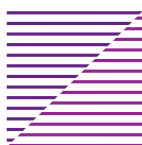




SEMI ANNUAL REPORT 2008



fair value
REIT

OVERVIEW

Business model	Direct and indirect investments in commercial real estate First REIT to acquire interests in closed-end real estate funds against the issue of shares or payment of a purchase price
Sectors	Offices, retail, logistics
Region	Germany, focusing on regional locations
Portfolio	Direct investments and participations in closed-end real estate funds
Properties	32 properties (directly held) 49 properties (held indirectly via 13 closed-end real estate funds)
Market value	€ 272.4 million *)
Rental revenues	€ 21.5 million *)

*) Fair Value's share; without Airport Office II, Düsseldorf

FINANCIAL KEY DATA

€ thousand	H1		Q2	Q1
	Jan. 1.– Jun. 30, 2008	Jan. 1.– Jun. 30, 2007	Apr. 1.– Jun. 30, 2008	Jan. 1.– Mar. 31, 2008
Revenues and earnings				
Rental revenues	6,126	0	3,179	2,947
EBIT	2,062	0	30	2,032
EBT/consolidated net profit	789	0	441	348
Earnings per share (€)	0.08	0	0.05	0.04
Cash flow from operating activities	4,006	-7	411	3,595
Funds from operations (FFO)	1,297	-138		
FFO/share (in €)	0.14	n/a		
			Jun. 30, 2008	Dec. 31, 2007
Assets and capital				
Non-current assets			220,338	214,583
Current assets			11,197	15,776
Equity			95,452	94,663
Total assets			231,535	230,359
Equity ratio (in %)			41.2	41.1
Net asset value			95,452	94,663
Shares (qty)			9,406,882	9,406,882
Net asset value/share (in €)			10.15	10.06
Number of employees			5	5

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To our shareholders

Letter to shareholders

Dear Shareholders, Ladies and Gentlemen,

We are glad to present you with positive results for the first six months. Fair Value REIT-AG enjoyed successful operations in the first half of 2008. We have achieved our business targets and were able to further improve our earnings. Our success in the first six months shows that our company, which is still young, is right on track.

This positive growth is based on our profitable, substantial portfolio of 81 commercial properties, which we hold both directly and indirectly. As of June 30, 2008 the rental level totaled 95,6 % of the potential rent due proportionately to Fair Value.

The German real estate market is currently in a good state. This is shown by our successful rentals in our portfolio of existing properties, and also by our Airport Office II at Düsseldorf airport, which was still under construction on the balance sheet date. We have been able to report sound progress in renting this property since acquiring it in October 2007, and have increased the forecast rent by almost 9 % to around € 970 thousand p.a. The property was 83 % let on June 30, 2008. It has now been completed and transferred on schedule and is now let at 91 % of the potential rent. For the remaining space, rental agreements are about to be concluded.

Despite the strong condition of the rental market in Germany, the investment market has cooled perceptibly. High-volume portfolio transactions with very low use of equity were still the rule through to the summer of 2007. Since then, the global crisis of trust and the crisis on the financial markets, as have never been seen before, have changed the underlying conditions substantially.

The refinancing costs increased perceptibly and the banks' equity requirements were elevated to a (healthy) minimum of 25 % to 30 % of the purchase price. As a result, opportunistic investors have retreated. In addition, the volume of investments has fallen significantly and high-volume portfolio transactions have been replaced by specific individual transactions. However, the corrections to property valuations in Germany are still modest, in contrast to the real estate markets in the United Kingdom or Spain. These markets have now come under substantial pressure after a real boom over the course of the past few years.

That offers opportunities for sustained real estate investors who are geared to the long term and who employ high levels of equity, like for instance insurance companies, pension funds or property management companies – such as Fair Value REIT-AG.

In this environment, the share prices of listed real estate companies, in Germany in particular, have decoupled themselves from their net asset values (NAV). This substantial discrepancy between value and price is currently putting a strong damper on the opportunities for growth via capital adjustments on the stock exchange or expanding the list of quotations with the addition of further German REITs.

We believe that the current insecurity on the capital markets is best combated with openness and transparency. Consequently, we are very pleased with the award from Feri Rating & Research AG. As a „new player“ on the stock market we soared to second place in Feri's transparency rating of 29 listed real estate companies in the German-speaking region. This result has confirmed our strategy and has spurred us on to gain even better ratings in future.

In this spirit, we had the properties in our portfolio revalued by CB Richard Ellis GmbH, and we have further increased the depth of information for our portfolio compared to the 2007 annual report. In total, the market value of our existing portfolio on the balance sheet date totaled € 272 million based on Fair Value REIT-AG's share, down € 3.6 million or 1.3 % compared to the value on December 31, 2007.

In the first half of the year, the valuation loss from the market valuation of the properties was offset by income from restructuring financial liabilities and from the valuation of derivative financial instruments. All in all, the consolidated net profits of € 0.8 million or € 0.08 per share were in line with our expectations. We are upholding our forecast for consolidated net profits of € 1.3 to € 1.5 million for 2008 as a whole.

Funds from operations (FFO) totaled € 1.3 million in the first half of 2008. This figure adjusts consolidated earnings for valuation changes and other non-cash items, and thus indicates a company's operating strength. The value of € 0.14 clearly shows that Fair Value is right on track!

We believe that the highly stable value of our portfolio of existing properties and participations as well as their sustained earnings power provide solid foundations for Fair Value's share price to recover again and to approach the net asset value (NAV), which totaled € 10.15 per share on June 30, 2008.

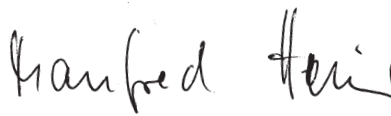
We would like to thank you for the trust you have shown in our company to date.

Munich, August 2008

The Managing Board



Frank Schaich



Manfred Heiler

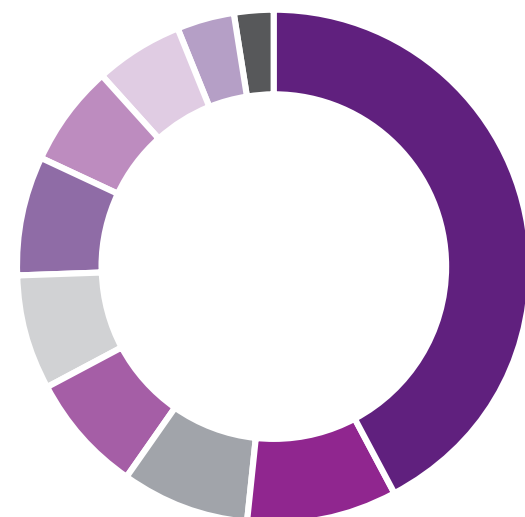
Fair Value's shares

I. KEY DATA

Sector	Real estate (REIT)
WKN (German Securities Code)/ISIN	A0MW97 / DE000A0MW975
Stock exchange symbol	FVI
Share capital	47,034,410.00 €
Number of shares (non-par value shares)	9,406,882
Proportion per share in the share capital	5,- €
Initial listing	November 16, 2007
High/low 2008	€ 8.00/€ 4.56 (XETRA)
Market capitalization on June 30, 2008	€ 59.3 million (XETRA)
Market segment	Prime Standard
Stock exchanges	Prime Standard: Frankfurt, XETRA OTC: Stuttgart, Berlin-Bremen, Düsseldorf, Munich
Designated sponsor	WestLB
Indices	RX REIT All Shares-Index RX REIT-Index

Our first general meeting as a listed company was held on June 9, 2008 in Munich. The high presence of our share capital attending (67.4 %) and the approval of a good 90 % to more than 99 % of the votes cast on the individual agenda items prove that our work has a strong degree of support. The proposed authorization to buy back shares totaling up to 10 % of the share capital is a shelf resolution which the Managing Board can use at any time after prior announcement and under certain conditions.

Fair Value REIT-AG's shareholder structure



Free Float	42.28 %
IC Immobilien Holding AG	9.39 %
H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG	8.13 %
H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG	7.44 %
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG	7.44 %
H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG	7.44 %
IC Immobilien Service GmbH	6.34 %
IFB Beteiligungs-AG	5.44 %
Bayerische Beamten Lebensversicherung a.G.	3.76 %
IC Fonds GmbH	2.34 %

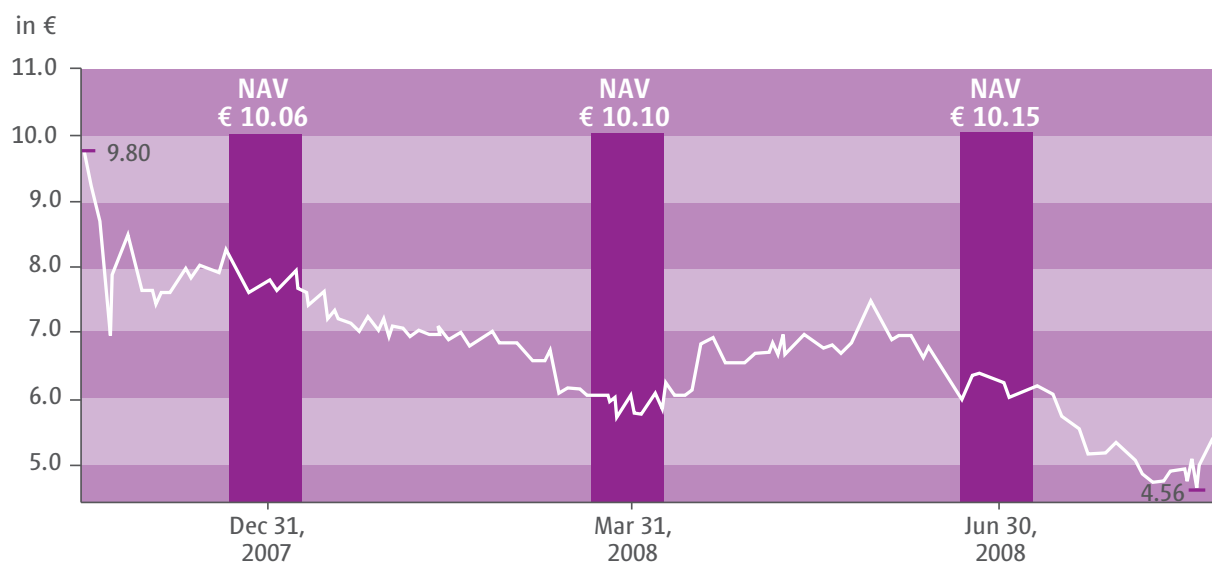
II. SHAREHOLDER STRUCTURE

A fundamental characteristic of Fair Value REIT-AG is its broad shareholder base. We were able to acquire more than 2,000 investors in closed-end real estate funds as investors in our company even before we went public on November 16, 2007. That is why the free float is currently more than 42 %. In addition, a number of institutional and other retail investors have also invested in Fair Value. At present the company does not hold any treasury shares.

