DIC ASSET

INTERIM REPORT
Q2 2012

Right in the foreground: MainTor Panorama

CONTENT

OVERVIEW

Key figures EUR million	**H1 2012**	H1 2011		**Q2 2012**	Q1 2012	
Gross rental income	**62.5**	56.5	+11%	**31.4**	31.1	+1%
Net rental income	**56.1**	52.2	+7%	**28.0**	28.1	0%
Fees from real estate management	**2.3**	2.3	0%	**1.1**	1.2	-8%
Property disposal proceeds	**2.9**	9.3	-69%	**0.1**	2.8	-96%
Total revenues	**78.2**	76.0	+3%	**38.8**	39.4	-2%
Profits on property disposals	**0.6**	0.6	0%	**0.1**	0.5	-80%
Share of the profit of associates	**1.3**	0.9	+44%	**0.5**	0.8	-38%
Funds from Operations (FFO)	**21.3**	20.1	+6%	**10.8**	10.5	+3%
FFO per share	**0.47**	0.47	0%	**0.24**	0.23	+4%
EBITDA	**49.2**	45.9	+7%	**24.6**	24.6	0%
EBIT	**33.1**	31.8	+4%	**16.5**	16.6	-1%
Cash flow from operating activities	**21.3**	19.3	+10%	**8.6**	12.7	-32%

Balance sheet data EUR million	**30.06. 2012**	31.12. 2011		**30.06. 2012**	31.03. 2012	
Net debt equity ratio	**31.4%**	31.7%	-0.3 pp	**31.4%**	31.5%	-0.1 pp
Investment property	**1,914.8**	1,902.1	+1%	**1,914.8**	1,917.5	0%
Debt	**1,627.4**	1,624.0	0%	**1,627.4**	1,632.9	0%
Total assets	**2,252.7**	2,248.1	0%	**2,252.7**	2,257.7	0%

Key facts letting	**H1 2012**	H1 2011		**Q2 2012**	Q1 2012	
Letting result in sqm	**112,000**	138,000	-19%	**60,000**	52,000	+16%
Vacancy rate	**12.0%**	13.8%	-1.8 pp	**12.0%**	12.3%	-0.3 pp
Like-for-like rental income growth	**0.1%**	0.1%	+0.0 pp	**+0.1%**	0.0%	+0.1 pp

▷ FOREWORD

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

Dear Shareholders, Business Partners, Employees and Friends,

Economic development in Germany is being increasingly affected by the tension between the healthy resilience demonstrated by our economy and the unresolved funding problems affecting many European countries. This is resulting in considerable uncertainty and may ultimately have an adverse impact on economic growth in Germany. At the same time, international investors in particular, still view Germany as a safe haven, as is apparent from the sustained high levels of investment.

With its focus on solidity and stability, the business model of DIC Asset AG allows the company to hold its own well in a situation of this kind. Three factors are crucial here:

- Our company operates solely in Germany and focuses on the commercial real estate market.
- DIC Asset AG's internal asset and real estate management gives us a proximity to properties and tenants and allows efficient and successful management and letting.
- Our portfolio delivers stable, substantial cashflows from a highly diversified tenant base.

The success of our business model is also reflected in our good results at the end of the first half of 2012. At the same time, they are an indicator of the progress we have made in reaching our targets for the year:

- We have exceeded the letting figures for the first quarter by 16%. As a result, the total space let at the midpoint of 2012 stands at some 112,000 sqm.
- We have increased the purchase volume to around EUR 86 million from further acquisitions.
- Halfway through the year, our FFO stands at EUR 21,3 million, up 6% on the previous year.

We are pleased that our share has also performed comparatively well over the course of the year to date and has risen by approximately 50% since the beginning of the year and considerably outperforming the EPRA index, a key benchmark. We shall continue to support this successful performance through our activities. Here, the search by many investors for well positioned property shares offering stable value is likely to have a positive impact.

We are continuing to work on expanding our portfolio as a source of sound, long-term income. We have achieved good progress here within the first half of the year:

- Today, our portfolio is far better utilised than it was a year ago: we have cut the vacancy rate to 12.0%, a reduction of 0.3 percentage points in the last quarter alone. We have even reduced the rate by approximately 2 percentage points compared with the previous year.

- Rental income and profits from associated companies are trending upwards as a result of lettings and the gradual expansion in the Commercial portfolio as well as the Co-Investments.

- The portfolio is built on its long-term, diversified financing structure. All refinancing planned or required for 2012 has already been implemented or binding commitments have already been arranged ahead of schedule. Loans totalling around EUR 500 million were arranged to refinance portfolios or individual properties, acquisitions and project financing.

After the end of the second quarter, we reached a major milestone with regard to the development of the "MainTor" quarter: with the pre-marketing of "MainTor Panorama" and "MainTor Patio" to an institutional investor, we are able to start the realisation of two construction phases at the same time. The purchase price is to be paid in instalments as building work progresses. This will allow current bank financing to be repaid proportionally and no more borrowed funds or capital resources will be required.

We would like to thank you, dear shareholders, for the support you have given us so far and hope that you will continue to support us with your accustomed high level of confidence in us.

Yours sincerely,

Ulrich Höller Markus Koch

▷ INTERIM GROUP MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

German economy stable but its direction is unclear

Uncertainty regarding economic growth in Germany is increasing, as is clear from the leading indicators such as the ifo index. Companies are less optimistic in both their assessment of the current situation and their expectations regarding the future at the end of July 2012, though both remain at a relatively high level. It is also increasingly clear that the German economy expects problems from the sovereign debt crisis and the slowdown in the global economy. The employment market is also showing the first signs of a slight downturn: in July, the number of unemployed rose by approximately 67,000 to 2.9 million, primarily because of seasonal factors. However, this figure is only 63,000 lower than the previous year. The number of people in gainful employment had risen by approximately 500,000 compared with the previous year to 41.7 million. Consequently, the unemployment rate stood at 6.8% in July 2012 (July 2011: 7.0%).

Growth in gross domestic product of 0.5% was achieved in the first quarter of 2012, in the second quarter the growth amounted to 0.3%. In view of the European debt crisis and weaker leading indicators, market observers are divided as to whether economic growth will be weaker or stronger in the following quarters.

Cut in key interest rate fails to herald boost for lending

With the public budgets of some European countries still strained and the banks experiencing funding problems, the European Central Bank cut its key interest rate by 0.25% to a historic low of 0.75% in July 2012. The deposit facility has even been held at 0.00% since July in order to make it easier for financial institutions to secure liquidity. It looks as if, once again, these measures will calm nerves on the financial market for the time being. However, there are no signs of a permanent solution to the European sovereign debt crisis and an answer to imbalances within the monetary union. The ongoing difficulties in obtaining finance continue to depress the German real estate industry and it is also difficult to see how this situation will develop. Commerzbank recently decided to jettison its "Commercial Real Estate Financing" division, which had been run via its subsidiary Eurohypo.

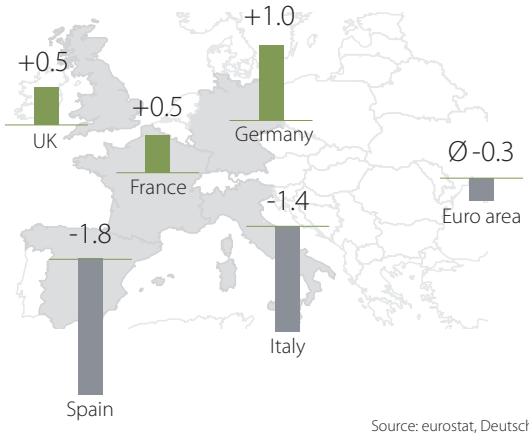
Slightly stronger GDP growth expected for 2012

In its current macroeconomic forecast of June 2012, the Deutsche Bundesbank expects the German economy to pick up speed once more and be strong enough to buck the recession in Europe and a volatile financial market. Germany is benefiting from a global economy that, though less dynamic, is stable overall, a high level of employment that is stimulating the domestic economy, historically favourable financing conditions, and the safe haven effect, which is attracting investors. However, the risks to the economy remain considerable. The Deutsche Bundesbank is currently expecting growth of 1.0% for the year as a whole.

Office letting market stable, but results mixed

Letting volume in the major office locations was also stable in the second quarter. Some 1.4 million sqm were let in total in the first half of the year, which signifies a fall of around 10% on the previous year. However, this fall does not represent a slump, since the results still match the average of the last ten years. Market sentiment remains good, thanks in part to the stable economic situation and the high number of people in employment. A letting volume of some 3 million sqm is expected by year-end, a result that would also be above the long-term average.

