DIC ASSET

INTERIM REPORT
Q3 2013

ABOUT DIC ASSET AG

Established in 2002, DIC Asset AG, with registered offices in Frankfurt/Main, is a real estate company with a dedicated investment focus on commercial real estate in Germany, pursuing a return-oriented investment policy. Real estate assets under management currently amount to approx. EUR 3.2 billion, comprising around 250 properties.

The Company's investment strategy is geared to the continued development of a high-quality, highly profitable and regionally diversified portfolio. The real estate portfolio is structured in two segments: the "Commercial Portfolio" (around EUR 1.8 billion) comprises existing properties with long-term rental contracts generating attractive rental yields. The Co-Investments segment (pro-rata share of around EUR 0.3 billion) comprises fund investments, joint-venture investments, and interests in development projects.

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

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

CONTENT

OVERVIEW

Key financial figures in EUR million	**9M 2013**	9M 2012		**Q3 2013**	Q2 2013	
Gross rental income	**91.9**	94.3	-3%	**30.9**	30.7	+1%
Net rental income	**81.1**	84.5	-4%	**27.8**	26.7	+4%
Fees from real estate management	**5.0**	3.6	+39%	**1.9**	1.5	+27%
Investment property disposal proceeds	**62.1**	5.8	>100%	**25.0**	0.1	>100%
Total income	**175.7**	120.4	+46%	**63.8**	37.8	+69%
Profits on disposal of investment property	**4.2**	0.7	>100%	**2.5**	0.0	>100%
Share of the profit of associates	**1.4**	1.9	-26%	**0.2**	0.4	-50%
Funds from Operations (FFO)	**34.3**	32.5	+6%	**11.2**	11.9	-6%
EBITDA	**74.2**	73.7	+1%	**27.1**	22.7	+19%
EBIT	**49.3**	49.6	-1%	**18.3**	14.6	+25%
EPRA-earnings	**31.7**	30.4	+4%	**10.0**	11.1	-10%
Cash flow from operating activities	**35.1**	35.6	-1%	**12.1**	10.8	+12%

Key financial figures per share in EUR	**9M 2013**	9M 2012		**Q3 2013**	Q2 2013	
FFO	**0.75**	0.71	+6%	**0.25**	0.25	0%
EPRA-earnings	**0.69**	0,67	+3%	**0.22**	0.24	-8%

Balance sheet figures in EUR million	**30.09. 2013**	31.12. 2012		**30.09. 2013**	30.06. 2013	
Net debt equity ratio in %	**32.1**	31.6		**32.1**	32.5	
Investment property	**1,808.7**	1,847.4		**1,808.7**	1,823.2	
Debt	**1,510.2**	1,595.9		**1,510.2**	1,544.3	
Total assets	**2,147.9**	2,210.2		**2,147.9**	2,182.2	

Key operating figures	**9M 2013**	9M 2012		**Q3 2013**	Q2 2013	
Letting volume in sqm	**133,700**	173,000		**39,800**	63,100	
Vacancy rate in %	**10.8**	11.7		**10.8**	11.1	
Like-for-like rental income growth in %	**-0.3**	+0.6		**+0.4**	+0.2	

▷ FOREWORD

Members of the Board of DIC Asset AG, from left to right: Ulrich Höller, Sonja Wärntges, Rainer Pillmayer

Dear Shareholders and Business Partners,
Dear Fellow Employees and Friends of the Company,

The presentation of the nine-month report 2013 means that we have entered the finishing stretch for the financial year, and it will give you a rather clear idea of the overall development of our business we are likely to see by the end of this year.

In sync with rising employment figures, the macro-economic conditions continued to improve during Q3 2013. The real estate investment market developed rather dynamically, and seamlessly connected to the two foregoing quarters as it concluded with a transaction volume total of approximately EUR 6 billion. This means the key parameters for our core business have experienced a positive trend. Demand for office accommodation is stable, and investor demand for commercial real estate remains on a high level.

Meanwhile, DIC Asset AG has exploited the favourable economic environment. All essential key performance indicators shows that DIC Asset AG is on target for the 2013 financial year.

Here are the four most important developments of the first nine months:

- The FFO rose by 6% to EUR 34.3 million, fully matching the year-end forecast for DIC Asset AG. The consolidated net income has been EUR 10.6 million by the end of the quarter, which marks a clear year-on-year increase by more than 35%.
- Similarly, the company expanded its fund business by spending more than EUR 105 million on attractive acquisitions, with the brisk growth of this business line now making a substantial contribution to the FFO.
- We also managed to keep pushing down the vacancy rate, which now stands at 10.8% (previous year: 11.7%).
- The budgeted sales target of EUR 80 million by the end of 2013 was achieved ahead of time, as sales transactions already exceed EUR 86 million.

Against the background of the Q3 results, there is every reason to assume that we are right on track for our year-end FFO target. We have thus confirmed our forecast for the 2013 financial year as a whole, and estimate an FFO total between EUR 45 and 47 million.

This is truly good news for our shareholders who seek a solid property-based capital investment with an attractive ROI. The company's senior management will continue to pursue this successful course in order to keep offering a strong, attractive investment to its shareholders. At the same time, we should like to take the opportunity to thank our shareholders for their unwavering faith in our company.

Frankfurt am Main, November 2013

Ulrich Höller | Sonja Wärntges | Rainer Pillmayer

▷ INTERIM GROUP MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

Economic research institutes are in broad agreement: Germany's economic outlook is positive. Although no strong upturn can be forecast for 2013, third quarter trends in the macroeconomic environment showed some improvement. Signals from markets in other European countries grew stronger that the eurozone has worked its way out of recession.

Upturn and growing confidence

Germany's moderate economic recovery remains on track, and inflation continues to decline. The Ifo Business Climate Index increased for the fifth consecutive month in September, to 107.7 points, which equates to growth of almost two points in the third quarter. The companies surveyed indicated that they had met their expectations in the period from July to September. Consequently, confidence is also growing that the trend is set to continue. The outlook for both manufacturing and retail is seen as positive for the rest of the year.

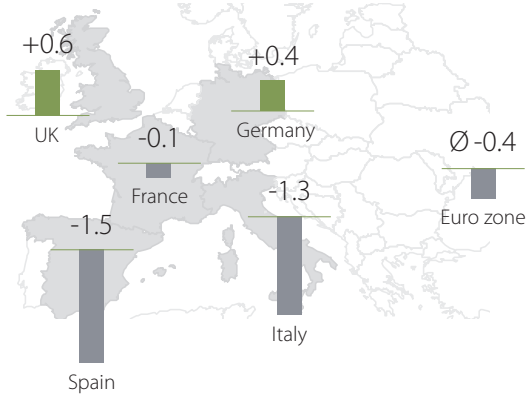
Sentiment brightened considerably in the third quarter after the first half of the year had seen subdued growth. A robust jobs market, higher consumption and more exports support the improved forecasts. Experts still put GDP growth in Germany for 2013 as a whole at a moderate 0.4% to 0.5%. However, at least 1.7% is expected for 2014, and 2% or more is seen as achievable by many institutes.

Risks, which for the German economy are primarily external, continue to exist. However, further signs of a recovery in the eurozone and an improved global economic climate provided a boost in the third quarter. Recurring US budget crises and the threat of default are seen as material risks. The temporary solution to the US debt crisis, reached in October, has put the financial problems of the world's largest economy on hold for the time being.

Stronger domestic demand

Private consumption, which makes up almost 60% of gross domestic product in Germany, expanded in the third quarter, with markedly higher wage levels and stable employment. The GfK consumer climate index was up from 6.8 points in June to 7.1 points in October 2013, pushing consumer sentiment to a six-year high. Factors contributing to the sustained upward trend include increasing employment and stable unemployment numbers in conjunction with real income growth.

EXPECTED GDP GROWTH IN EUROPE 2013
in %



source: eurostat

By contrast, the difficulty in forming a government after the recent parliamentary elections is creating uncertainty. It is unclear at present what to expect in terms of the possible negative financial impact resulting from potential tax increases and other political agreements, including dealing with the euro crisis. Experts believe that the positive consumer sentiment might suffer if the outcome of the coalition talks were to dampen household income expectations.

Company hiring is continuing at a moderate pace. The unemployment rate decreased from 6.8% in June to 6.5% in October 2013. Seasonally adjusted unemployment remained almost unchanged in October (previous year: 6.5%). This implies structural problems in the labour market. There is often a mismatch between the profiles of the unemployed and current labour requirements. Overall, the labour market is in good shape, with sustained employment growth. Gainful employment and employment subject to social security contributions continued to increase in the third quarter. In September, the number of people in employment in Germany exceeded 42 million for the first time since reunification. In comparison with the same month of the previous year, the number increased by 250,000 to a record figure of a total of 42.16 million.

