

# Interim Report 1st Quarter 2012

fair value  
REIT

## Key figures Fair Value REIT-AG

		1/1-3/31/2012	1/1-3/31/2011
<b>Revenues and earnings</b>			
Rental revenues	in € thousand	2,879	2,576
Net rental result	in € thousand	2,113	1,947
EBIT	in € thousand	1,462	1,213
Result from equity-accounted investments	in € thousand	1,418	1,896
Consolidated net income	in € thousand	1,358	1,828
Earnings per share	in €	0.15	0.20
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	1,441	1,344
EPRA-Earnings/FFO per share	in €	0.15	0.14
<b>Assets and capital</b>		<b>3/31/2012</b>	<b>12/31/2011</b>
Non-current assets	in € thousand	181,312	180,078
Current assets	in € thousand	10,061	11,304
Total assets	in € thousand	191,373	191,382
Equity/Net asset value (NAV)	in € thousand	78,721	77,472
Equity ratio	in %	41.1	40.5
Immovable assets	in € thousand	181,116	180,975
Equity within the meaning of Section 15 of the REIT act	in € thousand	93,178	92,208
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45%)	in %	51.5	51.0
<b>Real estate Investments<sup>1)</sup></b>		<b>3/31/2012</b>	<b>12/31/2011</b>
Number of properties	amount	72	73
Market value of properties <sup>2)</sup>	in € million	222	222
Contractual rent	in € million	18.4	18.4
Potential rent	in € million	19.5	19.7
Occupancy	in %	94.2	93.8
Remaining term of rental agreements	years	5.8	6.0
Contractual rental yield before costs	in %	8.3	8.3

<sup>1)</sup> Relating to Fair Value's proportionate portfolio. For further information see Annual Report 2011, pages 122-127.

<sup>2)</sup> Based on the market valuation dated December 31, 2011.

## Further key figures

		3/31/2012	3/31/2011
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	8.44	8.31
EPRA-NAV per share	in €	9.41	9.27
Number of employees (including Management Board)		3	4

---

# Letter to Shareholders

## Dear Shareholders, Ladies and Gentlemen,

Business sentiment in Germany staged something of a revival in the first three months of 2012. German economic growth is expected to pick up speed again during the course of this year, even if this is unlikely to apply equally to all sectors. The unemployment rate has fallen again, and at the same time companies are expanding prudently and with great care. This was the environment that constituted the basis for our successful start in the financial year 2012.

The occupancy rate of our proportionate real estate portfolio increased slightly from 93.8% to 94.2% in the reporting period, with the weighted average lease terms totalling 5.8 years as of 31 March 2012.

We generated consolidated net income of € 1.4 million in the first quarter of 2012. The higher figure of € 1.8 million achieved in the previous year resulted from changes in the market values of interest rate hedges that were posted through profit and loss. Consolidated net income adjusted for changes in market values, or FFO earnings, was € 1.4 million in the first quarter of 2012, some 8% higher than the previous year's figure of € 1.3 million.

As of the balance sheet date, consolidated equity amounted to € 78.7 million. As a result, the balance sheet net asset value increased by 2% in the first quarter of 2012 to € 8.44 per share in circulation. The REIT equity ratio increased from 51.0% to approximately 52% of the immovable assets.

We regard the results from the first quarter of 2012 as confirmation of our projections and are maintaining our forecast for the current financial year. This means that for 2012 as a whole, we are still anticipating adjusted consolidated net income of € 4.8 million, or € 0.52 per share.

Munich, May 7, 2012

Kind regards

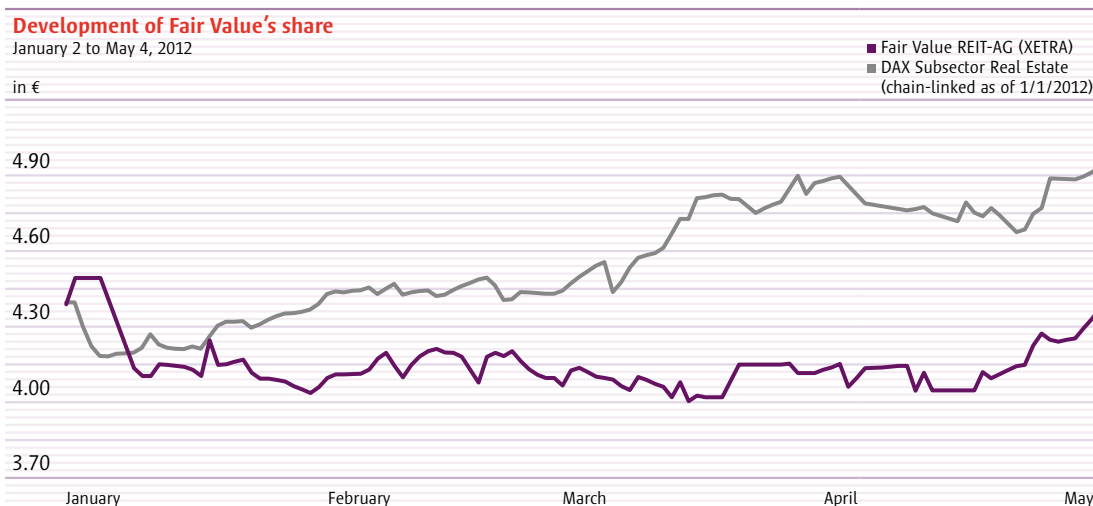


Frank Schaich, CEO

# The Share

## Development of the Stock Market and the Fair Value Share

The stock markets showed a comparatively positive trend in the first quarter of 2012. The development of the Fair Value share was essentially characterized by sideways movement. Following an increase in its price at the beginning of the quarter, the share's overall development lagged slightly behind that of the benchmark index.



## Key data Fair Value REIT-AG's share

at March 31, 2012

Sector	Real Estate (REIT)
WKN (German Securities Code)/ISIN	A0MW97/DE000A0MW975
Stock symbol	FVI
Share capital	€ 47,034,410.00
Number of shares (non-par value shares)	9,406,882 pcs.
Proportion per share in the share capital	€ 5.00
Initial listing	November 16, 2007
High/low 1st Quarter 2012 (XETRA)	€ 4.50/€ 4.00
Market capitalization at March 31, 2012 (XETRA)	€ 38.8 million
Market segment	Prime Standard
Stock exchanges Prime Standard	Frankfurt, XETRA
Stock exchanges OTC	Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated sponsors	Close Brothers Seydler Bank
Indices	RX REIT All Shares-Index, RX REIT-Index

The price of the Fair Value share increased at the beginning of the year. From an opening price of € 4.40 on January 2, 2012, the share rose to € 4.50, its highest price in the reporting period, on January 4, 2012. After this robust opening week, the share then performed in line with the sector trend until mid-January 2012, by which time it had fallen to € 4.11. In the weeks thereafter its movement was predominantly sideways. The share's closing price at the end of the reporting period was € 4.12. This constitutes a market capitalization of € 38.8 million. The share continued with its sideways trend in April and was worth € 4.30 at the beginning of May.

In the first quarter of the current financial year, approximately 0.2 million Fair Value REIT-AG shares were traded on all stock markets. This resulted in a trading volume of around € 0.8 million in the reporting period, compared with some € 1.5 million in the comparable period last year.

Further information about the share, the shareholder structure as well as other investor relations content is available on [www.fvreit.de](http://www.fvreit.de) in the "Investor Relations" section.

#### Financial calendar

Fair Value REIT-AG

May 14, 2012	Annual General Meeting (Munich, Germany)
August 9, 2012	Semi-annual Report 2012
September 5, 2012	Presentation, 12th Conference Real Estate Share Initiative (Berlin, Germany)
November 8, 2012	Interim Report 1st to 3rd Quarter, 2012
November 12, 2012	Presentation, German Equity Forum (Frankfurt/Main, Germany)

# Group Interim Management Report

## Economic Report

### Business Activities and General Conditions

#### Real Estate Portfolio and Group Structure

The occupancy rate of the properties held by the Group and its associated companies (calculated on a proportional basis) increased slightly to 94.2%, compared with 93.8% on December 31, 2011. The weighted remaining terms of the lease agreements as of March 31, 2012 totalled 5.8 years, compared with 6.0 years as of December 31, 2011.

