in the current financial year 2013 is relatively low, at EUR 5.7 million (4.3% of rental income) and is well down on the corresponding average figure for previous years of around 10%. Thanks to our effective letting activities, we have been able to more than halve the volume by EUR 6.9 million from EUR 12.6 million (9.6% of rental income) as at 31 December 2011 in the past financial year. In 2013, therefore, we shall continue to concentrate on reducing in good time the number of potential tenancies expiring in 2014 and in subsequent years.

New IT platform for real estate management

In 2012, we spent several months working on a company-wide project involving the introduction of a new IT platform, with which we shall replace separate systems in real estate management and control, as well as company accounting, with an integrated software package. We shall make real estate management more efficient with this investment. We shall reduce the number of interfaces and make the entire system more transparent, including by increasing the opportunities for analysis and monitoring. The new system was introduced successfully at the end of December.

BIENENKORBHAUS, FRANKFURT

Redevelopment successfully completed with sale

- Modernisation and addition of top-quality retail space
- Doubling of rental income since acquisition and attractive sales profit

We acquired the Bienenkorbhaus in 2004 as part of the Frankfurter Sparkasse's real estate portfolio. We modernised the building with a comprehensive refurbishment, skilfully preserving the 1950s architecture and adding an extension comprising top-quality retail space. As a result, we expanded the rental area by 15% to 11,000 sqm. We acquired Schuhhaus Görtz and Frankfurter Sparkasse as long-term anchor tenants for the newly created retail space.

At the re-opening in 2009, the occupancy rate was 76%. With a new marketing concept and with the help of the increasing popularity of the location, which benefits from a high footfall on Frankfurt's well-known "Zeil" shopping street, the occupancy rate increased to over 95% by the time of the sale. As a result, we have virtually doubled rental income compared with the figure on acquisition. In October 2012, we sold the Bienenkorbhaus for around EUR 73 million to the international investor RFR and achieved a profit of around EUR 3 million. Including regular FFO earnings since acquisition, the entire profit on the project comes to some EUR 8 million.

H20, HARDENBERGSTRASSE, BERLIN

Repositioned as a multi-tenant property

- Investment for use by several tenants
- Attractive tenant mix established, rental earnings increased significantly

The H20 office property, comprising a rental area of some 5,800 sqm, was previously designed and used as a single-tenant property. Following the departure of the general tenant, we have established a multi-tenant concept and gradually added value to the property with investments of around EUR 1.4 million for refurbishment and tenants' fittings. A strong tenant mix consisting of some ten different parties has been created through various new lettings to, among others, the Fraunhofer Institute, the IHK Berlin and a tax consultancy as well as an attractive retail concept on the ground floor. In 2012, we let some 3,000 sqm in total and consequently achieved nearly full-letting of the building. As a result, the annualised rental income has virtually doubled in the last two years.

RUHRTOWER, DUISBURG

Full letting achieved

- Property modernised and management optimised
- Vacancies eliminated

The high-rise building in Duisburg city centre, right in the centre of the main shopping street, comprising rental space of 8,000 sqm in total was around 50% vacant in 2010 following the expiry of some tenancy agreements. Having undertaken a comprehensive refurbishment programme, optimised the layout and cut ancillary costs by more than 30%, we repositioned the property in Duisburg and marketed it under the name RuhrTower. With rapid success: within six months, we were able to conclude several new tenancy agreements covering some 2,000 sqm in total, which virtually halved the vacancy rate. By letting an additional 2,400 sqm to the tenant Deutsche Bahn in 2012, we have now succeeded in letting the RuhrTower completely on a long-term basis based on current market rents.

KÄFERTALER STRASSE, MANNHEIM

Successful reletting within the shortest period

- Tenants relocated within the portfolio
- Large-scale tenancy agreement for over 9,500 sqm

Some 35% of the space in the office property comprising a total area of around 10,000 sqm had been vacant since March 2012. More tenants indicated that they were not interested in continuing the tenancy agreement long-term. One tenant wished to remain but to reduce the space rented. At the same time, we had heard that a tenant was interested in renting approximately 9,500 sqm in Mannheim. We suggested that our tenant who was interested in renting a reduced amount of space should relocate to another property in our portfolio and agreed to cancel the other tenants' agreements. We were able to agree a long-term tenancy agreement with BASF for the vacant property, which was a perfect match for its requirements. As part of this full letting, we have undertaken various internal and external modernisations on the property, which will enhance its value, and handed over the first spaces ready for occupancy to the new tenants in summer 2013.

LANGENHORNER CHAUSSEE, HAMBURG

Lively tenant mix created

- Letting situation stabilised
- Additional new tenants revitalise the location

The property comprising some 6,200 sqm was let for an unlimited period to the major tenant Agentur für Arbeit. It only needed part of the space in future, we therefore agreed to extend the tenancy long term but to reduce the area and consequently stabilised the tenancy. At the same time, we prepared the building for letting to a more diverse range of users, repositioned the property and marketed the vacant space. By letting to training companies and office companies, we increased the building's versatility and succeeded in letting the property fully after marketing it for around three quarters of a year.

MAX MITTE, MAX-STROMEYER-STRASSE, KONSTANZ

Property fully let following a substantial new tenancy

- Reorientation of the letting strategy
- A use-specific approach to tenants achieves success

DIC Asset AG had acquired the property in 2006. The building was let as a package until the general tenancy agreement ended and comprised production space on the ground floor with two floors of offices above. We decided to let the space separately according to the way in which it was used and rapidly found a tenant for the production space, who concluded a 10-year tenancy agreement. We split the space so that the offices could be used in various ways and, having repositioned the property as "Max Mitte", concluded a number of smaller agreements directly. In 2012, we then concluded a new long-term tenancy agreement for 5,300 sqm with Sunways, under which, as landlord, we shall improve the rental areas and create contemporary office space with improvements to the ceilings, windows and floors. Following the large-scale tenancy agreement, the property is 100% let long-term.

PORTFOLIO

- Market values of our real estate nearly stable
- Portfolio extended by around 28,000 sqm through acquisitions
- Portfolio volume of some EUR 2.2 billion

Our portfolio comprises 269 properties with a total lettable area of 1.9 million sqm. The total value of assets under management increased from EUR 3.3 billion to EUR 3.4 billion in 2012. We generate pro rata annual rental income of EUR 142 million (including Co-Investments) with our properties. To secure portfolio growth, we purchased six properties worth EUR 135 million in 2012. We sold 16 properties worth EUR 155 million. The external valuation showed that our properties are generating stable value. At the end of 2012, the pro rata market value of our real estate portfolio amounted to EUR 2,223.5 million (2011: EUR 2,202.3 million).

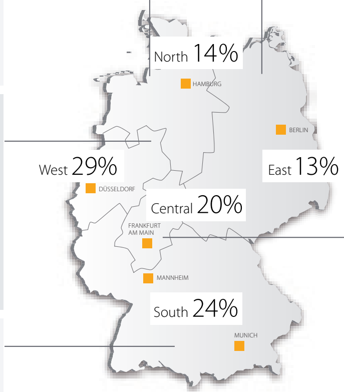
Regional development
The average rental yield saw at least stable development in all regions compared with the previous year. In the North and East in particular it was above average thanks to significant rental success. The vacancy rate fell considerably in all regions with the exception of the Central region. This was particularly strong in the North and West regions as a result of good work on rentals, as well as the acquisition of the fully-let REWE headquarters in the West region. The lease term decreased as a result of the general trend towards shorter lease terms with the exception of the South region as a result of two long-term major rentals.

REGIONAL DEVELOPMENT

North	2012	2011
Gross rental yield	6.7%	6.4%
Vacancy rate	5.2%	11.1%
WALT in years	6.2	6.9
Average rent per sqm	7.80	7.70

West	2012	2011
Gross rental yield	6.6%	6.5%
Vacancy rate	12.1%	14.2%
WALT in years	5.3	5.5
Average rent per sqm	10.90	11.50

South	2012	2011
Gross rental yield	7.4%	7.4%
Vacancy rate	7.6%	9.5%
WALT in years	4.1	3.9
Average rent per sqm	8.70	8.80



East	2012	2011
Gross rental yield	7.6%	7.3%
Vacancy rate	7.8%	9.3%
WALT in years	4.3	4.8
Average rent per sqm	11.50	10.90

Central	2012	2011
Gross rental yield	6.0%	6.0%
Vacancy rate	18.8%	16.2%
WALT in years	6.0	6.6
Average rent per sqm	12.40	13.20

Total	2012	2011
Gross rental yield	6.8%	6.6%
Vacancy rate	10.9%	12.4%
WALT in years	5.2	5.5
Average rent per sqm	10.30	10.50

Market valuation: real estate values largely unchanged

The market value of each of our properties is calculated by external experts at the end of every year. Various internal factors have an impact on these values, including occupancy rate, amount of rental income, length of rental contract and the age and quality of the property. Certain external factors also have an effect, such as the development of the local area and the market in general, and the financial climate.

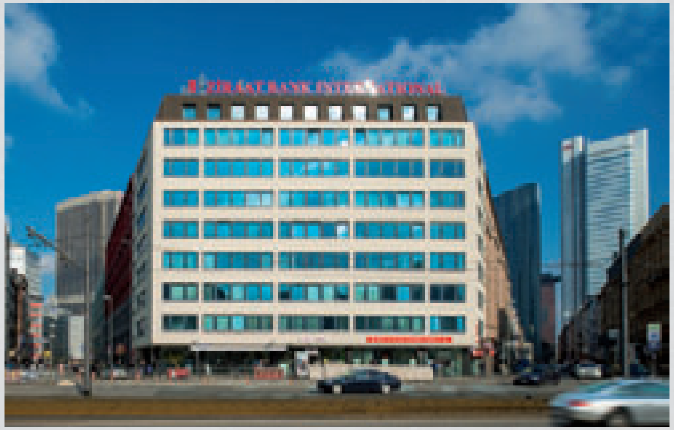
The market value of our properties decreased by a valuation-related 0.65% compared with the previous year. In a stable market environment and with unchanged capitalisation and discount rates, the positive effects of successful work on rentals has not been able to fully compensate for the impact of successive shorter terms in existing rental contracts. After acquisitions, sales, investments and the change in value, the proportional market value of our portfolio amounted to EUR 2,223.5 million. At the end of the previous year, the portfolio had a market value of EUR 2,202.3 million.

The net asset value increased by 1% to EUR 685.4 million. The NAV per share increased by EUR 0.14 to EUR 14.99 (2011: EUR 14.85).

CHANGES IN MARKET VALUE in EUR million

Market value portfolio on 31.12.2011	2,202.3
Investments	43.4
Additions Commercial Portfolio	60.4
Additions Funds	18.8
Sales	-87.0
Valuation impact (-0.65%)	-14.5
Market value portfolio on 31.12.2012	2,223.5

The calculated market value is the estimated transaction amount at which a property would change hands between the buyer and seller under normal conditions on the date of the valuation. We record our assets at cost less depreciation, which is why a change in market value has no direct impact on the balance sheet. Further information on how our real estate is accounted for is contained in the chapter on the asset position.



