### Key Figures from 1 January to 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>2.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Total operating income</td>
<td>5.3</td>
<td>1.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>16.2</td>
<td>3.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>15.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Income from investments</td>
<td>21.1</td>
<td>5.9</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>7.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Shares in associates</td>
<td>316.4</td>
<td>297.8</td>
</tr>
<tr>
<td>Equity</td>
<td>127.2</td>
<td>120.0</td>
</tr>
<tr>
<td>Equity ratio in %</td>
<td>33.6</td>
<td>32.7</td>
</tr>
<tr>
<td>Total assets</td>
<td>379.1</td>
<td>366.7</td>
</tr>
</tbody>
</table>

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Dear Shareholders, Business Partners,
Employees and Friends,

Building fundamental safeguards and flexible commercial options into a business model means a company is prepared even for crises. DIC demonstrated this in an economically difficult year to the benefit of its shareholders and project partners. We are able to report consolidated profits in 2009 of over EUR 7 million, helped by the solid results of our investments.

We successfully combine choice real estate investments with our internal activities aimed at increasing value. The ability to interlink financial resources, operational know-how and opportunities offered by the market environment, is characteristic of DIC. This creates an effective business model comprising the following four factors:

- **Diversified investments:**
  We invest in real estate segments with differing income and risk profiles and through this diversification achieve success in all phases of the real estate cycle.

- **Increasing value through central asset management:**
  We manage our investments via a central asset management team and strengthen them through internal property management services and successful project developments.

- **Partnership with strategic investors:**
  We work closely with a group of skilled capital partners to secure a stable funding base for our investments for the long term and develop DIC’s excellent market position.

- **Streamlined corporate structure:**
  We operate with small and effective teams in specialised areas of activity, always with the aim of managing the real estate portfolio, currently amounting to EUR 3.2 billion, effectively and optimising it further.

In financial year 2009 we focused on property management activities within the DIC portfolio in order to strengthen our income base. With great success: we have stabilised rental income in a generally declining and strongly competitive environment and kept our investments’ contribution at a strong level. Overall, we can be satisfied with the success we have had in our business segments in view of the economic situation.

- **Through active property management and a strong operating performance DIC Asset AG was able to exceed its FFO forecast and realised consolidated profits of EUR 16.1 million.**
- **In opportunistic investments we achieved a good letting result and this generated the majority of last year’s contribution to earnings.**
- **We continued making steady progress on our project developments in a demanding and difficult market environment to ensure we shall have attractive space to market when the economy picks up. In autumn 2009, we took over the MainTor project completely with our capital partners. We have consistently pressed ahead with optimising urban planning.**
Letter to our Shareholders

Ullrich Höller, Chairman of the Management Board  
Prof. Dr. Gerhard Schmidt, Chairman of the Supervisory Board
There will be no economic boost for our sector in 2010. We are facing another challenging year for real estate that will continue to place great demands on our company. In this situation we will be relying on our strengths: a high yield portfolio within diversified property segments, our effective internal property management and attractive growth opportunities. For DIC and its investment companies this means in detail:

**Continued concentration on competitive advantages**
In 2010, we will continue to buck the trend in the letting market with excellent property management. To strengthen this, we acquired the 25.1% holding in our property manager DIC ONSITE from the former owner (FAY) via DIC Asset AG in the second half of 2009 and fully integrated it into the Group.

**Sales only at suitable prices**
Thanks to collaboration with long-term partners our financing structure has been organised in such a flexible way that we are not forced to sell properties at a certain time. We are in a position to sell only at attractive prices and at the right time in the interest of our shareholders.

**Targeting growth opportunities**
As a company with investments that generate substantial cash flow, we have good commercial options for extending our portfolio even in difficult periods. We are supporting DIC Asset AG’s activities in setting up a new business segment through which the benefits of the DIC Group in the areas of investment and property management are to be made accessible to other investors through the issue of investment company funds. In addition we are probing the market in order to exploit attractive opportunities for expanding our portfolio.

We would like to take this opportunity to thank our employees. They have accompanied us through these challenging times, showing excellent commitment, great loyalty and producing consistent performances at all times. We would like to thank our shareholders for their enduring confidence in DIC. We will again mobilise our forces for you in order to generate a strong result in the coming years.

Yours sincerely,

Prof. Dr. Gerhard Schmidt
– Chairman of the Supervisory Board –

Ulrich Höller
– Chief Executive Officer –
Focused strategy – lasting success

DIC focuses on activities that expand its income base over the long term.

An economically difficult year highlights the fundamental strengths of the business model.
In 2009 – a year of crisis – DIC’s interests generated around EUR 205 million in rental income alone.

The volume achieved in an environment characterised by general decline and intense competition was only just below the previous year’s high level.
**Focus on consistent cash flows**

DIC invests in real estate segments with differing return profiles.

This diversification enables it to achieve success in all phases of the real estate cycle.
The diverse commercial real estate portfolio is economically robust and provides reliable cash inflows.
Wide income base

DIC draws from many different sources to guarantee a strong cash flow.
Successful asset and portfolio management: DIC acquired the Grünhof commercial centre in Frankfurt am Main, which had a vacancy rate of 90%, repositioned it and, after consistently implementing the leasing concept, successfully placed it.
Focus on strong locations and liquid sub-markets

DIC concentrates its investments in regions with good general economic conditions.
- Investment is focused on economically strong regions: 80% of floor space in the portfolio is located in regions with favourable general economic conditions.

- 320 properties represent real estate assets of EUR 3.2 billion.

- Marketable properties: during the financial year, 24 properties were sold for around EUR 111 million to solvent interested parties.
Regional know-how

With six branches in economic heartlands, DIC ensures it has direct access to interesting facilities.
With a **letting volume** of 245,500 sqm, the company's own property management service exceeded the previous year's result by 25%.
Focus on each individual tenant

DIC strengthens its investments through expert in-house property management.
A satisfied tenant base: the volume of lease renewals increased by over 50%, while the average rental price remained stable.

The good rental result and intensive management strengthen the portfolio quality. Market values determined by independent experts confirm the soundness of the real estate portfolio in tough market conditions.

### Letting volume

<table>
<thead>
<tr>
<th>Year</th>
<th>New lettings</th>
<th>Renewals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>124</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>196</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>246</td>
<td></td>
</tr>
</tbody>
</table>

### Market value of real estate assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1,730</td>
</tr>
<tr>
<td>2007*</td>
<td>2,910</td>
</tr>
<tr>
<td>2008</td>
<td>3,309</td>
</tr>
<tr>
<td>2009</td>
<td>3,188</td>
</tr>
</tbody>
</table>

*as at 30 September; acquisitions in the course of the year at acquisition cost
In-house expertise for sustainable earning power

Some 100 members of staff are constantly employed in managing properties and looking after tenants.
DIC is committed to projects of high urban quality and visibility.

For the MainTor, a new district in the centre of Frankfurt, a competition was held involving internationally renowned architects in order to produce the best possible designs for the distinctive MainTor WinX and MainTor Panorama towers.

The MainTor development aims not only to make good use of the space, but also to rejuvenate a previously closed-off site: an attractive quarter that offers space for a variety of different uses complementing each other suitably.

Between the city’s central attractions – the Frankfurter Schauspielhaus theatre, the financial district, the historic streets around the Römerberg and the bank of the Main – MainTor opens up new perspectives and forges new links.
Focus on milestones in development

Despite a demanding and difficult market environment, DIC is able to pursue its development strategy undeterred. Sound planning, in-house expertise and strong capital partnerships form a stable foundation for ambitious ventures.
Around the prominent MainTor WinX, MainTor Panorama and MainTor Porta office blocks, a variety of other buildings are being constructed: a total of some 108,000 sqm to be put to a multitude of different uses.

In 2009, DIC made consistent progress in the necessary civil engineering and procedural stages of the project. The foundations have been laid for the decision on the development plan to be made by Frankfurt’s city councillors.
Platforms for tomorrow’s successful projects

With the know-how and commitment for pioneering redevelopments, DIC can be counted on as a capable investor.
As the strategic management holding company, DIC controls all activities and organises both the purchasing and sales processes, as well as project developments.

DIC’s real estate generates a total annual rental income of around EUR 205 million.

In 2009 the letting volume in the portfolio amounted to around 245,500 sqm (2008: 196,300 sqm).

At the beginning of 2010, DIC is pursuing two large development projects in Frankfurt and Hamburg with an investment volume of around EUR 540 million.

Consolidated profits for the financial year 2009 totalled EUR 7.1 million, while income from investments and associates totalled EUR 21.1 million.
Deutsche Immobilien Chancen AG & Co. KGaA (DIC) specialises in the commercial real estate segment in Germany. It pursues diversified investments and invests for the most part indirectly in real estate companies, property portfolios and individual real estate properties, and operates in the three business segments of Portfolio and Asset Management (via the listed company DIC Asset AG), Development and Opportunistic Investments. DIC’s investments are controlled via the group holding company and the increase in value of the portfolio is organised by asset management specialists. For larger project developments, it is able to call on the expert know-how of its own Development business segment.

DIC’s investment companies generate regular rental income from their real estate portfolios. The real estate is managed according to property-specific optimisation goals through an in-house property management team, increased in value through developments and redevelopments, and sold once their full potential for value has been realised.
The downturn in the first quarter of 2009 was noticeable in net terms for the export-dominated German economy and led to an overall decrease in gross domestic product of 5.0% for 2009. The labour market proved to be at least a stabilising element thanks to the massive extension of short working hours, as did domestic consumption due to the far-reaching economic stimulus packages. The federal government anticipates a slight growth of 1.4% in the German economy in 2010. There are, however, still risks connected with sustained recovery, including an expected gradual increase in unemployment when the programme of short-hours working ends.