ECB lowers key lending rate again

With its decision to lower the key lending rate to 0.25%, the European Central Bank again confirmed in early November its determination and desire to support the still fragile and uneven economic recovery in the eurozone. In its most recent decision, the US Federal Reserve also left the US prime rate at a low level, even though economic indicators had continued to improve. The central banks are thus signalling the continuation of an accommodating monetary policy: With a view to ensuring stability, markets will continue to benefit from cheap liquidity for investments and growth.

The ECB Governing Council is assuming that the gradual economic recovery will continue and believes this to be supported by several factors: In addition to brisk domestic demand, an increase in foreign demand for eurozone exports can be noted, the generally low inflation is having a positive effect on real incomes, and finally, the marked recovery of the financial and capital markets should impact the real economy.

Strong investment dynamic on real estate markets

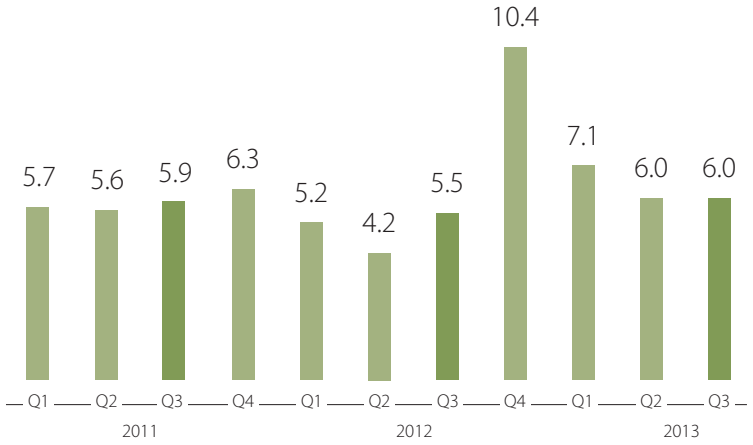
The German real estate market is benefiting from the revival of capital flows. Sales on the investment market for commercial real estate in Germany totalled some EUR 19 billion in the first nine months of the year, which is almost one-third higher than the transaction volume recorded in the same period of the previous year.

The market also saw a very buoyant third quarter, building on the two very good previous quarters with approximately EUR 6 billion. The proportion of real estate portfolios in the transaction volume continued to grow. According to the findings of real estate consultant Jones Lang LaSalle, portfolio deals, at some EUR 4.6 billion, accounted for almost 25% of total volume. In the same period of the previous year, it was barely 18%.

At 43%, office buildings continued to account for the largest share of transaction volume in Germany. Commercial properties ranked second with approximately 30%. At 60%, investor focus and capital flow continued to target the real estate strongholds. By implication, transaction volumes in second-tier cities and regional centres thus already account for a considerable share of deals. This has increased during the year and is predicated above all on retail properties in good locations in economically strong regions.

Market observers expect a strong final quarter, because, according to estate agent reports, at the end of the third quarter, numerous large-volume portfolios and individual properties are already either the subject of concrete negotiations or close to completion. A year-end rally heading towards total volume of approximately EUR 30 billion is thus no doubt a realistic scenario for the German commercial real estate investment market.

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE
in EUR billion



source: Jones Lang LaSalle

User demand for good space still high

According to Jones Lang LaSalle, during the third quarter, around 840,000 sqm were leased in total in the seven major office locations of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart. Letting volume thus increased considerably compared to the weak first quarter of the year. For the first nine months of 2013, transaction volume totalled 2.2 million sqm, which is only 2% lower than the transaction level of the previous year.

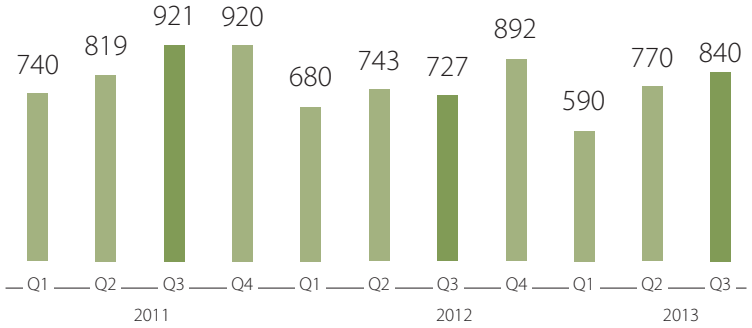
According to estate agent reports, it is once again not a lack of demand that is governing market conditions, but rather the limited availability of office space that meets the requirements of potential tenants. Completion volume increased in the third quarter, as expected, and, at approximately 660,000 sqm of office space, exceeded the level of the previous year by 22%. However, the proportion of free newly constructed space continued to decrease, because very few speculative building projects have been started in some time, and completed projects are let in advance for the most part. This also applies to completions expected for the remainder of this year of approximately 339,000 sqm, which are already two-thirds occupied. Jones Lang LaSalle has estimated that in terms of actual numbers only 16,000 sqm of newly constructed space per city will come onto the market as freely available in the fourth quarter in real estate strongholds.

Average prime rents across all real estate strongholds continued to increase to a new highest level since 2002. Year-on-year growth amounted to 2.5%.

Cumulative vacancies decreased again across all seven of the major office locations as of the end of the third quarter. The decrease was 2%, from 7.67 million sqm to 7.49 million sqm. The average vacancy rate decreased from 8.7% in June to 8.5% now. The cities still recorded a vacancy level of 9% in the previous year. No major movements are expected in the final quarter.

LETTING VOLUME IN MAJOR GERMAN OFFICE LOCATIONS

in thousand sqm



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

BUSINESS DEVELOPMENT

Highlights

- Vacancy rate further down, to 10.8% (previous year 11.7%).
- FFO increases by 6%, to EUR 34.3 million
- At EUR 86 million, sales target achieved early
- Long-term refinancing of EUR 320 million implemented
- Strong growth in fund business over the first nine months
- EUR 75 million corporate bond placed

DIC Asset AG again achieved significant earnings growth from operating activities during the first nine months of the 2013 financial year. We used the financial market recovery and the revival of transaction activity on the real estate investment markets to participate in both the brisk demand for properties and the demand for corporate bonds.

The leasing activities are on budget after nine months, at around 133,700 sqm (previous year: 173,000 sqm). At 10.8%, the vacancy rate was reduced markedly by around one percentage point compared to the previous year (previous year: 11.7%). The decrease compared to the previous quarter was 0.3 percentage point (Q2 2013: 11.1%). As expected, the lease income was slightly lower than in the previous year in line with the sales realized, but the trend in the second and third quarters has been positive, with an improved letting rate.

As at 30 September 2013, FFO of EUR 34.3 million had been generated, an increase of 6%. The consolidated net income as of the reporting date totalled EUR 10.6 million, 36% above the previous year's result (EUR 7.8 million).

Transaction activity was characterised by a number of very successful sales from both Co-Investments and the commercial portfolio. At the same time, five premium properties were acquired for the real estate special fund with a volume of around EUR 105 million. The strong growth in the fund therefore continued as planned.

The MainTor district development in Frankfurt has attracted great interest from investors and users, marketing and construction continued to progress successfully. Around 87% of the MainTor Palazzi condominiums have already been successfully sold.

DIC Asset AG's second corporate bond, in the amount of EUR 75 million, was successfully issued in July and, like the first bond, was listed on the Frankfurt Stock Exchange in the Prime Standard for corporate bonds.

No material changes to portfolio

As at 30 September 2013, the managed portfolio of DIC Asset AG comprised 251 properties with rental space totalling 1.8 million sqm and an overall value of approximately EUR 3.2 billion (assets under management). The pro rata value of the properties accruing to DIC Asset AG amounts to EUR 2.1 billion. There were no major changes in the regional distribution compared with the second quarter. The properties generate annual rental income (pro rata, including our Co-Investments) of EUR 137.4 million. The gross rental yield stands at 6.8%.

Portfolio quality increased with successful lettings

Based on an already significantly reduced vacancy rate, we achieved good letting results from our square footage during the nine months of 2013. A total of approximately 133,700 sqm was renewed or newly let (renewals: 73,200 sqm, new lettings: 60,500 sqm). This included, in the early summer, a large new letting to Ruhr University Bochum in the "Bochumer Fenster" of 6,700 sqm, the renewal for eBay's German headquarters comprising 19,300 sqm, and a new letting in Frankfurt am Main to Deutsche Bank comprising 5,300 sqm, as a result of which an office property was again fully let after being vacant for only a few months.