Office property directly at the main station in Frankfurt: acquired for the Commercial Portfolio





ACQUISITIONS 2012	Office property Frankfurt/railway station	Office property Rewe-Headquarter	Office property „Loftwerk“	Office property „Looper“	Two retail properties
Number of properties	1	1	1	1	2
Location	Frankfurt	Cologne	Frankfurt/Eschborn	Duisburg	Mannheim, Dresden
Investment volume in EUR million	17	23	44	27	25
Rental space in sqm	7,200	24,000	14,700	10,000	8,500
Average rent per sqm in EUR	15	6	15	15	15
Vacancy rate in %	9%	0%	0% *	0% *	0% *
WALT in years	9	10	10	6	8.5
Annual rental income in EUR million	1..3	1.8	2.7	1.7	1.5
Gross initial yield	7.6%	8.0%	6.1%	6.3%	6.0%
FFO impact p.a. in EUR million	0.6	1.3	0.5	0.3	0.3
Portfolio segment	Commercial Portfolio	Commercial Portfolio	Co-Investments/Funds	Co-Investments/Funds	Co-Investments/Funds

* including rental guarantee of the seller

Acquisitions for portfolio additions

Despite the limited supply of suitable properties in 2012, we spent EUR 135 million purchasing a total of six properties. Of this figure, properties worth just under EUR 100 million were acquired, as planned, for the two DIC special funds. The properties purchased are distinguished by substantial income, long-term tenancy agreements and prime tenants, and consequently enhance the high-quality income of our portfolio. In 2011, we purchased properties worth some EUR 300 million.

The acquired properties with total rental space of some 64,000 sqm will expand our portfolio; it grew pro rata by some 28,000 sqm after sales. In 2013, FFO will increase pro rata through acquisitions by some EUR 3 million on an annual basis, which means that we shall largely offset the reduction caused by sales. As at 31 December 2012, the pro rata portfolio volume remained stable compared with the previous year, at EUR 2.2 billion. Assets under management rose from EUR 3.3 to EUR 3.4 billion.

- We invested EUR 17 million in acquiring an office property comprising 7,200 sqm at Frankfurt's main station for our directly held Commercial Portfolio. With an annual rental income of EUR 1.3 million, the property generates an initial rental yield of 7.6% and is 90% let long-term to tenants with a first-class credit rating.
- The headquarters of the REWE Group in Cologne was also acquired for the Commercial Portfolio for a figure of around EUR 23 million. The property, which comprises some 24,000 sqm and is fully let over a term of some ten years, is to generate an initial rental yield of around 8%.
- The "Loftwerk", a new office building in Eschborn near Frankfurt with 14,700 sqm of rental space, will expand our "DIC Office Balance I" special fund at a cost of some EUR 44 million. The office building, which meets the latest Green Building standards, was completed at the beginning of 2013 and is already over 80% let to three well-known tenants.
- We also acquired another attractive office property in Duisburg's Inner Harbour for our "DIC Office Balance I" special fund at a cost of some EUR 27 million. The "Looper" property, comprising rental space of 10,000 sqm, is let to many tenants from various sectors.
- We have secured two attractive retail properties in Mannheim and Dresden at a total cost of some EUR 25 million for the "DIC HighStreet Balance" retail property fund.

Sales doubled to EUR 155 million

Thanks to increased demand up to the end of the year, we more than doubled sales volume to some EUR 155 million compared with the previous year (2011: EUR 72 million) without sales from MainTor and Opera Offices. In the fourth quarter of 2012 alone, we sold properties worth over EUR 140 million. 16 properties were sold in total and several part-owned apartments, including six properties worth around EUR 115 million from the Commercial Portfolio and 10 properties worth around EUR 40 million from Co-Investments. The sale of the Bienenkorbhaus, for around EUR 73 million, was the largest transaction in 2012, generating a profit on the sale of around EUR 3 million. In the fourth quarter, we sold four more properties from the Commercial Portfolio for approximately EUR 40 million, with the sales expected to have an impact on results and liquidity in the first quarter of 2013 with the transfers of ownerhsip.

Sales volume per transaction averaged EUR 10 million compared with EUR 3 million in 2011, which is largely attributable to the sale of the Bienenkorbhaus. On average, sales prices were 5% higher than the latest determined market values. Loans of more than EUR 90 million can be repaid from the cash released by all agreed sales from the Commercial Portfolio. Financial debts totalling EUR 63 million were paid from sales recognised as income in 2012.

FUND BUSINESS

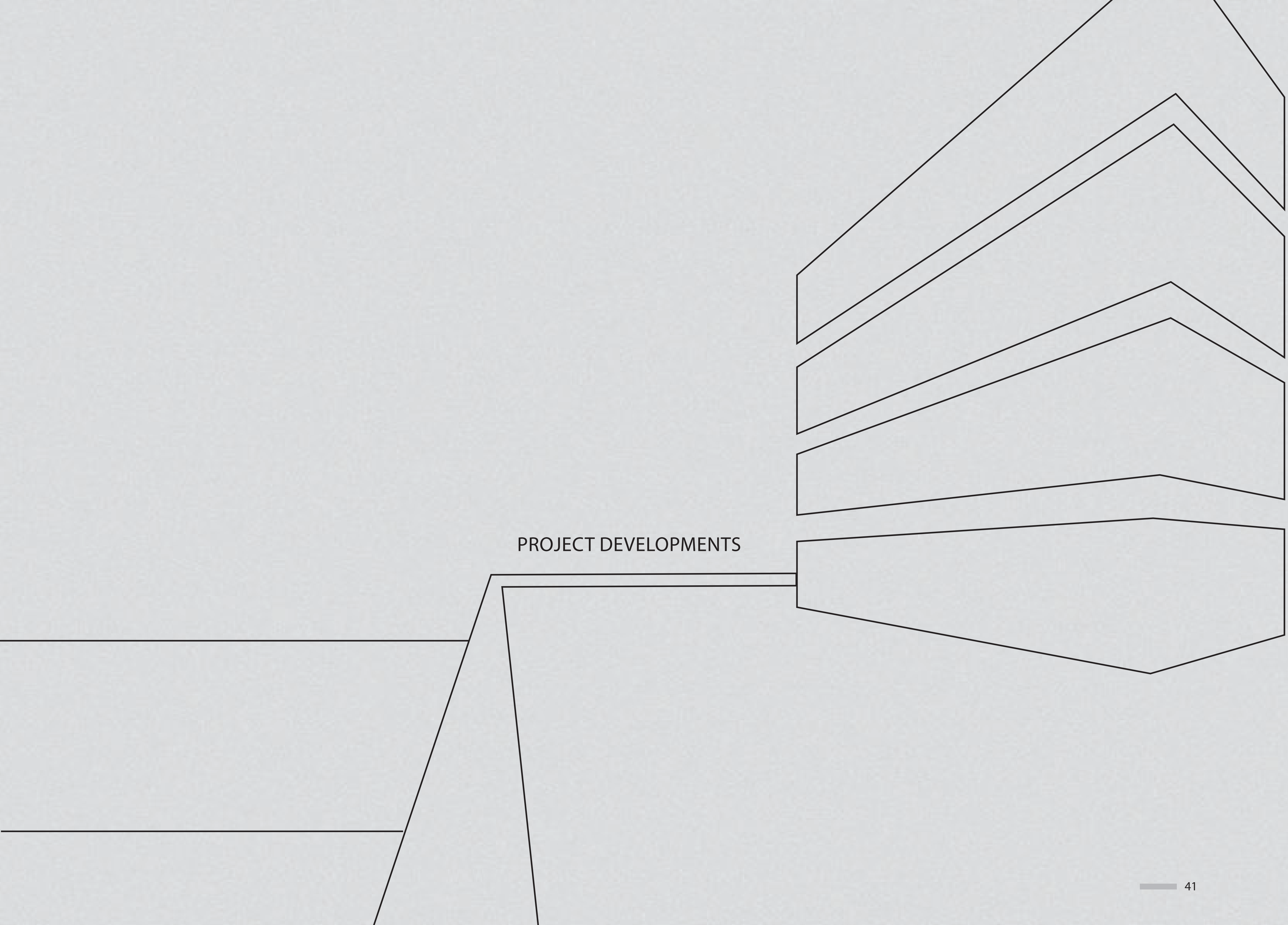
We assemble special funds and investment structures for institutional investors (most notably foundations, pension funds, insurance companies and private asset managers). We have a 20% stake as a co-investor and contribute our real estate and investment expertise as a service provider. In addition to income from equity interests, we therefore regularly earn income for asset and property management as well as management fees on acquisitions and sales for the fund.

For the second fund, the "DIC HighStreet Balance" retail special fund, we have now attracted equity commitments from six German institutional (including pension funds and insurance companies). As a result, we have equity of more than EUR 105 million available for investment at the start, including the co-investment from DIC Asset AG. This means that, including financial debt, investment volume of around EUR 200 million is already possible for the fund.

In 2012, we achieved our growth targets in our special fund business: Following acquisitions of EUR 70 million in 2012, the "DIC Office Balance I" special fund already has a fund volume of some EUR 340 million. At the same time, we have completed the first investments amounting to EUR 25 million for the "DIC High-Street Balance" fund; the target investment volume for the "DIC HighStreet Balance" fund amounts to around EUR 250 million. In total, we are aiming for a fund volume for both special funds of approximately EUR 700 million, which we plan to achieve in the next two years. More than half the target volume has already been achieved at around EUR 365 million.

The FFO contributions resulting from fund business are posting continuous growth: in 2011, they stood at over EUR 3 million and have risen sharply to around EUR 4 million in 2012.

PROJECT DEVELOPMENTS



Project developments allow us to increase the value of properties significantly through extensive construction measures, which means that they can be placed within a higher-value market segment or gain lettable area. For this purpose, we make use of the expertise of the Deutsche Immobilien Chancen Group as an experienced developer.

Our target for development projects is to achieve a sale once value has been created. We minimise existing construction and financing risks by ensuring that sufficient advance marketing is in place before going through with a project and, as a basic principle, only conducting business in places where we are represented with branch offices.

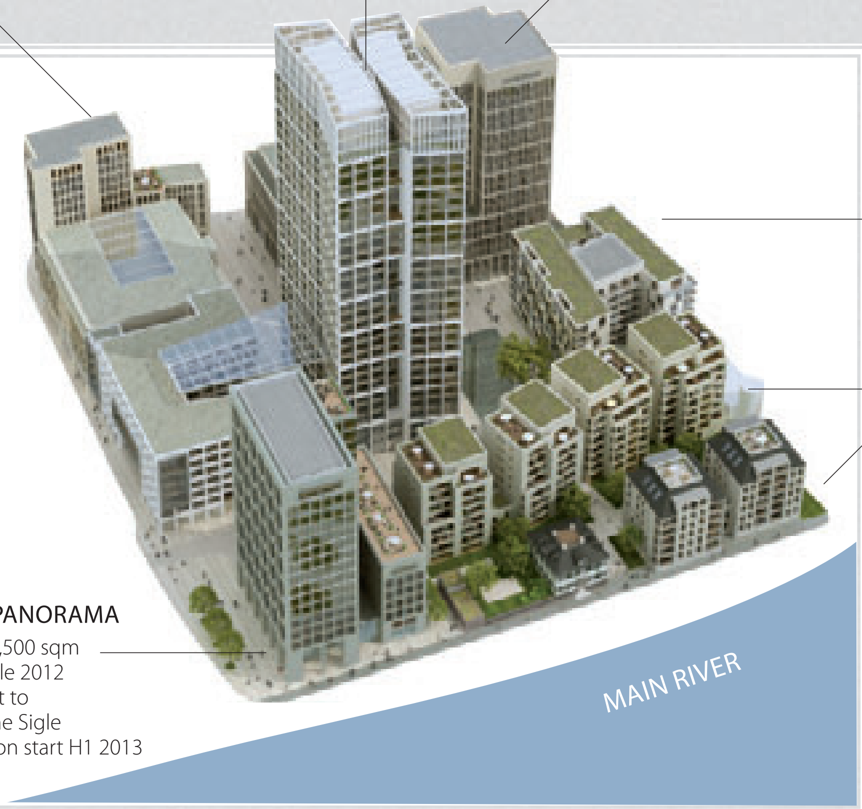
Currently, we are involved in the MainTor development in Frankfurt and the Opera Offices in Hamburg in the amount of some EUR 750 million. This is in addition to TRIO Offenbach, a portfolio development, which was completed in February 2013.

