

DIC · ASSET  
AKTIENGESELLSCHAFT

INTERIM REPORT  
1<sup>ST</sup> QUARTER 2009

Q1





Project MainTor, Frankfurt: Visualisation of an atrium in the northern office tower

## KEY FIGURES

Key operating figures in EUR million	Q1 2009	Q1 2008	Change
Gross rental income	33.2	33.8	-2%
Total revenues	43.9	39.1	+12%
Profit on disposal of properties	0.2	0	N/A
Funds from Operations (FFO)	10.3	11.0	-6%
EBITDA	27.3	28.8	-5%
EBIT	20.0	21.9	-9%
EBDA	9.9	10.2	-3%
Profit for the period	2.6	3.3	-21%
Investment	35.6	194.5	-82%
Cash flow from operating activities	9.1	10.4	-13%

Balance sheet data in EUR million	31.03.2009	31.03.2008	Change
Equity ratio in %	23.2	24.1	-0.9
Debt	1,701.6	1,681.0	+1%
Investment property	2,047.2	2,022.9	+1%
Total assets	2,214.4	2,214.8	0%

Per share in EUR	Q1 2009	Q1 2008	Change
FFO	0.34	0.35	-3%
EBDA	0.33	0.33	0%
Basic/diluted earnings	0.09	0.11	-18%

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**Ulrich Höller:**

“We are unwavering in our pursuit for properties that offer first-class earnings potential and pave the way for future profits even in difficult times.”

**Markus Koch:**

“We have exploited the current financing environment to significantly reduce our interest expenses.”

**Dr. Jürgen Schäfer:**

“Our in-house property management service ensures sustained rental income: we are up on our planned figures for the first quarter of 2009, having let 65,000 sqm.”



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

**Dear Shareholders, Business Partners, Employees and Friends,**

DIC Asset AG has acquitted itself well in an increasingly difficult economic environment and generated a respectable operating profit before depreciation and amortisation (EBDA) at EUR 9.9 million, matching almost the figure in the prior year. Profit for the period stood at EUR 2.6 million.

The result, which clearly sets us apart – in a positive manner – from many other companies in our industry, is not a matter of chance. The current economic crisis originated in obsolete real estate financing in the USA and has consequently also been a particular problem in psychological terms for our industry from the beginning, as is shown distinctly by the trend in real estate share prices. This situation is exacerbated by the fact that demand for commercial property naturally declines in the course of an economic downturn, which has a three-fold negative impact on the market:

- Transaction volume falls
- Property prices – both for sale and to let - decline
- Vacancy rates rise

Although DIC Asset AG is also affected by these impacts, the company's positive development is respectable. There are two reasons for this: on the one hand, the structure of our business renders us largely independent of gains on disposals, because the cash flow from our extensive letting business alone generates an attractive return for our shareholders. On the other hand, our conservative, quality-focused business policy is now bearing fruit.

The sustainability of our conservative business strategy is apparent from four factors:

- In our accounting, we have always refrained from the fair value approach. This protects against exaggerated fluctuations in results and prevents surprises from occurring.
- In selecting our acquisitions, the quality and letting structure of the properties is always our top priority.
- In order to minimise dependencies, our portfolio is broadly diversified in terms of regions and along sector-specific lines.
- And above all, with six branches and our own property management, we retain a proximity to the market and our properties.

In plain language this means that we forego short-term, rapidly realised gains in favour of sustained, sound earnings. Today, this approach is paying dividends.

We adapted our business policy quickly and flexibly by

- concentrating our resources primarily on letting activities. In this connection, we are benefiting from the fact that we also set the highest quality standards in looking after our tenants and have always carried out this role ourselves rather than delegating it to third parties. This allows us to generate a high degree of loyalty among our tenants, which gives us clear advantages when competing for good tenants.
- reviewing our sales strategy. Since our income structure does not make sales income essential, we are refraining from setting transaction volumes;

nevertheless, we are continuously working on opportunities to carry out sales. Through the selective sale of smaller properties which are easier to finance, we are focusing – as we have done over the last twelve months – on those groups of private and regional investors.

At the same time, we are not losing sight of our long-term goals. We are making sure that our company will continue to grow in future too. We have made further progress in terms of permits for our MainTor and Opera Offices project developments in Frankfurt and Hamburg respectively, thereby laying the foundation for increases in value and future profits.

Our company's long-term success is characterised, most notably, by how quickly and flexibly management reacts to new challenges. In an economic crisis such as the current one, the focus must be on maintaining value, guarding against harmful developments and achieving long-term competitiveness. This is as much in the interests of shareholders as our business partners and employees, who all seek optimal reliability. We have made these criteria the benchmark of our actions and, at an early stage, positioned DIC Asset AG as a robust company. We are convinced that we have made the right decisions in your interest in order to steer DIC Asset AG safely through the crisis, so that it can then pick up speed quickly and continue its history of success. This should then be reflected in the share price once more.

You have continued to support our company and its forward-looking strategy – for which many thanks! We shall build on your confidence and your support for our future development.

Yours sincerely,



Ulrich Höller



Markus Koch



Dr. Jürgen Schäfer

## ■ GENERAL ECONOMIC CONDITIONS

### Financial crisis causing further uncertainty

In the first quarter of 2009, the global economy remained depressed by events on the financial markets. Massive economic stimulus packages are being adopted at national and international levels to counter the financial crisis but their prospects of success are still unclear. A sense of uncertainty is continuing to prevail, which has, among other things, hit heavily export-dependent countries such as Japan and Germany hard. Accordingly, current forecasts of the contraction in German gross domestic product are clearly negative. In their spring survey, the leading German economics institutes estimate that it will fall by around six per cent in 2009 as a whole. In response to the current recession, key interest rates in the euro area were cut to 1.0% at the start of May 2009.

### Rising unemployment

In response to the sharp decline in incoming orders, companies have reduced their capacity relatively abruptly in recent months. The implications of the cuts in capacity have become apparent from reports on the employment market in the first quarter of 2009. At the beginning of the year, the number of unemployed surged upwards. The traditional spring recovery has also failed to materialise; at the end of April, the number of unemployed stood at 3.6 million, which is approximately 200,000 more than in the previous year.

### Positive signs from two directions

Two developments are currently giving grounds for hoping that the downward trend may have stabilised. On the one hand, the Ifo Index, the barometer of sentiment in German companies was slightly better, at 83.7 points, in April than in the previous month. The share market also appeared to have recovered slightly and edged further clear of the depths it plumbed at the beginning of February. Financial stocks, in particular, recorded above average price gains.

### Recession in the letting market now perceptible

In the major real estate locations, some 500,000 sqm was let from January to March 2009. This signifies a fall of 30% on the first quarter in the previous year and the worst result for five years. The picture is identical – with one exception – across Germany and the decline in the various locations is very marked. Only Frankfurt am Main reported growth compared with the previous year thanks to large individual lets.

### Tenants: focus on flexibility and cost awareness

Companies are continuing to adopt a “wait and see” approach in the office letting market. In principle, companies are currently examining every action involving medium-term commitments very thoroughly because of the situation generally. If decisions are not deferred, requests for flexible terms, such as shorter terms with the option to extend, are a central issue. This applies both to new rental enquiries and extensions of existing tenancy agreements.

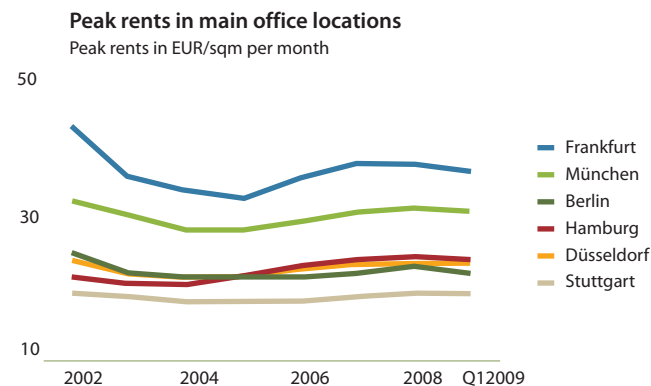
The economic slowdown is also leading to a general increase in cost awareness among tenants. Another factor of note is that we are also receiving new enquiries from companies seeking to cut costs. Pressure on rental prices, particularly in city centre sites, continues to increase. Tenants are also more prepared to compromise on location in favour of flexible contracts or possible savings.

