



INTERIM REPORT
3RD QUARTER 2008



Frankfurt, project area of the MainTor development



Hamburg, Steindamm

KEY FIGURES

Key operating figures in EUR million	9M 2008	9M 2007	Change
Gross rental income	101.0	64.4	+57%
Total revenues	140.6	167.4	-16%
Profit on disposal of properties	4.7	13.4	-65%
Funds from Operations (FFO)	38.9	29.4	+32%
EBITDA	92.0	69.8	+32%
EBIT	71.0	56.0	+27%
EBDA	39.5	37.8	+4%
Profit for the period	18.5	24.0	-23%
Investment	198.1	475.1	-58%
Cash flow from operating activities	29.3	22.5	+30%

Balance sheet data in EUR million	30.09.2008	31.12.2007	Change
Equity ratio in %	26.4	28.9	-2.5
Debt	1,628.2	1,508.8	+8%
Investment property	2,013.9	1,851.3	+9%
Total assets	2,211.1	2,121.5	+4%

Per share in EUR	9M 2008	9M 2007	Change
FFO	1.24	1.03	+20%
EBDA	1.26	1.32	-5%
Basic/diluted earnings	0.59	0.83	-29%
Share price at the end of the period	9.90	24.85	-60%

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"We are confident of emerging stronger from the financial markets crisis with our sustained and strong cash flow generating portfolio and clearly focused business model."



"We have organised our financing structure on a sound, long-term basis, so that we are not prevented from acting strategically."



"The development of our internal property management is verifiably successful: a letting volume of 160,000 sqm in the portfolio is boosting our earning capacity."

Dear Shareholders, Business Partners, Employees and Friends,

In these times, private and institutional investors around the globe are having to accept dramatic falls in the value of their shares. At the same time, a sustained return to former price levels is not yet in prospect. Unfortunately the DIC Asset AG share is unable to elude this trend, as is the case for virtually all shares of listed real estate companies.

In the interests of our shareholders we consider it is important to look forward at precisely this time: the history of share trading shows that the phases in which highly emotionalised decisions dominate events on the market are always of limited duration only. It is a matter of time until an analytical approach will determine investment behaviour once more.

Nevertheless, as part of our responsibility for staff and capital, currently one of the most important management responsibilities is to ensure that companies are crisis-proof. This includes continuing to focus on long-term targets, checking our ability to respond, avoiding risks and controlling costs and keeping investments flexible.

Today, DIC Asset AG already clearly stands out from the market precisely in terms of these criteria. We dealt with these issues early and we have initiated and implemented measures where they were needed. Currently, we are successfully positioned financially and well positioned operationally.

Through our branches we have a direct presence in the areas where our investment is concentrated, which ensures that we are close to tenants. We know what happens locally and are familiar with regional niceties and decision-makers. In 2008, we consolidated and developed our local property management. This strategy has paid off with a leasing volume of just under 160,000 sqm as at 30 September.

We are concentrating on our core competence. That means commercial properties in Germany. This is where we have the edge in terms of location and expertise, which allows us to operate successfully beyond the five major office centres and consequently beyond the sphere of influence of international investors.

In addition to properties in top locations, half of our portfolio consists of properties in "B locations". Towns such as Bochum or Nuremberg are attractive since they offer a range of employers and an interesting commercial structure. We achieve a sensible risk diversification – which is of particular importance in difficult times – since locations outside the metropolitan centres build on genuine need and are less volatile.

We have adapted our sales strategy as a consequence of the dislocations in the market. We are currently concentrating entirely on selling small and medium-sized properties. This was the correct response: up to the third quarter, we have sold properties worth EUR 56 million – at very attractive returns. This was possible because our business model is sufficiently flexibly structured not to have to sell our portfolio under pressure and at 'bargain basement' prices.

Our business model is easily comprehensible and reliable. The capital market knows what it expects. This is due on the one hand to concentration on the German market, on the other hand to our sound, low risk business structure. We have, for example, opted against fair value accounting for our portfolio. As a result, we have deliberately waived additional book profits in boom times. The advantage is that we are not forced to write down our portfolio and consequently report losses in a harsher climate.

We have also structured our financing equally soundly. Our investments are all agreed long-term and financed conservatively. In the next three years, we only have a minimal financing requirement of EUR 87 million. Our disposals have also reduced the requirement during the financial year. You will find more figures demonstrating our soundness in the rest of our quarterly report.

We are pleased with our figures in the third quarter of 2008. We have achieved rental income of over EUR 100 million and increased the profit for the period to EUR 18.5 million. The post-tax return stands at 13%, which is a good figure even in less crisis-ridden times. Our cash flow is positive; we have increased it by 30% to EUR 29 million. We are prepared for the looming challenges facing us.

Our sector is faced with at least two to three challenging years in the real estate market. We are confident that, as one of the companies with a strong financial base and cash flow plus our stable and distinctive positioning, we shall emerge more strongly from this phase. We aim to be one of the active participants in the looming market consolidation. We started a share buyback programme in October because we are convinced of the value of our company.

According to most recent experience, investment behaviour will change markedly. We assume that willingness to incur risk will fall generally even when investing in shares and substance, security and value retention will become more important than ever. We are optimistic that our share can therefore benefit to an extraordinary degree from more appreciation on the part of investors.

You have supported us on our course to date – for which many thanks! We shall base our future growth on this confidence.

Yours sincerely,



Ulrich Höller



Markus Koch



Dr. Jürgen Schäfer

■ GENERAL ECONOMIC CONDITIONS

Global financial crisis dominating the German economy

To date, 2008 has been dominated by the international financial crisis. The price of residential space has been falling for months on the American market, while at the same time interest rates have been rising. A global dynamic has developed from the increasing number of mortgage loans, which private customers were no longer able to service, via the global interlinking of credit products, which has affected the entire financial world and led to banks and financial institutions collapsing.

In the last days of September, the situation also came to a head in Europe after the refinancing market ground to a de facto halt. Financial institutions and insurance companies were supported with government funds. In addition, the world's leading central banks took action on a concerted basis and cut their key interest rates by 50 basis points, to 3.75% in the case of the European Central Bank. The global alliance of leading economic nations marked its apogee to date by supporting the refinancing of banks and companies through the supply of liquid funds in October 2008. Following further sharp cuts, key interest rates stood at 3.25% in Europe, at 3.0% in England and at 1.0% in America at the beginning of November.

At the beginning of the year, the German economy reacted calmly to signs of the US mortgage crisis; in the first quarter, gross domestic product rose by 0.7% compared with the previous quarter. The economy then cooled slightly in the second quarter in response to negative global news. Sentiment in the German economy has deteriorated further. In October, the ifo Institute's Business Survey index stood at 90.2. It has therefore continued its downward trend, since it stood at 92.9 in the previous month. The present situation is viewed by companies as virtually unchanged although the outlook for the next six months is far more doubtful.

Despite all the news, the situation in the German labour market has remained positive to date: in October 2008, the number of unemployed fell by 400,000 compared with the previous year to below 3 million. As a result, the unemployment rate stood at 7.2%.

According to the autumn statement produced by the leading German economic institutions, they are assuming growth of 1.8% for 2008 as a whole. In view of the global turbulence on the financial market in autumn 2008, forecasts for 2009 are subject to great uncertainty. In any case, an impact on the economy as a whole is expected and a recession is feared.

Leasing market driving the real estate market

To date, the development in the leasing market has been pleasing in 2008. According to the analyses by Jones Lang LaSalle, office space of 2.2 million sqm was leased in the leading commercial locations of Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart up to 30 September. As a result, leasing has matched the level of the equally strong previous year and is some 18% up on the ten year average. Vacancies in the most important real estate markets also fell slightly once more to just under 6.9 million sqm, while the average vacancy rate amounted to 8.8%. Peak rents are remaining stable. Following the economic slowdown, a slowdown in leasing activity is expected in 2009.