III. SHARE PRICE CHART (NOVEMBER 16, 2007 – AUGUST 27, 2008)

The nervous mood on the financial markets as a result of the sub-prime crisis caused Fair Value REIT-AG's shares to come under pressure at the start of the current fiscal year. Starting with a closing price of € 7.66 (XETRA) on the last day of trading in December 2007, the share price fell further to € 6.01 on March 31, 2008. Fair Value REIT AG's share price initially recovered when the 2007 annual report was published. The shares closed at € 7.49 on May 30 of the current year. During the course of the second quarter, ongoing reports of international banks'

Share price chart XETRA (November 16, 2007 – August 27, 2008)



needs to make write downs as a result of the US mortgage crisis led to a deterioration of the mood on the stock market yet again. This also impacted Fair Value's shares and caused the share price to fall again. At the end of the first half of 2008, the shares were listed at € 6.30 and thus around 38 % below their net asset value (NAV) of € 10.15. At the end of the first half of the year 2008, the capital markets still had not settled. In parallel to the general developments on the market, Fair Value REIT-AG's shares also lost ground, however they were able to stabilize again.

During the first half of the year, 394,457 shares of Fair Value REIT-AG were traded on all of Germany's stock markets with a volume of € 2,638 thousand. Average daily turnover in the first half of the year totaled 3,131 shares or € 20.9 thousand.

DIRECTOR'S DEALINGS

The following securities transactions by members of the Managing and Supervisory Boards and specific related parties were reported to Fair Value REIT-AG in the first half of 2008 within the meaning of Section 15 of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act):

Reporting party:	Date of transaction	Transaction	Number	Price per share (€)
Frank Schaich	March 28, 2008	Share purchase	500	5.59
Frank Schaich	March 28, 2008	Share purchase	500	5.69
Dr. Oscar Kienzle	June 18, 2008	Share purchase	500	6.50
Dr. Oscar Kienzle	June 23, 2008	Share purchase	500	6.80
Dr. Oscar Kienzle	June 23, 2008	Share purchase	450	6.45
Dr. Oscar Kienzle	June 23, 2008	Share purchase	500	6.44
Dr. Oscar Kienzle	June 27, 2008	Share purchase	900	6.20
Dr. Oscar Kienzle	June 30, 2008	Share purchase	2,350	6.42

IV. INVESTOR RELATIONS

Openness, transparency and credibility – those are the primary motives in Fair Value REIT-AG's contact with investors, analysts and the financial press. The Managing Board believes that it is crucial to maintain in-depth dialog with these parties. In order to make the widest possible audience aware of the company's business growth, the company attaches great importance to detailed reporting, publishing relevant company disclosures and regularly participating in investors' conferences. In the first half of 2008, communications focused on an enhanced international presence, in order to further increase the spread of Fair Value's international investors. This is to be reinforced still further in future. In addition, analyst coverage was also widened in the first six months of the current year. As a result, the financial community will be able to form a differentiated picture of the company and its potential for growth. Finally, the Managing Board constantly seeks dialog with the financial media in order to provide the general public, and also of course the company's private investors, with the most comprehensive picture possible of Fair Value's growth.

V. FINANCIAL CALENDAR

August 29, 2008	PFE's German Property Breakfast London
September 23 – 25, 2008	Road Show, New York and Boston
October 7, 2008	EXPO Real
October 20 – 21, 2008	Presentation, 8th Conference of the Real Estate Share Initiative, Frankfurt
November 10 – 12, 2008	Presentation, German Equity Forum, Frankfurt
November 19 – 21, 2008	NAREIT Annual Convention, San Diego
November 28, 2008	Q3 Report 2008

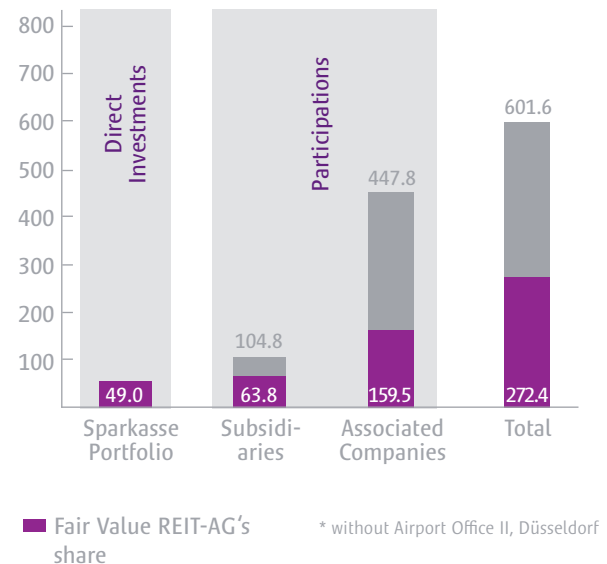
Overview of real estate portfolio

Fair Value's business activities are based on its highly diversified real estate portfolio, which makes it possible to generate sustained and calculable rental revenue. The company directly and indirectly holds 81 commercial properties throughout Germany, and it thus participates in rental space totaling 464,804 m². The portfolio has a total value of € 601.6 million, with € 272.4 million due to Fair Value REIT-AG on a pro rata basis.

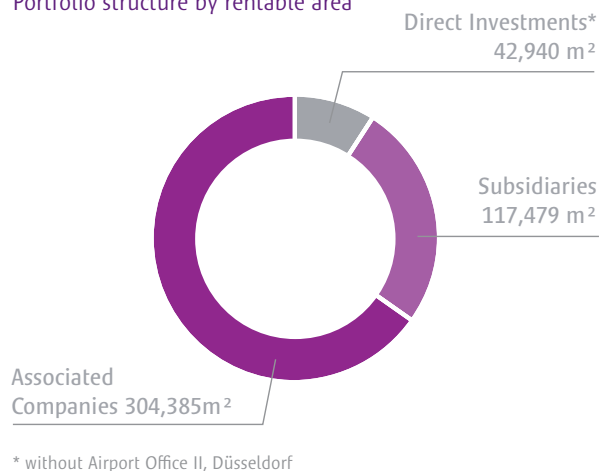
Fair Value REIT-AG's real estate is thus generally divided in two segments: Direct investments in properties and participations in closed-end real estate funds. At present, the bulk of the rentable area is due to the participations in closed-end real estate funds, with total space of 421,864 m². Over the long term, the company plans to increase the proportion of properties it holds directly. On June 30, 2008, the properties held indirectly were valued in an independent survey, which resulted in a total market value of € 552.6 million. After taking Fair Values participations in the individual funds into account, the proportionate value of this portfolio due to Fair Value amounted to € 223.3 million and was thus mostly stable compared to the end of 2007 (€ 226 million). The portfolio of directly held properties includes 32 properties acquired in December 2007. These are commercial properties primarily used as bank branches („Sparkasse portfolio"). The directly held portfolio has total rental space of 42,940 m². „Airport Office II" in Düsseldorf was completed and transferred after the balance sheet date, increasing the rental space in the portfolio of directly held properties by a further 4,730 m². The property will already help to enlarge rental revenues in the current fiscal year.

According to type of use, Fair Value REIT-AG's total portfolio has a high degree of diversification. Around 45 % of potential rent are currently attributable to the office segment, with retail accounting for 42 % of potential rent. A further 8 % are contributed by logistics properties. The other properties, which are primarily used as hotels, account for the remaining 5 % of the total potential rent. The portfolio is to be further optimized in future via targeted restructuring and acquisitions. These activities aim to ensure that,

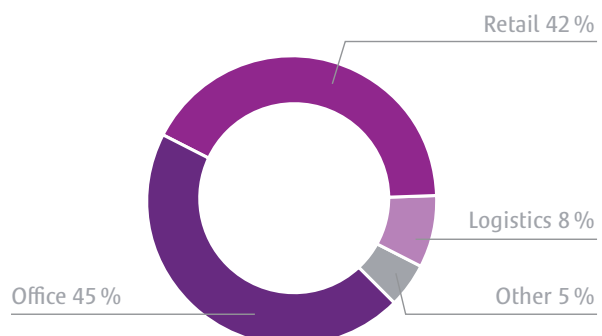
Market values as of June 30, 2008 (€ million)*



Portfolio structure by rentable area



Portfolio by sectors*



over the long term, around 50 % of rental revenues is generated by office properties. Revenues in the retail segment and logistics properties each account for around 25 %.

Besides the broad risk diversification, Fair Value's real estate portfolio is thus characterized by high earnings strength. Based on Fair Value's share of market value of properties held directly and indirectly, the company generates a potential rent return of 8.3 % in total. This finding is further emphasized by the occupancy rate of 95.6 % of the overall portfolio.

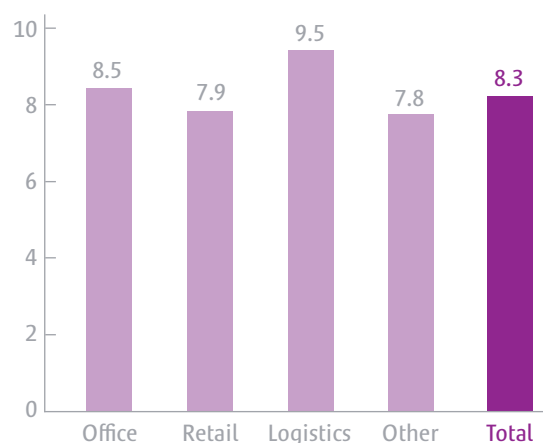
Sparkasse portfolio

Fair Value REIT-AG acquired a portfolio of 32 commercial properties in December 2007. These properties are primarily used as bank branches and are mostly located in southern Schleswig-Holstein („Sparkasse portfolio“). As a result of their direct proximity to the Hamburg area, these properties have a very favorable location in one of Germany's high-growth regions. The portfolio's main tenant is Sparkasse Südholstein. The properties are 96 % let and the rental agreements have an average remaining term of 13.5 years. Consequently, the portfolio allows Fair Value to achieve long-term, secure rental revenues. The properties had a market value of € 49.0 million on June 30, 2008, and the company thus recorded a potential rent of around 6.6 % p.a.

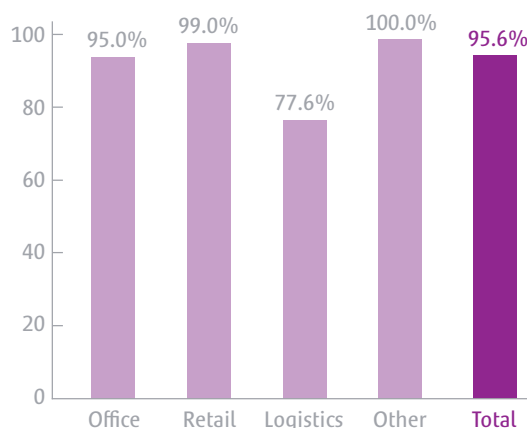
Aiport Office II, Düsseldorf

The office property at Düsseldorf Airport („Airport Office II“) was completed and handed over on July 15, 2008, after the balance sheet date. As of the balance sheet date, around 83 % of this property were already let. Since then, a level of 91 % of the total potential rental revenues could be achieved. Fair Value REIT-AG is in final stage negotiations for the remaining space. The successive start of the rental agreements means that the company will be able to further increase its rental revenues during the current fiscal year.