### Increase in vacancies expected

Anticipated redundancies and the resulting fall in the demand for office space will lead to an increase in the vacancy rate. However, since the number of projects to be completed in the next few months is not unusually high, extreme increases in the vacancy rate are not expected.

### Subdued letting activity forecast for 2009

In the crisis, there are significant differences between the strategic aims of tenants and landlords. While security for landlords is a long-term tenancy agreement, for tenants it is a relationship that can be cancelled at short notice. Because of the expected level of restraint and the general fall in demand as a result of the economic downturn, 2009 is expected to be a subdued year on the letting market.



#### Contraction in transaction volume on the commercial real estate market

Restraint is continuing on the German market for commercial real estate as well: across Germany, only some EUR 1.8 billion was invested in acquisitions in the first quarter of 2009. There are several reasons, which are tending to reinforce each other, for the blockade in the market. On the one hand, there are the ongoing difficulties in obtaining credit, which are deterring potential investors from more large-scale purchases in particular.

There are scarcely any banks prepared to 'go it alone' in extending larger sums. Purchasers – as well as vendors – are also waiting to see the direction in which the market moves. Price levels have fallen overall but it is difficult to forecast future trends.

Overall, the volume traded from January to March 2009 is 80% down on the figure for the same quarter in the previous year. The capital invested in commercial real estate had already fallen to EUR 3.2 billion in the fourth quarter of 2008 in a clear response to the financial crisis.

#### Yields stagnating following previous rise

In the months from January to March 2009, there was scarcely any movement in net initial yields, despite the lack of any significant turnover, which argues in favour of the German market remaining stable. To date, there have been no sales for reasons of insolvency, especially since financial institutions have been prepared to discuss refinancing. Overall, the upward trend in initial yields in some segments over recent months was stopped.

#### Sound investment targets most in demand

Currently, properties generating substantial cash flow with long-term tenancy agreements provide a safe haven for investors. Major real estate locations, which offer relatively large numbers of core properties, are benefiting from this diminishing propensity for risk. The same applies to secondary locations where interested regional parties in particular, with local networks and expertise, are active as buyers. From the aspect of risk and on account of the continuing difficulties in obtaining finance, transactions were concentrated mainly on manageable volumes between EUR 5 and 30 million, which were predominantly undertaken by wealthy private investors. The proportion of portfolio transactions to total sales fell from 40% in 2008 as a whole to 11% in the first quarter of 2009.

#### Retail segment benefiting

Retail properties dominated the transaction landscape, with a share of 31%, in the first quarter, since the sector's long-term leases and renowned anchor tenants are currently most sought after by investors. Offices accounted for 25% of the volume traded with only five per cent being attributable to logistics property.

### Foreign investors have almost disappeared

Currently, the investment market in Germany is virtually an exclusively German affair because of the global financial crisis. While international capital dominated in the boom years, foreign investors only accounted for 17% of total transactions in the first quarter of 2009. Greatest demand came from asset/fund managers and open-ended real estate funds. Private investors and developers have also gained ground.

### Transaction volume outlook: well down on last year

For 2009 as a whole, market experts expect continuing restraint among sellers and investors, a sluggish market and continuing small to medium sized transaction volumes. A preference for less risky properties should also characterise the whole of 2009. In the event of the economy rebounding, the relative immunity from inflation that is a feature of real estate investment militates in favour of increased interest among investors. Transactions totalling between EUR 10 and 15 billion are forecast for 2009. Although this would mean that the overall result was well down on the previous year's figure of EUR 20 billion, it would be on a level with the transaction totals for the years 2000-2005.

## ■ BUSINESS DEVELOPMENT

### DIC Asset AG achieves a profit for the period of EUR 2.6 million

- Successful operations: stable FFO of EUR 10.3 million
- Above plan: 65,000 sqm let
- Stable: rental income at EUR 33.2 million
- Interest rates improved: financial result optimised
- Share buyback: programme ended
- Forecast: FFO of 34-36 EUR million in 2009

### Positive result under difficult conditions

In the first quarter of 2009, we generated rental income of EUR 33.2 million, which we were able to secure at a stable level through our letting services and measures to improve properties. We achieved FFO (funds from operations) of EUR 10.3 million. Despite challenging conditions, the profit for the period came to EUR 2.6 million.

The profit was largely generated from property management operations, which is evidence of the solid earnings capacity of our portfolio. Earnings per share came to EUR 0.09 (previous year: EUR 0.11).

### Portfolio growth

	31.03.2009	31.12.2008	31.12.2007	31.12.2006
Lettable area in sqm	1,272,000	1,275,000	1,214,000	733,000
Real estate in EUR million	2,184.4	2,161.8	2,187.5	1,275.3

### Business activities of DIC Asset AG

DIC Asset AG invests exclusively in German commercial real estate and manages a property portfolio worth around EUR 3.3 billion in total. The properties are managed and optimised via six branches located in the areas where the portfolio is concentrated. The portfolio is divided into the Core, Value Added and Opportunistic Co-Investments segments according to risk/reward criteria. When the time is right, DIC Asset AG realises the value added generated by selling the properties.

### Portfolio volume remains constant

On 31 March 2009, our real estate portfolio consisted of 335 properties with a total floor space of some 2.0 million sqm. Compared with the situation at the end of 2008, the pro rata property value remained stable at EUR 2.2 billion. The portfolio was reduced by small volume sales, while three new properties worth EUR 34 million were added as a result of former acquisitions. The properties generate total annual pro rata rental income (including opportunistic co-investments) of EUR 147.2 million.

We rely on the property and asset management services of DIC ONSITE to preserve the value of and add value to our properties and provide a professional service for our tenants. With 81 employees in six locations, it is responsible for providing a tenant-focussed property management service and implementing the Group's business plans locally.

### Segments overview

As at 31.03.2009	Core	VAD	OPP
Floor space	455,000	655,000	162,000
Real estate assets in EUR million	975	970	240
Rental income Q1 in EUR million	17.2	16.0	--- *
EBTDA Q1 in EUR million	6.0	5.5	0.8

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

### Letting volume stabilises earnings potential

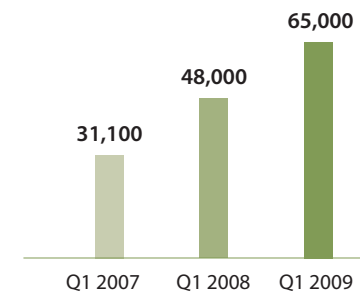
In the first quarter of 2009, we increased our letting volume considerably: in the portfolio as a whole, 34% more floor space (65,000 sqm) was let than in the same period of the previous year. In the previous year, 48,500 sqm were let in the first quarter.

The letting volume is also clearly above the quarterly average of 2008 of 49,100 sqm. Overall, this letting volume represents annual rental income of EUR 6 million which is further improving the income base and the earnings potential of our properties. At -0.05%, annualised rental income, excluding acquisitions, project developments and sales (like-for-like consideration) remained stable compared with the value for the previous year. In the Core segment, income rose by 0.1% while in the Value-Added and Opportunistic Co-Investments segments, it fell by 0.2%.

As a result of the quarter's letting results, the remaining terms of the rental contracts were improved to 5.5 years on average. The average rent per square metre was increased slightly, by 1.5% to EUR 10.66.