Financing conditions are reducing transaction activities

At the beginning of 2008, the investment market was characterised by caution. The financial crisis and the global liquidity drought were subsequently ever more clearly reflected in investment activity. According to the analysts at Jones Lang LaSalle, transaction volume (excluding housing) fell by 60% to EUR 16.5 billion in the first nine months of 2008. Sales worth EUR 42 million were completed in the same period in the previous year. The decline is marked but is put into perspective by the record results of 2007 when an unusually high number of properties changed hands thanks to a combination of historically low interest rates, a wide range of properties and strong demand.

Equity-oriented investors more active

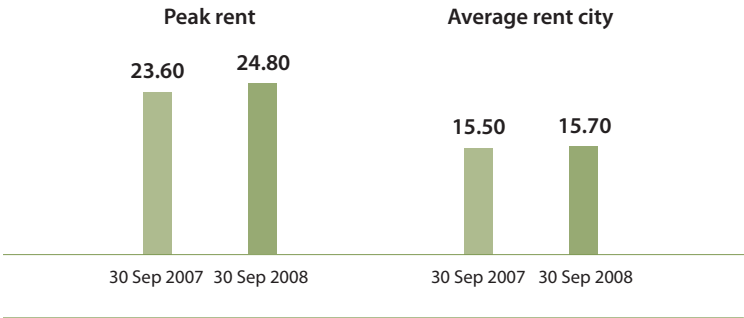
Overall, the investment landscape has changed significantly compared with the previous year. Banks are very restrictive in financing transactions and demand far more equity. Transaction processes have been taking longer, as investigations became more detailed. The number of highly leveraged investors has fallen sharply as a result, while groups of buyers with higher levels of equity demonstrated a greater capacity for action. Asset and fund managers have accounted for some 23% of all transactions and open-ended funds from Germany achieved a share of 15%.

Smaller to medium-sized individual deals preferred

Transactions were dominated by small to medium-sized individual deals. Portfolios and larger properties were virtually unsalable. Here, in particular, it is virtually impossible for less strongly capitalised companies to obtain finance in the current turbulence. In 2008 to date, there have only been 17 transactions involving sums in excess of EUR 100 million compared with 87 in the previous year.

Rents are rising slightly

Rent in EUR/sqm



Yet again, demand for office space is strongest

In 2008 to date, investors have favoured low-risk properties, with office space, which has accounted for 38% of transactions, being preferred. The majority of the transactions relate to properties in first-class locations let long-term. Investment in office space firmed significantly, most notably in the third quarter. Some 32% of investment funds were spent on retail properties.

A slight rise in rents

Overall, rents have risen slightly. At the same time, the weighted peak rent has risen far more sharply in the reporting period than the average rent in city locations according to observations by the analysts at DIP, who investigate rental trends in the 15 largest cities.

Outlook gloomy to the end of the year

Investment will continue to be determined by the effects of the financial crisis. Overall, far lower levels of investment are expected for 2008. Transactions continue to be obstructed by the general uncertainty regarding future economic growth and the difficulties in obtaining finance. The effects of the financial crisis on the general economy will also become increasingly noticeable over the next few months, among others on the leasing market as well. In 2009, increasing numbers of properties whose finance is expiring and which cannot be refinanced, could come onto the market. Investors with a sustainable business model, sound cash flows and well organised financing will be able to profit from this disproportionately.

BUSINESS DEVELOPMENT

Highlights

- DIC Asset AG achieves a profit for the period of EUR 18.5 million
- Successful property management: FFO + 32% to EUR 38.9 million
- Just under 160,000 sqm let
- Rental income increased to EUR 101 million
- Share buyback programme started
- Forecast confirmed: profit for the period of EUR 25 -27 million

Attractive earnings in a turbulent environment

From January to September 2008, DIC Asset AG achieved rental income of EUR 101.0 million. The significant increase on the previous year is based most notably on success in letting portfolio space and in expanding the portfolio. The rise in FFO (Funds from Operations) of 32% to EUR 38.9 million underlines the strength of the company's operating business. Under difficult circumstances, DIC Asset AG is reporting a respectable profit for the period of EUR 18.5 million with an attractive post-tax return of 13%. Earnings per share amount to EUR 0.59 (previous year: EUR 0.83).

Office space with
river view:
The Rheinwerk in
Bonn is located
at the waterside



Business activities of DIC Asset AG

DIC Asset AG focuses its investments solely on German commercial real estate and currently manages a property portfolio worth around EUR 3.5 billion. The portfolio is managed and optimised across Germany by the subsidiary DIC ONSITE from six branches. The portfolio is divided into the Core, Value Added and Opportunistic Co-Investments segments according to risk/reward criteria. When the time is right, DIC Asset AG realises the value added generated by selling the properties.

Segments overview

As at 30 September 2008	Core	VAD	OPP
Floor space	444,000	676,000	163,000
Real estate assets in EUR million	1,024.5	1,074.1	259.5
Rental income 9M in EUR million	51.4	49.6	--- *
EBTDA 9M in EUR million	18.3	20.3	7.8

* relates to minority interests, reported in share of the profit of associates

Property management: just under 160,000 sqm let

On 30 September, the DIC Asset AG real estate portfolio encompassed 339 properties. In addition to providing an optimal service to tenants, the aim of property management is to increase the value of properties in accordance with their respective business plans.

Up to 30 September 2008, space amounting to 158,400 sqm with an annual rental income of some EUR 16.7 million was let. Of this figure, 40,000 sqm (EUR 4.0 million) was attributable to the third quarter. In the previous year, some 92,800 sqm was let in the first nine months. The marked increase of 71% is attributable to the consolidation of the Group's portfolio and asset management activities, the increase in the capacity of DIC ONSITE across Germany and the growth in space let.

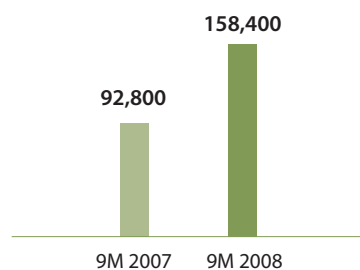
Large-scale leases concluded

When large-scale leases are concluded, DIC Asset AG often develops schemes for long-term individual use together with the tenants. In Krefeld, for example, Barmer Ersatzkasse will rent space amounting to 2,800 sqm once it has been renovated. The renovation work entails bringing the external façades up to modern architectural standards and preparing the interiors for efficient use as offices. In 2008, the five largest leases achieved some 16% of the company's entire success in leasing. In addition to large-scale deals, the company's day-to-day leasing business is made up of many small successes. A total of about 300 leasing agreements were concluded or extended in the first nine months.

Letting result by usage

Lettable area in sqm	9M 2008	9M 2007
Office	97,700	61,600
Retail	15,800	12,400
Other commercial	41,000	14,900
Residential	3,900	3,900
Total	158,400	92,800
Parking (units)	870	1,000

Letting result +71%
Lettable area in sqm



The largest leasing deals until September 2008

	Area	Location
Chemetall GmbH	6,100 sqm	Frankfurt
Ernst Dello GmbH & Co, KG	5,100 sqm	Hamburg
Stadt Hamburg	4,800 sqm	Hamburg
WAW Mailkontor GmbH	4,800 sqm	Hamburg
Sykes Enterprises	4,700 sqm	Bochum

Percentage of the portfolio let remains stable

As at 30 September 2008, the occupancy rate of the portfolio amounted to approximately 88%. The agreements are long-term in nature. In the portfolio as a whole the average remaining term amounts to six years.