Leasing market experiences a significant decline

As economic developments unfolded, the leasing market weakened substantially, resulting in a decrease compared with the previous year of just under 30%. In 2009, around 2.1 million sqm of office space was rented in total in the major office locations of Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart. The relatively stable labour market supported the leasing result. According to analysts at leading brokers, the trend was equally strong in
all the major office locations. As more new space has come on to the market than in the previous year, vacancies increased on balance by around 9.9% (+1.0 percentage points). With significantly reduced demand, intensive leasing activities, shorter terms and price reductions dominated events on the market. As a result, premium rents fell by an average of around 5%. With an increase in unemployment expected, a decline in the leasing market can be expected in 2010 compared with the previous year’s volume.

Transaction market experiences a slight recovery from the middle of the year onwards

The situation on the transaction market for commercial real estate was comparable with the previous year: equity-oriented investors dominated, borrowing conditions continued to be difficult and the volume of property, predominately traded in individual transactions, was small. According to brokers’ statistics, sales of just over EUR 10 billion were achieved, amounting to a decrease of around 50%. There were indications of a slight recovery at least from the middle of the year onwards: over EUR 3 billion was invested in each of the third and fourth quarters, while only just over EUR 2 billion had been invested in the first two quarters.

Investors were primarily interested in first-class properties with a low risk profile, good location and long lease. As in the previous year, transactions took place among domestic market players without significant international participation. Private investors showed particular commitment in 2009. Investments focused strongly on office properties with a share of around 42%. Retail properties in second place accounted for around 28% of the transaction amount. At around EUR 16 million, the average transaction size per property was below that of the previous year.

Business development

Positive result even in difficult conditions

We are satisfied with DIC’s result in view of the economic trend: at the end of the year, consolidated profit stood at EUR 7.1 million. We first and foremost supported and safeguarded the long-term foundation of our earnings from investments through our highly intensive leasing activities. The letting volume across the whole portfolio was expanded by 25% compared with 2008 to 245,500 sqm – an impressive success considering a market decline of almost 30%.

Solid contributions to success from our investments

The results from our real estate investments formed the basis for the positive annual result. In 2009, we realised income of EUR 6.4 million in our Portfolio and Asset Management business segment, through which the holding in DIC Asset AG is managed. Around EUR 14.7 million came from the Opportunistic Investments segment. Overall earnings from investments amounted to EUR 21.1 million in 2009.

Real estate management as a lever for increasing portfolio value

We mainly carry out our property and asset management activities through DIC ONSITE with six branches located in areas where our portfolio is concentrated. The range of tenant and leasing services provides us with good managerial opportunities for managing and optimising our real estate in a target-oriented manner. Managing property in-house is also fundamentally important from a strategic point of view: we get close to the market, gain valuable contact with tenants, investors and vendors and can act quickly and directly in the regional environment.
**Strong letting performance in shrinking market**

Despite the falling market trend, we let 245,500 sqm in our portfolio in 2009 – 25% more than in 2008. The majority of the volume (56%) comes from renewals of existing tenancy agreements, which underlines our tenants’ satisfaction. Overall, the letting volume represents rental income to the amount of EUR 24.8 million. Our activities enabled us to keep the occupancy rate of our opportunistic portfolio stable at 82% at the end of the year. In the portfolio as a whole, it amounted to 85% as at 31 December 2009 (31 December 2008: 86%).

**Efficiency measures with a direct impact**

In 2009, we made a detailed analysis of our real estate management activities, in particular technical property management, and identified both organisational and cost-effective measures. Initial, rapidly implemented measures reduced assignable ancillary costs by 2% in the past financial year alone. This cost optimisation increases our result and directly helps to ease the financial burden on our tenants, which is particularly important in a competition-oriented environment. In 2010, important measures will be implemented so that we can expect further significant savings here of 5% to 7%.

**Market value of real estate portfolio stands at EUR 3.2 billion**

As of 31 December 2009, our real estate assets under management encompassed real estate with a total floor space of around 2.0 million sqm. At the end of the year, independent experts assessed the market value of all properties. After the sharp fall in 2008, market values have stabilised and a tendency towards bottoming out can be detected. The market value of assets under management amounts to approximately EUR 3.2 billion as at 31 December 2009. At the end of the previous year, it stood at EUR 3.3 billion.

**Three additions to the portfolio**

In 2009, three properties from previous acquisitions moved into our portfolio in the Portfolio and Asset Management business segment when construction finished. The value of the properties stands at EUR 33.5 million with a floor space of around 13,000 sqm.

**Sales of smaller properties continued**

Smaller and medium-sized properties were the most marketable in 2009 in a generally cautious market. We therefore concentrated on these properties and may sell larger properties later in a more favourable market environment.

<table>
<thead>
<tr>
<th>Letting performance by forms of use</th>
<th>Letting volume +25%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area in sqm</strong></td>
<td><strong>2009</strong></td>
</tr>
<tr>
<td>Office</td>
<td>145,300</td>
</tr>
<tr>
<td>Retail</td>
<td>32,700</td>
</tr>
<tr>
<td>Other</td>
<td>60,200</td>
</tr>
<tr>
<td>Residential</td>
<td>7,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>245,500</strong></td>
</tr>
<tr>
<td>Parking (units)</td>
<td>1,990</td>
</tr>
<tr>
<td>Lettable area in sqm</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>196,300</td>
</tr>
<tr>
<td>2009</td>
<td>245,500</td>
</tr>
</tbody>
</table>
Transfers of title relating to 24 properties with a sales volume of EUR 110.6 million took place in 2009. The average transaction volume amounted to EUR 4.6 million. We exceeded the book values or market values determined at the end of 2008 in nearly all transactions.

**Employee numbers at previous year’s level**
As at 31 December 2009, DIC employed 45 staff. The average for the year was 47 staff (short financial year 2008: 46). Most of our employees work in accounting, asset management, development and controlling at our headquarters in Frankfurt. The DIC Group as a whole (including DIC Asset AG and DIC ONSITE) employed 157 staff as at 31 December 2009.

**Organisational optimisation in personnel**
DIC’s own staff work predominantly in asset management to increase the value of properties and investments, or are employed in accounting, reporting and controlling or development. The services we provide in these areas are not exclusively for DIC but also as services for our investments. Following strong growth in the previous years, we optimised processes in 2009 and created structures that are appropriate for the increased requirements.

**Focused asset management for opportunistic properties**
We control our opportunistic investments at portfolio level by means of a specialised asset management service. DIC employees are responsible for setting strategic objectives and control and optimise the implementation of value creation measures from a central point through our on-site real estate management teams. In a sharply declining market, the occupancy rate of the opportunistic portfolio remained stable at 82%.

**Change in the Supervisory Board**
On 30 March 2009, Christoph Munte resigned from the Supervisory Board. Marco Polenta was appointed to the Supervisory Board in his place. Marco Polenta is European Head of Real Estate at Morgan Stanley Real Estate Funds, London.

<table>
<thead>
<tr>
<th>Expansion of portfolio</th>
<th>Real estate assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets under management</strong></td>
<td><strong>EUR million</strong></td>
</tr>
<tr>
<td>Lettable area in sqm</td>
<td>1,968,000</td>
</tr>
<tr>
<td>Real estate assets EUR million</td>
<td>3,188</td>
</tr>
</tbody>
</table>

| **EUR million** |
| 1,730 | 2,910 | 3,309 | 3,188 |

* Market values as at 31 December, during the year: acquisition costs
Full integration of DIC ONSITE
Through effective, in-house real estate management, we ensure a stable cash flow, the maintenance of real estate value and the realisation of optimisation potential. DIC ONSITE manages DIC Group tenants and properties through six branches in Germany. Through its on-site presence and intensive activities, it was able to increase the letting result by 25% to 245,500 sqm in a declining market. This stabilised the rental income of the whole DIC portfolio considerably.

We again supported the strategy of direct real estate management in 2009: our DIC Asset AG participation acquired the remaining 25,1% of shares in DIC ONSITE. Property management is thus fully integrated into the DIC Group. As of 31 December 2009, 89 employees were working in the area of property and asset management across Germany.

New Funds business segment
Based on its strengths – success in investment and effective property management – DIC Asset AG has been making preparations in the last few months to make these benefits available in another business segment to a wider group of institutional investors. To this end, core properties in the portfolio with a low risk profile were identified first of all and the structural conditions necessary for the launch of a real estate special funds were created. DIC Asset AG will provide investment, portfolio, asset and property management services for this and future funds and will continue to have at least a 20% investment. Through the new business segment, our participation will expand its real estate investment spectrum and tap into additional groups of investors and other sources of income.
Sales realised above market values
In 2009, DIC Asset AG sold 13 properties from its direct portfolio with a pro rata volume of EUR 15.2 million. In view of the situation on the transaction market, sales activities concentrated on smaller to medium-sized properties. The market values established on 31 December 2008 were exceeded in the main and a pro rata profit of EUR 1.5 million was achieved.

Stable rental income, higher FFO
DIC Asset AG was able to maintain inflows from its portfolio at a stable level in a difficult environment thanks to the high letting volume: at EUR 133.6 million, rental income matches the level of the previous year (EUR 134.5 million). FFO (Funds from Operations), the key figure for cash flow from the DIC asset portfolio, increased slightly from EUR 42.7 to EUR 47.6 million.

Profit for the period of EUR 16.1 million
DIC Asset AG's consolidated profit for 2009 totalled EUR 16.1 million (2008: EUR 25.2 million) – a good figure in difficult times. The decrease, at a time when rental income was stable overall, is primarily due to higher expenses for intensive letting activities and lower profits on sales. Savings on financing costs partly compensated for the decrease. The contribution made to earnings by DIC Asset AG totalled around EUR 6.4 million in the financial year 2009.

Net asset value stable
The net asset value (NAV), the internal asset value of DIC Asset AG, stood at EUR 497.1 million as at 31 December 2009 and was thus slightly above the previous year. The adjustment to the market value of the real estate (-1.6%) contrasted with the increase in other assets, reserves and balance sheet profit.

When examining the value of our long-term participation in DIC Asset AG, which we report on the balance sheet at acquisition cost, we use the net asset value as a basis in conjunction with the value in use. Since we keep our properties in the portfolio on a medium- to long-term basis and, in some cases, carry out extensive repositioning and development measures, the value in use figure is to be used for the balance sheet instead of the pure market value. The market value has a short-term basis and only represents the sale value on the balance sheet date.