### Letting result Q1 2009: +34%

Lettable area in sqm



### Letting result by usage

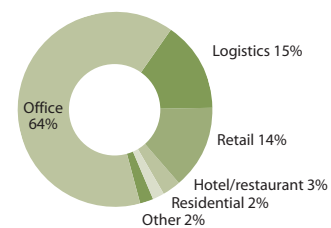
Lettable area in sqm	Q1 2009	Q1 2008
Office	27,900	34,300
Retail	5,600	4,800
Other commercial	30,100	8,000
Residential	1,400	1,400
<b>Total</b>	<b>65,000</b>	<b>48,500</b>
Parking (units)	502	230

### Diversified tenant structure

Our portfolio is diversified in several directions, which avoids dependence on large individual tenants and sectors and can soften the impact of sudden changes to the market. Half of our portfolio is concentrated on locations in major office centres, while we exploit opportunities in medium-sized and smaller locations with the other half. Around 20% of rental income is generated from public sector companies, 19% through lettings to the retail trade and a further 9% through lettings to industrial companies.

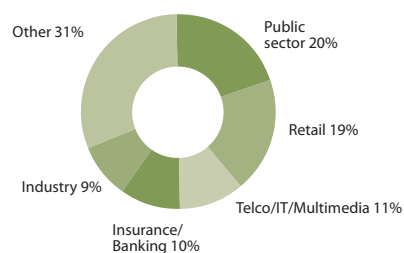
### Usage

by lettable area



### Main tenants

by rents paid p.a.

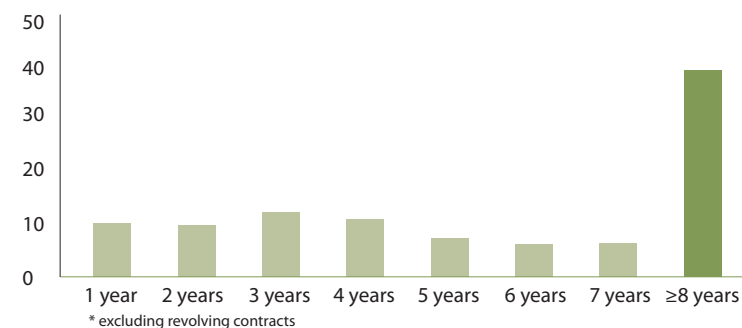


### Continued concentration on property management

At the moment, the economic situation and caution in corporate decision-making represent challenges in terms of letting our space rapidly and on schedule. Against this background, we are aiming to stabilise letting at the level of the previous year through our property management. We have achieved this goal in the first quarter of 2009: the occupancy ratio fell only slightly from 88.0% to 87.4%.

### Lease expiry

Rental income in % \*



### **New Bienenkorbhaus in operation**

The revitalisation of the Bienenkorbhaus was officially completed at the end of April with the re-opening ceremony. Construction work took approximately one year and involved refurbishing the interior of the historic building and adding an annex. Following the revitalisation programme, the building now offers some 10,500 sqm of attractive retail and commercial space on Frankfurt's Zeil. Rental contracts with terms of 15 years have been agreed with well-known anchor tenants. The letting rate is approximately 80% and plans are to complete letting the remaining space by the end of 2009.

### **MainTor Project: development plan available**

We achieved further key progress on the MainTor project in the first quarter of 2009: at the end of March 2009, the Frankfurt City Parliament decided upon the disclosure of the development plan. Therefore, the plan has successfully passed the political bodies. Approval of the plan is expected in late autumn 2009. On this basis, construction permits can be issued and demolition work can start. We have also started marketing the space, in order to make progress in terms of a future realisation, with a foundation of prospective tenants.

*The Bienenkorbhaus in Frankfurt was extended with a new building*



The MainTor project will open up previously inaccessible areas on the site between the banking quarter, the riverbank promenade and the city centre area for the public. Through this redevelopment of the urban area, the DIC Group will create a lively urban area, which will combine office space, attractive residential space and cultural facilities around a central square. The most imposing element is the 100 metre high WinX tower, which will be a notable addition to the Frankfurt skyline and will offer floor space with unique views of the city on the Main from its 27 floors. It will be flanked by two smaller towers of around 60 metres in height. DIC Asset AG has a 20% stake in the project development via its Opportunistic Co-Investments segment.

### **Opera Offices in Hamburg: financing secured**

In February 2009, we agreed the financing for our Opera Offices project and covered the finance required for the development amounting to EUR 35 million on a long-term basis. Agreement means that the project now has a sound financial base. In addition, the flexibility offered by the agreement gives us advantages in the pre-letting process. On the basis of this further progress, conversion and construction work should start at the end of 2009. Work has already started on marketing and awarding the initial contracts for construction of the project.

The building, which is close to the Colonnades and the Binnenalster, was acquired from the City of Hamburg in March 2006 as part of a portfolio. DIC is planning to construct a new building, which will replace three existing buildings directly opposite the Hamburg State Opera. Its particular features include a view of the Alster from the attractive roof terraces and a rotunda, which curves round an atrium allowing the 7-storeys to make effective use of land. The second development, the OpernPalais, encompasses the redevelopment of an existing building in Dammthorstraße.

Various structural measures will bring the listed building into the 21st century while its historic character will be emphasised through a sensitive restoration programme. Once the redevelopment is finished, the building will provide modern office space that retains the style of an historic building as well as attractive retail space. DIC Asset AG has a 20% stake in the project development via its Opportunistic Co-Investments segment.

### Two properties sold

In the first quarter of 2009, we placed two properties worth EUR 12 million in total. The largest property, which was acquired from the City of Eschborn, was a mixed-use (office and retail) property from our Opportunistic Co-Investments segment with a lettable area of some 5,000 sqm on Eschborner Rathausplatz. Ownership of a small portfolio in the Value Added segment, which consisted of five properties in Berlin, was transferred in the first quarter of 2009. The sale was initiated in December 2008. DIC Asset AG received pro rata net sales proceeds of EUR 4.4 million from the disposal.

We have reacted to the changed conditions resulting from the financial crisis and the general restraint affecting the market by adapting our sales strategy. We shall continue to concentrate on more marketable, smaller to medium-sized properties, which can be placed with wealthy private clients, in particular, despite conditions being more difficult.

### Employees: focus on property management and control

On 31 March 2009, 103 employees worked for DIC Asset AG. The majority work in branch-based property and asset management, where they are responsible for letting and working with our tenants. Since property management has expanded as the portfolio has grown, the number of employees has also risen by 15 compared with the figure in the previous year.

### Number of employees

	31.03.2009	31.03.2008
Portfolio management and investment	8	6
Property and asset management	81	71
Administration	14	11
<b>Total</b>	<b>103</b>	<b>88</b>

### Share buyback programme completed

The share buyback programme started in October 2008 was completed on 10 February 2009 with the acquisition of a total 4.7% of the capital stock. The maximum buyback volume of 5% was almost reached as a result. In total 1,474,022 shares were acquired at an average price of EUR 4.91 and a total value of EUR 7.2 million.

## ■ REVENUES AND RESULTS

### Total revenues: + 12% to 43.9 EUR million

In the first quarter of 2009, we achieved rental income of EUR 33.2 million. Compared with the previous year, this amount was down by EUR 0.6 million (-2%) due to the slight reduction in the volume of rental income following sales and non-recurrent effects in the same period last year. Net rental income fell by EUR 1.5 million (-1.5%) to EUR 30.8 million as non-apportionable property-related expenses, including maintenance and costs for the successful letting of properties, increased. However, net rental income was slightly increased compared to the fourth quarter of 2008.

Of the rental income, EUR 17.2 million was attributable to the Core segment and EUR 16.0 million to the Value Added segment. No sales were reported in the Opportunistic Co-Investments segment because of the investments entered into with minority interests.

We provide property management services for the entire portfolio owned by the DIC Group and its partners in the area of opportunistic investments. We achieved income of EUR 0.9 million from this service for third parties (previous year: EUR 0.5 million) recording a sharp increase in this regular source of revenue.