EXPECTED GDP GROWTH IN EUROPE 2012
in %

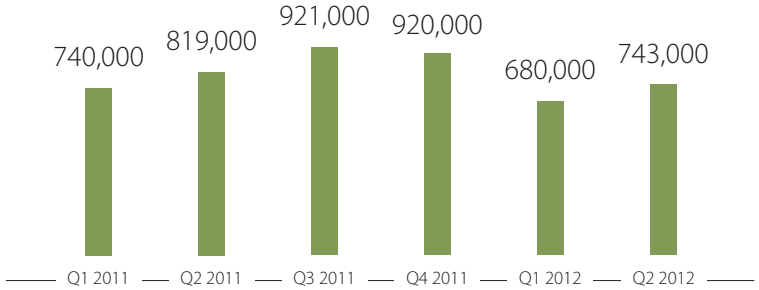


Source: eurostat, Deutsche Bundesbank

Further reduction in vacancy

Despite lower letting results, the vacancy in all office centres fell, and amounts to approximately 9.2%, around one percentage point lower than the previous year's figure. Peak rentals are continuing to trend upwards slightly thanks to strong demand for the peak segment. While it is less of a challenge finding tenants for top-quality – and therefore expensive – space in the best locations, the search for tenants for properties that are not situated in peak locations or are older is far more difficult. Substantial and, in recent years, very stable demand for modern space has also revived interest amongst property developers, who are investing more in land and development properties. However, this is yet to have an impact on completions or the completion pipeline. In the first half of the year, some 410,000 sqm came on the market but this did not result in any additional supply pressures thanks to the high level of pre-letting. Moderate completion volume at the level of the previous year, which is still well below the long-term average, is also expected for the rest of 2012.

LETTING VOLUME IN MAJOR GERMAN OFFICE LOCATIONS
in sqm million



Basis: figures for Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart from Jones Lang LaSalle, Savills

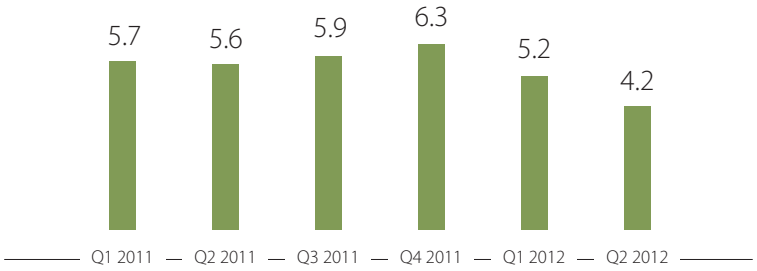
Transaction market: core fixation limits volume

Some EUR 4.2 billion were invested in commercial property in the second quarter. The transaction amount is therefore approximately a billion down on the more dynamic previous quarter. There have been no fundamental changes to general conditions, with demand from international investors remaining high. This group of purchasers is currently responsible for some 33% of the market. The decrease is therefore primarily attributable to the limited supply of core properties available. Investors remain focused on these properties, which account for around 60% of completed transaction volume. Transactions with a higher risk/reward profile are far less frequent. Investors are at most willing to make concessions concerning the location, with their demands with regard to quality, terms and tenants' credit-worthiness remaining extremely high. The majority of transactions are still individual transactions, with more than half concentrated in the major office locations. The situation is exacerbated by the fact that a lower number of transactions above EUR 100 million has been recorded in the current year. Overall, at EUR 9.4 billion, the transaction volume for the months from January to June is some 16% down on the previous year (EUR 11.1 billion).

Office property ahead once again

While far more retail properties changed hands last year, the ratio has shifted back in favour of office properties in the first half of 2012: office properties were traded for EUR 4.2 billion (approximately 45%), while retail properties came to around EUR 2.9 billion because of the limited supply of top properties. Peak yields for office properties eased – across all major office locations – by 10 basis points to 4.8% because of strong demand. In the remaining segments, yields were unchanged. For 2012 as a whole, market analysts believe that demand will remain strong because of the appeal of the German market and the low yield on German government bonds. However, because core-oriented demand is only matched by a limited supply, they predict that transaction activities will remain stable over the rest of the year.

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE
EUR billion



Source: Jones Lang LaSalle

Specific developments in the regions

- Munich has nearly doubled its transaction volume compared with the previous year and has consequently almost achieved the 10-year average halfway through the year; this performance was driven by large-scale transactions (including Maximilianhöfe and Pasing Arcaden)
- In the smaller Stuttgart market, transactions were roughly tripled compared with the previous year thanks to large deals
- Transaction volumes fell in the remaining office centres
- Frankfurt posted the largest fall in transactions of -46% compared with the previous year, but this is still above the five-year average
- Virtually stable letting market in Hamburg and Berlin
- Falling vacancy rates in all office centres, marked reductions in vacancies of over 10% in Hamburg, Cologne, Munich and Stuttgart
- Significant falls in rentals in Cologne and Düsseldorf, in some cases despite some major rentals

BUSINESS DEVELOPMENT

Highlights of the first half of 2012

- 60,000 sqm let in the second quarter, vacancy rate falls to 12.0%
- Another milestone reached in the MainTor project with the sale of two construction phases
- Operating profit (FFO) of EUR 21.3 million, a significant rise of +6% above the previous year

In the first quarter, we concluded new letting contracts or extended existing letting contracts for some 112,000 sqm in our portfolio, which means we are well within our planning figures. We have increased the letting volume by around 16% compared with the last quarter to 60,000 sqm. Our letting activities in recent months have enabled us to reduce the vacancy rate to 12.0%. Expansion of the portfolio increased rental income as at 30 June by 11% to EUR 62.5 million compared with the previous year. With the expanded portfolio, we generated a FFO of EUR 21.3 million, which is +6% above the previous year. Halfway through the year, the profit for the period stood at EUR 5.1 million. Another milestone in the development of the MainTor site was also achieved with the sale of "MainTor Panorama" and "MainTor Patio" for EUR 150 million. This will considerably reduce the project risk. The purchase price will be paid in instalments as building work progresses, allowing current bank financing to be repaid pro rata and obviating the need for further borrowed funds or capital resources. Overall, around 50% (EUR 340 million) of the MainTor quarter is currently being implemented.

Portfolio: no material changes in the second quarter

As at 30 June 2012, the DIC Asset AG portfolio comprised 270 properties in total with total rental space of 1.9 million sqm and a total value of approximately EUR 3.3 billion (assets under management). The pro rata value of the properties in relation to DIC Asset AG amounts to EUR 2.2 billion. There were no material changes in the regional distribution compared with the first quarter. The properties generate annual rental income (pro rata, including our co-investments) of EUR 141 million. The gross rental yield across the portfolio as a whole is 6.6%.

PORTFOLIO BY REGIONS*






30.06.2012	North	East	Central	West	South	**Total 30.06.2012**	Total 30.06.2011
Number of properties	47	34	57	61	71	**270**	283
Market value in EUR million **	232.7	267.3	667.8	640.8	407.9	**2,216.5**	2,071.0
Rental space in sqm	177,400	157,000	256,800	340,200	302,100	**1,233,500**	1,181,400
Portfolio proportion after rental space	14%	13%	21%	28%	24%	**100%**	
Annualised rental income in EUR million	15.1	20.0	35.3	40.7	29.6	**140.7**	129.7
Rental income per sqm in EUR	7.70	11.20	13.30	11.40	8.60	**10.50**	10.30
Lease maturity in years	6.7	4.3	6.2	5.3	4.1	**5.3**	5.5
Gross rental yield	6.6%	7.5%	6.2%	6.4%	7.2%	**6.6%**	6.6%
Vacancy rate	8.3%	7.8%	15.9%	14.5%	10.2%	**12.0%**	13.8%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2011, later acquisitions considered at cost

Letting volume increased significantly compared with the first quarter

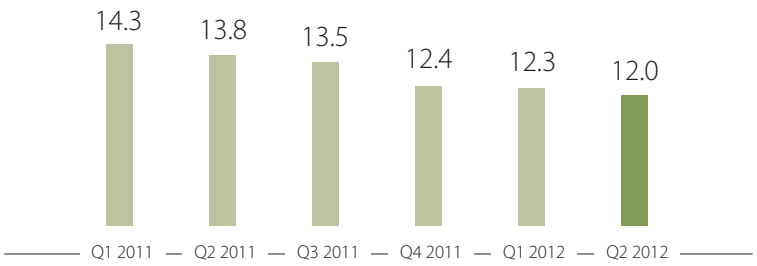
Our success in letting properties has also been maintained in the second quarter of 2012: at 60,000 sqm, we are well up on the first quarter (52,000 sqm). Compared with the previous year, we have increased the amount of office space let by some 2,000 sqm. Together with a higher rent per sqm, this means that the annualised rental income p.a. from letting office space is EUR 1.2 million more at EUR 9.0 million. Overall, the amount of property let in the first six months came to around 112,000 sqm, which corresponds to annualised rental income of some EUR 11.7 million. The result for the first half of 2012 breaks down into new letting contracts of 47,100 sqm (EUR 4.4 million) and renewals of 64,700 sqm (EUR 7.3 million). In the previous year, we let around 138,000 sqm up to the end of June 2011.