*Agrippinawerft:
Attractive part of the
Rheinauhafen
development
in Cologne*



Earnings capacity of the portfolio increased

At the end of the third quarter, the pro rata tenancy agreements within the portfolio including opportunistic co-investments were worth approximately EUR 145 million. Its earnings capacity was improved through lettings by 1.5% compared with 31 December 2007. In the Core segment (with its long term focus), annualised revenues rose by 5.6% (like-for-like, excluding project developments). In the Value Added and Opportunistic Co-Investments segments, revenues fell slightly, most notably as a result of tenancy agreements expiring or systematically being cancelled, by 2.3% and 1.1% respectively.

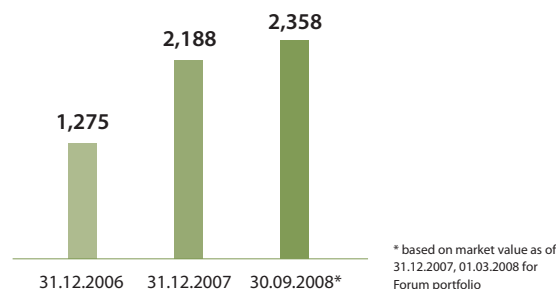
The average rent was increased in all segments. On average DIC Asset AG rose rental income per sqm by 2.8% to of EUR 10.13.

Portfolio growth

	30.09.2008	31.12.2007	31.12.2006
Lettable area in sqm	1,283,000	1,214,000	733,000
Real estate assets in EUR million	2,358.1	2,187.5	1,275.3

Value of portfolio increased

Market value of real estate assets in EUR million



Focus on property management continues

The success of the Group's tenant-focused portfolio and asset management is to continue. With the opening of the sixth branch of DIC ONSITE in Munich, its property and asset management capacity has been increased to this end. Across the Group, the management level has been strengthened both in terms of manpower and organisation. To this end, DIC Asset AG invests continuously in measures to improve its employees' qualifications and in systems and software. To make even more effective use of the successful DIC ONSITE platform, additional properties from the Opportunistic Co-Investments segment totalling 80,000 sqm in area will be included in DIC ONSITE's direct management remit in the next few months. DIC Asset AG aims to expand its leasing volume to more than 175,000 sqm by the end of the year. This should mean that the target for the year is exceeded.

Bienenkorbhaus: 75% let

DIC Asset AG has been redeveloping and extending the Bienenkorbhaus on Frankfurt's Zeil since spring 2008. The main construction work on the multi-storey building will be completed on schedule at the year end. The offices in the new building will be completed at the beginning of 2009, while the retail space will re-open in spring 2009.

We are currently marketing the last premises. DIC Asset AG will let retail and commercial space totalling ca. 10,500 sqm in the Bienenkorbhaus. Some 75% is already let to tenants such as the Frankfurter Sparkasse with its main branch, the shoe chain Görtz GmbH with its German flagshipstore as well as lawyers and doctors. Lastly, DIC Asset AG let 670 sqm to Deutsche Angestellten Krankenkasse (DAK). DAK moved in with some 40 employees on 1 September.

MainTor project: progress on the development of the new urban district

The MainTor project will open up areas of the former Degussa headquarters, which were not previously accessible to the general public. An attractive and lively urban district featuring an inviting and bustling square surrounded by residential space, cultural attractions and office space will emerge in the heart of Frankfurt. The 100 metre high WinX tower, with its 27 storeys, will offer uniquely panoramic views over the city on the Main. Two smaller towers of around 60 metres in height are being constructed beside it to form an ensemble. The compilation of the development plan by the City of Frankfurt has started and probably will be completed in fall 2009. At the same time, DIC is agreeing the construction application documentation for the first phase of construction with the various authorities involved in the approval process.

Construction will start with the first stages of demolition in mid-2009. Lastly, DIC reached agreement with the current principal tenant Evonik Degussa GmbH on premature termination of the tenancy agreement at the end of 2010. DIC received an adequate payment of a double-digit million Euro sum in compensation. At the same time, DIC Asset AG will benefit significantly from the complete clearance of the site since construction can be organised more efficiently with less cost. DIC Asset AG has a 20% stake in the project development via its Opportunistic Co-Investments segment.

The central square of the MainTor area in Frankfurt is surrounded by office towers and residential space.



One special feature of Opera Offices in Hamburg: a rotunda, which curves round an atrium.



Opera Offices in Hamburg: planning and marketing stepped up

With its Opera Offices project DIC is developing two properties in the immediate vicinity of the Hamburg State Opera. DIC Asset AG has a 20% stake in both projects via its Opportunistic Co-Investments segment. A new building (the "Opera Offices") is being constructed in Große Theaterstraße directly opposite the opera. Its particular features include a view of the Alster from the attractive roof terraces and a rotunda, which curves round an atrium and allows an efficient use of land with seven floors. The new building replaces three existing buildings dating from different periods. The second development, the OpernPalais, encompasses the redevelopment of an existing building in Dammtorstraße. The character of the listed building designed by Fritz Schuhmacher, which dates from 1911, will be enhanced through the sensitive redevelopment programme. Having been comprehensively restored, the property will offer modern office space with all the style of a historic building and attractive retail space.

Based on positive building notifications, plans for both projects were continued in the reporting period and refined with the competent bodies within the City of Hamburg. Marketing has started and to assist this process, marketing materials such as brochures or websites have been developed and used to initiate discussions and establish contacts. Initial discussions have been held with inte-

rested companies. Priority is being given to finding a sole tenant for the entire Opera Offices. Construction is expected to start with the first demolition work in summer 2009.

Smaller sales volumes offering attractive returns

In the third quarter of 2008, DIC Asset AG sold seven commercial properties offering space of some 19,000 sqm for some EUR 34 million in total. Of this figure, EUR 20.8 million accrued to DIC Asset AG in the third quarter of 2008. The majority of the properties sold were office buildings in the cities of Cologne, Frankfurt, Mannheim and Hamburg. In 2008 as a whole, properties worth EUR 56 million have been sold to date.

DIC Asset AG has reacted to the change in conditions resulting from the financial crisis and the caution prevailing throughout the market by adapting its sales strategy and concentrating on placing smaller and medium-sized properties. This reaction is succeeding: despite difficult general conditions, transactions offering attractive returns are currently achievable in this segment.

Further increase in personnel capacity for real estate management

As at 30 September 2008, DIC Asset AG employed 97 employees. The majority of the staff is directly involved in adding value to real estate in various property and asset management roles. As a result of expanding this department and strengthening the branches, the number of employees rose by 28 compared with the figure in the previous year.

Number of employees

	30.09.2008	30.09.2007
Portfolio management and investment	7	5
Property and asset management	77	57
Administration	13	7
Total	97	69

REVENUES AND RESULTS

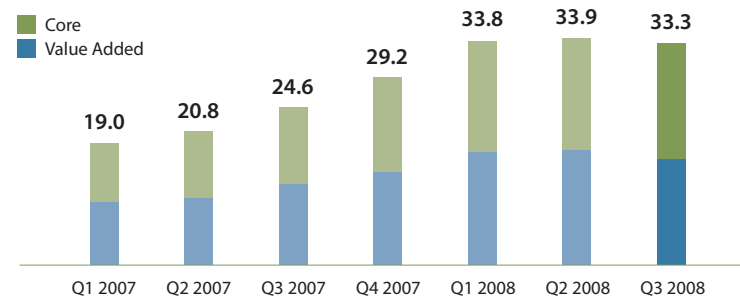
Rental income up 57%

In the first nine months of 2008, rental income increased by EUR 36.6 million to EUR 101.0 million. This is the result of the expansion in the portfolio and the additional income generated by the company's success in letting. In the previous year, income from letting amounted to EUR 64.4 million. At EUR 33.3 million, rental income in the third quarter is slightly down on the previous quarter, since a relatively large number of contracts expired in the middle of the year, as expected. Additionally objects were sold in the ongoing quarter.