Foundation layed for the office complex „MainTor Porta"

"MainTor - The Riverside Financial District" in Frankfurt

We have made significant progress in the marketing and construction of the MainTor site in 2012. The district is already established as an outstanding location in Frankfurt's banking quarter. We have made far more rapid progress with marketing than planned and have secured the basis for future profits through rentals and sales:

- At the end of 2012, Union Investment rented some 14,000 sqm in the "MainTor Porta", which at the same time set the ball rolling for implementation of this stage of construction.
- In July 2012, Ärzteversorgung Westfalen-Lippe bought the "MainTor Panorama" and "MainTor Patio" with a volume of EUR 150 million in a forward deal. This meant that construction could also start independently of the letting process.
- In August 2012, a ceremony was held with business partners and representatives from the City of Frankfurt to mark the laying of the foundation stone for "MainTor Porta".
- In December 2012, marketing of the condominiums in the "MainTor Palazzi" started and is meeting with strong demand.
- We achieved two further major successes in letting at the beginning of 2013: CMS Hasche Sigle will be the anchor tenant in the "MainTor Panorama" office building, renting over 9,000 sqm, which is approximately 70% of the rental space. Union Investment, which is already the anchor tenant in the "MainTor Porta", will take over a further 8,000 sqm, making it the sole tenant.



MAINTOR – THE RIVERSIDE FINANCIAL DISTRICT

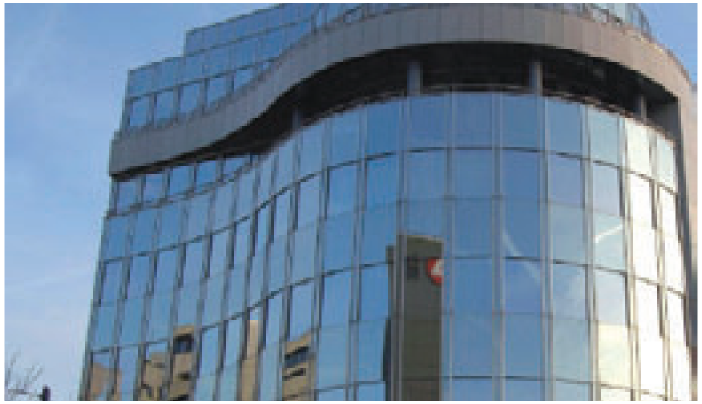
With the "MainTor" project, DIC is developing a new urban district in one of the most attractive locations in central Frankfurt. The central business district (CBD) will extend as far as the River Main in future. We are implementing the MainTor development in five sub-projects. DIC Asset AG holds a 40% stake in the development project.

Successful work shall continue in 2013

In February 2013, 60% of the project volume is therefore already being implemented; the project is progressing faster than planned. In 2013, we shall build on the successful start to sales of the condominiums with intensive marketing and will focus on marketing the central "WinX" office block from autumn. "MainTor Primus" and "MainTor Porta" are under construction and should be completed in autumn 2013 and in spring 2014 respectively. Construction will also start on "MainTor Patio" and "MainTor Panorama", which will together cost around EUR 150 million, in the first half of 2013.

A start to Opera Offices after forward sale

In the first quarter of 2012, DIC sold the sub-project "Opera Offices Klassik" comprising a rental space of over 4,500 sqm to a North German pension fund as part of a forward deal. This allowed us to make a start on the development measures for the entire Opera Offices complex. The refurbishment of the "Opera Offices Klassik" project should be completed by autumn 2013. Demolition above ground for "Opera Offices Neo" started in the second half of the year. Construction work can therefore start without losing any time. The entire "Opera Offices" complex has a volume of around EUR 55 million. DIC Asset AG holds a 20% stake in the development project.



TRIO Offenbach completed

The conclusion of a tenancy agreement with MainArbeit (City of Offenbach) for 17 years in TRIO Offenbach in mid-2011 set the ball rolling for our development project from the existing portfolio. We started with the complete refurbishment of the strikingly curved building comprising some 5,200 sqm, which was occupied by the tenant in December 2011. This was followed by the construction of an adjacent new building of around 2,500 sqm in 2012. This work was completed in February 2013. The site also offers further potential for active use of the entire quarter and for more buildings.

SUSTAINABILITY

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

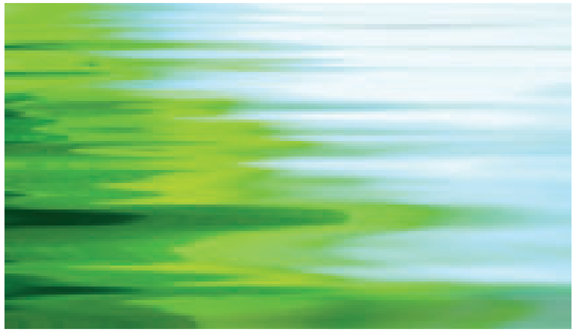
As a real estate company with a long-term investment horizon, we are geared to dealing with resources and the environment in a sustainable manner. This minimises risks, promotes existing business and opens up new commercial opportunities to us. In our entrepreneurial decisions and processes, we take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

Our approach to sustainability includes

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

We started reporting on our sustainability in 2012 and published no fewer than two reports on our website this year. We presented the first report in March 2012 at the same time as the Annual Report. This work laid the foundations for our reporting. Publication of an updated and extended version in December followed the recording of property consumption data for the reporting periods 2009-2011, which are usually not calculated in full until every autumn.

In our latest report, we expanded the "Ecology" section in particular. We collected more comprehensive operating and consumption data on our properties and the additional data allowed us to make our analyses more detailed.



GRI ACCORDANT

Major successes in 2011/2012

- Launch of sustainability reporting
- documentation of DIC Asset AG's energy consumption and emissions
- Integration of sustainability in the future business strategy
- Nomination of officers responsible for sustainability at Management Board and Division level
- Development of standard reporting structures and expansion of basis of data for determining energy consumption values (electricity, heating) and water
- Calculating the CO2 output
- "Green Energy" project largely implemented: bundling of mains electricity supply from 100% renewable energy sources
- Inclusion of sustainability issues in new facility management service agreements put out to tender and concluded
- Raising awareness of sustainability among employees
- Communication with tenants and service providers with the aim of integrating aspects of sustainability into operating processes

Milestone schedule 2012-2016

- Drafting a sustainability action plan for 2012-2016 based on the findings from our first portfolio of analyses (e.g. optimising energy efficiency through improved energy management or technical innovations)
- Expanding sustainability reporting on a gradual basis in accordance with (sector) standards; achievement of a higher reporting level in accordance with GRI (Global Reporting Initiative)
- Involvement in initiatives and projects to promote sustainability in the real estate industry
- Supporting projects that have a positive influence on the social, cultural and economic environment

EMPLOYEES

The knowledge, experience, capabilities and commitment of our employees provide the vital basis for our company's success. We can only achieve our ambitious targets if we have qualified and motivated employees, who represent our company externally with success and conviction. We therefore value and promote entrepreneurial thinking and action, the ability to act on one's own initiative, flexibility and specialist knowledge.

Systematic personal development

Systematic personnel development is crucial to our long-term corporate development strategy. The aim of personal development is to support and promote our employees and improve their qualifications, and to secure their long-term loyalty. Our central Personnel Department ensures that talents are discovered, nurtured and deployed ideally throughout the Group. We therefore support our employees in their personal further development and advancement and invest in disseminating knowledge and skills. We offer training sessions on specific topics (e.g. on changes to the IFRS accounting standards or concerning sustainability in project development) as well as general ongoing training areas such as languages and presentation skills.

Personal development is also a core element of the duties of our managers. We support our managers in this regard and provide them with tools, including through regular training sessions. In addition, we hold regular management meetings with the Management Board. In addition to an internal exchange of knowledge, sector- and property-specific issues, among other things, are examined in greater depth in lectures by specialists during these meetings.

An attractive employer

To win over high-performing staff for our company is also one of the most important tasks in personnel management. In order to appeal to talented and highly qualified candidates, we work to position DIC Asset AG as an excellent employer and raise awareness of the benefits of working for us. Thus – unlike many major corporations – we are able to offer flat hierarchies, the assumption of responsibility at an early stage and extensive powers to take decisions independently. To publicise this, we are intensifying our cooperation with selected universities focusing on real estate. For example, our managers give lectures there and establish close contact with academic staff.

In 2012, we offered and organised a company-specific intensive study programme leading to a qualification as "Real Estate Manager (ebs)". This study programme focused on conveying the knowledge needed by specialist staff and managers and was completed successfully by nine employees. We also participated at the real estate careers fair organised by Immobilien Zeitung in Frankfurt in May 2012 for the first time.

Training of junior employees, support for students

We invest in the training of young people and regard this as an important socio-political contribution. In 2012, we also provided training at our Central branch under the dual system for two students reading real estate studies at the University of Cooperative Education. School children and students are also given an insight into various areas of our company through school internships (lasting 14 days) and student internships (lasting two to six months) and are entrusted with various day-to-day tasks during these. We offer university graduates the opportunity to embark upon a 12 or 18-month training programme following their studies, and we currently have three employees on this scheme. We also provide students with support for their Bachelor's dissertations or Master's theses. We view all these programmes as important ways of acquiring new and well-qualified junior employees for our company.

Salaries: Fair remuneration and promoting performance

Our salaries consist of a basic income, supplementary benefits and performance-related components. We base our salaries on industry standards and those of our competitors. The performance-related component is based on achieving strategic and operating targets and individual goals. In this way, we encourage and support an awareness of entrepreneurial issues among our employees. In 2012, EUR 12.1 million was spent on our employees in total. This figure includes performance-related bonuses of EUR 1.8 million, corresponding to a share of approximately 15%. Social security contributions, pension provision and other benefits amounted to EUR 1.4 million.

Employee base for company growth expanded

In 2012, DIC Asset AG had an average of 138 employees (2011: 122); the figure at the end of the year was 140 (2011: 127).

In line with our portfolio targets, we further increased staff numbers in the Group in 2012. The increase of around 18 employees on average relates in particular to the area of asset and property management, where the majority of our employees in the branches are involved in letting and optimising properties. In mid-2012, we also increased the DIC Onsite management team to take account of the increased workload. At the same time, the portfolio management team of DIC Asset AG was fully integrated into DIC Onsite's organisational structure as the "Portfolio Management" unit, which will shorten decision-making processes and make letting and tenant support even more efficient.