The NAV per DIC Asset AG share, based on the value in use, amounts to EUR 23.33. In the previous year, it was EUR 23.94.

\[
\begin{array}{|c|c|c|}
\hline
\text{FFO*} & \text{EUR million} \\
\hline
2007 & 44.6 \\
2008 & 42.7 \\
2009 & 47.6 \\
\hline
\end{array}
\]

\[
\begin{array}{|c|c|c|}
\hline
\text{Rental income} & \text{EUR million} \\
\hline
2007 & 93.6 \\
2008 & 134.5 \\
2009 & 133.6 \\
\hline
\end{array}
\]

* operating income from property management, before depreciation, tax and profits from sales and development projects; 2008 excluding profit from syndication of development
In our Opportunistic Investments business segment, we focus on real estate with a marked reward/risk ratio, which we usually acquire with co-investors. We use our specialised asset management skills to realise the medium-to long-term potential for added value offered by these properties. We also deploy the expertise available within the DIC Group to optimise, develop and reposition the properties. Our asset management team sets strategies a property and portfolio level, monitors measures aimed at adding value and realises profit through sales at favourable times.

**Real estate portfolio with a market value of around EUR 1.1 billion**

Our opportunistic portfolio consists of properties with a total area of 790,000 sqm. According to the annual valuation, its market value amounted to EUR 1,149 million as at 31 December 2009. After the deduction of our co-investors’ shares, DIC holds a volume of EUR 346 million. The opportunistic properties generate annualised rental income of around EUR 70 million. Our real estate portfolio is located predominately in the regions of Hamburg, North-Rhine Westphalia and the Rhine-Main area.
A focus on portfolio optimisation
In 2009, we concentrated on adding value over the long term and expanding leasing activities. In an economically demanding environment with an intensely competitive letting market, we achieved a letting volume of 77,700 sqm in our portfolio, which equates to rental income of EUR 7.4 million. The occupancy rate remained stable compared with 31 December 2008 at 82%.

Real estate sold for around EUR 86 million
In view of the still-cautious transaction market, we mainly placed smaller to medium-sized properties due to their higher marketability. Overall, title to eleven properties with a transaction amount of EUR 85.7 million was transferred in 2009. The largest property with a volume of EUR 47 million was the Grünhof business centre in Frankfurt, which is also home to DIC’s headquarters. With the sales proceeds, we mainly exceeded the carrying or market values determined in 2008. In total, we realised profits on sales of EUR 13.3 million, of which EUR 6.0 million was attributable to DIC.

MainTor project acquired in its entirety
In the third quarter of 2009, we acquired the shares of our investment partner Morgan Stanley Real Estate Funds (MSREF). Since then, the DIC Group has had a 100% holding in the MainTor project, 40% of which is attributable to our participation in DIC Asset AG. Also, as a result of advanced planning and approval measures, the acquisition of the shares resulted in a contribution to profits after restructuring under corporate law of around EUR 11.2 million. We are not ruling out the involvement of investment partners in the subsequent construction of individual sub-sections.
We carry out development work on suitable properties to achieve a significant increase in their value by repositioning the properties or increasing the space that can be used with major structural renovation or construction work. The Development business segment is responsible for the successful development of the properties held by the DIC Group. Our range of services encompasses the entire development process, from development, planning and preparing the property for occupation right through to the marketing of the properties.

**MainTor: development of a district in the heart of the city**

In Frankfurt, a modern urban district featuring a central square is being constructed in a prime location – between the city centre and the banks of the river Main. We are opening up the former isolated administrative quarter to the public and integrating it as part of attractive urban development project. The WinX office tower offers unique panoramic views and, at 100 metres high, will enhance the Frankfurt skyline. Two other towers, around 64 metres in height, are being constructed as smaller counterparts. Residential space and cultural attractions complete the offering.

The development plan process is close to completion. This is the basis for the first stage of construction, which will start in 2011 with the demolition of the buildings on Weißfrauenstraße in the north-east corner of the site.

One of the smaller towers, the MainTor Porta, is to be built in this first construction phase. The future architecture of the WinX and MainTor Panorama towers was decided on at the end of 2009 in the course of an architectural advisory procedure. The jury comprising representatives from the

**Three major projects**

We worked on three projects in 2009: MainTor and Opera Offices – both in the planning phase – were driven forward and the refurbishment of the Bienenkorbhaus was completed successfully. As at 31 December 2009, we hold an interest in long-term developments with a volume of around EUR 540 million.
City of Frankfurt, the DIC Group and independent experts chose the best designs from the seven put forward. After processing and examining the designs in detail, the plans of the architects KSP Jürgen Engel and Prof. Christoph Mäckler were chosen. They combined the most harmonious urban solution with optimum architectural aspects.

**Opera Offices: preconditions in place**

Two different developments are being created in Hamburg under the project name “Opera Offices”: a new building is being constructed in Große Theaterstraße directly opposite the Hamburg State Opera with a rotunda which curves round an atrium allowing the seven storeys to make effective use of land. The OpernPalais encompasses the redevelopment of an existing listed building on the plot in Dammtorstraße.

We were able to secure the long-term capital requirement for the upcoming realisation of the project ahead of schedule. After intensive planning and negotiations, we received planning permission for the new building in April 2009. Intensive letting discussions are currently under way for the project, which we will only implement with a firm pre-letting in place.

**Bienenkorbhaus: award-winning development**

The development of the Bienenkorbhaus from a redeveloped original building and of a modern new building on Frankfurt’s Zeil won the immobilienmanager.AWARD 2010 for the best German development.

In April 2009, the project was completed in a prime commercial location and handed over to the tenants. In March 2010, 85% of the space is already let long-term to tenants such as the Frankfurter Sparkasse, the shoe chain Görtz as well as lawyers and doctors.
Revenues and results

As an investment holding company, DIC holds almost exclusively minority interests in real estate and property companies. The Group result is, therefore, primarily determined by the results of its associates. As a result the profit and loss account only shows sales and expenses from real estate management to a limited extent. The results of our associates consist of rental earnings, as well as profits from the management of real estate and the sale of properties. Reporting year 2009 was preceded by a short financial year of three months (October to December 2008), making comparisons with the previous year meaningful only to a very limited extent.

Total operating revenue of EUR 5.3 million
Sales revenues in 2009 amounted to EUR 2.7 million (short financial year 2008: EUR 0.9 million). Most of the income came from the project development, accounting and reporting services DIC provides for its associates. In addition rental income was realised for a directly held property. Other operating income to the amount of EUR 2.6 million (short financial year 2008: EUR 0.2 million) came primarily from the release of provisions relating to properties that are no longer in the DIC portfolio.

Expense items at scheduled level
Expense items are affected above all by employee numbers and costs for current operations.

Material costs totalled EUR 1.3 million (short financial year 2008: EUR 0.1 million). The majority of these costs were incurred for agreed expansion work on a development before new tenants moved in. Revenue to the same amount offsets this expense.

In 2009 personnel expenses stood at EUR 4.0 million (short financial year 2008: EUR 1.2 million). Most of DIC’s 50 or so employees work in asset management, managing investments in the areas of development, and accounting and reporting. Some of these activities are provided as services for associated companies that have an effect on sales.

Depreciation and amortisation relate to scheduled impairments of EUR 0.8 million (short financial year 2008: EUR 0.2 million) as well as unscheduled impairments of EUR 0.2 million (short financial year 2008: EUR 0.0 million).

Other operating expenses totalled EUR 4.8 million (short financial year 2008: EUR 2.2 million) and covered, in particular, legal and consulting services, rental and ancillary costs, financing costs as well as other external services.
Net income from associates and investments at EUR 21 million

Income from DIC’s associated companies amounted to EUR 21.1 million (short financial year 2008: EUR 5.9 million). At EUR 14.7 million, the largest contribution to the income was made by DIC’s opportunistic investments segment, and comprises operational real estate business, property sales and a contribution following the increase in shares in the MainTor project. Our associated company DIC Asset AG contributed EUR 6.4 million to the result.

Financing expenses

The negative financial result in 2009 stood at EUR -13.2 million (short financial year 2008: EUR -4.8 million). Interest expenses increased due to the higher financing volume. Through the financing that was agreed at variable rates, we were able to benefit from a favourable interest rate during the financial year and thus partially compensate for the rise in expenses.

Group result EUR 7.1 million

We realised a profit of EUR 7.1 million for 2009. The positive contributions of our investments highlight the solid structure of our companies in the most difficult economic conditions of the last few decades, even though they are not unaffected by such conditions.

<table>
<thead>
<tr>
<th>Results overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from investments and associates</td>
</tr>
<tr>
<td>Profit for the period</td>
</tr>
</tbody>
</table>
Net assets and financial position

DIC’s total assets rose by EUR 12.4 million (+3%) compared with 31 December 2008 to EUR 379.1 million. The increase in investment in the MainTor project contributed in particular to this.

Holdings increased
Fixed assets increased by EUR 17.8 million (+6%) to EUR 327.3 million. Intangible assets were reduced through scheduled amortisations and unscheduled impairments in the case of goodwill. The increase of EUR 18.6 million in shares in associated companies is primarily due to the takeover of the MainTor project.

Equity ratio increases
As at 31 December 2009, DIC’s equity was EUR 7.2 million above the previous year’s level, at EUR 127.2 million, due to the positive profit for the period. The equity ratio increased as a result by 0.9 percentage points to 33.6%.

Current assets totalled EUR 36.1 million, EUR 10.6 million (-23%) below the level of the previous year. This was a result of the decrease in cash and cash equivalents and the reduction of sales tax claims. The charge for deferred tax assets increased by EUR 5.2 million (+53%) to EUR 15.0 million due to higher loss carryforwards within the consolidated companies.