Income is spread virtually equally across the segments: the Core segment contributed approximately EUR 51.4 million in rental income while EUR 49.6 million was attributable to the Value Added segment.

The vast majority of income stems from letting office space with DIC Asset AG achieving some 66% of rental income here. Income from retail space amounts to 15%. 18% of rental is attributable to other commercial operations such as logistics or the hotel trade as well as parking spaces and 1% from residential space.

Rental income developing firmly EUR million



Revenues overview

EUR million	9M 2008	9M 2007	9M 2006
Rental income	101.0	64.4	20.6
Profit on disposal of properties	22.8	91.2	4.2
Other income	16.8	11.8	3.7
Total revenues	140.6	167.4	28.5

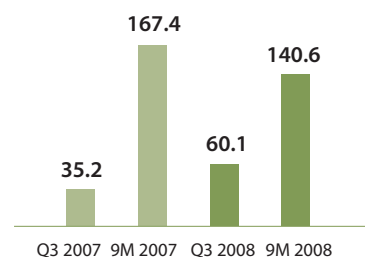
Total income declined by EUR 26.8 million (-16%) to EUR 140.6 million. The reduction is primarily due to lower transaction volume from the sale of properties than in the previous year. If sales are excluded, income rises by EUR 41.6 million. Total income increased from EUR 35.2 million to EUR 60.1 million compared with the same quarter of the previous year.

Highly profitable sales worth EUR 56 million in total

To date, DIC Asset AG has succeeded in completing 12 sales in 2008. Revenues of EUR 22.8 million and a profit of EUR 4.7 million are directly attributable to DIC Asset AG up to September 2008. The sales all derive from the Value Added segment and are the result of successful leasing and repositioning. Despite the difficult market environment, an above average pre-tax return on sales of 21% was achieved and the market values established at the end of 2007 exceeded overall. In the previous year, income stood at EUR 91.2 million and the disposal gain at EUR 13.4 million.

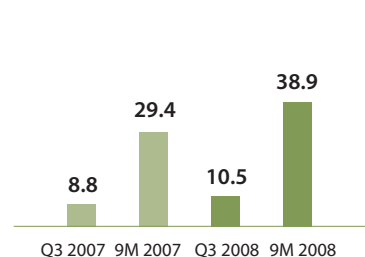
Total revenues

EUR million



Funds from operations (FFO)

EUR million



A moderate increase in cost items, efficiency increased

Operating efficiency was further improved despite the company's growth through cost cutting measures and economies of scale. All major cost items increased below average compared with the trend in rental income. The ratio of personnel and administrative expenses to rental income stood at 10.9% well down on the previous year. As at 30 September 2007, the ratio amounted to 12.3%.

Administrative expenses rose by EUR 1.4 million (+30%) to EUR 6.1 million. Personnel expenses increased by EUR 1.7 million (+53%) to EUR 4.9 million. The expansion in letting management capacity, in particular, had an impact here. Depreciation rose by EUR 7.2 million (+52%) to EUR 21.0 million. The increase in depreciation is in line with the expansion in real estate assets.

Total expenses reduced by EUR 41.8 million (-38%) to EUR 69.6 million, primarily because fewer assets were disposed of through sales in 2008.

Income from property management increased

DIC Asset AG achieved income of EUR 2.4 million from property management, in particular for properties acquired as opportunistic investments, compared with EUR 1.6 million in the previous year.

Operating earnings capacity expanded

EBITDA of EUR 92.0 million exceeded the first half of the previous year by EUR 22.2 million (+32%). The EBITDA yield rose to 65.4%. EBIT increased slightly less markedly by EUR 15.0 million (+27%) to EUR 71.0 million. At 50%, the EBIT yield is also significantly up on the previous year.

FFO increased sharply

Earnings from property management were expanded. The FFO (Funds from Operations: income before depreciation, taxes and profit from sales and project developments) improved by EUR 9.5 million (+32%) to EUR 38.9 million. FFO per individual share stands at EUR 1.24 (previous year: EUR 1.03).

Increase in the level of financing

The negative financial result amounted to EUR -56.2 million from January to September, it increased by EUR 27.5 million (+96%) compared with the same period in the previous year. The increase can be explained by the increase in financing volumes for the expanded portfolio.

Segment results: two segments well up on the previous year

The Core segment achieved earnings before tax (EBT) of EUR 7.2 million. The figure for the previous year was not reached, since major sales were completed in 2007. The Value Added segment included sales in the third quarter, which generated earnings of EUR 10.5 million, and consequently exceeded the figure for the previous year.

Profits from associates tripled by EUR 5.2 million (+200%) to EUR 7.8 million. Earnings from the Opportunistic Co-Investments segment are reported in this item in the income statement. In addition to ongoing rental earnings, the increase is the result of sales of five properties in Hamburg, Cologne and uremberg and the syndication of the investment in the MainTor project. The previous year's earnings included in the main the share of the sale of a property in Bad Homburg amounting to EUR 0.8 million.

Profit for the period of EUR 18.5 million

The profit for the three quarters amounted to EUR 18.5 million, which is EUR 5.5 million (-23%) down on 2007. In an investment market characterised by difficult framework conditions, DIC Asset AG has deliberately concentrated on selected smaller transactions. The reduction can therefore be explained by lower sales figures and an increase in financing expenses. At the end of the third quarter, the post-tax return amounted to 13% (previous year: 14%). The profit for the period per share stands at EUR 0.59 (previous year: EUR 0.83).

Results overview

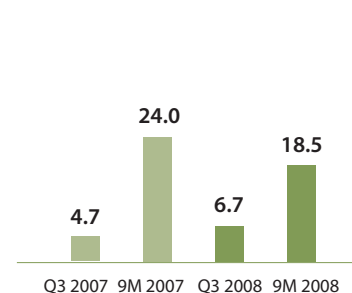
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EBITDA	92.0	69.8	+32%
EBIT	71.0	56.0	+27%
EBDA	39.5	37.8	+4%
Profit for the period	18.5	24.0	-23%
Earnings per share (EUR)	0.59	0.83	-29%
FFO per share (EUR)	1.24	1.03	+20%

Earnings before depreciation EUR 1.7 million up on the previous year

During the reporting period, earnings before depreciation (EBDA) rose by EUR 1.7 million (+4%) to EUR 39.5 million. EBDA per share amounted to EUR 1.26 (previous year: EUR 1.32). Compared with the third quarter 2007, the EBDA increased by 43% from EUR 9.5 million to EUR 13.6 million.

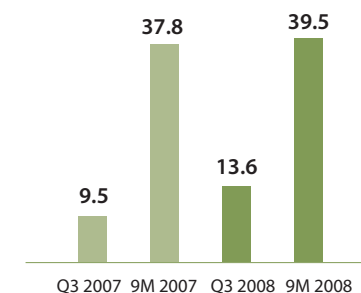
Profit for the period

EUR million



Earnings before depreciation (EBDA)

EUR million

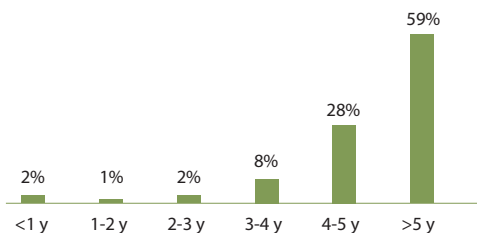


■ ASSETS AND FINANCIAL POSITION

Financing: concluded long-term

DIC Asset concludes the majority of its financing on a conservative basis, opting for long terms, with the aim of being more independent of changes in the financial environment, being able to plan over longer periods and not having to refinance at short notice. Therefore virtually 60% of loans have a term of more than five years. In addition, about 86% of all financial debt is on long-term fixed rates. As a result, only a very small amount of refinancing will be required in the next few months and only some EUR 37.3 million (2.4% of total debt) will have to be refinanced over the next 12 months.