NUMBER OF EMPLOYEES

	31.12.2012	31.12.2011
Portfolio management, investment and funds	13	14
Asset and property management	110	97
Group management and administration	17	16
Total	140	127

FINANCIAL INFORMATION

FINANCIAL INFORMATION

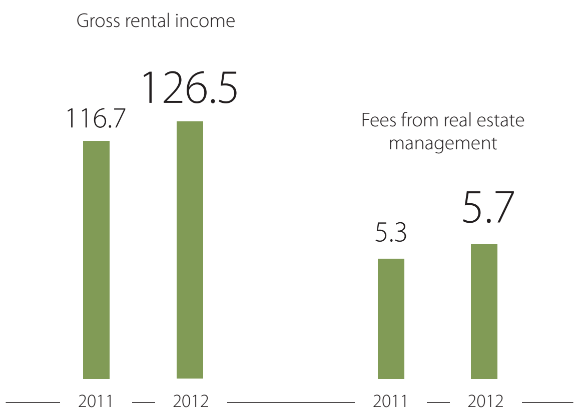
REVENUES AND RESULTS

- Gross rental income increased by 8%
- FFO increase of 10% to EUR 44.9 million
- Profits on sales significantly increased
- Profit for the period up 11% to EUR 11.8 million

In 2012, FFO increased significantly, as planned, by 10% from EUR 40.8 million to EUR 44.9 million. We also significantly increased the profit for the period by EUR 1.2 million to EUR 11.8 million.

In terms of income, successful acquisitions providing higher rental income and increased fees from real estate management contributed to this good result. We also increased our rental income thanks to intensive letting activities, the success of which is also apparent from the marked reduction in the vacancy rate. Other factors that helped to create higher earnings were the efficient operating structures and a stable interest result. Higher profits from disposals of properties additionally played an important part in generating increased profit for the period.

GROSS RENTAL INCOME AND FEES FROM REAL ESTATE MANAGEMENT EUR million



Higher rental income thanks to portfolio growth
Both gross rental income, at EUR 126.5 million, (+8% year-on-year) and net rental income, at EUR 113.2 million, (+6% year-on-year) increased significantly compared with 2011. This is mainly attributable to the acquisition-driven expansion in our portfolio volume but also to improvements in the occupancy rate.

Profits form property disposals more than doubled
In 2012, we increased disposals proceeds from our existing portfolio significantly by EUR 58.0 million to EUR 75.7 million (2011: EUR 17.7 million). Profits from disposals therefore rose by EUR 2.1 million (+124%) to EUR 3.8 million. The vast majority of the disposal proceeds and profits is attributable to the sale of the Bienenkorbhaus in Frankfurt.

Fees from real estate management increased
Real estate management fees rose by EUR 0.4 million (+8%) to EUR 5.7 million. In this connection, the expansion in our fund business over-compensated for the scheduled loss of earnings following sales of co-investment properties and the complete takeover of three joint venture portfolios in autumn 2011. Apart from the growth in rental income, the growth in total revenues of EUR 71.9 million (+46%) to EUR 229.1 million is mainly attributable to the substantially higher property disposal proceeds from the Commercial Portfolio.

OVERVIEW OF REVENUES EUR million

	2012	2011	
Gross rental income	**126.5**	116.7	+8%
Real estate management fees	**5.7**	5.3	+8%
Property disposals proceeds	**75.7**	17.7	+328%
Other	**21.2**	17.5	+21%
Total revenues	**229.1**	157.2	+46%

Operative costs in the budget

In 2012, the ratio of operating costs to growth in revenues was appropriate. The operating cost ratio (administrative and personnel expenses to gross rental income, adjusted for real estate management income) is, at 12.0% (2011: 11.5%), within our target range of 11-12%. Administrative expenses increased slightly by EUR 0.3 million (+4%) to EUR 8.8 million. As a consequence of further business activities, personnel expenses rose more sharply by EUR 1.9 million (+19%) to EUR 12.1 million with part of this increase being attributable to variable elements of the Management Board's remuneration, which rose because of the improved trend in our share price.

Disproportionately low increase in interest result

We were able to keep our net financing costs at the previous year's level. Thanks to the low level of interest rates and to new financing and refinancing on attractive terms, interest expenses only rose slightly by EUR 2.1 million (+3%) to EUR -66.0 million and was therefore clearly under-proportionate in comparison with the growth of rental income. Interest income increased by EUR 1.9 million (+24%) to EUR 9.8 million primarily as a result of the issuing of a loan to a MainTor project company. In total, therefore, interest income remained almost stable at the previous year's level at EUR -56.2 million with only a slight increase of EUR 0.2 million.

FFO grows by 10%

FFO (funds from operations), which reflects earnings from ongoing portfolio management, rose by EUR 4.1 million (+10%) to EUR 44.9 million and consequently far more than growth in rental income. The main causes of this were the increased earnings from real estate management and the stable interest result. At 35%, the FFO yield (FFO in relation to gross rental income) remained constant compared with 2011. The FFO per share increased to EUR 0.98 (2011: EUR 0.92).

In order to take account of the increasing importance of results from project developments with Co-Investments and the continuing significance of the FFO ratio, we have now separated out the indirect earnings contributions in the FFO calculation that are related to project developments and sales.

Profits from associates of EUR 1.8 million

At EUR 1.8 million, share of the profit of associates (our Co-Investments) was EUR 0.8 million (-31%) below the level of the previous year. The figure comprises income from our fund investments (EUR 1.6 million), as well as from the disposal of properties and income from letting properties from joint venture portfolios (EUR +1.0 million) and project developments (EUR -0.8 million). In the case of project developments, the marketing success of the MainTor project, which was achieved more quickly than expected, accounted for higher marketing costs, which have an immediate impact on the result.

Profit for the period: plus 11% to EUR 11.8 million

Profit for the period rose by EUR 1.2 million (+11%) to EUR 11.8 million compared with the previous year. The main reasons behind the growth in profits are increased profits on sales and higher income from rentals, with financing expenses remaining stable at the same time. Earnings per share amount to EUR 0.26 compared with EUR 0.24 in the previous year.

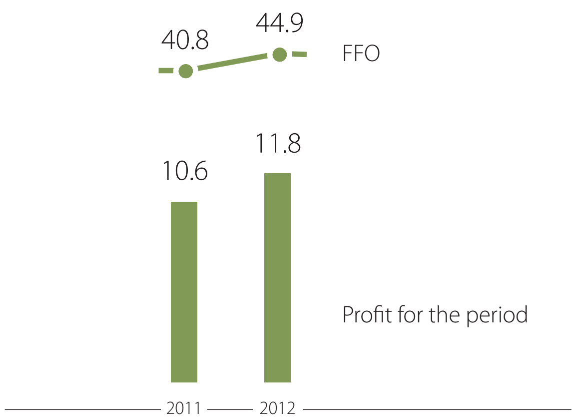
Segment results

The demarcation of our segments follows internal reporting and management by region using key operating figures. Therefore, no information on sales, earnings or balance sheet items is provided. Information on the segments can be found on page 16 and on page 36.

DERIVATION OF FFO EUR million

	2012	2011	
Net rental income	**113.2**	106.8	+6%
Administrative expenses	**-8.8**	-8.5	+4%
Personnel expenses	**-12.1**	-10.2	+19%
Result of other operating income/expenses	**0.3**	0.6	-50%
Real estate management fees	**5.7**	5.3	+8%
Share of the profit from associates without project developments and disposals	**2.8**	2.9	-3%
Interest result	**-56.2**	-56.0	0%
Funds from operations	**44.9**	40.8	+10%

FFO AND PROFIT FOR THE PERIOD EUR million



FINANCIAL POSITION

- Average interest rate reduced to 3.95%
- Interest cover ratio increased to 172%
- Bank liabilities decreased

Underlying principles of our financial management strategy
With the help of our financial management strategy, we ensure that we can guarantee DIC Asset AG and its investments are solvent at all times. We also strive to achieve the greatest possible stability vis-à-vis external influences and, at the same time, to maintain the degree of freedom that guarantees our company's development.

We meet our financing requirements primarily through traditional bank financing and the capital markets. In 2011, we also issued a bond (5-year term, interest rate of 5.875%, volume of some EUR 70 million), which allowed us to extend our financing spectrum and increased our flexibility. We reacted to the significant interest among investors by obtaining further bonds worth approximately EUR 16 million as part of a private placement and by January 2013, we had achieved full placement of EUR 100 million in total. We maintain good business relationships with many partner banks and avoid being too heavily dependent on individual financial institutions. We always arrange loans at customary market conditions and review them continuously to see whether there is scope for optimisation.

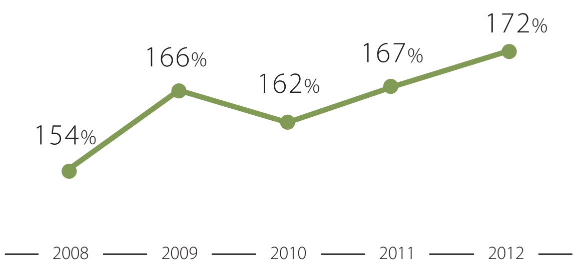
To make our financing structure as stable as possible, we always conclude our financing on a long-term basis, mainly over 5-8 years. We also ensure that the financing horizon is consistent with our targets for the properties. Bank financing is conducted with a specific focus on the property and portfolio on a non-recourse basis, which rules out unlimited access to the company group. We achieve greater stability and security in our planning by hedging against fluctuations in interest rates.

Management of our financing is organised centrally within DIC Asset AG and covers all subsidiaries and property companies. As a result our payment arrangements are cost-efficient. We are therefore able to optimise our liquidity management, improve our capital structure and reduce external borrowing to a minimum.

FINANCING ACTIVITIES IN THE COMMERCIAL PORTFOLIO IN 2012
EUR million

New loans raised	+39.2
Refinancing	+108.2
Increase in corporate bond	+15.7
Repayment of loans	-92.0

INTEREST COVER RATIO



Extensive financing volume realized
Including financing activities for our Co-Investments, we implemented a financing volume of some EUR 640 million in 15 transactions in 2012. Apart from EUR 250 million for financing in the Commercial Portfolio, which will partly take effect in 2013, EUR 50 million is attributable to acquisitions for our funds as well as some EUR 340 million to financing for additional Co-Investments (MainTor project refinancing, "MainTor Porta" construction financing and Primo portfolio refinancing).

Financial debt reduced
The balance sheet financial liabilities as of 31.12.2012 after repayments resulting from sales, as well as refinancing, was EUR 32.0 million lower than in the previous year, at EUR 1,489.9 million. Further external funds with a volume of around EUR 27 million were repaid at the beginning of 2013 in connection with the disposals registered as of the end of 2012. The vast majority of financial debt comprises loans from banks (94%) and funds from our bond issue (6%). In the course of 2012, we raised new loans of EUR 13 million to acquire the Red Square office property, EUR 11 million for an office property at Frankfurt's main station and EUR 14 million for the REWE corporate headquarters. The loan repayments include sales-related unscheduled repayments of EUR 63 million.

Financial base strenghtened, costs reduced
The term structure of our financing has significantly improved from 2.7 years at the end of the third quarter to a current level of 3.5 years primarily as a result of the refinancing activities. In the Commercial Portfolio the average term of financing agreed in 2012 amounts to approximately 7 years. In comparison with agreed existing financing, the interest costs, at approximately 3.25%, are well below the existing interest costs.