Potential rental return in % based on proportionate market values



Occupancy rate in % of proportionate potential rents

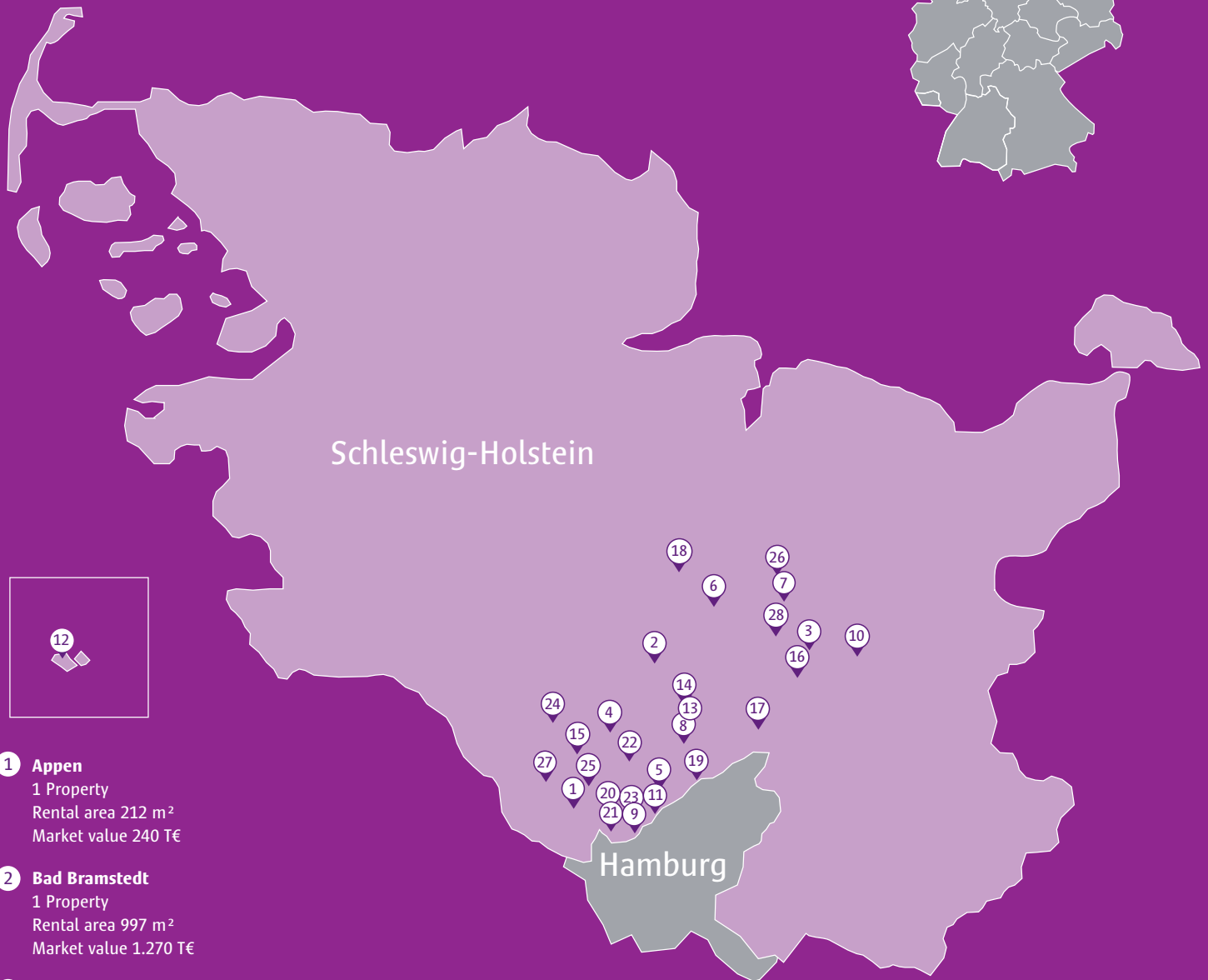


Largest tenants in % of proportionate potential rent

	June 30, 2008
Sparkasse Südholstein	12.7%
IDLG Immobiliendienstleistungen	9.9%
EDEKA - Konzern	8.9%
Metro AG	8.4%
Kaufland Stiftung & Co. KG	5.1%
BBV Holding AG	5.1%
Schweizerhof Hotel GmbH & Co. KG	4.2%
HPI Hotelbesitz GmbH	2.7%
ABB Grundbesitz GmbH	2.7%
REWE	1.7%
Other	38.6%
Sum	100.0%

Sparkasse Portfolio

32 properties at 28 locations



1 Appen
1 Property
Rental area 212 m²
Market value 240 T€

2 Bad Bramstedt
1 Property
Rental area 997 m²
Market value 1.270 T€

3 Bad Segeberg
1 Property
Rental area 9.233 m²
Market value 9.480 T€

4 Barmstedt
1 Property
Rental area 1.264 m²
Market value 1.490 T€

5 Bönningstedt
1 Property
Rental area 211 m²
Market value 260 T€

6 Boostedt
1 Property
Rental area 114 m²
Market value 140 T€

7 Bornhöved
1 Property
Rental area 664 m²
Market value 690 T€

8 Ellerau
1 Property
Rental area 369 m²
Market value 420 T€

9 Ellerbek
1 Property
Rental area 356 m²
Market value 370 T€

10 Geschendorf
1 Property
Rental area 316 m²
Market value 250 T€

11 Halstenbek
2 Properties
Rental area 979 m²
Market value 972 T€

12 Helgoland
1 Property
Rental area 490 m²
Market value 610 T€

13 Henstedt-Ulzburg
1 Property
Rental area 1.005 m²
Market value 1.120 T€

14 Kaltenkirchen
1 Property
Rental area 1.581 m²
Market value 2.010 T€

15 Kölln-Reisiek
1 Property
Rental area 168 m²
Market value 190 T€

16 Leezen
1 Property
Rental area 174 m²
Market value 200 T€

17 Nahe
1 Property
Rental area 734 m²
Market value 730 T€

18 Neumünster
3 Properties
Rental area 12.688 m²
Market value 16.660 T€

19 Norderstedt
2 Properties
Rental area 2.212 m²
Market value 2.080 T€

20 Pinneberg
1 Property
Rental area 1.930 m²
Market value 2.450 T€

21 Pinneberg-Quellental
1 Property
Rental area 624 m²
Market value 670 T€

22 Quickborn
1 Property
Rental area 1.309 m²
Market value 1.540 T€

23 Rellingen
1 Property
Rental area 524 m²
Market value 580 T€

24 Sparrieshoop
1 Property
Rental area 237 m²
Market value 200 T€

25 Tornesch
1 Property
Rental area 657 m²
Market value 600 T€

26 Trappenkamp
1 Property
Rental area 787 m²
Market value 680 T€

27 Uetersen
1 Property
Rental area 1.759 m²
Market value 1.960 T€

28 Wahlstedt
1 Property
Rental area 1.346 m²
Market value 1.160 T€

Portfolio of participations

In addition to its portfolio of properties held directly, Fair Value REIT-AG also generates sustained rental revenues from its participations in closed-end real estate funds. At present, the company holds five majority and eight minority interests. In total, Fair Value thus participates in a real estate portfolio comprising 49 commercial properties. 117,479 m² of the rental area is due to the fully consolidated subsidiaries, whereas 304,385 m² is included in the funds held as minority interests (associated companies). As a result of the high amount of holding, asset management for the closed-end real estate funds can be actively driven with the company's support. This will allow both value and income to be increased.

Fair Value - Participations*			
Subsidiaries		Associated companies	
IC Fonds & Co. Büropark Teltow KG (IC07)	75.65 %	49.68 %	IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG (IC13)
IC Fonds & Co. Forum Neuss KG (IC03)	71.58 %	45.02 %	BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG (BBV14)
IC Fonds & Co. München-Karlsfeld KG (IC01)	55.81 %	40.22 %	IC Fonds & Co. SchmidtBank Passage KG (IC12)
BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG (BBV06)	54.64 %	38.31 %	IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG (IC15)
BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG (BBV03)	53.64 %	38.30 %	BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG (BBV10)
		38.28 %	BBV Immobilien-Fonds Erlangen GbR (BBV02)
		26.14 %	IC Fonds & Co. Rabensteincenter KG (IC10)
		24.93 %	BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG (BBV09)

* Participation in % of capital (June 30, 2008)

Investment criteria and strategy

Fair Value REIT-AG has a business model that is unique in Germany: Its dual pillar strategy means that it is able to unite a broad diversification and high earnings strength. In future, this particular advantage is to be used even more to continue the company's on-track growth. As a result, over the medium term Fair Value will drive the expansion of its business activities both via participations in specific closed-end real estate funds as well as via targeted direct investments.

Its investment activities will continue to focus on medium-sized cities and regions, as these allow attractive returns to be achieved, and are comparatively less volatile. In addition, Fair Value will also make selective investments in urban conurbations – such as the Airport Office II, Düsseldorf already acquired. In order to further optimize its portfolio structure, in future the company will increase the proportion of logistics and office properties in its portfolio. The primary aim is to acquire additional properties, thus enlarging successively the proportion accounted for by the direct portfolio to around 50 %.

The German market for commercial real estate offers major opportunities, and Fair Value REIT-AG is excellently equipped to benefit from these opportunities over the long term. As a result, it plans to consistently and resolutely continue the course it has taken. Through to 2009, the company aims to double its non-current assets compared to the end of 2007 – subject to positive developments on the capital market.



Group interim management report

Business report

I. BUSINESS ACTIVITIES AND UNDERLYING CONDITIONS

i. Overview of business activities and human resources

Fair Value REIT-AG (hereinafter also referred to as Fair Value or the Fair Value Group) focuses on acquiring and managing commercial properties in Germany. Its investment activities currently focus on office, retail and logistics premises in urban regional centers. In so doing, Fair Value both invests directly in real estate as well as indirectly via the acquisition of participating interests in closed-end real estate funds. The business model is reflected in Fair Value's segment reporting, which is broken down into the segments „Direct investments“ and „Participations“.

Participations comprise subsidiaries and associated companies. Fair Value holds a majority interest in its subsidiaries, whereas it holds interests of between 20 % and 50 % in its associated companies. The subsidiaries are fully consolidated in the group. In contrast, the proportionate earnings from the associated companies are included in the financial result.

