DIC · ASSET

AKTIENGESELLSCHAFT

3

INTERIM REPORT
3RD QUARTER 2006

Key Figures

EUR million	Q1–Q3 2006	Q1–Q3 2005	Change
Gross rental income	20.6	13.5	+53%
Total revenues	28.5	21.3	+34%
Profit on disposal of investment and development property	0.8	0.6	+33%
Funds from operations	12.3	5.5	+124%
EBIT	12.1	8.6	+41%
EBITDA	16.6	11.6	+43%
Profit for the period	6.4	2.5	+156%
Basic earnings per share (EUR)	0.39	0.37	+5%
Cash flow from operating activities	13.3	6.4	+108%

	30 Sep 2006	31 Dec 2005	Change
Equity ratio	30.5%	31.2%	-0.7
Investment property	1,013.3	284.9	+256%
Net Asset Value (NAV)	408.1	142.2	+187%
NAV per share (EUR)	20.1	14.0	+44%
Total assets	1,095.4	369.8	+196%

WKN / ISIN	509840 / DE0005098404
Symbol	DAZ
Issued capital (EUR)	20,340,000
Number of shares	20,340,000
Free float	39 %
Industry group	Real estate
Indices	SDAX, DIMAX
Official market	Prime Standard, FWB, XETRA
OTC market	Berlin-Bremen, Duesseldorf, Hamburg, Munich, Stuttgart
Current share price*	EUR 27.65
52-week high*	EUR 37.15
52-week low*	EUR 12.40
Dividend per share 2005	EUR 0.56

* Source: vwd group, XETRA closing prices as at 3 Nov 2006

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Foreword

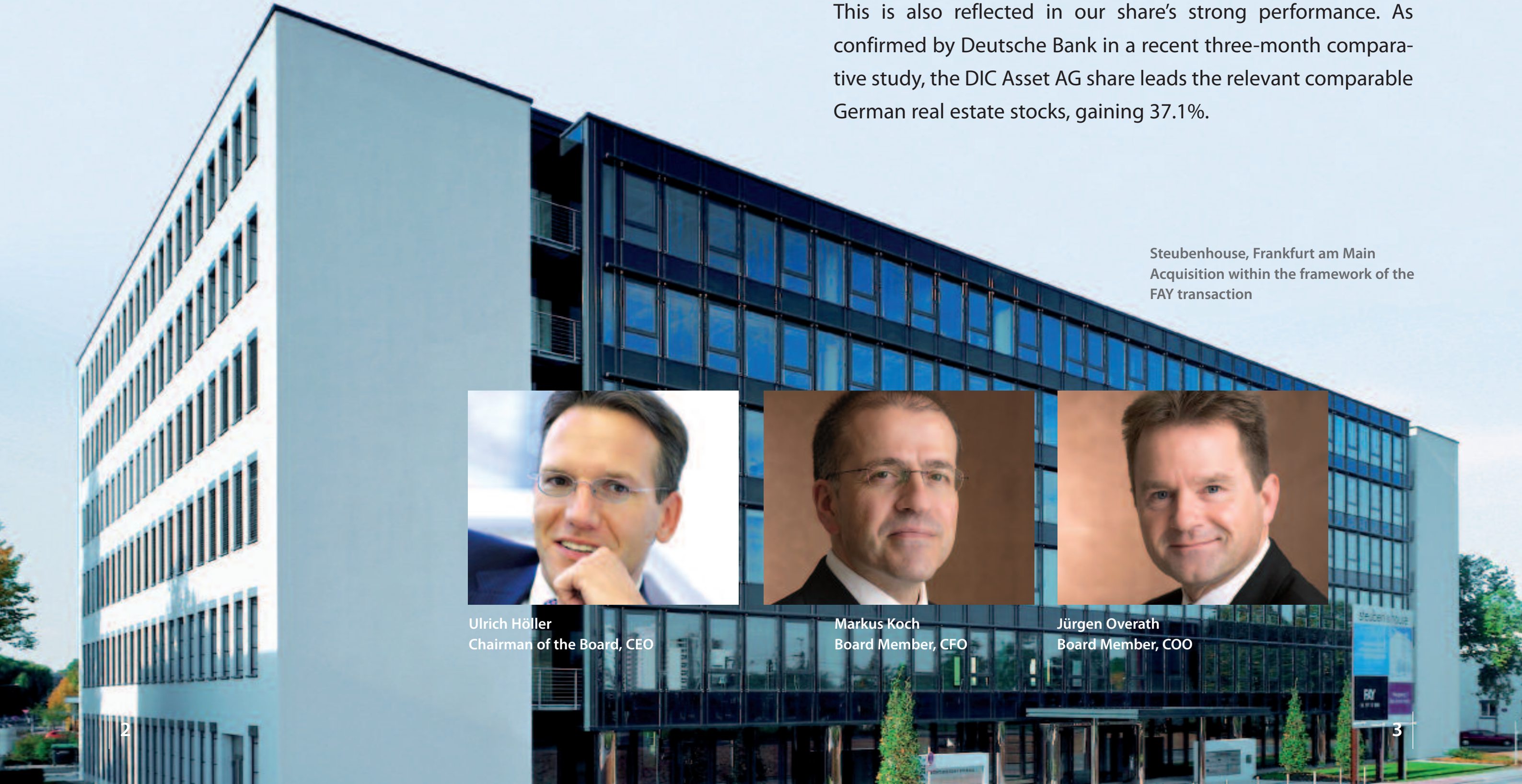
Dear Shareholders, Business Partners, Employees and Friends