Refinancing for 2013 secured at an early stage

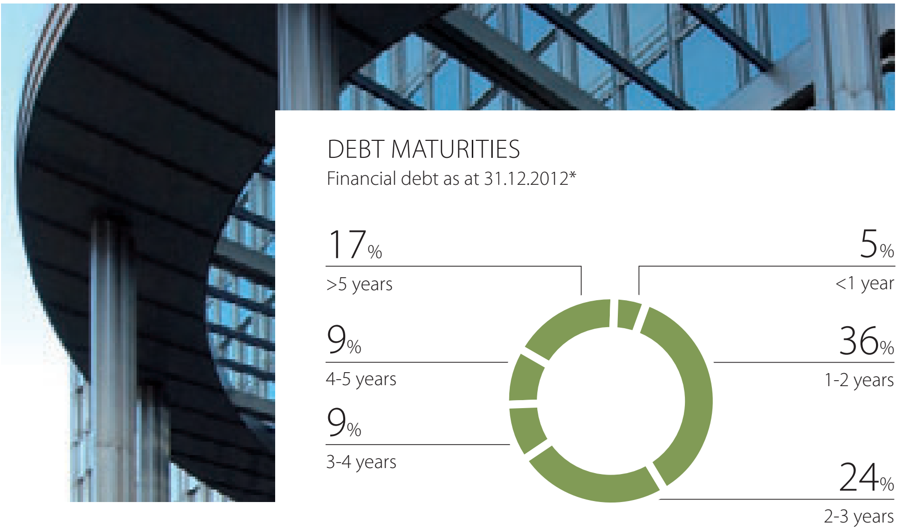
The majority of the refinancing for the existing portfolio (Commercial Portfolio) pending in 2013 has already been concluded (some EUR 90 of 140 million). As a result only some EUR 50 million is due to be refinanced in the current financial year. In the following year, renewals will be spread as usual over several loans that are independent of each other.

Financing is hedged against fluctuations in interest rates

We hedge the vast majority of debt (81%) against interest rate fluctuations – either by taking out fixed-rate loans or simply constructed derivative interest rate hedging instruments. This gives us long-term security in our planning and prevents interest rate risks. Possible changes in the interest rate do not impact on income but on the equity reported in the balance sheet. 19% of our liabilities – primarily short-term in nature – are agreed at variable rates.

Interest result stable, interest cover ratio significantly improved

As at 31 December 2012, the average interest rate on all debt, at 3.95%, was 40 basis points lower than a year ago (4.35%). With an interest result of EUR -56.2 million, we are at the previous year's level. Interest income rose from EUR 7.9 million to EUR 9.8 million, interest expenses rose from EUR -63.9 million to EUR -65.7 million. We achieve interest income from investing cash and cash equivalents and from the strategic deployment of funds as part of Co-Investments. We increased the interest cover ratio (ICR), the ratio of net rental income to interest payments, by 5 percentage points from 167% to 172% thanks to the stable financing costs combined with higher rental income.



* Including current refinancing performed and sales implemented

Financing obligations met in full

It is of fundamental importance to our acquisitions that we conclude long-term financing which is congruent with the objectives for the real estate development. Throughout the year and as at the reporting date, we met all our financing obligations including financial covenants. Financial covenants are standard components of financing agreements on the market and specify the attainment of key financial figures such as the interest cover ratio (ICR) or the debt service coverage ratio (DSCR).

Other information

There are no forms of off-balance sheet financing. The consolidated financial statements reflect all forms of the company's financing.

Comfortable liquidity situation

Liquidity planning has the utmost priority for us, as part of financial management, and against the backdrop of conditions for the granting of credit which remain more stringent. We therefore endeavour to avoid being dependent on additional financing for ongoing operations. For this purpose, we carry out annual liquidity planning as part of our budgeting process, which is then continuously updated through weekly liquidity status reports. The consistency of our cash flow enables us to make a detailed liquidity forecast against which we can align our cash deployment and requirements with great precision.

During 2012, DIC Asset AG was at all times able to honour its payment obligations. As at 31 December 2012, free liquidity amounts to around EUR 60 million. We also have unutilised financing lines of EUR 24 million at our disposal. The fall in liquid funds of EUR 43.5 million is primarily a result of acquisitions carried out with equity, portfolio investments and dividends. The sales contractually agreed as of the end of the year, as well as the successful further increase in the bond, have increased the level of free liquidity by EUR 23 million.

Cash flow increased by 14%

Higher rental income meant that we generated cash flow from ordinary operating activities of EUR 105.6 million, an increase of EUR 10.6 million (+11%) on the previous year. Even after deduction of interest and taxes paid, the cash inflows are higher compared with the previous year: Cash flow from operating activities was EUR 43.9 million, EUR 5.5 million (+14%) more than in 2011.

In 2012, cash flow from investment activity was marked by sales that offset purchases. During the previous year, the focus was more on acquisitions. Cash flow from investment activities, at EUR -32.3 million was significantly below the previous year's figure (down EUR 123.4 million or 79%), also as a result of the fact that purchases were concentrated in the area of Co-Investments for fund business. Outflows for sales and portfolio investments amounted to a total of EUR -90.3 million (2011: EUR -158.3 million). The vast majority of these were acquisitions amounting to EUR 61.6 million to strengthen our portfolio. We substantially expanded our portfolio investments by EUR 5.7 million to EUR 20.9 million. Inflows from sales amounted to EUR 76.0 million (2011: EUR 25.3 million). As a result of agreements with our tenants, investment commitments in the real estate portfolio are EUR 3.8 million.

The repayment of loans was the focus of financing in 2012. Cash flow for financing purposes amounted to EUR -55.1 million compared with EUR 100.4 million in the previous year. We repaid loans totalling EUR 92.0 million while only taking up new loans of EUR 39.2 million. Further placing of bonds gave us a cash flow of EUR 15.7 million. In 2011 new loans and the redemption of old loans balanced each other out; added to this were the funds from the capital increase and bonds issue.

CASH FLOW EUR million

	2012	2011
Profit for the period	11.8	10.6
Cash flow from operating activities	43.9	38.4
Cash flow from investing activities	-32.3	-155.8
Cash flow from financing activities	-55.1	100.4
Net changes in cash and cash equivalents.	-43.5	-17.0
Cash and cash equivalents at 31 December	56.7	100.2

ASSET POSITION

- Real estate assets virtually stable at EUR 1.9 billion
- Net debt equity ratio at over 31%
- Net asset value slight increase to EUR 685 million

Following significant growth in the previous year, the impact of purchases and sales on the portfolio was balanced in 2012. Our real estate assets in the Commercial Portfolio fell slightly, while the proportional portfolio volume of Co-Investments rose sharply by around 15%. Net asset value increased by EUR 6.6 million to EUR 685.4 million.

Acquisition costs used for financial reporting

We report our properties at cost less depreciation. Our acquisition values are reviewed each year within the framework of the impairment test required under IFRS to establish whether extraordinary impairment charges are required. We use the value in use, which reflects the value of a property irrespective of its intended use, as a criterion for comparison with balance sheet values. No adjustments to real estate assets were required under the impairment tests in 2012.

Assets: acquisitions and sales virtually offset one another

As at 31 December 2012, total assets, at EUR 2,210.2 million, were some EUR 34.4 million (-2%) below the figure at the end of the previous year.

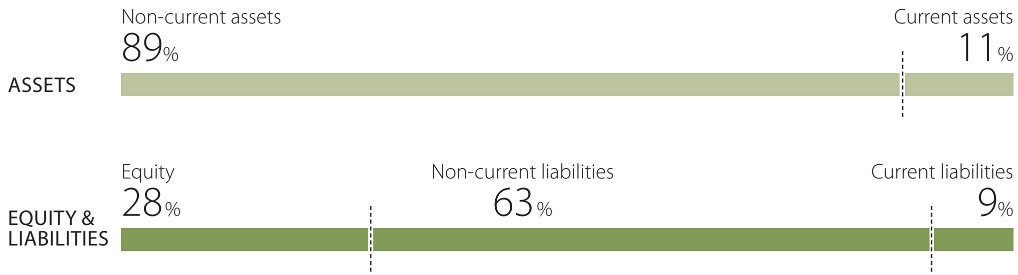
Investment property (our existing properties in the Commercial Portfolio) was recorded on the balance sheet at EUR 1,847.4 million at the end of 2012. The fall of EUR -54.7 million (-3%) is partly attributable to sales of EUR 71.8 million, including most notably the Bienenkorbhaus, which exceeded the volume of our acquisitions (EUR 62.3 million). The investments in associates (our Co-Investments) increased by EUR 9.2 million (+14%) to EUR 75.7 million, mainly because of acquisitions for the special funds and the higher share value of the MainTor project. In total, non-current assets, at EUR 1,959.9 million, were EUR -33.8 million (-2%) down on the previous year as at 31 December 2012.

At EUR 250.3 million, current assets remained at the level of the previous year (2011: EUR 250.8 million). Receivables from related parties mainly consist of loans granted as part of our Co-Investments. The increase compared with the previous year is mainly due to the provision of bridge financing for the MainTor project development. The reduction in credit balances with banks is attributable to purchase price payments for acquisitions, portfolio investments and the dividend payment. At the end of 2012, credit balances with banks amounted to EUR 56.7 million (2011: EUR 100.2 million).

Equity of around EUR 614 million

At the end of 2012, our equity was EUR 614.3 million, which is EUR 7.0 million (-1%) less than at 31 December 2011. The profit for the period increased equity by EUR 12.3 million, while the deterioration in the negative hedging reserve as a consequence of the fall in interest rates (EUR -2.7 million) and the dividend payment for the financial year 2011 (EUR -16.0 million) reduced

BALANCE SHEET STRUCTURE



equity. At 27.8%, the equity ratio is slightly up on the previous year (2011: 27.7%). The net debt equity ratio was 31.2% (2011: 31.6%).

Net asset value rises slightly to EUR 685 million

Net asset value (NAV) indicates the actual value of all material and intangible assets less liabilities. The net asset value came to EUR 685.4 million at the end of 2012. Compared with the previous year, we increased the net asset value by EUR 6.6 million (+1%). Factors which had a positive impact on the net asset value in 2012 were primarily the annual profit and sales profits. On the other hand, we had the distribution of dividends and the change in market value of real estate. The net asset value per share was EUR 14.99. In the previous year, the net asset value per share was EUR 14.85. The NNNAV was EUR 13.13 per share (2011: EUR 13.12).

OVERVIEW OF THE BALANCE SHEET EUR million

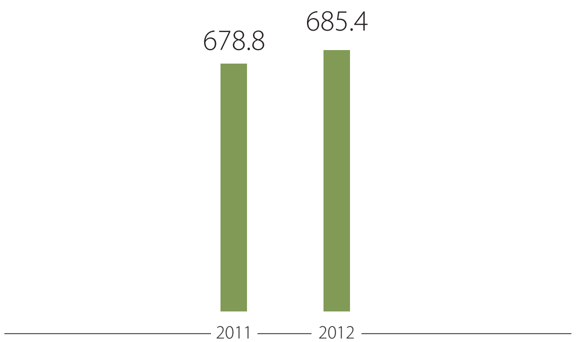
	31.12.2012	31.12.2011
Total assets	2,210.2	2,244.6
Non-current assets	1,959.9	1,993.8
Current assets	250.3	250.8
Equity	614.3	621.3
Non-current liabilities	1,315.1	1,324.8
Current liabilities	147.5	194.9
Other liabilities	133.3	103.6
Total liabilities	1,595.9	1,623.3
Balance sheet equity ratio	27.8%	27.7%
Net debt equity ratio *	31.2%	31.6%
Net debt ratio *	68.8%	68.4%

* Net of cash and excl. hedging reserve, derivatives, deferred tax for hedges

NET ASSET VALUE EUR million

	31.12.2012	31.12.2011
Market value real estate	1,878.9	1,893.0
Market value investments	81.7	69.2
+/other assets and liabilities incl. minority interests	214.7	238.4
Net loan commitments	-1,489.9	-1,521.9
Net asset value (NAV)	685,4	678.8
No. of shares (thousand)	45,719	45,719
NAV per share in EUR	14.99	14.85
NNNAV per share in EUR	13.13	13.12

NET ASSET VALUE EUR million



OTHER INFORMATION

Impact of balance sheet policy and accounting changes on the presentation of the economic position

In 2012, no options were exercised, no facts were presented in the balance sheet or changes made to discretionary decisions which – if treated differently – would have had a material impact on the earnings, asset and financial position in the financial year.