On June 30, Fair Value REIT-AG had a total of five employees including the Managing Board. No new employees were hired in the period under review, and there was also no employee fluctuation.

ii. Underlying economic conditions and developments on the German real estate market

Macroeconomic environment

The dynamism seen in the overall economic growth weakened in the second quarter. Gross domestic product (GDP) increased in the second quarter of 2008 by 3.1 % compared to Q2 2007, however it fell by 0.5 % compared to the previous quarter, even though this was rather a technical reaction to the extraordinarily strong growth in the first quarter of 1.3 % compared to the previous quarter.

Leading economic research institutes are forecasting a stable economy and positive economic growth for 2008 as a whole, even though the expectations have clouded compared to the start of the year.

Inflation totaled 3.3 % in July 2008 compared to the previous year. At least two thirds of this inflation was due to the increase in consumer prices, mostly for food and energy products.

According to information from the Federal Labor Agency, the labor market continues to be strong; employment increased still further in the second quarter. As a result, unemployment fell in July 2008 compared to the previous year by more than 505,000, which corresponds to a reduction in the unemployment rate from 8.9 % to 7.7 %.

In view of the coming consumer reluctance, whether or not private consumption will stabilize over the remainder of the year is questionable, despite the currently robust labor market. The current ifo business climate index has worsened again, and is clouding the general economic expectations.

Sources: Monthly report (July) from the Federal Agency for Labor; Destatis – German Federal Statistics Office, ifo Institute, Deutsches Institut für Wirtschaftsforschung.

German commercial real estate markets

The positive growth in employment has had a perceptible impact on the market for office rentals and has led to the dynamism of the first quarter continuing.

The excellent demand situation has also caused the vacancy rates in each of the six main real estate locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart) to fall on both a year-on-year comparison as well as within the last three months according to Jones Lang LaSalle. The vacancy rate in urban centers is now just 8.9 % on average and has thus fallen by 80 basis points during the first half of 2008.

Vacancy rates in top locations are expected to fall still further by the end of the year. However, an increase in new construction and a comparatively high level of pre-rentals will put pressure on vacancy rates as soon as the new space is occupied – to the detriment of existing properties.

Top rents have increased slightly in the key office locations and have thus reached the best levels for the past five years.

In the logistics sector, earnings in the first quarter differed strongly by region. Although rentals at most locations were at the same level as the previous year, it was only possible to generate a significant increase in the rental volume in Munich.

The transaction volume on the investment market fell by 57 % in the first half of 2008 compared to the same period of the previous year. However, compared to the six-month average for the past four years, the current developments on the market only point towards the investment market normalizing.

The downturn in the volume of transactions is put down to a credit financing becoming scarce and also a divergence between buyers' and sellers' price expectations.

According to a survey of institutional investors performed by Feri Rating & Research AG in June 2008, 46 % want to increase the proportion of properties in their overall portfolio, and in particular the proportion of indirect investments is to be increased to 52 %.

Source: Jones Lang LaSalle, Office market overview Q2 2008, Capital Markets Newsletter H1 2008 and Storage Space Market Overview Q2 2008, Feri Rating & Research Quarterly 3rd Quarter 2008.

II. DISCUSSION OF BUSINESS AND INFORMATION ON THE OVERALL PORTFOLIO

The first six months were positive for Fair Value REIT-AG. The direct investments and participations segments recorded net rental revenue as scheduled, and also achieved their economic objectives including the properties' market valuation as of June 30, 2008.

Direct investments

Sparkasse portfolio, Schleswig-Holstein:

Rents for the Sparkasse portfolio accrued to the company for the first time over the entire period under review, and were paid in full and on time in each case. The purchase price refund for a property in Bad Segeberg (preemptive right on the part of the property's neighbor) and the refund of the land transfer tax totaling around € 2.4 million were used to repay the bank loan in the amount of € 1.8 million, reducing this from € 35.5 million to € 33.7 million. Rentals in the sub-portfolio have increased slightly to 96.4 %.

Airport Office II, Düsseldorf:

Ownership, risks and rewards for the office property being built in direct proximity to the Düsseldorf Airport terminal building were transferred on January 15, 2008. The property with a total rental area of 4,730 m² was completed as scheduled after the balance sheet date on July 15, 2008. As a result, in the financial statements as of June 30, 2008 the property is thus still carried forward at acquisition cost totaling € 12.2 million as a property under construction.

The property was let in parallel to the construction progress. As a result of the excellent demand, when the property is fully let the annual rent will total around € 970 thousand, around 9 % higher than our original expectations. This increases the initial rental return to 7.7 % of the purchase price and underscores the attractiveness of this location at Düsseldorf Airport. 83 % of the rental area had been let by June 30, 2008, and this increased still further after the balance sheet date.

Airport Office II, Düsseldorf is 36 % equity financed, with 64 % financed via a master credit agreement with a term of 20 years of up to € 8.1 million with Deutsche Genossenschafts-Hypothekenbank AG (DG-Hyp). Around € 1.4 million still had to be paid on the balance sheet date; the credit agreement had already been disbursed to 87 % (approximately € 7 million).

Participations

Subsidiary BBV 06

Around one third of the 22,000 m² of logistics space in Cologne that had been vacant since January 1, 2008 had been let again by June 30, 2008. Fair Value believes that it will be possible to fully let this property by the end of 2008. In June 2008, the financing bank and BBV 6, including Fair Value REIT-AG and the fund's management, agreed a package of activities including reduced interest charges, a temporary interruption to repayments, a reduced bank margin for a limited term, the deferral of service fees and granting shareholder loans in order to ease the temporary liquidity bottleneck this company is experiencing. Further information in this regard can be found in the notes to the consolidated financial statements note 10.

Information on the overall portfolio

The following table aligns the total rental space for the subsidiaries and the associated companies, respectively. In total, the proportionate market values of the portfolio of existing properties due to Fair Value total € 272.4 million. Airport Office II, Düsseldorf, which was still under construction on the balance sheet date, is carried forward at the acquisition costs of € 12.2 million incurred by that date, with the result that the proportionate total portfolio attributable to Fair Value totaled around € 284.6 million as of June 30, 2008.

As of the balance sheet date, the portfolio of existing properties features a proportionate occupancy rate of 95.6 %. The weighted remaining period of the rental agreements averages 7.1 years.

Abbr.	Investment	Plot size ⁰⁾	Total rental space ⁰⁾	Market value ^{0), 1)}	Stake of Fair Value REIT-AG			
					Equity interest	Market value ^{0), 1)}	Item let ^{3), 5)}	Ø Average remaining term of rental agree- ments ^{4), 5)}
		[m ²]	[m ²]	[€ thousand]	[%]	[€ thousand]	[%]	[years]
Direct investments								
	Sparkasse Portfolio	58,624	42,940	49,022	100.00	49,022	96.4	13.5
Total direct investments		58,624	42,940	49,022	100.00	49,022	96.4	13.5
Subsidiaries								
IC07	IC Fonds & Co. Büropark Teltow KG	5,324	13,382	24,800	75.65	18,761	100.0	7.0
IC03	IC Fonds & Co. Forum Neuss KG	19,428	12,063	8,380	71.58	5,998	84.9	1.3
IC01	IC Fonds & Co. München-Karlsfeld KG	7,019	3,375	4,700	55.81	2,623	97.8	7.1
BBV06	BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG	97,232	73,857	57,360	54.64	31,344	88.8	4.8
BBV03	BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG	26,210	14,802	9,510	53.64	5,101	97.0	2.7
Total subsidiaries		155,213	117,479	104,750	60.99	63,827	93.3	5.3
Associated companies								
IC13	IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG	22,357	22,034	24,350	49.68	12,098	92.0	6.1
BBV14	BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG	16,196	38,522	86,410	45.02	38,903	94.5	5.1
IC12	IC Fonds & Co. SchmidtBank-Passage KG	4,226	8,380	8,120	40.22	3,266	89.6	2.9
IC15	IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG	24,689	35,413	42,780	38.31	15,921	97.8	5.4
BBV10	BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG	177,231	96,567	131,980	38.30	50,553	96.9	5.8
BBV02	BBV Immobilien-Fonds Erlangen GbR	6,350	2,770	1,890	38.28	723	100.0	4.0
IC10	IC Fonds & Co. Rabensteincenter KG	11,203	9,970	9,690	26.14	2,533	92.9	2.6
BBV09	BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG	114,912	90,728	142,600	24.93	35,550	100.0	9.5
Total associated companies		377,164	304,385	447,820	37.41	159,548	96.5	6.4
Total properties portfolio		591,001	464,804	601,592		272,397	95.6	7.1
Properties under construction								
	Airport Office II, Düsseldorf	4,729	4,730	12,177	100.00	12,177	83.1	n/a
Total properties under construction		4,729	4,730	12,177	100.00	12,177	83.1	n/a
Grand Total		595,730	469,534	613,769		284,574		

Explanations

⁰⁾ Does not consider the respective participations in percent

¹⁾ According to a market value survey by CB Richard Ellis GmbH, Berlin as of June 30, 2008; amortized cost of properties under construction

²⁾ Proportionate market values attributable to Fair Value based on percentage participations; in the case of IC15 the two-tier fund structure for the properties in Dresden and Chemnitz has been taken into account.

³⁾ contractual rent/potential rent (= contractual rent + vacancy rates at standard market rent)

⁴⁾ Income-weighted

⁵⁾ (Sub) totals for rental level and average remaining term taking the respective percentage participations into account

III. FINANCIAL POSITION AND RESULTS OF OPERATIONS

As business operations were only commenced in the third quarter of 2007 it is not meaningful to compare figures with the same period of the previous year.

i. Earnings

In the first half of 2008, Fair Value REIT-AG recorded rental revenues totaling € 6,126 thousand from its direct investments and from its fully consolidated subsidiaries.

After taking income from operating and incidental costs (€ 596 thousand) and the deduction of leasehold payments (€ 117 thousand) and property-related operating expenses (€ 1,282 thousand) into account, net rental revenues totaled € 5,323 thousand.

Rental revenues enjoyed positive growth in the first half of 2008. In addition to the five subsidiaries, the Sparkasse portfolio in the „direct investments“ segment contributed to earnings for the first time for the entire period under review.

In the first half of 2008, Fair Value REIT-AG's general administrative costs totaled € 1,470 thousand, of which around 70 % were due to the parent company's overheads. The subsidiaries incurred around 30 % of the general administrative costs.

The market valuation of the real estate portfolio as of June 30, 2008 clearly shows that the broad base of 81 properties has a stabilizing effect. For example, the value of the overall portfolio proportionately due to Fair Value only fell by approx. 1.3 % or by € 3,551 thousand compared to December 31, 2007 despite the difficult market. Further information can be found in Note 3 to the consolidated financial statements and in the individual property information on pages 42 to 45.