The following table provides an overview of the real estate assets attributable to the Group (€ 129 million) and its associated companies (€ 358 million) as of March 31, 2012. The market values of the properties are based on property-by-property valuations by the external experts CBRE GmbH as of December 31, 2011, which are outlined individually on pages 122 to 127 of the Annual Report 2011.

Real estate assets of Fair Value REIT-AG										Fair Value REIT-AG's share
	Total plot size <sup>1)</sup> [m <sup>2</sup> ]	Lettable space <sup>1)</sup> [m <sup>2</sup> ]	Annualized contractual rent p. a. 3/31/2012 <sup>1)</sup> [T€]	Market value 12/31/2011 <sup>1)2)</sup> [T€]	Participating interest 3/31/2012 [%]	Annualized contractual rent 3/31/2012 <sup>3)</sup> [T€]	Market value 12/31/2011 <sup>2)3)</sup> [T€]	Occupancy level <sup>4)6)</sup> [%]	Ø-remaining term of rental agreements <sup>5)6)</sup> [years]	Contractual rental yield before costs <sup>6)7)</sup> [%]
Segment										
direct investments	57,796	42,451	3,286	46,037	100,0	3,286	46,037	97.2	10.1	7.1
Segment										
subsidiaries	157,925	119,006	7,382	83,090	57,6	4,191	47,873	89.3	4.1	8.8
<b>Total Group</b>	<b>215,721</b>	<b>161,457</b>	<b>10,668</b>	<b>129,127</b>	<b>72,7</b>	<b>7,477</b>	<b>93,910</b>	<b>92.6</b>	<b>6.8</b>	<b>8.0</b>
Total associated companies	340,250	269,156	31,339	357,750	35,7	10,942	127,671	95.4	5.2	8.6
<b>Total Portfolio</b>	<b>555,971</b>	<b>430,613</b>	<b>42,007</b>	<b>486,877</b>	<b>45,5</b>	<b>18,419</b>	<b>221,581</b>	<b>94.2</b>	<b>5.8</b>	<b>8.3</b>

<sup>1)</sup> Does not consider the respective participating interest

<sup>2)</sup> According to market valuation by CBRE GmbH, Berlin, as of December 31, 2011

<sup>3)</sup> Proportionate market values attributable to Fair Value based on percentage on participations

<sup>4)</sup> Contractual rent/(contractual rent + vacant space at standard market rent)

<sup>5)</sup> Income-weighted

<sup>6)</sup> (Sub) totals for occupancy rate and average remaining term taking the respective percentage of participations into account

<sup>7)</sup> Contractual rents in % of the market value as of December 31, 2011

#### Macroeconomic and Sector-Specific Conditions

**Macroeconomic Situation** The German economy experienced a sluggish phase in the six-month winter period 2011/12. As a result of the sovereign debt crisis, foreign demand was not the only factor to show a subdued trend. German companies and private households, too, were reluctant to spend. This, however, made no impression on the labour market, which continued to develop robustly. In the first three months of the financial year under review, the seasonally-adjusted unemployment figures decreased by around 0.05 million. In March 2012, approximately 3.0 million (previous year: 3.2 million) people were registered as unemployed, representing an unemployment rate of 7.2% (previous year: 7.6 %). The German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung – DIW) has estimated that

economic growth in Germany is likely to gather pace again during the course of the year. Business sentiment in Germany has revived of late, primarily as the debt crisis has been contained for the time being and an escalation has so far been prevented.

Upward pressure on prices slackened again slightly in March 2012. The inflation rate – measured by the consumer price index – had been 2.3% in February 2012. In March 2012, consumer prices were 2.1% higher than in the previous year.

Sources: Bundesagentur für Arbeit (German Federal Employment Agency), Destatis (German Federal Statistical Office), DIW (German Institute for Economic Research), Ifo Institute, Projektgruppe Gemeinschaftsdiagnose, Institut der deutschen Wirtschaft

**The Real Estate Market in Germany** **The Rental Market Office Space** On the rental market for office space, the volume of leasing turnover in the first three months of the current financial year was almost 9% lower than in the corresponding period last year at around 0.7 million m<sup>2</sup>. The overall vacancy rate at all seven office centres<sup>1)</sup> stood at 9.3% (previous year: 10.6%, excluding Cologne). As a result of the improvement in German business sentiment and the highly robust labour market, the year-on-year decline in turnover on the office leasing market is expected to be only slight in 2012 as a whole, despite the slowdown in growth.

**Retail Space** The completion of the second bailout package for Greece and the averting of that country's possible insolvency led to a revival in general economic optimism. In addition, the stable trend in consumer sentiment continued in the early part of 2012, a development which should have a positive impact on leasing activity in the retail space segment.

**The Investment Market** Trading activity was lively on the German real estate investment market in the first quarter of 2012. The number of recorded investment transactions in the seven major locations<sup>1)</sup> increased by around 10% compared with the previous year. The transaction volume of € 5.2 billion in the first quarter of 2012, however, was some 9% lower than the figure attained in the same quarter last year (€ 5.7 billion). All in all, investment in office real estate dominated in the first three months of 2012. The volume of the office properties traded up until March was € 2.35 billion, or 45% of the aggregate transaction volume in the first quarter. In the previous two years, a figure of this magnitude was achieved only in one quarter. The proportion of the aggregate transaction volume accounted for by retail properties in the first quarter of 2012 was approximately 28%. Thanks to its comparatively favourable economic conditions, Germany should again be a focal point for international investors in 2012.

Sources: Jones Lang LaSalle, gfk

<sup>1)</sup> Berlin, Duesseldorf, Frankfurt/Main, Hamburg, Cologne, Munich, Stuttgart

### Overall Statement of the Management on Business Performance

Fair Value REIT-AG concluded the first quarter of the current financial year 2012 with consolidated net income of € 1.4 million, or € 0.15 per share (previous year: € 1.8 million or € 0.20 per share). This decline, compared with the previous year, is a consequence of the market valuation through profit and loss of the interest rate hedges both in the Group and at the equity accounted participations. From a year-on-year perspective, this resulted in lower income from equity accounted companies and to higher interest expenses in the Group.

On the other hand, the Fair Value Group's operating business result adjusted for changes in market values (EPRA earnings or FFO) developed positively:

Adjusted consolidated income (EPRA-Earnings)/FFO	1/1–3/31/2012				1/1–3/31/2011			
	According to consolidated income statement	Profits/ losses on sale and valuation	Interest rate swaps	Adjusted consolidated income statement	According to consolidated income statement	Profits/ losses on sale and valuation	Interest rate swaps	Adjusted consolidated income statement
in € thousand								
<b>Net rental income</b>	<b>2,113</b>	—	—	<b>2,113</b>	<b>1,947</b>	—	—	<b>1,947</b>
General administrative expenses	(529)	—	—	(529)	(515)	—	—	(515)
Total other operating income and expenses	44	—	—	44	39	—	—	39
Earnings from sale of investment properties	(14)	14	—	—	(74)	74	—	—
Valuation profit/loss	(152)	152	—	—	(184)	184	—	—
<b>Operating result</b>	<b>1,462</b>	<b>166</b>	—	<b>1,628</b>	<b>1,213</b>	<b>258</b>	—	<b>1,471</b>
<b>Income from participations</b>	<b>1,418</b>	—	(152)	<b>1,266</b>	<b>1,896</b>	—	(633)	<b>1,263</b>
Net interest expense	(1,265)	—	142	(1,123)	(1,143)	—	(37)	(1,180)
<b>Income before minority interests</b>	<b>1,615</b>	<b>166</b>	<b>(10)</b>	<b>1,771</b>	<b>1,966</b>	<b>258</b>	<b>670</b>	<b>1,554</b>
Minority interests	(257)	(11)	(62)	(330)	(138)	(88)	16	(210)
<b>Consolidated net income</b>	<b>1,358</b>	<b>155</b>	<b>(72)</b>	<b>1,441</b>	<b>1,828</b>	<b>170</b>	<b>(654)</b>	<b>1,344</b>
Adjusted consolidated net income (FFO) per share (in €)				0.15				0.14

The net rental income of €2.1 million was around €0.2 million, or 9%, higher than in the corresponding quarter last year (€1.9 million). The adjusted result from participations remained at its previous year's level of around €1.3 million.