Following its share issue, flotation and inclusion in the SDAX, DIC Asset AG successfully implemented the next stages in its long-term growth strategy during the third quarter of 2006. Special emphasis has been placed on acquiring major real estate assets. This has been achieved whilst adhering closely to our strong selection criteria and focusing on commercial properties that offer an above-average return. Business decisions made in earlier quarters, such as concentrating on our core areas of expertise and rigorously implementing our strategy, have contributed to today's strong results. The following figures document the key developments.

DIC Asset AG has achieved the following:

- Real estate assets, measured in terms of floor space, grew by more than 90% during the third quarter to approximately 661,000 m^2.
- Cash flow from operating activities rose by 58% compared with the previous six months and by 108% year on year.
- The results from operating activities rose by approximately EUR 6 million compared with mid-year, and are 124% higher than during the same period of last year.
- Consolidated net income increased by EUR 3.9 million (156%) compared with the previous year to reach EUR 6.4 million, thereby already achieving the result for the entire 2005 financial year.
- Total assets rose above the EUR 1 billion mark for the first time.

These key figures underscore the strong foundations underpinning our return-oriented growth strategy. The aim of this strategy is to achieve both quantitative and qualitative improvements by focusing on the profitability of the investments made. This is also reflected in our share's strong performance. As confirmed by Deutsche Bank in a recent three-month comparative study, the DIC Asset AG share leads the relevant comparable German real estate stocks, gaining 37.1%.



Steubenhouse, Frankfurt am Main
Acquisition within the framework of the FAY transaction

Ulrich Höller
Chairman of the Board, CEO

Markus Koch
Board Member, CFO

Jürgen Overath
Board Member, COO

The total transaction volume for the first nine months of the financial year was in excess of EUR 1.1 billion. Excluding co-investors, EUR 837 million of this total relates to DIC Asset AG, of which EUR 831 million was related to acquisitions and EUR 6 million to the sale of property.

On the basis of the acquisitions made, we expect to again achieve a very significant improvement in our results during the fourth quarter. Further attractive transactions are in the pipeline, such that we expect once again to generate high value added for our shareholders from our active portfolio strategy between now and the end of the year by buying and selling properties.

Our most recent transactions have expanded and diversified our portfolio in key German regions, bringing the total number of properties to 212 with a volume of EUR 1.3 billion. We have also acquired additional personnel capacity to ensure that our portfolio and property management is suitably market-oriented and takes into account the needs of our tenants. Our purchase of approximately 75% of the property management subsidiary from the FAY Group will close at the beginning of the new financial year. We are delighted to have acquired such an experienced team of highly qualified employees.

As of January 2007, DIC Asset AG will therefore be able to rely on an even more efficient and reliable team for the active management of its continually expanding portfolio.

With its investment focus on high-revenue German commercial property, DIC Asset AG is one of the most consistent companies and has one of the strongest growth records in the German real estate market. Activities over the past nine months, both on capital markets and on the real estate market, underscore this status. Thanks to the confidence of our shareholders and business partners, DIC Asset AG is well placed to exploit opportunities without delay and transform them into income. Our good position in the current market environment and the ongoing high level of interest from investors provide the encouragement and confirmation that we need to continue down this route.

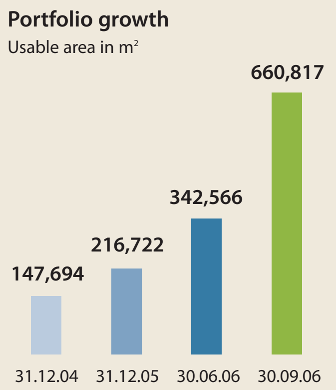
Frankfurt, November 2006

Ulrich Höller | Markus Koch | Jürgen Overath

Portfolio Performance

Transaction volume in excess of EUR 1.1 billion

We significantly increased our real estate assets during the third quarter of 2006. The DIC Asset portfolio grew by 51 properties, representing a combined floor space of 318,251 m² and a net annual rental income of EUR 41 million.