Balance sheet overview

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>327.3</td>
<td>309.5</td>
</tr>
<tr>
<td>Current assets</td>
<td>36.1</td>
<td>46.7</td>
</tr>
<tr>
<td>Prepaid expenses and deferred taxes</td>
<td>15.7</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>379.1</strong></td>
<td><strong>366.7</strong></td>
</tr>
<tr>
<td>Equity</td>
<td>127.2</td>
<td>120.047</td>
</tr>
<tr>
<td>Provisions</td>
<td>2.0</td>
<td>4.7</td>
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<tr>
<td>Liabilities</td>
<td>249.9</td>
<td>242</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>379.1</strong></td>
<td><strong>366.7</strong></td>
</tr>
<tr>
<td>Equity ratio</td>
<td>33.6%</td>
<td>32.7%</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>66.4%</td>
<td>67.3%</td>
</tr>
</tbody>
</table>
Provisions reduced
Provisions fell by EUR 2.6 million to EUR 2.1 million. We were able to release provisions, in particular following the letting of space in Erfurt’s main post office, for which we had issued a letting guarantee, as well as in the course of liquidating the Fellbach property company.

Slight increase in liabilities
Liabilities increased slightly by EUR 7.8 million (+3%) to EUR 249.8 million. Liabilities to banks were reduced following the repayment of loans. We extended long-term financing with our strategic financial investors, which increased other liabilities.

Financing focused on the long term
For the most part, DIC utilises long-term financing and is able to call on its established strategic financial partners. The long-term financing comprises in particular convertible loans to the amount of EUR 45.0 million, as well as mandatory convertible loans to the amount of EUR 78.3 million. Liabilities to banks are primarily concluded on a medium- to long-term basis and are mainly collateralised by mortgages, securities, and fixed-term deposits.

Stable cash flow
The liquid assets position was only reduced slightly in financial year 2009 by EUR 1.0 million.

Both the result from associated companies (EUR 21.1 million) and the increase in deferred tax assets (EUR 5.1 million) were non-cash items in the past financial year. Income from associated companies was deliberately retained to strengthen the companies' ability to generate internal finance.

As we did not make any direct investments in financial year 2009, cash flow from investment activities amounted to around EUR 4.0 million. This comes primarily from the DIC Asset AG dividend payment for financial year 2008. The acquisition of the MainTor shares was carried out via one of our associated companies; no cash outflow arose for this due to the at-equity consolidation at Group level.

The inflow of capital from financing activities amounted to EUR 13.8 million.

DIC participates in DIC Asset AG’s capital increase

Our associate DIC Asset AG announced on 12 March 2010 that it was carrying out a capital increase from authorised capital. The capital increase by subscription rights through up to 7,837,499 shares (corresponding to up to 25% of the share capital) is to target existing shareholders. We want to participate actively in the capital increase and have therefore undertaken to take up fully the shares offered to us within the scope of the subscription right (3,085,657 shares) up to a price of EUR 6 per share.

The financing of the share acquisition is being undertaken with one of DIC’s strategic funding partners.

DIC’s risk management is an integral component in the principles of management and control within the Group and supports our company in achieving its goals. We scrutinised our risk management system closely and enhanced it during financial year 2009, particularly for monitoring financing risks. To this end, various stress tests involving not only different interest rate scenarios but also trends in letting properties and selling real estate were carried out. An external Data Protection Officer was also asked to analyse how the company handles sensitive data. All the findings of the audit were used to refine the monitoring systems with the aim of being able to identify risks and initiate suitable countermeasures in good time.

Risk early warning system

The aim of the risk management system is to recognise all relevant risks with regard to potential losses or disruptions and their causes at an early stage so as to be able to take the best possible countermeasures. Responsibility for this lies decentrally with the respective specialist level. Summary reporting and risk control processes are carried out centrally. Key business risks have been defined for a standard procedure. As a result employees are in a position to be able to recognise risks in their area of work in a structured manner.

Risk analysis and reporting

The risks which are identified are assessed in terms of the probability that they will occur and the extent of the potential loss is judged. The Management Board and the Supervisory Board as well as the decision-making bodies will be kept regularly and adequately informed via established reporting channels, in order to be able to establish risk control measures at an early stage.
Risk management and control
If necessary, the respective specialist managers, together with the Management Board, decide on an appropriate strategy for managing the risks. Controlling monitors the operating success of risk management and communicates changes from the planned development in good time.

Risk management documentation
The existing guidelines, procedures, instruments, areas at risk and responsibilities are recorded in writing in individual documents, which are kept up to date and are constantly developed further. A document summarises the key elements of the normal cycle introduced as part of the risk management system. On this basis, binding instructions on the standard conduct to be adopted across the Group in dealing with risks are conveyed to each employee tailored to his specific responsibilities.

Overview of risk categories

<table>
<thead>
<tr>
<th>External risks</th>
<th>Financial risks</th>
<th>Strategic risks</th>
<th>Operational risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Macroeconomic risks</td>
<td>▶ Interest rate risks</td>
<td>▶ Acquisition risks</td>
<td>▶ Letting risks</td>
</tr>
<tr>
<td>▶ Sector-specific risks</td>
<td>▶ Financing and liquidity risks</td>
<td>▶ Development risks</td>
<td></td>
</tr>
<tr>
<td>▶ Legal risks</td>
<td>▶ Valuation and investment risks</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

External risks
▶ Macroeconomic risks
A period of economic weakness represents a short to medium-term risk to revenue growth, especially with regard to letting activities. This risk relates primarily to the share of sales revenue from the letting of space that is currently vacant or tenancy agreements that may expire. To further minimise this risk, DIC concentrates in particular on long-term leases to prime tenants and on investments in rapidly growing regions.

▶ Sector-specific risks
In the letting market, a surplus of space can lead to price pressure and vacancies. DIC minimises this risk firstly by carrying out thorough checks on investments. Secondly, with DIC ONSITE, it has a property and asset management organisation operating across Germany which is able to implement appropriate property measures rapidly. The continuing strain on the financial system is also causing certain risks for the sector. The financing conditions remain difficult and the transaction market is blocked, which may have a negative effect on the sales goals.

▶ Legal risks
DIC is exposed to the risk that third parties will assert claims or file actions within the framework of normal business operations. For this purpose, all material acts carried out by the company are carefully checked in order to identify and avoid potential conflicts. There are no legal disputes, either pending or foreseeable, which could pose a considerable risk to the Company’s future development.

For 2010, we are assuming that the probability of external risks occurring is average. This would have a slightly to moderately serious financial impact.
Financial risks

▷ Interest rate risks
Interest rate changes can have a negative effect on profitability, liquidity, and the financial situation as well as on possibilities for expansion. The risk from rising interest rates is minimised by entering into long-term fixed-interest agreements and securing variable interest rate agreements. The DIC Group is taking advantage of the currently falling interest rate to restructure existing interest-rate hedging arrangements as well as conclude new ones.

▷ Financing and liquidity risks
Satisfaction of the Company’s ongoing financing requirements entails the risk of having to accept disadvantageous financing conditions in the event of any liquidity crunch. DIC’s liquidity planning monitors, controls and therefore prevents such liquidity squeezes. The financing requirement for operating business activities is secured in the long term.

At the level of the holding company of Deutsche Immobilien Chancen AG & Co. KGaA, the provision of capital resources by financial partners is guaranteed, including by means of mezzanine financing. The traditional working capital credit lines from commercial banks are structured as recourse financing. The payment of interest, together with capital repayments, are serviced from dividends and earnings from the sale of properties. At the portfolio level of associates, capital resources are provided pro rata by Deutsche Immobilien Chancen AG & Co. KGaA. Property financing is structured in the long term as non-recourse financing. The financing of working capital for the operating costs of portfolios (mainly maintenance and tenant fitouts) are secured by means of credit lines in the respective portfolio companies. The interest payments and the standard capital repayments are made from the cash flow generated by the real estate. Capital repayments are also made from income from associates as well as from the sale of properties.

When granting credit, financial covenants (credit clauses) are often agreed, in particular as part of the financing of real estate portfolios. A breach of these financial economic key figures leads to contractually agreed legal consequences which can have negative financial effects. Compliance with these key figures is permanently monitored and controlled by the Treasury department.

▷ Valuation and investment risks
The market value of the real estate of DIC’s investments is calculated annually by neutral ratings companies. The market valuation is subject to fluctuations and can be influenced by external factors. Any reduction can have effects above all on the balance sheet and the financing conditions. This also applies to our largest associate, DIC Asset AG, whose stock market value may be subject to fluctuations. Therefore, the net asset value, which has a more long-term focus, is used as an indicator of value (based on the value in use).

Overall, we rate the probability and impact of financing risks as moderate.

Strategic risks

▷ Acquisition risks
In the case of acquisitions, particularly large-scale portfolios, there are risks such as overvaluing potential income and synergies as well as undervaluing future cost increases and rental risks. In the event of acquisition opportunities, the company generally deals with this risk prior to any purchase being made by means of extensive due diligence and the preparation of risk-oriented business plans, which are adjusted on an ongoing basis in line with cost and earnings trends.
Development risks
Our project development activities are mostly arranged on a long-term basis. As a result, there are risks from market changes, construction costs being over budget and time delays, which may impact on the profitability of the projects. To reduce this risk, we only carry out development projects where suitable tenants have been found in advance. In addition, financing is secured at an early stage, close project and cost controlling is used and construction risks are covered by means of contracts and insurance.

Against the background of the current weak transaction market, we assess acquisition and transaction risks as low. We also consider development risks in 2010 as low, and the possible financial impact as moderately serious.

Operational risks
Letting risks
DIC prevents the risk of non-payment of rent by agreeing long-term leases for its properties with companies with a good credit standing. In addition, an intensive analysis of the property, market, location and tenants is performed when making acquisition decisions. Generally speaking, measures for renewing leases are taken early. We assume that expiring tenancy agreements can be compensated for in the short to medium term and the vacancy rate can be improved. We consider the probability of non-payment of rent to be low, as we do any financial impact.

Overall risk assessment
With regard to the risks explained in this report and the current business prospects, we do not expect any risks that may jeopardise the continued existence of DIC, despite the continuing difficult general macroeconomic conditions.