Taking account of adjusted net interest expenses and the minority interests, adjusted consolidated net income (EPRA earnings or FFO) in the first quarter of 2012 amounted to €1.4 million or €0.15 per share (previous year: €1.3 million or €0.14 per share).

The divergence is primarily a consequence of higher rental income, which at an aggregate of €2.9 million was €0.3 million or 12% higher than the previous year's figure of €2.6 million.

## Income, Financial and Net Asset Position

### Income Position

in € thousand	1/1–3/31/2012	1/1–3/31/2011	Change	in %
Total revenues	3,294	3,189	105	3
Net rental income	2,113	1,947	166	9
General administrative expenses	(529)	(515)	(14)	(3)
Sale and valuation result	(166)	(258)	92	36
Operating result	1,462	1,213	249	21
Income from participations	1,418	1,896	(478)	(25)
Net interest expense	(1,265)	(1,143)	(144)	(13)
Minority interest in the result	(257)	(138)	(119)	(86)
<b>Consolidated net income (-loss)</b>	<b>1,358</b>	<b>1,828</b>	<b>(470)</b>	<b>(26)</b>

The total revenues of €3.3 million were €0.1 million or 3% higher than the €3.2 million reported in the previous year. This divergence resulted from the balance of higher rental income (+€0.3 million) and lower income from incidental expense allocations (€–0.2 million).

The net rental income of €2.1 million was around €0.2 million or 9% higher than the €1.9 million reported in the previous year. This is the result of higher total revenues and lower property-related expenses.

The sale and valuation expenses of €0.2 million (previous year: €0.3 million) derive almost entirely from capitalised expenses for leasing-related alterations which were amortised immediately.

The operating result of €1.5 million was therefore €0.2 million, or 25%, higher than the €1.2 million reported in the previous year.

The income from participations on the other hand, decreased by €0.5 million to €1.4 million, a reduction of 25% which was caused solely by changes in the valuation of interest rate hedges reported in the income statement. The positive, liquidity-neutral contribution to operating income out of the valuation of interest rate hedges amounted to €0.1 million, compared with €0.6 million in the previous year.

Net interest expenses increased by 11% from €1.1 million to €1.3 million. This resulted from the market valuation of an interest rate hedge which led to a liquidity-neutral increase in expenses.

After taking the minority interests at subsidiaries into account, the Fair Value Group recorded IFRS consolidated net income of €1.4 million (previous year: €1.8 million). This represents earnings per share of €0.15 compared with €0.20 in the previous year.



### Financial Position

**Cash Flow from Operating Activities** The cash inflow from operating activities in the period under review totalled €0.8 million (previous year: €1.4 million). The higher amount in the previous year includes a compensation payment of €2.0 million received for the premature cancellation of a lease agreement at the subsidiary IC 13.

<b>Cash and cash equivalents</b>		
in € thousand	1/1–3/31/2012	1/1–3/31/2011
Cash flow from operating activities	758	1,435
Cash flow from investment activities	1,100	2,241
Cash flow from financing activities	(1,669)	(2,532)
<b>Change of cash and cash equivalents</b>	<b>189</b>	<b>1,144</b>
Cash and cash equivalents – start of period	7,725	11,975
<b>Cash and cash equivalents – end of period</b>	<b>7,914</b>	<b>13,119</b>

**Cash Flow from Investment Activities** A net cash inflow of €1.1 million resulted from investment activities, compared with €2.2 million in the previous year. The cash inflow resulted in each case from the disposal of a sold property.

**Cash Flow from Financing Activities** Due to the repayment of bank borrowings, financing activities generated a net cash outflow of €1.7 million compared to €2.5 million in the corresponding period last year.

**Liquidity** In the reporting period, cash and cash equivalents in the Group increased by €0.2 million to €7.9 million.

### Net Asset Position

**Assets** Total assets as of March 31, 2012 amounted to €191.4 million, almost unchanged compared with December 31, 2011.

The non-current assets totalling €181.3 million accounted for 95% of total assets (December 31, 2011: 94%). Investment properties accounted for 71% or €129.1 million (unchanged from December 31, 2011). 29%, or €52.0 million, of the equity accounted participations in the associated companies (December 31, 2011: 28% or €50.7 million) is included in the non-current assets.

A total of 79%, or €7.9 million, of the current assets of €10.1 million (December 31, 2011: €11.3 million) comprise cash and cash equivalents while 21% are receivables and other assets.

**Equity and Liabilities** As of March 31, 2012, 41% of the assets were financed by equity and 59% by debt. It should be noted that the minority interests in subsidiaries amounting to €14.5 million are shown under liabilities in accordance with IFRS. If minority interests were reported under equity, as provided for in the REIT Act, equity would increase to €93.2 million or some 49% of total assets (December 31, 2011: 48%) or around 52% of the immovable assets.

**Financial Liabilities** The Group's financial liabilities of €89.4 million as of March 31, 2012 account for 47% of total assets, compared with 48% or €91.0 million as of December 31, 2011. Of these, 45% or €40.2 million (December 31, 2011: 42% or €38.2 million) were due within one year.

**Equity/Net Asset Value (NAV)** The net asset value (NAV), calculated as the sum of the market values of the real estate and the participations, after taking the other balance sheet items into account, amounted to €78.7 million as of March 31, 2012, compared with €77.5 million at the end of the previous year.

Based on 9,325,572 shares in circulation as of the balance sheet date, the NAV per share was €8.44, compared to €8.31 on December 31, 2011.

<b>Balance sheet NAV</b>		
in € thousand	<b>3/31/2012</b>	<b>12/31/2011</b>
Market value of properties (including properties available for sale)	129,127	130,227
Equity-accounted participations	51,989	50,748
Miscellaneous assets minus miscellaneous liabilities	3,054	3,257
Minority interests	(14,457)	(14,736)
Financial liabilities	(89,358)	(91,027)
Other liabilities	(1,634)	(997)
<b>Net Asset Value</b>	<b>78,721</b>	<b>77,472</b>
Net Asset Value per share	in € 8.44	8.31

The "Best Practice Recommendations" of the European Public Real Estate Association (EPRA) are acknowledged recommendations which complement the IFRS reporting of real estate companies by providing guidance on a transparent net asset value calculation. The EPRA-NAV indicator shown below was calculated on the basis of these recommendations; it eliminates the market values of derivative financial instruments and therefore represents the real-estate-related net asset value. As deferred taxes are not relevant to Fair Value REIT-AG as a result of its REIT status, the EPRA-NAV figures shown below also correspond to the NNAV indicator used by some experts.

<b>EPRA-NAV</b>		
in € thousand	3/31/2012	12/31/2011
NAV pursuant to consolidated balance sheet	78,721	77,472
Market value of derivative financial instruments	6,152	5,893
Thereof due to minority interests	(118)	(88)
Market value of derivative financial instruments of equity-accounted participations (proportionate)	3,007	3,201
<b>EPRA-NAV</b>	<b>87,762</b>	<b>86,478</b>
EPRA-NAV per share	in € 9.41	9.27

## Supplementary Report

### Retail property Alzey (Subsidiary IC01)

Since the beginning of 2012, the payment behaviour shown by the ground-floor commercial tenants in the residential and commercial property in Alzey has deteriorated in an unacceptable manner, with the result that an imminent increase in the vacancy rate to around 83% of the rental income achieved so far (vacancy rate as of December 31, 2011: 22%) and substantial investments in a lasting renewal agreement had to be regarded as probable.