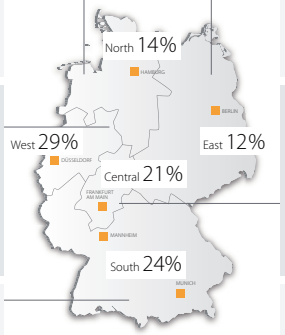
REGIONAL DEVELOPMENT

each as at 30.09.

North	2013	2012
Gross rental yield	6.7%	6.6%
Vacancy rate	5.4%	7.3%
WALT in years	5.9	6.5
Annualised rental income (EUR mn)	15.3	15.2

West	2013	2012
Gross rental yield	6.7%	6.4%
Vacancy rate	11.9%	13.5%
WALT in years	4.8	5.3
Annualised rental income (EUR mn)	41.3	41.2

South	2013	2012
Gross rental yield	7.2%	7.3%
Vacancy rate	8.3%	10.7%
WALT in years	3.8	3.9
Annualised rental income (EUR mn)	28.6	29.5



East	2013	2012
Gross rental yield	7.7%	7.4%
Vacancy rate	5.0%	8.2%
WALT in years	5.4	4.2
Annualised rental income (EUR mn)	20.5	21.0

Central	2013	2012
Gross rental yield	6.1%	6.2%
Vacancy rate	19.5%	15.6%
WALT in years	5.4	6.0
Annualised rental income (EUR mn)	31.7	36.6

Total	2013	2012
Gross rental yield	6.8%	6.7%
Vacancy rate	10.8%	11.7%
WALT in years	5.0	5.2
Annualised rental income (EUR mn)	137.4	143.5

LETTING VOLUME

	9M 2013	9M 2012	9M 2013	9M 2012
	in sqm on signature		annualised in EUR million	
Office	**97,700**	120,100	**11.8**	13.8
Retail	**13,500**	14,800	**1.9**	2.3
Further commercial	**18,500**	34,700	**1.2**	2.0
Residential	**4,000**	3,400	**0.3**	0.3
Total	**133,700**	173,000	**15.2**	18.4
Parking (units)	**1,550**	1,620	**0.8**	0.8

TOP LETTING DEALS

Top 5 new lettings		
Ruhr University Bochum	Bochum	6.700 sqm
Deutsche Bank AG	Frankfurt	5.300 sqm
DAA Deutsche Angestellten Akademie GmbH	Munich	5.000 sqm
State of Hesse	Darmstadt	2.000 sqm
Plastic Omnium GmbH	Neu-Isenburg	1.700 sqm

Top 5 renewals		
eBay AG	Berlin	19.300 sqm
hvb Hoch-Vakuum-Beschichtungs GmbH	Berlin	3.500 sqm
Deutsche Bahn AG	Essen	3.400 sqm
arvato GmbH	Berlin	3.100 sqm
Otto GmbH & Co. KG	Hamburg	2.000 sqm

After a letting volume of 93,900 sqm has already been reached in the first six months, another 39,800 sqm in concluded business was added in the traditionally quiet summer months of the third quarter. The letting volume equates to annualised rental income of EUR 15.2 million (previous year: EUR 18.4 million) and is in line with our planning.

Improved term structure and higher like-for-like rental income

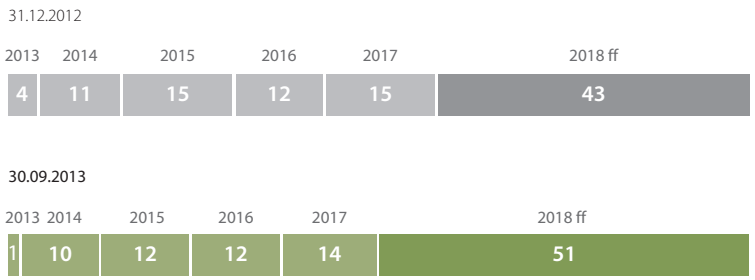
Like-for-like (excluding changes in the portfolio resulting from purchases, sales or project developments), annualised rental proceeds increased by 0.4% in the third quarter, after initially decreasing by 0.9% in the first quarter and rising by 0.2% in the second quarter. This continued the positive trend of the previous quarter of new lettings and renewals, which will further stabilise future rental income.

The potential lease expiry volume in the current financial year has been significantly reduced during 2013, from an initial EUR 5.7 million (4% of rental income) to barely EUR one million (1% of rental income) at the reporting date. In the third quarter, some letting business for next year was dealt with early, so that part of the lease expiries expected for 2014 could be converted into longer-term contracts and a reduction in expiries from EUR 14.4 million to EUR 12.5 million, or from 11% to 10%, could be achieved.

The proportion of lease expiries from 2018 was significantly increased, from 43% to 51% of rental income, through the letting activities of the last nine months.

LEASE MATURITIES

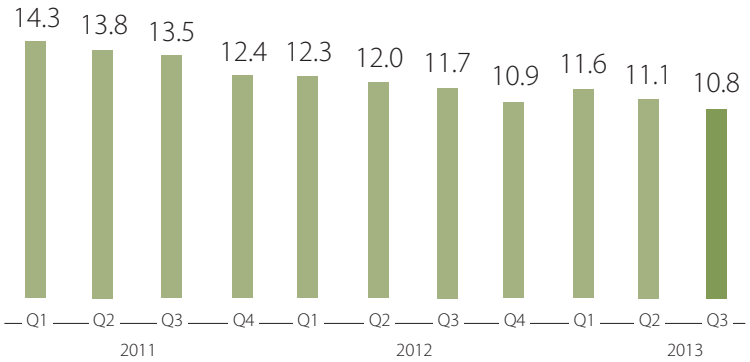
Distribution of annual rental income by lease maturities, in %



The portfolio vacancy rate was further reduced and amounted to 10.8% as at 30 September 2013, compared to 11.1% in the previous quarter and 0.9 percentage point lower than in the previous year (30 September 2012: 11,7%). At 5.0 years, the average lease period remains almost unchanged (previous quarter: 5.1 years).

VACANCY RATE

in % at the end of the quarter



Sales target for 2013 already exceeded

Since the beginning of the year, we have generated a sales volume of approximately EUR 86 million and have consequently already achieved our original target for the year of EUR 80 million. We have intensified sales activities on a short-term basis during the current year, in order to exploit the increase in demand in the investment market.

As at the reporting date, we have sold 11 properties for a total amount of EUR 83 million. Seven of these were from Co-Investments (EUR 54 million) and four from the commercial portfolio (EUR 29 million). The sales volume amounted to around EUR 14 million in the same period in the previous year.

After the end of the third quarter, two smaller properties from the commercial portfolio were sold with a volume of approximately EUR 3 million.

The sales prices achieved in the transactions carried out averaged approximately 5% more than the most recent market values assessed. After reaching the sales target early, we are ensuring that we remain active in view of the favourable market environment and will realize further sales when suitable opportunities arise.

Dynamic growth in the Funds business segment

Our funds business remains strong and is growing as planned. During the current financial year, five premium properties have already been acquired for the two real estate special funds. Property acquisitions in Passau, Flensburg, Halle, Trier and Heidelberg increased the special fund investment volume by around EUR 105 million to a total of around EUR 500 million. This means that around 70% of the target volume for the two special funds of approx. EUR 700 million has already been realized.

The retail special fund "DIC HighStreet Balance," whose implementation we started at the beginning of 2013, is investing in top-quality commercial buildings in prime inner-city locations and pedestrian zones in German regional centres and mid-sized towns with high levels of purchasing power.

A retail property in Passau was acquired during the first quarter. The investment volume totalled over EUR 23 million and the transfer took place during the second quarter. The property, located in a prime central retail location, offers rental space of around 8,000 sqm virtually fully let to top-rated tenants.

In June, the special fund acquired a top retail property in the Flensburg pedestrian area for approximately EUR 17 million. The property in a prime location has rental space of approximately 17,500 sqm, of which 10,200 sqm is used as retail space. Karstadt Warenhaus AG, the anchor tenant, has a long-term letting contract, and the property is 100% let.

Two further acquisitions for the retail fund were made after the end of the reporting period. A retail property in an ideal city centre location was acquired in Halle (Sachsen-Anhalt) for approximately EUR 12 million. It has rental space of approximately 6,600 sqm and is fully let. C&A, the anchor tenant, has a good credit rating. In Trier, a distinctive property with 7,400 sqmwas acquired in a prime location in the Altstadt. The property is fully let to the fashion chain SinnLeffers. The investment volume totalled around EUR 17 million.

In July, the special fund "DIC Office Balance I" acquired the "Stadttor Heidelberg" office property for approximately EUR 32 million. The property has rental space of approximately 11,000 sqm and is 100% let. "Stadttor Heidelberg" is part of the new Bahnstadt district in Heidelberg, one of the world's largest passive house developments.