On the basis of findings from the Financial Reporting Enforcement Panel (DPR), several figures for the 2011 financial year were adjusted in line with IAS 8. As a result, earnings from associates increased in the profit and loss account by EUR 0.2 million, while depreciation and other results declined by EUR 0.1 million and EUR 0.3 million. Annual results and tax remained unchanged at EUR 10.6 million. In the balance sheet to 31 December 2011, equity declined by EUR 2.9 million, debt by EUR 0.7 million and investments in associates by EUR 3.6 million.

Non-financial performance indicators

Non-financial performance indicators play a major role in the enduring success of DIC Asset AG. These values are not quantifiable and cannot therefore be reported in the balance sheet. These are values which constitute clear competitive advantages and are due to the long-standing nature of the company's operations, the expertise developed as well as an extensive network within the market. These include amongst other things:

- Sustainability-related financial and non-financial performance indicators. We report on these in detail in our Sustainability Report, which is available to download from our website.
- Motivated and committed managers and employees
- Competitive and organisational advantages from our real estate management throughout Germany (DIC Onsite)
- Long-term relationships with highly satisfied tenants
- Established, trusting cooperation with service providers
- Establishment of sustainability in the business model
- Trusting partnerships with strategic financial and capital partners
- Cooperation with analysts, the capital market, journalists, and the media

Certain leased, rented or hired assets (operating leases) are not included in the balance sheet. This does not relate to any DIC Asset AG properties and has no material impact on the asset position overall.

The DIC brand ranks among the intangible assets which are not capitalised in the balance sheet. During the reporting year, we used the brand consistently in our corporate image and enhanced it further through a variety of public relations activities.

SUPPLEMENTARY REPORT

After transfer of the properties sold at the end of 2012 from the Commercial Portfolio, there is a profit from sales of around EUR 1.5 million. When these sales are implemented, EUR 27 million in liabilities will be paid back to banks. There are also other available funds of around EUR 10 million from sales with planned transfer of ownership in the first quarter of 2013.

The increase in our bond was completed by the end of January January 2013. The maximum issue volume was achieved worth EUR 100 million in total. From this, we have received a further EUR 13 million.

FORECAST

- Rental income of around EUR 121-123 million
- Reduction of vacancy rate to around 10%
- Acquisition volume at least EUR 150 million
- Moderate FFO increase to EUR 45-47 million (up to 5%)

Overall view

For the 2013 financial year, we are expecting general conditions to remain stable by and large for DIC Asset AG, mainly in view of the forecast trend in the labour market and a positive consumer climate, although the economy is likely to provide our company with less support than in the previous year. This means that our business will be more difficult overall than in the previous year, particularly with regard to letting. However, we are very well placed to handle these conditions with our Germany-wide organisational setup.

We shall pursue moderate growth in 2013 as well; to this end, we will continue to implement acquisitions and use our real estate management structure to further extend the quality and earnings power of our portfolio. We view our strategic positioning as a resilient competitive advantage, particularly with regard to international investors, which contributes to our maintaining of our long-term growth targets even in difficult conditions. We are capable of both coping with downturns in the economy and exploiting any opportunities that are available.

In the next few months, we are not planning any major changes to DIC Asset AG's basic focus or its market presence. We expect to exceed the previous year's operating profit and intend to increase FFO to EUR 45-47 million (up to 5%).

Economic environment

It is likely that growth in the German economy will weaken temporarily in 2013; the European Commission is currently predicting growth of 0.5%. At the same time, the weaker winter half-year 2012/2013 will prevent stronger growth overall. In particular, the resilient labour market, private consumer expenditure and private investment in housing will play a key role in underpinning economic growth. Thanks to this generally positive trend, German economic growth will once again significantly outstrip the euro zone average.

Uncertainty on the financial market has been quelled somewhat by the ECB's decisive action in supporting EU member countries with financing problems. Since, however, the causes of the sovereign debt crisis have not been rectified, we can expect the policy of low interest rates to continue in 2013 and may see additional support measures. As a consequence of this, investors will continue to focus on tangible assets. There are unlikely to be any material changes to the banks' cautious and restrained financing policy compared with the previous year.

Assessment of sectoral development

In the current financial year, we expect stable but more restrained growth in the office letting market than in the previous year. The robust trend in the labour market and office employment constitutes a sound foundation for our letting activities. However, competition for tenancies may well increase, which could make greater concessions to tenants in the form of rent reductions more frequent once again. Decision-making processes on the part of tenants who are prepared to move could take longer since decisions and negotiations regarding relocation will be weighed up even more carefully. Estate agents' analysts expect a letting volume of around EUR 3.0 million at best. This would match the level of 2012 and also the average of the last five years.

Thanks to a very strong fourth quarter in 2012, transaction volume on the commercial real estate market totalled approximately EUR 25 billion. Essentially, these record figures are evidence of the appeal of the German market to domestic and international investors. Even though non-recurring factors like the increase in property transfer tax have contributed to this, the general conditions for a buoyant market in transactions remain robust for 2013 too. Among other things, real estate investments promise far higher returns than ten-year federal bonds at present, the German economy is well-diversified compared with other European countries, and the policy of low interest rates will also ensure that financing conditions remain favourable in 2013.

Investors will continue to focus particularly on core properties, although fierce competition means that peak yields will also remain under pressure. The opportunities for an relaxation of what are often strict investment criteria are looking somewhat more favourable than previously: at the beginning of the year, there is an increasing willingness to incur risk on the financial market. Alternative financiers, such as debt funds, are also seeking market share. Should transaction activity extend to locations outside cities and to more management-intensive properties, then it is possible that investment volume will reach the level of 2012 or even slightly exceed it.

Further reduction in the vacancy rate planned

Thanks to the sharp reduction in vacancies in our portfolio, we have fewer tenancies coming up for renewal in 2013 than in the previous year. At approximately 45,000 sqm (potentially EUR 5.7 million) in total, significantly fewer tenancy agreements will expire in the 2013 financial year than in 2012. In relation to total rental income, expiring tenancies amount to around 4% compared with 10% in the previous year. For this reason, we are also confident that we shall let around 200,000 sqm in our portfolio despite less dynamic economic growth. Given fewer tenancies expiring in 2013, with this performance we once again expect a reduction in the vacancy rate by one percentage point to around 10%.

Acquisition volume of at least EUR 150 million

Our activities will also focus on expanding the portfolio moderately in 2013. On the basis of our liquidity at the beginning of the year, we are planning indirect and direct investment volume of at least EUR 150 million. We shall, as usual, use our acquisitions to strengthen the quality of our portfolio long-term. The acquisitions will reflect our investment criteria and will be for both our existing portfolio and our Co-Investments. Investment will be focused on the two special funds.

Growth in fund business
Following the successful launch of the second special fund "DIC HighStreet Balance", we have already acquired the first properties at a cost of EUR 25 million. This figure is to be increased significantly; we are also planning further investments for "DIC Office Balance I". In 2012 the FFO contribution from investment income and fees amounted to approximately EUR 4 million. This contribution should once again increase significantly in 2013 with the planned expansion in the portfolio to broaden our FFO base.

Disposal volume of at least EUR 80 million
We are planning disposals at the previous year's level, namely at least EUR 80 million. This will be divided evenly between the Commercial Portfolio and Co-Investments. Suitable properties have been identified and the groundwork for their sale has started. We are therefore well placed to put our properties on the market when the right opportunity arises.

Development projects
Overall, developments regarding our development projects have been far better in 2012 than originally planned – we are well ahead of schedule following significant progress on the MainTor project in particular. The first building on the MainTor site, "MainTor Primus", will be completed in 2013. We shall also continue with the sales of the condominiums, which have started well, and will focus on marketing for "WinX" from autumn onwards. The marketing of "Opera Offices Neo" will be at the forefront of our activities in Hamburg.

Comments on the profit forecast
Our forecast is based on a number of different fundamental assumptions:

- The German economy and labour market will remain strong
- The letting market will post stable growth
- Rental defaults due to insolvency will remain low
- We can reduce the vacancy rate by around one percentage point, as planned, with our letting activities.
- We shall achieve our planned acquisition volume of at least EUR 150 million

We will not give any firm indications as to the profit for the period. The precise amount of the profit for the period is very heavily dependent, among other things, on whether we can acquire or sell properties in our segments with majority or minority interests.

Expected sales and earnings position for 2013
On the basis of our planning assumptions, we are expecting rental income between EUR 121 and 123 million. Rental income of around EUR 2 million from planned acquisitions in the 2013 financial year have already been taken into account here. Our operating expenses are comparable with those of the previous year; in addition, we expect interest expenses to be slightly below those of the previous year. On this basis, we expect an increase in operating profit in 2013 with FFO of between EUR 45 and 47 million (approximately EUR 1 per share).

At the beginning of the year, sentiment on financial markets is positive, as extensive measures have been put in place to stabilise European countries in financial difficulties. However, this has not remedied the causes of the sovereign debt crisis, and the long-term effects cannot currently be predicted, let alone calculated. For this reason our planning contains additional risk assumptions. In spite of this, our forecast may differ materially from actual results if underlying assumptions are not fulfilled or other extraordinary developments occur.

Expected financial situation in 2013
On the basis of our plan, our ongoing business operations do not require any additional external financing at present. It is expected that portfolio investments, the funding requirements for refinancing pending in 2013, the dividend payment for the 2012 financial year and cash flow from disposals will represent the most significant factors influencing liquidity from operating activities in 2013. Our liquidity will also allow us to carry out acquisitions for moderate portfolio addition. In these cases, additional funds may be borrowed.