The marketing activities were also aimed at potential owner-occupiers and were almost immediately successful. In mid-April 2012, the subsidiary's shareholders' meeting agreed to the sale of the real estate to a local investor and owner-occupier who is acquiring the property on condition that the ground-floor premises be vacated and left in their prevailing condition (including still unrepaired fire damage for partial areas on the ground floor). The commercial result of the transaction (purchase price plus insurance payment for the fire damage) amounts to approximately € 1.0 million.

It is likely that as a consequence of this result, the Group will sustain a loss of some € 0.5 million from the sale of the property in the closing procedure in the third quarter of 2012. This, however, can be offset by the fact that a potential long-term vacancy of this property can be prevented and probable investment costs totalling well in excess of € 0.5 million can be saved. In addition, the subsidiary can be liquidated at short notice, which will lead to savings in general administrative costs.

## Risk Report

The Fair Value Group's business activities expose it to a diversity of risks. In addition to general economic risks, these are essentially occupancy risks, rental default risks, interest rate risks and liquidity risks. The risk management activities and the general risks faced by the company are described on pages 48 to 54 of the Fair Value REIT-AG Annual Report 2011. In the first quarter of 2012 there was no change in the risk assessment compared with the expositions in the Annual Report 2011.

## Opportunities and Forecast

The first quarter of 2012 constituted a very good start to the current financial year. The occupancy rate of Fair Value's proportionate portfolio was increased slightly to 94.2% (December 31, 2011: 93.8%). Total revenues, net rental income and the operating result were in line with expectations. Higher income from the associated companies and lower net interest expenses resulted in a consolidated net income which, overall, was slightly above the budgeted figure.

### Confirmation of the Forecast for 2012

As a result of the positive trend in the first quarter of 2012, the Management Board is reiterating its forecast for 2012 as a whole. This provides for adjusted IFRS consolidated net income (EPRA earnings or FFO) of €4.8 million, corresponding to €0.52 per share, for 2012.

Munich, May 4, 2012

Fair Value REIT-AG



Frank Schaich, CEO

# Consolidated Interim Financial Statements

## Balance Sheet

<b>Consolidated balance sheet</b>			
in € thousand	Note no.	3/31/2012	12/31/2011
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	3	172	180
Property, plant and equipment		6	6
Investment property	4	129,127	129,127
Equity-accounted investments	5	51,989	50,748
Other receivables and assets		18	17
<b>Total non-current assets</b>		<b>181,312</b>	<b>180,078</b>
<b>Current assets</b>			
Non-current assets available for sale	6	—	1,100
Trade receivables		1,241	1,284
Income tax receivables		84	75
Other receivables and assets		822	1,120
Cash and cash equivalents		7,914	7,725
<b>Total current assets</b>		<b>10,061</b>	<b>11,304</b>
<b>Total assets</b>		<b>191,373</b>	<b>191,382</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserve for changes in value	7	(6,588)	(6,481)
Loss carryforward		(7,494)	(8,850)
Treasury shares		(398)	(398)
<b>Total equity</b>		<b>78,721</b>	<b>77,472</b>
<b>Non-current liabilities</b>			
Minority interests		14,457	14,736
Financial liabilities	8	49,137	52,810
Derivative financial instruments		6,152	5,893
Other liabilities		57	66
<b>Total non-current liabilities</b>		<b>69,803</b>	<b>73,505</b>
<b>Current liabilities</b>			
Provisions		241	250
Financial liabilities	8	40,221	38,217
Trade payables		810	1,007
Other liabilities		1,577	931
<b>Total current liabilities</b>		<b>42,849</b>	<b>40,405</b>
<b>Total equity and liabilities</b>		<b>191,373</b>	<b>191,382</b>

## Income Statement

<b>Consolidated income statement</b>			
in € thousand	Note no.	1/1 – 3/31/2012	1/1 – 3/31/2011
Rental income		2,879	2,576
Income from operating and incidental costs		415	613
Leasehold payments		(3)	(5)
Real estate-related operating expenses		(1,178)	(1,237)
<b>Net rental result</b>		<b>2,113</b>	<b>1,947</b>
<b>General administrative expenses</b>	9	<b>(529)</b>	<b>(515)</b>
Other operating income		45	28
Other operating expenses		(1)	11
<b>Total other operating income and expenses</b>		<b>44</b>	<b>39</b>
Net income from the sale of investment properties		1,100	2,500
Expenses in connection with the sale of investment properties		(1,114)	(2,574)
<b>Result from sale of investment properties</b>	6	<b>(14)</b>	<b>(74)</b>
Valuation gains		–	–
Valuation losses		(152)	(184)
<b>Valuation result</b>	4	<b>(152)</b>	<b>(184)</b>
<b>Operating result</b>		<b>1,462</b>	<b>1,213</b>
<b>Result from equity-accounted investments</b>	5	<b>1,418</b>	<b>1,896</b>
Interest income		3	10
Interest expense	10	(1,268)	(1,153)
<b>Income before taxes</b>		<b>1,615</b>	<b>1,966</b>
Income tax		–	–
<b>Income before minority interests</b>		<b>1,615</b>	<b>1,966</b>
Minority interest in the result		(257)	(138)
<b>Net income</b>		<b>1,358</b>	<b>1,828</b>
Earnings per share in € (basic/diluted)		0.15	0.20

## Statement of Comprehensive Income

Consolidated statement of comprehensive income		
in € thousand	1/1–3/31/2012	1/1–3/31/2011
<b>Net income</b>	<b>1,358</b>	<b>1,828</b>
Other results		
Change in cash flow hedges	(117)	1,140
Thereof due to minority interests	32	(66)
Change in cash flow hedges of associated companies	(108)	368
<b>Total other results</b>	<b>(193)</b>	<b>1,442</b>
<b>Comprehensive income</b>	<b>1,165</b>	<b>3,270</b>

## Statement of Changes in Equity

Consolidated statement of changes in equity								
in € thousand	Shares in circulation [in pcs.]	Subscribed capital	Share premium	Own shares	Reserve for changes in value	Distribution of dividends	Retained earnings	Total
<b>Balance at January 1, 2011</b>	<b>9,325,572</b>	<b>47,034</b>	<b>46,167</b>	<b>(398)</b>	<b>(5,732)</b>	—	<b>(12,513)</b>	<b>74,558</b>
Purchase of treasury shares	—	—	—	—	—	—	—	—
Total net income	—	—	—	—	1,442	—	1,828	3,270
<b>Balance at March 31, 2011</b>	<b>9,325,572</b>	<b>47,034</b>	<b>46,167</b>	<b>(398)</b>	<b>(4,290)</b>	—	<b>(10,685)</b>	<b>77,828</b>
<b>Balance at January 1, 2012</b>	<b>9,325,572</b>	<b>47,034</b>	<b>46,167</b>	<b>(398)</b>	<b>(6,480)</b>	<b>(932)</b>	<b>(7,919)</b>	<b>77,472</b>
Effect resulting out of the change of consolidation scope	—	—	—	—	—	—	—	—
Hedge Accounting	—	—	—	—	(108)	—	—	—
Adjustment without effect on income	—	—	—	—	—	—	(1)	(1)
Total net income	—	—	—	—	—	—	1,358	1,358
<b>Balance at March 31, 2012</b>	<b>9,325,572</b>	<b>47,034</b>	<b>46,167</b>	<b>(398)</b>	<b>(6,588)</b>	<b>(932)</b>	<b>(6,562)</b>	<b>78,721</b>