Forecast

German economy facing difficult recovery
2009 brought a significant decrease of 5.0% in gross domestic product. For the current financial year, the federal government is predicting a return to the growth path at the beginning of 2010 with an increase in domestic product of 1.4%. Despite the positive outlook, the year will bring risks. Following the successful stabilisation of the global financial system in 2009, the cohesion of the European economic system is being put to the test at the start of the current year. The success of the German economy in 2010 also remains greatly dependent on a stable global economy. In addition, it is expected that unemployment will increase gradually when the programmes of short-hours working end.

In view of the exceptional events and the massive support measures in the last few months, forecasts for 2010 are subject to great uncertainty. Given the continuing problems and the expected reaction of the rental market, which mirrors the economy albeit at a later date, we expect a downward trend in the commercial real estate market in Germany.

Well-positioned for a difficult letting year
The past year brought a decrease in letting of 30% in the market as a whole, and that was in a labour market that was virtually stable. At the start of 2010, the industry is facing the same challenges: we expect tenants to cancel or postpone their plans for expansion or relocation. Tenants will increasingly seek to extend existing tenancy agreements for the short to medium term. In addition, a deterioration in the labour market may act as a stress factor. In this situation, effective letting management with rapid, creative and demand-oriented solutions is an advantage. Thanks to our diversified portfolio and a property and asset management service that is active throughout Germany via DIC ONSITE, we are well-positioned to meet the challenges of the rental market.
No change to sales plans in the short term
The transaction market revived slightly in the second half of 2009, having started from a low level. We expect this slight recovery to continue over the coming months, but with no noticeable increase in transaction activities. This continues to be particularly true for larger-volume property or portfolio transactions. Our property objectives and the underlying financing structure give us sufficient flexibility in the transaction market. We are thus continuing with our selective sales strategy and will only sell properties for adequate returns. Our focus will therefore remain on smaller to medium-sized properties from our portfolio that can be sold at attractive prices even when there is limited activity in the market. In particular, we may delay the sale of larger properties if necessary, in order to achieve wider interest from purchasers, in particular from institutional investors.

Acquisitions outside core products possible
We shall proceed very selectively in the case of purchases in 2010. Offers were scarce during the last few months, apart from for first-class core products which, however, came up against strong demand and competition. We do not expect any significant growth in the coming months. In particular, we will examine closely the opportunity for opportunistic purchases of management-intensive properties as we have an optimum tool for increasing value in the shape of our established, Germany-wide property management service.

Opportunities at a glance
In 2010, we are continuing to concentrate primarily on organic growth from our own resources and thereby maintaining and increasing the long-term value of our portfolio properties and investments. Over the coming months, we shall further increase the efficiency of our portfolio and asset management in addition to intensive letting activities, to enable our tenants, too, to benefit from these measures through cost optimisation.

In addition, we are already setting a course for the further development of the DIC Group. We are supporting our associate DIC Asset AG in establishing its Funds business segment through organisational measures as well as through our network. With a range of funds products, our associate will give investors access to first-class core products that are managed and optimised through the Group’s established asset and property management service.

We are also making every effort with our associates, which are benefitting from a strong cash flow and a capacity to take decisive action even in difficult times, to use the forthcoming market consolidation trends to further develop our company and associates successfully. It is for this reason that we are participating in the capital increase of DIC Asset AG in March 2010 in order to extend the Company’s financial room for manoeuvre and enable it to exploit opportunities for selective acquisition.

Provided the economic environment does not deteriorate, we expect stable development during the current financial year, based on our strong property management, successful business model and the good positioning of the Company and its associates.
Consolidated Financial Statements for the Financial Year 2009

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Sales revenues</strong></td>
<td>2,719</td>
<td>894</td>
</tr>
<tr>
<td><strong>Other operating income</strong></td>
<td>2,568</td>
<td>163</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>5,287</td>
<td>1,057</td>
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<tr>
<td><strong>Cost of material and services</strong></td>
<td>-1,282</td>
<td>-89</td>
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<tr>
<td><strong>Gross profit</strong></td>
<td>4,005</td>
<td>968</td>
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<tr>
<td><strong>Personnel expenses</strong></td>
<td>-4,015</td>
<td>-1,167</td>
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<tr>
<td><strong>Depreciation and amortisation</strong></td>
<td>-1,027</td>
<td>-216</td>
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<tr>
<td><strong>Other operating expenses</strong></td>
<td>-4,828</td>
<td>-2,177</td>
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<tr>
<td><strong>Operating result</strong></td>
<td>-5,865</td>
<td>-2,592</td>
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<tr>
<td><strong>Income from investments</strong></td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td><strong>Other interest and similar income</strong></td>
<td>2,256</td>
<td>555</td>
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<tr>
<td><strong>Net income from associates</strong></td>
<td>21,054</td>
<td>5,843</td>
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<tr>
<td><strong>Depreciation on financial assets</strong></td>
<td>-30</td>
<td>-6</td>
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<tr>
<td><strong>Interest and similar expenses</strong></td>
<td>-15,490</td>
<td>-5,391</td>
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<tr>
<td><strong>Profit before tax</strong></td>
<td>1,957</td>
<td>-1,564</td>
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<tr>
<td><strong>Income tax expense</strong></td>
<td>5,132</td>
<td>1,455</td>
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<td><strong>Other taxes</strong></td>
<td>-5</td>
<td>1</td>
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<td><strong>Profit for the period</strong></td>
<td>7,084</td>
<td>-108</td>
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<tr>
<td><strong>Profit carried forward</strong></td>
<td>72,183</td>
<td>72,292</td>
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<tr>
<td><strong>Minority interest</strong></td>
<td>-13</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>79,254</td>
<td>72,183</td>
</tr>
</tbody>
</table>
### Consolidated Financial Statements

#### Consolidated balance sheet as at 31 December 2009

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>TEUR</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
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<td></td>
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</tr>
<tr>
<td>Concessions, industrial property rights, assets and licences</td>
<td>8</td>
<td>18</td>
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<tr>
<td>Goodwill</td>
<td>3,484</td>
<td>4,236</td>
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</tr>
<tr>
<td><strong>Total Intangible assets</strong></td>
<td><strong>3,492</strong></td>
<td><strong>4,254</strong></td>
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<tr>
<td>Tangible assets</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>6,393</td>
<td>6,551</td>
<td></td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>488</td>
<td>427</td>
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<tr>
<td><strong>Total Tangible assets</strong></td>
<td><strong>6,881</strong></td>
<td><strong>6,978</strong></td>
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<tr>
<td>Financial assets</td>
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<tr>
<td>Investments</td>
<td>481</td>
<td>523</td>
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</tr>
<tr>
<td>Investments in associates</td>
<td>316,431</td>
<td>297,756</td>
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<tr>
<td><strong>Total Financial assets</strong></td>
<td><strong>316,912</strong></td>
<td><strong>298,279</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work in progress</td>
<td>(634)</td>
<td>(634)</td>
<td></td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>515</td>
<td>1,041</td>
<td></td>
</tr>
<tr>
<td>Receivables from enterprises in which participations are held</td>
<td>30,232</td>
<td>32,073</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>783</td>
<td>8,050</td>
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</tr>
<tr>
<td><strong>Total Receivables and other assets</strong></td>
<td><strong>31,530</strong></td>
<td><strong>41,164</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,892</td>
<td>4,925</td>
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<tr>
<td><strong>Prepaid expenses</strong></td>
<td>741</td>
<td>650</td>
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<tr>
<td><strong>Deferred tax assets</strong></td>
<td>14,981</td>
<td>9,816</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>379,063</strong></td>
<td><strong>366,700</strong></td>
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</tr>
</tbody>
</table>
## Consolidated balance sheet as at 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>43,801</td>
<td>43,801</td>
</tr>
<tr>
<td>Share premium</td>
<td>4,355</td>
<td>4,355</td>
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<tr>
<td>Other revenue reserves</td>
<td>-212</td>
<td>-212</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>79,254</td>
<td>72,183</td>
</tr>
<tr>
<td>Minority interest</td>
<td>16</td>
<td>-80</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>127,214</td>
<td>120,047</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PROVISIONS</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax provisions</td>
<td>119</td>
<td>523</td>
</tr>
<tr>
<td>Other provisions</td>
<td>1,908</td>
<td>4,128</td>
</tr>
<tr>
<td><strong>Total Provisions</strong></td>
<td>2,027</td>
<td>4,651</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities to banks</td>
<td>26,280</td>
<td>41,497</td>
</tr>
<tr>
<td>Trade payables</td>
<td>645</td>
<td>798</td>
</tr>
<tr>
<td>Liabilities to enterprises in which participations are held</td>
<td>74,948</td>
<td>57,077</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>147,949</td>
<td>142,630</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>249,822</td>
<td>242,002</td>
</tr>
</tbody>
</table>

| **Total Equity and Liabilities** | 379,063 | 366,700 |
## Consolidated statement of cash flow as at 31 December 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating profit</td>
<td>7,084</td>
<td>-108</td>
</tr>
<tr>
<td>Gains from sale of investments</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>1,027</td>
<td>216</td>
</tr>
<tr>
<td>Depreciation on financial assets</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>Movements in receivables, payables and provisions</td>
<td>-825</td>
<td>75</td>
</tr>
<tr>
<td>Other non-cash transactions</td>
<td>-26,219</td>
<td>-7,152</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td><strong>-18,874</strong></td>
<td><strong>-6,969</strong></td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Dividends received</td>
<td>3,789</td>
<td>0</td>
</tr>
<tr>
<td>Acquisition/disposal of investments</td>
<td>-20</td>
<td>-4,473</td>
</tr>
<tr>
<td>Loans to enterprises in which participations are held</td>
<td>396</td>
<td>-1,138</td>
</tr>
<tr>
<td>Acquisition of office furniture and equipment</td>
<td>-167</td>
<td>-103</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>4,026</strong></td>
<td><strong>-5,714</strong></td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>45,533</td>
<td>19,125</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>-31,801</td>
<td>-15,211</td>
</tr>
<tr>
<td>Acquisition/repayment of minority interest</td>
<td>83</td>
<td>-11</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td><strong>13,815</strong></td>
<td><strong>3,903</strong></td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td><strong>-1,033</strong></td>
<td><strong>-8,780</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the period</td>
<td>4,925</td>
<td>13,705</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at 31 December</strong></td>
<td><strong>3,892</strong></td>
<td><strong>4,925</strong></td>
</tr>
<tr>
<td>TEUR</td>
<td>Issued capital</td>
<td>Share premium</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status as at 30 September 2007</td>
<td>43,801</td>
<td>4,355</td>
</tr>
<tr>
<td>Dividends 2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of treasury shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status as at 30 September 2008</td>
<td>43,801</td>
<td>4,355</td>
</tr>
<tr>
<td>Profit for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Withdrawals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status as at 31 December 2008</td>
<td>43,801</td>
<td>4,355</td>
</tr>
<tr>
<td>Profit for the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition/repayment of minority interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status as at 31 December 2009</td>
<td>43,801</td>
<td>4,355</td>
</tr>
</tbody>
</table>
I. General information

On 7 November 2008, the Annual General Meeting resolved to change the financial year of the parent company, Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main (hereinafter abbreviated to DIC), to the calendar year. The previous reporting period (the “previous year”) comprised the period from 1 October 2008 to 31 December 2008. As a result, there is only limited comparability between the financial year and the previous year.

