



DEMIRE Deutsche Mittelstand Real Estate AG

## FIRST QUARTER 2016 INTERIM STATEMENT

FISCAL YEAR JANUARY 1 – DECEMBER 31, 2016

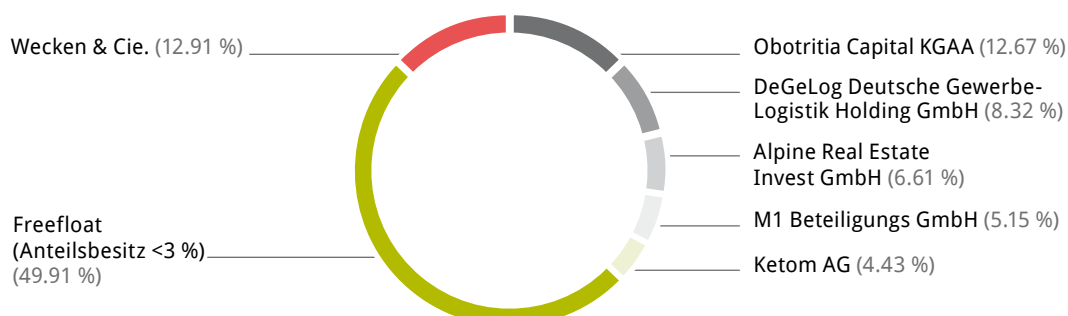
## DEMIRE at a glance

### KEY FIGURES

EURk

CONSOLIDATED INCOME STATEMENT	01/01/2016– 31/03/2016	01/01/2015– 31/03/2015
Rental income	17,815	6,962
Net rental income	13,092	5,177
<b>EBIT</b>	<b>13,999</b>	<b>5,204</b>
Financial result	-8,844	-4,623
<b>EBT</b>	<b>5,155</b>	<b>581</b>
<b>Net profit/loss for the period</b>	<b>4,156</b>	<b>471</b>
<b>Net profit/loss for the period per share (basic / diluted, in EUR)</b>	<b>0.06 / 0.05</b>	<b>0.02 / 0.02</b>
<b>FFO before non-controlling interests</b>	<b>3,371</b>	<b>n.a.</b>
CONSOLIDATED BALANCE SHEET	31/03/2016	31/12/2015
Total assets	1,056,393	1,032,945
Investment properties	969,629	915,089
Non-current assets held for sale	1,780	13,005
Total portfolio	971,409	928,094
Financial liabilities	675,802	655,239
Cash and cash equivalents	31,636	28,467
Net financial debt	644,166	626,772
in % of total portfolio (LTV)	66.3	67.5
Equity according to the consolidated balance sheet	269,337	264,902
Equity ratio in %	25.5	25.6
CASH FLOW	01/01/2016– 31/03/2016	01/01/2015– 31/03/2015
Cash flow from operating activities	8,094	6,400
Cash flow from investing activities	6,873	-16,985
Cash flow from financing activities	-11,798	35,565
<b>Cash and cash equivalents at the end of the period</b>	<b>31,636</b>	<b>29,377</b>
NAV (NET ASSET VALUE)	31/03/2016	31/12/2015
Net asset value (NAV) for the period	233,759	230,697
Deferred taxes	26,479	25,570
Basic / diluted EPRA NAV	260,238 / 271,438	256,267 / 271,585
Shares in millions (basic / diluted)	49.31 / 62.96	49.29 / 63.95
<b>Basic / diluted EPRA NAV per share in EUR</b>	<b>5.29 / 4.31</b>	<b>5.20 / 4.25</b>

### SHAREHOLDER STRUCTURE AT MARCH 31, 2016



Source: German Securities Trading Act notifications, own analysis

## Foreword of the Executive Board

### Ladies and Gentlemen

After nearly tripling our real estate holdings in 2015 and adding the Kurfürstengalerie property in Kassel in January 2016, DEMIRE AG got off to a good start in the 2016 fiscal year. Following the Company's successful growth since the start of the previous fiscal year, our focus has turned to integrating these new portfolio additions and improving the financial result going forward.

We have already had success in concluding new rental agreements in the first quarter of 2016, which will lead to rising rental income in future quarters. We also intend to refinance the first half of the HFS bond before mid-2016. The interest on the new assumed loans is close to 80 % below that of the HFS bond, which will enable the DEMIRE Group to improve its financial result by roughly EUR 2.2 million annually.

The DEMIRE Group's rental income in the first three months of 2016 amounted to EUR 17.8 million after just EUR 7.0 million in the prior year. Net rental income came in at EUR 13.1 million following EUR 5.2 million in the comparable prior-year period.