## Cash Flow Statement

<b>Consolidated cash flow statement</b>		
in € thousand	1/1–3/31/2012	1/1–3/31/2011
<b>Net income</b>	<b>1,358</b>	<b>1,828</b>
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Income tax expenses/(income)	(9)	(2)
Amortization of intangible assets and depreciation of property, plant and equipment	8	1
(Profits)/losses from the disposal of investment properties	—	74
Valuation result	3	184
Income from equity-accounted investments	(1,418)	(1,896)
Withdrawals from equity-accounted investments	214	2
Loss/(profit) of minority shareholders in subsidiaries	257	138
Disbursement to minority shareholders in subsidiaries	—	(502)
Result from the valuation of derivative financial instruments	142	(37)
Compensation payment received	—	2,000
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	43	273
(Increase)/decrease in other liabilities	297	(13)
(Decrease)/increase in provisions	(9)	(56)
(Decrease)/increase in trade payables	(197)	(85)
(Decrease)/increase in other liabilities	69	(474)
<b>Cash flow from operating activities</b>	<b>758</b>	<b>1,435</b>
Investments in investment properties / properties under construction	—	(184)
Disposal of investment properties / properties under construction	1,100	2,426
Investments in property, plant and equipment and intangible assets	—	(1)
<b>Cash flow from investment activities</b>	<b>1,100</b>	<b>2,241</b>
Repayment of financial liabilities	(1,669)	(2,532)
<b>Cash flow from financing liabilities</b>	<b>(1,669)</b>	<b>(2,532)</b>
<b>Cash effective change of liquid funds</b>	<b>189</b>	<b>1,144</b>
Cash and cash equivalent – start of period	7,725	11,975
<b>Cash and cash equivalent – end of period</b>	<b>7,914</b>	<b>13,119</b>
Additional disclosures:		
Interest received	3	5
Interest paid	1,268	1,327



## Notes

### (1) General Information about the Company

Fair Value REIT-AG (hereinafter referred to as "Fair Value" or "Company") has been listed on the stock market since November 16, 2007 and obtained REIT status on December 6, 2007. Since the 2007 fiscal year, it has therefore been exempt from business and corporation tax.

As a result of its participations in a total of twelve closed-end real estate funds, the company must prepare consolidated financial statements.

### (2) Accounting and Valuation Methods

**Basis of the Preparation** The Interim Consolidated Financial Statement has been prepared on the basis of the International Financial Reporting Standards ("IFRSs") in compliance with IAS 34 "Interim Financial Reporting".

Investment properties and financial derivatives are valued at fair value; interests held in associated companies are equity-accounted. All other valuations are based on cost.

**Consolidation** All subsidiaries are included in the consolidated financial statement. The composition of the consolidated group of companies has not changed since December 31, 2011.

**Accounting and Valuation Methods** The same accounting and valuation methods are used for the quarterly report as for the consolidated financial statement on December 31, 2011.

**Comparative Figures** The figures used for comparison in the balance sheet and the statement of change in the equity capital are from the reporting date December 31, 2011. The comparative figures used for the profit and loss account, the statement of income and accumulated earnings and the cash flow statement in general relate to the period from January 1 to March 31, 2011.

### (3) Intangible Assets

The intangible assets include a contractual right that was valued individually within the framework of a company acquisition and will be amortized over a useful life of five years. Amortizations totalling € 9,000 of a carrying amount of € 169,000 were carried out in the quarter under review.

**(4) Investment Property**

<b>Development of investment property</b>			
in € thousand	Direct investments	In subsidiaries	Total
<b>Acquisition costs</b>			
<b>Balance at January 1, 2012</b>	<b>51,550</b>	<b>115,505</b>	<b>167,055</b>
Additions (subsequent acquisition costs)	142	10	152
<b>Balance at March 31, 2012</b>	<b>51,692</b>	<b>115,515</b>	<b>167,207</b>
<b>Changes in value</b>			
<b>Balance at January 1, 2012</b>	<b>(5,513)</b>	<b>(32,415)</b>	<b>(37,928)</b>
Write-downs	(142)	(10)	(152)
<b>Balance at March 31, 2012</b>	<b>(5,655)</b>	<b>(32,425)</b>	<b>(38,080)</b>
<b>Fair values</b>			
Balance at January 1, 2012	46,037	83,090	129,127
<b>Balance at March 31, 2012</b>	<b>46,037</b>	<b>83,090</b>	<b>129,127</b>

Renovation costs of €142,000 were incurred in connection with a property owned directly by Fair Value in the period under review, and of €10,000 at the subsidiary IC13. The expenses are not regarded as value-enhancing, and therefore the value of the property does not diverge from the expert assessment as per December 31, 2011.

The fair values used for the remaining investment properties otherwise are those determined on December 31, 2011 by CBRE GmbH, Berlin.

## (5) Equity-accounted Participations

<b>Development of equity-accounted participations</b>							
in € thousand	IC12	IC15	BBV02	BBV09	BBV10	BBV14	Total
<b>Proportionate equity</b>							
<b>Balance at January 1, 2012</b>	<b>2,356</b>	<b>7,540</b>	<b>72</b>	<b>12,864</b>	<b>14,812</b>	<b>18,526</b>	<b>56,170</b>
Additions (acquisition costs)	–	–	–	–	–	–	–
Withdrawals	–	(215)	–	–	–	–	(215)
Change of consolidation scope	–	–	–	–	–	–	–
Proportionate earnings	(62)	180	(4)	527	443	334	1,418
Profit from cash flow hedge	–	–	–	–	41	–	41
Valuation of loan	–	–	(3)	–	–	–	(3)
<b>Balance at March 31, 2012</b>	<b>2,294</b>	<b>7,505</b>	<b>65</b>	<b>13,391</b>	<b>15,296</b>	<b>18,860</b>	<b>57,411</b>
<b>Value adjustment</b>							
<b>Balance at January 1, 2012/March 31, 2012</b>	<b>(175)</b>	<b>(543)</b>	<b>(64)</b>	<b>(1,059)</b>	<b>(1,786)</b>	<b>(1,795)</b>	<b>(5,422)</b>
<b>Carrying amounts</b>							
Balance at January 1, 2012	2,181	6,997	8	11,805	13,026	16,731	50,748
<b>Balance at March 31, 2012</b>	<b>2,119</b>	<b>6,962</b>	<b>1</b>	<b>12,332</b>	<b>13,510</b>	<b>17,065</b>	<b>51,989</b>

This refers to participations with holdings of between 20% and 50% of the voting rights. The €1,238,000 increase in the carrying amounts in comparison to December 31, 2011 consists of the proportionate earnings allocation to Fair Value in the reporting period, amounting to a total of €1,418,000 plus the proportional profit from cash flow hedge recorded without affecting net income, amounting to a total of €41,000 minus withdrawals including withholding tax on interest income and the solidarity surcharges amounting to €215,000 as well as the market valuation not affecting net income of a loan BBV02 totalling €3,000. The value adjustments arises from the net present value of company expenses not taken into account in the market valuations of the properties. For further information regarding the difference in value, please refer to the explanations on page 79 of the Annual Report 2011.

Additional financial information pertaining to the equity-accounted associated companies is provided in the following tables, in which the information relates to the Fair Value REIT-AG share in the associated companies on the respective reporting dates and not to 100% of the capital in the respective companies. The proportionate assets and liabilities of these companies are as follows prior to provision for changes in value:

**Proportionate share of assets and liabilities of equity-accounted associated companies at March 31, 2012**

in € thousand	IC12	IC15	BBV02	BBV09	BBV10	BBV14	Total
Fair Value REIT-AG's share	40.34%	38.94%	41.05%	25.17%	38.43%	45.12%	
<b>Investment property</b>	<b>2,949</b>	<b>14,251</b>	<b>566</b>	<b>30,128</b>	<b>41,493</b>	<b>38,518</b>	<b>127,905</b>
Trade receivables	48	128	4	7	131	185	503
Other receivables and assets	27	291	12	131	107	356	924
Cash and cash equivalents	189	1,369	73	2,460	1,000	1,969	7,060
Provisions	(5)	(6)	(3)	(6)	(12)	(13)	(45)
<b>Financial liabilities</b>	<b>(881)</b>	<b>(8,280)</b>	<b>(501)</b>	<b>(17,561)</b>	<b>(26,057)</b>	<b>(21,241)</b>	<b>(74,521)</b>
Derivative financial instruments	—	—	—	(1,623)	(1,153)	(231)	(3,007)
Trade payables	(21)	(21)	(76)	(34)	(111)	(129)	(392)
Other liabilities	(13)	(227)	(10)	(110)	(103)	(553)	(1,016)
<b>Net assets at March 31, 2012</b>	<b>2,293</b>	<b>7,505</b>	<b>65</b>	<b>13,392</b>	<b>15,295</b>	<b>18,861</b>	<b>57,411</b>

