



# DEMIRE Deutsche Mittelstand Real Estate AG

Frankfurt/Main

## Announcement pursuant to § 23 (1) sentence 1 no. 1 of the German Securities Acquisition and Takeover Act (WpÜG)

THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, EITHER IN WHOLE OR IN PART, TO, FROM OR WITHIN THE UNITED STATES OF AMERICA OR OTHER COUNTRIES WHERE SUCH PUBLICATION OR DISTRIBUTION WOULD BE IN VIOLATION OF THE RELEVANT LAWS OF THE RESPECTIVE COUNTRY.

On 14 October 2015, DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt/Main, (the **Bidder**) published the Offer Document for the voluntary public takeover offer (in the form of an exchange offer) to the shareholders of Fair Value REIT-AG, Munich, to acquire their no-par value bearer shares of Fair Value REIT-AG (ISIN DE000A0MW975) (the **Fair Value Shares**) for a consideration of two (2) new no-par value bearer shares of the Bidder (the **DEMIRE Offer Shares**) for one (1) Fair Value Share (the **Takeover Offer**). The period for acceptance of this Takeover Offer will end on 16 November 2015, at 24:00 (Central European Time), subject to any extensions pursuant to legal provisions of the WpÜG.

1. Until 28 October 2015, 14:00 (Central European Time), (the **Reporting Date**), the Takeover Offer has been accepted for a total of 510,726 Fair Value Shares. This represents a share of approximately 3.62% of Fair Value REIT-AG's share capital and voting rights.
2. As of the Reporting Date, the Bidder and the persons acting in concert with the Bidder as defined by § 2 (5) of the WpÜG or their subsidiaries, did not directly hold any Fair Value Shares. This represents a share of 0% of Fair Value REIT-AG's share capital and voting rights. Furthermore, no voting rights from Fair Value Shares pursuant to § 30 of the WpÜG were attributable to the Bidder and the persons acting in concert with the Bidder or their subsidiaries.
3. On 31 July 2015, the Bidder entered into agreements (the **Tender Agreements**) with a total of four major shareholders of Fair Value REIT-AG (the **Tender Shareholders**), in which the Tender Shareholders undertook to accept the Takeover Offer for the 3,276,070 Fair Value Shares they

hold (representing a share of approximately 23.218% of Fair Value REIT-AG's share capital and voting rights). On 9 October 2015, the Tender Agreements were amended to the extent, that the Tender Shareholders are obligated to accept the Takeover Offer only if and when the acquisition of a commercial real estate portfolio consisting of six locations (the *T6 Portfolio*) has been closed. This amendment was made since the acquisition of the T6 Portfolio by the Bidder or one of its subsidiaries, upon which has already been contractually agreed (subject to conditions precedent), at the time of the publication of the Offer Document has not yet been closed. In the context of the Tender Agreements, the acquisition of the T6 portfolio shall be deemed complete once the Bidder has published the closing by way of a corporate news announcement or an ad hoc notification on its website ([www.demire.ag](http://www.demire.ag)) and has informed the Tender Shareholders thereof. For the Bidder, the Tender Agreements relating to the 3,276,070 Fair Value Shares, for which the Takeover Offer has not yet been accepted as of the Reporting Date, constitute financial instruments or other instruments within the meaning of § 25a of the WpHG.

4. Beyond that, as of the Reporting Date, neither the Bidder nor persons acting in concert with the Bidder or their subsidiaries held any financial instruments or other instruments relating to Fair Value Shares pursuant to §§ 25, 25a of the WpHG, nor were any such instruments attributable to them.
5. As of the Reporting Date, the total number of Fair Value Shares for which the Takeover Offer has been accepted, plus those Fair Value Shares from financial instruments or other instruments within the meaning of § 25a of the WpHG for which the Takeover Offer has not yet been accepted as of the Reporting Date, namely those Fair Value Shares not yet tendered under the Tender Agreements (Item 3), amounts to 3,786,796 Fair Value Shares. This represents a share of approximately 26.84% of Fair Value REIT-AG's share capital and voting rights.
6. With respect to the information provided above under Item 1 to 5 relating to shares of Fair Value REIT-AG's share capital and voting rights, it is noted that pursuant to § 71b of the German Stock Corporation Act (AktG) Fair Value REIT-AG is not entitled to any rights, particularly no voting rights, resulting from the (according to the information available to the Bidder) 81,310 treasury shares (representing approximately 0.58% of the share capital) currently held by the Fair Value REIT-AG.

**Important information:**

This announcement is neither an offer to exchange nor a solicitation of an offer to exchange Fair Value REIT-AG shares, but rather contains a mandatory statement according to the WpÜG in relation to a public takeover offer. Moreover, this announcement is neither an offer to purchase nor a solicitation to purchase DEMIRE Deutsche Mittelstand Real Estate AG shares. The terms and further provisions regarding the public Takeover Offer are disclosed in the Offer Document approved by the German Federal Financial Supervisory Authority. Investors and holders of Fair Value REIT-AG shares are strongly recommended to read the Offer Document and all other documents in connection with the public Takeover Offer because they contain or will contain important information.

The Takeover Offer will be carried out exclusively in accordance with the laws of the Federal Republic of Germany and specifically in accordance with the WpÜG and the Regulation on the Content of the Offer Document, the Consideration to be granted in Takeover Offers and Mandatory Takeover Offers and the Exemption from the Obligation to Publish and Launch an Offer (WpÜGAngebV).

Shares of DEMIRE Deutsche Mittelstand Real Estate AG have not been nor will be registered under the United States Securities Act of 1933, as amended, or in accordance with any securities regulations

of a state, district or any other jurisdiction in the United States of America. Subject to certain exceptions, DEMIRE Deutsche Mittelstand Real Estate AG shares must not be offered or sold within the United States of America or any other jurisdiction where to do so would constitute a violation of the national laws of such jurisdiction. DEMIRE Deutsche Mittelstand Real Estate AG does not make a public offer with the Takeover Offer under any other jurisdiction than the Federal Republic of Germany (particularly not in the United States of America). No announcements, registrations, admissions or approvals of the Offer Document and/or the Takeover Offer have been applied, procured, or granted outside of the Federal Republic of Germany.

The publication, dispatch, distribution or dissemination of the Offer Document or other documents related to the Takeover Offer outside of the Federal Republic of Germany may generally result in the applicability of the laws of jurisdictions other than those of the Federal Republic of Germany. The publication, dispatch, distribution or dissemination of the Offer Document may be subject to legal restrictions in these jurisdictions. Therefore, the Offer Document as well as any other documents related to the Takeover Offer may not be dispatched, published, distributed or disseminated by third parties in these countries if and to the extent that such a dispatch, publication, distribution or dissemination is in violation of applicable laws or dependent on the compliance with official proceedings of official approval or the satisfaction of additional conditions and such approval is not obtained or such compliance or conditions are not satisfied. The dispatch, distribution or dissemination of the Offer Document or other documents related to the Takeover Offer in countries of the European Union or European Economic Area are not subject to any legal restrictions.

The announcement is available on the Internet under:  
*<http://www.demire.ag/en/investor-relations/takeover-offer>*  
on the Internet as of 28 October 2015

**Frankfurt/Main, 28 October 2015**

**DEMIRE Deutsche Mittelstand Real Estate AG**