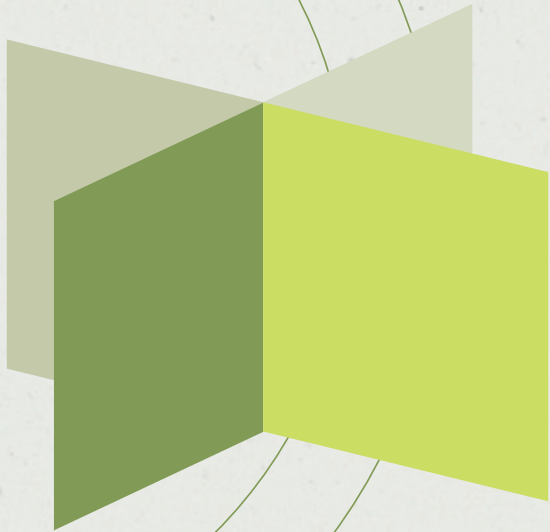


DIC ■



Q1 2014

INTERIM REPORT



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 3.4 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" (market value of EUR 2.2 billion) comprises existing properties with long-term rental contracts generating attractive rental yields. The "Co-Investments" segment (pro-rata share of EUR 0.3 billion) comprises fund investments, interests in development projects, and joint venture investments.

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.

OVERVIEW

Key financial figures in EUR million	Q1 2014	Q1 2013	Δ
Gross rental income	36.8	30.3	+21%
Net rental income	33.5	26.6	+26%
Fees from real estate management	1.1	1.6	-31%
Property disposal proceeds	16.1	37.0	-56%
Total income	62.1	74.1	-16%
Profits on property disposals	0.7	1.7	-59%
Share of the profit of associates	1.0	0.8	+25%
Funds from Operations (FFO)	12.0	11.2	+7%
EBITDA	29.9	24.3	+23%
EBIT	19.2	16.3	+18%
EPRA earnings	11.7	10.4	+13%
Profit for the period	2.0	3.7	-46%
Cash flow from operating activities	12.2	12.2	0%

Key financial figures per share in EUR	Q1 2014	Q1 2013	Δ
EPRA earnings *	0.17	0.22	-23%
FFO *	0.18	0.24	-25%

Balance sheet figures in EUR million	31.03.2014	31.12.2013
Net debt equity ratio in %	32.8	32.6
Investment property	2,232.6	2,256.4
Total assets	2,605.5	2,596.0

Key operating figures	Q1 2014	Q1 2013
Letting result in EUR million	6.8	3.0
Vacancy rate in %	11.1	11.6

* With the new average number of shares in accordance with IFRS

CONTENT

— Foreword	3
— Interim Group Management Report	4
— Investor Relations and Capital Market	17
— Consolidated Financial Statements as at 31 March 2014	21
— Notes	30
— Review Report	34
— Portfolio	36

Dear Shareholders,

DIC Asset AG started 2014 with successful activities and growth in profits:

- Our operating profits (FFO) rose by 7% to EUR 12.0 million.
- We increased our second bond and successfully placed EUR 25 million within a day.
- We have already made sales amounting to EUR 36 million and numerous other transactions are in the pipeline.
- This kick off has placed us well on track to achieve the goals we have set ourselves for the year.

For years we have provided a high level of information, including in our quarterly reports, from the presentation of the real estate and capital market environment to portfolio performance to a detailed explanation of earnings performance. To make it easier for you to process the volume of announcements and financial information, which is growing by the day, we have streamlined the texts and charts in our financial reports where it is helpful and made them more reader-friendly. Nevertheless, we will continue to provide a high level of information and maintain the related transparency about our company.

We hope you can find out about DIC Asset AG more quickly and efficiently with our slightly modified quarterly report. Thanks for your trust and enjoy the reading.

Frankfurt am Main, May 2014



Ulrich Höller



Sonja Wärntges



Rainer Pillmayer

GENERAL ECONOMIC CONDITIONS

The German economy started the new year in fine fettle. The gradual acceleration in the global economy at the end of last year led to a slight revival in exports of German goods. The situation on the labour market improved further at the beginning of the year and is contributing to increased domestic demand and to an economic revival. The economy has also recovered in the euro zone's core states, the turnaround in the euro crisis seems to be consolidating.

Financing conditions remain favourable, with the key interest rate held at a record low of 0.25% since November 2013. As a result, uncertainty has decreased further, particularly in relation to the euro crisis. Investment activity in the German economy has gained momentum against this background, with construction activity also having been stimulated by the mild winter.

The leading economic research institutes expect a further expansion in production in the course of the year. Private consumption, which will be boosted by accelerated growth in disposable incomes and a further expansion in employment, is expected to make the largest contribution to the increase in macroeconomic production.

The economic barometer of the German Institute for Economic Research (DIW Berlin) indicates strong growth of 0.7% compared with the final quarter of 2013 for the first quarter of the current year. The leading economic research institutes expect a growth rate of the gross domestic product ranging from 1.2% to 2.6% for the current year (2013: 0.4%).

Increase in office space let

The office letting markets were buoyant in the first quarter. According to JLL, sales volume in the seven largest office locations Berlin, Dusseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart reached 697,000 sqm and was consequently up just under 15% on the first quarter of 2013. JLL is expecting a result of around 3 million sqm for 2014, which would match the level of recent years.

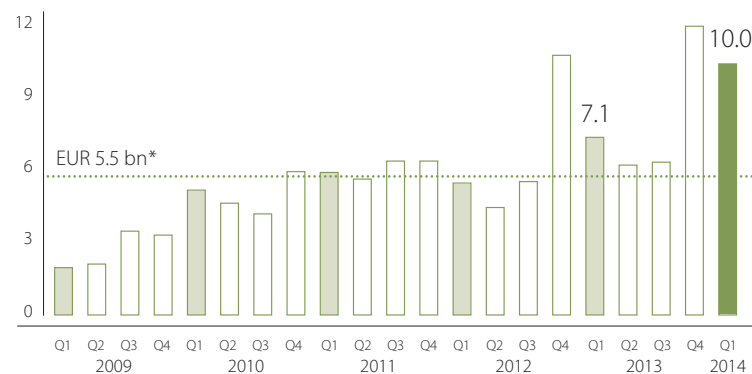
Aggregate vacancies in the top 7 locations decreased to 7.2 million sqm (-6% compared with the first quarter of 2013) at the end of the first quarter. The vacancy rate also decreased further, by 60 basis points to 8.1%. While completions increased by 226,000 sqm in the first quarter, currently only around 40% of this figure is freely available on the market. This ratio will decrease further over the year according to estimates by JLL.