The consolidated financial statements of Deutsche Immobilien Chancen AG & Co. KGaA, Frankfurt am Main, for the financial year 2009 were prepared in accordance with the German Commercial Code (Handelsgesetzbuch, HGB) and the German Stock Corporation Act (Aktiengesetz, AktG), as well as in accordance with the rules stipulated in the Articles of Association.

II. Scope of consolidation

Apart from DIC, the consolidated financial statements include by way of full consolidation the companies in which DIC directly or indirectly holds the majority of voting rights as shown below.

DIC Asset AG, Frankfurt am Main, is included in the present consolidated financial statements with 39.38% at equity.

DIC MainTor Erste Beteiligungs GmbH is under joint management with DIC Capital Partners (Germany) GmbH & Co. KGaA. It is included in the present consolidated financial statements with 51% at equity.

DIC Starwood Immobilien GmbH, Frankfurt am Main, in which DIC holds a 15.0% interest, is included as an associate under the equity method due to the fact that DIC exercises significant influence. Likewise, ARCA Siebte Vermögensverwaltungs- und Beteiligungs GmbH, Frankfurt am Main, in which DIC holds a 50.0% interest, is included as an associate under the equity method as in the previous year.

In addition, the Company holds equity interests of 30.0%, respectively in DIC MSREF HMDD Portfolio GmbH, Frankfurt am Main, in DIC MSREF HT Portfolio GmbH, Frankfurt am Main, in DIC MSREF FF Südwest Portfolio GmbH, Frankfurt am Main, in DIC Opportunistic GmbH, Frankfurt am Main and in DIC Development GmbH, Frankfurt am Main. As in the previous year, the equity investments were included as associates in the consolidated financial statements under the equity method in accordance with section 311 HGB.

### Notes to the Consolidated Financial Statements

for the Financial Year from 1 January 2009 to 31 December 2009

<table>
<thead>
<tr>
<th>Company name</th>
<th>Registered office</th>
<th>Equity interest (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIC Projektentwicklung Beteiligungs GmbH</td>
<td>Frankfurt am Main</td>
<td>100.0</td>
</tr>
<tr>
<td>DIC Projektentwicklung GmbH &amp; Co. KG</td>
<td>Frankfurt am Main</td>
<td>100.0</td>
</tr>
<tr>
<td>DIC Projekt Frankfurt 1 GmbH &amp; Co. KG</td>
<td>Frankfurt am Main</td>
<td>100.0</td>
</tr>
<tr>
<td>Deutsche Immobilien Chancen Objekt Coburg GmbH</td>
<td>Erlangen</td>
<td>100.0</td>
</tr>
<tr>
<td>DIC Opportunity Fund GmbH</td>
<td>Frankfurt am Main</td>
<td>100.0</td>
</tr>
<tr>
<td>Hauptpost Erfurt Beteiligungs GmbH</td>
<td>Frankfurt am Main</td>
<td>94.0</td>
</tr>
<tr>
<td>Hauptpost Erfurt GmbH &amp; Co. KG</td>
<td>Frankfurt am Main</td>
<td>99.6*</td>
</tr>
<tr>
<td>DIC ML GmbH</td>
<td>Frankfurt am Main</td>
<td>100.0</td>
</tr>
<tr>
<td>Deutsche Immobilien Chancen Objekt Fellbach GmbH &amp; Co. KG</td>
<td>Erlangen</td>
<td>100.0**</td>
</tr>
<tr>
<td>DIC OF Reit 4 GmbH</td>
<td>Frankfurt am Main</td>
<td>100.0***</td>
</tr>
</tbody>
</table>

* including the indirect interest of Hauptpost Erfurt Beteiligungs GmbH of 6.0%

** only expenditure and income up to 31 December 2009

*** indirect interest, subsidiary company of DIC Opportunity Fund GmbH; only expenditure and income up to 31 August 2009
As in the previous year, DIC Hamburg Portfolio GmbH, Frankfurt am Main, and DIC HI Portfolio GmbH, Frankfurt am Main, are included in the consolidated financial statements with 1.8% at equity.

As of 31 December 2009, the fully consolidated company Deutsche Immobilien Chancen Objekt Fellbach GmbH & Co. KG was dissolved.

"Meet at the casino" Trier GmbH, Trier, in which DIC held a 50.0% interest, was liquidated as at 31 December 2009.

DIC OF Reit 4 GmbH was sold on 31 August 2009, and the interest in DIC BW Portfolio GmbH on 31 March 2009, by DIC Opportunity Fund GmbH.

III. Principles of consolidation

The consolidated financial statements include the annual financial statements or the interim financial statements of all included companies which were prepared as at the same reporting date. Acquisitions are accounted for in accordance with the revaluation method, by offsetting the cost of acquisition with the share in equity of the subsidiaries at the time of acquisition or initial consolidation.

Interests in associates within the meaning of section 311 HGB are measured in accordance with the equity method (book value method). The purchase price exceeding the pro rata share in equity upon initial consolidation performed at the time of the first-time inclusion is treated as a difference arising on consolidation, and carried forward accordingly.

Associates DIC Asset AG and DIC Opportunistic GmbH prepare their consolidated financial statements in accordance with the regulations of the International Financial Reporting Standards (IFRS). On the basis of the IFRS consolidated financial statements of DIC Asset AG and DIC Opportunistic GmbH, the result attributable to these equity investments is calculated in accordance with section 312 (5) HGB.

Associates were incorporated in principle with their part of the consolidated financial statements at equity. The associate DIC MainTor Erste Beteiligungs GmbH was incorporated with its separate financial statements at equity.

Within the context of the consolidation of debt, intercompany receivables and liabilities must be eliminated. Inter-company profits and losses are eliminated.

IV. Principles of classification

The consolidated financial statements were prepared in accordance with the HGB. The balance sheet corresponds in principle to the statutory classification format as set out in section 266 (2 and 3) HGB. As in the previous year, the income statement has been prepared under the nature of expense method (section 275 (2) HGB).

V. Accounting policies

The reporting date for included companies is 31 December of each year or 31 August. The annual financial statements or interim financial statements of the companies included in the consolidated financial statements were prepared as at 31 December 2009, generally using accounting policies applied consistently throughout the Group (due to DIC Asset AG and DIC Opportunistic GmbH, cf. III above).

Purchased intangible assets, as well as tangible assets, are accounted for at cost and are amortised or depreciated, as appropriate, over their useful lives on a straight-line basis.
The useful life of buildings is 40 years, while the useful life of intangible assets and tangible assets other than buildings corresponds to tax principles.

Goodwill is carried at cost of acquisition and amortised over its useful life on a straight-line basis. The amortisation period is 15 years.

Low-value assets within the meaning of section 6 (2) of the German Income Tax Act (Einkommensteuergesetz, EstG) with an amount of less than EUR 150.00 are depreciated immediately. Low-value assets with amounts between EUR 150.00 and EUR 1,000.00 are grouped. The compound items are amortised over 5 years.

Equity investments in which DIC has significant influence are included in the consolidated financial statements under the equity method. The cost of acquisition with regard to equity investments accounted for under the equity method are increased or reduced each year by the changes in equity corresponding to DIC’s share in equity. In this regard, one indicator of the subsequent valuation is the net asset value (NAV) of the investment. This is based on the market values of the real estate held by the associate, values which are verified annually by independent experts on the basis of each individual property. As a result of the dividend payout on the one hand and market value adjustments in the portfolio on the other, the NAV per share of DIC Asset AG at the end of the year fell by 2.28% to EUR 15.86 (previous year EUR 16.23). We do not consider this fall in overall market values to be long-term in nature and base this judgement on the utility values of the individual properties.

When valuing shares in associates the company treats the real estate held by associates as investments. This is therefore reported at historical acquisition cost.

receivables and other assets are carried at nominal value or at cost, or at the lower fair value as at the balance sheet date.

Bank balances are recognised at their nominal value.

Prepaid expenses are measured at nominal values, reduced by amortisation on a straight-line basis. Amortisation of deferred processing fees is performed over the term of the loan.

Deferred tax assets are reported as the company’s balance sheet items in accordance with section 274 (1) in association with section 298 (1) HGB.

Tax provisions are recognised in the amount of the expected liability due to taxable income, or the corresponding tax base. Provisions for deferred tax liabilities are calculated on the basis of the average tax liability.

The other provisions have been measured on the basis of prudent business judgment, and take account of all risks and uncertain liabilities, which are identifiable at the balance sheet date in an appropriate way.

Liabilities are recognised at their redemption amount.
VI. Notes to the balance sheet

1. Fixed assets

The presentation of and the changes in fixed assets according to section 268 (2) HGB are included in the annex attached.