MainTor: Marketing and construction progress well within plan

The MainTor development in Frankfurt is continuing to progress after completion of the satisfactory pre-marketing phase launched for the "MainTor Palazzi" condominiums, more than 87% of which have already been successfully sold, and the start of construction for the "MainTor Patio," "MainTor Panorama" and "MainTor Palazzi" stages of construction, which got under way in the meantime. Marketing is currently being prepared for the central office tower "WinX," and its realisation could start during the coming year.

Staff numbers

There were a total of 142 employees at the end of September 2013, one employee more than in the previous quarter and the previous year. Compared with the previous year, we have streamlined administration and simultaneously strengthened the asset and property management, portfolio management, investment and funds departments.

NUMBER OF EMPLOYEES

	30.09.13	30.06.13	30.09.12
Portfolio management, investment and funds	**15**	12	13
Asset and property management	**112**	110	111
Group management and administration	**15**	18	17
Total	**142**	140	141

REVENUES AND RESULTS

Rental income stable

In the first nine months of the financial year, we achieved gross rental income of EUR 91.9 million (previous year: EUR 94.3 million). The decline, which follows several successful property acquisitions, has been offset to a great extent by both the acquisitions of the previous year and the reduction in the vacancy rate, bringing the value to just 3% less than in the previous year. Following a slight increase in costs that are not transferable to tenants, primarily for maintenance and property management resulting from the large number of new tenancy agreements, net rental income stands at EUR 81.1 million (previous year: EUR 84.5 million).

Marked growth in income from property management

The successful development of our fund business has resulted in a 39% increase (EUR 1.4 million) compared with the previous year in recurring income from management of real estate in the co-investment segment, which now totals EUR 5.0 million. The expansion of the fund volumes in the "DIC Office balance I" and "DIC HighStreet Balance" special funds therefore more than compensated for the loss of management fees following property sales from the joint venture portfolios.

Higher profits from sales

We generated proceeds of EUR 62.1 million and a significantly higher profit from sales of EUR 4.2 million from real estate sales of directly held real estate during the first nine months. Disposal proceeds of EUR 5.8 million and a profit of EUR 0.7 million were achieved in the same period in the previous year.

OVERVIEW OF REVENUES

in EUR million	9M 2013	9M 2012	
Gross rental income	**91.9**	94.3	-3%
Fees from real estate management	**5.0**	3.6	+39%
Property disposal proceeds	**62.1**	5.8	>100%
Other	**16.7**	16.7	0%
Total revenues	**175.7**	120.4	+46%

At EUR 175.7 million, overall, total earnings were 46% higher than in the previous year (EUR 120.4 million) as a result of the high level of sales completed as of 30 September 2013.

Operating costs remain stable as business volume increases

The operating cost ratio (administrative and personnel expenses to gross rental income, adjusted for property management income) amounted to 12.6%. This represents a decline of 0.9 percentage points year-on-year. As planned, the expansion in our operations has affected operating costs. The administrative costs increased by EUR 0.9 million year on year (+14%) to a total of EUR 7.3 million, driven not least by expenditures that arose in connection with loan rollovers, intensified marketing activities, along with legal and consultancy costs incurred in the context of rent and corporate-law consultancy.

Financing costs reduced further

We were able to achieve further significant improvements in net financing costs. As at 30 September 2013, net financing costs have improved by 9% from EUR -42.5 million in the previous year to EUR -38.5 million. Interest expenses decreased by EUR 3.5 million (-7%) compared with the previous year from EUR 50.0 million to EUR -46.5 million. Apart from the optimisation of loan conditions, the reduction in financing volume in particular made a contribution here.

DERIVATION OF FFO

in EUR million	9M 2013	9M 2012	
Net rental income	**81.1**	84,5	-4%
Administrative expenses	**-7.3**	-6,4	+14%
Personnel expenses	**-9.3**	-9,0	+3%
Result of other operating income/expenses	**0,5**	0.4	+25%
Fees from real estate management	**5.0**	3.6	+39%
Share of the profit of associates without project developments and disposals	**2.8**	1.9	47%
Interest result	**-38.5**	-42.5	+9%
Funds from Operations	**34.3**	32.5	+6%

Co-Investments: Basis for earnings from funds and project developments extended

Net income from associates (Co-Investments) totalled EUR 1.4 million after nine months (previous year: EUR 1.9 million).

During the reporting period, it was primarily the marketing successes in project development that had a significant influence on the result from investment: The result includes higher marketing expenses and sales commissions incurred for the very successful marketing of the units in the MainTor construction phase "MainTor Palazzi". The sale of around 87% of the condominiums since the beginning of the year and the fact that construction has already begun mean that the foundations have been laid for substantial future investment income.

Long-term earnings from our fund investments made another increased contribution. We were able to press ahead with the expansion of the funds. Growth in the special funds is resulting in increasing income from associates and property management fees. The investment income from our fund investments has developed positively in line with expectations (EUR 1.7 million following EUR 1.4 million in the previous year). Total FFO contributions from fund business including real estate management fees were EUR 4.4 million (previous year: EUR 2.5 million) after nine months.

FFO increases significantly

During the nine-month period, FFO totalled EUR 34.3 million, which corresponds to a 6% increase on the previous year (EUR 32.5 million) of 6% and an increase in FFO per share of EUR 0.71 to EUR 0.75. On the basis of stable rental income, the reasons for the increase are mainly the significantly improved interest result, as well as management fees.

Strong increase in profit for the period

As at 30 September 2013, we realised a profit for the period of EUR 10.6 million. This is an increase of EUR 2.8 million (+36%) in comparison with the previous year (EUR 7.8 million), which resulted in particular from the reduction in the financing costs and the higher level of profit from sales. Earnings per share stand at EUR 0.23 (previous year: EUR 0.17).

OVERVIEW OF EARNINGS

in EUR million	9M 2013	9M 2012	
FFO	**34.3**	32.5	+6%
Profit for the period	**10.6**	7.8	+36%
FFO per share (in EUR)	**0.75**	0.71	+6%
Earnings per share (in EUR)	**0.23**	0.17	+35%

NET ASSETS AND FINANCIAL POSITION

The majority (88%) of our debt consists of loans from a wide range of German banks. The remaining portion originates from our corporate bonds issued in 2011, as well as in July 2013.

As at 30 September 2013, financial debt amounted to EUR 1,433.9 million. This is around EUR 56.0 million lower than at the end of 2012 (EUR 1,489.9 million), which results mainly from scheduled and unscheduled repayments.

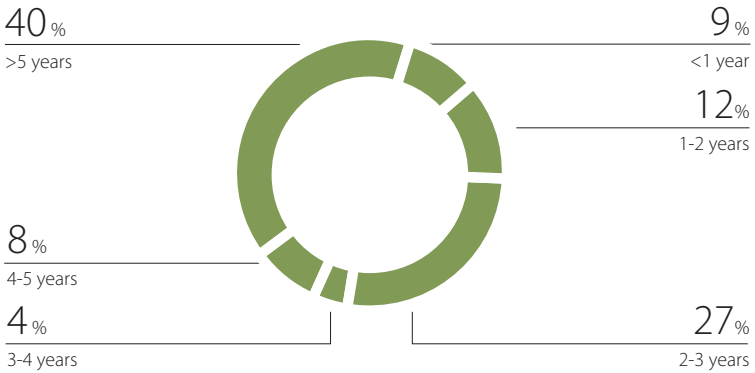
Significant improvement in the maturity structure

On 12 September 2013, DIC Asset AG signed a loan agreement for a total of EUR 320 million in portfolio refinancing on a long-term basis with Deutsche Pfandbriefbank AG and HSH Nordbank. The arrangement replaced the existing financing of the largest proprietary portfolio at the end of Q3 2013.

Overall, a financing volume of EUR 625 million has been concluded this year. Of this, EUR 412 million related to refinancing within the commercial portfolio. This means that, new arrangements were made for the entire financing volume that was pending for 2013, totalling EUR 140 million, and also for over 80% of the refinancing volume that is pending for 2014. As of the reporting date of 30 September 2013, the average duration of financial debt was around 4.2 years, a significant increase in comparison with values in the previous half of 2013 (3.1 years) and for 30 September 2012 (2.7 years).

DEBT MATURITIES

Financial debt as at 30.09.2013



The average interest costs for all financial debts totalled around 4.1%, and are therefore at the same level as the previous year. The interest coverage ratio, the ratio of net rental income to interest payments, was 175% at the end of the third quarter and therefore exceeded the values on the reporting date in the previous year (169%) and at the end of the year 2012 (172%). 87% of our financial debt is hedged long-term against increases in interest rates.