A strong start on the transaction market

The German commercial investment market was very strong in the first quarter of 2014. With a transaction volume of around EUR 10 billion (+41% compared with the first quarter of 2013), the level of the end of 2013 was maintained. The effects of persistently good general conditions, both financially and in the real economy, and an increasing willingness among investors to incur risk are apparent here.

The largest increase in sales was among logistics and industrial property, which grew by 154% compared with the same period in the previous year, as well as office property, which grew by 64% compared with the first quarter of 2013. Portfolio transactions accounted for around 43% (EUR 4.3 billion) of total sales. The majority of the property packages were acquired by foreign investors, whose share of total transaction volume consequently rose from below 40% in the previous year to 54% (approx. EUR 5.4 billion).

TRANSACTION VOLUME OF GERMAN COMMERCIAL REAL ESTATE in EUR billion



* average Q1 2009 - Q4 2013 Source: JLL

BUSINESS DEVELOPMENT

Highlights

- Successful sales totalling approximately EUR 36 million
- Strong letting result worth more than EUR 6.8 million
- FFO increases to EUR 12.0 million (+7%)
- Favourable environment for increasing corporate bond exploited

In the first quarter of 2014, DIC Asset AG increased its operating profits. As at 31 March 2014, an increase in FFO to EUR 12.0 million was achieved (previous year: EUR 11.2 million). The profit for the period stood at EUR 2.0 million primarily due to lower sales (previous year: EUR 3.7 million).

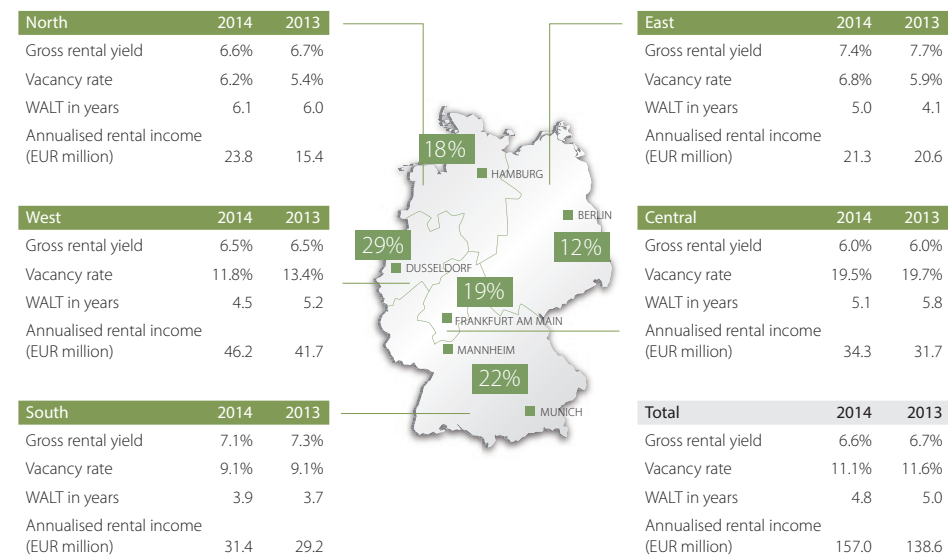
Portfolio: stable rental yield

The DIC Asset AG portfolio under management comprised 249 properties with rental space totalling 1.9 million sqm and an overall value of approximately EUR 3.4 billion (assets under management). The pro rata value of the properties accruing to DIC Asset AG now amounts to approx. EUR 2.5 billion following the consolidation of the portfolio acquisition and has therefore increased by EUR 0.3 billion compared with the same period in the previous year. There were no major changes in the portfolio volume and the regional allocation compared with the final quarter of 2013. The gross rental yield remains unchanged at 6.6%. The properties generate annual rental income (pro rata, including Co-Investments) of EUR 157 million.

Thanks to ongoing letting activity in the regions, tenancy agreements generating an annualised rental income of around EUR 6.8 million in total were concluded in the first quarter of 2014, of which EUR 3.9 million related to new tenancy agreements and EUR 2.9 million to renewals of existing tenancies. In the first quarter of 2013, letting volume amounted to EUR 3.0 million. A major contract in Dusseldorf with a hotel operator for 12,800 sqm and the letting of approximately 1,500 sqm in the "Bochumer Fenster" property to the Ruhr-University Bochum made a significant contribution to new rental income. The renewal of a significant tenancy agreement with Nokia Solutions and Networks, who renewed their tenancy agreement covering approximately 8,800 sqm in the Science Park in Ulm, was concluded.

REGIONAL DEVELOPMENT

each as at 31.03.



LETTING RESULT

annualised in EUR million	Q1 2014	Q1 2013
Office	3.4	2.2
Retail	0.2	0.4
Further commercial	3.0	0.4
Residential	0.2	< 0.1
Total	6.8	3.0
Parking (units)	522	242

TOP LETTING DEALS

Top 5 new lettings

Renaissance Düsseldorf Hotelmanagement	Düsseldorf	12,800 sqm
Ruhr-University Bochum	Bochum	1,500 sqm
HEICO Holding	Wiesbaden	1,400 sqm
Kay Wolter	Hamburg	1,300 sqm
W. Markgraf	Bayreuth	1,100 sqm

Top 5 renewals

Nokia Solutions and Networks	Ulm	8,800 sqm
WTS Verwaltungsgesellschaft	Koblenz	2,100 sqm
State of Baden-Württemberg	Karlsruhe	2,000 sqm
Deutsche Bank AG	Ludwigshafen	1,900 sqm
Deutsche Bahn AG	Karlsruhe	1,600 sqm

The vacancy rate in the portfolio improved compared with the same period in the previous year from 11.6% to 11.1%. Against the background of the increase in lease expiries, which is typical of the beginning of the year, the ratio increased somewhat compared with the year-end – as expected – in the first quarter of 2014 (Q4 2013: 10.7%). At 4.8 years, the average lease period remains almost unchanged (previous quarter: 4.9 years).