The reported interests in associates relate to the companies shown in the table below:

In addition, DIC holds an equity interest of 33.33% in WPW Immobilienentwicklungsgesellschaft Nr. 1 GmbH, Trier (carrying amount: TEUR 138; shareholders’ equity as at 31 December 2008: TEUR 329; net income for the financial year 2008: TEUR 8), via the Group Company DIC Projektentwicklung GmbH & Co. KG, Frankfurt am Main, and an equity interest in DIC GMG GmbH, Frankfurt am Main (carrying amount: TEUR 15; shareholders’ equity as at 31 December 2009: TEUR 44; shortfall for the financial year 2009: TEUR 6), via the Group Company DIC Opportunity Fund GmbH, Frankfurt am Main.

---

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DIC Asset AG, Frankfurt am Main</td>
<td>39.38</td>
<td>250,364</td>
<td>247,715</td>
</tr>
<tr>
<td>DIC MainTor Erste Beteiligungs GmbH, Frankfurt am Main</td>
<td>51.00</td>
<td>26,740</td>
<td>15,516</td>
</tr>
<tr>
<td>DIC Opportunistic GmbH, Frankfurt am Main</td>
<td>30.00</td>
<td>10,176</td>
<td>10,669</td>
</tr>
<tr>
<td>DIC MSREF HMDD Portfolio GmbH, Frankfurt am Main</td>
<td>30.00</td>
<td>6,850</td>
<td>5,939</td>
</tr>
<tr>
<td>DIC MSREF FF Südwest Portfolio GmbH, Frankfurt am Main</td>
<td>30.00</td>
<td>8,173</td>
<td>6,368</td>
</tr>
<tr>
<td>DIC MSREF HT Portfolio GmbH, Frankfurt am Main</td>
<td>30.00</td>
<td>7,084</td>
<td>4,734</td>
</tr>
<tr>
<td>ARCA Siebte Vermögensverwaltungs- und -beteiligungs GmbH, Frankfurt am Main</td>
<td>50.00</td>
<td>6,061</td>
<td>5,330</td>
</tr>
<tr>
<td>DIC Starwood Immobilien GmbH, Frankfurt am Main</td>
<td>15.00</td>
<td>452</td>
<td>460</td>
</tr>
<tr>
<td>DIC HI Portfolio GmbH, Frankfurt am Main</td>
<td>1.80</td>
<td>418</td>
<td>814</td>
</tr>
<tr>
<td>„Meet at the Casino“ Trier GmbH, Trier</td>
<td>50.00</td>
<td>0</td>
<td>89</td>
</tr>
<tr>
<td>DIC Hamburg Portfolio GmbH, Frankfurt am Main</td>
<td>1.80</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>DIC BW Portfolio GmbH, Frankfurt am Main</td>
<td>1.80</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>DIC Development GmbH, Frankfurt am Main</td>
<td>30.00</td>
<td>7</td>
<td>11</td>
</tr>
</tbody>
</table>

316,430 297,756
2. Receivables and other assets

All receivables and other assets have a remaining term of less than one year.

3. Prepaid expenses

Prepaid expenses mainly include a disagio for borrowings totalling TEUR 656.

In addition, a deferred charge is reported here for deferred taxes totalling TEUR 14,045. The formation of these items is based entirely on deferred tax assets on tax loss carry-forwards.

4. Share capital

As in the previous year, the Company’s share capital amounts to EUR 43,800,657.00, divided into 43,800,657 no-par value bearer shares, with a proportionate share in the share capital of EUR 1 per share.

5. Conditional capital, convertible bonds and convertible loans

The capital created to provide for Series 3 option rights and convertible bonds granted to members of the Management Board (Conditional Capital III) was increased by EUR 50,000.00 in accordance with the resolution of the Annual General Meeting on 6 October 2005. This was registered in the commercial register on 2 November 2005. Conditional Capital III was additionally increased, on the basis of the resolution of the Annual General Meeting, on 15 March 2006 as part of the capital increase from reserves, and amounts to EUR 271,938.59 (previous year: EUR 241,734.00) as of the balance sheet date. This additional resolution was registered in the commercial register on 28 April 2006.

In accordance with the resolution by the Annual General Meeting on 6 October 2005, the General Partner was authorised to issue – on one occasion until 31 December 2009 – three Series 6 bonds with warrants at a nominal amount of EUR 50,000.00 each (total nominal amount: EUR 150,000.00). Series 6 bonds do not carry interest. They are planned to be issued at a nominal amount of EUR 50,000.00 each to Bayerischer Versicherungsverband Versicherungsaktiengesellschaft, Westfälische Provinzial Le­bensversicherung Aktiengesellschaft and Provinzial Rhein­land Lebensversicherung AG. The Annual General Meeting resolved on 6 October 2005 to conditionally increase the share capital by up to EUR 11,300,000.00, divided into 11,300,000 bearer shares, for the purpose of granting option rights to acquire shares to the holders of Series 6 bonds with warrants (Conditional Capital VI). This conditional capital increase will only be performed to the extent that such option rights are actually exercised. The shares are entitled to participate in the Company’s profit as of the beginning of the financial year in which they arise, as a result of the exercise of option rights. This additional resolution was registered in the commercial register on 2 November 2005. Conditional Capital VI was increased on the basis of the resolution of the Annual General Meeting on 15 March 2006 as part of the capital increase from reserves, and amounts to EUR 12,711,931.99. This additional resolution was registered in the commercial register on 28 April 2006.

Conditional capital totalled EUR 12,983,870.58 as of the reporting date.
In December 2004, DIC Asset AG and Provinzial Rheinland Lebensversicherung AG, Westfälische Provinzial Lebensversicherung Aktiengesellschaft and Bayerischer Versicherungsverband Versicherungsaktiengesellschaft, together concluded loan agreements for an amount of TEUR 15,000 each. The lenders have assigned to DIC their repayment claims against DIC Asset AG on the basis of the loans granted to DIC Asset AG to date. The corresponding receivable totalling TEUR 45,000 was contributed to DIC Asset AG within the scope of capital increase by contributions in kind. The loans have a fixed term running until 31 December 2010. Interest is paid once per year, on 31 December. No scheduled repayments are planned. The relevant lender is entitled to exchange the repayment claim for DIC shares, utilising the aforementioned authorised or conditional capital. This option may be exercised in the period from 1 January 2009 to 31 December 2009. It had not been exercised as at the balance sheet date.

The Provinzial Rheinland Lebensversicherung AG convertible loan was taken over by DIC Capital Partners III Grund- und Beteiligungs GmbH at the 31 August 2009 fair value with a value date of 11 September 2009 through a transfer agreement of 9 September 2009. Through another transfer agreement of 9 September 2009, DIC Capital Partners III Grund- und Beteiligungs GmbH assigned the loan to DICP Capital SE in rem as of 1 October 2009 and in economic terms as of 1 January 2010.

6. Share premiums

The share premiums include sums in accordance with section 272 (2) HGB totalling TEUR 4,355.


Tax provisions include provisions for deferred tax liabilities in accordance with section 274 HGB amounting to TEUR 48 (previous year: TEUR 41). In addition, this item includes provisions for trade tax of TEUR 71 (previous year: TEUR 473) and for corporate taxes of TEUR 0 (previous year: TEUR 9).

Other provisions amounting to TEUR 1,908 (previous year: TEUR 4,128) essentially comprise TEUR 437 for provisions for remaining construction costs of completed and invoiced projects (previous year: TEUR 2,199), TEUR 511 for outstanding invoices (previous year: TEUR 280), TEUR 542 for profit-sharing bonuses (previous year: TEUR 702), TEUR 150 for the remuneration of members of the Supervisory Board (previous year: TEUR 188), TEUR 15 for guarantees (previous year: TEUR 95), TEUR 41 for outstanding vacation entitlements (previous year: TEUR 57) as well as TEUR 94 for auditing and tax consultation costs (previous year: TEUR 159).
8. Liabilities

Liabilities to banks are collateralised by mortgages (TEUR 4,753), as well as by pledged securities (TEUR 21,528).

Other liabilities refer mainly to convertible loans (TEUR 45,000) and two mandatory convertible loans (TEUR 78,265). Other liabilities of EUR 144,779 are collateralised by means of pledged securities and shares in GmbHs.

### VII. Notes to the income statement

#### 1. Sales revenues

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from rental and lease agreements</td>
<td>574</td>
<td>153</td>
</tr>
<tr>
<td>Revenues from management, project development and other services</td>
<td>2,145</td>
<td>741</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,719</strong></td>
<td><strong>894</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Total</th>
<th>Remaining term to maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1</td>
<td>1 bis 5</td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>26,280</td>
<td>21,672</td>
</tr>
<tr>
<td>(Previous year)</td>
<td>(41,497)</td>
<td>(19,246)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>645</td>
<td>645</td>
</tr>
<tr>
<td>(Previous year)</td>
<td>(798)</td>
<td>(798)</td>
</tr>
<tr>
<td>Liabilities to enterprises in which participations are held</td>
<td>74,948</td>
<td>74,948</td>
</tr>
<tr>
<td>(Previous year)</td>
<td>(57,077)</td>
<td>(57,077)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>147,949</td>
<td>75,293</td>
</tr>
<tr>
<td>(Previous year)</td>
<td>(142,630)</td>
<td>(24,974)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>249,822</strong></td>
<td><strong>172,558</strong></td>
</tr>
<tr>
<td>(Previous year)</td>
<td><strong>242,002</strong></td>
<td><strong>102,095</strong></td>
</tr>
</tbody>
</table>
2. Other operating income

Other operating income includes mainly earnings from the release of provisions with TEUR 1,327 (previous year: TEUR 73) and TEUR 89 for payments in kind (previous year: TEUR 26).

