

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

Trading Update

Summit Germany, the German commercial real estate company, is pleased to announce the following trading update for the first 6 months of 2014.

This has been a successful and significant half year for the Company reflected in:

- A successful equity placing, raising €35 million in February 2014 when the Company was admitted to trading on AIM;
- Acquisition of a €73.5 million loan facility at a cost of €46 million regaining control of portfolio of 11 properties across Germany
 - c. €28m surplus from acquisition
 - net annual rental income of c. €6.3m and implied gross rental yield of 13.7%
- Disposal of interest in property in Berlin at a yield of 5.2% generating €600,000 gain as part of ongoing portfolio management strategy
- Signing of 99 new leases and renewals (rent of €4.5 million p.a.)
- Occupancy rate increased to 85.7% compared to 84.5% in 2013 (proforma including latest portfolio acquisition)
- Annual net rent has increased to €45.7 million (2013: €39.5 million) following portfolio acquisition in April 2014 and new lettings
- Total bank debt decreased to 54% LTV (52% net of cash) compared to 62% in 2013
- Identifying and pursuing accretive opportunities from the existing portfolio for office conversion to residential;
- Successful pre-sale in JV's residential development in Berlin (50% of the spaces sold); marketing of second project commenced and a third project to start the next few weeks
- Developing substantial pipeline of further attractive acquisitions

Dividends

- The Group intends to pay dividends on a quarterly basis
- First dividend of 0.5 cents per share was announced in May and paid in June 2014

- Next dividends to be paid in September and in December 2014, dividend yields expected to be in line with market expectations

Results

- The 2014 half year results will be released in mid-September. A further announcement will be made regarding the release date.

Market Outlook

The German economy remains strong, experiencing its fastest growth in three years. In Q1 2014 the German commercial real estate sector has seen a surge in investment, particularly in office space, supported by ongoing favourable economic conditions and increased investor interest.

Demand for Summit's properties continues to be strong. The Board is confident that the Company is very well positioned to benefit from short and mid-term market trends by executing on its well-developed pipeline of opportunities; by continuing to maximise the rental income from its properties and by realising value from its substantial portfolio over time.

Harry Hyman, Chairman, commented: "Summit Germany is generating consistent cash flows supporting its ability to pay attractive dividends while positioning its portfolio for future capital upside. We are looking forward to providing a further update at the time of our results in September".

Zohar Levy, CEO, commented: "We believe that this is a perfect time to invest in German commercial properties according to our strategy of investing mainly in multi-let offices in large cities. We see accretive opportunities which combine high cash flow with upside potential."

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