Total revenues rose by EUR 4.8 million (+12%) to EUR 43.9 million thanks, most notably, to an increase in disposal proceeds.

### Revenues overview

EUR million	Q1 2009	Q1 2008	Q1 2007
Rental income	32.8	33.8	19.0
Revenues from disposal of properties	4.4	0.0	0.0
Other income	6.3	5.3	2.8
Total revenues	43.9	39.1	21.8

### Sales of EUR 4 million

We achieved revenues of EUR 4.4 million from sales that were initiated in December 2008 and carried out in the quarter under review, resulting in a profit of EUR 0.2 million. We carried out no sales in the same period in the previous year.

### Moderate increase in cost items

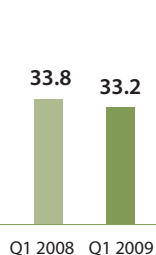
The expansion in our asset and property management capacity and the increased level of support now offered in this area, has, as planned, led to a slight increase in operating expenses in the first quarter of 2009. Administration costs rose by EUR 0.2 million (+9%) to EUR 2.4 million and personnel costs rose by EUR 0.4 million (+24%) to EUR 2.1 million. The ratio of personnel and administration costs (adjusted for management fee income) to rental income therefore rose slightly by 1.0 percentage point to 11.0%.

Depreciation increased slightly by EUR 0.4 million to EUR 7.3 million due to the increase in the portfolio volume.

Overall, at EUR 23.9 million, total expenses were EUR 6.7 million (+39%) more than in the same quarter of the previous year, due primarily to the disposal of assets following sales.

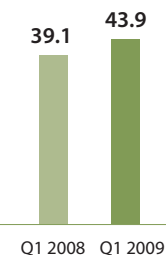
### Rental income

EUR million



### Total revenues

EUR million



### Stable operating ratios

Increased expenses led to results that were slightly below the comparable figures for the previous year for both EBITDA and EBIT. EBITDA came to EUR 27.3 million (previous year: EUR 28.8 million), while EBIT came to EUR 20.0 million (previous year: EUR 21.9 million). In the first quarter of 2009, the EBITDA yield amounted to 62%, while the EBIT yield was 46%.

### Improvement in net financing costs

By optimising the financing for our portfolio, we were able to reduce interest expenses by some EUR 1.6 million in the first three months of 2009. Net financing costs improved overall by EUR 0.8 million (+4%) to EUR -17.7 million as a result of the reduction in expenses.

### Portfolio generating stable income: FFO of EUR 10.3 million

From January to March 2009, FFO (Funds from Operations) of EUR 10.3 million were achieved. During the same period of the previous year, FFO stood at a comparable level (EUR 11.0 million), thereby underlining the stable earnings power of our portfolio. The FFO per share was also stable, standing at EUR 0.34 (previous year: EUR 0.35). This figure reflects income from property management and is calculated from the profit for the period prior to depreciation, taxes and gains on disposals and project developments.

### Results overview

EUR million	Q1 2009	Q1 2008	
FFO	10.3	11.0	-6%
EBITDA	27.3	28.8	-5%
EBIT	20.0	21.9	-9%
EBDA	9.9	10.2	-3%
Profit for the period	2.6	3.3	-21%
Earnings per share (EUR)	0.09	0.11	-18%
FFO per share (EUR)	0.34	0.35	-3%

### Robust segment results

The segment results (before tax) remained stable. EUR 2.1 million (previous year EUR 2.3 million) was posted in the Core segment and EUR 2.0 million (previous year EUR 2.1 million) in the Value Added segment. In the Opportunistic Co-investments segment, the pre-tax result was increased to EUR 1.1 million (previous year EUR 0.7 million).

### EBDA at the level of the previous year

At EUR 9.9 million, earnings before depreciation and amortisation (EBDA) remained stable compared with the first quarter of 2008, the difference totalling just EUR 0.3 million. At EUR 0.33, EBDA per share was therefore in line with the figure for the previous year.

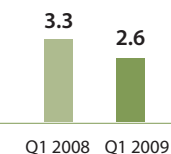
### Profit for the period of EUR 2.6 million

In the first quarter of 2009, we achieved a respectable profit for the period of EUR 2.6 million. The fact that the result is largely made up of strong operating income from property management is significant. Moderate increases in expenses and extraordinary factors affecting rental income in the previous year led to a drop in income of EUR 0.7 million. The post-tax return amounted to 6%. Earnings per share for the first quarter came to EUR 0.09 (previous year: EUR 0.11).

**Funds from Operations**  
EUR million



**Profit for the period**  
EUR million



## ■ ASSETS AND FINANCIAL POSITION

### Financing concept with a long-term horizon

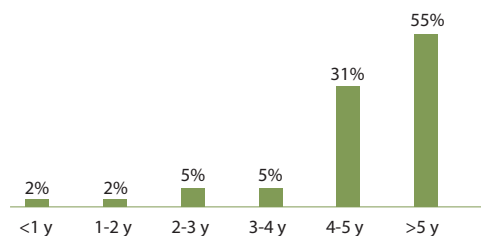
The majority of our financing is concluded on a conservative, long-term basis, in order to render DIC Asset AG independent of short-term changes in the financial environment. As a result, 55% of our loans and borrowings have a term in excess of five years. Over the next twelve months, only EUR 37.9 million (2% of total debt) will become due, the lion's share of which relates to the Bienenkorbhaus project.

### Average interest level further reduced

Through our active financial management, we have achieved improvements in financing our portfolio and consequently reduced the average interest rate on our loans and borrowings by 0.12 percentage points in the first quarter to 4.85% as at 31 March 2009. As at 31 March 2008, this figure still stood at 5.25%. The improvement is already perceptible in the first quarter of 2009 and is leading to a positive trend in our net financing costs.

### Financial debt fixed on a long-term basis

Financial debt by maturities



### Long-term interest rate hedging

Just under 91% of all borrowings were either on a fixed rate basis or were covered by long-term hedging agreements as at 31 March 2009. We have agreed variable interest rates for some 9% of our borrowings. With the aim of minimising risk, we continue to use simply structured derivative financing instruments (interest rate swaps) here in order to cushion any increases in interest rates. Hedging serves to avoid any impact on earnings and has an effect on Group equity in the balance sheet, in the event of changes in interest rates.

### Cash flow: stable revenue, lower investments

In the first quarter of 2009, cash flow was characterised primarily by stable operating revenue and reserved investment activity. DIC Asset AG accrued a cash flow of EUR 9.1 million from operating activities. The cash flow was EUR 1.3 million below the previous year's value, primarily due to the slight fall in profit for the period. Compared with the fourth quarter of 2008, an increase of EUR 1.2 million was posted. The company expended EUR 35.5 million for investment purposes, primarily purchase price payments following completion in the case of three properties and in the existing portfolio. Cash flow from sales transactions stood at EUR 23.4 million. In the previous year, investment in external growth was made above all through a portfolio acquisition. Cash flow from financing activities was characterised by the repayment of loans after sales and, as a result of the reduced investment activity, was significantly lower than the previous year at EUR -5.1 million. At the end of the reporting period, cash and cash equivalents stood at EUR 32.7 million.

### Summary of cash flow

EUR million	Q1 2009	Q1 2008
Profit for the period	2.6	3.3
Cash flow from operating activities	9.1	10.4
Cash flow from investing activities	-17.8	-176.2
Cash flow from financing activities	-5.1	108.4
Net increase in cash and cash equivalents	-13.8	-57.4
Cash and cash equivalents as at 31 March	32.7	107.9

### Investment in the portfolio

From January to March 2009, investment focused particularly on maintaining and increasing the value of our portfolio. These measures included optimising the fixtures and fittings provided in our office space or expanding capacity in our asset and property management services. In total we invested approximately EUR 35.6 million. In the same period in the previous year, investment of EUR 194.5 million was focused on external growth through the acquisition of the Forum portfolio.