Operating cash flow remains stable

During the first nine months of the 2013 financial year, cash flow was primarily marked by cash inflows from sales and bonds and from repayment of loans.

Cash flow from ongoing business activities totalled EUR 35.1 million, just under the level for the previous year (EUR 35.6 million). The decline in rental income as a result of sales was offset to a large extent by lower interest payments.

Cash flow from investing activities came to EUR 29.8 million (previous year: EUR -67.4 million). It mainly reflects the significant increase in sales activities, while during the previous year the focus was on real estate acquisitions.

As at 30 September 2013, the total cash flow from financing activities totalled EUR -74.7 million. The main significant influence on this came from the cash inflow

OVERVIEW OF CASH FLOW

in EUR million	9M 2013	H1 2013	9M 2012
Profit for the period	**10.6**	6.5	7.8
Cash flow from operating activities	**35.1**	23.0	35.6
Cash flow from investing activities	**29.8**	21.9	-67.4
Cash flow from financing activities	**-74.7**	-31.8	-12.3
Net changes in cash and cash equivalents	**-9.8**	13.1	-44.1
Cash and cash equivalents as at the end of the quarter	**46.9**	69.8	56.2

from placement of the corporate bonds (EUR 88.1 million), loan repayments of EUR -148,6 million and also the dividend payment of EUR 16.0 million.

Cash and cash equivalents decreased in Q3 2013 mainly as a result of the payment of the dividend by EUR 22.9 million to EUR 46.9 million as at 30 September 2013 (previous year: EUR 56.2 million).

Balance street structures further optimized, debt lowered

As a result of disposals following sales and the repayment of loans with financial institutions, total assets decreased by EUR 62.3 million (-2.8%) as of 30 September 2013 in comparison with the end of 2012 to EUR 2,147.9 million.

On the assets side, the transfer of the properties sold in the first nine months as well as the extending of loans granted to affiliates that became due, meant a reduction in the short term cash and cash equivalents. In contrast, long-term assets increased by the prolonged loans. The purchase price payments for sales from the direct portfolio resulted in the repayment of loans to banks, which made a major contribution to the optimization of the liabilities side. Up to September 2013, it was possible to convert around EUR 412 million in short and medium-term debt into long-term financing by means of prolongation. This and the repayment of loans decreased the total short-term debt from EUR 193.8 million by over 22% to EUR 151.6 within nine months. Despite the loans assumed during the year within the scope of the issuing of bonds, the total long-term debt decreased further during the same period by means of the repayment of credit and derivatives by 3% from EUR 1,402.00 million to EUR 1,358.6.

Equity ratio increased

Equity increased as of 30 September 2013 by EUR 23.4 million (+3.8%) to EUR 637.7 million in comparison with 31 December 2012. While the current consolidated net income and the reduction in the hedging reserve had a positive effect on equity, payment of the dividend decreased equity. The net debt equity ratio totalled 32.1% on 30 September 2013, an increase of 50 base points (31 December 2012: 31.6%).

Decrease in loan-to-value

DIC Asset principally takes a long-term approach with its financing structure, an approach based on diversified funding sources, and tailored to the objectives that DIC Asset pursues with its real estate. As at 30 September 2013, the loan-to-value totalled 67.6%, an improvement of 50 base points on 31 December 2012 (68.1%).

OVERVIEW OF BALANCE SHEET

in EUR million	30.09.2013	31.12.2012
Total assets	**2,147.9**	2,210.2
Non-current assets	**2,063.7**	1,959.9
Current assets	**84.2**	250.3
Equity	**637.7**	614.3
Non-current debt	**1,358.6**	1,402.0
Current debt	**151.6**	193.8
Balance sheet equity ratio (in %)	**29.7**	27.8
Net debt equity ratio (in %) *	**32.1**	31.6
Loan to value (in %) **	**67.6**	68.1

* Calculated by setting the shareholders' equity, adjusted for hedging reserve, in relation to the total assets, adjusted in turn for hedging reserve, derivatives, and cash in banks.

** The relationship between the total financial debt, corporate bonds and liabilities to related parties minus cash in banks, on the one hand, and the real estate held at fair market values as financial investments, equity investments, and receivables due from related parties, on the other hand.

FORECAST

Outlook has brightened considerably

In view of the improved economic outlook in the eurozone, where the period of recession has obviously been overcome in recent months, we continue to be cautiously optimistic with regard to the eurozone economic outlook. The pace of recovery might be somewhat quicker in Germany than in the other European economies. Economic expectations have recently brightened considerably. The ZEW index of the Mannheim Centre for European Economic Research increased in October by 3.2 points, to 52.8 points, thus reaching its highest level in more than three years.

We continue to view the general conditions relevant for our business in Germany as stable, even though it is not yet clear what economic course will be set by the parties in a government coalition. We expect moderate economic growth until the end of 2013 but a return to faster growth in 2014.

Property market revival

Demand for German property continues to be high. Market players expect brisk transaction activity in the fourth quarter, given that numerous large-volume transactions have already been initiated. The German investment market benefits from its safe-haven status and, with ongoing capital inflows from German and international investors, is on a trajectory towards high investment volumes.

Attractive office space is quickly absorbed on the letting market despite further additions from completions that are already in the pipeline. Given the shortage of new space, tenants tend to remain in their existing premises for longer. The limited availability of state-of-the-art office space from new construction projects favours our letting targets. We are certain that there will be a further decrease in the vacancy rate in our portfolio to around 10% by the end of the year.

To date, we have already realized a purchase volume of EUR 105 million for the fund business, which will lead to an extensive increase in the ongoing FFO contributions from this area. Another acquisition for a special fund is possible before the end of the year.

With a sales volume of EUR 86 million we have already exceeded the EUR 80 million mark set at the beginning of the financial year. In view of the favourable market environment, we will also remain active in this business area and will implement further sales when the opportunity arises.

Confirmation of the FFO forecast

Our forecast for the 2013 financial year remains unchanged. On the basis of our current portfolio and the target cut in the vacancy rate, we expect rental income of between EUR 121 and 123 million. On this basis, we expect funds from operations (FFO) in 2013 of EUR 45 to 47 million.

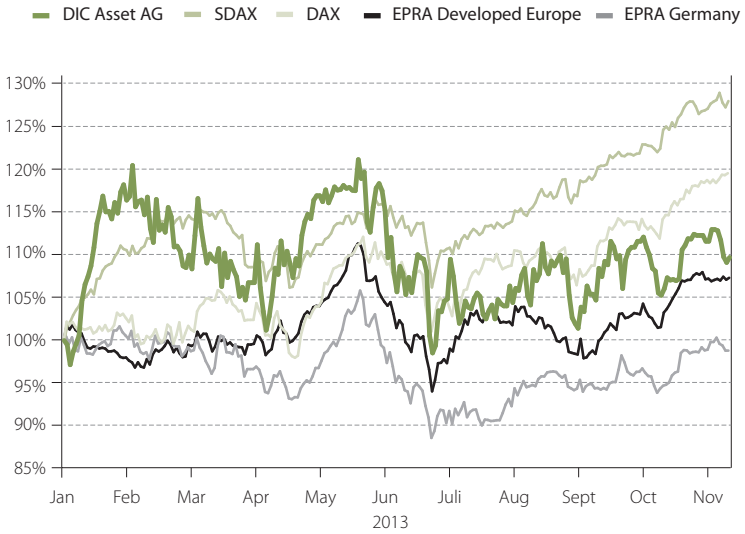
In view of the risks, which could currently influence the economic developments, forecasts involve a high level of uncertainty. This is why our plans may differ from actual events, particularly if general conditions or underlying assumptions change significantly

DIC Asset share with positive performance

The German stock market has recorded gains since the beginning of the second half of the year. The improved economic outlook in the eurozone is a key factor driving this. The investment restraint in the US as a response to reduced economic stimulus measures and the US budget dispute are likewise having a noticeable effect on international capital flows. With its most recent interest rate decision, the ECB is maintaining its policy of low interest rates, to ensure market stability and increased investor confidence in the eurozone.

The DIC Asset share price reached EUR 8.15 at the end of the third quarter, representing a gain of 14% in the nine-month period. Up 13%, the DAX did marginally less well. Over the period as a whole, our shares performed consistently better than the relevant EPRA Developed Europe Index, which reflects the performance of the largest European real estate companies.

SHARE PERFORMANCE



Focus of IR activities

The Management Board and the IR Team regularly provided information for the capital market and participated in conferences and roadshows in Germany and other countries. During the third quarter, stops included New York, London, Paris and Munich. The placement of the new corporate bond had been successfully concluded by 9 July 2013.