For the year 2016 as a whole, we continue to expect rental income of around EUR 75 million taking into account already contracted and pending new rentals.

At EUR 14.0 million (previous year EUR 5.2 million), IFRS earnings before interest and taxes (EBIT) was roughly EUR 1 million higher than the net rental income as a result of valuation and one-off items. The net profit/loss for the period in the first quarter of 2016 increased to EUR 4.2 million after just EUR 0.5 million in the prior year.

Net profit/loss for the period adjusted for the effects from valuation and non-recurring and special items (FFO) before non-controlling interests amounted to EUR 3.4 million.

In view of the rentals and refinancing of financial liabilities already concluded or still planned and the gradually increasing savings in administrative costs through insourcing services that were previously outsourced, we reconfirm our FFO forecast for the full year of 2016 of nearly EUR 20 million before non-controlling interests.

Frankfurt am Main, June 2016



**Hon.-Prof. Andreas Steyer**  
Speaker of the Executive Board  
(CEO)



**Dipl.-Kfm. (FH) Markus Drews**  
Executive Board Member  
(COO)



**Frank Schaich**  
Executive Board Member  
(CFO)

## DEMIRE in the capital market

### DEMIRE shares

Since the start of the year, DEMIRE's share price has trended sideways ending the reporting period on March 31, 2016 at EUR 3.94. Trading volume developed positively in the first quarter 2016 with an average of 45,062 shares trading daily, which represents a significant improvement in liquidity compared to the 28,278 shares traded daily in 2015. This higher liquidity should make the shares more attractive to investors.

### DEMIRE bonds

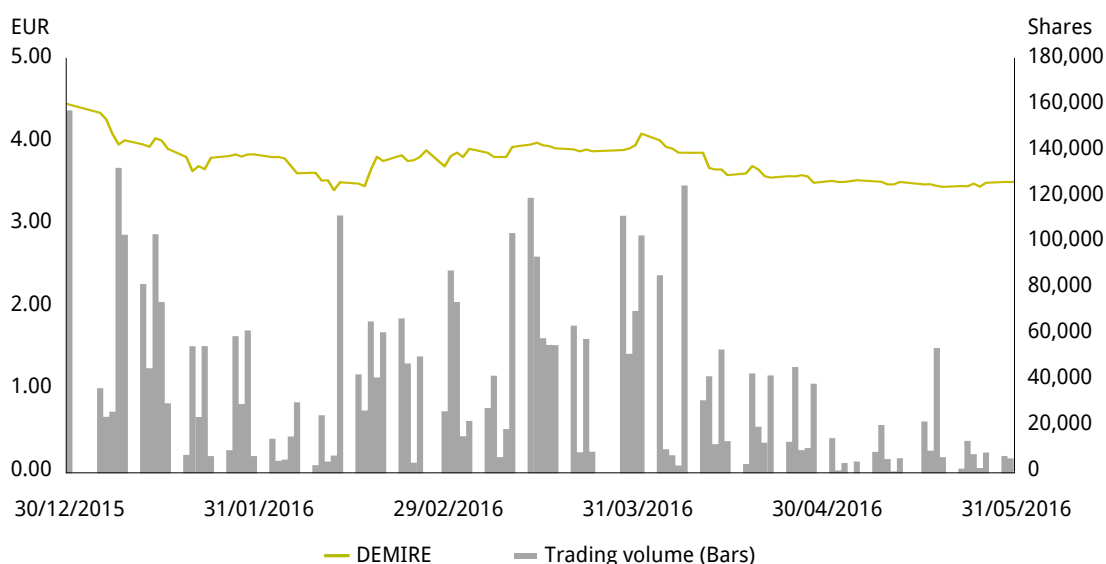
In the first quarter of 2016, the remaining bonds in the amount of EUR 14.4 million from DEMIRE's 2014/2019 corporate bond were placed with investors. At the creditors' request, Fair Value REIT's convertible bond maturing in 2020 was redeemed prematurely due to the change in control.

### NAV

As at March 31, 2016, the EPRA-NAV (basic) per share amounted to EUR 5.29. Thus the NAV per share was substantially higher than the price per share and highlights the share's potential.