**Overview of maturities of financial liabilities at March 31, 2012**

long	(854)	(1,322)	(480)	(16,907)	(15,708)	(20,738)	(56,009)
short	(27)	(6,958)	(21)	(654)	(10,349)	(503)	(18,512)
<b>Total financial liabilities</b>	<b>(881)</b>	<b>(8,280)</b>	<b>(501)</b>	<b>(17,561)</b>	<b>(26,057)</b>	<b>(21,241)</b>	<b>(74,521)</b>

**Proportionate share of assets and liabilities of equity-accounted associated companies at December 31, 2011**

in € thousand	IC12	IC15 (con-solidated)	BBV02	BBV09	BBV10	BBV14	Total
Fair Value REIT-AG's share	40.34%	38.94%	41.05%	25.17%	38.43%	45.12%	
<b>Investment property</b>	<b>2,948</b>	<b>14,252</b>	<b>567</b>	<b>30,127</b>	<b>41,492</b>	<b>38,488</b>	<b>127,874</b>
Trade receivables	52	90	16	20	129	248	555
Other receivables and assets	4	279	12	124	27	8	454
Cash and cash equivalents	279	1,463	71	2,228	978	1,750	6,769
Provisions	(4)	(7)	(3)	(9)	(12)	(14)	(49)
<b>Financial liabilities</b>	<b>(887)</b>	<b>(8,302)</b>	<b>(505)</b>	<b>(17,724)</b>	<b>(26,329)</b>	<b>(21,363)</b>	<b>(75,110)</b>
Derivative financial instruments	—	—	—	(1,751)	(1,231)	(219)	(3,201)
Trade payables	(23)	(18)	(76)	(31)	(154)	(116)	(418)
Other liabilities	(13)	(217)	(10)	(120)	(88)	(256)	(704)
<b>Net assets at December 31, 2011</b>	<b>2,356</b>	<b>7,540</b>	<b>72</b>	<b>12,864</b>	<b>14,812</b>	<b>18,526</b>	<b>56,170</b>

**Overview of maturities of financial liabilities at December 31, 2011**

long	(860)	(1,187)	(484)	(17,070)	(25,271)	(20,863)	(65,735)
short	(27)	(7,115)	(21)	(654)	(1,058)	(500)	(9,375)
<b>Total financial liabilities</b>	<b>(887)</b>	<b>(8,302)</b>	<b>(505)</b>	<b>(17,724)</b>	<b>(26,329)</b>	<b>(21,363)</b>	<b>(75,110)</b>

The proportionate income position of the equity-accounted companies for the reporting period compared to the same period of the previous year was as follows:

<b>Proportionate income situation for the equity-accounted associated companies at March 31, 2012</b>							
in € thousand	IC12	IC15	BBV02	BBV09	BBV10	BBV14	Total
Fair Value REIT-AG's share	40.34%	38.94%	41.05%	25.17%	38.43%	45.12%	
Rental income	34	290	23	737	934	721	2,739
Income from operating and incidental costs	20	25	(7)	13	68	151	270
Real estate-related operating expenses	(101)	(49)	(8)	(40)	(165)	(302)	(665)
<b>Net rental income</b>	<b>(47)</b>	<b>266</b>	<b>8</b>	<b>710</b>	<b>837</b>	<b>570</b>	<b>2,344</b>
General administrative expenses	(4)	(12)	(5)	(22)	(39)	(58)	(140)
Other operating income and expenses (balance)	—	1	—	9	—	3	13
<b>Operating result</b>	<b>(51)</b>	<b>255</b>	<b>3</b>	<b>697</b>	<b>798</b>	<b>515</b>	<b>2,217</b>
Net interest expense	(12)	(74)	(7)	(297)	(356)	(180)	(926)
Valuation result of derivative financial instruments with effect to net income	—	—	—	127	—	—	127
<b>Financial result</b>	<b>(12)</b>	<b>(74)</b>	<b>(7)</b>	<b>(170)</b>	<b>(356)</b>	<b>(180)</b>	<b>(799)</b>
<b>Economic result</b>	<b>(63)</b>	<b>181</b>	<b>(4)</b>	<b>527</b>	<b>442</b>	<b>335</b>	<b>1,418</b>

<b>Proportionate income situation for the equity-accounted associated companies at March 31, 2011</b>							
in € thousand	IC12	IC15 (consolidated)	BBV02	BBV09	BBV10	BBV14	Total
Fair Value REIT-AG's share	40.27%	38.89%	40.45%	25.16%	38.37%	45.11%	
Rental income	48	295	22	747	966	711	2,789
Income from operating and incidental costs	25	30	2	17	74	183	331
Real estate-related operating expenses	(47)	(72)	(8)	(53)	(167)	(276)	(623)
<b>Net rental income</b>	<b>26</b>	<b>253</b>	<b>16</b>	<b>711</b>	<b>873</b>	<b>618</b>	<b>2,497</b>
General administrative expenses	(4)	(15)	(2)	(22)	(41)	(53)	(137)
Other operating income and expenses (balance)	(1)	3	—	—	6	11	19
<b>Operating result</b>	<b>21</b>	<b>241</b>	<b>14</b>	<b>689</b>	<b>838</b>	<b>576</b>	<b>2,379</b>
Net interest expense	(12)	(100)	(6)	(305)	(402)	(291)	(1,116)
Valuation result of derivative financial instruments with effect to net income	—	—	—	558	75	—	633
<b>Financial result</b>	<b>(12)</b>	<b>(100)</b>	<b>(6)</b>	<b>253</b>	<b>(327)</b>	<b>(291)</b>	<b>(483)</b>
<b>Economic result</b>	<b>9</b>	<b>141</b>	<b>8</b>	<b>942</b>	<b>511</b>	<b>285</b>	<b>1,896</b>

**(6) Non-current Assets available for Sale**

in € thousand	3/31/2012	12/31/2011
Retail-property Frechen ("BBV 06")	—	1,100
<b>Total non-current assets available for sale</b>	<b>—</b>	<b>1,100</b>

The valuation of the leasehold rental property in Frechen was carried out in the previous year at the agreed purchase price. The ownership, uses and encumbrances changed hands for the property as of the cut-off date February 20, 2012. Selling expenses amounting to € 14,000 were incurred in the period under review.

**(7) Reserve for Changes in Value**

Included in the reserve for changes in value currently reducing the total equity are changes in value (with no effect on net income) relating to interest rate hedges, to the extent that these fulfil the requirements for "Hedge Accounting". During the reporting period, the revaluation reserve increased on balance by € 117,000. After deduction of the units held by minority shareholders, the share held by the group increased by € 108,000. In contrast, there was a reduction in reserved of € 41,000 related to the equity accounted participations, to the extent that these resulted from cash flow hedges made by the participating companies.

**(8) Financial Liabilities**

The long-term and short-term financial liabilities of € 89,358,000 decreased by € 1,669,000 compared to December 31, 2011. This was because of scheduled repayments of € 669,000 and unscheduled repayments of € 1,000,000 relating to the sales of the Frechen retail-property (BBV 06).

Current financial liabilities increased by € 2,004,000 to € 40,037,000 compared with December 31, 2011. This increase resulted primarily from the agreement on terms and conditions that was concluded in the previous year for a loan to the subsidiary IC 13 which provides for the possibility of termination as of February 28, 2013.

**(9) General Administrative Expenses**

in € thousand	1/1-3/31/2012	1/1-3/31/2011
Personnel expenses	107	101
Office costs	12	11
Travel and vehicle expenses	11	13
Accounting	36	38
Stock market listing, general meeting and events	72	42
Valuations	19	33
Legal and consulting costs	48	59
Audit expenses	40	40
Remuneration (Supervisory and Advisory Boards, General Partner)	13	22
Fund management fees	78	55
Trustee fees	29	28
Amortization and depreciation	9	1
Other	11	41
Non-deductible VAT	44	31
<b>Total general administrative expenses</b>	<b>529</b>	<b>515</b>

Of the general administrative expenses, € 372,000 (71%) are attributable to Fair Value (€ 379,000 or 74% in the previous year). To the subsidiaries € 150,000 (29%) are attributable (€ 136,000 or 26% in the previous year).