DEVELOPMENT OF VACANCY RATE

in % at the end of the quarter



Increase in sales

Transaction activity was characterised by a number of successful sales from both the Commercial Portfolio and Co-Investments. In total four properties have been sold to date for EUR 36 million, of which EUR 32 million related to two properties in Leipzig and Heidelberg respectively from the Commercial Portfolio and a property in Düsseldorf from Co-Investments before the end of the quarter. After the first quarter, a property in Berlin from the Commercial Portfolio was sold for approximately EUR 4 million. The sales prices achieved in the transactions carried out averaged 5% more than the most recent market values assessed.

Strategic development of the fund business

Following the strategic reduction in the volume of joint ventures among the Co-Investments, in the first quarter we began to adjust the investment policy of our fund business. We have cut investment in our funds from the previous 20% to a flexible share of probably 5–10% in future. We therefore reduced our share in the "DIC Office Balance I" fund to 10% in April. Although it will temporarily reduce the FFO contribution, we will thereby tie up less capital and achieve more equity-efficient growth in the fund business. Another important step towards further expanding the fund business is the third fund "DIC Office Balance II", the specifics of which are currently being planned. Initial purchases are anticipated for the second half of the year.

Considerable progress with the MainTor development

Following gratifyingly successful advance marketing of five sub-projects of the MainTor district development, use of "MainTor Primus", the first section, started. DIC has now moved into its new headquarters there. Four additional sections are being constructed on schedule. The marketing of the last sub-project, the central "WINX" office tower, started at the beginning of the year.



Construction site ceremony for "MainTor Patio" and "MainTor Panorama" on 8 May 2014, with Frankfurt's Lord Mayor Peter Feldmann

Staff numbers

At the end of March 2014, 138 employees were employed in the company in total, two employees less than in the previous year.

NUMBER OF EMPLOYEES

	31.03.2014	31.12.2013	31.03.2013
Portfolio management, investment and funds	16	14	12
Asset and property management	106	107	111
Group management and administration	16	15	17
Total	138	136	140

REVENUES AND RESULTS

Growth in rental income

In the first quarter of 2014, we generated gross rental income of EUR 36.8 million (Q1 2013: EUR 30.3 million). The growth in rental income of 21% is largely due to the acquisition of the joint venture portfolio at the end of 2013. This acquisition more than compensated for the negative effects of the loss of rental income following the previous year's sales. Net rental income stood at EUR 33.5 million and was consequently 26% up on the figure for the previous year (EUR 26.6 million).

Different effects apparent in income from property management

Income from property management fees from Co-Investments decreased by EUR 0.5 million (-31%) compared with the previous year to EUR 1.1 million. This is directly linked to the acquisition of the joint venture portfolio, as a result of which income from the management of properties previously under management was consolidated. By contrast, recurring income from the management of fund properties grew by EUR 0.2 million to EUR 0.8 million. They continued the positive trend of reliable income in connection with the planned further expansion of fund business.

Total income of EUR 62.1 million

Up to the reporting date, we achieved proceeds of EUR 16.1 million from the sale of properties and a sales profit of EUR 0.7 million. In the previous year, we achieved sales proceeds of EUR 37.0 million and a profit from disposals of EUR 1.7 million up to end of March. Total income came to EUR 62.1 million compared with EUR 74.1 million in the previous year. The decline can mainly be explained by the reduction in proceeds from sales up to the end of March 2014.

OVERVIEW OF INCOME

in EUR million	Q1 2014	Q1 2013	Δ
Gross rental income	36.8	30.3	+21%
Fees from real estate management	1.1	1.6	-31%
Property disposal proceeds	16.1	37.0	-56%
Other	8.1	5.2	+56%
Total income	62.1	74.1	-16%

Operating costs within budget

In the first quarter of 2014, operating costs matched the level of the previous year. Both personnel expenses and administrative expenses were kept stable at EUR 3.2 million and EUR 2.5 million respectively. The operating cost ratio (administrative and personnel expenses to gross rental income, adjusted for property management income) decreased on the basis of higher gross rental income by one percentage point to 12.2% (Q1 2013: 13.2%).

Net financing costs affected by higher financing volume

Net financing costs of EUR -17.9 million (previous year: EUR -12.8 million) reflect mainly the increase in interest expenses following the portfolio acquisition and the increase of the corporate bond financing by EUR 100 million. In addition to this, interest income was reduced following the lower volume of loans to related parties. Thanks to stable refinancing rates and optimised conditions, interest expenses rose less than financing volume.

Co-Investments: Fund income makes an increased contribution

At EUR 1.0 million, share of the profit of associates (Co-Investments) was up on the figure for the same quarter in the previous year (EUR 0.8 million). This is primarily attributable to growth in fund volumes. As expected, the trend in income from our fund investments was positive with EUR 0.6 million (EUR 0.5 million in the previous year) and has offset the loss of regular income following the sale of properties from the joint venture portfolios.

RECONCILIATION OF FFO

in EUR million	Q1 2014	Q1 2013	Δ
Net rental income	33.5	26.6	+26%
Administrative expenses	-2.5	-2.5	+0%
Personnel expenses	-3.2	-3.1	+3%
Other operating income/expenses	0.1	0.0	100%
Fees from real estate management	1.1	1.6	-31%
Share of the profit of associates without project developments and sales	0.9	1.4	-36%
Interest result	-17.9	-12.8	-40%
Funds from Operations	12.0	11.2	+7%

FFO increase to EUR 12 million

In the first quarter of 2014, operating profit or FFO amounted to EUR 12.0 million and was therefore EUR 0.8 million (+7%) above the previous year's result. This was primarily due to the increase in rental income and a higher earnings contribution from the fund business. Following the increase in the share capital, FFO per share stood at EUR 0.18 (previous year: EUR 0.24).