Key components of the IR Team's brief included the organisation of and communication work for the Shareholders' Meeting at the beginning of July and carrying out the conversion of bearer shares to registered shares as of 26 August 2013, which was resolved at the Shareholders' Meeting. This established a basis for improved communication with our company's shareholders.

IR CALENDAR 2013

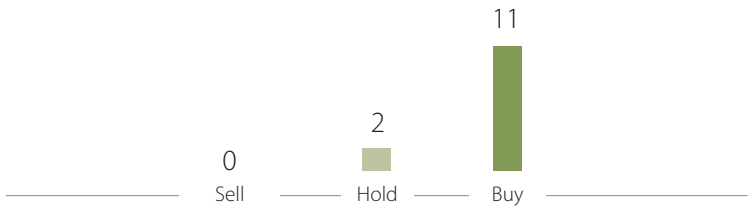
03.07.	General Shareholders' Meeting	Frankfurt
29.07.	Roadshow	New York
30.07.	Roadshow	London
13.08.	Publication of Q2 2013 results	
05.-06.09.	EPRA Annual Conference 2013	Paris
25.09.	Baader Investment Conference	Munich
26.09.	UniCredit German Investment Conference	Munich
24.10.	Conference „Initiative Immobilien-Aktie"	Frankfurt
13.11.	Publication of Q3 2013 results	
19.11.	DZ Bank Equity Conference	Frankfurt
03.12.	Roadshow	Brussels
11.12.	Small & Mid Cap Conference Close Brothers Seydler	Geneva
18.12.	Roadshow	Paris

Positive assessment by analysts

The performance of DIC Asset AG is currently being monitored by 13 financial institutions. The majority view is that our company has good prospects for growth: Eleven analysts issued 'buy' recommendations for the share (as of November 2013). Only two analysts issued 'hold' recommendations, and there are no 'sell' recommendations.

ANALYSTS' COVERAGE

(as at November 2013)



KEY FIGURES DIC ASSET SHARE (ISIN: DE000A1X3XX4 / WKN: A1X3XX)

in EUR [1]	9M 2013	9M 2012
Share capital in EUR/Number of shares	**45,718,747**	45,718,747
FFO per share	**0.75**	0.71
52-week high	**8.70**	7.96
52-week low	**6.41**	4.71
Closing price for quarter	**8.15**	7.35
Market capitalisation (in EUR million) [2]	**373**	336
Price on 12.08.2013	**7.98**	

(1) closing prices in Xetra trading
(2) based on Xetra closing price for quarter

BASIC DATA DIC ASSET BONDS

Name	DIC Asset AG bond 11/16	DIC Asset AG bond 13/18
ISIN / WKN	DE000A1KQ1N3 / A1KQ1N	DE000A1TNJ22 / A1TNJ2
Abbreviation	DAZA	DAZB
Segment	Deutsche Börse Prime Standard for corporate bonds	Deutsche Börse Prime Standard for corporate bonds
Minimum investment amount	1,000 EUR	1,000 EUR
Coupon	5.875%	5.75%
Issuance volume	EUR 100 million	EUR 75 million
Maturity	16.05.2016	09.07.2018

KEY FIGURES DIC ASSET BONDS

	12.11.2013	**30.09.2013**	28.09.2012
DIC Asset AG bond 11/16			
Price on	104.50%	**102.05%**	100.45%
Effective yield	3.94%	**5.01%**	5.72%
DIC Asset AG bond 13/18	– issued on 09.07.2013 –		
Price on	104.00%	**101.80%**	
Effective yield	4.76%	**5.31%**	

Second corporate bond successfully established

On 9 July 2013, DIC Asset AG's second corporate bond, with a coupon of 5.75%, was issued in the amount of EUR 75 million and listed in the Prime Standard segment of the Frankfurt Stock Exchange. The order book was closed early due to strong demand from institutional investors and family offices. The new bond is broadening the existing financing structure and has optimised the basis for attractive and flexible financing solutions.

In addition to the first bond issued in May 2011, DIC Asset AG's second interest-bearing security is well established in the market with liquid sales. With the exception of a single retail sale, both corporate bonds were continually quoted at above the issue price during the reporting period.

Fund objects in prime high-street locations in Trier und Halle

CONSOLIDATED PROFIT AND LOSS ACCOUNT

in TEUR	9M 2013	9M 2012	Q3 2013	Q3 2012
Total revenue	175,726	120,382	63,797	42,147
Total expenses	-126,455	-70,831	-45,457	-25,807
Gross rental income	91,926	94,339	30,879	31,807
Ground rents	-644	-624	-296	-193
Service charge income on principal basis	16,122	15,894	5,728	5,876
Service charge expenses on principal basis	-17,966	-17,580	-6,077	-6,255
Other property-related expenses	-8,289	-7,570	-2,385	-2,924
Net rental income	81,149	84,459	27,849	28,311
Administrative expenses	-7,311	-6,398	-2,343	-2,166
Personnel expenses	-9,268	-9,027	-3,011	-3,259
Depreciation and amortisation	-24,909	-24,178	-8,805	-8,175
Fees from real estate management	4,969	3,602	1,879	1,283
Other income	642	728	338	286
Other expenses	-172	-377	-70	-98
Net other income	470	351	268	188
Investment property disposal proceeds	62,067	5,819	24,974	2,895
Carrying value of investment property disposed	-57,895	-5,077	-22,470	-2,737
Profit on disposal of investment property	4,172	742	2,504	158
Net operating profit before financing activities	49,272	49,551	18,341	16,340
Share of the profit of associates	1,366	1,902	155	526
Interest income	7,939	7,469	2,729	2,540
Interest expense	-46,466	-49,969	-16,494	-16,490
Profit before tax	12,111	8,953	4,731	2,916
Current income tax expense	-1,260	-2,766	-415	-1,178
Deferred income tax expense/benefit	-254	1,591	-176	795
Profit for the period	10,597	7,778	4,140	2,533
Attributable to equity holders of the parent	10,561	7,681	4,134	2,509
Attributable to non-controlling interest	36	97	6	24
Basic (=diluted) earnings per share	0.23	0.17	0.09	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	9M 2013	9M 2012	Q3 2013	Q3 2012
Profit for the period	10,597	7,778	4,140	2,533
Components that will be recycled through profit and loss				
Fair value of hedging instruments				
Cash flow hedges	27,996	-5,876	11,453	-1,931
Cash flow hedges from associates	879	-523	156	-453
Other comprehensive income	28,875	-6,399	11,609	-2,384
Comprehensive income	39,472	1,379	15,749	149
Attributable to equity holders of the parent	39,436	1,282	15,743	267
Attributable to non-controlling interest	36	97	6	24

CONSOLIDATED STATEMENT OF CASH FLOW

in TEUR	9M 2013	9M 2012
Operating activities		
Net operating profit before interest and taxes paid/received	55,912	53,626
Realised gains/losses on disposals	-4,172	-742
Depreciation and amortisation	24,909	24,307
Movements in receivables, payables and provisions	697	3,661
Other non-cash transactions	3,057	-1,516
Cash flow generated from operations	80,403	79,336
Interest paid	-44,864	-48,059
Interest received	351	725
Income taxes paid/received	-802	3,600
Cash flow from operating activities	35,087	35,603
Investing activities		
Proceeds from disposals of investment property	62,067	6,143
Acquisition of investment property	0	-55,422
Capital expenditure on investment property	-14,499	-15,274
Acquisitions/disposals of other investments	-4,092	2,616
Loans to other entities	-11,809	-5,339
Purchase of office furniture and equipment	-1,849	-100
Cash flow from investing activities	29,818	-67,376
Financing activities		
Proceeds from the issue of corporate bonds	88,095	0
Proceeds from other non-current borrowings	2,833	31,838
Repayment of borrowings	-148,642	-23,036
Deposits	1,600	-5,100
Payment of transaction costs	-2,609	0
Dividends paid	-16,001	-16,002
Cash flow from financing activities	-74,724	-12,300
Net changes in cash and cash equivalents	-9,819	-44,072
Cash and cash equivalents at 1 January	56,698	100,244
Cash and cash equivalents at 30 September	46,879	56,172

CONSOLIDATED BALANCE SHEET

Assets in TEUR	30.09.2013	31.12.2012
Investment property	1,808,662	1,847,372
Office furniture and equipment	557	490
Investments in associates	82,067	75,730
Loans and borrowings to related parties	151,172	10,910
Intangible assets	1,704	185
Deferred tax assets	19,559	25,217
Total non-current assets	2,063,721	1,959,904
Trade receivables	4,373	3,423
Receivables due from related parties	9,961	135,254
Income tax receivable	5,906	7,718
Other receivables	5,559	5,016
Other current assets	5,609	6,852
Cash and cash equivalents	46,879	56,698
	78,287	214,961
Non-current assets held for sale	5,922	35,307
Total current assets	84,209	250,268
Total assets	2,147,930	2,210,172