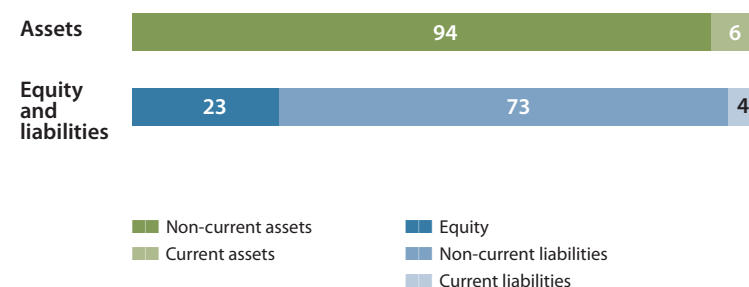
### Total assets stable

At the end of the first quarter of 2009, total assets were almost unchanged at EUR 2,214.4 million.

### Assets: non-current assets increased slightly

The addition of three properties following completion was largely responsible for the increase in non-current assets by EUR 28.8 million (+1%) to EUR 2,084.6 million. The collection of receivables from sales and purchase price payments reduced current assets by EUR 29.1 million (-18%) to EUR 129.8 million.

### Balance sheet structure in %



### Liabilities: non-current debt unchanged

Equity decreased by EUR 21.0 million (-4%) to EUR 512.8 million. Due to the falling interest rate level the strongest impact came from the purely on-balance sheet inclusion of interest rate hedging instruments which increased the negative hedging reserve by EUR 21.3 million. The reserve for treasury shares decreased further due to the purchase of further treasury shares. At the end of the first quarter, the equity ratio amounted to 23.2%, and is therefore 0.9 percentage points below the year-end level.

There were no significant changes in the amount of non-current debt. While financial debt was reduced slightly, liabilities from derivatives rose. At the end of the first quarter, non-current debt amounted to EUR 1,606.1 million. In particular, reclassifications of loans based on their terms increased current debt by EUR 18.1 million (+23%) to EUR 95.4 million.

### Balance sheet overview

EUR million	31.03.2009	31.12.2008
Total assets	2,214.4	2,214.8
Non-current assets	2,084.6	2,055.8
Current assets	129.8	158.9
Equity	512.8	533.8
Non-current debt	1,606.1	1,603.7
Current debt	95.4	77.3

## ■ EVENTS AFTER THE BALANCE SHEET DATE

In April 2009 a small office property in Frankfurt was sold to an institutional investor for some EUR 2 million. In addition, a residential building in Wiesbaden was sold to a private investor for EUR 0.5 million.

## ■ RISK REPORT

We provided detailed explanations of DIC Asset AG's risk management and described the risks to its operations in our latest annual report, which was published in March 2009. There have been no material changes in companies or the environment since this date.

We have made enhancements to our risk management in recent months, as planned: To monitor and manage the non-payment of debts we are implementing an expanded system which monitors and controls receivables management across three levels. In addition we have tightened up processes in order to avoid asset losses from current or impending legal disputes.

## ■ TRANSACTIONS WITH RELATED PARTIES

As part of its normal business activities, DIC Asset AG maintains business relations with a number of related companies and persons. In principle, the same conditions apply to transactions with these companies and persons as for comparable transactions with third parties. There were no material transactions with related parties in the months from January to March 2009.

## ■ OPPORTUNITIES AND FORECAST

### **Established property management service offers opportunities**

With the market in its current state, opportunities for future development by our company are most likely to arise in connection with the establishment of our asset and property management organisation throughout Germany. Compared with our competitors, we are very well positioned, particularly with international investors, to take advantage of additional opportunities in letting consistently and efficiently, thanks primarily to our regional proximity to our properties and tenants. This may have a positive impact in securing and increasing our revenues long term through appropriate letting services particularly in a difficult economic period.

### **Financial crisis continues to squeeze economic activity**

The German economy is now caught in the maelstrom resulting from the unusually severe global economic downturn and cannot escape because of its heavy dependence on exports. Accordingly, manufacturing companies have experienced massive falls in orders in recent months. Against this background, the leading economics institutes expect a sharp fall in gross domestic product of six per cent in their spring forecasts. The economy is not expected to recover either until 2010.

### **Employment market affected**

The economic trend will, of course, also have an impact on the employment market. The crisis is expected to trigger a marked reduction in the number of jobs unless a reduction in capacity can be pre-empted by short-term measures such as short-time working.

### **Interest rates remain low, availability of credit is the central problem**

Central banks are expected to keep their key interest rates low over the next few months in order to avoid depressing the economic situation further. Despite interest rates falling to record lows, availability of credit will remain one of the major issues facing governments. Unless the problems in the banking sector are rectified, the measures to support the economy could fail.

### **Caution on the transaction market**

The inhibiting factors, which have slowed momentum on the transaction market for German commercial property in the last two quarters, are still with us. There has been no revival in traditional lending and current forecasts of future trends are not especially reliable either. The fact remains that very good properties, which are let long-term to good quality tenants, are still easily marketable while lower-quality property is far less sought after. In view of the uncertain outlook, a “wait and see” approach on the part of both buyers and sellers rather than a rapid turnover is to be expected.

Analysts assume that 2009 will be a subdued year for transactions with small, individual transactions predominating. Overall, market factors are leading to a forecast transaction volume of between EUR 10 and 15 billion for 2009 as a whole.

### **Sales strategy: placement of smaller volumes will continue**

Over the next few months, we shall pursue our sales strategy, which focuses on the selective marketing of small to medium-sized properties in particular, consistently. We shall place larger properties especially, once they become more marketable.

Our stable financing structure allows us this flexibility in deciding when to sell our properties. Depending on the transaction markets of relevance to us stabilising, we are planning to sell properties worth up to maximal EUR 100 million in 2009 as a whole.

### **Acquisition planning: selective at best**

With regard to acquisitions we are currently pursuing a cautious strategy in view of the blockade in the market and the lack of properties available. We shall make acquisitions in the current year if favourable opportunities present themselves. To this end, we continue to examine acquisition opportunities in order to identify attractive properties and to acquire them if applicable.

### **Letting market bringing challenges**

With regard to letting, many companies have postponed thoughts of moving or expanding in recent months. Their reaction to the economic vagaries was reflected on the letting market in the first quarter of 2009, with letting volumes down sharply on the previous year. Allowing for the economic conditions, similar restraint and generally challenging conditions on the letting market are to be expected for the year as a whole. Among tenants, cost sensitivity will increase markedly, as will demand for flexible, short-term tenancy agreements. Against this background, market experts are not daring to make any forecasts regarding lease take-up in 2009 as a whole.

**Letting target: a stable occupancy rate is desirable**

In an increasingly difficult market, we are aiming to achieve a stable average occupancy rate in the portfolio of 88% through our high letting volume. With the expansion in our property management capacity and our national presence, we have consistently implemented the strategic measures needed to achieve this in recent months and are very well placed with DIC ONSITE as our property and asset management company. Through our leases, we expect rental income for the financial year (discounting sales) to be around the level for the previous year.

**No change to planned operating income**

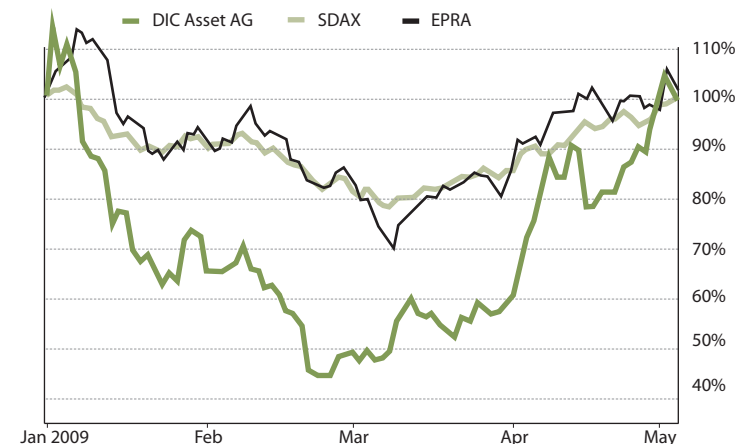
In the first quarter of 2009, we achieved a respectable result of EUR 2.6 million, which was largely generated by our robust operations and our success in letting. Despite the dislocations in the financial market and the economic outlook for the rest of the year, this success gives us confidence. We continue to expect funds from operations (FFO), operating earnings before sales, depreciation and taxes, of between EUR 34 and 36 million.



