



JER INVESTORS TRUST INC. PROVIDES COMPANY UPDATE AND 2012 ANNUAL STATEMENT OF AFFAIRS

New York, NY – July 1, 2014: JER Investors Trust Inc. (Pink Sheets: JERT.PK, “JERT” or the “Company”) released its annual Statement of Affairs of the Company, including its unaudited financial information, as of and for the twelve months ended December 31, 2012.

As previously disclosed, the Company continues to have material financial obligations, including:

- The judgment in favor of National Australia Bank Limited (“NAB”) entered against the Company in August 2011 in the amount of \$29,004,598 (the “NAB Judgment”). That judgment resulted from JERT’s default under an interest rate setup. The default, and JERT’s resulting obligations to NAB, were described in the Annual Report on Form 10-K filed by JERT with the Securities and Exchange Commission on December 27, 2011. The unpaid amount owed under that judgment was \$29.005 million at December 31, 2012.
- Its junior subordinated notes with an outstanding face amount of \$70.3 million (the “Junior Subordinated Notes”).

Although the Company’s cash receipts did increase slightly over 2011, it is unlikely that the Company will be able to repay in full its remaining obligation under the NAB Judgment or the Junior Subordinated Notes based on the Company’s unrestricted cash balance at December 31, 2013 and its anticipated future cash receipts. Accordingly, we believe that the Company’s common shares have little, if any, value.

The Company’s unrestricted cash balance was approximately \$4.95 million at December 31, 2012.

Currently, the Company’s primary sources of liquidity are from its non-CDO CMBS bonds. The Company is no longer receiving distributions from its retained interests in the CDOs, and it does not expect to receive distributions from such CDOs for the foreseeable future, if ever. As a result, the Company continues to focus on seeking to preserve liquidity by minimizing its operating costs to the extent possible.

The unaudited consolidated statement of operations as of December 31, 2012 as divided by financing sources is set out below (dollars in thousands) and is prepared on a U.S. federal income tax basis:

JER INVESTORS TRUST INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2012
(dollars in thousands)

	JER CRE CDO 2005-1, LLC	JER CRE CDO 2006-2, LLC	JER TRS Holding Company Inc.	Other	Consolidated
REVENUES:					
Interest income – CMBS	\$ 9,930	\$ 11,732	\$ 3,516	\$ 824	\$ 26,002
Interest income – cash and cash equivalents	-	-	-	1	1
Fee Income	-	-	-	291	291
Total revenues	<u>\$ 9,930</u>	<u>\$ 11,732</u>	<u>\$ 3,516</u>	<u>\$ 1,116</u>	<u>\$ 26,294</u>
EXPENSES:					
Interest expense	\$ 8,922	\$ 928	\$ 109	\$ -	\$ 9,959
General and administrative	810	1,453	1,084	556	3,903
Total expenses	<u>\$ 9,732</u>	<u>\$ 2,381</u>	<u>\$ 1,193</u>	<u>\$ 556</u>	<u>\$ 13,862</u>
INCOME BEFORE OTHER EARNINGS (LOSSES)	\$ 198	\$ 9,351	\$ 2,323	\$ 560	\$ 12,432
OTHER EARNINGS (LOSSES):					
Equity in earnings (losses), net, of unconsolidated entities (JER US Debt Co-Investment Vehicle, L.P.)	\$ -	\$ -	\$ -	\$ 321	\$ 321
Realized loss on mortgage notes	12,451	(113,566)	-	-	(101,115)
Realized loss on CMBS	(141,052)	(291,866)	-	(87,805)	(520,723)
Loss on interest rate swaps	(796)	(13,238)	-	-	(14,034)
Total other losses	<u>(129,397)</u>	<u>(418,670)</u>	<u>-</u>	<u>(87,484)</u>	<u>(635,551)</u>
NET INCOME (LOSS)	<u>\$ (129,199)</u>	<u>\$ (409,319)</u>	<u>\$ 2,323</u>	<u>\$ (86,924)</u>	<u>\$ (623,119)</u>