In August 2006 we acquired the real estate portfolio owned by the FAY Group comprising 55 properties with a total floor space of 292,000 m² for EUR 556 million. This is our largest transaction to date. The properties are situated in very good city-centre locations, boast sophisticated architectural design and are of a high construction quality. The main tenants are familiar names such as Deutsche Börse AG, the federal state of Baden-Württemberg and the NH hotel chain. With a leased rate of 89%, the properties have been nearly entirely rented, with a net annual rental income in the region of EUR 38 million.

The portfolio consists primarily of office and administration buildings, mainly situated in the Rhine-Neckar region and Rhine-Main area of Germany, including the headquarters of Deutsche Börse AG – including its IT centre – and the Steubenhouse office building in Frankfurt/Main. Economic ownership of approximately 90% of the portfolio was transferred to DIC Asset by the end of the quarter with nearly all of the remaining properties due to be transferred during the fourth quarter of 2006. The properties will be allocated to the Core and Value Added segments.

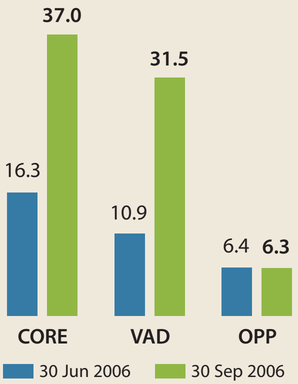
Additionally, as part of its programme of opportunistic co-investments, DIC Asset acquired a 20% stake in a portfolio acquired from the Falk Group's real estate assets. The transaction, undertaken together with Deutsche Immobilien Chancen AG & Co. KGaA and Morgan Stanley Real Estate Funds, is worth approximately EUR 160 million. The portfolio consists of six commercial properties that are under long-term leases to Siemens, BMW and Deutsche Telekom as main tenants. DIC Asset's share of the portfolio amounts to a total usable area of 20,000 m² and a net annual rental income of approximately EUR 2.3 million. The economic transfer of the properties will take place in the fourth quarter of 2006.

The acquisition of the Ruhr portfolio, agreed in the second quarter of this financial year, was recognised on the balance sheet at the end of July. This portfolio is composed of 15 properties in total, primarily in the Ruhr region of Germany, with some 95,000 m² of floor space and a net annual rental income in the region of EUR 9 million, which was allocated to the Core and Value Added segments.

Economic transfer of sales completed

On the basis of sales transactions agreed to in the second quarter, economic ownership of two properties with a total usable area of 5,200 m² was transferred to the respective buyers. The buildings had been acquired in 2005 as part of the purchase of a portfolio from MEAG.

Development of net annual rental income
EUR million



Strategic segments expanded

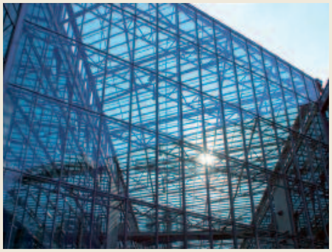
The Core segment comprises real estate offering a high level of rental income and suitable for long-term leasing to first-rate tenants. The Value Added segment comprises properties with attractive short or medium-term potential for an increase in value. Both segments were strongly expanded during the course of the third quarter. There was a slight fall in the assets held in the Opportunistic Co-Investments segment as a result of disposals. The purchase of the above-mentioned six properties from the Falk Group portfolio, initiated during the third quarter, will impact the holdings of the segment during the coming quarter.

The real estate assets of DIC Asset have tripled within the period of nine months. The entire portfolio grew by 110 properties with a total pro rata floor space of 444,095 m^2, generating a net annual rental income (pro rata) of approximately EUR 51 million. The transaction volume for the first nine months amounts to approximately EUR 1.1 billion.

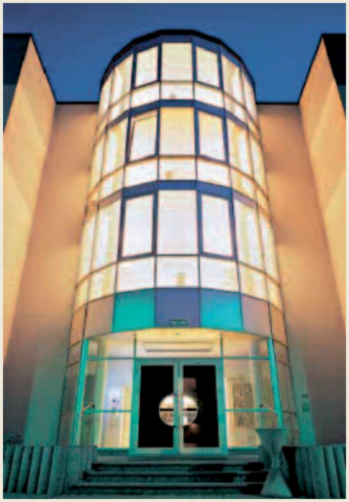
Expansion of asset and property management capacity

The growing real estate portfolio brings new challenges in terms of a market-oriented management of the properties concerned and in terms of dealing with tenants. To ensure a high level of quality and to be able to realise potential for value added directly within the Group through, for example, tenant management and the qualitative upgrading of premises available to rent, an approximately 75% stake in FAY's property management company was also acquired as part of the FAY transaction. This stake will be transferred to DIC Asset with effect from 1 January 2007. The current staff of 22 employees will form part of the newly created team which will be responsible for the real estate management of DIC Asset's entire property portfolio.