Potential lease expiries reduced by more than half

We have already reduced the volume of potentially expiring letting contracts by more than 50% through lettings in the first half of the year. The volume of letting contracts expiring in 2012 was reduced by EUR 7.4 million from 9.9% to 4.3% of annualised rental income. Lease expiry in 2013 was also reduced ahead of schedule from 9.6% to 7.4%. Annualised rental income in a like-for-like comparison (excluding changes to the portfolio caused by acquisitions/disposals or developments) increased by 0.1% compared with the previous quarter and is now, at the mid-point of 2012, at the same level as one year ago.

VACANCY RATE

in % at the end of the quarter



LETTING VOLUME

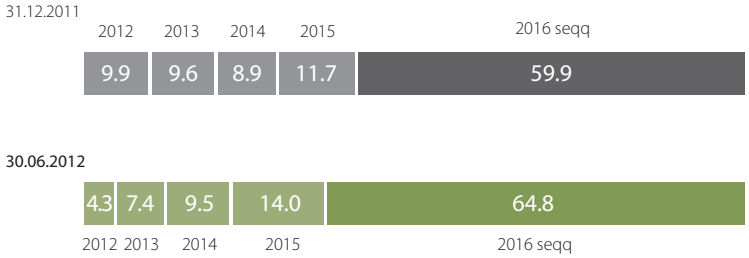
	H1 2012	H1 2011	H1 2012	H1 2011
	in sqm after signing		in EUR million	
Office	**78,000**	75,900	**9.0**	7.8
Retail	**6,300**	25,800	**1.1**	2.6
Other commercial	**25,500**	33,500	**1.4**	1.8
Residential	**2,000**	2,600	**0.2**	0.2
Total	**111,800**	137,800	**11.7**	12.4
Parking (units)	**1,180**	640	**0.6**	0.4

Vacancy rate cut further to 12.0%

Thanks to our success in concluding letting contracts, the vacancy rate across the portfolio as a whole fell from 12.3% at the end of March to 12.0% as at 30 June 2012. The fall was particularly marked in the South (-1.3 percentage points) and Central (-0.9 percentage points) regions. The improvement in the vacancy rate amounts to as much as 1.8 percentage points compared with the previous year. At 5.3 years, the average letting contract term remains virtually stable compared with the previous quarter (Q1 2012: 5.4 years), as does the average monthly rental per sqm at EUR 10.50. Additional portfolio data can be found in the overview on pages 48 and 49 at the end of the quarterly report.

LEASE MATURITIES

Distribution of annual rental income by lease maturities, in %



TOP LETTING DEALS

Top 5 New Lettings		in sqm
Industrial company	South region	9,400
Floor Direct	Mannheim	4,700
IET Holding	Cologne	3,300
J.W. Zander	Viersen	1,400
Excon	Neu-Isenburg	1,200

Top 5 Renewals		in sqm
State Baden-Württemberg	Mannheim	9,200
Industrial company	South region	6,500
Freie und Hansestadt Hamburg	Hamburg	4,700
Sirius	Düsseldorf	4,300
Bayer CropScience	Langenfeld	3,700

MATHIAS-BRÜGGEN-STRASSE, COLOGNE

Industrial estate in Cologne revitalised

- Repositioning following technological and structural improvements
- Higher local profile has significantly reduced vacancies

The industrial estate, which is suitable for a range of uses and covers an area of some 29,000 sqm, offers industrial and logistics space – half of which was empty on purchase. In addition to terminations, other tenants were also considering leaving the site. At the beginning of 2011, we therefore assumed direct responsibility for managing the property via DIC Onsite. Having implemented structural measures to the fabric of the buildings and the technology contained therein, we were able to re-present the space to the local market. With the improved product, we succeeded in attracting new high-profile tenants and extending existing tenancy agreements – for space totalling 13,000 sqm. As a result, we reduced the vacant space significantly by 15 percentage points to 35% and increased rental income by more than 25%.

Further acquisitions strengthen the portfolio

We signed the purchase agreement for an office property of 7,200 sqm at Frankfurt's main station in the second quarter. The investment volume amounts to EUR 17 million. 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 good credit rating. Title was transferred at the beginning of July.

We have also agreed the purchase of the "Loftwerk", a new office building in Eschborn near Frankfurt at a cost of some EUR 44 million for our "DIC Office Balance I" special fund. The office building will be completed by the end of 2012 and is already 75% let to three prime tenants six months in advance. The property, which offers rental space of 14,700 sqm, will comply with the latest Green Building standards and DGNB certification is sought. Following transfer of ownership, which is planned for year-end, the real estate assets of the "DIC Office Balance I" fund will rise to around EUR 315 million.

In June and July 2012, we secured two attractive retail properties in Mannheim and Dresden at an early stage at a total cost of some EUR 25 million. We had these purchases registered for the retail property fund, which we are in the process of establishing and marketing.

With these purchases, the current acquisition volume in 2012 comes to some EUR 86 million in total.

Sales of smaller properties for the purpose of portfolio optimisation

In the first half, we sold a total of four properties as well as three apartments under shared ownership for EUR 12.4 million. These were a property from our commercial portfolio, which generated sales proceeds of around EUR 3 million, and three properties from co-investments. We are continuing to optimise our portfolio structure with the sales of these smaller properties, which are well below the average property value of EUR 12 million. For the year as a whole, we are still planning a sales volume of some EUR 80 million in total.

Two MainTor sub-projects successfully marketed

At the end of July 2012, DIC marketed two construction phases in the MainTor quarter through one transaction: the "MainTor Panorama" (office space) and "MainTor Patio" (rented apartments) complexes were sold to the pension fund "Ärzteversorgung Westfalen-Lippe" in a forward deal, i.e. before construction has even started. The total investment volume amounts to approximately EUR 150 million.

DIC will remain responsible for the entire development, construction and for letting the properties over the next few years. Construction work on the "MainTor Panorama" and "MainTor Patio" projects is expected to start in the course of the first half of 2013. Parallel marketing of some 80 condominiums at the "MainTor Palazzi" offering a total of 9,800 sqm of residential space to owner-occupiers and investors is being prepared at present. Construction of these residential complexes located on the banks of the Main is to start in summer 2013.

Progress also made on other developments

DIC Asset AG is currently constructing a new building of some 2,200 sqm as part of the ongoing development of TRIO Offenbach. The new building, which supplements the existing main building on the site, should be completed on schedule towards the end of the year. It will be leased by MainArbeit, a subsidiary of the City of Offenbach, which has occupied all of the refurbished main building, comprising 5,200 sqm, located directly adjacent to it since the end of 2011. The rest of the site also offers potential for more buildings, which would allow the entire quarter to be actively used.

Following the forward deal for the "Opera Offices Klassik" sub-project in March 2012, development activities are also continuing apace in Hamburg. July saw the completion of demolition and gutting work for "Opera Offices Klassik". Following renovation and conversion, the site is set to be ready in mid-2013. With a new marketing campaign and discussions with estate agents, we have stepped up marketing activities for "Opera Offices Neo". Demolition is set to begin above ground in the course of the second half of the year. We expect pre-marketing to commence within the next twelve months.