Wiesbaden,  
Frankfurter Straße:  
Object acquired with  
the Dolphin portfolio

**Making up ground after initial losses**

Share prices continued to fall in the first quarter. Continuing instability in the financial sector and the uncertain economic outlook, in particular, increased pressure on share values. The DAX lost some 15% up to 31 March 2009. The SDAX also closed the first quarter 15% down. The situation eased from the end of March and prices recovered across a broad range. The first quarterly reports as well as the prospect of accounting regulations being eased in the American market improved sentiment with the result that a large proportion of the losses since the beginning of the year had been reversed at the beginning of May. Extreme volatility, which continues to reflect the uncertainty on the capital market and which affects the lower values with lower market capitalisation much more, remains typical.



	01.01.2009	11.05.2009	
DIC Asset AG	6.22	6.20	-0.3%
EPRA/NAREIT Europe	975.13	1,009.62	+3.5%
SDAX	2,800.73	2,819.67	+0.7%
DAX	4,810.20	4,866.91	+1.2%

### Real estate stocks recovering

Shares in real estate companies have trended in line with the market as a whole in 2009. Up to the end of March, losses on the EPRA NAREIT Europe-Index, the index of all major European real estate stocks, amounted to some 15%. Since then, the rise in prices up to the beginning of May has offset the downward trend, meaning that prices currently match the level at the beginning of the year. The DIC Asset AG share fell to an all-time low of EUR 2.55 on 24 March 2009 and finally ended the first quarter with a fall of 42%. With the beginning of the general recovery, in May 2009 the share once again rose above its price at the start of the year and thus outperformed the DAX and SDAX.

### Share buyback programme ended in February

The share buyback programme, which started in October 2008, ended on 10 February 2009 with the acquisition of 4.7% of the share capital. Some 1.5 million treasury shares were acquired worth EUR 7.2 million in total, at an average price of EUR 4.91 per share. The buyback programme was our reaction to the divergence between the share price and the intrinsic value of the share. We are of the opinion that the price in recent months does not reflect the company's positive performance and its potential in future.

#### Contact details for more information

- You can contact the Investor Relations Team on:  
phone +4969-94 54 85 80 or by  
email at [ir@dic-asset.de](mailto:ir@dic-asset.de)
- You would like to be informed of current announcements:  
<http://www.dic-asset.de/engl/news>
- You can find interim and annual reports:  
[www.dic-asset.de/engl/ir](http://www.dic-asset.de/engl/ir)

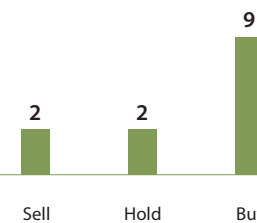
### Analysts recommend to buy

Analysts' reports indicate that the relationship between the share price and its intrinsic value is diverging, which is also our opinion. The majority of the analysts covering our share view it as favourably valued even after the latest sharp rise and advise investors to buy. Nine analysts among the banks monitoring the share recommend buying it, while only two advise against it.

Currently, 13 financial institutions report on our share. We maintain a regular exchange of information with analysts, just as with our shareholders and investors and consequently continue our existing investor relations activities. The Board of Directors and the Investor Relations team hold many individual discussions with shareholders, investors and analysts with the aim of providing them with information on the company's current development.

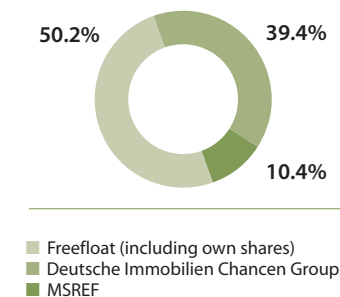
#### Reporting on the share

Coverage by 13 banks  
(As at May 2009)



#### Shareholders' structure

(As at May 2009)



### Key figures

	Q1 2009	Q1 2008
Earnings per share in EUR	0.09	0.11
52-week high in EUR	7.13	33.24
52-week low in EUR	2.55	15.63
Closing price for quarter in EUR	3.57	21.07
Market capitalisation in EUR million	107	661
Current share price (as at 11.05.2009) in EUR	6.20	
	<b>2008</b>	<b>2007</b>
Dividend per share in EUR million	0.30	1.65
Dividend rent (as at end of quarter)	8.4%	7.8%

### Financial calendar

12.05.2009	Publication of Interim Report Q1/2009	
27./28.05.2009	Kempen European Property Seminar	Amsterdam
11.06.2009	Morgan Stanley EMEA Property Conference	London
23./24.06.2009	Deutsche Bank German Corporate Conference	Frankfurt
07.07.2009	General Shareholders' Meeting	Frankfurt
19.08.2009	Publication of Interim Report Q2/2009	
03.-04.09.2008	EPRA Annual Conference 2009	Brussels
22.-24.09.2009	UniCredit German Investment Conference	Munich
05.-07.10.2009	EXPO Real 2009	Munich
20.-21.10.2009	Initiative Immobilien-Aktie 2008	Frankfurt
11.11.2009	Publication of Interim Report Q3/2009	

■ CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
FROM 1 JANUARY TO 31 MARCH 2009

TEUR	01.01.- 31.03.09	01.01.- 31.03.08
<b>Total revenues</b>	<b>43,892</b>	<b>39,082</b>
<b>Total expenses</b>	<b>-23,925</b>	<b>-17,168</b>
Gross rental income	33,180	33,799
Ground rents	-58	-137
Service charge income on principal basis	5,239	4,591
Service charge expenses on principal basis	-6,012	-5,076
Other real estate related operating expenses	-1,570	-833
<b>Net rental income</b>	<b>30,779</b>	<b>32,344</b>
Administrative expenses	-2,438	-2,216
Personnel expenses	-2,131	-1,671
Depreciation and amortisation	-7,349	-6,877
Management fee income	917	516
Other income	133	176
Other expenses	-112	-358
<b>Net other income</b>	<b>21</b>	<b>-182</b>
Investment property net disposal proceeds	4,423	0
Carrying value of investment property disposal	-4,255	0
<b>Profit on disposal of investment property</b>	<b>168</b>	<b>0</b>
<b>Net operating profit before financing activities</b>	<b>19,967</b>	<b>21,914</b>
Share of the profit of associates	783	701
Net financing costs	-17,662	-18,537
<b>Profit before tax</b>	<b>3,088</b>	<b>4,078</b>
Income tax expense	-1,215	-1,139
Deferred income tax expense	690	385
<b>Profit for the period</b>	<b>2,563</b>	<b>3,324</b>
Attributable to equity holders of the parent	2,550	3,298
Attributable to minority interest	13	26
Basic (=diluted) earnings per share (EUR)	0.09	0.11

■ CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER  
ENDED 31 MARCH 2009

TEUR	31.03.2009	31.03.2008
<b>Operating activities</b>		
Net operating profit before interest and taxes paid	23,411	24,866
Realised gains on disposals	-168	0
Depreciation and amortisation	7,349	6,877
Movements in receivables, payables and provisions	818	1,104
Other non-cash transactions	-1,422	-904
<b>Cash generated from operations</b>	<b>29,988</b>	<b>31,943</b>
Interest paid	-21,672	-22,989
Interest received	1,770	3,082
Income taxes paid	-947	-1,635
<b>Cash flow from operating activities</b>	<b>9,139</b>	<b>10,401</b>
<b>Investing activities</b>		
Proceeds from sale of investment property	23,437	355
Disposal/acquisition of subsidiaries	0	-5,587
Acquisition of investment property	-33,426	-159,572
Capital expenditure on investment property	-2,315	-1,353
Acquisition/disposal of other investments	0	158
Loans to other entities	-5,527	-10,124
Acquisition of office furniture and equipment	-15	-27
<b>Cash flow from investing activities</b>	<b>-17,846</b>	<b>-176,150</b>
<b>Financing activities</b>		
Proceeds from other non-current borrowings	20,252	112,283
Repurchase of own shares	-2,270	0
Repayment of borrowings	-23,033	-3,903
<b>Cash flow from financing activities</b>	<b>-5,051</b>	<b>108,380</b>
Net increase in cash and cash equivalents	-13,758	-57,369
Cash and cash equivalents at 1 January	46,417	165,281
<b>Cash and cash equivalents at 31 March</b>	<b>32,659</b>	<b>107,912</b>

## ■ CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

### ASSETS

TEUR	31.03.2009	31.12.2008
Investment property	2,047,189	2,022,920
Office furniture and equipment	640	641
Investments in associates	19,031	18,708
Other investments	241	241
Intangible assets	191	196
Deferred tax assets	17,355	13,100
<b>Total non-current assets</b>	<b>2,084,647</b>	<b>2,055,806</b>
Receivables from the sale of property	369	19,639
Trade receivables	8,599	8,972
Receivables due from related parties	80,910	76,377
Income taxes receivable	2,544	2,621
Other receivables	2,308	2,671
Other current assets	2,369	2,247
Cash and cash equivalents	32,659	46,417
<b>Total current assets</b>	<b>129,758</b>	<b>158,944</b>
<b>Total assets</b>	<b>2,214,405</b>	<b>2,214,750</b>

### EQUITY AND LIABILITIES

TEUR	31.03.2009	31.12.2008
<b>Equity</b>		
Issued capital	31,350	31,350
Share premium	528,450	528,450
Hedging and translation reserve	-60,765	-39,521
Reserve for treasury shares	-7,247	-4,977
Reserve from first-time application of IFRS	-2,373	-2,373
Other reserves	1,136	1,136
Retained earnings	20,743	18,193
<b>Total shareholders' equity</b>	<b>511,294</b>	<b>532,258</b>
Minority interest	1,550	1,537
<b>Total equity</b>	<b>512,844</b>	<b>533,795</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	1,533,843	1,554,752
Deferred tax liabilities	7,276	7,431
Derivatives	65,026	41,462
Other non-current liabilities	0	13
<b>Total non-current liabilities</b>	<b>1,606,145</b>	<b>1,603,658</b>
Interest-bearing loans and borrowings	37,910	19,783
Trade payables	35,844	34,368
Liabilities to related parties	6,203	6,501
Provisions	34	34
Income taxes payable	5,489	5,299
Other liabilities	9,936	11,312
<b>Total current liabilities</b>	<b>95,416</b>	<b>77,297</b>
<b>Total liabilities</b>	<b>1,701,561</b>	<b>1,680,955</b>
<b>Total equity and liabilities</b>	<b>2,214,405</b>	<b>2,214,750</b>

■ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 MARCH 2009

TEUR	Issued Capital	Share premium	Reserve for treasury shares	Reserve for cash flow- hedges	Reserve from first-time application of IFRS	Other reserves	Retained earnings	Minority interest	Total
<b>Status as of 31 December 2007</b>	<b>31,350</b>	<b>528,450</b>	<b>0</b>	<b>7,769</b>	<b>-2,373</b>	<b>1,136</b>	<b>44,842</b>	<b>1,574</b>	<b>612,748</b>
Dividends 2006							0	-24	-24
Profit for the period							3,298	26	3,324
Loss from cash flow hedges*				-10,330					-10,330
Loss from cash flow hedges of associates*				-1,519					-1,519
<b>Status as of 31 March 2008</b>	<b>31,350</b>	<b>528,450</b>	<b>0</b>	<b>-4,080</b>	<b>-2,373</b>	<b>1,136</b>	<b>48,140</b>	<b>1,576</b>	<b>604,199</b>
Dividends 2007							-51,727	0	-51,727
Profit for the period							21,780	70	21,850
Loss from cash flow hedges*				-30,928					-30,928
Loss from cash flow hedges of associate*				-4,513					-4,513
Repurchase of own shares			-4,977						-4,977
Repayment of minority interest								-109	-109
<b>Status as of 31 December 2008</b>	<b>31,350</b>	<b>528,450</b>	<b>-4,977</b>	<b>-39,521</b>	<b>-2,373</b>	<b>1,136</b>	<b>18,193</b>	<b>1,537</b>	<b>533,795</b>
Profit for the period							2,550	13	2,563
Loss from cash flow hedges*				-19,788					-19,788
Loss from cash flow hedges of associates*				-1,456					-1,456
Repurchase of own shares			-2,270						-2,270
<b>Status as of 31 March 2009</b>	<b>31,350</b>	<b>528,450</b>	<b>-7,247</b>	<b>-60,765</b>	<b>-2,373</b>	<b>1,136</b>	<b>20,743</b>	<b>1,550</b>	<b>512,844</b>

\* deferred taxes deducted

■ SEGMENT REPORTING AS AT 31 MARCH 2009

TEUR	Q1 2009	Q1 2008
<b>Rental income</b>		
Core	17,175	17,453
Value Added	16,005	16,346
Opportunistic Co-Investments	0	0
Other	0	0
<b>Group</b>	<b>33,180</b>	<b>33,799</b>
<b>EBITDA</b>		
Core	15,571	16,060
Value Added	14,443	15,303
Opportunistic Co-Investments	0	0
Other	-2,698	-2,572
<b>Group</b>	<b>27,316</b>	<b>28,791</b>
<b>EBTDA</b>		
Core	6,004	5,906
Value Added	5,451	5,313
Opportunistic Co-Investments	783	701
Other	-1,801	-965
<b>Group</b>	<b>10,437</b>	<b>10,955</b>
<b>EBT</b>		
Core	2,118	2,269
Value Added	2,044	2,118
Opportunistic Co-Investments	783	701
Other	-1,857	-1,010
<b>Group</b>	<b>3,088</b>	<b>4,078</b>

■ RECORDED GAINS AND LOSSES AS AT 31 MARCH 2009

TEUR	Q1 2009	Q1 2008
Fair value cash flow hedges	-19,788	-10,330
Fair value cash flow hedges of associates	-1,456	-1,519
<b>Recorded directly in equity</b>	<b>-21,244</b>	<b>-11,849</b>
Profit for the period	2,563	3,324
<b>Recorded gains and losses</b>	<b>-18,681</b>	<b>-8,525</b>
Equity holders of the parent	-18,694	-8,551
Minority interest	13	26

**General information on reporting**

Pursuant to §37 x Para. 3 of the Securities Trading Act (WpHG), the quarterly financial statements shall consist of interim consolidated financial statements and a consolidated management report. These interim consolidated quarterly financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim reporting. The consolidated management report was prepared in accordance with the applicable provisions of WpHG. The quarterly accounts for the consolidated companies are based on uniform accounting and measurement principles. The consolidation, currency translation, recognition and measurement methods used are unchanged compared with the 2008 consolidated financial statements.

**Notes to the consolidated financial statements**

In the first quarter of 2009, external loans of EUR 20.3 million were taken up. These are being used to finance the Düsseldorf Nordstrasse and Düsseldorf Nürnbergerstrasse properties (EUR 17.3 million) from the V6A portfolio, one further property in the RMN portfolio (EUR 1.6 million) and the development of the Bienenkorbhaus FraSpa property on Frankfurt's Zeil (proportionate share of EUR 1.4 million). Of this, EUR 16.4 million is hedged through interest rate swaps.