The Centre for East Asian Studies at the University of Applied Sciences (Fachhochschule), Ludwigshafen

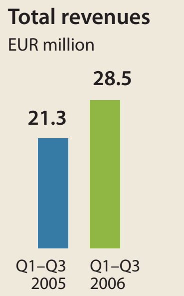


above: Central Park Offices, Duesseldorf;
below: Augustaanlage, Mannheim



Office building Max-Diamand-Straße, Munich

Financial Position and Results of Operations



Rental income up 53%

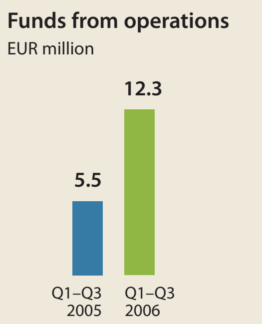
Total revenues for the first nine months were EUR 7.2 million higher than during the same period of the previous year, at EUR 28.5 million. Rental income was up by EUR 7.1 million compared with the previous year, particularly as a result of acquisitions during the current reporting period. Approximately 61% of rental income stemmed from the rental of office premises, with 33% being attributable to the leasing of retail and other commercial properties. The leased rate for the property held by DIC Asset as at 30 September 2006 was 91%.

Rise in expenses disproportionately low

Overall, total expenses rose by EUR 3.7 million (29%) to EUR 16.4 million, a rate of increase that was much lower than the rate of revenue growth. Personnel expenses and depreciation were, as projected, higher than during the same period of the previous year, due to the clear rise in operating activity and the growth in the property portfolio.

Operating result more than doubled

DIC Asset's funds from operations (FFO, defined as earnings before depreciation, income taxes, gains on sales of assets and gains on development projects) were clearly higher than the previous year. The rise of EUR 6.8 million (+124%) to EUR 12.3 million was primarily attributable to the clear expansion in the property portfolio coupled with what remained very attractive initial yields.

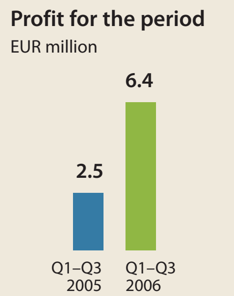


Disposals and project development successful

A profit of EUR 0.3 million was recorded with regard to the project development work for the new central library for the city of Frankfurt as a result of partial realisation following the successful commencement of renovation work at the beginning of the third quarter. The project was leased on a long-term basis in late 2005 and a purchase agreement concluded. Profits from the sale of property amounted to EUR 0.5 million during the first three quarters 2006. The combined result evidences a slight year-on-year increase of EUR 0.2 million. The proceeds from disposals during the period under review were some 17% above the market values calculated at the end of the 2005 financial year.

Profit for the period: + 156%

The EBITDA (earnings before interest, income taxes, depreciation and amortisation) rose by approximately EUR 5.0 million (43%) to EUR 16.6 million. Meanwhile, the EBIT (earnings before interest and income taxes) increased by EUR 3.5 million (41%) to EUR 12.1 million. Consolidated net income for the first nine months rose by EUR 3.9 million (156%) to EUR 6.4 million. The result from the Opportunistic Co-Investments segment accounted for EUR 0.6 million of this total. There was an improvement of EUR 1.2 million in the financial result compared with the previous year, primarily due to higher capital resources and, consequently, higher interest income. Tax expenses rose due to the portfolio growth. The profit margin (annual net income in relation to total revenues) grew by 10.6 percentage points to 22.4%.



Total assets almost tripled

As at 30 September 2006, total assets of DIC Asset exceeded the EUR 1 billion mark for the first time, rising by EUR 725.6 million compared with the year-end 2005 to EUR 1,095.4 million.

Long-term assets rose by EUR 734.2 million to EUR 1,023.4 million as a result of property acquisitions. Short-term assets, meanwhile, fell slightly, down EUR 8.6 million to EUR 72.0 million.

Liabilities increased due to new acquisitions

The shareholders' equity of DIC Asset as at the end of the third quarter amounted to EUR 334.3 million compared with EUR 115.3 million at the year-end 2005. The equity ratio fell slightly, down by 0.7 percentage points to 30.5%. Overall, there was a EUR 506.7 million rise in consolidated debt to EUR 761.1 million.