The proportionate valuation result for the properties held by associated companies is included in the income from equity-accounted investments, which contributed € 1.5 million to the financial result. In addition, the valuation of derivative financial instruments (swaps: € 286 thousand; see Note 12 to the consolidated financial statements) and income from restructuring financial liabilities at BBV 06 in the amount of € 1,469 thousand (see Notes 10 and 12 to the consolidated financial statements). After taking minority interests into account (€ 949 thousand), the financial result totals € -675 thousand.

Fair Value REIT-AG thus recorded consolidated net income of € 789 thousand in the first half of 2008. This corresponds to undiluted earnings per share of € 0.08.

ii. Financial position

In the first half of 2008, the cash flow from operating activities (so-called funds from operations or FFO) totaled € 1,297 thousand or € 0.14 per share. In order to calculate this indicator, the non-cash bookings were added to or deducted from the consolidated net income (see the consolidated cash flow statement).

The cash flow from operating activities totaled € 4,006 thousand, of which € 3,039 thousand stemmed from the reduction in other receivables, mostly from the purchase price refund for the property in the Sparkasse portfolio affected by the preemptive right.

The net cash used in investing activities totaled € 7,277 thousand in the first six months of 2008. This results from investments in Airport Office II, Düsseldorf in the amount of € 11,972 thousand, which was financed in the amount of € 4,705 thousand by the sale of the interest in BBV 08 and by bank loans as well as from cash and cash equivalents.

As part of the financing activities, two bank loans totaling € 27,367 thousand and € 5,139 thousand at a subsidiary were refinanced. In addition, the amortized acquisition costs for Airport Office II, Düsseldorf were financed by bank loans in the amount of € 7,040 thousand. In addition to the scheduled repayment, part of the loan for Fair Value's fund portfolio with Westdeutsche ImmobilienBank was repaid in the amount of € 1,890 thousand, taking the total to € 14,243 thousand. In total, the net cash provided by financing activities totaled € 2,204 thousand.

The group had cash and cash equivalents totaling € 4,314 thousand on the balance sheet date. This is a slight reduction in cash and cash equivalents compared to December 31, 2007 (€ 5,381 thousand) in particular as a result of the investment activities in the first half of 2008.

iii. Net assets

Fair Value's total assets increased to € 231,535 thousand as of June 30, 2008 (December 31, 2007: € 230,359 thousand), with non-current assets accounting for around 95 % of total assets. Non-current assets increased by the amortized acquisition costs for the office property Airport Office II, Düsseldorf to € 220,338 thousand (+2.7 %) compared to December 31, 2007. Around 69 % of total assets are due to directly held properties and the subsidiaries' properties, with a further 26 % stemming from the associated companies' net assets (equity-accounted investments).

Compared to December 31, 2007 (€ 15,776 thousand), current assets fell to € 11,197 thousand. This is primarily due to a reduction in other receivables and assets of € 3,021 thousand. Around 50 % of the current assets are due to two properties held for sale by subsidiaries.

The company's equity or the net asset value (NAV) totaled € 95,452 thousand on the balance sheet date, or € 10.15 per share (December 31, 2007: € 94,663 thousand). This increase is primarily due to the positive earnings in the first half of 2008, which resulted in retained earnings increasing to € 2,251 thousand.

There were only minor changes in liabilities compared to the end of 2007. Non-current liabilities as of June 30, 2008 totaled € 75,496 thousand (December 31, 2007: € 76,097 thousand). In contrast, current liabilities during the period under review only increased slightly from € 59,599 thousand to € 60,587 thousand. Non-current and current financial liabilities thus only increased slightly from € 112,134 thousand to € 112,869 thousand in the first six months.

IV. RELATED PARTIES

Companies belonging to IC Immobilien Group, which holds an 18.09 % interest in Fair Value REIT-AG, provide the following services for the Group and its associated companies: Asset management and corporate services as well as property management for Fair Value. There are other service agreements at a subsidiary and associated company level. For further details on this and other related parties, please refer to Fair Value's 2007 annual report on pages 91 to 97. For the status of receivables and liabilities, please refer to the Note 14 to the consolidated financial statements.

No transactions were concluded with the Supervisory Board, Managing Board and their close relatives in the first half of 2008.

Report on events after the balance sheet date

Airport Office II, Düsseldorf was accepted after completion on July 15, 2008. As a result, the last purchase price installment of € 1.4 million became due and was also paid, with the exception of a small reduction for building defects. In this connection, the portion of the master loan still outstanding in the amount of around € 1.1 million was paid out. The deduction for defects still totaled € 83 thousand on the date this report was prepared. In addition, after the balance sheet date, the rental level increased to 91 % of the potential rent; a rental agreement is about to be concluded for the last remaining space in the building.

As of June 30, 2008, long-term financing with a term through to June 30, 2018 totaling € 33,690 thousand was concluded for the Sparkasse portfolio. Variable interest was agreed, based on the 3-month EURIBOR plus a 1.06 % margin. The conclusion of an interest-rate swap with the same maturity has allowed the ongoing interest charged over the entire term to be limited to 4.94 % plus margin against a payment due on December 30, 2008 in the amount of € 140 thousand. A staggered, pro-rata repayment has been agreed for the loan, which effectively corresponds to a 2 % annuity repayment.

The loan for the interests in closed-end real estate funds acquired against payment of a purchase price totaling € 14,243 thousand was extended through to July 31, 2008 based on the reference interest rate of either the 1 or 2 month EURIBOR plus a margin of 1.65 %. Sale-related disbursements from the fund interests are to be used proportionately at either 50 % or 30 % depending on the loan status, or according to a minimum key per fund company for the repayment of this loan.

As a result, the proportion of non-current liabilities to banks increased from 50 % to 87 % after the balance sheet date. The interest rate swap for the long-term financing of the Sparkasse portfolio means that, in future, changes to the interest rate only impact 13 % of the liabilities to banks.

Risk management report

Fair Value is exposed to various business and economic risks as a result of its business activities. These are mostly rental risks, risks of rental default, interest rate risks and liquidity risks. For information on the general risks and the company's risk management, please refer to the detailed information in Fair Value's 2007 annual report on pages 41 to 44.

No further risks resulted in the second quarter. The intended bridging of the liquidity bottleneck at the subsidiary BBV 6 has been achieved and put in place. The loans which will expire over the short term were extended after the balance sheet date.

The risk of changes to interest rates thus only affect the short-term financing for participations. A 100 basis point increase in interest rates compared to the current level would result in increased interest expenses of around € 142 thousand annually, given the same level of loans.

Payments are expected to be received from the sale of properties and fund disbursements in the second half of the year.

The Managing Board is certain that these conditions will occur, and as a result the cash and cash equivalents and the cash flow from operating activities are sufficient for its current requirements.

Opportunities and forecast

Fair Value REIT-AG has been pursuing a double-pronged strategy since its formation: Investments in directly-held real estate and indirect investments in real estate via closed-end real estate funds. Our highly diverse portfolio of existing properties with an income-related rental level of 95.6 % means that the Fair Value Group has stable foundations.

The company thus has solid foundations to be able to consistently use the opportunities offered by the German market for commercial real estate. Based on Fair Value's balanced business model, there are thus opportunities for the company to grow in both of its segments: Increasing the portfolio of participations and also the directly held portfolio will drive the company's future growth. In addition, the stable economic environment offers opportunities for Fair Value's existing portfolio to grow in value.

In addition, the company is also benefiting from its status as a REIT given the current situation on the market. Fair Value can thus use the exit tax privilege when acquiring properties, and thus enjoys a true competitive advantage. In addition, as a G-REIT, the company has a strong equity base, improving its ability to procure loans and its borrowing conditions when acquiring real estate in the future.

The Managing Board is forecasting positive business growth for 2008, and is holding to the forecast in the 2007 annual report with a bandwidth of € 1.3 to € 1.5 million.



Consolidated interim financial statements

for the period from January 1 to June 30, 2008 *

** until the change of form, recorded at the commercial register on
July 12, 2007 : IC Grundbesitz GmbH & Co. Fair Value KG*

Consolidated balance sheet

in € thousand	Note No.	June 30, 2008	December 31, 2007
Assets			
Non-current assets			
Intangible assets		2	2
Property, plant and equipment		26	31
Investment property	3	148,062	150,070
Properties under construction	4	12,177	566
Equity-accounted investments	5	59,728	58,909
Financial assets	6	343	5,005
Total non-current assets		220,338	214,583
Current assets			
Non-current assets available for sale	7	5,610	5,700
Trade receivables		468	869
Other receivables and assets	8	805	3,826
Cash and cash equivalents		4,314	5,381
Total current assets		11,197	15,776
Total assets		231,535	230,359
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Retained earnings		2,251	1,462
Total equity		95,452	94,663
Non-current liabilities			
Minority interests		19,095	18,487
Financial liabilities	9/10	56,082	57,116
Other liabilities		319	494
Total non-current liabilities		75,496	76,097
Current liabilities			
Provisions		217	255
Financial liabilities	9/10	56,787	55,018
Trade accounts payable		2,283	2,617
Other liabilities		1,300	1,709
Total current liabilities		60,587	59,599
Total equity and liabilities		231,535	230,359

Consolidated income statement

in € thousand	Note No.	January 1 to June 30		April 1 to June 30		January 1 to March 31	
		2008	2007	2008	2007	2008	2007
Rental revenues		6,126	0	3,179	0	2,947	0
Income from operating and incidental costs		596	0	216	0	380	0
Leasehold payments		(117)	0	(60)	0	(57)	0
Real-estate related operating expenses		(1,282)	0	(772)	0	(510)	0
Net rental result		5,323	0	2,563	0	2,760	0
General administrative expenses	11	(1,470)	(244)	(856)	(244)	(614)	0
Other operating income		103	103	89	103	14	0
Other operating expenses		(33)	0	(31)	0	(2)	0
Other operating income and expenses		70	103	58	103	12	0
Valuation gains		790	0	790	0	0	0
Valuation losses		(3,249)	0	(2,954)	0	(295)	0
Valuation result	3/7	(2,459)	0	(2,164)	0	(295)	0
Operating income		1,464	(141)	(399)	(141)	1,863	0
Income from equity-accounted investments	5	1,547	0	1,128	0	419	0
Other result from participations		0	180	0	180	0	0
Minority interests		(949)	0	(699)	0	(250)	0
Net interest expense	12	(1,273)	3	411	3	(1,684)	0
Financial result		(675)	183	840	183	(1,515)	0
Consolidated net income (loss)		789	42	441	42	348	0
Earnings per share in € (basic/ diluted)		0.08	0.00	0.05	0.00	0.04	

Statement of changes in consolidated equity

in € thousand	Shares in circulation	Subscribed Capital	Share premium	Retained earnings	Net assets due to shareholders	Total
Balance at January 1, 2007	0	0	0	0	(94)	(94)
Contributions					821	821
Financial result	0	0	0	0	42	42
Balance at June 30, 2007	0	0	0	0	769	769
Balance at January 1, 2008	9,406,882	47,034	46,167	1,462	0	94,663
Consolidated net income	0	0	0	789		789
Balance at June 30, 2008	9,406,882	47,034	46,167	2,251	0	95,452