Profit for the period: EUR 2 million

In the first quarter of 2014, we achieved profit for the period of EUR 2.0 million (previous year: EUR 3.7 million). The reduced profit on disposal of investment property was largely responsible for the change compared with the same period in the previous year. Earnings per share amounted to EUR 0.03 (previous year: EUR 0.08).

FINANCIAL AND ASSET POSITION

Corporate bond increased

At 89%, the vast majority of our financial debt consists of loans, which are agreed with a broad range of German financial institutions. The remaining portion comes from our corporate bonds. With the increase in our second bond in February 2014, we attracted additional external funds of some EUR 25 million in the first quarter as a result of the placement. At the same time, we reduced the debt burden by around EUR 19 million on the back of sales and scheduled repayments.

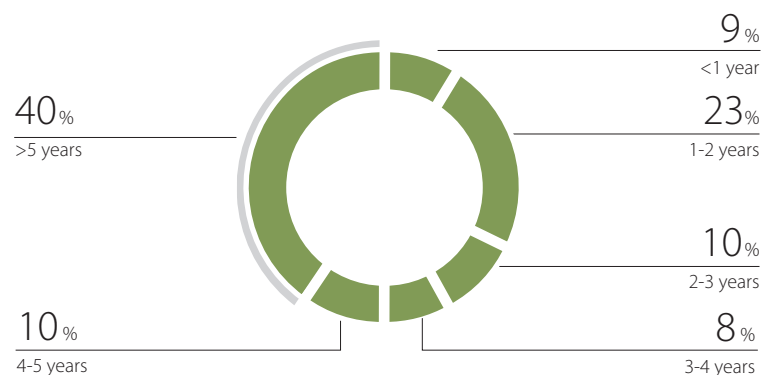
As at 31 March 2014, financial debt amounted to EUR 1,733.9 million. This is some EUR 10 million more than at the end of 2013 (EUR 1,723.9 million) and EUR 263 million more than at 31 March 2013 (EUR 1,471 million).

Further reduction in refinancing coming up for renewal in the short-term.

At the end of the first quarter, the average term of financial liabilities was 4.2 years (Q1 2013: 3.3 years), which is a slight reduction compared with the end of 2013 (4.5 years). The proportion of financing with terms in excess of five years came to 40% at the reporting date compared with 17% in the previous year. The refinancing for the existing portfolio (Commercial Portfolio) remaining in the current financial year amounts to approximately EUR 108 million. Some of this has already been arranged.

DEBT MATURITIES

Financial debt as at 31.03.2014



The average interest rate for all financial debts amounted to around 4.1% and consequently almost matched the level of the previous year (4.0%).

The interest coverage ratio, the ratio of net rental income to interest payments, was 167% at the end of the first quarter and, as a consequence of the increase in financing volume, was therefore below the values for the first quarter of 2013 (176%) and for 2013 as a whole (179%). Over 94% of our financial debt has a fixed interest rate or is hedged long-term against interest rate fluctuations.

Cash flow influenced by bond placement

In the first quarter of 2014, cash flow was influenced in particular by the cash inflows from sales as well as the increase of our second bond.

At EUR 12.2 million, cash flow from operating activities was at previous year's figure. Cash flow from investing activities came to EUR 7.8 million (previous year: EUR 29.1 million); it mainly reflects the sales proceeds in the first quarter (EUR 16.1 million compared with EUR 37.0 million in the previous year) and ongoing investment in our properties. In the first quarter of 2014, cash flow from financing activities totalled EUR 4.6 million after EUR -20.1 million in the same quarter of the previous year. The cash inflow from the bond placement (EUR 25.2 million) and loan repayments of EUR -19.0 million had a major impact here.

Cash and cash equivalents increased by EUR 3.1 million compared with the same quarter in the previous year from EUR 77.9 million to EUR 81.0 million.

Further improvement in balance sheet structures

In the first quarter, total assets as at 31 March 2014 increased slightly compared with the end of 2013, by EUR 9.5 million to EUR 2,605.5 million, mainly as a result of disposals and loan repayments following sales and the increase in the corporate bond.

On the assets side, sales of properties and investments, which have not yet been transferred, as well as purchase price payments and cash inflows from the increase in the corporate bond led to an increase in current assets of over EUR 50 million. Non-current assets decreased by the assets sold, by around EUR 40 million. Loans with financial institutions were repaid from purchase price payments and bond funds, which led to a reduction in current financial debt on the liabilities side of the

balance sheet. The increase in the bond made a significant contribution both to the reduction and to the conversion of short-term debt into long-term financing. Total financial debt increased by around EUR 10 million compared with the end of 2013.

Equity ratio increased

As at 31 March 2014, equity remained virtually stable compared with 31 December 2013 with a change of around EUR 1 million to EUR 792.0 million compared with EUR 793.1 million. The net debt equity ratio increased compared with the balance sheet at the end of 2013 by 30 basis points from 32.6% to 32.8% as a result of further improvements in the company's financing. The loan to value ratio (LTV) was stable at 66.9%.

FORECAST

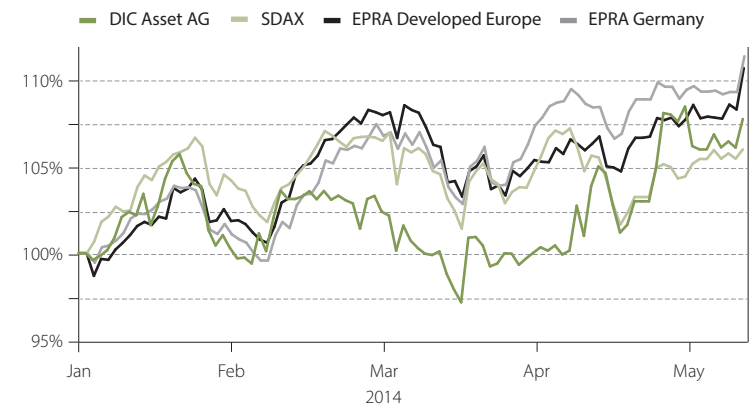
In light of the better economic outlook in the euro zone, we are optimistic about the prospects in our relevant market. The pace of recovery is likely to be somewhat quicker in Germany than in most other European economies. By the end of 2014, we expect further strong economic growth of around 2% and good momentum, particularly in the real estate investment markets.