Long-term liabilities rose to EUR 663.3 million, most of which were incurred to finance the FAY transaction and drawn down at the end of the quarter. A long-term interest rate of 4.61% has been secured with regard to these debts. The average borrowing costs for all fixed-interest financial debts reported as at 30 September 2006 fell from 5.04% at the end of 2005 to a current level of 4.74%. The Group's short-term liabilities amounted to EUR 97.9 million. Trade liabilities fell as a result of the payment of EUR 50.8 million for the purchase price due for the Rhine-Main-Neckar (RMN) portfolio in the first quarter. Other liabilities primarily relate to real estate transfer tax liabilities connected to the FAY and Ruhr portfolio transactions.

Clear rise in net asset value

Due to the considerable expansion of the portfolio as at 30 September 2006 we have already at this juncture had an external appraisal carried out by the independent expert Cushman & Wakefield in line with the valuation as of year-end 2005. This evaluation was carried out in accordance with international standards and on the basis of the discounted cash flow (DCF) method. Using the recommendation of the European Public Real Estate Association (EPRA), this gives a net asset value (NAV) of EUR 408.1 million.

in TEUR	**30 Sep 2006**	**31 Dec 2005**
Carrying amount of investment property	1,013,328	284,917
Difference between carrying amount and fair value	58,984	24,193
Fair value of investment in associates	15,766	1,803
Fair value of real estate in current assets	6,840	5,041
+/- Other assets/liabilities	-17,553	14,241
Net loan commitments at carrying amount	-666,858	-185,787
Minority interests	-2,384	-2,241
Net asset value (NAV)	**408,123**	**142,167**
Deferred taxes	-24,020	-11,254
NNAV	**384,103**	**130,913**
Difference between carrying amount and fair value of net loan commitments	1,060	-3,686
NNNAV	**385,163**	**127,227**
Number of shares in million	20.34	10.17
NAV per share	**20.07**	**13.98**
NNAV per share	18.88	12.87
NNNAV per share	18.94	12.51

Cash flow from operating activities doubled

Cash flow from operating activities rose by EUR 6.9 million to EUR 13.3 million compared with the same period of the previous year. This increase can be primarily attributed to the higher consolidated net income and rise in interest income. Investments totalled EUR 755.7 million. Compared with the first nine months of 2005, investments in real estate assets were six times as high. EUR 731.2 million was raised for the financing of investments, primarely through long-term loans and the capital increase implemented during the second quarter of 2006. As at the reporting date of 30 September 2006, cash and cash equivalents amounted to EUR 28.0 million and were EUR 17.6 million higher than at 30 September 2005.

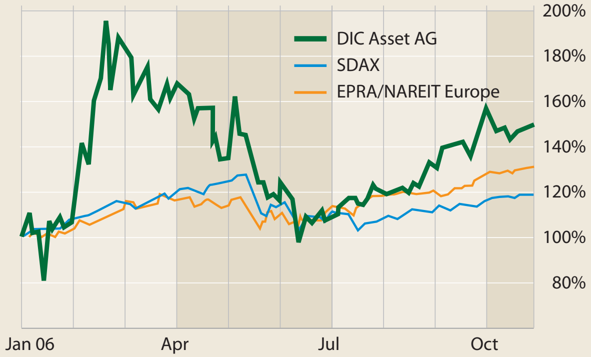
DIC Asset has access to further external funds of EUR 111 million in the form of binding finance commitments and entered into loan agreements that can be used for real estate acquisitions funded temporarily from equity.

The Share

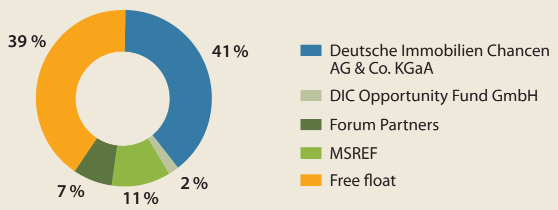
Positive share performance

During the third quarter the DIC Asset share outperformed the relevant comparable stocks. Its gain of 41% places the share well ahead of the SDAX (5%) and the EPRA/NAREIT Europe (13%), the share index for European real estate stocks. From the beginning of the year through to the end of October 2006, the DIC Asset share has increased by approximately 51%. Again, this means that the share has outperformed the SDAX (19%) and EPRA/NAREIT Europe (32%) indices for this period.

Share price from January to October 2006



Shareholder structure



We talk to our shareholders, analysts and investors on a regular basis to provide them with information and present our company at industry and investment events. A high level of interest in our focused business model was shown by institutional investors at the latest roadshows. Analysts from renowned banks continue to value our share positively.