To the extent foreseeable, all liquidity requirements and commitments from financing are met.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period from 1 January 2012 to 31 December 2012 in TEUR

	2012	2011
Total revenues	229,088	157,244
Total expenses	-160,548	-91,233
Gross rental income	126,528	116,746
Ground rents	-830	-784
Service charge income on principal basis	20,487	16,300
Service charge expenses on principal basis	-22,923	-17,964
Other real estate related operating expenses	-10,066	-7,543
Net rental income	113,196	106,755
Administrative expenses	-8,847	-8,544
Personnel expenses	-12,123	-10,216
Depreciation and amortisation	-33,522	-29,616
Fees from real estate management	5,725	5,310
Other income	689	1,174
Other expenses	-343	-534
Net other income	346	640
Investment property disposal proceeds	75,658	17,714
Carrying value of investment property disposed	-71,893	-16,032
Profit on disposal of investment property	3,765	1,682
Net operating profit before financing activities	68,540	66,011
Share of the profit of associates	1,781	2,617
Interest income	9,797	7,898
Interest expense	-65,974	-63,921
Profit before tax	14,144	12,605
Current income tax expense	-1,913	-2,082
Deferred income tax expense	-401	89
Profit for the period	11,830	10,612
Attributable to equity holders of the parent	11,690	10,507
Attributable to minority interest	140	105
Basic (=diluted) earnings per share (EUR)	0.26	0.24

STATEMENT OF COMPERHENSIVE INCOME from 1 Januar to 31 December 2012 in TEUR

	2012	2011
Profit for the period	11,830	10,612
Fair value of hedge instruments		
Cash flow hedges	-2,376	-9,741
Cash flow hedges from associates	-308	776
Recorded directy in equity	-2,684	-8,965
Comprehensive income	9,146	1,647
Attributable to equity holders of the parent	9,006	1,542
Attributable to minority interest	140	105

CONSOLIDATED BALANCE SHEET at 31 December 2012 in TEUR

Assets	31.12.2012	31.12.2011
Investment property	1,847,372	1,902,129
Office furniture and equipment	490	538
Investments in associates	75,730	66,462
Other borrowings	10,910	0
Intangible assets	185	152
Deferred tax assets	25,217	24,441
Total non-current assets	1,959,904	1,993,722
Receivables from the disposal of property	0	358
Trade receivables	3,423	2,692
Receivables due from related parties	135,254	128,058
Income tax receivable	7,718	7,837
Other receivables	5,016	4,390
Other current assets	6,852	4,950
Cash and cash equivalents	56,698	100,244
	214,961	248,529
Non-current assets held for sale	35,307	2,300
Total current assets	250,268	250,829
Total assets	2,210,172	2,244,551

Equity and liabilities	31.12.2012	31.12.2011
Issued capital	45,719	45,719
Share premium	614,312	614,312
Hedging reserve	-62,761	-60,077
Retained Earnings	15,496	19,808
Total shareholders' equity	612,766	619,762
Minority interests	1,556	1,497
Total equity	614,322	621,259
Liabilities		
Corporate bond	85,195	68,589
Non-current interest-bearing loans and borrowings	1,229,893	1,256,165
Provisions	1,641	0
Deferred tax liabilities	11,649	10,985
Derivates	73,654	70,254
Total non-current liabilities	1,402,032	1,405,993
Current interest-bearing loans and borrowings	147,540	194,923
Trade payables	2,671	5,323
Liabilities to related parties	694	347
Provisions	11	33
Income tax payable	1,986	2,086
Other liabilities	13,616	12,356
	166,518	215,068
Liabilities directly associated with non-current assets held for sale	27,300	2,231
Total current liabilities	193,818	217,299
Total liabilities	1,595,850	1,623,292
Total equity and liabilities	2,210,172	2,244,551

CONSOLIDATED STATEMENT OF CASH FLOW for the Financial Year 2012 in TEUR

	2012	2011
Operating activities		
Net operating profit before interest and taxes paid	74,403	71,625
Realised gains/losses on disposals	-3,765	-1,682
Depreciation and amortisation	33,522	29,788
Movements in receivables, payables and provisions	-1,949	-754
Other non-cash transactions	3,413	-3,948
Cash flow generated from operations	105,624	95,029
Interest paid	-61,440	-57,674
Interest received	1,605	4,143
Income taxes paid	-1,894	-3,137
Cash flow operating activities	43,895	38,361
Investing activities		
Proceeds from disposals of investment property	76,016	25,339
Acquisition of three joint venture portfolios	0	-14,544
Acquisition of investment property	-61,550	-124,785
Capital expenditure on investment property	-20,942	-15,266
Acquisitions/disposal of other investments	-7,795	-3,661
Loans to and from other entities	-17,838	-22,689
Acquisitions of office furniture and equipment	-231	-185
Cash flow from investing activities	-32,340	-155,791
Financing activities		
Proceeds from the issue of share capital	0	52,250
Proceeds from the issue of corporate bonds	16,905	70,000
Proceeds from other non-current borrowings	39,151	129,351
Repayment of borrowings	-91,974	-128,877
Deposits	-2.000	-3,500
Payment of transaction costs	-1,181	-2,840
Dividends paid	-16,002	-16,002
Cash flow from financing activities	-55,101	100,382
Net changes in cash and cash equivalents	-43,546	-17,048
Cash ans cash equivalents at 1 January	100,244	117,292
Cash ans cash equivalents at 31 December	56,698	100,244

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the Financial Year 2012 in TEUR

	Issued capital	Share premium	Reserve for cash flow hedges	Retained earnings	Total shareholders' equity	Minority interest	**Total**
Status as at 31 December 2010	39,187	569,288	-51,111	28,243	585,607	1,473	**587,080**
Correction acc. to IAS 8.42				-2,941	-2,941	0	**-2,941**
Status as at 31. December 2010 (corrected)	39,187	569,288	-51,111	25,302	582,666	1,473	**584,139**
Profit for the period				10,497	10,497	105	**10,602**
Correction acc. to IAS 8.42				10	10		**10**
Gains/losses from cash flow hedges*			-9,741		-9,741		**-9,741**
Gains/losses from cash flow hedges from associates*			775		775		**775**
Comprehensive income			-8,966	10,507	1,541	105	**1,646**
Dividends 2010				-16,001	-16,001		**-16,001**
Capital increase	6,532	45,024		0	51,556	0	**51,556**
Repayment of minority interest					0	-81	**-81**
Status as at 31 December 2011	45,719	614,312	-60,077	19,808	619,762	1,497	**621,259**
Profit for the period				11,690	11,690	140	**11,830**
Gains/losses from cash flow hedges*			-2,376		-2,376		**-2,376**
Gains/losses from cash flow hedges from associates*			-308		-308		**-308**
Comprehensive income			-2,684	11,690	9,006	140	**9,146**
Dividends 2011				-16,002	-16,002		**-16,002**
Repayment of minority interest					0	-81	**-81**
Status as at 31 December 2012	45,719	614,312	-62,761	15,496	612,766	1,556	**614,322**

* net of deferred taxes

GLOSSARY

Acquisition volume
The total of the purchase prices for acquired real estate (with notarisation) within a reporting period.

Annualised rent
Annual rental income of a property based on current rent.

Asset management
Value-orientated running and/or optimisation of properties through leasing management, repositioning or modernisation.

Cash flow
Measure that shows the net inflow of cash from sales activities and other current activities during a given period.

Change of control clause
Contractual provision in the event of a takeover by another company.

Co-Investments
Comprises the investments in which DIC Asset AG holds a significant stake, typically minority interests of 20%. This includes co-investments in special funds and joint venture investments. Shares in these investments are consolidated as associates using the equity method.

Commercial portfolio
The Commercial Portfolio represents the existing portfolio of DIC Asset AG including the direct real estate investments ("investment properties"). Properties in this portfolio are reported under "Investment properties".

Core real estate
Properties let on long-term leases to tenants with outstanding credit ratings in the best locations are described as "core real estate".

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

Debt ratio
Ratio of balance sheet debt to balance sheet total.

Derivative financial instruments
Derivative financial instruments, or derivatives, are reciprocal contracts, whose price determination is generally based on the trend of a market-dependent underlying security (e.g. shares or interest rates). They are used for various reasons, including hedging financial risks.

Earnings from associates
Covers the earnings of the DIC Asset AG co-investments calculated in accordance with the equity method. Includes income from the management of real estate and profits on sales among other sources, calculated proportionately in each case.

EBIT
Earnings before Interest and Taxes.

EBITDA
Earnings before Interest, Taxes, Depreciation and Amortisation.

EPRA earnings
The EPRA earnings are a measure for the sustained and continuous performance by a real estate portfolio and is comparable with the calculation of funds from operations (FFO). In calculating it, all non-recurring income components are eliminated. These include valuation effects and the result of the sale of properties and project developments.

EPRA-index
EPRA (European Public Real Estate Association) index family, used internationally, that details the performance of the world's largest listed real estate companies.

Equity method
Consolidation and valuation method for associates in the consolidated financial statements based on the share of updated equity and earnings. DIC Asset AG reports its shares in co-investments using this method.

Fair value
The fair value is the amount for which an asset could be exchanged, or a liability settled, between competent, independent business partners.

Fee
Payment for services to third parties or payment obligation as a result of using third-party services.

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

Financial covenants
Financial covenants are conditions stipulated by financial institutions when granting loans. They are linked to the achievement of financial key figures (e.g. interest service coverage ratio [ISCR], and debt service cover ratio [DSCR]) during the term.

Gross rental income
Correspond to the contractually agreed rent, plus/minus the rental incentives to be distributed over the lease agreement in accordance with IFRS from investment rent and rent-free periods.

Hedge (Cash flow hedge, Fair value hedge)
Agreement of a contract to safeguard and compensate for financial risk positions.

Impairment test
Obligatory periodic comparison under IFRS of market and book values and the assessment of potential signs of a sustained impairment in the value of assets.

Interest cover ratio
Ratio of interest expense to net rental income.

Interest rate swap
In the case of interest rate swaps, cash flows from fixed and variable interest-bearing loans are swapped between counterparties. This can be used, for example, to ensure a certain interest rate and thereby minimise risks from interest rate rises.

Investment properties
Investment properties are investments in land and/or buildings that are held for the purposes of earning income from rents and leases, and/or for capital appreciation. They are reported as "Investment properties" in accordance with the International Accounting Standards (IAS 40). DIC Asset AG values investment properties at cost less depreciation in accordance with IAS 40.56.

IFRS (International Financial Reporting Standards)
IFRS have applied to listed companies since 1.1.2005. This should facilitate worldwide comparability of capital market-orientated companies. The focus is on information that is easy to understand and fair is paramount, ahead of protection of creditors and risk-related matters.

Joint venture portfolio
Investment properties with strategic finance partners in the area of co-investments, in which DIC Asset AG has a significant stake, typically minority interests of 20%.

Letting volume
Rental space, for which rental agreements for new tenancies or renewals have been concluded for a given period.

Like-for-like rental income
Like-for-like rental income is rental income from properties in a portfolio that existed continuously in the portfolio within a given period. Changes due to portfolio additions and disposals are therefore not included here. In comparison with the start of the period, the effect of the letting activity, among other aspects, becomes clear.

Market capitalisation
Total market value of a company listed on the stock exchange, resulting from the share price multiplied by the number of shares issuedt.

NAV (net asset value)
Represents the intrinsic value of a company. The net assets are calculated as the fair value of the assets less liabilities.

Non-recourse financing
Financing at property or portfolio level, whereby recourse to other assets within the scope of the Group is excluded. In the case of non-recourse financing, lenders tailor their lending to the property or the portfolio, as well as the cash flow from the rental income.

Operating leasing
Term connected with international valuation rules. It describes a periodic lease agreement that is not fully amortised by the lessor's financing costs.

Operating cost ratio
Personnel and administration expenses less the income from real estate management in relation to the net rental income.

Real estate special funds
Real estate special funds are open-ended real estate funds that are launched solely for institutional investors (such as insurance companies, pension funds, benefit funds, foundations, etc.) via a capital investment company. Real estate special funds are regulated according to the German Investment Act and are supervised by the German Federal Financial Supervisory Authority (BaFin).

Peak rents
The peak rent is the highest possible rent that could be expected in the market for a prime quality, suitably equipped office unit in the best location.

Percentage of completion method
The percentage of completion method is used in long-term project developments to assess the profit based on the degree of completion (performance progress).

Prime standard
Segment of the Frankfurt Stock Exchange with the greatest relevance and degree of regulation, as well as the highest level of transparency.