Against this backdrop, we confirm our goals for 2014. We plan to invest between EUR 150 and 200 million in the fund sector and to conduct sales totalling around EUR 150 million in 2014. On the basis of our current portfolio, a stable vacancy rate and the planned sales, we expect rental income of between EUR 145 and 147 million. We expect to exceed the previous year's operating profit once again and plan to increase FFO to EUR 47–49 million.

DIC Asset share stable

At the beginning of the year, the leading German index, the DAX, was approaching new highs but then lost the gains made in the meantime, closing the first quarter with a small gain of 1.7%. In this period, the DIC Asset share trended parallel to the most important German stocks in the market as a whole, reaching a high of EUR 7.07 (+5.7%) and standing at EUR 6.71 on 31 March 2014, 0.7% above its closing price at the end of the previous quarter. After the end of the reporting period, the share price resumed its upward trend, most recently crossing the EUR 7.00 mark.

STOCK MARKET TREND



Successful increase in the second corporate bond

The issue of our second corporate bond with a volume of EUR 75 million and an interest coupon of 5.75% had taken place in July 2013. Like the first, the bond was included in Deutsche Börse AG's Prime Standard segment for corporate bonds.

As part of a private placement, the volume of the second corporate bond was increased by EUR 25 million to EUR 100 million within one day in February 2014 to open up additional attractive and flexible financing solutions at portfolio and property level with the capital raised.

Both corporate bonds were highly liquid in trading in the first quarter and were consistently listed above the issue price. The price of the first bond closed at EUR 103.50 on 31 March 2014. Our second bond was listed at EUR 106.00 on 31 March 2014.

BASIC DATA ON THE DIC ASSET SHARE

Number of shares	68,577,747 (registered shares)
Share capital in EUR	68,577,747
WKN / ISIN	A1X3XX / DE000A1X3XX4
Abbreviation	DIC
Free float	66.8%
Key indices	SDAX, EPRA, DIMAX
Exchanges	Xetra, all exchanges in Germany
Deutsche Börse segment	Prime Standard
Designated Sponsors	Close Brothers Seydler, HSBC Trinkhaus

KEY FIGURES DIC ASSET SHARE

in Euro ⁽¹⁾		Q1 2014	Q1 2013
FFO per share	EUR	0.18	0.24
FFO yield ⁽²⁾		10.7%	12.3%
Closing price for quarter	EUR	6.71	7.80
52-week high	EUR	8.20	8.80
52-week low	EUR	6.26	5.84
Number of shares on 31.03.	in thousand	68,578	45,719
Market capitalisation ⁽²⁾	EUR million	460	357
Closing price 09.05.2014	EUR	7.18	

(1) Xetra closing prices in each case

(2) in relation to the Xetra closing price for quarter

BASIC DATA ON THE DIC ASSET BONDS

Name	DIC Asset AG bond 11/16	DIC Asset AG bond 13/18
ISIN / WKN	DE000A1KQ1N3 / A1KQ1N	DE000A1TNJ22 / A1TNJ2
Abbreviation	DICA	DICB
Deutsche Börse segment	Prime Standard for corporate bonds	Prime Standard for corporate bonds
Minimum investment amount	EUR 1,000	EUR 1,000
Coupon	5.875%	5.750%
Issuance volume	EUR 100 million	EUR 100 million
Maturity	16.05.2016	09.07.2018

KEY FIGURES DIC ASSET BONDS

	09.05.2014	31.03.2014	29.03.2013
DIC Asset AG bond 11/16			
Closing price	103.45	103.50	103.25%
Yield to maturity	4.3%	4.1%	4.7%
DIC Asset AG bond 13/18			
	– issued on 09.07.2013 –		
Closing price	107.50	106.00	
Yield to maturity	3.8%	4.6%	

Focus of IR communications: the figures for 2013

In the first quarter of 2014, communication with the capital market concentrated on the publication and communication of the annual financial statements as well as measures to accompany the increase in the second corporate bond. The Management Board and the Investor Relations team explained the results for 2013 as well as strategic objectives at the traditional DIC Asset evening event for analysts at the beginning of the year and at several investor conferences.

IR CALENDAR 2014

03.04.	HSBC Real Estate and Construction Conference	Frankfurt
04.04.	Bankhaus Lampe Germany-Conference	Baden-Baden
08.05.	Analysts' Breakfast "Update MainTor"	Frankfurt
12.05.	Publication of Q1 2014 Report*	
19./23.05.	Kepler Cheuvreux Mid Cap Week	London/Paris
04.06.	Kempen European Property Seminar	Amsterdam
02.07.	General Shareholders' Meeting	Frankfurt
14.08.	Publication of Q2 2014 Report*	
22.-24.09.	Berenberg/Goldman Sachs German Corporate Conference	Munich
23.-25.09.	Baader Investment Conference	Munich
23.-24.09.	EPRA Annual Conference 2014	London
16.10.	Conference "Initiative Immobilienaktie"	Frankfurt
11.11.	Publication of Q3 2014 Report*	