"MainTor Patio" (left) and "MainTor Panorama" (right)

MAINTOR QUARTER FRANKFURT

Marketing of MainTor construction phases brings clear benefits

- Kick-off for "MainTor Panorama" and "MainTor Patio" following sale
- Volume of EUR 340 million (approx. 50%) currently being implemented

The MainTor quarter development is divided into several sub-projects, which can be constructed and marketed independently in both chronological and spatial terms. The forward deal for two major construction phases that has now been completed means that progress on the MainTor project will be quicker than planned, with some 50% now already marketed or being implemented. Early marketing will bring significant advantages for DIC Asset AG, which has a 40% stake:

- ▷ Following the forward sale of "MainTor Primus" and the 70% pre-letting for "MainTor Porta" to Union Investment, the project risk will again be reduced considerably.
- ▷ The purchase price is to be paid in instalments as building work progresses, allowing current bank financing to be repaid pro rata and obviating the need for further borrowed funds or capital resources.
- ▷ Early letting can lead to income being generated in stages, even during the construction period.

Employee base adjusted to expansion of business activities

Successful management of our larger portfolio and further expansion of our activities, including the fund business, requires further highly qualified staff. The increase of 20 employees to 137 employees compared with the previous year 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 the properties.

In addition, we have expanded the management team of DIC Onsite with effect from 1 July 2012. 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

	30.06.12	31.03.12	30.06.11
Portfolio management, investment and fund	**14**	14	11
Asset and property management	**105**	103	90
Group management and administration	**18**	17	16
Total	**137**	134	117

REVENUES AND RESULTS

Rental income up by 11%

As a result of growth via acquisitions and the increased occupancy rate, rental income rose significantly by EUR 6.0 million (+11%) to EUR 62.5 million compared with the first half of 2011, while net rental income rose by EUR 3.9 million (+7%) to EUR 56.1 million. Growth in net rental income is below the trend in gross rental income because of higher costs, which cannot be charged on to tenants (most notably maintenance and vacancy costs as well as contractually agreed exceptional cases).

Fees from real estate management at a high level

At EUR 2.3 million, fees from real estate management remained stable compared with the previous year. Here, the expansion of the fund volume for our "DIC Office Balance I" special fund offset the loss of income following disposals and the complete takeover of joint venture portfolios.

Total income rises to EUR 78.2 million

Revenues of EUR 2.9 million resulted from our directly held portfolio, the Commercial Portfolio, which led to a sales profit of EUR 0.6 million. Disposal proceeds of EUR 9.3 million and a profit of EUR 0.6 million were also achieved in the previous year. As a result of the increase in rental income, total revenues were 3% up on the previous year on 30 June 2012, at EUR 78.2 million.

OVERVIEW OF REVENUES

EUR million	H1 2012	H1 2011	
Rental income	**62.5**	56.5	+11%
Fees from real estate management	**2.3**	2.3	0%
Proceeds from disposals of properties	**2.9**	9.3	-69%
Other	**10.5**	7.9	+33%
Total revenues	**78.2**	76.0	+3%

Operating costs increase with growth in business volume

As planned, the expansion in our operations has affected operating costs. Personnel expenses have risen by EUR 0.9 million (+18%) compared with the first half of 2011 as a result of more personnel being employed, most notably for real estate management and fund business. Administrative expenses matched the previous year, at EUR 4.2 million. The operating cost ratio (administrative and personnel expenses to gross rental income, adjusted for fees from real estate management) amounted to 12.3% and is only marginally higher, at 0.3 percentage points, than in the previous year. For the year as a whole, we aim to achieve a cost ratio within a target range of 11% to 12%.

Portfolio growth results in higher financing costs

The interest result was also affected by the growth in the portfolio and the bond issue, and amounted to EUR -28.6 million in total for the first half of 2012 (first half of 2011: EUR -26.1 million). Interest income rose by EUR 1.3 million to EUR 4.9 million, mainly because of a short-term loan to a MainTor project company which we have granted as bridging finance. Interest expenses rose by EUR 3.8 million (-13%) to EUR -33.5 million, mainly because of the overall increase in the financing volume and interest expenses for the bond, which were only included in the same period in the previous year for some six weeks.

DERIVATION OF FFO

EUR million	H1 2012	H1 2011	
Net rental income	**56.1**	52.2	+7%
Administrative expenses	**-4.2**	-4.2	0%
Personnel expenses	**-5.8**	-4.9	-18%
Result of other operating income/expenses	**0.2**	-0.1	-300%
Fees from real estate management	**2.3**	2.3	0%
Share of the profits from associates	**1.3**	0.9	+44%
Interest result	**-28.6**	-26.1	-10%
Funds from operations	**21.3**	20.1	+6%

Increase in income from Co-Investments

Share of the profit of associates (these are the results of the Co-Investments segment) rose by EUR 0.4 million (+44%) to EUR 1.3 million compared with the previous year. This income, which is pro rata in each case, stems from operating activities and fund distributions. The increase was largely due to growth in our "DIC Office Balance I" special fund.

FFO up +6% to EUR 21.3 million

FFO (funds from operations, the operating profit) grew by EUR 1.2 million (+6%) to EUR 21.3 million. This increase is primarily attributable to the expansion of the portfolio. FFO per share amounted to EUR 0.47 and thus matched the level of the previous year despite the higher number of shares. As at 30 June 2012, the annualised FFO yield based on the price of EUR 6.80 at the end of the quarter was 14% (first half of 2011: 11%).

Profit for the period of EUR 5.1 million

As at 30 June 2012, we realised a profit for the period of EUR 5.1 million. This is a fall of some EUR 1.1 million (-18%) compared with the previous year, which is mainly attributable to higher personnel expenses, interest expenses and depreciation, which could not be entirely offset by increased rental or real estate management income. Earnings per share stand at EUR 0.11 (previous year: EUR 0.14).

EARNINGS OVERVIEW

EUR million	H1 2012	H1 2011	
Operating cost ratio	**12.3%**	12.0%	+0.3pp
FFO	**21.3**	20.1	+6%
Profit for the period	**5.1**	6.2	-18%
Earnings per share (EUR)	**0.11**	0.14	-21%
FFO per share (EUR)	**0.47**	0.47	0%

NET ASSETS AND FINANCIAL POSITION

Financing volume of EUR 1,521 million

As at 20 June 2012, our financial debt stood at around EUR 1,520.9 million, EUR 1.0 million (-0.1%) less than at the end of 2011 and EUR 95.4 million (+7%) more than a year ago. The majority of financial debt, at 95%, consists of bank loans, with 5% coming from our bond. We provided more detailed disclosures on our financial management in the Annual Report 2011.

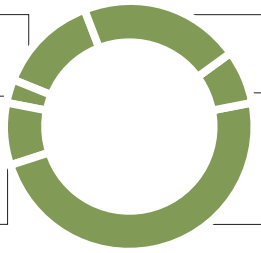
Upcoming financings arranged

We have achieved good success in work on scheduled refinancing in the second quarter. By 30 June 2012, we were able to arrange eleven loans for refinancing portfolios or individual properties and for acquisitions as well as for project financing with a total volume of some EUR 500 million. These also include the acquisition financing for the property acquired at Frankfurt's main station (anchor tenant ZIRAAT Bank).

The DIC Group's refinancing planned or required for 2012 has already been implemented or binding commitments have already been arranged ahead of schedule. These include the refinancing package for an asset portfolio of DIC Asset AG and the refinancing of a portfolio from the Co-Investments segment in the amount of some EUR 90 million in each case. As before, financing for portfolio properties was agreed long-term in non-recourse loan structures and on attractive terms. This means that we have secured the current low level of interest rates in the long term.

DEBT MATURITIES

as at 30.06.2012



The average term of financial liabilities fell by 0.2 years to around 3.0 years compared with the end of the first quarter. The refinancing arrangements will come into effect in the course of the second half of 2012.

Hedging financial debt

We hedge a large proportion of financial debt – 81% as at 30 June 2012 – against increases in interest rates, firstly through fixed interest rates or derivative interest-rate hedging instruments. This allows us to avoid the risk of extreme fluctuations in interest expenses and gives us more security in our planning. Some 19% of financial debt is agreed with variable interest rates. This is mainly current liabilities.

Average interest rate stable and at an attractive level

The average interest rate payable on our financial debt remained stable compared with the previous quarter at 4.20%. This is 15 basis points below the level at the end of 2011 and 25 basis points below that of one year ago. Because financing volume has risen following our acquisitions and the expenses for the bond are included in the entire current financial year, interest expense rose by EUR -3.8 million to EUR -33.5 million. Interest income rose by EUR 1.3 million to EUR 4.9 million due, among other things, to a loan being granted to a MainTor project company as bridging finance. The interest result thus amounts to EUR -28.6 million (previous year: EUR -26.1 million). At 168%, the interest cover ratio (ICR), the ratio of net rental income to interest payments, is slightly higher than at the end of 2011 (167%).