Consolidated cash flow statement

in € thousand	January 1 to June 30	
	2008	2007
Consolidated net income (economic result)	789	42
Amortization of intangible assets and depreciation of property, plant and equipment	5	0
Income from the disposal of participating interests	0	(180)
Valuation result	2,459	0
Income from equity-accounted investments	(1,547)	0
Withdrawals from equity-accounted investments	738	0
Minority interests	949	0
Distributions to minority interests	(341)	0
Income from restructuring financial liabilities	(1,469)	0
Result from the valuation of derivative financial instruments	(286)	0
Cash flow from operating activities (funds from operations)	1,297	(138)
Changes in assets, equity and liabilities		
(Increase)/decrease in trade receivables	401	0
(Increase)/decrease in other liabilities	3,039	(319)
(Decrease)/increase in provisions	(38)	0
(Decrease)/increase in trade payables	(284)	450
(Decrease)/increase in other liabilities	(409)	0
Net cash provided by/used in operating activities	4,006	(7)
Payments for the purchase of interests in associated companies	(10)	0
Income from the sale of subsidiaries (BBV 08)	4,705	0
Investments in investment property/property under construction	(11,972)	0
Net cash used in investing activities	(7,277)	0
Contributions from shareholders	0	821
Drawing down bank borrowing	39,546	0
Repayment of bank borrowing	(37,342)	0
Net cash provided by financing activities	2,204	821
Net change in cash and cash equivalents	(1,067)	814
Cash and cash equivalents – start of period	5,381	13
Cash and cash equivalents – end of period	4,314	827



Notes to the consolidated financial statements

(1) GENERAL INFORMATION ON THE COMPANY

After registration as an Aktiengesellschaft on July 12, 2007, Fair Value REIT-AG has been listed on the stock exchange since November 16, 2007. It became a REIT on December 6, 2007.

As a result of its participation in thirteen closed-end real estate funds, the company must prepare consolidated financial statements. These financial statements are the first consolidated six-month financial statements to include the Sparkasse portfolio for the entire period in the „Direct Investments“ segment.

Accounting and valuation methods – the same accounting and valuation methods were applied as in the consolidated financial statements for fiscal year 2007.

Comparable figures – the comparable figures in the income statement and the cash flow statement are for the period from January 1 to June 30, 2007. This company was still a partnership during this period and did not have any subsidiaries.

(2) ACCOUNTING AND VALUATION POLICIES

Principles of preparation – The consolidated interim financial statements have been prepared based on International Financial Reporting Standards (IFRSs), taking IAS 34 „Interim Financial Reporting“ into account. Investment properties and financial derivatives are measured at their fair values, participations in associated companies are equity-accounted. All other measurements are based on cost.

Consolidation – The consolidated financial statements include all subsidiaries. The group of consolidated companies has not changed compared to December 31, 2007.

(3) INVESTMENT PROPERTY

€ thousand	Direct investments	Subsidiary	Total
Acquisition costs			
Balance at January 1, 2008	51,615	98,880	150,495
Additions (subsequent acquisition costs)	217	144	361
Balance at June 30, 2008	51,832	99,024	150,856
Changes in value			
Balance at January 1, 2008	(1,655)	1,230	(425)
Write-ups	0	790	790
Write-downs	(1,155)	(2,004)	(3,159)
Balance at June 30, 2008	(2,810)	16	(2,794)
Fair values			
Balance at Dec. 31, 2007	49,960	100,110	150,070
Balance at June 30, 2008	49,022	99,040	148,062

CB Richard Ellis GmbH, Berlin, has evaluated the investment properties' fair value using the DCF method as of June 30, 2008. The cash flows for a ten-year period were forecast in detail; sustained rental income was assumed for the period thereafter. The value of this capital was identified based on property-related capitalization rates of between 5.2 % and 7.5 % and taking into account estimated selling costs incurred after ten years. The surplus income for the ten-year period and the capital value resulting after this period has expired were discounted using discount rates of between 5.9 % and 8.1 % depending on the specific property as of the valuation date, less the estimated incidental acquisition costs for a potential purchaser. The financial mathematical assumptions were raised compared to December 31, 2007 as a result of the current situation on the real estate market and higher financing costs by an average of 0.09 % from 5.92 % to 6.01 % (capitalization rates) or by 0.11 % from 6.35 % to 6.46 % (discount rates).

The value of five of the properties increased by a total of € 790 thousand. The write-downs for the properties were due to the above adjustment to the capitalization and discount rates and the reversal of the advantage from some of the existing rental agreements that were concluded with rent which is above the current market level (overrents). In addition, subsequent incidental acquisition costs for the Sparkasse portfolio and conversion costs arising as a result of the follow-on rental of the property in Alzey (IC 01) totaling € 361 thousand were written off immediately as these items are not covered by the market values as of June 30, 2008. Write-downs thus totaled € 3,159 thousand.

(4) PROPERTIES UNDER CONSTRUCTION

The increase relates to the property Airport Office II, Düsseldorf. Economic ownership of this property was transferred to the Group in January 2008. It is measured at carried forward acquisition cost. The carrying amount of € 12,177 thousand includes construction interest totaling € 126 thousand. It was 83 % let as of June 30, 2008.

(5) EQUITY-ACCOUNTED INVESTMENTS

€ thousand	IC 10	IC 12	IC 13	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	Total
Balance as at January 1, 2008	25	2,453	1,421	6,051	99	15,170	20,111	13,579	58,909
Additions (acquisition costs)	0	10	0	0	0	0	0	0	10
Withdrawals	0	(84)	(145)	(144)	(1)	0	(364)	0	(738)
Proportion of earnings	(20)	1	(125)	(306)	14	1,212	834	(63)	1,547
Balance at June 30, 2008	5	2,380	1,151	5,601	112	16,382	20,581	13,516	59,728

This relates to participations where a participation of between 20 % and 50 % is held in each case. The increase in this item compared to December 31, 2007 by € 819 thousand comprises the acquisition of interests totaling € 10 thousand and the proportionate earnings due to Fair Value for these companies for the period under review in the amount of € 1,547 thousand less the disbursements / withdrawals in the first half of the year totaling € 738 thousand including retained capital gains tax and solidarity surcharge.

The income situation for the equity-accounted investments for the period under review was as follows:

€ thousand	IC 10	IC 12	IC 13	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	Total
Rental revenues	347	298	1,490	1,704	36	5,849	5,155	3,021	17,900
Income from operating and incidental costs	156	160	145	246	13	115	324	694	1,853
Real-estate related operating expenses	(222)	(217)	(274)	(278)	(48)	(398)	(818)	(1,690)	(3,945)
Net rental result	281	241	1,361	1,672	1	5,566	4,661	2,025	15,808
General administrative expenses	(14)	(19)	(61)	(72)	(11)	(230)	(225)	(239)	(871)
Other operating income and expenses	0	0	0	(5)	1	1	(9)	(2)	(14)
Valuation gains	0	0	110	80	78	800	206	0	1,274
Valuation losses	(110)	(181)	(1,060)	(1,764)	0	(1,100)	(1,510)	(590)	(6,315)
Valuation result (net)	(110)	(181)	(950)	(1,684)	78	(300)	(1,304)	(590)	(5,041)
Operating result	157	41	350	(89)	69	5,037	3,123	1,194	9,882
Other interest expenses	(227)	(55)	(663)	(873)	(36)	(435)	(967)	(1,526)	(4,782)
Change in market value for the loans	(8)	2	50	163	3	258	27	192	687
Net interest expense	(235)	(53)	(613)	(710)	(33)	(177)	(940)	(1,334)	(4,095)
Financial result	(78)	(12)	(263)	(799)	36	4,860	2,183	(140)	5,787
Fair Value's share after consolidation	(20)	1	(125)	(306)	14	1,212	834	(63)	1,547

(6) FINANCIAL ASSETS

These mostly comprise the remaining purchase price receivables for the variable purchase price component of € 300 thousand from IC Immobilien Holding AG as a result of the sale of the interest in BBV 08. During the period under review, € 4,705 thousand was paid by the purchaser.

(7) NON-CURRENT ASSETS AVAILABLE FOR SALE

The non-current assets available for sale relate to two properties from IC01 and BBV06. The write-down for both properties (€ 90 thousand) is included in the valuation result.

(8) OTHER RECEIVABLES AND ASSETS

The downturn is based on the settlement of a receivable from the seller of the Sparkasse portfolio for the repayment of the purchase price paid, as it was not possible to transfer one of the properties to the Group due to preemptive rights being exercised.

(9) FINANCIAL LIABILITIES

Non-current and current financial liabilities totaling € 112,869 thousand increased by € 735 thousand compared to December 31, 2007. This amount comprises scheduled redemption as well as drawing down the loan granted to finance the Airport Office II in Düsseldorf totaling € 7,040 thousand.

(10) RESTRUCTURING OF FINANCIAL LIABILITIES**BBV 06**

A package of activities including reduced interest payments, temporarily discontinued loan repayments, limited-term reduction of bank margin, deferral of service fees and the granting of shareholder loans was agreed for the subsidiary BBV 06 in June 2008 in order to compensate for the company's temporary liquidity bottleneck.

For example, a fixed-interest loan of around € 27.4 million was converted to a variable-interest loan as of July 1, 2008 against payment of an early repayment penalty totaling € 218 thousand. In view of the intended sale of properties, an interest rate hedge was concluded in this connection for a partial amount of € 15 million (cap) through to June 2012. This restricts a possible increase in the 1-month EURIBOR to a maximum of € 5.25% p.a. against payment of an annual premium of € 62 thousand.

In addition, the main financing creditor HVB has reversed the only two other loans from another bank and concluded a compound loan in an identical amount. The interest hedge for this loan has already been with HVB for several years.

HVB has agreed to a reduced margin of 0.95 % for the period from July 1, 2008 for one year for the overall loan. In compensation, the business provider IC Immobilien Service GmbH has deferred its ongoing remuneration from July 2008 up to a maximum amount of € 200 thousand. In addition, as a majority shareholder, Fair Value REIT-AG grants a shareholder loan to bridge any gaps in liquidity of up to € 600 thousand for a period of 12 months.

The repayment agreement includes a repayment holiday until April 2009, respectively July 2009. For the time after, proportionate repayment installments of initially 2.6 %, respectively 2.9 %, of the loan value have been concluded.

The fixed-interest loan was originally included in Fair Value's consolidated financial statements at its market value as of September 30, 2007. Termination of the fixed-interest loan and the transition to a variable-interest loan resulted in income from the restructuring of financial liabilities totaling € 1,469 thousand.