**(10) Interest Expenses**

in € thousand	1/1-3/31/2012	1/1-3/31/2011
Valuation of derivative financial instruments	(142)	37
Other interest expenses	(1,126)	(1,190)
<b>Total interest expenses</b>	<b>(1,268)</b>	<b>(1,153)</b>

Interest expenses include costs relating to the change in the fair value of derivative financial instruments (interest rate hedges) amounting to € 142,000. Of this sum, € 62,000 are attributable to the minority interests.

### (11) Segment Revenues and Results

in € thousand	1/1–3/31/2012		1/1–3/31/2011	
	Segment revenues	Segment results	Segment revenues	Segment results
Direct investments	831	416	960	672
Subsidiaries	2,463	1,370	2,229	881
<b>Total segment revenues and results</b>	<b>3,294</b>	<b>1,786</b>	<b>3,189</b>	<b>1,553</b>
Central administrative expenses and other		(324)		(340)
Earnings from equity-accounted participations		1,418		1,896
Income from beneficial acquisition of participation		—		—
Other income from participations		—		—
Net interest expenses		(1,265)		(1,143)
Income tax		—		—
Minority interest in the result		(257)		(138)
<b>Net income</b>		<b>1,358</b>		<b>1,828</b>



The following table shows the income statement of the segments, with the “subsidiaries” segment being broken down according to the individual fund companies.

<b>Income statement by segments as of March 31, 2012</b>										
	Direct invest- ments	Subsidiaries							Recon- ciliation	Group
in € thousand	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total		
Rental income	822	27	276	112	404	176	1,062	2,057	—	2,879
Income from operating and incidental costs	9	12	38	79	129	28	120	406	—	415
<b>Segment revenue</b>	<b>831</b>	<b>39</b>	<b>314</b>	<b>191</b>	<b>533</b>	<b>204</b>	<b>1,182</b>	<b>2,463</b>	<b>—</b>	<b>3,294</b>
Leasehold payments	—	—	—	—	—	—	(3)	(3)	—	(3)
Real estate-related operating expenses	(231)	59	(139)	(95)	(347)	(76)	(349)	(947)	—	(1,178)
Administrative expenses related to segment	(42)	(9)	(10)	(6)	(21)	(32)	(70)	(148)	—	(190)
Other operating expenses and income (balance)	—	1	—	16	—	—	12	29	15	44
Valuation result	(142)	—	—	—	(10)	—	(14)	(24)	—	(166)
<b>Segment result</b>	<b>416</b>	<b>90</b>	<b>165</b>	<b>106</b>	<b>155</b>	<b>96</b>	<b>758</b>	<b>1,370</b>	<b>15</b>	<b>1,801</b>
Central administrative costs	(330)	—	—	—	—	—	—	—	(9)	(339)
Other expenses	—	—	—	—	—	—	—	—	—	—
Income from equity-accounted participations	667	—	—	—	—	—	—	—	751	1,418
Net interest expenses	(562)	(10)	(27)	(25)	(158)	—	(483)	(703)	—	(1,265)
Minority interests	—	—	—	—	—	—	—	—	(257)	(257)
<b>Consolidated net income</b>	<b>191</b>	<b>80</b>	<b>138</b>	<b>81</b>	<b>(3)</b>	<b>96</b>	<b>275</b>	<b>667</b>	<b>500</b>	<b>1,358</b>

**Income statement by segments as of March 31, 2011**

in € thousand	Direct invest-ments	Subsidiaries						Recon-ciliation	Group	
	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06			Total
Rental income	811	43	119	112	442	164	885	1,765	—	2,576
Income from operating and incidental costs	149	13	39	64	119	34	195	464	—	613
<b>Segment revenue</b>	<b>960</b>	<b>56</b>	<b>158</b>	<b>176</b>	<b>561</b>	<b>198</b>	<b>1,080</b>	<b>2,229</b>	<b>—</b>	<b>3,189</b>
Leasehold payments	—	—	—	—	—	—	(5)	(5)	—	(5)
Real estate-related operating expenses	(169)	(28)	(45)	(102)	(206)	(42)	(645)	(1,068)	—	(1,237)
<b>Net rental result</b>	<b>791</b>	<b>28</b>	<b>113</b>	<b>74</b>	<b>355</b>	<b>156</b>	<b>430</b>	<b>1,156</b>	<b>—</b>	<b>1,947</b>
Administrative expenses related to segment	(48)	(9)	(7)	(7)	(21)	(34)	(58)	(136)	—	(184)
Other operating expenses and income (balance)	—	(1)	—	—	—	1	48	48	(9)	39
Losses from sale of investment properties	—	(74)	—	—	—	—	—	(74)	—	(74)
<b>Segment result</b>	<b>672</b>	<b>(56)</b>	<b>106</b>	<b>67</b>	<b>221</b>	<b>123</b>	<b>420</b>	<b>881</b>	<b>(9)</b>	<b>1,544</b>
Central administrative costs	(331)	—	—	—	—	—	—	—	—	(331)
Income from equity-accounted participations	—	—	—	—	—	—	—	—	1,896	1,896
Other income from participations	647	—	—	—	—	—	—	—	(647)	—
Net interest expenses	(594)	(35)	(47)	(34)	(135)	—	(298)	(549)	—	(1,143)
Minority interests	—	—	—	—	—	—	—	—	(138)	(138)
<b>Consolidated net income</b>	<b>394</b>	<b>(91)</b>	<b>59</b>	<b>33</b>	<b>86</b>	<b>123</b>	<b>122</b>	<b>332</b>	<b>1,102</b>	<b>1,828</b>

The following table shows all the allocated and non-allocated assets and liabilities, with the "subsidiaries" segment being broken down according to the individual companies.

<b>Segment assets and liabilities as of March 31, 2012</b>										
	Direct invest- ments	Subsidiaries							Recon- ciliation	Group
in € thousand	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total		
Intangible assets and property, plant and equipment	9	—	—	—	—	—	—	—	169	178
<b>Investment property</b>	<b>46,037</b>	<b>1,510</b>	<b>5,960</b>	<b>7,360</b>	<b>18,040</b>	<b>6,100</b>	<b>44,120</b>	<b>83,090</b>	—	<b>129,127</b>
Non-current assets held for sale	—	—	—	—	—	—	—	—	—	—
Trade receivables	281	162	147	244	162	24	220	959	1	1,241
Income tax receivables	66	—	—	—	—	—	—	—	18	84
Other receivables and assets	212	—	29	14	200	250	196	689	(61)	840
Cash and cash equivalents	759	265	188	1,367	1,777	1,111	2,390	7,098	57	7,914
<b>Subtotal segment assets</b>	<b>47,364</b>	<b>1,937</b>	<b>6,324</b>	<b>8,985</b>	<b>20,179</b>	<b>7,485</b>	<b>46,926</b>	<b>91,836</b>	<b>184</b>	<b>139,384</b>
Participation in subsidiaries	30,433	—	—	—	—	—	—	—	(30,433)	—
Equity-accounted participations	46,620	—	—	—	—	—	—	—	5,369	51,989
<b>Total assets</b>	<b>124,417</b>	<b>1,937</b>	<b>6,324</b>	<b>8,985</b>	<b>20,179</b>	<b>7,485</b>	<b>46,926</b>	<b>91,836</b>	<b>(24,880)</b>	<b>191,373</b>
Provisions	(148)	(9)	(12)	(7)	(13)	(12)	(27)	(80)	(13)	(241)
Trade payables	(198)	(129)	(22)	(30)	(166)	(33)	(228)	(608)	(4)	(810)
Other liabilities	(93)	(56)	(84)	(134)	(193)	(618)	(447)	(1,532)	(9)	(1,634)
<b>Subtotal segment liabilities</b>	<b>(439)</b>	<b>(194)</b>	<b>(118)</b>	<b>(171)</b>	<b>(372)</b>	<b>(663)</b>	<b>(702)</b>	<b>(2,220)</b>	<b>(26)</b>	<b>(2,685)</b>
Minority interests	—	—	—	—	—	—	—	—	(14,457)	(14,457)
Financial liabilities	(36,857)	(714)	(3,330)	(1,936)	(18,086)	—	(28,617)	(52,683)	182	(89,358)
Derivative financial instruments	(5,882)	—	—	—	—	—	(270)	(270)	—	(6,152)
<b>Total liabilities</b>	<b>(43,178)</b>	<b>(908)</b>	<b>(3,448)</b>	<b>(2,107)</b>	<b>(18,458)</b>	<b>(663)</b>	<b>(29,589)</b>	<b>(55,173)</b>	<b>(14,301)</b>	<b>(112,652)</b>
<b>Net assets as of March 31, 2012</b>	<b>81,239</b>	<b>1,029</b>	<b>2,876</b>	<b>6,878</b>	<b>1,721</b>	<b>6,822</b>	<b>17,337</b>	<b>36,663</b>	<b>(39,181)</b>	<b>78,721</b>
<b>Overview of maturities of financial liabilities as of March 31, 2012</b>										
Long term	(29,993)	(677)	(3,108)	(940)	(14,419)	—	—	(19,144)	—	(49,137)
Short term	(6,864)	(37)	(222)	(996)	(3,667)	—	(28,617)	(33,539)	182	(40,221)
<b>Financial liabilities</b>	<b>(36,857)</b>	<b>(714)</b>	<b>(3,330)</b>	<b>(1,936)</b>	<b>(18,086)</b>	<b>—</b>	<b>(28,617)</b>	<b>(52,683)</b>	<b>182</b>	<b>(89,358)</b>