DEMIRE SHARES	31/03/2016
ISIN	DE000A0XFSF0
Symbol / ticker	DMRE
Stock exchange	Frankfurt Stock Exchange (FSE); XETRA
Market segment	General Standard
Share capital	EUR 49,307,222.00
Ø no. of shares	49,307,222
Ø daily trading volume 01/01 –31/03	45,062
Market capitalisation	EUR 194.27 million
Free float	49.91 %

### DEMIRE'S SHARE PRICE AND TRADING VOLUME SINCE JANUARY 2016



**2015/2018 MANDATORY CONVERTIBLE BOND**

Name	<b>DEMIRE 2015/2018 mandatory convertible bond</b>
Issuer	DEMIRE Deutsche Mittelstand Real Estate AG
Type of security	Convertible bond
Volume	EUR 15,000,000
Interest rate (coupon)	2.75 %
Interest payments	quarterly on March 22, June 22, September 22, December 22
Repayment	May 22, 2018
Redemption rate	100 %
Denomination	EUR 100,000
Paying agent	Bankhaus Gebr. Martin Aktiengesellschaft, Göppingen
ISIN	DE000A13R863
Market segment	Frankfurt Stock Exchange

**2014/2019 CORPORATE BOND**

Name	<b>2014/2019 DEMIRE corporate bond</b>
Issuer	DEMIRE Deutsche Mittelstand Real Estate AG
Type of security	Bearer bond
Volume	EUR 100,000,000
Interest rate (coupon)	7.5 %
Interest payments	semi-annual on March 16 and September 16
Repayment	September 16, 2019
Redemption rate	100 %
Denomination	EUR 1,000
Paying agent	Bankhaus Gebr. Martin Aktiengesellschaft, Göppingen
ISIN	DE000A12T135
Market segment	Frankfurt Stock Exchange

**2013/2018 CONVERTIBLE BOND**

Name	<b>DEMIRE DT.MTS.RE WDL13/18</b>
Issuer	DEMIRE Deutsche Mittelstand Real Estate AG
Type of security	Convertible bond
Volume	EUR 11,300,000
Interest rate (coupon)	6 %
Interest payments	quarterly in arrears
Repayment	December 30, 2018
Redemption rate	100 %
Denomination	EUR 1
Conversion rate	EUR 1
Paying agent	Bankhaus Gebr. Martin Aktiengesellschaft, Göppingen
ISIN	DE000A1YDDY4
Market segment	Frankfurt Stock Exchange

**FINANCIAL CALENDAR (STATUS: JUNE 2016)**

30/06 2016	Ordinary Annual General Meeting
31/08/2016	Publication of the 2016 Half-Year Financial Report
21–23/11/2016	Presentation at the German Equity Forum in Frankfurt
30/11/2016	Publication of the 2016 Nine-Month interim statement

## Interim group management report for the first quarter of 2016 January 1 through March 31, 2016

### Real estate portfolio

As at March 31, 2016, the core portfolio consisted of a total of 180 properties with rentable space of almost 1.1 million m<sup>2</sup> and a market value totalling EUR 971.4 million.

DEMIRE GROUP'S REAL ESTATE HOLDINGS ON MARCH 31, 2016							
	Plot size	Total rentable space	Annualised contractual rent	Market value 31/12/2015 <sup>1</sup>	Occupancy rate <sup>2</sup>	Ø secured remaining term of rental agreements <sup>2</sup>	Contractual rental yield before costs
	in m <sup>2</sup>	in m <sup>2</sup>	in EURk	in EURk	in %	in years	in %
DEMIRE subgroup	1,000,340	814,644	51,955	683,650	86.4	5.7	7.6
Fair Value REIT subgroup	425,064	263,192	22,231	287,759	88.5	5.0	7.7
<b>Total</b>	<b>1,425,404</b>	<b>1,077,836</b>	<b>74,186</b>	<b>971,409</b>	<b>87.0</b>	<b>5.5</b>	<b>7.6</b>

#### Explanations

<sup>1</sup> According to market value assessments as of December 31, 2015

<sup>2</sup> Earnings-weighted

### Net assets, financial position and results of operations

#### Results of operations

In the first quarter of 2016, the profit/loss from the rental of real estate – the most important performance indicator for the DEMIRE Group – increased significantly reaching EUR 13.1 million (Q1 2015: EUR 5.2 million) as a result of the acquisitions made in the year 2015 and the first