(11) GENERAL ADMINISTRATIVE EXPENSES

€ thousand	January 1 to June 30	
	2008	2007
Fund administration and trustee fees	308	0
Allowances (Members of Supervisory Board, Advisory Board, General and limited partners)	37	0
Consulting and auditing costs	291	23
Conception and change of legal form	0	181
Reviewer (Valuation)	147	0
Expenses being public	32	0
Costs annual reports	32	0
General Annual Meeting	63	0
Advertisement, events, insertions	23	0
Personnel expenses	387	0
Office costs	45	0
Travel and vehicle expenses	41	0
Depreciation and amortization	5	0
Non-deductible VAT	42	39
Other	17	1
	1,470	244

Of the general administrative costs, € 438 thousand (29.8 %) are due to subsidiaries and € 1,032 thousand (70.2 %) are due to Fair Value REIT-AG.

(12) NET INTEREST EXPENSE

€ thousand	January 1 to June 30	
	2008	2007
Interest income	452	3
Income from refinancing of BBV 06	1,469	0
Valuation of derivative financial instruments	286	0
Other interest expense	(3,480)	0
	(1,273)	3

The loans were originally included in the consolidated financial statements on September 30, 2007 at their market values. The refinancing of the subsidiary BBV 06 resulted in income from the reversal of this adjustment totaling € 1,469 thousand. Of this total, € 666 thousand is due to minority interests in subsidiaries (see 10)).

Net interest includes income from the change in the fair value of derivative financial instruments (interest rate hedges) totaling € 286 thousand. Of this total, € 130 thousand is due to minority interests in subsidiaries.

(13) SEGMENT REVENUES AND RESULTS

€ thousand	January 1 to June 30		April 1 to June 30	
	2008	2007	2008	2007
Segment revenues				
Direct investments	1,747	0	873	0
Participations	4,975	0	2,522	0
	6,722	0	3,395	0
Segment results				
Direct investments	273	0	(267)	0
Participations	2,048	0	323	0
	2,321	0	56	0
Income from equity-accounted investments	1,547	0	1,128	0
General administrative expenses	(857)	(141)	(455)	(141)
Other result from participating interests	0	180	0	180
Minority interests	(949)	0	(699)	0
Net interest expenses	(1,273)	3	411	3
Consolidated earnings	789	42	441	42

(14) RELATED PARTIES

€ thousand	June 30, 2008	December 31, 2007
Receivables		
Purchase price receivable BBV 08	300	5,145
Other	240	68
Liabilities		
Liabilities from loans	(255)	(145)
Liabilities from services	(1,061)	(1,021)
Other	(3)	0
	(779)	4,047

WAIVER OF REVIEW

This semi-annual financial report of has not been audited or reviewed according to Section 317 of the HGB and thus does not contain an auditor's opinion.

DECLARATION BY LEGAL REPRESENTATIVES

To the best of our knowledge, we declare that, according to the principles of proper consolidated reporting applied, the consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, that the group 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 growth for the remaining fiscal year are described.

Munich, August 2008

Fair Value REIT-AG



Frank Schaich

Manfred Heiler

Individual property information on portfolio of Fair Value REIT-AG

VALUATION METHOD

Fair Value engaged Frankfurt-based CB Richard Ellis GmbH (CBRE) to value its directly and indirectly held properties as of June 30, 2008. CBRE had already valued all of the properties as of June 30, 2007 and December 31, 2007.

CBRE is not a company regulated by a supervisory body, however it does employ publicly appointed, sworn experts, members of the Royal Institution of Chartered Surveyors (RICS) and real estate experts certified by HypZert GmbH in its Valuation division. According to the Practical Statement (PS) 3.2 of the RICS Valuation Standards (6th edition) from the Royal Institution of Chartered Surveyors (RICS), London, CBRE identified the properties' market values as defined below:

„The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.“*

In terms of concept and content, „market value“ according to the definition by the Royal Institution of Chartered Surveyors (RICS) and „fair value“ according to IFRS and IAS 40 are comparable.

The market value was identified in each case taking into account incidental acquisition costs (land transfer tax, estate agents' fees and notary's and attorneys' fees) and was presented as the net capital value.

The market values of the individual properties was determined using the internationally recognized discounted cash flow method. The discounted cash flow method forms the basis for dynamic calculations and is used to calculate the value of cash flows anticipated in future on various dates and in differing amounts.

In so doing, after identifying all of the factors relevant for the valuation, the future cash flows, some of which are linked to forecasts, are aggregated on an accrual basis. The balance of the receipts and payments recorded is then discounted to a fixed point in time (valuation date) using the discount rate. In contrast to the German Ertragswertverfahren (income-based approach) according to the Wertermittlungsverordnung (WertV – German Value Calculation Directive), the cash flows are explicitly quantified during the observed period and are not shown as annuity payments.

As the impact of future cash flows falls as a result of the discounting, and as the forecasting insecurity increases over the observed period, as a rule in the case of real estate investments the stabilized net investment income is capitalized over a ten-year period (detailed observation period) using a growth-implicit minimum interest rate (capitalization rate) and discounted to the valuation date.

The assumptions used in the valuation model reflect the average assumptions of the dominant investors on the market on the respective valuation date. These valuation parameters reflect the standard market expectations and the extrapolation of the analyzed past figures for the property to be valued or for one or several comparable properties.

* Translation by RICS Germany, Valuation Faculty Board, 2. edition, September 2003

CBRE estimated the valuation parameters as best possible using its best judgment, and these can be broken down into two groups. The property-specific valuation parameters include, for example, rent for initial and follow-on lets, the probability of existing rental agreements being extended, vacancy periods and vacancy costs, no-allocable incidental costs and capital expenditure expected by the owner, fitting and rental costs for initial and follow-on lets as well as property and lease-specific overall interest on the capital tied up in the investment. The general economic factors include, in particular, changes to market prices and rent during the detailed observation period and the inflation assumed in the calculation model.

Individual property information on portfolio of Fair Value REIT-AG

Street	Town	Funds	Primary use	Year of construction	Last renovation/modernization	Plot size [m²]	Market value December 31, 2007 [€ thousand]	Market value June 30, 2008 [€ thousand]	Discount interest rate [%]
Direct holdings									
Hauptstraße 56e / 56 d	Appen	n/a	Offices	1975	1995	4,320	250	240	6.80
Bleeck 1	Bad Bramstedt	n/a	Offices	1973	2006	3,873	1,300	1,270	6.40
Oldesloer Straße 24	Bad Segeberg	n/a	Offices	1982	2007	5,152	9,700	9,480	6.30
Königstr. 19-21	Barmstedt	n/a	Offices	1911	ongoing	2,842	1,520	1,490	6.40
Bahnhofstraße 9	Bönnigstedt	n/a	Offices	1992	2003	1,131	260	260	7.00
Bahnhofstraße 14	Boostedt	n/a	Offices	1989	2005	1,006	140	140	6.50
Am alten Markt 9a	Bornhöved	n/a	Offices	1991	2005	873	710	690	6.60
Berliner Damm 6	Ellerau	n/a	Offices	1990	2000	1,177	430	420	6.90
Pinneberger Straße 155	Ellerbek	n/a	Offices	1985	2001	1,708	390	370	6.70
Dorfstraße 29	Geschendorf	n/a	Offices	1985	2006	1,154	260	250	6.90
Hauptstraße 33	Halstenbek	n/a	Offices	1969	2001	1,195	910	880	7.30
Seestraße 232	Halstenbek	n/a	Offices	1976	2002	549	100	92	7.20
Friesenstraße 59	Helgoland	n/a	Offices	1986	2000	194	620	610	6.20
Hamburger Straße 83	Henstedt-Ulzburg	n/a	Offices	1989	2004	1,219	1,160	1,120	6.30
Holstenstraße 32	Kaltenkirchen	n/a	Offices	1978	2005	1,893	2,050	2,010	6.30
Köllner Chaussee 27	Kölln-Reisiek	n/a	Offices	1990	2001	1,004	200	190	7.00
Hamburger Straße 40	Leezen	n/a	Offices	1989	2005	886	200	200	7.00
Segeberger Straße 21	Nahe	n/a	Offices	1971	2004	1,698	750	730	7.00
Ehndorfer Straße 153	Neumünster	n/a	Offices	1971	2003	1,685	270	260	7.40
Kuhberg 11-13	Neumünster	n/a	Offices	1956	2005	5,286	16,300	16,100	6.30
Röntgenstraße	Neumünster	n/a	Offices	1972	1998	2,481	310	300	7.20
Ulzburger Str. 363 d / e	Norderstedt	n/a	Offices	1994	2004	2,762	1,570	1,560	6.20
Ulzburger Str. 545 / 547	Norderstedt	n/a	Offices	1960		1,313	520	520	8.10
Damm 49	Pinneberg	n/a	Offices	1996	2007	1,383	2,500	2,450	7.00
Oeltingsallee 30	Pinneberg-Quellental	n/a	Offices	1970	2002	2,047	680	670	6.70
Kieler Straße 100	Quickborn	n/a	Offices	1980	2002	1,625	1,560	1,540	6.30
Hauptstraße 49	Rellingen	n/a	Offices	1983	2001	828	600	580	7.30
Rosenstraße 15	Sparrieshoop	n/a	Offices	1961	1999	984	210	200	7.30
Willy-Meyer-Straße 3–5	Tornesch	n/a	Offices	1977	2003	970	620	600	6.70
Am Markt 1	Trappenkamp	n/a	Offices	1985	2005	1,190	690	680	6.80
Wassermühlenstraße 5	Uetersen	n/a	Offices	2001		2,348	2,000	1,960	6.10
Markt 1	Wahlstedt	n/a	Offices	1975	2005	1,848	1,180	1,160	6.50
Sub-total direct investments						58,624	49,960	49,022	
Subsidiaries									
Rheinstr. 8	Teltow	IC07	Offices	1995		5,324	25,200	24,800	6.30
Im Taubental 9–17	Neuss	IC03	Logistics	1990		19,428	8,600	8,380	7.00
Heidhauser Straße 94	Essen-Heidhausen	IC01	Retail	1990		4,776	2,900	2,850	6.40
Hospitalstraße 17–19 / Judengasse 21	Alzey	IC01	Retail	1990	2007	2,243	1,800	1,850	6.60
Andreasstr. 1	Ahaus-Wüllen	BBV06	Retail	1990		5,513	1,300	1,170	7.40
Andreasstr. 3–7	Ahaus-Wüllen	BBV06	Retail	1973		13,036	4,800	4,750	7.10
Marktplatz 3	Altenberge	BBV06	Retail	1986		1,756	1,200	1,230	6.50
Heerenbergerstr. 51	Emmerich	BBV06	Retail	1987		4,314	1,200	1,080	6.60
Hubert-Protz-Str. 117	Frechen	BBV06	Retail	1988		4,282	1,300	1,230	6.90
Schwarzer Weg 21–24	Hamm	BBV06	Retail	1990		2,665	1,400	1,410	7.10
Hinüberstr. 6	Hanover	BBV06	Other	1970, 1987, 1991	2006	3,204	20,200	20,200	6.50