Financial debt fixed on a long-term basis
Financial debt by maturities



Interest rates hedged

As at 30 September 2008, the average interest rate payable on financial debt amounted to 5.31%. At the end of the financial year 2007, the average interest rate payable in the DIC Asset Group stood at 5.22%. The increase in the interest rates level within the last nine months is apparent here. To absorb future interest rate rises on current borrowings, DIC Asset AG uses derivative financing models as interest rate hedging instruments for financial debts with variable interest rates. As at 30 September 2008, the ratio of variable finance to total debt stood at 14%.

Cash flow increased by 30%

In the current year, cash flow is characterised primarily by the positive trend in earnings and lower investment and financing activity. From January to September 2008, DIC Asset AG received EUR 29.3 million from operating activities. In essence, the amount consists of the net profit after interest and taxes, which increased by 30%. The company expended funds for investment of EUR 182.7 million, most notably for the acquisition of the Forum portfolio in February 2008. This compares with a figure of EUR 398.7 million in the previous year. The cash inflow for financing purposes amounted to EUR 57.3 million and was made up primarily of borrowings as a consequence of the purchase of the Forum portfolio and payment of the dividend. In particular, growth in the portfolio last year led to cash inflows from financing of EUR 395.3 million in 2007.

Cash and cash equivalents rise to EUR 69.2 million in the third quarter

In the third quarter, cash inflows from operating cash flow and sales increased cash and cash equivalents to EUR 69.2 million. Holdings of cash and cash equivalents diminished by EUR 96.1 million compared with the figure at the year end 2007. The reduction is attributable primarily to the acquisition of the Forum portfolio at the beginning of 2008.

Abbreviated statement of cash flow

EUR million	9M 2008	9M 2007
Profit for the period	18.5	24.0
Cash flow from operating activities	29.3	22.5
Cash flow from investing activities	-182.7	-398.7
Cash flow from financing activities	57.3	395.3
Net increase in cash and cash equivalents	-96.1	19.1
Cash and cash equivalents as at 30 September	69.2	198.8

Investment trimmed

From January to September 2008, DIC Asset AG carried out one large transaction, the purchase of the Forum portfolio. It also invested in expanding its asset and property management capacity. Some EUR 198.1 million was invested in total. In the same period in the previous year, while the company was expanding strongly, investment stood at EUR 475.1 million.

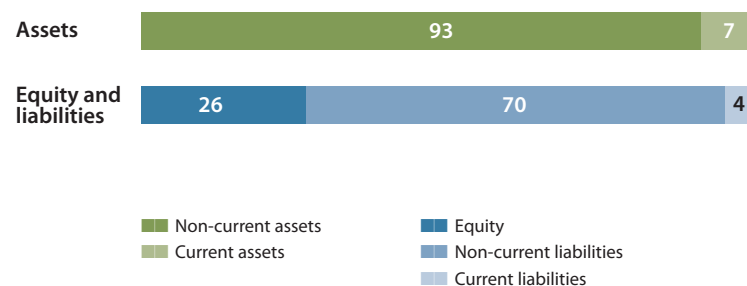
Balance sheet expanded by 4%

At the end of the third quarter of 2008, total assets amounted to EUR 2,211.1 million. The development of the balance sheet with growth of 4% compared with the 2007 year-end is characterised mainly by the purchase of the Forum portfolio in February 2008.

Assets: non-current assets increased

The main reason for the increase in non-current assets was the addition of the Forum portfolio in February 2008. They increased by EUR 153.8 million (+8%) to EUR 2,058.1 million. By contrast current assets declined to EUR 64.2 million (-30%) to EUR 153.0 million, primarily after paying the purchase price for the transaction.

Balance sheet structure in %



Balance sheet overview

EUR million	30.09.2008	30.12.2007
Total assets	2,211.1	2,121.5
Non-current assets	2,058.1	1,904.3
Current assets	153.0	217.2
Equity	582.9	612.7
Non-current debt	1,533.5	1,457.0
Current debt	94.7	51.8
Equity ratio in %	26.4	28.9
Debt ratio in %	73.6	71.1

Liabilities: equity ratio stable

As at September 2008, the equity ratio amounted to 26%, it therefore matches the level of the previous quarter. On the reporting date, equity amounted to EUR 582.9 million. It has fallen by EUR 29.8 million (-5%) compared with the year-end 2007, most notably as a consequence of the dividend payment in the second quarter.

Non-current liabilities have increased slightly by EUR 76.5 million (+5%) and stand at EUR 1,533.5 million at the end of the quarter. In essence, the increase is attributable to financing expansion in the portfolio. Current liabilities also increased by EUR 42.9 million (+83%) to EUR 94.7 million particularly on account of a portion of the purchase price that is not due until the following year.

■ EVENTS AFTER THE BALANCE SHEET DATE

Purchase of treasury shares resolved

The Board of Management has resolved with the approval of the Supervisory Board to acquire treasury shares in an amount of up to 5% of the share capital (this equates to some 1.6 million shares). The share buyback programme started on 10 October 2008 and will be concluded no later than 10 February 2009. The reason for this programme is the current very low share price, which is listed well below its intrinsic value because of the collective loss of confidence in the market and the general collapse in share prices. The Board of Management is convinced that the current price does not reflect the performance and fundamental data of DIC Asset AG sufficiently and the purchase will offer considerable opportunities in the interests of shareholders.

MainTor completion: tenant's departure simplifying construction work

Evonik Degussa GmbH will leave its premises on the MainTor site prematurely in December 2010. The compensation payment that has been negotiated will increase the project's equity capitalisation markedly. The agreed move will simplify the implementation of the construction work significantly. Among other things the project can be completed in fewer construction stages.

Directors' dealings reported

Following the end of the reporting period, several share purchases by members of the Board of Management were reported. These can be downloaded via the Investor Relations section of our website.

■ RISK REPORT

DIC Asset AG's risk management and the risks associated with its business were described in detail in the Annual Report 2007. In our assessment of companies and the environment, no material changes have taken place compared with the situation as at 31 December 2007.

The risk management system was enhanced, particularly in the area of monitoring financing risks. The existing monitoring systems here were refined and the amount of information increased with the aim of identifying risks earlier and being able to initiate countermeasures in good time. In addition, the management of operational risks was optimised by refining the organisational processes for incoming invoices and authorising payments.

■ TRANSACTIONS WITH RELATED PARTIES

As part of its normal business activities, DIC Asset AG maintains business relations with a number of related companies and persons. In principle, the same conditions apply to transactions with these companies and persons as to comparable transactions with third parties carried out in the same period. In the months from January to September 2008 there were no material transactions with companies or persons except the syndication of the share in the MainTor project.

■ OPPORTUNITIES AND FORECAST

Given the current situation on the market, the opportunities for DIC Asset AG's future development lie primarily in successfully and rapidly exploiting the rental market in order to expand its income base. If the current difficult financing conditions in the German investment market for commercial real estate continue, favourable purchase opportunities for our company could also arise in the next few months.

Current situation creates uncertainty in forecasting

The rapid development of the financial markets crisis in recent weeks and the effects, which are not yet apparent, on Germany's future economic development means that any forecasts are fraught with uncertainty. At the current date, it is not certain either whether the packages of measures adopted by the governments in various countries will contribute to stabilising the financial market and how great the risk of a sharp recession is.