SELECTED INFORMATION FROM THE CONSOLIDATED INCOME STATEMENT	01/01/2016– 31/03/2016 EURk	01/01/2015– 31/03/2015 EURk
Rental income	17,815	6,962
Non-recoverable property-related expenses	-4,723	-1,785
Net rental income	13,092	5,177
Profit/loss from the sale of real estate companies	3	0
Profit/loss from investments accounted for using the equity method	0	1,765
Other operating income and other effects	12,910	809
General and administrative expenses	-3,405	-1,571
Other operating expenses	-8,601	-976
<b>Earnings before interest and taxes (EBIT)</b>	<b>13,999</b>	<b>5,204</b>
Financial result	-8,844	-4,623
Profit/loss before taxes	5,155	581
<b>Net profit/loss for the period</b>	<b>4,156</b>	<b>471</b>
Of which, attributable to parent company shareholders	2,955	451
Basic earnings per share (EUR)	0.06	0.02
Weighted number of shares outstanding	49,303,910	20,017,811
Diluted earnings per share (EUR)	0.05	0.02
Weighted diluted number of shares outstanding	62,950,673	30,829,304

quarter of 2016, and especially the takeover of Fair Value REIT at the end of 2015. Other operating income and other effects grew from EUR 0.8 million in the prior year's first quarter to a total of EUR 12.9 million in the reporting quarter and included EUR 7.0 million from fair value adjustments made to Kurfürstengalerie. Earnings before interest and taxes (EBIT) tripled to nearly EUR 14.0 million (Q1 2015: EUR 5.2 million).

The financial result in the first quarter of 2016 amounted to EUR -8.8 million (Q1 2015: EUR -4.6 million) leading to a profit/loss before taxes of EUR 5.2 million (Q1 2015: EUR 0.6 million) and a net profit/loss for the period (profit after taxes) of EUR 4.2 million (Q1 2015: EUR 0.5 million).

#### Adjusted Group profit/loss (EPRA earnings/FFO)

The DEMIRE Group's operating result adjusted for measurement and disposal income (EUR 4.5 million) as well as other non-recurring effects and income or expenses related to prior periods (EUR 3.7 million) amounted to EUR 3.4 million after taxes and before non-controlling interests in the first three months of the current fiscal year.

Adjusted Group profit/loss (EPRA earnings or FFO)	01/01/2016 through 31/03/2016			
		Adjustment for special items		
EURk	According to consolidated income statement	Measure- ment/ disposal	Others	Adjusted consolidated income statement
Rental income	17,815	-	-	17,815
Non-apportionable property-related expenses	-4,723	1,448	450	-2,825
<b>Net rental income</b>	<b>13,092</b>	<b>1,448</b>	<b>450</b>	<b>14,990</b>
Profit/loss from disposals and measurement, other operating income	12,603	-7,012	-5,543	48
General and administrative expenses	-3,095	-	513	-2,582
Other operating expenses	-8,602	179	7,347	-1,076
<b>Earnings before interest and taxes (EBIT)</b>	<b>13,999</b>	<b>-5,385</b>	<b>2,766</b>	<b>11,380</b>
Financial result	-8,844	-	924	-7,920
<b>Profit/loss before taxes (EBT)</b>	<b>5,155</b>	<b>-5,385</b>	<b>3,690</b>	<b>3,460</b>
Taxes	-999	910		-89
<b>Net profit/loss for the period</b>	<b>4,156</b>	<b>-4,475</b>	<b>3,690</b>	<b>3,371</b>

### Segment reporting

The segmentation of the data in the consolidated financial statements is based on the internal alignment according to strategic business segments pursuant to IFRS 8 „Operating Segments“. The segment information presented represents the information to be reported to DEMIRE's Executive Board. The Core Portfolio and Fair Value REIT segments are the key segments of importance for the DEMIRE Group. The Corporate Functions/Others segment contains the primary administrative activities. This segment also contains the results of the Investments segment (previously reported separately) because the disposal of the legacy portfolio is of little importance to the DEMIRE Group as a whole. For a more detailed description of the individual segments, please refer to the explanations given in the group management report for the 2015 fiscal year.

01/01/2016 – 31/03/2016 <b>EURk</b>	Core Portfolio	Fair Value REIT	Central Functions/ Others	Total segments
Segment revenues	29,933	18,434	54	48,421
Segment expenses	-17,635	-15,617	-1,170	-34,422
EBIT by segment	12,298	2,817	-1,116	13,999
<b>Net profit/loss for the period</b>	<b>6,579</b>	<b>1,533</b>	<b>-3,956</b>	<b>4,156</b>
31/03/2016				
Segment assets <sup>1</sup>	726,042	324,449	5,902	1,056,393
Real estate holdings <sup>1</sup>	683,650	287,759	0	971,409
Segment liabilities <sup>1</sup>	448,746	204,210	134,100	787,056
01/01/2015 – 31/03/2015 <b>EURk</b>	Core Portfolio	Fair Value REIT	Central Functions/ Others <sup>1</sup>	Summe Segmente
Segment revenues	9,092	0	2,304	11,396
Segment expenses	-4,651	0	-1,541	-6,192
EBIT by segment	4,441	0	763	5,204
<b>Net profit/loss for the period</b>	<b>1,563</b>	<b>0</b>	<b>-1,092</b>	<b>471</b>
31/12/2015				
Segment assets	651,165	337,261	44,519	1,032,945
Real estate holdings	628,550	299,544	0	928,094
Segment liabilities	414,896	217,803	135,344	768,043

<sup>1</sup> Informationen des Segments „Investments“ zum 1. Quartal 2015 werden unter Zentralbereiche/Sonstiges erfasst.