Operating cash flow increased by 10%

In the first half of 2012, cash flow was influenced in particular by the expansion in the portfolio compared with the previous year and a reduction in acquisition activities.

Cash flow from ongoing business activity increased sharply by EUR 2.0 million (+10%) to EUR 21.3 million. In essence, this is due to increased income from the real estate portfolio, which more than offset higher interest payments following payment of bond interest. Cash flow from investment activity came to EUR -40.8 million. The largest item here was the acquisition of the "Red Square" property (EUR 21 million). Investment in the portfolio also rose by EUR 3.5 million to EUR 9.4 million, mainly because of more extensive letting activities and the associated expansions. Loans to other companies rose following the granting of one short-term and one long-term loan to joint venture companies. In the previous year, investment activities were dominated by the acquisition of the Kaufhof properties in particular. Cash flow from financing activities came to EUR -6.0 million in the first half of the year.

It consists mainly of borrowing of EUR 13.1 million and repayments of EUR 15.2 million. Deposits of EUR 3.9 million had to be provided for hedging transactions after a fall in the general level of interest rates. In the previous year, financing activities were concentrated on financing a considerably higher acquisition volume, the capital increase and the bond issue.

Cash and cash equivalents decreased by EUR 20.6 million to EUR 74.8 million compared with the previous quarter. Compared with the end of 2011, the fall amounts to EUR 25.4 million from EUR 100.2 million.

Total assets stable

Total assets have increased by EUR 4.6 million (+0.2%) to EUR 2,252.7 million and consequently match the level at the end of 2011. Balance sheet ratios have remained virtually identical in the process apart from some shifts between non-current and current liabilities.

Assets increased by the acquisition of real estate

Non-current assets rose by EUR 23.9 million (+1%) to EUR 2,021.2 million, primarily due to the addition of the "Red Square" property, which was offset by smaller disposals. The newly added item for loans relates to a loan to a joint venture. Current assets fell by EUR -19.3 million (-8%) to EUR 231.5 million. In essence, this is down to the outflow of cash resulting from payment of the purchase price for the "Red Square" property.

OVERVIEW OF CASH FLOW

EUR million	H1 2012	Q1 2012	H1 2011
Net profit for the period	**5.1**	2.5	6.2
Cash flow from operating activities	**21.3**	12.7	19.3
Cash flow from investing activities	**-40.8**	-24.4	-97.6
Cash flow from financing activities	**-6.0**	2.3	100.1
Net changes in cash and cash equivalents	**-25.5**	-9.4	21.9
Cash and cash equivalents as at the end of the quarter	**74.8**	90.8	139.2

Equity ratio stable at around 31%

As at 30 June 2012, equity increased slightly by EUR 1.1 million (+0.2%) to EUR 625.3 million compared with the end of 2011. The current profit for the period had a positive impact here, while the negative hedging reserve increased, reducing equity, because of lower interest rates. The balance sheet equity ratio remained stable, at 27.8%, compared with 31 December 2012, while the net debt equity ratio (net of cash and excluding hedging reserve) decreased slightly by 0.3% to 31.4%.

Total debt unchanged, only shifts in maturities

As at the end of June 2012, liabilities came to EUR 1,627.4 million, which virtually equals the figure at the end of 2011. Non-current liabilities decreased by EUR 112.0 million (-8%) to EUR 1,294.6 million, while current debt increased by EUR 115.5 million (+54%) to EUR 332.8 million. These changes are primarily the result of the shifts between non-current and current borrowings occurring over time, while the raising and repayment of liabilities had far less impact.

OVERVIEW OF BALANCE SHEET

EUR million	30.06.2012	31.12.2011
Total assets	**2,252.7**	2,248.1
Non-current assets	**2,021.2**	1,997.3
Current assets	**231.5**	250.8
Equity	**625.3**	624.2
Non-current debt	**1,294.6**	1,406.7
Current debt	**332.8**	217.3
Equity ratio in % (on balance sheet)	**27.8**	27.8
Debt ratio in % (on balance sheet)	**72.2**	72.2
Net debt equity ratio in % (net of cash and excluding hedging reserve)	**31.4**	31.7

FORECAST

German economy stable but risks are higher

German companies are no longer looking towards the future with the degree of optimism that was the case three months ago. As a result, the ifo index fell again in July. One clear contributing factor has been the European debt crisis, which worsened at the beginning of the second quarter, with the renewed massive government support mobilised to counter this trend, but no permanent and sustainable solution in sight. The global economy is also expected to be less dynamic than before. To date, the strongly export-oriented German economy has coped well with the recession in the euro zone, the labour market is robust and the country is benefiting from safe haven effects and extraordinarily favourable financing conditions. According to the Deutsche Bundesbank's macroeconomic forecast, growth in gross domestic product of 1.0% is likely to be achieved in 2012. If the slowdown in the euro zone was accompanied by a downturn in global demand, this could hit the German economy hard. The sovereign debt crisis in the euro zone is also continuing to pose a danger in view of the political situation in Greece and the problems in the banking sector, particularly in Spain.

Real estate market slightly down on the previous year

Halfway through the year, the results of both the letting and transaction market are below those of the previous year. The limited supply of core properties is limiting transaction volume on the transaction market. Demand for German properties continues unabated, partly as a result of international investors looking for investments with a high degree of security. The letting market is characterised by a high number of small and medium-sized lettings and falling vacancy rates, which militates in favour of a healthy German economy. Despite these setbacks, no grounds for concern are apparent since, by and large, letting and transaction volumes are still up there with the average of previous years. If economic conditions remain stable, it should be possible to achieve results that match the long-term averages.

Operating targets unchanged

Following the end of the first half, we are well on track to achieving the targets set at the beginning of the year:

- In the first half, we have let around 112,000 sqm, which is entirely consistent with our plans. We expect letting volume to more or less match the previous year in 2012.
- We have reduced vacancies by 0.4 percentage points to 12.0% and, taking account of expected lease expiries and letting contracts coming into effect, plan a further reduction to around 11.5% at year-end.
- Of our planned indirect and direct investment volume of at least EUR 200 million, we have already implemented some EUR 86 million.
- We sold property worth approximately EUR 12 million in the first half of the year. We are confident that we shall achieve the planned volume of around EUR 80 million by the end of the year.
- We have started the process of raising equity for our second fund and have already secured two properties for the new fund. As planned, we have also increased the volume of "DIC Office Balance I" through acquisitions. Further acquisitions for both funds are planned.

FFO forecast: between EUR 43 and 45 million

At the midpoint of the year, we can confirm our profit forecast for the 2012 financial year. Based on the current portfolio and the planned reduction in the vacancy rate, we are expecting rental income of between EUR 124 and 126 million including planned acquisitions. On this basis, we are forecasting an operating profit (FFO) of between EUR 43 and 45 million (around EUR 1 per share) in 2012.

In view of the risks for economic growth in Germany, forecasts remain fraught with uncertainty. If general conditions or underlying assumptions change, our plans may differ from actual events.

EVENTS AFTER THE BALANCE SHEET DATE

The 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 also agreed to all the other

agenda items. Payment of the dividend totalling EUR 16.0 million took place 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 following the end of their period in office.

In addition, the purchase price of some EUR 17 million was paid on 6 July 2012 for the office property at Frankfurt's main station that had been acquired by notarial agreement of 18 April 2012.

In a notarial agreement of 27 July 2012, the two complexes "MainTor Panorama" and "MainTor Patio" were sold to the pension fund "Ärzteversorgung Westfalen-Lippe" under a forward deal. The investment volume totals some EUR 150 million. Construction is set to start in the first half of 2013.

OPPORTUNITIES AND RISKS

In the past few months, we expanded our monitoring, evaluation and reporting activities for tax risks, particularly in conjunction with property purchases and disposals. We highlighted the opportunities and risks of our business activities in detail in the Annual Report for 2011 and provided information on the risk management system and the internal control system. There have been no material changes to DIC Asset AG's overall risk profile compared with the situation as at 31 December 2011.

TRANSACTIONS WITH RELATED PARTIES

In principle, the same conditions apply to transactions with related parties as to comparable transactions with third parties. In the first half of 2012, DIC Asset AG granted a mezzanine loan of EUR 11 million to DIC HH Portfolio GmbH (Primo portfolio) with a term of 3.5 years and an interest rate of 7.25% p.a. This loan replaced the mezzanine loan of EUR 8 million, which was to fall due on 31 December 2012, ahead of time. A short-term loan to MainTor Porta GmbH was also increased by EUR 5.1 million to EUR 26.0 million. The interest rate applied to this loan also amounts to 7.25% per annum. No other material transactions were carried out with related parties.