Proceeds from sales
Pro-rata income from the sale of investment properties (investments in real estate) after transfer of ownership.

Property management
Complete property servicing by own efforts or by management of commercial, infrastructure and technical service providers.

Redevelopment
Redevelopment is any type of measure to develop property that is already in use.

Refurbishment
Generally, structural changes to a building aimed at improving a building's quality and/or fixtures and fittings.

Rental yield
Ratio of contractually agreed rent to current market value of the real estate.

Sales volume
The total of the sales prices for the sold real estate (with notarisation) within a reporting period.

Valuation of acquisition or production costs
When acquisition and production costs are valued, the costs for capitalisation are used that accrued for the creation (production costs) or purchase (acquisition costs). The balance sheet value of depreciable assets is reduced by scheduled and, if necessary, unscheduled depreciation. Also referred to as "At cost accounting".

Value in use
Present value of future cash flows to be earned through the use of an asset. In contrast to the fair value, which is orientated towards sales and markets, the value in use reflects the specific value of the continued use of an asset from the point of view

QUARTERLY FINANCIAL DATA 2012

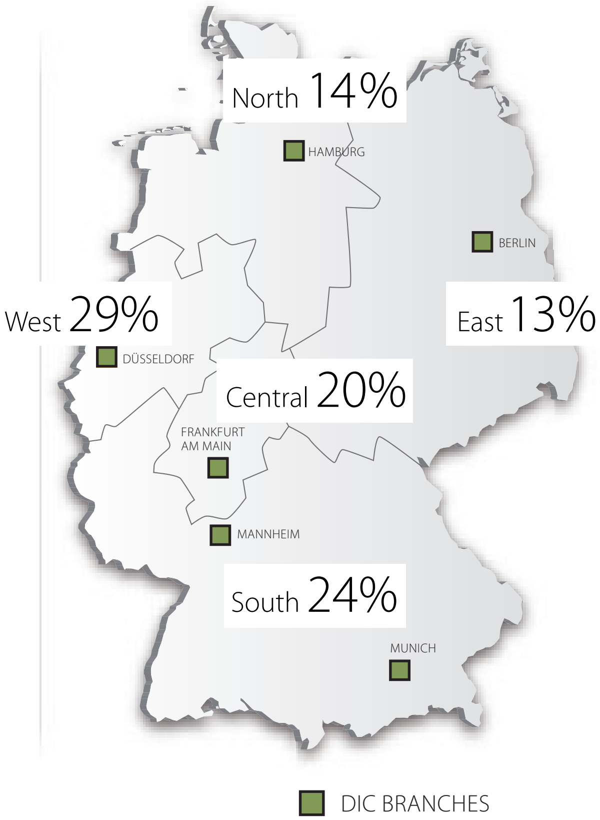
EUR million	Q1 2012	Q2 2012	Q3 2012	**Q4 2012**
Gross rental income	31.1	31.4	31.8	**32.2**
Net rental income	28.1	28.0	28.3	**28.8**
Fees from real estate management	1.2	1.1	1.3	**2.1**
Investment property disposal proceeds	2.8	0.1	2.9	**69.9**
Profit from investment property disposals	0.5	0.1	0.2	**3.0**
Share of the profits of associates	0.9	0.5	0.5	**-0.1**
Funds from Operations (FFO)	10.5	10.8	10.9	**12.7**
EBITDA	24.6	24.6	24.5	**28.4**
EBIT	16.6	16.6	16.3	**19.0**
Profit for the period	2.6	2.6	2.5	**4.1**
Cash generated from operating activities	10.2	10.0	15.4	**8.3**
Market value of investment property	2,218.1	2,216.5	2,246.8	**2,223.5**
Total assets	2,254.2	2,249.3	2,251.6	**2,210.2**
Equity	622.0	622.5	606.6	**614.3**
Net debt equity ratio in %*	31.4	31.4	30.4	**31.2**
Total liabilities	1,632.2	1,626.8	1,645.0	**1,595.9**
Net debt ratio in %*	68.6	68.6	69.6	**68.8**
FFO per share (in EUR)	0.23	0.24	0.24	**0.27**

* Net of cash and excl. hedging reserve, derivatives, deferred tax for hedges

MULTI-YEAR OVERVIEW

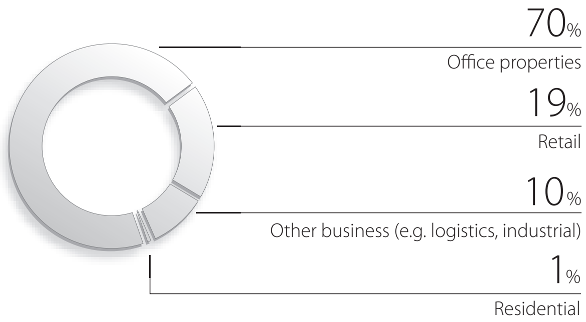
EUR million	2008	2009	2010	2011	2012
Gross rental income	134.5	133.6	124.9	116.7	**126.5**
Net rental income	126.2	123.8	113.9	106.8	**113.2**
Fees from real estate management	3.1	3.4	3.5	5.3	**5.7**
Investment property disposal proceeds	49.9	15.2	81.2	17.7	**75.7**
Profit from investment property disposals	9.8	1.5	5.1	1.7	**3.8**
Share of the profits of associates	8.8	7.5	7.8	2.6	**1.8**
Funds from Operations (FFO)	42.7	47.6	44.0	40.8	**44.9**
EBITDA	125.0	110.8	101.7	95.6	**102.1**
EBIT	97.0	80.3	70.9	66.0	**68.5**
Profit for the period	25.2	16.1	13.5	10.6	**11.8**
Cash generated from operating activities	37.2	38.7	37.7	38.4	**43.9**
Market value of investment property	2,161.8	2,192.2	2,001.8	2,202.3	**2,223.5**
Net asset value	492.8	497.1	598.5	678.8	**685.4**
Total assets	2,214.8	2,213.4	2,046.3	2,244.6	**2,210.2**
Equity	533.8	530.7	584.1	622.0	**614.3**
Net debt equity ratio in %*	26.2	26.7	32.7	31.6	**31.2**
Total liabilities	1,681.0	1,682.7	1,462.2	1,623.3	**1,595.9**
Net debt ratio in %*	73.8	73.3	67.3	68.4	**68.8**
FFO per share (in EUR)	1.37	1.47	1.15	0.92	**0.98**
Net Asset Value per share (in EUR)	16.23	15.86	15.27	14.85	**14.99**
Dividend per share (in EUR)	0.30	0.30	0.35	0.35	**0.35**

* Net of cash and excl. hedging reserve, derivatives, deferred tax for hedges



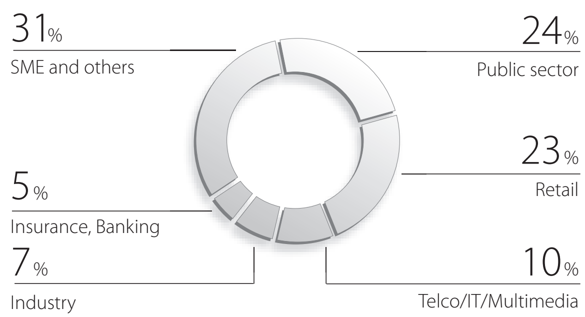
TYPES OF USE

by pro rata rental income p.a.



TENANT STRUCTURE

by pro rata rental income p.a.

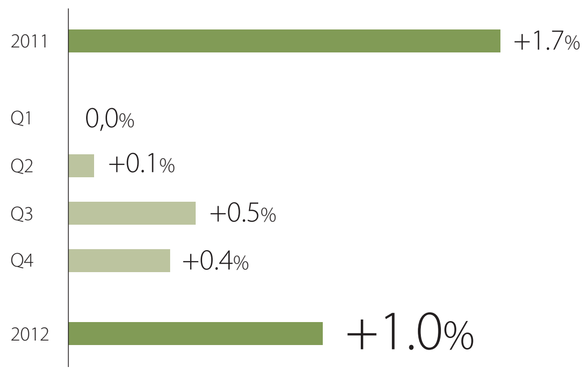


PORTFOLIO BY REGION *

	North	East	Central	West	South	Total 2012	Total 2011
Number of properties	45	34	57	62	71	**269**	278
Market value in EUR million *	238.1	270.7	642.4	656.6	415.7	**2,223.5**	2,202.3
Rental space in sqm	176,600	157,700	254,100	365,700	301,900	**1,256,000**	1,228,100
Portfolio proportion by rental space	14%	13%	20%	29%	24%	**100%**	
Annualised rental income in EUR million	15.6	20.7	31.8	43.3	30.5	**141.9**	139.5
Rental income in EUR/sqm	7.80	11.50	12.40	10.90	8.70	**10.30**	10.50
Lease maturity in years	6.2	4.3	6.0	5.3	4.1	**5.2**	5.5
Gross rental yield	6.7%	7.6%	6.0%	6.6%	7.4%	**6.8%**	6.6%
Vacancy rate	5.2%	7.8%	18.8%	12.1%	7.6%	**10.9%**	12.4%

* All figures pro rata, except number of properties; all figures excluding developments, except number of properties and market value

GROWTH IN RENTAL INCOME like-for-like in %



Commercial Portfolio 88%

12% Co-Investments

- High rental yields with continuous cashflows from investment properties
- Preserving values and taking advantage of value creation
- Mid to long-term investment horizon
- Selective disposals at appropriate time

Funds

- Core property in major cities
- Steady income from investments and services

Joint Venture portfolio

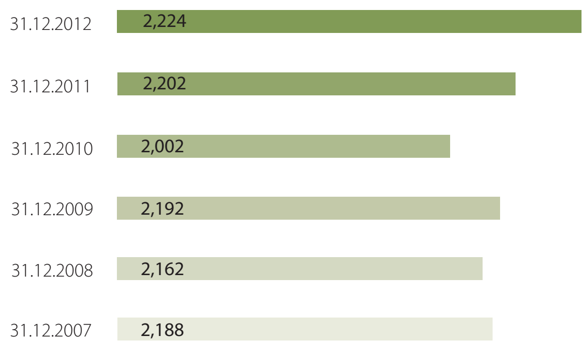
- Investments with potential for value creation and new positioning
- Upside potential through developments and refurbishments
- Ongoing fee income from asset and property management

OVERVIEW PORTFOLIO*

	Commercial Portfolio	Co-Investments	Total 2012	Total 2011
Number of properties	157	112	**269**	278
Market value in EUR million	1,874.1	349.3	**2,223.5**	2,202.3
Rental space in sqm	1,102,100	155,700	**1,256,000**	1,228,100
Portfolio proportion by rental space	88%	12%	**100%**	
Annualised rental income in EUR million	126.3	15.7	**141.9**	139.5
Rental income per sqm in EUR	10,40	9.20	**10.30**	10.50
Lease maturity in years	5.2	5.0	**5.2**	5.5
Gross rental yield	6.8%	6.5%	**6.8%**	6.6%
Vacancy rate	10.7%	11.9%	**10.9%**	12.4%

* All figures pro rata, except number of properties; all figures excluding developments, except number of properties and market value

GROWTH OF PORTFOLIO VOLUME EUR million



MANAGEMENT BOARD

Markus Koch (Board Member, CFO) and Ulrich Höller (Chairman of the Board, CEO)

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Forward-looking statements

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

Note

This report is published in German (original version) and English (non-binding translation).