### Financial position

Cash flow from operating activities grew 27 % in the reporting period and reached EUR 8.1 million (Q1 2015: EUR 6.4 million). Cash flow from investing activities increased from EUR -17.0 million in the previous year's comparable quarter to EUR 6.9 million in the first quarter of 2016 mainly due to the proceeds from the sale of properties in the amount of EUR 11.2 million. Cash flow from financing activities amounted to EUR -11.8 million (Q1 2015: EUR 35.6 million).



The net change in cash and cash equivalents in the first quarter of 2016 was EUR 3.2 million (Q1 2015: EUR 25.0 million). Cash and cash equivalents at the end of the reporting period increased slightly to EUR 31.6 million.

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (SELECTED INFORMATION IN EURk)</b>	01/01/2016 – 31/03/2016	01/01/2015 – 31/03/2015
Cash flow from operating activities	8,094	6,400
Cash flow from investing activities	6,873	-16,985
Cash flow from financing activities	-11,798	35,565
<b>Net change in cash and cash equivalents</b>	<b>3,169</b>	<b>24,980</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>31,636</b>	<b>29,377</b>

### Net assets

Total assets of the DEMIRE Group as at March 31, 2016, totalled EUR 1.1 billion, which was slightly higher than their level at the end of the prior fiscal year (December 31, 2015: EUR 1.0 billion). Non-current assets amounted to EUR 991.9 million (December 31, 2015: EUR 948.6 million) and current assets totalled EUR 62.7 million (December 31, 2015: EUR 71.3 million). Non-current assets held for sale contain properties in the amount of EUR 1.8 million as at March 31, 2016, after a level of EUR 13.0 million as at December 31, 2015.

<b>CONSOLIDATED BALANCE SHEET - ASSETS (SELECTED INFORMATION IN EURk)</b>	31/03/2016	31/12/2015
<b>Assets</b>		
Total non-current assets	991,869	948,597
Total current assets	62,744	71,343
Non-current assets held for sale	1,780	13,005
<b>Total assets</b>	<b>1,056,393</b>	<b>1,032,945</b>

Although the Group's equity rose slightly in the first three months of 2016 to EUR 269.3 million (December 31, 2015: EUR 264.9 million), the equity ratio remained stable at its level of roughly 25.5 % at the end of 2015 as a result of the rise in total assets.

<b>CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES (SELECTED INFORMATION IN EURk)</b>	31/03/2016	31/12/2015
<b>Equity and liabilities</b>		
Equity attributable to parent company shareholders	233,759	230,697
Interests of non-controlling shareholders	35,578	34,205
<b>Total equity</b>	<b>269,337</b>	<b>264,902</b>
<b>Liabilities</b>		
Total non-current liabilities	727,437	696,746
Total current liabilities	59,619	71,297
<b>Total liabilities</b>	<b>787,056</b>	<b>768,043</b>
<b>Total liabilities and equity</b>	<b>1,056,393</b>	<b>1,032,945</b>

Non-current liabilities at the end of the first quarter of 2016 amounted to EUR 727.4 million (December 31, 2015: EUR 696.7 million) and current liabilities totalled EUR 59.6 million (December 31, 2015: EUR 71.3 million). The total liabilities of the DEMIRE Group increased slightly to their level of EUR 787.1 million as at March 31, 2016 (December 31, 2015: EUR 768.0 million). The change in total liabilities was largely caused by the assumption of Kurfürstengalerie's non-current financial liabilities whereas the rise in current liabilities was the result of the repayment of Fair Value REIT-AG's convertible bond.

This led to a further improvement in the loan-to-value ratio (LTV) to a level of 66.3 % as at March 31, 2016 (December 31, 2015: 67.5 %).

#### **Subsequent events**

In mid-April 2016, the Fair Value REIT subgroup sold a property in Bornhöved to a private investor for a sum of EUR 0.5 million, which was slightly below the property's market value. The impact of this transaction on the profit/loss was recognised in the first quarter of 2016. Also in mid-April 2016, DEMIRE AG sold a property in Halle-Peissen at its carrying amount of EUR 0.65 million.