Financial crisis threatens the global economy

The financial crisis has intensified significantly in 2008. Turbulence has encroached upon the entire global banking system in the second half, in particular, a global economic crisis looms. All major share markets have been hit by substantial price falls. Some of the world's leading industrial nations guaranteed the security of bank deposits in coordinated measures and launched rescue packages. Despite all their endeavours, calm and mutual trust among institutions has not yet returned to the financial market. Given the stormy conditions of recent months, the economic prospects for the global economy have deteriorated. Experts are expecting a longer and sharper recession.

Germany in the maelstrom of events

From the third quarter of 2008, the effects of the financial markets crisis finally encroached significantly on Germany. Financial institutions were rescued thanks to heroic efforts, a package of measures to guarantee liquidity and guarantees by the federal government provided brief respite for the credit market. In reaction the economy is now also showing signs of a marked economic slowdown. According to autumn statements by the leading German economics institutes, growth of 1.8% is still assumed for 2008 as a whole. In view of the torrid events of autumn 2008, forecasts for 2009 are fraught with great uncertainty. The autumn statement by leading economic research institutes assumes an increase in gross domestic product of 0.2% for 2009 in its base scenario.

Declining investment in commercial real estate

The transaction market remains paralysed by the financial markets crisis. Following the dislocations of recent weeks, financial conditions have deteriorated still further, which is why equity-oriented investors remain active on the market. Yields are rising, but prices demanded by sellers will have to adjust further to ensure a functioning and active investment market. Analysts are no longer expecting any significant upturn in transaction activity over the rest of 2008. Compared with the record year of 2007, a marked decline in transaction volume is now assumed.



*Martin-Behaim-
Straße, Neu-Isenburg*

To date there have been scarcely any forced sales of properties on the German market. This could change from 2009 as lending policies become even more restrictive. If the market develops accordingly, openings for opportunistic acquisitions for DIC Asset AG will increase.

Leasing market still remains stable

Up to 30 September, there were no signs of the leasing market softening because of the economic downturn. As a result, and partly because the employment market continues to provide positive impetus, 2008 will constitute a positive year by and large on the leasing side. However, current events in the wake of the financial crisis will lead to the first visible reactions, since tenants are deferring their plans for expansion or relocation. For top quality properties in prime locations, there are good opportunities for increasing their value further by increasing the rental.

Leasing target is to be exceeded

In the first three quarters, DIC Asset AG concentrated heavily on increasing the value of its portfolio through property and asset management. To this end, its organisational and personnel resources were continuously developed and expanded. 90% of the planned annual leasing result had been achieved as early as September 2008. We assume that the planned leasing result of 175,000 sqm can be exceeded.

Successful concentration on smaller sales will be continued

Because of the negative framework conditions and the markets' uncertainty, we are no longer expecting any significant revival in the investment market in the fourth quarter. In view of our stable portfolio and financing structure, we will therefore continue to proceed on a very selective basis and take appropriate account of income opportunities, also in terms of time aspects. We shall delay the sale of larger properties, in particular, until the following years in order to reach a broader buying interest and achieve adequate sale returns. We are confident that we shall continue to succeed in selling small and medium-sized properties for attractive returns in the fourth quarter.

Selective scrutiny of opportunities for acquisition

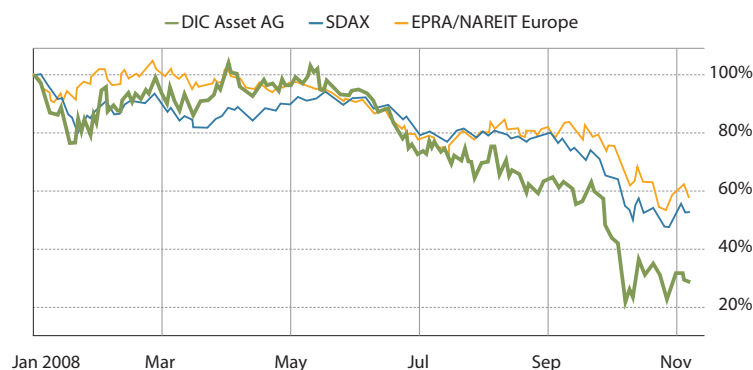
We shall also proceed very selectively in the case of purchases. We are again expecting attractive opportunities for purchases in mid-2009, particularly if there is further pressure on refinancing in the market. We are well positioned to exploit these investment opportunities with our successful business model and sound financing structure. There will only be a few attractive opportunities for acquisition in the fourth quarter because of the current market situation and the general restraint. We are not therefore assuming any growth in the rest of the current financial year.

Stable financial position

DIC Asset AG has a very sound financial position. This will also remain stable over the course of the rest of the financial year thanks to its long-term and conservative structure. Sales in the fourth quarter will strengthen our equity position further. In the fourth quarter, only EUR 33.6 million is to be refinanced. On the basis of our successful business activities and our collaboration with long-term strategic financial partners, we do not expect any significant negative effects.

Achievement of profit forecasts expected

We confirm our forecast, which we made when the half-yearly results were published, despite the massive dislocations in the financial market and their effects on economic growth, which are still unclear. The profit for the year will amount to between EUR 25 and 27 million. Thanks to the very successful leasing result and the continuing positive earnings contributions from property management, we expect operational earnings before depreciation (EBDA) of between approximately EUR 54 and 56 million. This will mean that we achieve the level of the previous year.



Financial markets crisis puts markets throughout the world under pressure

Events in the third quarter increased the losses on global equities markets across the board. Numerous collapses and forced mergers in the banking sector were accompanied by increasing uncertainty about the international financial system's general ability to function. Ultimately, massive government support was needed to avoid panic on the market. Since the beginning of the year, the SDAX has lost 35%, while the DAX closed 28% down on 30 September 2008.

Real estate stocks hit hard by the fall in the market

In this environment, losses affect all sectors. However, real estate stocks have been particularly affected in addition to financial stocks. The EPRA/NAREIT Europe index, which traces the performance of all major European real estate stocks, fell by 25% at the end of the third quarter. German real estate stocks were punished particularly across the board because of their traditionally greater dependence on borrowed funds. The EPRA/NAREIT Germany closed the third quarter 43% down. DIC Asset AG lost 54% compared with the beginning of the year. On 30 September 2008, the price stood at EUR 9.90.

As the financial crisis intensified in October and November, the free fall on global stock exchanges continued. The DAX fell to 4,015 points at the end of October. DIC Asset AG was not able to decouple itself from the negative trend affecting the market as a whole and was listed in the meantime at its lowest level to date. At the beginning of November prices had again recovered slightly from the falls. In addition, the uncertainty on the capital market also made itself felt through extreme volatility.

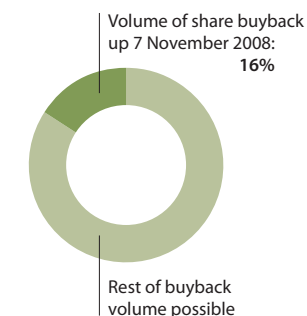
Share buyback programme started

At the beginning of October 2008, DIC Asset AG started a programme to buy treasury shares. Up to five per cent of the share capital can be bought up to February 2009. This is how DIC Asset AG is reacting to the drastic change in the relationship between the current share price and the intrinsic value of the share. The Board of Management is of the opinion that the current price does not reflect the company's longstanding positive development and its future potential. These measures will allow both earnings per share and the equity value to be improved.

Approximately 253,000 shares were acquired up to 7 November 2008 for a volume of EUR 1.6 million. In consequence, some 16% of the maximum buyback volume has been reached. You can find current information on the share buyback programme on our website.