*with conference call

CONSOLIDATED PROFIT AND LOSS ACCOUNT

in KEUR	Q1 2014	Q1 2013
Total income	62,061	74,097
Total expenses	-42,902	-57,809
Gross rental income	36,848	30,306
Ground rents	-328	-173
Service charge income on principal basis	7,682	5,078
Service charge expenses on principal basis	-8,405	-5,780
Other property-related expenses	-2,313	-2,800
Net rental income	33,484	26,631
Administrative expenses	-2,458	-2,461
Personnel expenses	-3,163	-3,138
Depreciation and amortisation	-10,731	-8,041
Fees from real estate management	1,108	1,603
Other income	313	126
Other expenses	-108	-102
Net other income	205	24
Investment property disposal proceeds	16,109	36,984
Carrying value of investment property disposed	-15,395	-35,314
Profit on disposal of investment property	714	1,670
Net operating profit before financing activities	19,160	16,288
Share of the profit of associates	1,004	751
Interest income	2,155	2,348
Interest expense	-19,999	-15,173
Profit before tax	2,320	4,214
Current income tax expense	-689	-504
Deferred income tax expense	399	-23
Profit for the period	2,030	3,687
Attributable to equity holders of the parent	2,218	3,655
Attributable to non-controlling interest	-188	32
Basic (=diluted) earnings per share (EUR)	0.03	0.08

STATEMENT OF COMPREHENSIVE INCOME

in KEUR	Q1 2014	Q1 2013
Profit for the period	2,030	3,687
Other comprehensive income		
Items, which may under certain conditions be recycled into the income statement in future		
Fair value of hedge instruments *		
Cash flow hedges	-2,770	8,149
Cash flow hedges from associates	-34	240
Other comprehensive income	-2,804	8,389
Comprehensive income	-774	12,076
Attributable to equity holders of the parent	-586	12,044
Attributable to non-controlling interest	-188	32

* after tax

CONSOLIDATED STATEMENT OF CASH FLOW

in KEUR	Q1 2014	Q1 2013
OPERATING ACTIVITIES		
Net operating profit before interest and taxes paid	17,904	17,046
Realised gains/losses on disposals	-713	-1,671
Depreciation	10,731	8,041
Movements in receivables, payables and provisions	-3,257	926
Other non-cash transactions	3,398	1,176
Cash generated from operations	28,063	25,518
Interest paid	-15,421	-13,208
Interest received	49	390
Income taxes paid/received	-501	-542
Cash flows from operating activities	12,188	12,159
INVESTING ACTIVITIES		
Proceeds from disposal of investment property	16,225	36,984
Capital expenditure on investment properties	-3,105	-3,385
Acquisition/disposal of other investments	-2,653	1,630
Loans to and from other entities	-2,606	-4,805
Acquisition of other property, plant and equipment, software	-33	-1,297
Cash flow from investing activities	7,828	29,127
FINANCING ACTIVITIES		
Proceeds from the issue of corporate bond	25,250	13,095
Repayment of borrowings	-19,004	-32,810
Deposits	-600	300
Payment of transaction costs	-1,084	-642
Cash flows from financing activities	4,562	-20,057
Net changes in cash and cash equivalents	24,578	21,229
Cash and cash equivalents at 1 January	56,418	56,698
Cash and cash equivalents at 31 March	80,996	77,927

CONSOLIDATED BALANCE SHEET

Assets in KEUR	31.03.2014	31.12.2013
Investment property	2,232,591	2,256,437
Office furniture and equipment	464	484
Investments in associates	69,739	89,866
Loans and borrowings to related parties	117,329	114,324
Other investments	20,502	20,502
Derivatives	0	6
Intangible assets	1,638	1,688
Deferred tax assets	23,676	22,735
Total non-current assets	2,465,939	2,506,042
Receivables from sale of investment property	310	425
Trade receivables	4,712	3,544
Receivables due from related parties	10,770	8,175
Income tax receivable	8,436	8,899
Other receivables	7,115	7,373
Other current assets	6,494	5,108
Cash and cash equivalents	80,996	56,418
	118,833	89,942
Non-current assets held for sale	20,746	0
Total current assets	139,579	89,942
Total assets	2,605,518	2,595,984

Equity and liabilities in KEUR	31.03.2014	31.12.2013
Equity		
Issued capital	68,578	68,578
Share premium	733,346	733,577
Hedging reserve	-32,882	-30,078
Retained earnings	17,651	15,433
Total shareholders' equity	786,693	787,510
Non-controlling interest	5,307	5,544
Total equity	792,000	793,054
Liabilities		
Corporate bonds	196,021	171,087
Non-current interest-bearing loans and borrowings	1,381,244	1,382,056
Provisions	40	40
Deferred tax liabilities	13,777	13,774
Derivatives	44,262	41,360
Total non-current liabilities	1,635,344	1,608,317
Current interest-bearing loans and borrowings	156,670	170,711
Trade payables	2,579	4,291
Liabilities to related parties	3,567	3,735
Provisions	474	608
Income tax payable	1,650	1,926
Other liabilities	13,234	13,342
	178,174	194,613
Liabilities in connection with non-current assets held for sale	0	0
Total current liabilities	178,174	194,613
Total liabilities	1,813,518	1,802,930
Total equity and liabilities	2,605,518	2,595,984

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in KEUR	Issued capital	Share premium	Reserve for hedges	Retained earnings	Total shareholders' equity	Non-controlling interest	Total
Status as at 31 December 2012	45,719	614,312	-62,761	15,496	612,766	1,556	614,322
Profit for the period				3,654	3,654	32	3,687
Other comprehensive incomes							
Gains/losses from cash flow hedges*			8,149		8,149		8,149
Gains/losses from cash flow hedges from associates*			240		240		240
Comprehensive income			8,389	3,654	12,043	32	12,076
Repayment of non-controlling interest					0	-91	-91
Status as at 31 March 2013	45,719	614,312	-54,372	19,151	624,810	1,497	626,307
Profit for the period				12,284	12,284	60	12,344
Other comprehensive income							
Gains/losses from cash flow hedges*			22,695		22,695		22,695
Gains/losses from cash flow hedges from associates*			1,598		1,598		1,598
Comprehensive income			24,294	12,284	36,578	60	36,638
Dividend payments for 2012				-16,002	-16,002		-16,002
Issue of shares through cash capital increase	16,653	83,398			100,051		100,051
Issue of shares against in-kind capital increase	6,206	39,812			46,018		46,018
Share issue costs		-3,945			-3,945		-3,945
Addition of non-controlling interest					0	3,987	3,987
Status as at 31 December 2013	68,578	733,577	-30,078	15,433	787,510	5,544	793,054
Profit for the period				2,218	2,218	-188	2,030
Other comprehensive incomes							
Gains/losses from cash flow hedges*			-2,770		-2,770		-2,770
Gains/losses from cash flow hedges from associates*			-34		-34		-34
Comprehensive income			-2,804	2,218	-586	-188	-774
Share issue costs		-231			-231		-231
Repayment of non-controlling interest					0	-49	-49
Status as at 31 March 2014	68,578	733,346	-32,882	17,651	786,693	5,307	792,000