Material Events after the Balance Sheet Date

Economic ownership of twelve properties was transferred at the end of October. These properties comprise six properties from the Falk transaction with a pro rata net annual rental income of EUR 2.3 million, and a further six buildings from the FAY transaction with a net annual rental income of EUR 2.1 million.

Outlook

Over the past nine months we have been able to expand our portfolio significantly, with an increase of 444,095 to 660,817 m^2. In addition to properties with attractive development prospects, we have also acquired high-quality portfolio properties with long-term lease arrangements. We will continue to pursue our growth strategy and are currently looking intensively at further acquisitions. We are confident that we can conclude further transactions during the fourth quarter and successfully close several sales that have already been initiated or are currently being negotiated. With regard to the contractually agreed upon sale of eight properties from the C&A portfolio, we will realise a profit of EUR 2.2 million during the fourth quarter.

Looking to the year as a whole, given the successful business development to date and on the basis of the acquisitions made so far, we expect our funds from operations (FFO) to reach at least EUR 20 million.

Financial calendar

13.11.2006	Interim report for the third quarter
15.-16.11.2006	WestLB Deutschland Conference 2006, Frankfurt
27.11.2006	German Equity Forum, Fall 2006 Frankfurt

Consolidated Profit and Loss Account for the Period from 1 Jan to 30 Sep 2006

TEUR	1 Jan – 30 Sep 06	1 Jan – 30 Sep 05	1 Jul – 30 Sep 06	1 Jul – 30 Sep 05
Total revenues	**28,502**	**21,293**	**10,407**	**9,947**
Total expenses	**-16,430**	**-12,690**	**-5,695**	**-6,905**
Gross rental income	20,599	13,451	8,472	4,509
Ground rents	-11	-11	-4	-4
Service charge income on principal basis	2,670	1,933	1,208	818
Service charge expenses on principal basis	-2,752	-2,014	-1,255	-771
Other real estate related operating expenses	-804	-420	-417	-166
Net rental income	**19,702**	**12,939**	**8,004**	**4,386**
Administrative expenses	-2,190	-1,643	-711	-531
Personnel expenses	-2,174	-799	-783	-283
Depreciation and amortization	-4,571	-2,972	-2,509	-1,212
Other income	731	487	407	166
Other expenses	-197	-50	-16	-40
Net other income	**534**	**437**	**391**	**126**
Investment property disposal proceeds	4,182	5,422	0	4,454
Carrying value of investment property disposals	-3,731	-4,781	0	-3,898
Profit on disposal of investment property	**451**	**641**	**0**	**556**
Gain on development projects	320	0	320	0
Net operating profit before financing activities	**12,072**	**8,603**	**4,712**	**3,042**
Share of the profit of associates	621	0	249	0
Net financing costs	-4,168	-5,442	-1,378	-1,132
Profit before tax	**8,525**	**3,161**	**3,583**	**1,910**
Income tax expense	-744	-393	133	-103
Deferred income tax expense	-1,387	-247	-1,079	-246
Profit for the period	**6,394**	**2,521**	**2,637**	**1,561**
Attributable to equity holders of the parent	6,246	2,498	2,601	1,605
Attributable to minority interest	148	23	36	-44
Basic/diluted earnings per share (EUR)	0.39	0.37	0.13	0.24

Consolidated Balance Sheet as at 30 September 2006

ASSETS

TEUR	30 Sep 2006	31 Dec 2005
Investment property	1,013,328	284,917
Office furniture and equipment	118	32
Investments in associates	4,313	1,803
Other investments	241	241
Derivatives	189	0
Intangible assets	336	394
Deferred tax assets	4,907	1,808
Total non-current assets	**1,023,432**	**289,195**
Development property held for sale	6,346	5,041
Receivables from sale of property	3	3,200
Trade receivables	898	1,024
Receivables due from related parties	34,006	31,630
Income taxes receivable	1,833	180
Other receivables	400	403
Other current assets	551	7
Cash and cash equivalents	27,968	39,078
Total current assets	**72,005**	**80,563**
Total assets	**1,095,437**	**369,758**

EQUITY AND LIABILITIES

TEUR	30 Sep 2006	31 Dec 2005
Equity		
Issued capital	20,340	10,170
Share premium	304,707	97,043
Hedging and translation reserve	387	-6
Reserve for first-time application of IFRS	-2,373	-2,373
Other reserves	1,136	1,136
Retained earnings	7,683	7,132
Total shareholders' equity	**331,880**	**113,102**
Minority interest	2,384	2,242
Total equity	**334,264**	**115,344**
Liabilities		
Interest-bearing loans and borrowings	656,053	169,199
Deferred tax liabilities	5,422	4,946
Derivatives	1,035	1,918
Other non-current liabilities	776	1,241
Total non-current liabilities	**663,286**	**177,304**
Interest-bearing loans and borrowings	10,805	16,589
Trade payables	14,921	51,910
Liabilities to related parties	6,007	1,990
Provisions	240	450
Income taxes payable	2,044	1,519
Other liabilities	25,036	4,652
Advance payments received on sale of investment property	38,834	0
Total current liabilities	**97,887**	**77,110**
Total liabilities	**761,173**	**254,414**
Total equity and liabilities	**1,095,437**	**369,758**