In early April 2016, DEMIRE AG concluded a contract with Südwestbank AG for a one-year credit line expiring March 30, 2017, in the amount of EUR 5.0 million less a 3 % processing fee at a variable interest rate of 3-month EURIBOR plus a margin of 250 basis points and a minimum interest rate of 2.5 % p.a., which can be utilised at various times and prolonged annually.

At the end of April 2016, DEMIRE AG concluded a contract with Baader Bank AG for a one-year credit line expiring April 30, 2017, in the amount of EUR 5.0 million at a fixed interest rate of 5.0 % p.a., which can be utilised at various times and prolonged annually. Collateral for both credit lines will be provided through pledged account balances and interests in subsidiaries upon the credit lines' utilisation, which has not yet occurred.

In early June 2016, two DEMIRE AG subsidiaries each concluded a contract with Varengold Bank AG for a three-year loan until May 13, 2019, in the total amount of EUR 5.0 million at a fixed interest rate of 5.0 % p.a. Collateral for the credit lines will be provided through pledged interests in subsidiaries upon the loans' utilisation, which has not yet occurred.

The credit lines are expected to be fully exhausted by no later than mid-June 2016 in order to carry out a 50 % redemption of the HFS bond in a corresponding amount at that time. This will reduce DEMIRE's net interest expense by approximately EUR 2.2 million on an annualised basis and will strengthen DEMIRE's profitability.

**Risk report**

The DEMIRE Group's business activities expose the Group to various risks, such as economic risks, as well as leasing, rent default, interest rate and liquidity risks. The risk management system of DEMIRE AG ensures the Company's continued viability. A detailed description of DEMIRE's risks and the risk management system can be found in the Company's 2015 Annual Report.

**Report on outlook**

The Executive Board expects the 2016 FFO before non-controlling interests in earnings to reach just below EUR 20 million. Assuming non-controlling interests in net profit remain unchanged, FFO after non-controlling interests is expected to be around EUR 15 million, which roughly corresponds to EUR 0.30 per share currently outstanding.

Frankfurt/Main, June 2016



**Hon.-Prof. Andreas Steyer**  
Speaker of the Executive Board  
(CEO)



**Dipl.-Kfm. (FH) Markus Drews**  
Executive Board Member  
(COO)



**Frank Schaich**  
Executive Board Member  
(CFO)

## Consolidated financial statements as at March 31, 2016 (unaudited)

### CONSOLIDATED INCOME STATEMENT

EURk	01/01/2016– 31/03/2016	01/01/2015– 31/03/2015
Rental income	17,815	6,962
Income from utility and service charges	5,229	1,817
Service charges and other property related expenses	-9,952	-3,602
<b>Net rental income</b>	<b>13,092</b>	<b>5,177</b>
Revenue from the sale of real estate companies	0	0
Net assets from real estate companies sold	3	0
<b>Profit/loss from the sale of real estate companies</b>	<b>3</b>	<b>0</b>
Revenue from the sale of real estate	11,750	0
Expenses relating to real estate sales	-11,750	0
<b>Profit/loss from the sale of real estate</b>	<b>0</b>	<b>0</b>
Profits from investments accounted for using the equity method	0	358
Losses from investments accounted for using the equity method	0	-38
Unrealised fair value adjustments in equity investments	0	1,445
<b>Profit/loss from investments accounted for using the equity method</b>	<b>0</b>	<b>1,765</b>
Profit/loss from fair value adjustments in investment properties	7,009	228
Impairment of receivables	-716	-5
Other operating income	6,617	586
<b>Other operating income and other effects</b>	<b>12,910</b>	<b>809</b>
General and administrative expenses	-3,405	-1,571
Other operating expenses	-8,601	-976
<b>Earnings before interest and taxes</b>	<b>13,999</b>	<b>5,204</b>
Financial income	1,990	336
Financial expenses	-10,834	-4,959
<b>Financial result</b>	<b>-8,844</b>	<b>-4,623</b>
<b>Profit/loss before taxes</b>	<b>5,155</b>	<b>581</b>
Income taxes	-999	-110
<b>Net profit/loss for the period</b>	<b>4,156</b>	<b>471</b>
Of which, attributable to:		
<b>Non-controlling interests</b>	1,201	20
<b>Parent company shareholders</b>	2,955	451
Basic earnings per share	0.06	0.02
Diluted earnings per share	0.05	0.02