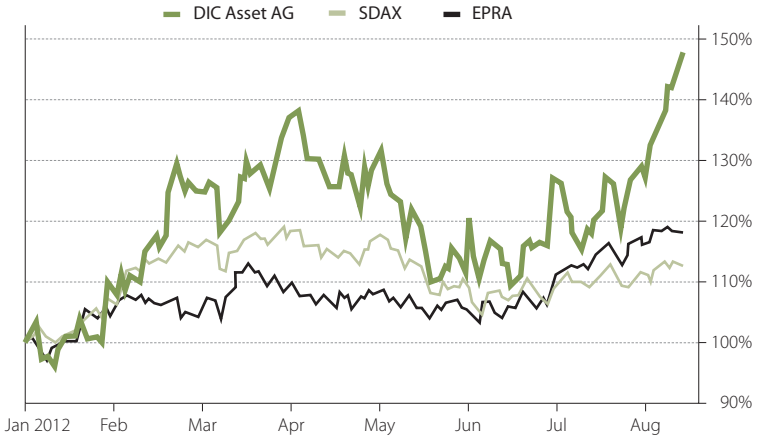
DIC Asset share beats the market halfway through the year

With its positive performance, DIC Asset AG significantly outpaced the comparable indices in the first half. In the first few months of 2012, our share trended upwards – though with now-familiar volatility – from its annual low of EUR 5.14 on 9 January 2012 to EUR 7.40 on 2 April, which marked the annual high to date. This was boosted by the generally benign environment in which the market remained calm despite the European debt crisis. When uncertainty returned to the market in April 2012, our share followed the general downward trend. The DIC Asset share closed out the first half of the year at EUR 6.80, a rise of 27%. The DAX, SDAX and the EPRA index could only manage a rise of 9% in the same period. As at 30 June 2012, the market capitalisation of DIC Asset AG stood at EUR 311 million.

Share continues to be recommended

The vast majority of the analysts observing our share continue to recommend it. 12 analyst (86%) recommend buying it, while two analysts (14%) recommend holding it. Nobody recommends selling it. At present, the performance of the DIC Asset share is monitored by 14 institutions (as at August 2012). An up-to-date overview and selected studies can be found on the Internet at www.dic-asset.de/ir.

SHARE PERFORMANCE



Focus of IR activities

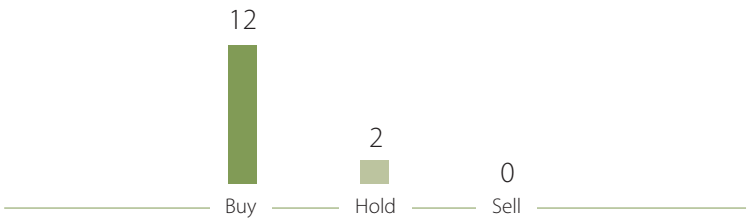
Our activities were focused on preparing for this year's Shareholders' Meeting on 3 July in the second quarter. Parallel to the preparations for the Shareholders' Meeting, the Management Board and the IR team participated in conferences and roadshows in Frankfurt, London, Paris and Amsterdam, where they provided information on DIC Asset AG and current business development.

Annual Report receives an international award

We received major awards in high-profile competitions for our 2011 Annual Report. The jury for the LACP Vision Awards, the largest international competition for annual reports, voted our report as one of the ten best in the world out of over 5,500 entrants. The report came first in the Real Estate sector for the third time in succession. Our report also won gold – the highest honour available – at the ARC Awards.

ANALYSTS' COVERAGE

Coverage by 14 banks (as at August 2012)



KEY FIGURES

EUR [1]	H1 2012	H1 2011
Share capital in EUR/number of shares	**45,718,747**	45,718,747
Average number of shares	**45,718,747**	42,838,826
FFO per share	**0.47**	0.47
52-week high	**8.89**	10.88
52-week low	**4.92**	5.83
Closing price for quarter	**6.80**	8.72
Market capitalisation (in EUR million)	**311**	399
Price on 13.08.2012	**7.90**	

(1) closing prices in Xetra trading

IR-CALENDAR 2012

15.08.	Publication of Q2 2012 interim report	
21.08.	Roadshow	Frankfurt
23.08.	German Office Seminar Commerzbank	London
05.09.	Conference Real Estate Share Initiative	Berlin
06.-07.09.	EPRA Annual Conference	Berlin
12.09.	Roadshow	Düsseldorf/Cologne
12.-13.09.	BoA Merrill Lynch Global Real Estate Conference	New York
25.09.	Berenberg Bank Goldman Sachs German Corporate Conference	Munich
26.09.	UniCredit German Conference 2012	Munich
27.09.	Baader Investment Conference	Munich
04.10.	Société Générale Pan European Real Estate Conference	London
13.11.	Publication of Q3 2012 interim report	
14.11.	UBS European Conference 2012	London

CONSOLIDATED PROFIT AND LOSS ACCOUNT

TEUR	H1 2012	H1 2011	Q2 2012	Q2 2011
Total Revenues	**78,235**	76,044	**38,827**	43,337
Total Expenses	**-45,110**	-44,218	**-22,299**	-26,599
Gross rental income	**62,532**	56,532	**31,454**	28,976
Ground rents paid	**-431**	-396	**-210**	-203
Service charge income on principal basis	**10,018**	7,662	**5,825**	3,989
Service charge expenses on principal basis	**-11,325**	-8,191	**-6,472**	-4,203
Other real estate related operating expenses	**-4,646**	-3,423	**-2,553**	-1,671
Net rental income	**56,148**	52,184	**28,045**	26,888
Administrative expenses	**-4,232**	-4,182	**-2,048**	-1,975
Personnel expenses	**-5,768**	-4,890	**-2,802**	-2,464
Depreciation	**-16,089**	-14,121	**-8,028**	-7,200
Fees from real estate management	**2,319**	2,282	**1,119**	1,224
Other income	**442**	301	**301**	-119
Other expenses	**-279**	-397	**-117**	-265
Net other income	**163**	-96	**184**	-384
Investment property disposal proceeds	**2,924**	9,266	**128**	9,266
Carrying value of investment property disposals	**-2,340**	-8,617	**-70**	-8,617
Profit on disposal of investment property	**584**	649	**58**	649
Net operating profit before financing activities	**33,125**	31,826	**16,528**	16,738
Share of the profit of associates	**1,257**	874	**439**	461
Interest income	**4,929**	3,552	**2,533**	1,765
Interest expense	**-33,479**	-29,664	**-16,576**	-15,495
Profit before tax	**5,832**	6,588	**2,923**	3,469
Income tax expense	**-1,588**	-815	**-957**	-399
Deferred income tax expense	**859**	438	**591**	334
Profit for the period	**5,103**	6,211	**2,558**	3,404
Attributable to equity holders of the parent	**5,030**	6,156	**2,537**	3,392
Attributable to minority interest	**73**	55	**20**	12
Basic (=diluted) earnings per share	**0.11**	0.14	**0.06**	0.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TEUR	H1 2012	H1 2011	Q2 2012	Q2 2011
Fair value of hedge instruments				
Cash flow hedges*	-3,945	10,886	-2,168	-6,843
Cash flow hedges of associates*	-70	1,900	53	639
Gains and losses recorded directly in equity	-4,015	12,786	-2,115	-6,204
Profit for the period	5,103	6,211	2,558	3,404
Comprehensive income	1,088	18,997	443	-2,800
Equity holders of the parent	1,015	54,745	423	-2,812
Minority interests	73	55	20	12