Equity and liabilities in TEUR	30.09.2013	31.12.2012
Equity		
Issued capital	45,719	45,719
Share premium	614,312	614,312
Hedging reserve	-33,886	-62,761
Retained earnings	10,057	15,496
Total shareholders' equity	636,202	612,766
Minority interest	1,525	1,556
Total equity	637,727	614,322
Liabilities		
Corporate bond	171,510	85,195
Non-current interest-bearing loans and borrowings	1,134,342	1,229,893
Provisions	1,506	1,641
Deferred tax liabilities	11,425	11,649
Derivates	39,797	73,654
Total non-current liabilities	1,358,580	1,402,032
Current interest-bearing loans and borrowings	122,925	147,540
Trade payables	5,658	2,671
Liabilities to related parties	3,509	694
Provisions	56	11
Income tax payable	2,234	1,986
Other liabilities	12,146	13,616
	146,528	166,518
Liabilities in connection with non-current assets held for sale	5,095	27,300
Total current liabilities	151,623	193,818
Total liabilities	1,510,203	1,595,850
Total equity and liabilities	2,147,930	2,210,172

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TEUR	Issued capital	Share premium	Reserve for cash flow hedges	Retained earnings	Total shareholders' equity	Non-controlling interest	**Total**
Status as at 31 December 2011	45,719	614,312	-60,077	19,808	619,762	1,497	**621,259**
Profit for the period				7,681	7,681	97	**7,778**
Gains/losses from cash flow hedges*			-5,876		-5,876		**-5,876**
Gains/losses from cash flow hedges from associates*			-524		-524		**-524**
Comprehensive income			-6,399	7,681	1,282	97	**1,379**
Dividends 2011				-16,002	-16,002		**-16,002**
Repayment of non-controlling interest					0	8	**8**
Status as at 30 September 2012	45,719	614,312	-66,476	11,487	605,042	1,602	**606,644**
Profit for the period				4,009	4,009	43	**4,052**
Gains/losses from cash flow hedges*			3,500		3,500		**3,500**
Gains/losses from cash flow hedges from associates*			215		215		**215**
Comprehensive income			3,715	4,009	7,724	43	**7,767**
Repayment of non-controlling interest					0	-89	**-89**
Status as at 31 December 2012	45,719	614,312	-62,761	15,496	612,766	1,556	**614,322**
Profit for the period				10,561	10,561	36	**10,597**
Gains/losses from cash flow hedges*			27,996		27,996		**27,996**
Gains/losses from cash flow hedges from associates*			879		879		**879**
Comprehensive income			28,875	10,561	39,436	36	**39,472**
Dividends 2012				-16,001	-16,001		**-16,001**
Repayment of non-controlling interest					0	-67	**-67**
Status as at 30 September 2013	45,719	614,312	-33,886	10,057	636,202	1,525	**637,727**

* deferred taxes deducted

SEGMENT REPORTING

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

in TEUR	North	East	Central	West	South	**Total 9M 2013**	Total 9M 2012	Rental income 9M 2013 (P&L)
Commercial Portfolio	12,704	18,099	29,604	38,257	23,789	**122,453**	127,714	91,926
Co-Investments	2,612	2,412	2,068	3,025	4,840	**14,957**	15,744	
Total	15,316	20,511	31,672	41,282	28,629	**137,410**	143,458	91,926

Segment assets as at 30 September 2013

	North	East	Central	West	South	**Total 9M 2013**	Total 9M 2012
Number of properties	36	33	56	59	67	**251**	270
Market value (in EUR million)	229,2	265,1	633,7	620,2	395,9	**2,144.1**	2,246.8
Lease term (in years)*	5.9	5.4	5.4	4.8	3.8	**5.0**	5.2
Rental yield*	6.7%	7.7%	6.1%	6.7%	7.2%	**6.8%**	6.7%
Vacancy rate*	5.4%	5.0%	19.5%	11.9%	8.3%	**10.8%**	11,7%

Annualised rental income of the business segments as at 30 September 2012

In TEUR	North	East	Central	West	South	**Total 9M 2012**	Total 9M 2011	Rental income 9M 2012 (P&L)
Commercial Portfolio	12,143	17,842	34,871	38,308	24,550	**127,714**	116,517	94,339
Co-Investments	3,048	3,189	1,714	2,854	4,939	**15,744**	13,847	
Total	15,191	21,031	36,585	41,162	29,489	**143,458**	130,364	94,339

Segment assets as at 30 September 2012

	North	East	Central	West	South	**Total 9M 2012**	Total 9M 2011
Number of properties	47	34	58	61	70	**270**	281
Market value (in EUR million)	232.7	284.0	684.3	640.8	405.0	**2,246.8**	2,069.9
Lease term (in years)*	6.5	4.2	6.0	5.3	3.9	**5.2**	5.4
Rental yield*	6.6%	7.4%	6.2%	6.4%	7.3%	**6.7%**	6.6%
Vacancy rate*	7.3%	8.2%	15.6%	13.5%	10.7%	**11.7%**	13.4%

* operating figures excluding development projects

General disclosures on reporting

In accordance with § 37x Para. 3 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), the quarterly financial statements comprise interim consolidated financial statements and an interim Group Management Report. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU, applicable for interim financial reporting, IAS 34, Interim Financial Reporting. Consistent accounting and measurement policies are applied throughout the group. The interim Group Management Report has been prepared in accordance with the WpHG.

The Company applied consistent accounting and measurement accounting policies as in the consolidated financial statements as of 31 December 2012 in this condensed interim consolidated financial statements with the following exceptions:

- Income taxes have been deferred based on the tax rate anticipated for the entire year.

- The comparative figures for the previous year were partially adjusted in accordance with IAS 8 due to a finding made by the German Financial Reporting Enforcement Panel (FREP) regarding the consolidated financial statements for 2010.

in TEUR	30.09.2012 before adjustment	Impact of the correction	**30.09.2012 after adjustment**
Shares in associates	68,647	-3,293	**65,354**
Retained earnings	14,209	-2,722	**11,487**
Deferred tax liabilities	10,322	-571	**9,751**
Depreciation and amortisation	24,307	-129	**24,178**
Net other income	351	0	**351**
Earnings from associates	1,728	+174	**1,902**
Deferred taxes	1,685	-94	**1,591**
Profit for the period	7,569	+209	**7,778**
FFO	32.2	+0.2	**32.4**
Earnings per share (EUR)	0.16	+0.01	**0.17**
FFO per share (EUR)	0.70	+0.01	**0.71**

These interim financial statements do not contain all the information and details required for a consolidated financial statement and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2012. We refer to the interim management report in this document with regard to key changes and transactions up to 30 September 2013.

The preparation of the Groups consolidated financial statements require the management to make judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty connected with these assumptions and estimates could result in outcomes that may require considerable adjustments to the carrying amounts of the assets or liabilities in the future. No adjustments on the basis of changes to estimates or assumptions up to September 2013 have been necessary.

New standards and interpretations

DIC Asset AG have been applied all IFRS and IAS effective as of 1 January 2013 as adopted by the EU, With regard to the detailed presentation of the new standards, please refer to the 2012 Annual Report and the following information:

- The amendments to IAS 1 "Presentation of Financial Statements" stipulate that items included in other comprehensive income are to be grouped into those which will subsequently be recycled through the income statement and those which will not. DIC Asset AG's other comprehensive income relates solely to effects from cash flow hedges, which are recycled through the income statement.

- The application of IFRS 12 "Disclosure of Interests in Other Entities" may lead to additional disclosures in the annual consolidated financial statements.

- In addition, some additional standards and amendments became effective which will have no impact on the consolidated financial statements or the condensed interim consolidated financial statements. These include IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 13 "Fair Value Measurement" as well as IAS 28 "Investments in Associates and Joint Ventures".

Investments in intangible assets

An ERP system, which is specially tailored to the needs of real estate companies, was introduced in mid-December 2012 to replace the previous accounting systems. The investment costs amounted to approximately EUR 1.7 million as at 30 September 2013.

Disclosures on financial instruments

In the reporting period, additional funds have been raised from our first corporate bond amounting to EUR 13.1 million and hence full placement of EUR 100 million was reached. A second corporate bond amounting to EUR 75 million with an interest coupon of 5.75% was placed on 9 July 2013. Duration is five years and the redemption date is 9 July 2018.