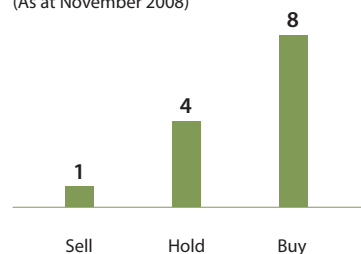
Overview buyback programme

	Number of shares	Volume in TEUR
Week 42	8,500	47.0
Week 43	43,380	289.8
Week 44	54,886	377.9
Week 45	81,874	460.2
Week 46	63,887	418.9
Total	252,527	1,593.8



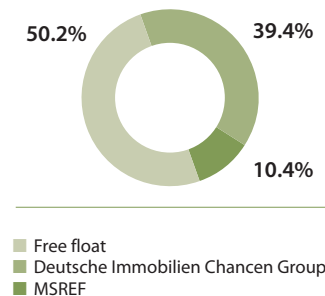
Reporting on the share

Coverage by 13 banks
(As at November 2008)



Shareholders' structure

(As at September 2008)



Positive share price forecasts

In these turbulent days, reporting on our share can scarcely keep up with events. The majority of analysts covering the share view the stock as far too favourably priced at the current level and recommend buying it. Only one analyst advises selling it. 13 banks report at regular intervals on the share, which can be judged as an indication of the constantly growing importance of our company. We have continued our active investor relations work in the third quarter. Especially in this difficult market environment, the Board of Management and the investor relations team have held a large number of individual discussions with shareholders, investors and analysts to keep the capital market informed of our company's current performance and at the same time to maintain contact to the shareholders.

Key figures

	9M 2008	9M 2007
Earnings per share in EUR	0.59	0.83
52-week high in EUR	25.95	33.88
52-week low in EUR	9.90	20.37
Closing price on 30.09.	9.90	28.25
Market capitalisation in EUR million (as at 30.09.)	310	805
Current share price (Closing price on 11.11.2008)	6.65	
	2007	2006
Dividend per share in EUR	1.65	0.75
Dividend yield (on year-end closing price)	7.6%	2.4%

Financial calendar

12.11.2008	Publication of Interim Report Q3/2008	
13.11.2008	WestLB Germany Conference	Frankfurt
March 2009	Publication of Annual Report 2008	

■ CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2008

TEUR	01.01.- 30.09.08	01.01.- 30.09.07	01.07.- 30.09.08	01.07.- 30.09.07
Total revenues	140,630	167,392	60,062	35,239
Total expenses	-69,642	-111,382	-33,518	-16,583
Gross rental income	100,979	64,411	33,243	24,582
Ground rents	-385	-9	-123	-3
Service charge income on principal basis	14,010	8,536	4,801	2,846
Service charge expenses on principal basis	-15,871	-8,891	-5,389	-2,814
Other real estate related operating expenses	-3,015	-2,716	-1,478	-1,357
Net rental income	95,718	61,331	31,054	23,254
Administrative expenses	-6,141	-4,733	-1,971	-1,585
Personnel expenses	-4,873	-3,165	-1,366	-1,146
Depreciation and amortisation	-21,017	-13,801	-6,871	-4,797
Management fee income	2,390	1,630	1,049	1,129
Other income	481	718	148	54
Other expenses	-319	-282	-98	-94
Net other income	162	436	50	-40
Gain on development projects	0	902	0	54
Investment property net disposal proceeds	22,770	91,195	20,821	6,574
Carrying value of investment property disposal	-18,021	-77,785	-16,222	-4,786
Profit on disposal of investment property	4,749	13,410	4,599	1,788
Net operating profit before financing activities	70,988	56,010	26,544	18,657
Share of the profit of associates	7,835	2,642	924	159
Net financing costs	-56,175	-28,715	-19,263	-12,919
Profit before tax	22,648	29,937	8,205	5,897
Income tax expense	-5,396	-4,571	-2,838	-2,591
Deferred income tax expense	1,206	-1,416	1,320	1,411
Profit for the period	18,458	23,950	6,687	4,717
Attributable to equity holders of the parent	18,400	23,585	6,689	4,814
Attributable to minority interest	58	365	-2	-97
Basic (=diluted) earnings per share (EUR)	0,59	0,83	0,21	0,17

■ CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2008

ASSETS

TEUR	30.09.2008	31.12.2007
Investment property	2,013,901	1,851,253
Office furniture and equipment	645	480
Investments in associates	22,891	29,442
Other investments	241	241
Derivatives	14,837	15,080
Intangible assets	201	229
Deferred tax assets	2,837	5,115
Other non-current assets	2,500	2,500
Total non-current assets	2,058,053	1,904,340
Receivables from the sale of property	749	1,153
Trade receivables	9,336	6,874
Receivables due from related parties	68,085	37,721
Income taxes receivable	1,314	1,878
Other receivables	1,575	2,475
Other current assets	2,773	1,783
Cash and cash equivalents	69,187	165,281
Total current assets	153,019	217,165
Total assets	2,211,072	2,121,505

EQUITY AND LIABILITIES

TEUR	30.09.2008	31.12.2007
Equity		
Issued capital	31,350	31,350
Share premium	528,450	528,450
Hedging and translation reserve	11,220	7,769
Reserve from first-time application of IFRS	-2,373	-2,373
Other reserves	1,136	1,136
Retained earnings	11,515	44,842
Total shareholders' equity	581,298	611,174
Minority interest	1,581	1,574
Total equity	582,879	612,748
Liabilities		
Interest-bearing loans and borrowings	1,525,563	1,441,555
Deferred tax liabilities	4,883	9,648
Derivatives	2,978	5,310
Other non-current liabilities	98	438
Total non-current liabilities	1,533,522	1,456,951
Interest-bearing loans and borrowings	37,336	15,887
Trade payables	35,371	1,610
Liabilities to related parties	5,818	10,483
Provisions	34	26
Income taxes payable	5,667	4,373
Other liabilities	10,445	19,427
Total current liabilities	94,671	51,806
Total liabilities	1,628,193	1,508,757
Total equity and liabilities	2,211,072	2,121,505

■ **CONSOLIDATED STATEMENT OF CASH FLOW**
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

TEUR	30.09.2008	30.09.2007
Operating activities		
Net operating profit before interest and taxes paid	79,331	52,995
Realised/Unrealised gains on development project	0	-902
Realised gains/losses on disposals	-4,749	-13,410
Depreciation and amortisation	21,017	13,801
Movements in receivables, payables and provisions	4,044	968
Other non-cash transactions	-9,497	-1,918
Cash generated from operations	90,146	51,534
Interest paid	-64,224	-34,867
Interest received	6,890	7,697
Income taxes paid	-3,539	-1,875
Cash flow from operating activities	29,273	22,489
Investing activities		
Proceeds from sale of investment property	18,181	37,456
Proceeds from sale of developments	0	12,350
Disposal/acquisition of subsidiaries	-4,245	47,170
Dividends received	240	0
Acquisition of investment property	-171,242	-476,836
Capital expenditure on investment property	-3,470	-1,353
Acquisition/disposal of other investments	-1,417	-1,182
Loans to other entities	-20,536	-13,687
Development expenditure	0	-2,161
Acquisition of office furniture and equipment	-252	-418
Cash flow from investing activities	-182,741	-398,661
Financing activities		
Proceeds from other non-current borrowings	120,424	480,715
Repayment of borrowings	-11,323	-63,961
Payment of transaction costs	0	-87
Dividends paid	-51,727	-21,375
Cash flow from financing activities	57,374	395,292
Net increase in cash and cash equivalents	-96,094	19,120
Cash and cash equivalents at 1 January	165,281	179,728
Cash and cash equivalents at 30 September	69,187	198,848