* after deferred taxes

CONSOLIDATED STATEMENT OF CASH FLOW

TEUR	H1 2012	H1 2011
Operating activities		
Net operating profit before interest and taxes paid	38,182	33,830
Realised gains on disposals	-584	-649
Depreciation and amortisation	16,089	14,121
Movements in receivables, payables and provisions	2,394	432
Other non-cash transactions	-1,561	-1,294
Cash generated from operations	54,521	46,440
Interest paid	-33,573	-28,839
Interest received	476	2,090
Income tax received	-77	-367
Cash flow from operating activities	21,347	19,324
Investing activities		
Proceeds from disposals of investment property	3,248	17,216
Aquisition of investment property	-22,150	-108,966
Capital expenditure on investment property	-9,428	-5,955
Repurchase/disposal of own shares	1,598	773
Loans to other entities	-14,041	-556
Acquisition of office furniture and equipment	-61	-70
Cash flow from investing activities	-40,834	-97,558
Financing activities		
Proceeds from the issue of share capital	0	52,250
Proceeds from the corporate bond issue	0	70,000
Proceeds from other non-current borrowings	13,053	41,822
Repayment of borrowings	-15,153	-60,855
Deposits	-3,900	0
Payment of transaction costs	0	-3,105
Cash flow from financing activities	-6,000	100,112
Net change in cash and cash equivalents	-25,487	21,878
Cash and cash equivalents at 1 January	100,244	117,292
Cash and cash equivalents at 30 June	74,757	139,170

CONSOLIDATED BALANCE SHEET

ASSETS in TEUR	30.06.2012	31.12.2011
Investment property	1,914,829	1,902,129
Office furniture and equipment	508	538
Investments in associates	69,190	70,057
Other loans	11,000	0
Intangible assets	222	152
Deferred tax assets	25,460	24,441
Total non-current assets	2,021,209	1,997,317
Receivables from the disposal of property	33	358
Trade receivables	2,859	2,692
Receivables due from related parties	131,229	128,058
Income tax receivables	6,023	7,837
Other receivables	4,578	4,390
Other current assets	9,255	4,950
Cash and cash equivalents	74,757	100,244
	228,734	248,529
Non-current assets held for sale	2,770	2,300
Total current assets	231,504	250,829
Total assets	2,252,713	2,248,146

EQUITY AND LIABILITIES in TEUR	30.06.2012	31.12.2011
Equity		
Issued capital	45,719	45,719
Share premium	614,312	614,312
Hedging reserve	-64,092	-60,077
Retained earnings	27,768	22,739
Total shareholders´equity	623,707	622,693
Minority interest	1,578	1,497
Total equity	625,285	624,190
Liabilities		
Corporate bond	68,869	68,589
Non-current interest-bearing loans and borrowings	1,139,452	1,256,165
Deferred tax liabilities	11,089	11,649
Derivatives	75,199	70,254
Total non-current liabilities	1,294,609	1,406,657
Current interest-bearing loans and borrowings	310,136	194,923
Trade payables	5,590	5,323
Liabilities to related parties	12	347
Provisions	11	33
Income tax payables	2,389	2,086
Other liabilities	12,249	12,356
	330,387	215,068
Liabilities directly associated with non-current assets held for sale	2,432	2,231
Total current liabilities	332,819	217,299
Total liabilities	1,627,428	1,623,956
Total equity and liabilities	2,252,713	2,248,146

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TEUR	Issued capital	Share premium	Hedging reserve	Retained earnings	Total shareholders' value	Minority interest	**Total**
Status as of 31 December 2010	39,187	569,288	-51,112	28,243	585,607	1,473	**587,080**
Profit for the period				6,156	6,156	55	**6,211**
Gains from cash flow hedges*			10,886		10,886		**10,886**
Gains from cash flow hedges of associates*			1,900		1,900		**1,900**
Comprehensive Income			12,786	6,156	18,942	55	**18,997**
Capital increase	6,532	45,021			51,553		**51,553**
Repayment of minority interest					0	-49	**-49**
Status as of 30 June 2011	45,719	614,309	-38,325	34,399	656,102	1,479	**657,581**
Profit for the period				4,341	4,341	50	**4,391**
Losses from cash flow hedges*			-20,628		-20,628		**-20,628**
Losses from cash flow hedges of associates*			-1,124		-1,124		**-1,124**
Comprehensive Income			-21,752	4,341	-17,411	50	**-17,360**
Dividends				-16,001	-16,001		**-16,001**
Capital increase					0	-32	**-32**
Status as of 31 December 2011	45,719	614,312	-60,077	22,739	622,693	1,497	**624,190**
Profit for the period				5,030	5,030	73	**5,103**
Losses from cash flow hedges*			-3,945		-3,945		**-3,945**
Losses from cash flow hedges of associates*			-70		-70		**-70**
Comprehensive Income			-4,015	5,030	1,015	73	**1,088**
Repayment of minority interest					0	8	**8**
Status as of 30 June 2012	45,719	614,312	-64,092	27,768	623,707	1,578	**625,285**

* deferred taxes deducted

SEGMENT REPORTING

Segments H1 2012

EUR million	North	East	Central	West	South	**Total H1 2012**	Total H1 2011	Rental income in H1 2012 (P&L)
Annualised rent as at 30.06.2012								
Commercial Portfolio	12,064	17,884	33,628	37,982	24,625	**126,183**	115,885	62,532
Co-Investments	3,026	2,142	1,680	2,779	4,906	**14,533**	13,841	
	15,090	20,026	35,308	40,761	29,531	**140,716**	129,726	62,532

The difference in the Commercial Portfolio of TEUR 63,514 between annualised rents and rental income as per the profit and loss account arises because rents are reported on a six- and twelve-month basis and is also due to the letting contracts that begin and end within the course of the year.

EUR million	North	East	Central	West	South	**Total 30.06.2012**	Total 30.06.2011
Segment assets as at 30.06.2012							
Number of properties	47	34	57	61	71	**270**	283
Market value (in EUR million)	232.7	267.3	667.8	640.8	407.9	**2,216.5**	2,071.0
Lease maturity in years*	6.7	4.3	6.2	5.3	4.1	**5.3**	5.5
Gross rental yield*	6.6%	7.5%	6.2%	6.4%	7.2%	**6.6%**	6.6%
Vacancy rate*	8.3%	7.8%	15.9%	14.5%	10.2%	**12.0%**	13.8%

Segments H1 2011

EUR million	North	East	Central	West	South	**Total H1 2011**	Total H1 2010	Rental income in H1 2011 (P&L)
Annualised rent as at 30.06.2011								
Commercial Portfolio	11,584	13,410	28,651	37,254	24,986	115,885	125,732	56,532
Co-Investments	3,092	1,748	1,667	2,701	4,633	13,841	15,362	
	14,676	15,158	30,318	39,955	29,619	129,726	141,094	

The difference of TEUR 59,353 between annualised rents and rental income as per the profit and loss account is due mainly to the different reporting periods of six and twelve months and to the letting contracts that begin and end within the course of the year.

EUR million	North	East	Central	West	South	**Total 30.06.2011**	Total 30.06.2010
Segment assets as at 30.06.2011							
Number of properties	52	39	56	61	75	**283**	307
Market value (in EUR million)	231.7	209.7	604.5	620.7	404.4	**2,071.0**	2,177.4
Lease maturity in years*	7.2	5.1	6.4	5.6	3.9	**5.5**	5.4
Gross rental yield*	6.5%	7.3%	6.0%	6.4%	7.4%	**6.6%**	6.6%
Vacancy rate*	12.9%	9.7%	19.7%	15.1%	10.0%	**13.8%**	14.0%

* operating figures excluding project developments

▷ NOTES AS AT 30 JUNE 2012

General disclosures on reporting

In accordance with Sec. 37 w of the Wertpapierhandelsgesetz (WpHG = German Securities Trading Act), the semi-annual financial report comprises interim consolidated financial statements and an interim Group Management Report. The interim consolidated financial statements were compiled in accordance with the provisions of International Financial Reporting Standards (IFRS), as applicable in the EU, for interim financial reporting. The interim financial statements of the companies included are based on uniform accounting and measurement policies. The interim Group Management Report was compiled in compliance with the applicable provisions of the WpHG.

In line with IAS 34, a shorter report compared with the consolidated financial statements was chosen for the presentation of the consolidated interim financial report of DIC Asset AG as at 30 June 2012. The same methods of consolidation, currency translation, accounting and measurement are applied in the consolidated interim financial report as in the consolidated financial statements for the 2011 financial year. Income taxes were deferred on the basis of the tax rate anticipated for the entire year. Please refer to the consolidated financial statements as at 31 December 2011, which form the basis for the present interim financial statements, for more detailed information. We also refer to the interim management report in this document with regard to key changes and transactions up to 30 June 2012.

As was outlined in the 2011 consolidated financial statements, the Group is no longer managed in accordance with the potential added value of investments from which the division into the Core plus and Value added segments emerged but on the basis of the operational business segments in which DIC Asset AG operates, subdivided into regions. The portfolio properties are combined as the Commercial Portfolio and the investments as Co-Investments. The key indicators based on the balance sheet and profit and loss account, which were originally defined and maintained on the basis of IAS 14, were supplemented or replaced by operating key figures in internal company management. For the annual rent, annualised rents are stated in each case, which by their nature differ from the rents stated in the income statement. The segment reporting was presented in amended format in the quarterly report 2012. The comparative figures for the first half of 2011 were restated.