The unaudited consolidated statement of operations as of December 31, 2012 as divided by financing sources is set out below (dollars in thousands) and is prepared on a U.S. federal income tax basis:

Balance Sheet Review by Financing Sources:

JER INVESTORS TRUST INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (Unaudited)

AS OF DECEMBER 31, 2012

(dollars in thousands)

	JER CRE CDO 2005-1, LLC	JER CRE CDO 2006-2, LLC	JER TRS Holding Company Inc.	Other	Consolidated
ASSETS:					
Portfolio investments					
CMBS	\$ 173,821	\$ 145,163	\$ -	\$ 47,602	\$ 366,586
Mortgage notes	-	25,093	-	-	25,093
Real estate	-	34,320	-	-	34,320
Cash and cash equivalents	-	-	478	4,469	4,947
Restricted cash – CDO	1,024	284	-	-	1,308
Investment in unconsolidated entities (JER US Debt Co-Investment Vehicle, L.P.)	-	-	-	4,623	4,623
Accrued interest receivable and accounts receivable	-	-	-	106	106
Other assets	1,390	4,021	-	-	5,411
Total assets	\$ 176,235	\$ 208,881	\$ 478	\$ 56,800	\$ 442,394
LIABILITIES:					
Junior subordinated notes	\$ -	\$ -	\$ -	\$ 62,310	\$ 62,310
Notes payable	298,202	752,311	-	-	1,050,513
NAB judgment	-	-	-	29,005	29,005
Accounts payable and accrued expenses	81	161	255	5,217	5,714
Total liabilities	298,283	752,472	255	96,532	1,147,542
Total stockholders' equity (deficit)	(122,048)	(543,591)	223	(39,732)	(705,148)
Total liabilities and stockholders' equity (deficit)	\$ 176,235	\$ 208,881	\$ 478	\$ 56,800	\$ 442,394

Dividends:

The Company did not declare or pay any dividends in 2012, and given expectations of continued tax loss, it does not expect to pay dividends in the foreseeable future.

2012 Annual Meeting of Shareholders:

The 2012 annual meeting of shareholders of the Company was scheduled to be held on December 18, 2013 at 12:00PM, Eastern Daylight Time, at the offices of C-III Capital Partners LLC at 717 Fifth Avenue, 15th Floor, New York, NY 10022, but due to a lack of quorum was adjourned. At the 2013 annual meeting, shareholders will be asked to vote upon a proposal to elect three directors to serve until the 2014 annual meeting of shareholders and until their respective successors are elected and duly qualified.

Financial Statements:

The December 31, 2012 financial statements included in this annual statement of affairs have not been and will not be audited and were prepared on a U.S. federal income tax basis. Accordingly, the Company did not prepare such financial statements in accordance with generally accepted accounting principles. However, given the current financial condition of the Company, management believes that an independent auditor would conclude that a substantial doubt about the Company's ability to continue as a going concern exists at December 31, 2012. This is consistent with conclusions reached by independent auditors with respect to the Company's 2008 and 2009 audited financial statements.

About JER Investors Trust Inc.:

JER Investors Trust Inc. is a specialty finance company that manages a portfolio of commercial real estate structured finance products. Our investments include CMBS, mezzanine loans and participations in mortgage loans, and an interest in the US Debt Fund. JER Investors Trust Inc. is organized and conducts its operations so as to qualify as a real estate investment trust ("REIT") for federal income tax purposes. For more information regarding JER Investors Trust Inc., please visit www.jerinvestorstrust.com.