■ **SEGMENT REPORTING AS AT 30 SEPTEMBER 2008**

TEUR	9M 2008	9M 2007	Q3 2008	Q3 2007
Rental income				
Core	51,404	33,289	17,342	12,633
Value Added	49,575	31,122	15,901	11,949
Opportunistic Co-Investments	0	0	0	0
Other	0	0	0	0
Group	100,979	64,411	33,243	24,582
EBITDA				
Core	48,460	38,913	16,044	11,633
Value Added	49,743	32,813	19,014	12,037
Opportunistic Co-Investments	-11	0	-3	0
Other	-6,187	-1,915	-1,640	-216
Group	92,005	69,811	33,415	23,454
EBTDA				
Core	18,328	22,100	6,046	5,013
Value Added	20,301	15,857	7,883	4,145
Opportunistic Co-Investments	7,835	2,642	924	159
Other	-2,799	3,139	223	1,377
Group	43,665	43,738	15,076	10,694
EBT				
Core	7,232	15,253	2,346	2,956
Value Added	10,528	9,005	4,739	1,449
Opportunistic Co-Investments	7,835	2,642	924	159
Other	-2,947	3,037	196	1,333
Group	22,648	29,937	8,205	5,897

■ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2008

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 2006	28,500	469,732	4,128	-2,373	1,136	30,595	2,296	534,014
Dividends 2006						-21,375		-21,375
Profit for the period						23,584	365	23,949
Equity transaction costs net of tax		-52						-52
Gain from cash flow hedges			4,090					4,090
Gain from cash flow hedges of associates			797					797
Distribution from current period profits						-24		-24
Repayment of minority interest							-812	-812
Change of consolidation group							25	25
Status as of 30 September 2007	28,500	469,680	9,015	-2,373	1,136	32,780	1,874	540,612
Capital increase	2,850	59,565						62,415
Profit for the period						12,476	-316	12,160
Equity transaction costs net of tax		-795						-795
Loss from cash flow hedges			-592					-592
Loss from cash flow hedges of associates			-654					-654
Distribution from current period profits						-414		-414
Repayment of minority interest							16	16
Status as of 31 December 2007	31,350	528,450	7,769	-2,373	1,136	44,842	1,574	612,748
Dividends 2007						-51,727		-51,727
Profit for the period						18,400	58	18,458
Gain from cash flow hedges			3,226					3,226
Gain from cash flow hedges of associates			225					225
Distribution from current period profits							-39	-39
Repayment of minority interest							-12	-12
Status as of 30 September 2008	31,350	528,450	11,220	-2,373	1,136	11,515	1,581	582,879

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 2007 consolidated financial statements.

Notes to the consolidated financial statements

Up to September 2008, external loans of EUR 120.4 million were taken up. In essence, these are being used to finance the Forum transaction (EUR 101.8 million), the property of the Value6A portfolio in Saalfeld (EUR 8.4 million), one further property in the RMN portfolio (EUR 4.5 million) and the development of the Bienenkorbhaus FraSpa property on Frankfurt's Zeil (proportionate share of EUR 4.2 million). Of this, EUR 112.7 million is hedged through interest rate swaps.

Dividend

At its meeting on 14 May 2008, the General Shareholders' Meeting resolved payment of a dividend of EUR 51.7 million (EUR 1.65 per share). Payment took place on 15 May 2008.

Other information

There were no changes to the composition of the Board of Directors or the Supervisory Board during the period under review.

■ TO DIC ASSET AG

We have reviewed the interim consolidated financial statements, comprising the balance sheet, income statement, cash flow statement, statement of changes in equity and selected explanatory notes, and the interim Group management report of DIC Asset AG, Frankfurt am Main, for the nine-month period ended September 30, 2008, which are part of the quarterly financial report according to § 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim Group management report, which has been prepared in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a review report on the interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the 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 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 German Securities Trading Act 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 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, and that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports.

Nürnberg, 10 November 2008

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Rödl
Wirtschaftsprüfer

Danesitz
Wirtschaftsprüfer

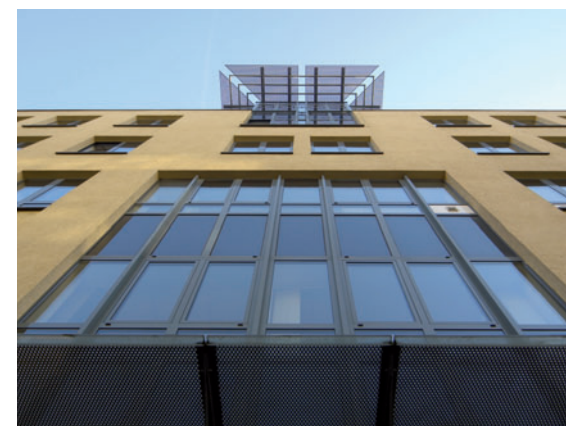
Konstanz,
Untere Laube



Mid left and right:
Opera Offices,
Hamburg



Koblenz, Rizzastraße



■ LONGER-TERM OVERVIEW BY QUARTER

EUR million	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008
Gross rental income	19.0	20.8	24.6	29.2	33.8	33.9	33.2
Proceeds from the sale of real estate	0.0	84.6	6.6	31.7	0.0	2.0	20.8
Total revenues	21.8	110.3	35.2	68.9	39.1	41.5	60.1
EBITDA	16.2	30.2	23.5	29.9	28.8	29.8	33.4
EBIT	12.1	25.3	18.7	23.9	21.9	22.5	26.5
FFO	10.4	10.2	8.8	15.2	11.0	17.5	10.5
EBDA	9.0	19.2	9.5	18.2	10.2	15.7	13.6
Profit for the period	4.9	14.4	4.7	12.1	3.3	8.4	6.7
Earnings per share (EUR)	0.17	0.49	0.17	0.42	0.11	0.27	0.21
Cash flow from operating activities	9.0	11.3	2.2	6.2	10.4	12.9	6.0
Market value of real estate assets *	1,306.3	1,671.5	1,757.0	2,187.5	2,385.6	2,382.6	2,358.1
Total assets	1,396.1	1,805.3	1,769.7	2,121.5	2,251.4	2,229.9	2,211.1
Equity	540.6	541.4	540.6	612.7	604.2	593.0	582.9
Equity ratio in %	38.7	30.0	30.5	28.9	26.8	26.6	26.4
Debt	855.5	1,263.9	1,229.1	1,508.8	1,647.2	1,636.9	1,628.2
Debt ratio in %	61.3	70.0	69.5	71.1	73.2	73.4	73.6

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

PORTFOLIO OVERVIEW

As at 30 September 2008

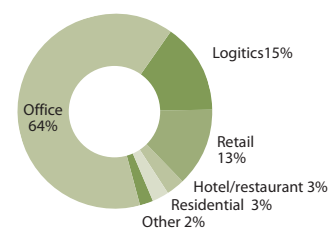
	Core	Value Added	Opportunistic Co-Investments	Gesamt
Number of properties	44	152	143	339
Portfolio volume in EUR million*	1,024.5	1,074.1	259.5	2,358.1
Portfolio proportion	43%	46%	11%	100%
Annualised gross rent in EUR million	66	65	14	145
Lettable area in sqm	444.000	676.000	163.000	1.283.000
Rental income per sqm in EUR **	12.00	9.50	8.20	10,30
Vacancy rate	1%	18%	18%	12%
Average remaining lease term in years	8	3	6	6

* based on appraisal values as of 31.12.2007, 1.3.2008 for the Forum portfolio

** not including parking spaces

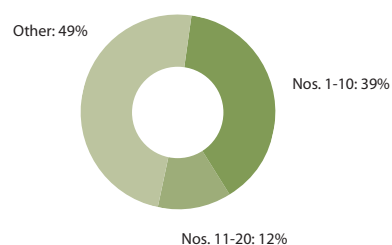
Usage

by lettable area



Main tenants

by rents paid p.a.



Portfolio growth

EUR million



LOCATION OF PROPERTY

by lettable area in sqm, as at 30 September 2008

