

Publication of the DEMIRE Deutsche Mittelstand Real Estate AG's results for fiscal year 2012/2013

- » Successful operational management: Real estate projects disposed, liabilities reduced, ongoing costs trimmed, liquidity secured
- » Group net loss for the period: EUR –5.9 million (previous year: EUR 12.9 million) – Previous year's figures impacted by positive one-off effects
- » Realignment of investments in existing real estate for entrepreneurial medium-sized companies (the "Mittelstand") in Germany will be promptly driven forward

Frankfurt/Main, August 22, 2013 – Today, DEMIRE Deutsche Mittelstand Real Estate AG (DMRE, ISIN DE000A0XFSF0) published its results for fiscal year 2012/2013. The Supervisory Board of the Company dealt extensively with the financial statements and the consolidated financial statements for fiscal year 2012/2013 (April 1, 2012 to March 31, 2013) including the management report for both the Company and the Group which have been audited and furnished with unqualified audit certificates by the auditor. The Supervisory Board adopted the financial statements and approved the consolidated financial statements.

In the past fiscal year, the focus of the Group's operational management was on the disposal of further real estate projects, the minimisation of risks and liabilities, and the reduction of the ongoing costs in order to safeguard liquidity. The Group has made good progress in all of these areas.

When comparing the numbers of the reporting year with those of the previous 2011/2012 fiscal year, the positive one-off effects that had impacted the previous year must be taken into account. Those had resulted, among others, from an accounting change following the examination by the German Financial Reporting Enforcement Panel (DPR). In addition, extensive projects were sold in the previous year.

Overall, DEMIRE Deutsche Mittelstand Real Estate' AGs consolidated profit/loss before interest and taxes amounted to EUR –4.9 million in the reporting year after EUR 14.8 million in the prior year. The profit/loss before taxes was EUR –5.7 million after EUR 13.0 million. Net of taxes and non-controlling interests, the Group's net profit/loss attributable to parent company shareholders amounted to EUR –5.9 million after EUR 12.9 million in the prior year.

Several line items in the statement of income declined in the reporting period due to the prior year's disposals. In contrast, the decline in unrealised fair value adjustments as well as other impairments from EUR –7.4 million to EUR –4.1 million had a positive earnings impact. So did the reduction of general and administrative expenses from EUR 5.7 million to EUR 3.8 million.



As of the balance sheet date, total assets declined from EUR 44.3 million in the previous year to EUR 31.1 million. In particular, liabilities decreased significantly from EUR 24.0 million to EUR 16.9 million. At 45.8 percent, the equity ratio remained at the previous year's level of 45.7 percent. As per the March 31, 2013, cash and cash equivalents amounted to EUR 2.3 million. Thus, despite the loss in reporting year, they only declined moderately compared to the level at the end of the prior year of EUR 3.6 million. The net asset value (NAV) calculated according to EPRA requirements amounted to EUR 14.4 million as at March 31, 2013. Based on 13.89 million shares outstanding, this is equivalent to a NAV of EUR 1.04 per share.

In the current 2013/2014 fiscal year, the focus will be on the further prompt execution of the Group's realignment. In the future, it will concentrate on investments in existing real estate for entrepreneurial medium-sized companies ("the Mittelstand") in Germany. It is the intention to dispose of the remaining investments in Eastern Europe and in the Black Sea region and to establish a value-enhancing real estate portfolio in Germany.

About Deutsche Mittelstand Real Estate

DEMIRE Deutsche Mittelstand Real Estate AG is a Frankfurt/Main headquartered real estate Group with a clear focus on commercial real estate for the entrepreneurial "Mittelstand" in Germany.

The Group pursues a buy-and-hold-strategy combined with active portfolio management. It is concentrated on both the value-added and core-plus investment approaches. The combination of these two approaches offers a balanced risk-return ratio and attractive opportunities.

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