Forward-Looking Statements:

This press release contains forward-looking statements based upon the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company or are within its control. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in its forward-looking statements. Factors that could cause actual results to differ materially from JER Investors Trust's expectations include, but are not limited to, the Company's ability to cover its operating cash needs, changes in the real estate and capital markets, the Company's ability to maintain existing financing arrangements, the effect of trading on the Pink Sheets, other risks included as part of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on December 20, 2010 and other factors which may be beyond the Company's control. The Company filed a Form 15 with the SEC on March 31, 2010 and has ceased to be an SEC reporting company. Since the Company is no longer an SEC reporting company, the information contained in previously filed SEC reports may not be current and circumstances may have changed significantly since the dates of such filings. Any forward-looking statements contained herein speak only as of the date of this press release. JER Investors Trust expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in JER Investors Trust's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

CONTACT:

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JER INVESTORS TRUST INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (Unaudited)
AS OF DECEMBER 31, 2012
(dollars in thousands)

ASSETS:

Portfolio investments		
CMBS	\$	366,586
Mortgage notes		25,093
Real estate		34,320
Cash and cash equivalents		4,947
Restricted cash – CDO		1,308
Investment in unconsolidated entities (JER US Debt Co-Investment Vehicle, L.P.)		4,623
Accrued interest receivable and accounts receivable		106
Other assets		<u>5,411</u>
 Total assets	\$	<u>442,394</u>

LIABILITIES:

Junior subordinated notes	\$	62,310
Notes payable		1,050,513
NAB judgment		29,005
Accounts payable and accrued expenses		<u>5,714</u>
 Total liabilities		<u>1,147,542</u>

STOCKHOLDERS' EQUITY:

Common stock, \$0.01 par value, 100,000,000 shares authorized, 5,896,498 shares issued and outstanding at December 31, 2012		57
Additional paid-in capital		413,573
Cumulative cash dividends paid		(157,705)
Cumulative stock dividends paid		(20,462)
Cumulative deficit		<u>(940,611)</u>
 Total stockholders' equity (deficit)		<u>(705,148)</u>
 Total liabilities and stockholders' equity (deficit)	\$	<u>442,394</u>

JER INVESTORS TRUST INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2012
(dollars in thousands)

REVENUES:	
Interest income – CMBS	\$ 26,002
Interest income – cash and cash equivalents	1
Fee Income	<u>291</u>
Total revenues	<u>26,294</u>
EXPENSES:	
Interest expense	9,959
General and administrative	<u>3,903</u>
Total expenses	<u>13,862</u>
INCOME BEFORE OTHER EARNINGS (LOSSES)	\$ 12,432
OTHER EARNINGS (LOSSES):	
Equity in earnings (losses), net, of unconsolidated entities (JER US Debt Co-Investment Vehicle LP)	321
Realized loss on mortgage notes	(101,115)
Realized loss on CMBS	(520,723)
Loss on interest rate swaps	<u>(14,034)</u>
Total other losses	\$ <u>(635,551)</u>
NET LOSS	\$ <u><u>(623,119)</u></u>

JER INVESTORS TRUST INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2012
(dollars in thousands)

	Common Stock	Additional Paid-in Capital	Cumulative Cash Dividends Paid/Declared	Cumulative Stock Dividends Paid/Declared	Cumulative Earnings (Deficit)	Total
BALANCE, December 31, 2011	\$ 57	\$ 413,573	\$ (157,705)	\$ (20,462)	\$ (317,492)	\$ (82,029)
Income before other earnings (losses)	-	-	-	-	12,432	12,432
Equity in earnings (losses), net, of unconsolidated entities (JER US Debt Co-Investment Vehicle, L.P.)	-	-	-	-	321	321
Realized loss on mortgage notes	-	-	-	-	(101,115)	(101,115)
Realized loss on CMBS	-	-	-	-	(520,723)	(520,723)
Loss on interest rate swaps	-	-	-	-	(14,034)	(14,034)
BALANCE, December 31, 2012	<u>\$ 57</u>	<u>\$ 413,573</u>	<u>\$ (157,705)</u>	<u>\$ (20,462)</u>	<u>\$ (940,611)</u>	<u>\$ (705,148)</u>