



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

Dear Shareholders, Business Partners,  
Employees and Friends,

DIC Asset AG has started 2011 with successful activities and strategic decisions:

- We have returned to the market as a buyer with our first major transaction amounting to EUR 108 million.
- We received more than EUR 52 million for further growth from our capital increase in March 2011.
- We also let 48,300 sqm either by finding new tenants or renewing existing tenancy agreements, which is around 55% more than in the first quarter of the previous year.

In the first quarter of 2011, we also generated respectable earnings for our shareholders. With FFO of EUR 10.0 million and a profit for the period of EUR 2.8 million, we matched the level of the previous year and are within our planning figures.

We are happy with the profit figure, since DIC Asset AG generated this profit on the basis of a reduced real estate portfolio with lower rental income. This is the consequence of properties having been spinned off to our first fund as well as successful disposals. Through the capital increase and the repayment of debt, we have succeeded in raising the capital ratio significantly from 24% to 31% within five quarters.

Beyond the current quarterly figures, we can advise you that we issued the first DIC Asset corporate bond in recent days. As a result, we shall achieve a number of valuable advantages:

- We shall gain access to new groups of investors with this fixed-income product, who are interested in long-term, predictable interest payments based on steady earnings from our stable business model. These are both private investors and institutional investors.
- We are extending our financing base – in terms of borrowed funds – with additional alternatives to traditional mortgage financing.
- We shall become more flexible and more able to react rapidly, most notably in the case of acquisitions, thanks to the rapid deployability of the funds raised in advance.

Together with the capital increase, the issue of the bond has given us valuable advantages in the development of our company and the realisation of the growth strategy.

This is aimed at developing DIC Asset AG in three areas that will have a direct, tangible impact on profits and the balance sheet:

### **1. Growth in all investment segments across the portfolio**

We are in a position to include commercial real estate from all investment segments into our portfolio successfully and rapidly incorporate it in an extensive value added chain. We are optimally positioned across Germany in all segments ranging from traditional properties to be held long-term in the portfolio to properties offering considerable potential for opportunities. In this connection, we utilise direct investments, our fund vehicle DIC Office Balance I as well as minority investments in the DIC Group's opportunistic investments.

### **2. Participation in the upturn in the real estate market by adding value**

We shall utilise the upturn in the real estate market to optimise our portfolio and to exploit potential in letting properties on improved terms. Our asset and property management service, which operates across Germany but is focused on the regions in which our portfolio is concentrated, will be a key tool here.

### **3. Expansion of our organisational advantages**

Our organisation, which we constantly optimise to increase the income generated by and the value of our properties through support activities – such as financing – parallel to our direct work on our properties, provides a secure foundation for our growth. At the same time, we shall continue to rely on the proven benefits of our lean corporate structure, which allows us to respond rapidly.

We are delighted, dear shareholders, that you are continuing to accompany us with your considerable trust and broad support.

Yours sincerely,



Ulrich Höller



Markus Koch