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>EURk</b>	<b>01/01/2016– 31/03/2016</b>	<b>01/01/2015– 31/03/2015</b>
<b>Net profit/loss for the period</b>	<b>4,156</b>	<b>471</b>
Items that may be reclassified to profit and loss in future periods		
Share of other comprehensive income attributable to associated companies accounted for using the equity method (from currency translation)	0	0
Earnings-neutral changes in equity of interests held by non-controlling share- holders	0	-411
Currency translation differences	12	-272
<b>Other comprehensive income (after taxes)</b>	<b>12</b>	<b>-683</b>
<b>Total comprehensive income (after taxes)</b>	<b>4,168</b>	<b>-212</b>
Of which, attributable to:		
<b>Interests of non-controlling shareholders</b>	<b>1,201</b>	<b>-133</b>
<b>Parent company shareholders</b>	<b>2,967</b>	<b>-79</b>

## CONSOLIDATED BALANCE SHEET

### ASSETS

EURk	31/03/2016	31/12/2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	6,961	6,961
Property, plant and equipment	121	11,285
Investment properties	969,629	915,089
Investments accounted for using the equity method	3,174	3,136
Other financial assets	10,824	11,045
Loans to investments accounted for using the equity method	553	553
Other loans	406	384
Deferred tax assets	201	144
<b>Total non-current assets</b>	<b>991,869</b>	<b>948,597</b>
<b>Current assets</b>		
Real estate inventory	2,304	2,298
Trade accounts receivable and other receivables	16,713	14,387
Financial receivables and other financial assets	11,959	26,020
Tax refund claims	132	171
Cash and cash equivalents	31,636	28,467
<b>Total current assets</b>	<b>62,744</b>	<b>71,343</b>
<b>Non-current assets held for sale</b>	<b>1,780</b>	<b>13,005</b>
<b>Total assets</b>	<b>1,056,393</b>	<b>1,032,945</b>

**PASSIVA**

<b>EURk</b>	<b>31/03/2016</b>	<b>31/12/2015</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Subscribed capital	49,307	49,292
Reserves	184,452	181,405
<b>Equity attributable to parent company shareholders</b>	<b>233,759</b>	<b>230,697</b>
Interests of non-controlling shareholders	35,578	34,205
<b>Total equity</b>	<b>269,337</b>	<b>264,902</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	26,680	25,714
Minority interests	61,826	61,160
Non-current financial liabilities	638,931	608,796
Other non-current liabilities	0	1,076
<b>Total non-current liabilities</b>	<b>727,437</b>	<b>696,746</b>
<b>Current liabilities</b>		
Provisions	1,492	1,166
Trade payables and other liabilities	17,474	19,887
Tax liabilities	3,782	3,801
Current financial liabilities	36,871	46,443
<b>Total current liabilities</b>	<b>59,619</b>	<b>71,297</b>
<b>Total liabilities</b>	<b>787,056</b>	<b>768,043</b>
<b>Total equity and liabilities</b>	<b>1,056,393</b>	<b>1,032,945</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>EURk</b>	<b>01/01/2016– 31/03/2016</b>	<b>01/01/2015– 31/03/2015</b>
<b>Group profit/loss before taxes</b>	<b>5,155</b>	<b>581</b>
Financial expenses*	10,834	4,959
Financial income*	-1,990	-336
Change in trade accounts receivable and other receivables	1,903	1,467
Change in deferred tax assets	0	208
Change in income tax receivables	39	1
Change in financial receivables and other financial assets	174	-401
Change in provisions	252	116
Change in trade payables and other liabilities	-2,637	728
Change in deferred tax liabilities	0	-65
Valuation gains under IAS 40	-7,009	-228
Interest proceeds*	0	246
Income taxes*	0	-110
Income taxes paid*	-109	-23
Change in reserves and subscribed capital	151	1,709
Profit/loss from investments accounted for using the equity method	0	-1,765
Depreciation and amortisation and impairment*	716	5
Other non-cash items*	615	-692
<b>Cash flow from operating activities</b>	<b>8,094</b>	<b>6,400</b>
Payments for investments in property, plant and equipment	0	-360
Payments for the purchase of investment properties and interests in fully consolidated companies, less net cash and cash equivalents acquired	0	-16,625
Purchase of interests in fully consolidated subsidiaries in the context of business combinations, less net cash and cash equivalents acquired	-4,352	0
Proceeds from the sale of property, plant and equipment	11,225	0
<b>Cash flow from investing activities</b>	<b>6,873</b>	<b>-16,985</b>
Release of equity portion of convertible bond	-90	0
Payments for expenses associated with raising equity	0	-58
Change in financial liabilities resulting from the purchase of companies	0	11,910
Proceeds from the issue of bonds	12,892	25,000
Proceeds from the issue of financial liabilities	9,000	3,286
Interest paid on financial liabilities	-9,389	-4,210
Payments for the redemption of financial liabilities	-24,211	-363
<b>Cash flow from financing activities</b>	<b>-11,798</b>	<b>35,565</b>
<b>Net change in cash and cash equivalents</b>	<b>3,169</b>	<b>24,980</b>
Cash and cash equivalents at the start of the period	28,467	4,397
<b>Cash and cash equivalents at the end of the period</b>	<b>31,636</b>	<b>29,377</b>