DIC Asset AG has implemented all accounting standards adopted and revised by the EU, application of which is compulsory from 1 January 2012. Application of the accounting standards to be applied for the first time can be found in the Notes for the financial year.

In preparing the financial statements, the management must make estimates and assumptions. These influence both the amount of the figures recognised for assets, liabilities and contingent liabilities on the balance sheet date and the amount of income and expenses recognised in the reporting period. Actual amounts accruing may deviate from these estimates. There were no adjustments on the basis of changes to estimates or assumptions in the first half of 2012.

Notes to the consolidated financial statements

DIC Asset AG acquired a commercial property in Zeppelinheim from Red Square Zeppelinheim GmbH as at 31 March 2012. The investment volume amounts to around EUR 22 million. The property is let long-term and the annual rental income amounts to some EUR 1.6 million, which equates to a rental yield of around 7% in relation to the property purchase price. Up to June 2011, external loans of EUR 13.1 million had been taken up. These serve to finance the property in Zeppelinheim. The loan is protected through a fixed-interest-rate agreement.

Other financial obligations

The purchase of the two retail properties in Mannheim and Dresden earmarked for the new fund results in a financial obligation for the third quarter of 2012 of EUR 25.1 million, of which EUR 12.6 million is covered by bank financings. A financial obligation of EUR 17 million, of which EUR 11.7 million is covered by bank financing, results from the purchase of an office property at Frankfurt's main station in April 2012. The purchase price was paid on 6 July 2012.

Dividend

To allow shareholders to participate commensurately in the success and increase in value of DIC Asset AG, the Management Board proposed a dividend of EUR 0.35 per share for the financial year 2011 at the Shareholders' Meeting on 3 July 2012. Following a resolution to this effect, the dividend totalling EUR 16.0 million was paid on 4 July 2012.

Other disclosures

There were no changes to the composition of the Management Board or the Supervisory Board during the period under review. The General Meeting re-elected Prof. Dr. Gerhard Schmidt, Klaus-Jürgen Sontowski and Michael Bock as members of the Supervisory Board. Please refer to the interim management report in this document with regard to the opportunities and risks and well as further disclosures on events after the balance sheet date.

Responsibility Statement

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the Group's development and performance and of its position, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the financial year, in accordance with German proper accounting principles of interim consolidated reporting.

Frankfurt am Main, 13 August 2012

Ulrich Höller Markus Koch

▷ REVIEW REPORT

TO DIC ASSET AG, FRANKFURT AM MAIN

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and selected explanatory notes – together with the interim Group Management Report of DIC Asset AG, Frankfurt am Main for the period from January 1 to June 30, 2012 which are part of the half-year financial report according to § 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU, and of the interim Group Management Report in accordance with the requirements of the WpHG applicable to interim Group Management Reports, is the responsibility of the Company´s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim Group Management Report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim Group Management Report in accordance with generally accepted the German standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim Group Management Report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim Group Management Reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

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

Nuremberg, 13 August 2012

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann
Wirtschaftsprüfer

Danesitz
Wirtschaftsprüfer

QUARTERLY FINANCIAL DATA

EUR million	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	**Q2 2012**
Gross rental income	27.6	28.9	29.3	31.0	31.1	**31.5**
Net rental income	25.3	26.9	26.6	28.0	28.1	**28.0**
Fees from real estate management	1.1	1.2	1.3	1.7	1.2	**1.1**
Investment property disposal proceeds	0.0	9.3	0.0	8.4	2.8	**0.1**
Profits on investment property disposals	0.0	0.6	0.0	1.0	0.5	**0.1**
Share of the profits of associates	0.4	0.5	0.7	0.8	0.8	**0.4**
Funds from Operation (FFO)	10.0	10.1	9.7	10.8	10.5	**10.8**
EBITDA	22.0	23.9	23.9	26.1	24.6	**24.6**
EBIT	15.1	16.7	16.5	17.8	16.6	**16.5**
Profit for the period	2.8	3.4	1.9	2.5	2.5	**2.6**
Cash generated from operating activities	9.4	9.9	12.8	6.3	12.7	**8.6**
Market value of investment property *	2,083.3	2,071.0	2,069.9	2,202.3	2,218.1	**2,216.5**
Total assets	2,109.4	2,155.2	2,134.0	2,248.1	2,257.7	**2,252.7**
Equity	660.4	657.6	622.7	624.2	624.8	**625.3**
Equity ratio in % (on balance sheet)	31.3	30.5	29.2	27.8	27.7	**27.8**
Total liabilities	1,449.0	1,497.6	1,511.3	1,624.0	1,632.9	**1,627.4**
Debt ratio in %	68.7	69.5	70.8	72.2	72.3	**72.2**
Net debt equity ratio in %	34.3	34.4	33.6	31.7	31.5	**31.4**
FFO per share (in EUR)	0.25	0.22	0.21	0.24	0.23	**0.24**

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

PORTFOLIO OVERVIEW*

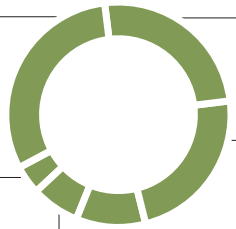
	Commercial Portfolio	Co-Investments	**Total Q2 2012**	Total Q2 2011
Number of properties	158	112	**270**	283
Market value in EUR million**	1,906.7	309.8	**2,216.5**	2,071.0
Rental space in sqm	1,083,100	150.400	**1,233,500**	1,181,400
Portfolio proportion after rental space	88%	12%	**100%**	
Annualised rental income in EUR million	126.2	14.5	**140.7**	129.7
Rental income per sqm in EUR	10.70	8.80	**10.50**	10.30
Lease maturity in years	5.3	5.0	**5.3**	5.5
Rental yield	6.7%	6.5%	**6.6%**	6.6%
Vacancy rate	11.8%	13.0%	**12.0%**	13.8%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2011, later acquisitions considered at cost

TYPES OF USE
pro rata by rental income p.a. (as at 30 June 2012)

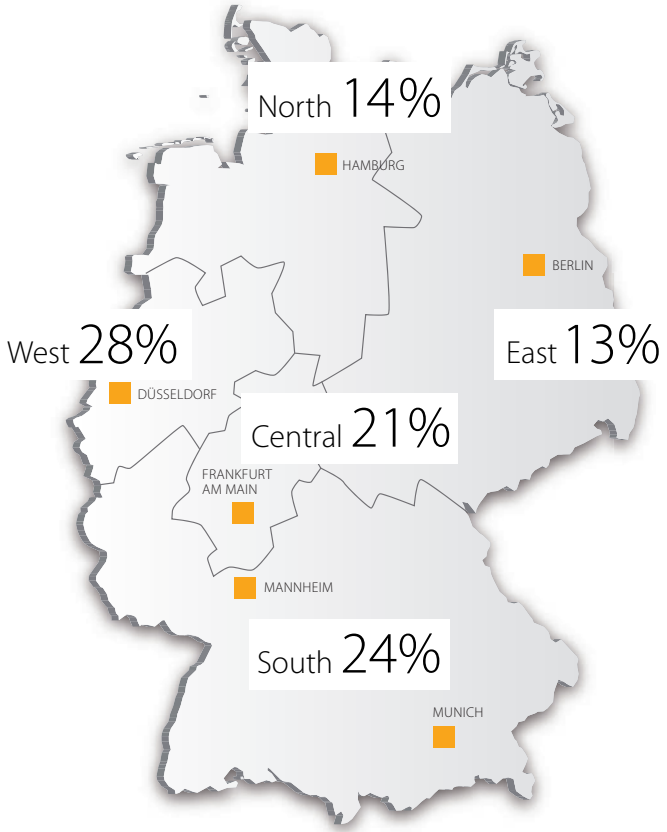
69% Office properties
20% Retail
10% Other business (e.g. logistics, industrial)
1% Residential

MAIN TENANTS
pro rata by rental income p.a. (as at 30 June 2012)



31% SME and others
25% Public sector
23% Retail
4% Insurance/Banking
7% Industry
10% Telco/IT/Multimedia

PORTFOLIO BY REGIONS
Basis: pro rata rental space in sqm



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