As last year, financial liabilities measured at fair value relate to derivatives that are used to hedge interest rate risks. As last year fair value has been measured at current market prices in an active market for comparable financial instruments or using valuation models whose key input factors are based on observable market data (level 1 and level 2 according to IFRS 7).

Other financial obligations

The purchase of three retail investment properties in Halle, Trier and Heidelberg for the "DIC HighStreet Balance" and "DIC Office Balance I" fund led to financial obligations amounting to EUR 7 million due in the fourth quarter.

Dividend

Management Board proposed a dividend of EUR 0.35 per share for the 2012 financial year at the General Shareholders' Meeting on 3 July 2013 allowing shareholders to participate reasonable in the success and increase in shareholder value of DIC Asset AG. The dividend amounting to EUR 16.0 million was paid on 4 July 2013, after adoption of a respective resolution.

Transactions with related companies and persons

DIC Asset AG and its subsidiaries have granted the related parties Deutsche Immobilien Chancen AG & Co. KGaA, DIC Opportunistic GmbH, DIC HI Portfolio GmbH, DIC Hamburg Portfolio GmbH and DIC MainTor GmbH loans falling due on 30 June 2013 and loans with an unlimited term. The duration of these loans, amounting to EUR 139 million as at 30 September 2013, were extended to 31 December 2015.

During the third quarter, DIC Asset AG transferred its current receivables against DIC HI Portfolio GmbH and DIC HH Portfolio GmbH, amounting to EUR 1.4 million and EUR 20.0 million respectively, to DIC Opportunistic GmbH.

All other conditions remained unchanged.

DIC Asset AG has issued a guarantee equal to its pro rata assumption of liability of 40% in connection with the project development financing of DIC MainTor Palazzi GmbH. The guarantee covers full and timely settlement of the guarantee claims up to a maximum of EUR 7.5 million, partly as a formal obligation to contribute capital of EUR 2.5 million and partly designed as a cost overrun and interest payment guarantee of up to EUR 5.0 million in favour of the syndicate banks.

Opportunities and Risks

Opportunities and risks on our business as well as the structure of our risk management and internal control system have been described in detail in the consolidated financial statements and the management report as of 31 December 2012 that was published in March 2013. Subsequently no significant changes has been occurred.

Subsequent Events

"DIC HighStreet Balance" purchased two properties in downtown Halle and Trier with a purchpase price of EUR 30 million. Transfer of legal rights and obligations is expected at the end of the fiscal year.

End of October 2013 legal rights and obligation has been transferred to the "DIC Office Balance I" fund for the office building "Stadttor Heidelberg". The property has been purchased in July 2013.

DIC Objekt Köln GmbH entered into a loan agreement dated 11 September and 2 October 2013 with the Landesbank Saar, Saarbrücken in respect of a refinancing of an investment property in Cologne. Duration of the loan agreement is 5 years and amounts to EUR 6 million. DIC Asset received the cash as of 31 October 2013.

Other disclosures

The Supervisory Board decided to expand the Management Board at the beginning of May 2013. Sonja Wärntges took on the role of CFO from Markus Koch on 1 June 2013. Rainer Pillmayer has also been appointed to the Management Board. He has taken over the role of COO.

▷ REVIEW REPORT

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 1 January to 30 September 2013, which are part of the quarterly financial report according to § 37x (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 conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor´s report.

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

Nuremberg, 11 November 2013

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann	Danesitz
Wirtschaftsprüfer	Wirtschaftsprüfer

QUARTERLY FINANCIAL DATA

in EUR million	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	**Q3 2013**
Gross rental income	31.1	31.4	31.8	32.2	30.3	30.7	**30.9**
Net rental income	28.1	28.0	28.3	28.7	26.6	26.7	**27.8**
Fees from real estate management	1.2	1.1	1.3	2.1	1.6	1.5	**1.9**
Investment property disposal proceeds	2.8	0.1	2.9	71.8	37.0	0.1	**25.0**
Profit from investment property disposals	0.5	0.1	0.2	5.0	1.7	0.0	**2.5**
Share of the profits of associates	0.9	0.5	0.5	-0.1	0.8	0.4	**0.2**
Funds from Operations (FFO)	10.6	11.1	10.7	12.5	11.2	11.9	**11.2**
EBITDA	24.7	24.6	24.5	28.3	24.3	22.7	**27.1**
EBIT	16.6	16.6	16.3	19.0	16.3	14.6	**18.3**
Profit for the period	2.6	2.6	2.5	4.1	3.7	2.8	**4.1**
Cash flow from operating activities	10.2	10.0	15.4	8.3	12.2	10.8	**12.1**
Market value of investment property	2,218.1	2,216.5	2,246.8	2,223.5	2,182.9	2,182.7	**2,144.1**
Total assets	2,254.3	2,249.5	2,251.8	2,210.2	2,196.3	2,182.2	**2,147.9**
Equity	622.0	622.5	606.6	614.3	626.3	638.0	**637.7**
Net debt equity ratio in %*	31.8	31.7	30.8	31.2	32.3	32.5	**32.1**
Total liabilities	1,632.2	1,626.8	1,645.0	1,595.9	1,570.0	1,544.3	**1,510.2**
FFO per share (in EUR)	0.24	0.24	0.23	0.27	0.25	0.25	**0.25**

* Calculated by setting the shareholders' equity, adjusted for hedging reserve, in relation to the total assets, adjusted in turn for hedging reserve, derivatives, and cash in banks.

OVERVIEW PORTFOLIO*

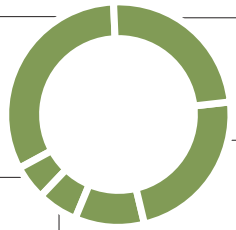
	Commercial Portfolio	Co-Investments	**Total Q3 2013**	Total Q3 2012
Number of properties	150	101	**251**	270
Market value in EUR million**	1,806.4	337.6	**2,144.1**	2,246.8
Rental space in sqm	1,076,400	148,900	**1,255,300**	1,244,800
Portfolio proportion after rental space	88%	12%	**100%**	
Annualised rental income in EUR million	122.5	15.0	**137.4**	143.5
Rental income per sqm in EUR	10.30	8.90	**10.20**	10.60
Lease maturity in years	4.9	5.0	**5.0**	5.2
Rental yield	6.8%	6.4%	**6.8%**	6.7%
Vacancy rate	10.8%	11.3%	**10.8%**	11.7%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
** Market value as at 31.12.2012, later acquisitions considered at cost

TYPES OF USE
pro rata by rental income p. a. (as at 30 September 2013)

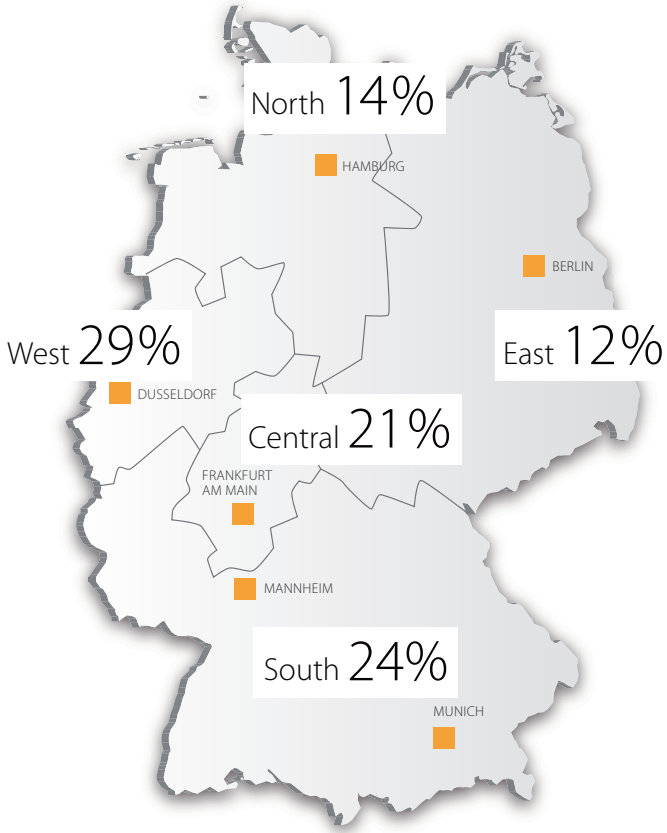
70 % Office properties
19 % Retail
10 % Other business (e.g. logistics/distribution)
1 % Residential

MAIN TENANTS
pro rata by rental income p. a. (as at 30 September 2013)



32 % SME and others
24 % Public sector
23 % Retail
5 % Insurance/Banking
6 % Industry
10 % Telco/IT/Multimedia

PORTFOLIO BY REGIONS
Basis: pro rata rental space in sqm



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