### Segment assets and liabilities as of December 31, 2011

in € thousand	Direct investments	Subsidiaries						Reconciliation	Group	
		IC01	IC03	IC07	IC13	BBV03	BBV06			Total
Intangible assets and property, plant and equipment	8	—	—	—	—	—	—	—	178	186
<b>Investment property</b>	<b>46,037</b>	<b>1,510</b>	<b>5,960</b>	<b>7,360</b>	<b>18,040</b>	<b>6,100</b>	<b>44,120</b>	<b>83,090</b>	—	<b>129,127</b>
Non-current assets held for sale	—	—	—	—	—	—	1,100	1,100	—	1,100
Trade receivables	423	127	69	215	168	21	261	861	—	1,284
Income tax receivables	70	—	—	—	—	—	—	—	5	75
Other receivables and assets	223	1	27	5	196	252	494	975	(61)	1,137
Cash and cash equivalents	578	225	94	1,283	2,020	1,713	1,753	7,088	59	7,725
<b>Subtotal segment assets</b>	<b>47,339</b>	<b>1,863</b>	<b>6,150</b>	<b>8,863</b>	<b>20,424</b>	<b>8,086</b>	<b>47,728</b>	<b>93,114</b>	<b>181</b>	<b>140,634</b>
Participation in subsidiaries	30,433	—	—	—	—	—	—	—	(30,433)	—
Equity-accounted participations	46,835	—	—	—	—	—	—	—	3,913	50,748
<b>Total assets</b>	<b>124,607</b>	<b>1,863</b>	<b>6,150</b>	<b>8,863</b>	<b>20,424</b>	<b>8,086</b>	<b>47,728</b>	<b>93,114</b>	<b>(26,339)</b>	<b>191,382</b>
Provisions	(157)	(9)	(10)	(8)	(12)	(12)	(27)	(78)	(15)	(250)
Trade payables	(165)	(128)	(114)	(32)	(277)	(49)	(237)	(837)	(5)	(1,007)
Other liabilities	(98)	(55)	(49)	(90)	(192)	(64)	(440)	(890)	(9)	(997)
<b>Subtotal segment liabilities</b>	<b>(420)</b>	<b>(192)</b>	<b>(173)</b>	<b>(130)</b>	<b>(481)</b>	<b>(125)</b>	<b>(704)</b>	<b>(1,805)</b>	<b>(29)</b>	<b>(2,254)</b>
Minority interests	—	—	—	—	—	—	—	—	(14,736)	(14,736)
Financial liabilities	(37,259)	(722)	(3,239)	(1,936)	(18,219)	—	(29,834)	(53,950)	182	(91,027)
Derivative financial instruments	(5,693)	—	—	—	—	—	(200)	(200)	—	(5,893)
<b>Total liabilities</b>	<b>(43,372)</b>	<b>(914)</b>	<b>(3,412)</b>	<b>(2,066)</b>	<b>(18,700)</b>	<b>(125)</b>	<b>(30,738)</b>	<b>(55,955)</b>	<b>(14,583)</b>	<b>(113,910)</b>
<b>Net assets as of December 31, 2011</b>	<b>81,235</b>	<b>949</b>	<b>2,738</b>	<b>6,797</b>	<b>1,724</b>	<b>7,961</b>	<b>16,990</b>	<b>37,159</b>	<b>(40,922)</b>	<b>77,472</b>

### Overview of maturities of financial liabilities as of December 31, 2011

Long term	(30,243)	(684)	(3,019)	(1,144)	(17,720)	—	—	(22,567)	—	(52,810)
Short term	(7,016)	(38)	(220)	(792)	(499)	—	(29,834)	(31,383)	182	(38,217)
<b>Financial liabilities</b>	<b>(37,259)</b>	<b>(722)</b>	<b>(3,239)</b>	<b>(1,936)</b>	<b>(18,219)</b>	<b>—</b>	<b>(29,834)</b>	<b>(53,950)</b>	<b>182</b>	<b>(91,027)</b>

## (12) Extent of Relationships with Related Parties

### Receivables and liabilities with IC Group

in € thousand	1/1–3/31/2012	1/1–3/31/2011
Receivables	—	73
Liabilities from services	(22)	(40)
<b>Total receivables and liabilities</b>	<b>(22)</b>	<b>33</b>

### No Auditor's Review

This report was not audited within the meaning of Section 317 of the Handelsgesetzbuch (German GAAP) or subject to an audit review by an auditor and thus does not include an auditor's opinion.

### Declaration Concerning the German Corporate Governance Code

The current declarations by Fair Value REIT-AG's Managing and Supervisory Boards according to Section 161 of the AktG on the German Corporate Governance Code have been made permanently accessible on the company's website.

Munich, May 3, 2012

Fair Value REIT-AG



Frank Schaich, CEO

**Declaration by Legal Representative** To the best of my knowledge, I declare that, according to the principles of proper consolidated reporting applied, the unaudited consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, that the group interim management report presents the Group's business including the results and the Group's position such as to provide a true and fair view and that the major opportunities and risks of the Group's anticipated development are described.

Munich, May 4, 2012  
Fair Value REIT-AG



Frank Schaich, CEO

Fair Value REIT-AG  
Leopoldstrasse 244  
80807 Munich  
Germany  
Tel. +49 (0) 89/929 28 15-01  
Fax +49 (0) 89/929 28 15-15  
info@fvreit.de  
www.fvreit.de

Registered office: Munich  
Commercial register at Munich Local Court  
No. HRB 168882

Date of publication: May 10, 2012

## Management Board

Frank Schaich

## Supervisory Board

Prof. Dr. Heinz Rehkugler, Chairman  
Christian Hopfer, Vice Chairman  
Dr. Oscar Kienzle

## Concept and Design

KMS TEAM GmbH  
www.kms-team.com

**Disclaimer** This interim report contains future-oriented statements, which are subject to risks and uncertainties. They are estimations of the executive board of Fair Value REIT-AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised by terms such as "expect", "estimate", "intend", "can", "will" and similar expressions with reference to the enterprise. Factors, that can cause deviations or effects can be (without claim on completeness): the development of the property market, competition influences, alterations of prices, the situation on the financial markets or developments related to general economic conditions. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of Fair Value REIT-AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.