Consolidated Statement of Changes in Equity as at 30 September 2006

TEUR	Issued capital	Share premium	Reserve for cash flow hedges	Reserve from first-time application of IFRS	Other reserves	Retained earnings	Minority interest	Total
Status as of 31 December 2004	**6,780**	**67,716**	**0**	**-2,373**	**1,136**	**3,215**	**2,371**	**78,845**
Dividends 2004						-2,373	-113	-2,486
Profit for the period						2,498	23	2,521
Effect from first-time proportional consolidation of previously consolidated entities						-4		-4
Distribution from current period profits						-99		-99
Status as of 30 September 2005	**6,780**	**67,716**	**0**	**-2,373**	**1,136**	**3,237**	**2,281**	**78,777**
Capital increase	3,390	37,290						40,680
Release of share premium		-7,951					-883	-8,834
Profit for the period						3,927	-5	3,922
Equity capital transaction costs net of tax		-12						-12
Loss from cash flow hedges of associates			-6					-6
Distribution from current period profits						-32		-32
Change of consolidation group							849	849
Status as of 31 December 2005	**10,170**	**97,043**	**-6**	**-2,373**	**1,136**	**7,132**	**2,242**	**115,344**
Capital increase	10,170	213,577						223,747
Dividends 2005						-5,695	-6	-5,701
Profit for the period						6,246	148	6,394
Equity capital transaction costs net of tax		-5,913						-5,913
Gains from cash flow hedges			112					112
Gains from cash flow hedges of associates			281					281
Status as of 30 September 2006	**20,340**	**304,707**	**387**	**-2,373**	**1,136**	**7,683**	**2,384**	**334,264**

Consolidated Statement of Cash Flow for the Quarter ended 30 September 2006

TEUR	1 Jan – 30 Sep 06	1 Jan – 30 Sep 05
Operating Activities		
Net operating profit before interest and taxes paid	14,057	9,449
Unrealised gains on development projects	-320	0
Realised gains/losses disposals	-451	-641
Depreciation and amortization	4,571	2,972
Movements in receivables, payables and provisions	2,313	1,255
Other non-cash transactions	841	259
Cash generated from operations	**21,011**	**13,294**
Interest paid	-8,507	-7,310
Interest received	2,716	577
Income taxes paid	-1,872	-195
Cash flow from operating activities	**13,348**	**6,366**
Investing activities		
Proceeds from sale of investment property	4,183	9,211
Acquisition and disposal of subsidiaries	0	407
Acquisition of investment property	-754,872	-117,079
Capital expenditure on investment property	-231	-192
Acquisition/disposal of other investments	-1,608	0
Loans/collection of principal on loans	-2,039	-3,219
Development expenditure	-985	0
Acquisition of office furniture and equipment	-99	-25
Cash flow from investing activities	**-755,651**	**-110,897**
Financing activities		
Proceeds from the issue of share capital	223,748	0
Proceeds from non-current borrowings	525,865	108,392
Repayment of borrowings	-41,554	-9,529
Advance payments received on sale of investment property	38,834	0
Payment of transaction costs	-9,999	0
Dividends paid	-5,701	-2,585
Cash flow from financing activities	**731,193**	**96,278**
Net increase in cash and cash equivalents	**-11,110**	**-8,253**
Cash and cash equivalents at 1 January	39,078	18,660
Cash and cash equivalents at 30 September	**27,968**	**10,407**

Segment Reporting

TEUR	1 Jan – 30 Sep 06	1 Jan – 30 Sep 05	1 Jul – 30 Sep 06	1 Jul – 30 Sep 05
Gross rental income				
Core	11,605	6,707	4,993	2,150
Value Added	8,994	6,744	3,479	2,359
Opp. Co-Investments	0	0	0	0
Other	0	0	0	0
Group	**20,599**	**13,451**	**8,472**	**4,509**
EBITDA				
Core	10,901	6,411	4,631	2,133
Value Added	8,603	6,454	3,469	2,496
Opp. Co-Investments	0	0	0	0
Other	-2,861	-1,290	-879	-375
Group	**16,643**	**11,575**	**7,221**	**4,254**
EBT				
Core	3,426	2,468	1,421	617
Value Added	4,892	1,343	1,850	1,057
Opp. Co-Investments	622	0	249	0
Other	-415	-650	64	236
Group	**8,525**	**3,161**	**3,583**	**1,910**

Notes

General information on reporting

These quarterly financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The quarterly accounts for the consolidated companies are based on uniform accounting and measurement principles. The consolidation, currency translation, recognition and measurement methods used are unchanged compared with the 2005 consolidated financial statements.