* after deferred tax

SEGMENT REPORTING

Annualised rental income of the business segments as at 31 March 2014

in KEUR	North	East	Central	West	South	Total Q1 2014	Total Q1 2013	Rental income Q1 2014 (P&L)
Commercial Portfolio	23,354	19,301	32,897	44,534	26,475	146,561	123,060	36,848
Co-Investments	402	1,973	1,405	1,713	4,905	10,398	15,534	
Total	23,756	21,274	34,302	46,247	31,380	156,959	138,594	36,848

Segment assets as at 31 March 2014

	North	East	Central	West	South	Total Q1 2014	Total Q1 2013
Number of properties	36	32	54	59	68	249	261
Market value (in EUR million)	362.8	289.5	716.6	709.2	445.0	2,523.1	2,182.9

Annualised rental income of the business segments as at 31 March 2013

in KEUR	North	East	Central	West	South	Total Q1 2013	Total Q1 2012	Rental income Q1 2013 (P&L)
Commercial Portfolio	12,587	18,202	29,485	38,675	24,110	123,060	126,113	30,306
Co-Investments	2,853	2,377	2,228	2,980	5,097	15,534	14,534	
Total	15,440	20,580	31,713	41,655	29,207	138,594	140,647	30,306

Segment assets as at 31 March 2013

	North	East	Central	West	South	Total Q1 2013	Total Q1 2012
Number of properties	42	33	57	60	69	261	273
Market value (in EUR million)	236.0	265.9	642.4	638.0	400.6	2,182.9	2,218.1

General disclosures on reporting

In accordance with § 37 x 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 abbreviated 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, IAS 34. The quarterly 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.

The same methods of consolidation, currency translation, accounting and measurement are applied in the interim consolidated financial statements as in the consolidated financial statements for the 2013 financial year. The income taxes were deferred on the basis of the tax rate anticipated for the entire year.

These abbreviated interim consolidated financial statements do not contain all the disclosures required for consolidated financial statements under IFRS and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2013, which form the basis for the present interim financial statements. We also refer to the interim management report in this document with regard to key changes and transactions up to 31 March 2014.

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 up to March 2014.

New standards and interpretations

DIC Asset AG has applied all IFRS and IAS effective as of 1 January 2014, as adopted by the EU. With regard to the detailed presentation of the new standards, please refer to the 2013 Annual Report and the following information:

- IAS 32 “Financial Instruments: Presentation”
The amendments to IAS 32 only constitute a clarification of the previous rules governing netting.

- IFRS 10, IFRS 12, IAS 27 “Consolidation Package”
The consolidation package has been influenced by the financial crisis in particular and aims to provide more transparency regarding the companies to be included in the scope of consolidation and, in particular, the units that are not consolidated. The amendment has provided an exemption in relation to the consolidation of subsidiaries if the parent company fulfils the definition of an ‘investment company’ (certain investment funds for example). Certain subsidiaries are then measured at fair value through profit or loss in accordance with IFRS 9 or IAS 39.
- IAS 39 “Financial Instruments: Recognition and Measurement”
As a result of the amendment, derivatives are still designated as hedging instruments in continuing hedging relationships despite a novation. This is subject to the precondition that the novation leads to the involvement of a central counterparty (CCP) as a consequence of legal or regulatory requirements.

In addition, some additional standards and amendments came into effect which will have no influence on the consolidated financial statements or the abbreviated interim consolidated financial statements. These include IAS 36 and IFRIC 21.

Disclosures on financial instruments

As of March 2014, additional funds had been raised from our second corporate bond amounting to EUR 25 million and consequently an increase to EUR 100 million was achieved.

As in the previous year, financial liabilities measured at fair value relate to the derivatives shown in the balance sheet. They are all interest rate hedging transactions. As in the previous year, they were valued 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).

The following tables show the book values and fair values for the individual financial assets and liabilities for each individual category of financial instruments and link these to the corresponding balance sheet items. The main valuation categories for the Group in accordance with IAS 39 are Available-for-Sale Financial Assets (AFS),

Financial Assets held for Trading (FAhFT), Loans and Receivables (LaR) as well as Financial Liabilities measured at Amortised Cost (FLAC) and Financial Liabilities held for Trading (FLhFT).

in KEUR	Valuation category in acc. with IAS 39	Book value 31.03.2014	Fair value 31.03.2014	Book value 31.12.2013	Fair value 31.12.2013
ASSETS					
Investments	AfS	20,502	20,502	20,502	20,502
Other loans	LaR	117,329	117,329	114,324	114,324
Derivatives with a hedge relationship	n.a.	0	0	6	6
Receivables from the sale of real estate	LaR	310	310	425	425
Trade receivables	LaR	4,712	4,712	3,544	3,544
Receivables from related parties	LaR	10,770	10,770	8,175	8,175
Other receivables	LaR	7,115	7,115	7,373	7,373
Other assets	FAhFT	0	0	1	1
Other assets	LaR	6,494	6,494	5,108	5,108
Liquid funds	LaR	80,996	80,996	56,418	56,418
Total	LaR	227,726	227,726	195,367	195,367
LIABILITIES					
Corporate bond	FLAC	196,021	209,500	171,087	182,525
Long-term interest-bearing debt	FLAC	1,381,244	1,378,466	1,382,056	1,346,181
Derivatives with hedge relationship	n.a.	35,423	35,423	32,419	32,419
Derivatives without hedge relationship	FLhFT	8,839	8,839	8,941	8,941
Current debt	FLAC	156,670	154,661	170,711	174,634
Trade payables	FLAC	2,579	2,579	4,291	4,291
Liabilities to related parties	FLAC	3,567	3,567	3,735	3,735
Other liabilities	FLAC	13,234	13,234	13,342	13,342
Liabilities in connection with financial investments held for sale	FLAC	0	0	0	0
Total	FLAC	1,753,315	1,762,007	1,745,222	1,724,708

Remarks:

All Financial Instruments measured at fair value are categorized in level 2. Financial instruments without an observable quoted price are measured at cost as in the consolidated financial statements as of December 31, 2013. For further information regarding valuation techniques we refer to the consolidated financial statements as of December 31, 2013.