3. Personnel expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>3,518</td>
<td>1,038</td>
</tr>
<tr>
<td>Social security contrib.</td>
<td>497</td>
<td>129</td>
</tr>
<tr>
<td>thereof: pensions</td>
<td>(28)</td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td>4,015</td>
<td>1,167</td>
</tr>
</tbody>
</table>

4. Other operating expenses

Other operating expenses mainly include expenses of TEUR 933 for rental and ancillary costs (previous year: TEUR 161), TEUR 792 for rental exemption to DIC Opportunistic GmbH (previous year: TEUR 0), TEUR 407 for legal and consultancy costs (previous year: TEUR 244), TEUR 370 for the costs of raising funds (previous year: TEUR 165) and TEUR 249 for other external services (previous year: TEUR 391).

5. Net income from associates

The reported amount includes the proportionate consolidated result of DIC Asset AG for the period from 1 January 2009 to 31 December 2009 of TEUR 6,352 (previous year: TEUR 2,645) and the income from opportunistic co-investments of TEUR 14,702 (previous year: TEUR 3,198).

6. Interest expenses

Interest and similar expenses relate to interest for convertible loans of TEUR 3,375 (previous year: TEUR 844) and TEUR 4,845 (previous year: TEUR 2,626) in interest for the mandatory convertible loans.

VIII. Notes to the cash flow statement

The funds in the cash flow statement include all liquid funds shown on the balance sheet, i.e. cash on hand and credit balances with banks that can be made available within three months. As at 31 December 2009, the use of these funds was not subject to any restrictions.

Cash flows from investment and financing activities are calculated on the basis of payments. Material investing and financing activities that did not result in changes in cash or cash equivalents did not occur in the financial year.

The cash flow from operating activities is indirectly derived from the profit for the period before interest and income tax.
IX. Notes to statement of changes in equity

The Group’s parent company’s net income for the year, amounting to TEUR 63,243, is not subject to any dividend payout restriction.

X. Other disclosures

1. Contingent liabilities

As at the balance sheet date, joint liability exists in favour of enterprises in which a stake is held, from jointly concluded loan agreements totalling TEUR 32,932.

2. Number of employees

The Group employed 47 (previous year: 46) people on average during the financial year.

3. Financial commitments

On 12 March 2010, our holding DIC Asset AG announced the execution of a capital increase from approved capital. The capital increase through an issue of subscription rights to up to 7,837,499 shares (corresponding to up to 25% of the share capital) is intended to target existing shareholders. We would like to play an active part in the capital increase and have thus committed ourselves to purchase all of the shares (3,085,657) offered as part of the subscription rights issue up to a subscription price of EUR 6 per share. The share purchase from the offer of subscription rights is to be financed together with a strategic financing partner of DIC.

A lease agreement is in effect between Bayerische Beamtenversorgungskammer and Deutsche Immobilien Chancen AG & Co. KGaA for the office space used by the company which has provided for a payment obligation of TEUR 78 monthly since 1 April 2008. The agreement remains in effect for 5 years. If the lease agreement is not terminated in writing at least 12 months prior to expiration, it is automatically extended by an additional 12 months.

4. Breakdown of auditor’s fees

The fees of TEUR 145 recorded in the financial year as expenses for the auditor (including separate financial statements) can be broken down as follows:

Audits of the financial statements: TEUR 126
Tax consultancy services: TEUR 19
3. Supervisory Board

The following are members of the Supervisory Board:

Prof. Dr. Gerhard Schmidt (Chairman), Glattbach, lawyer

Klaus-Jürgen Sontowski (Deputy Chairman), Nuremberg, entrepreneur

John Carrafiell, Managing Partner of Alpha Real Estate Advisors LLP, London/UK

Bernd W. Schirmer, Leipzig, entrepreneur

Günter Schlatter, Member of the Management Board of RAG-Stiftung, Essen

Hermann Aukamp, Düsseldorf, Departmental Manager, Head of Real Estate Investment, Nordrheinische Ärzteversorgung

Christoph Munte, Frankfurt am Main, Executive Director, Morgan Stanley Real Estate
(until 30 March 2009)

Marco Polenta, Frankfurt am Main, European Head of Real Estate Morgan Stanley Real Estate Funds, London
(from 22 May 2009)

The total remuneration for members of the Supervisory Board totalled TEUR 150 in the financial year.

4. Management Board

The Management Board of the General Partner Deutsche Immobilien Chancen Beteiligungs AG, Frankfurt am Main, consisted of:

Ulrich Höller (Chairman), Graduate in Business Administration, Real Estate Management (European Business School) FRICS, Dreieich-Buchschlag

Ignace Van Meenen, Doctor of Law, Frankfurt am Main

Johannes von Mutius, Graduate in Business Management, Frankfurt am Main

Frankfurt am Main, 22 March 2010

Ulrich Höller

Dr. Ignace Van Meenen

Johannes von Mutius
### Fixed assets schedule as at 31 December 2009

<table>
<thead>
<tr>
<th>TEUR</th>
<th>Cost</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance as at 31 Dec 2008</td>
<td>Additions</td>
<td>Disposals</td>
<td>Balance as at 31 Dec 2009</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concessions, industrial property rights, assets and licences</td>
<td>108</td>
<td>9</td>
<td>0</td>
<td>117</td>
</tr>
<tr>
<td>Goodwill</td>
<td>8,085</td>
<td>0</td>
<td>0</td>
<td>8,085</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,193</td>
<td>9</td>
<td>0</td>
<td>8,202</td>
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<tr>
<td><strong>Tangible assets</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Land and building</td>
<td>7,725</td>
<td>0</td>
<td>0</td>
<td>7,725</td>
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<tr>
<td>Office furniture and equipment</td>
<td>911</td>
<td>159</td>
<td>0</td>
<td>1,070</td>
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<tr>
<td><strong>Total</strong></td>
<td>8,636</td>
<td>159</td>
<td>0</td>
<td>8,795</td>
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<tr>
<td><strong>Financial assets</strong></td>
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<td></td>
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<tr>
<td>Investments</td>
<td>534</td>
<td>20</td>
<td>73</td>
<td>481</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>297,770</td>
<td>22,887</td>
<td>4,226</td>
<td>316,431</td>
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<tr>
<td><strong>Total</strong></td>
<td>298,304</td>
<td>22,907</td>
<td>4,299</td>
<td>316,913</td>
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<tr>
<td><strong>Total</strong></td>
<td>315,133</td>
<td>23,075</td>
<td>4,299</td>
<td>333,910</td>
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<tr>
<td></td>
<td>Balance as at 31 Dec 2008</td>
<td>Additions</td>
<td>Disposals</td>
<td>Balance as at 31 Dec 2009</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------</td>
<td>-----------</td>
<td>-----------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>90</td>
<td>19</td>
<td>0</td>
<td>109</td>
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<tr>
<td></td>
<td>3,849</td>
<td>752</td>
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<td>4,601</td>
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<tr>
<td></td>
<td>3,939</td>
<td>771</td>
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<td>4,710</td>
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<td>1,174</td>
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<td>0</td>
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<td></td>
<td>5,622</td>
<td>1,057</td>
<td>56</td>
<td>6,624</td>
</tr>
</tbody>
</table>

**Carrying value**
The Management Board of the General Partner informed the Supervisory Board during the financial year on a regular and timely basis about all material issues relating to business planning, the status and development of the Company and the Group, including risks and risk management, as well as about significant transactions, by means of written and verbal communication. The Supervisory Board gained insight into the Company and Group's financial position by means of this report and, through discussions with the Management Board of the General Partner, advised the Management Board of the General Partner and monitored the Company’s management in accordance with the tasks assigned to it in accordance with the law, the Articles of Association, and rules of procedure. The Supervisory Board was included in all decisions of key importance to the Company.

Current business development was a focal point of consultation and resolutions within the Supervisory Board throughout the 2009 financial year. In addition, the situation on the transaction market, sales and rental activities in the associated companies, risk management in the Group, financing issues, the status of the company’s developments as well as personnel and organisation issues were debated, among other things.

The auditors Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Nuremberg, appointed by the Annual General Meeting, audited the annual and consolidated financial statements of Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien along with the management report and the Group management report which were prepared by the Management Board of the General Partner as of 31 December 2009. An unqualified audit opinion has been issued for each of these items. The corresponding accounting documents and auditor’s reports were made available in due time to the individual members of the Supervisory Board. The auditor participated in the Supervisory Board’s negotiations on the accounting documents and reported on the significant findings of its audit.

The Supervisory Board reviewed the annual and consolidated financial statements, along with the management report and the Group management report, as well as the proposal for the appropriation of profits by the Management Board of the General Partner, and agrees with the result of the audit performed by the auditor. After the final result of the audit, the Supervisory Board did not express any reservations. The Supervisory Board approves the annual and consolidated financial statements prepared by the Management Board of the General Partner. The financial statements will be subsequently adopted by the Annual General Meeting.

The Supervisory Board also concurs with the proposal for the appropriation of retained earnings made by the Management Board of the General Partner, which was also submitted to the Supervisory Board in due time.

The Supervisory Board proposes to the Annual General Meeting that it appoint Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Nuremberg, to audit the annual financial statements and consolidated financial statements for the financial year 2010.

Mr Christoph Munte retired from the Company’s Supervisory Board on 30 March 2009. We would like to thank Mr Munte for his service as a member of the Supervisory Board and his valuable contributions to the further development of our Company. Mr Marco Polenta, European Head of Real Estate, Morgan Stanley Real Estate Funds, London, joined the Supervisory Board on 22 May 2009.

The Supervisory Board would like to thank the Management Board of the General Partner and all the employees for their achievements, as well as their strong commitment during the past financial year.

Frankfurt am Main, 22 March 2010

The Supervisory Board

Prof. Dr. Gerhard Schmidt
Chairman of the Supervisory Board
We have audited the consolidated financial statements prepared by the Deutsche Immobilien Chancen AG und Co. Kommanditgesellschaft auf Aktien, Frankfurt am Main, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law and supplementary provisions of the articles of incorporation are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the frame-
Management Board

from left: Johannes von Mutius, Ulrich Höller, Dr. Ignace Van Meenen

Ulrich Höller FRICS, 44
Chairman of the Board, CEO

Dr. Ignace Van Meenen, 42
Board Member, CFO

Johannes von Mutius, 41
Board Member, COO
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Gaby Sommer, Lierschied

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