Summit Germany Limited
("Summit" or "the Company")

Trading Update

Summit Germany, the German commercial real estate company, is pleased to make a trading update for the financial year 2015 to date:

Acquisitions

- Two acquisitions for €95 million were completed in the second half of the year. The acquired portfolios include 8 office properties with lettable area of 131,800 sqm at average net initial yield of 10.5%.

  - **DT6 Portfolio**: In July 2015, we completed the purchase of a loan facility on a portfolio of six office properties in good locations in Germany. The total cost of the acquisition was €40 million, while the loan facility had a face value of €78 million. It has an aggregate lettable area of 68,400 sqm and occupancy rate of 72%. The properties currently generate an aggregate net annual rent of €5.5 million, reflecting a rental yield of 13.8% on the acquisition cost.
  - **Stuttgart**: In August 2015 we completed the acquisition of an office building complex in Stuttgart, at a total purchase price of approximately €55 million. The site of 135,000 sqm includes 63,400 sqm of lettable area at a current occupancy rate of 95% and bears rights for further development of additional 55,000 sqm. It is multi let to strong tenants with a current WALT of 9 years and has an aggregate current rental income of approximately € 4.5 million, with expected NOI of € 4.1 million which reflects an average rental yield of 8.2% on acquisition costs.

Portfolio

- **Overview:** Following recent acquisitions, the Company owns 103 assets with lettable area of. 857,000 sqm and net rent of €57 million p.a. (€63 million p.a. in full occupancy). The occupancy rate across the portfolio is 87%.

- **Letting activity:** In 2015, strong marketing efforts resulted in the signing of 121 new leases and renewals for 105,000 sqm with rental value of €8.7 million, reflecting €6.9 per sqm per month, compared to average rent per sqm of €6.2 in 2014.

- **Increasing Rent Rates:**

  - Total rental income on annual basis increased from €46.5 million to €57.1 million mainly due to the recent acquisitions.
  - The net rent on a like for like basis remained stable as income from new leases in 2015 was offset against decreases in rent resulting from the insolvency of a tenant and other lease expiries.
  - The rent level of new leases and renewals is **11% higher** than the average rent rate across the portfolio in 2014.

- **Disposals:** The Company is focusing on long term holding of the majority of its portfolio while continuously seeking to improve its portfolio by either selling small and non-strategic assets or assets that maximize their upside potential

During the last 12 months the Group has sold 4 small assets for ca. €2.3 million. In addition, 3 additional small properties are in the process of sale with a total consideration of ca. €3 million. All sale prices are in the range of the properties' book value.

- **Residential JV:** Further successful progress in the Company's joint venture residential development in Berlin with pre-sales of 98%, 64% and 37% of the three projects, respectively.

Valuations

- **Valuation as of 30.6.2015,** prior to the completion of the new acquisitions, totaled €582.4 million, reflecting a rental yield of 8%.
- **Revaluation profit:** Valuation of recently acquired DT6 portfolio totaled to €82.5 million which expected to result in a **€42** million revaluation profit in H2/2015.
  Together with recently acquired Stuttgart assets, the portfolio value increased to **€718** million reflecting a rental yield of **8%**.
- The next external portfolio valuation is expected at the year-end financial report. We see a trend of a yield compression in the market and we believe it will affect the valuations positively in the next reporting periods.

Financing

- Company's current borrowings amount to €330 million, reflecting LTV of 46% for average loan duration of 5.8 years and average interest rate of 2.8%.
- 10 of the Company's assets are unpledged, with a value of €102 million.
- The Company intends to maintain its LTV rate of up to 50%.

Pipeline

- Binding agreements for the acquisition of 2 assets for a total consideration of €15m. A separate announcement will be made upon completion of the acquisitions.
- Agreed indicative terms for additional acquisitions with a volume of €100m.
- Due diligence is underway and subject to satisfactory due diligence and negotiation of the respective SPAs completion of these acquisitions is expected in Q1/2016.
- The Company has sufficient resources for financing this pipeline.

Dividend

- Dividends of €14.88 million were paid in 2015 to date, reflecting 3.20 cents per share. The last quarter dividend was 0.90 cent per share.
- The Company expects future dividends in a similar level to the last quarter, which will be improved upon the completion of pipeline acquisitions.

Zohar Levy, managing director, commented today: "we made great accretive acquisitions which support both our cash flow and NAV. Subject to the completion of the acquisitions in the pipeline, we would be fully invested. We expect such acquisitions to be accretive as well and to increase our cash flow and overall dividend yield, together with substantial upside opportunities. In general, we are encouraged from our robust market which offers interesting acquisition opportunities together with a yield compression and increase in rent levels, which in turn can boost the value of our existing and future portfolio”.

Summit Germany Limited	Tel: +44 (0) 1481 700 300
Zohar Levy - Managing Director	
Itay Braun - Finance Director	
Non-Executive Chairman	Tel: +44 (0) 20 7451 7050
Harry Hyman	
Carey Group, Company Secretary	Tel: +44 (0) 1481 700 300
Sara Bourne	
Cenkos Securities, Nominated Adviser and Joint Broker	Tel: +44 (0) 20 7397 8900
Ivonne Cantu (Nomad)	
Russell Kerr / Selwyn Jones (Broking)	
Liberum Capital Limited, Joint Broker	Tel: +44 (0) 20 3100 2222
Chris Clarke / Jill Li	
Capital Access Group	Tel: +44(0) 20 3763 3400
Simon Courtenay	
Harry Rippon	