**Dividend**

In order to allow shareholders to participate in the success and the increase in value of DIC Asset AG to an appropriate degree, at the General Shareholders' Meeting which is to take place on 7 July 2009, the Board of Directors will propose a dividend of EUR 0.30 per share for the financial year 2008.

## ■ TO DIC ASSET AG

We have reviewed the condensed interim consolidated financial statements of the DIC Asset AG, Frankfurt am Main, comprising the balance sheet, the income statement, statement of recognized income and expense, cash flow statement, statement of changes in equity and selected explanatory notes - together with the interim group management report of DIC Asset AG, Frankfurt am Main, for the period from January 1 to March 31, 2009, that are part of the quarterly financial report according to § 37x Abs. 3 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to

inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

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

Nürnberg, 11 May 2009

Rödl & Partner GmbH  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Dr. Rödl  
Wirtschaftsprüfer  
(German Public Auditor)

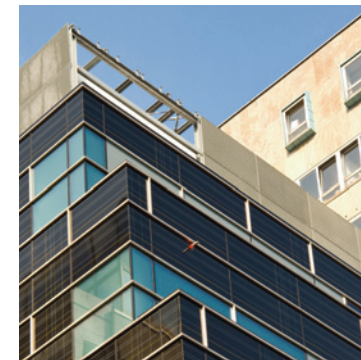
Danesitz  
Wirtschaftsprüfer  
(German Public Auditor)



*The Bienenkorbhaus  
combines tradition  
with modernity*



*Bienenkorbhaus,  
Reopening ceremony;  
Frankfurt's mayoress  
Dr. Petra Roth and  
DIC CEO Ulrich Höller*



*Opening of Görtz  
branch on three floors*

## ■ LONGER-TERM OVERVIEW BY QUARTER

EUR million	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Gross rental income	33.8	33.9	33.3	33.5	<b>33.2</b>
Proceeds from the sale of real estate	0.0	2.0	20.8	27.1	<b>4.4</b>
Total revenues	39.1	41.5	60.1	67.5	<b>43.9</b>
EBITDA	28.8	29.8	33.4	32.0	<b>27.3</b>
EBIT	21.9	22.5	26.5	25.1	<b>20.0</b>
FFO	11.0	17.5	10.5	9.0	<b>10.3</b>
EBDA	10.2	15.7	13.6	13.7	<b>9.9</b>
Profit for the period	3.3	8.4	6.7	6.8	<b>2.6</b>
Earnings per share (EUR)	0.11	0.27	0.21	0.21	<b>0.09</b>
Cash flow from operating activities	10.4	12.9	6.0	7.9	<b>9.1</b>
Market value of real estate assets *	2,385.6	2,382.6	2,358.1	2,161.8	<b>2,184.4</b>
Total assets	2,251.4	2,229.9	2,211.1	2,214.8	<b>2,214.4</b>
Equity	604,2	593,0	582,9	533.8	<b>512.8</b>
Equity ratio in %	26.8	26.6	26.4	24.1	<b>23.2</b>
Debt	1,647.2	1,636.9	1,628.2	1,681.0	<b>1,701.6</b>
Debt ratio in %	73.2	73.4	73.6	75.9	<b>76.8</b>

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

## PORTFOLIO OVERVIEW

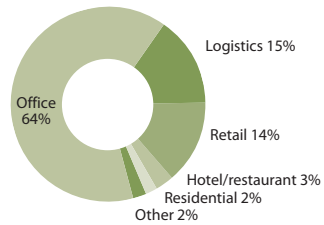
As at 31.03.2009

	Core	Value Added	Opportunistic Co-Investments	Total
Number of properties	48	145	142	335
Portfolio volume in EUR million*	975	969	240	2.184
Portfolio proportion	45%	44%	11%	100%
Annualised net rent	67	66	14	147
Lettable area in sqm	455.000	655.000	162.000	1.272.000
Rental income per sqm in EUR	12,10	10,00	8,30	10,66
Vacancy rate	1,7%	18,7%	18,8%	12,6%

\* Market values as at 31.12.2008

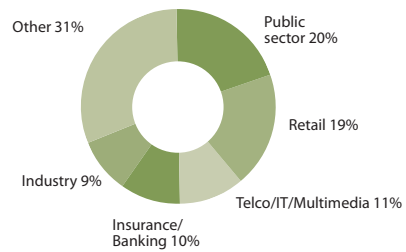
### Usage

by lettable area



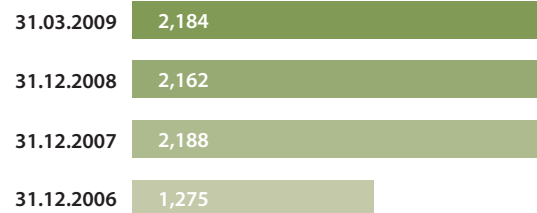
### Main tenants

by rents paid p.a.



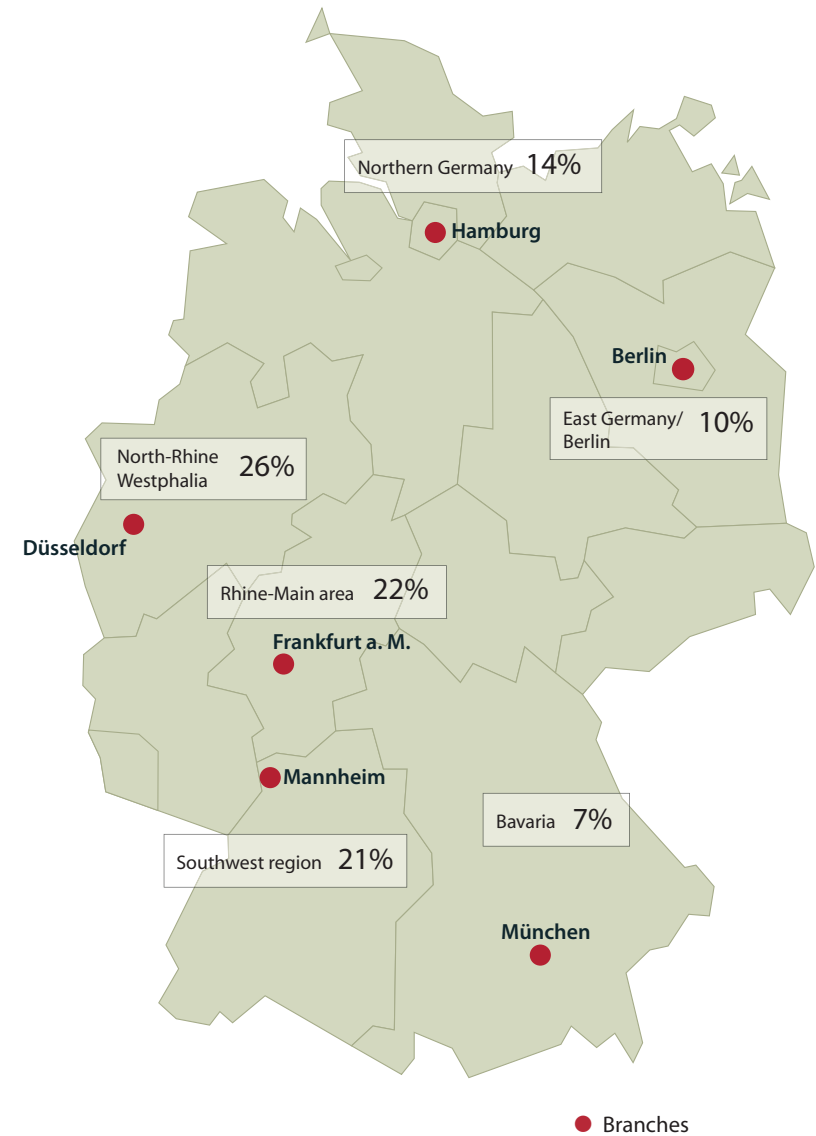
### Portfolio growth

EUR million



## LOCATION OF PROPERTY

by lettable area in sqm, as at 31.03.2009



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