Share issue

On 3 February 2006 the General Meeting of DIC Asset AG resolved to increase the issued share capital by EUR 10,170,000.00, from EUR 10,170,000.00 to EUR 20,340,000.00, by issuing 10,170,000 new bearer notional no-par value shares ("unit shares") against cash contributions. Average number of shares outstanding was 15,820,000 for the nine month period 1 January to 30 September 2006 (6,780,000 for comparable prior year period).

Notes to the consolidated financial statements

In conjunction with the expansion of the portfolio during the first nine months of 2006, further external loans in the amount of TEUR 525,852 were entered into. These are being used to finance the transactions relating to the RMN portfolio (TEUR 46,596), the Deutsche Telekom property in Braunschweig (TEUR 13,000), the Deutsche Telekom property in Hamburg (proportionate share of TEUR 600), the Creditreform head office (TEUR 9,485), the third building on the eBay campus (proportionate share of TEUR 6,672), the Pfleiderer property in Neumarkt (TEUR 12,900), the VdS headquarters in Cologne (TEUR 8,625) and the Ruhr portfolio (TEUR 23,530), as well as financing the FAY transaction (TEUR 396,466) and the Fraspa portfolio transaction (proportionate share of TEUR 7,978). Of this, TEUR 368,000 is hedged through interest rate swaps.

Of the contingent liabilities reported as at 31 December 2005 in the form of potential purchase price increases, totalling TEUR 4,900, the amount of TEUR 4,800 occurred and was paid during the first nine months of 2006, the corresponding conditions having been fulfilled.

Dividend

The General Meeting of DIC Asset AG on 5 May 2006 resolved to distribute a dividend of EUR 5,695,200 (EUR 0.56 per share). The dividend was distributed on 8 May 2006.

Other information

There were no changes to the composition of the Management Board or Supervisory Board during the period under review. As at 30 September 2006 the company employed twelve members of staff (previous year: ten employees).

Office complex, Frankfurt-Sossenheim

Headquarters Pfleiderer AG, Neumarkt

Milestones

February

Extraordinary general meeting resolves to double capital

May/June

Flotation in Prime Standard segment, Frankfurt; inclusion in SDAX

June

Purchase of a portfolio of fifteen properties in the Ruhr region

August

Acquisition of the entire portfolio of the FAY Group

April

Successful disposal of C&A portfolio

May

Acquisition of a Hochtief Group portfolio

August

Purchase of six properties from the Falk Group

August

Acquisition of the majority share in the real estate management subsidiary of the FAY Group agreed

Portfolio Overview

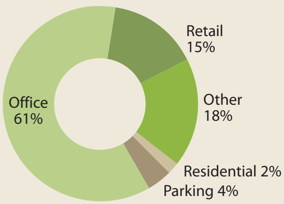
including acquisitions as at the end of October 2006

	Core	Value Added	Opportunistic Co-Investments	Total
Number of properties	30	115	67	212
Portfolio volume* in EUR mill.	618	525	129	1,272
Portfolio proportion*	49%	41%	10%	100%
Net annual rental income* in EUR mill.	37.2	36.2	8.5	81.9
Usable area* in m²	291,000	374,000	84,000	749,000
Rental income per m²* in EUR	10.66	8.07	8.40	9.12
Vacancy rate*	5%	10%	14%	8%
Remaining lease term in years*	9.5	4.2	6.7	7.0

* proportional to DIC Asset AG's share

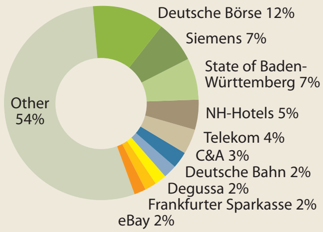
Forms of use

by rents paid

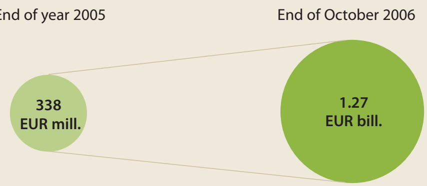


Main tenants

by rents paid



Development of portfolio volume



Location of property

As at the end of October 2006

Current portfolio as of 30 September 2006

Contracts already concluded with transfer of risks and rewards after 30 September 2006

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