\*Prior year's information was adjusted for changes in classification.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURk	Share capital	Reserves						
	Subscribed capital	Capital reserves	Retained earnings incl. Group profit/loss	Reserves for treasury shares	Currency translation	Equity attributable to parent company shareholders	Interests of non-controlling shareholders	Total equity
<b>01/01/2016</b>	<b>49,292</b>	<b>121,120</b>	<b>60,651</b>	<b>-310</b>	<b>-57</b>	<b>230,697</b>	<b>34,205</b>	<b>264,902</b>
Proportional transfer of earnings-neutral changes in equity in investments accounted for using the equity method	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	12	12	0	12
Total other comprehensive income	0	0	0	0	12	12	0	12
Net profit/loss for the period	0	0	2,955	0	0	2,955	1,201	4,156
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>2,955</b>	<b>0</b>	<b>12</b>	<b>2,967</b>	<b>1,201</b>	<b>4,168</b>
Capital increase (related to the conversion of convertible bonds)	15	0	0	0	0	15	0	15
<b>Stock option plan</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Mandatory convertible bond	0	0	0	0	0	0	0	0
Capital increases against contribution in kind	0	0	0	0	0	0	0	0
Cash capital increases	0	0	0	0	0	0	0	0
Costs of raising equity under capital increases	0	0	0	0	0	0	0	0
Change in the scope of consolidation	0	81	-1	0	0	80	172	252
<b>31/03/2016</b>	<b>49,307</b>	<b>121,201</b>	<b>63,605</b>	<b>-310</b>	<b>-45</b>	<b>233,759</b>	<b>35,578</b>	<b>269,337</b>
<b>01/01/2015</b>	<b>14,306</b>	<b>8,233</b>	<b>32,802</b>	<b>-310</b>	<b>-3,348</b>	<b>51,684</b>	<b>2,945</b>	<b>54,629</b>
Proportional transfer of earnings-neutral changes in equity in investments accounted for using the equity method	0	0	0	0	0	0	0	0
Currency translation differences	0	0	0	0	3,291	3,291	117	3,408
Total other comprehensive income	0	0	0	0	3,291	3,291	117	3,408
Net profit/loss for the period	0	0	28,117	0	0	28,117	756	28,873
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>28,117</b>	<b>0</b>	<b>3,291</b>	<b>31,408</b>	<b>873</b>	<b>32,281</b>
Capital increase (related to the conversion of convertible bonds)	227	-12	0	0	0	215	0	215
<b>Stock option plan</b>	<b>0</b>	<b>434</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>434</b>	<b>0</b>	<b>434</b>
Mandatory convertible bond	0	14,223	0	0	0	14,223	0	14,223
Capital increases against contribution in kind	32,285	92,853	0	0	0	125,138	0	125,138
Cash capital increases	2,474	8,684	0	0	0	11,158	0	11,158
Costs of raising equity under capital increases	0	-3,295	0	0	0	-3,295	0	-3,295
Change in the scope of consolidation	0	0	-268	0	0	-268	30,387	30,119
<b>31/12/2015</b>	<b>49,292</b>	<b>121,120</b>	<b>60,651</b>	<b>-310</b>	<b>-57</b>	<b>230,697</b>	<b>34,205</b>	<b>264,902</b>

## Disclaimer

*This interim statement contains forward-looking statements and information. Such forward-looking statements are based on our current expectations and certain assumptions. They harbour a number of risks and uncertainties as a consequence. A large number of factors, many of which lie outside the scope of DEMIRE's influence, affect DEMIRE's business activities, success, its business strategy, and its results. These factors may result in a significant divergence in the actual results, success, and performance achieved by DEMIRE.*

*Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove incorrect, the actual results may significantly diverge both positively and negatively from those results that were stated in the forward-looking statements as expected, anticipated, intended, planned, believed, projected, or estimated results. DEMIRE accepts no obligation and does not intend to update these forward-looking statements or to correct them in the event of developments other than those expected.*

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### CONCEPT AND LAYOUT

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