Investment properties are measured at costs in accordance with IAS 40.56. Please refer to the consolidated financial statements as of December 31, 2013 in respect of the valuation techniques in accordance with IFRS 13 for measuring fair values.

Dividend

To allow shareholders to participate commensurately in the success and appreciation in value of DIC Asset AG, the Management Board will propose a dividend of EUR 0.35 per share for the 2013 financial year at the General Shareholders' Meeting on 2 July 2014.

Transactions with related parties

DIC Asset AG has issued a guarantee equal to its pro rata assumption of liability of 40% in connection with the developer financing of DIC MainTor Palazzi GmbH. The guarantee covers the full and timely settlement of the guarantee claims up to a maximum of EUR 7.5 million, of which part is a formal obligation to contribute capital of EUR 2.5 million and part is designed as a cost overrun and interest payment guarantee of up to EUR 5.0 million in favour of the syndicate banks. For details on other ongoing legal transactions involving loans and services with affiliated companies and entities, please see our consolidated financial statements for 2013.

Opportunities and risks

We describe opportunities and risks of our business activities in detail in the consolidated financial statements and in the Group management report for the 2013 financial year published in March 2014, and provide information on the risk management system and internal control system. Since then, there have been no major changes – either in the company or the relevant environment.

Events after the balance sheet date

The sale of a property in Berlin was announced after the balance sheet date. The transfer of title and the benefits and obligations associated therewith is expected in the second quarter of the year. The volume represented by this transaction is some EUR 3.7 million.

As of mid-April 2014, 10% of the shares in "DIC Office Balance I" were sold to investors already holding interests in the fund. The transaction was worth EUR 20.8 million.

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 March 31, 2014, 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, 9 May 2014

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Hübschmann
Wirtschaftsprüfer

Danesitz
Wirtschaftsprüfer

PORTFOLIO (as at 31 March 2014)

OVERVIEW PORTFOLIO*

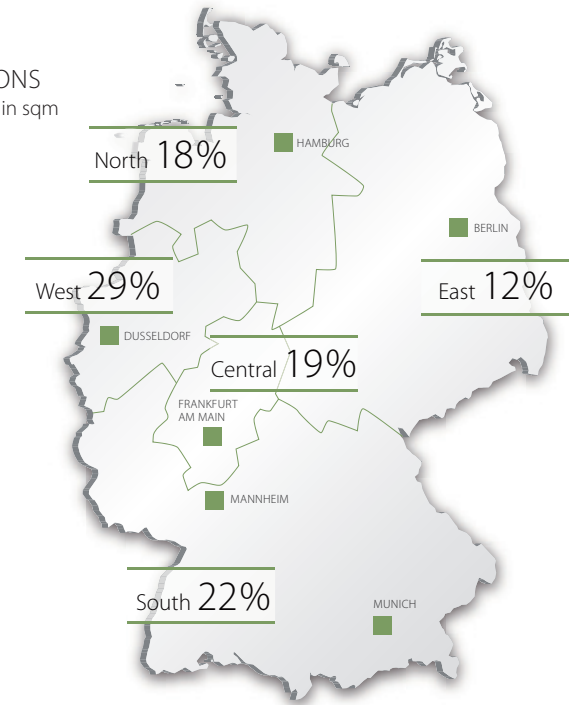
	Commercial Portfolio	Co-Investments	Total Q1 2014	Total Q1 2013
Number of properties	198	51	249	261
Market value in EUR million**	2,234.4	288.6	2,523.0	2,182.9
Rental space in sqm	1,391,200	83,900	1,475,100	1,241,200
Portfolio proportion after rental space	94%	6%	100%	100%
Annualised rental income in EUR million	146.6	10.4	157.0	138.6
Rental income per sqm in EUR	9.60	10.70	9.60	10.20
Lease maturity in years	4.8	4.9	4.8	5.0
Rental yield	6.6%	6.9%	6.6%	6.7%
Vacancy rate	11.2%	9.3%	11.1%	11.6%

* all figures pro rata, except number of properties; all figures without developments except number of properties and market values
 ** Market value as at 31.12.2013, later acquisitions considered at cost

PORTFOLIO BY REGIONS

Basis: pro rata rental space in sqm

■ DIC branches



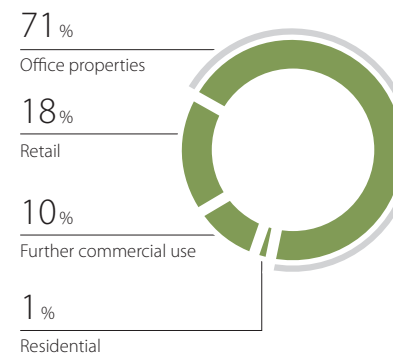
TENANT STRUCTURE

pro rata by rental income p. a.



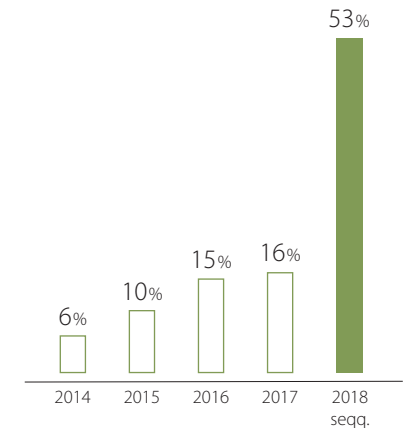
TYPES OF USE


pro rata by rental income p. a.



LEASE MATURITIES

Distribution of annual rental income





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This report is also available in German (binding version).

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