¹⁾ Annualized potential rent based on market values as of June 30, 2008

Stake of Fair Value REIT-AG											
Total space	Vacancies	Annualized contractual rent	Annualized potential rent	Proportionate participating interest	Market value June 30, 2008	Remaining term of rental agreements	Rental level by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing return ¹⁾	
[m²]	[m²]	[€ thousand]	[€ thousand]	[%]	[€ thousand]	[years]	[%]	[€ thousand]	[€ thousand]	[%]	
212	0	19	19	100.00	240	9.5	100.0	19	19	8.0	
997	0	77	77	100.00	1,270	16.1	100.0	77	77	6.1	
9,233	467	588	614	100.00	9,480	14.5	95.7	588	614	6.5	
1,264	0	92	92	100.00	1,490	15.2	100.0	92	92	6.2	
211	0	19	19	100.00	260	9.5	100.0	19	19	7.3	
114	0	10	10	100.00	140	9.5	100.0	10	10	7.3	
664	0	51	51	100.00	690	8.5	100.0	51	51	7.4	
369	0	31	31	100.00	420	9.5	100.0	31	31	7.3	
356	0	28	28	100.00	370	6.6	100.0	28	28	7.5	
316	0	20	20	100.00	250	7.1	100.0	20	20	8.0	
791	0	64	64	100.00	880	9.5	100.0	64	64	7.3	
188	0	8	8	100.00	92	9.5	100.0	8	8	8.8	
490	0	38	38	100.00	610	12.7	100.0	38	38	6.2	
1,005	0	71	71	100.00	1,120	17.5	100.0	71	71	6.3	
1,581	0	121	121	100.00	2,010	17.3	100.0	121	121	6.0	
168	0	15	15	100.00	190	9.5	100.0	15	15	8.0	
174	0	16	16	100.00	200	9.5	100.0	16	16	7.8	
734	0	59	59	100.00	730	9.5	100.0	59	59	8.1	
346	0	23	23	100.00	260	7.2	100.0	23	23	8.7	
11,808	102	940	949	100.00	16,100	16.8	99.1	940	949	5.9	
534	0	28	28	100.00	300	8.5	100.0	28	28	9.4	
1,340	43	102	104	100.00	1,560	14.4	98.7	102	104	6.6	
872	702	16	67	100.00	520	3.8	23.4	16	67	12.9	
1,930	0	174	174	100.00	2,450	4.5	100.0	174	174	7.1	
624	0	50	50	100.00	670	5.4	100.0	50	50	7.5	
1,309	0	98	98	100.00	1,540	17.5	100.0	98	98	6.4	
524	0	42	42	100.00	580	9.5	100.0	42	42	7.2	
237	0	17	17	100.00	200	6.0	100.0	17	17	8.6	
657	0	55	55	100.00	600	5.6	100.0	55	55	9.1	
787	106	47	53	100.00	680	8.6	88.6	47	53	7.7	
1,759	0	122	122	100.00	1,960	14.4	100.0	122	122	6.2	
1,346	198	70	92	100.00	1,160	8.5	76.7	70	92	7.9	
42,940	1,617	3,109	3,224		49,022	13.5	96.4	3,109	3,224	6.6	
13,382	0	2,823	2,823	75.65	18,761	7.0	100.0	2,136	2,136	11.4	
12,063	1,014	544	641	71.58	5,998	1.3	84.9	389	459	7.6	
1,386	0	216	216	55.81	1,590	7.3	100.0	121	121	7.6	
1,989	18	132	140	55.81	1,032	6.7	94.3	74	78	7.6	
1,496	0	108	108	54.64	639	2.5	100.0	59	59	9.2	
3,915	0	473	473	54.64	2,596	0.8	100.0	259	259	10.0	
1,285	0	106	106	54.64	672	3.1	100.0	58	58	8.7	
1,415	92	120	123	54.64	590	5.3	97.8	66	67	11.4	
1,225	0	144	144	54.64	672	0.3	100.0	79	79	11.7	
1,349	0	144	144	54.64	770	1.5	100.0	79	79	10.2	
19,460	0	1,636	1,636	54.64	11,038	6.5	100.0	894	894	8.1	

Street	Town	Funds	Primary use	Year of construction	Last renovation/modernization	Plot size [m ²]	Market value December 31, 2007 [€ thousand]	Market value June 30, 2008 [€ thousand]	Discount interest rate [%]
Köhlstr. 8	Cologne	BBV06	Logistics	1972, 1988, 1989		40,591	9,300	9,990	7.40
Gutenbergstr. 152/ St. Töniser Str. 12	Krefeld	BBV06	Retail	1990		8,417	4,800	4,650	6.80
Lippest. 2	Lippetal-Herzfeld	BBV06	Retail	1990		3,155	1,700	1,680	6.80
Zeughausstr. 13	Meschede	BBV06	Retail	1989		1,673	610	560	6.90
Äußere Spitalhofstr. 15–17	Passau	BBV06	Retail	1982	2007	2,884	4,900	4,610	6.90
Steinheimer Str. 64	Seligenstadt	BBV06	Retail	1983		4,000	1,900	1,940	6.50
Bahnhofstraße 20 a-e	Waltrop	BBV06	Retail	1989		1,742	2,900	2,860	7.00
Adalbertsteinweg 32-36	Aachen	BBV03	Offices	1990		1,038	2,300	2,010	6.70
Marconistr. 4-8	Cologne	BBV03	Logistics	1990		13,924	3,700	3,580	6.80
Hauptstr. 51–55	Weyhe-Leeste	BBV03	Retail	1989	2005	11,248	3,900	3,920	6.90
Total subsidiaries						155,213	105,910	104,750	
Associated companies									
Max-Planck-Ring 26/28	Langenfeld	IC13	Logistics	1996		14,727	11,100	11,000	7.00
Friedrich-Engels-Ring 52	Neubrandenburg	IC13	Offices	1995-1997		4,705	10,900	9,940	6.50
Großbeerenstr. 231	Potsdam	IC13	Offices	1995		2,925	3,300	3,410	6.70
Carnotstr. 5 - 7	Berlin	BBV14	Offices	1995		4,583	15,900	15,500	6.30
Nossener Brücke 8 - 12	Dresden	BBV14	Offices	1997		4,134	8,300	8,110	6.90
Kröpeliner Str. 26-28	Rostock	BBV14	Retail	1995		7,479	62,800	62,800	6.10
Hartmannstr. 3 a - 7	Chemnitz	IC12	Offices	1997		4,226	8,300	8,120	6.40
Heinrich-Lorenz-Str. 35	Chemnitz	IC15	Offices	1998		4,718	4,400	4,270	7.00
Am alten Bad 1 - 7, Theaterstr. 34a	Chemnitz	IC15	Offices	1997		3,246	6,000	5,930	6.20
Königsbrücker Str. 121 a	Dresden	IC15	Other	1997		4,242	12,300	12,300	6.60
Rheinallee 9	Düsseldorf	IC15	Offices	1967	2002	3,354	6,300	6,380	5.90
Pascalkehre 15 / 15a	Quickborn	IC15	Offices	1997		9,129	15,100	13,900	6.50
Zum Rotering 5-7	Ahaus	BBV10	Retail	1989		3,884	2,600	2,510	7.20
Vor den Fuhren 2	Celle	BBV10	Retail	1992		21,076	13,700	13,800	6.70
Nordpassage 1	Eisenhüttenstadt	BBV10	Retail	1993		20,482	57,800	56,900	6.40
Altmärker Str. 5	Genthin	BBV10	Retail	1998		3,153	730	790	7.50
Robert-Bosch-Str. 11	Langen	BBV10	Offices	1994		6,003	18,500	18,600	6.70
Hammer Str. 455-459	Münster	BBV10	Retail	1991		15,854	9,600	9,520	6.50
Hannoversche Str. 39	Osnabrück	BBV10	Retail	1989		7,502	3,300	3,270	6.70
Klingelbrink 10	Rheda-Wiedenbrück	BBV10	Retail	1991		2,455	2,200	2,190	6.90
Lerchenbergstr. 112/113, Annendorfer Str. 15/16	Wittenberg	BBV10	Retail	1994		96,822	24,800	24,400	6.10
Henkestr. 5	Erlangen	BBV02	Retail	1984		6,350	1,800	1,890	6.70
Oberfrohnauer Str. 62 - 74	Chemnitz	IC10	Retail	1997		11,203	9,800	9,690	6.60
Leimbacher Straße	Bad Salzungen	BBV09	Retail	1992		22,979	15,000	15,100	6.60
Mühlhäuser Str. 100	Eisenach	BBV09	Retail	1994		44,175	52,400	52,300	6.20
Putzbrunner Str. 71/73, Fritz-Erler-Str. 3	Munich-Neuperlach	BBV09	Offices	1986		10,030	43,100	42,300	6.30
Weißenfeler Str. 70	Naumburg	BBV09	Retail	1993		20,517	21,600	22,300	6.60
An der Backstania 1	Weilburg	BBV09	Retail	1994		17,211	10,800	10,600	6.80
Total associated companies						377,164	452,430	447,820	
Total portfolio properties						591,001	608,300	601,592	
Properties under construction									
Peter-Müller-Straße 16/16a	Düsseldorf	n/a	Offices	July 15, 2008	completion	4,729	12,177 ²⁾		

¹⁾ Annualized potential rent based on market values as of June 30, 2008

²⁾ Acquisition costs carried forward

Stake of Fair Value REIT-AG											
Total space	Vacancies	Annualized contractual rent	Annualized potential rent	Proportionate participating interest	Market value June 30, 2008	Remaining term of rental agreements	Rental level by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing return ¹⁾	
[m²]	[m²]	[€ thousand]	[€ thousand]	[%]	[€ thousand]	[years]	[%]	[€ thousand]	[€ thousand]	[%]	
24,476	15,514	436	1,041	54.64	5,459	5.8	41.9	238	569	10.4	
4,683	0	451	451	54.64	2,541	2.2	100.0	246	246	9.7	
1,452	0	144	144	54.64	918	2.4	100.0	78	78	8.5	
1,095	0	42	42	54.64	306	4.9	100.0	23	23	7.5	
8,492	0	600	600	54.64	2,519	8.9	100.0	328	328	13.0	
1,390	0	166	166	54.64	1,060	5.2	100.0	90	90	8.5	
2,124	0	255	255	54.64	1,563	1.9	100.0	139	139	8.9	
2,021	530	192	219	53.64	1,078	2.5	87.6	103	117	10.9	
9,640	0	330	330	53.64	1,920	3.8	100.0	177	177	9.2	
3,141	45	378	379	53.64	2,103	1.9	99.8	203	203	9.7	
117,479	17,212	9,441	10,181		63,827	5.3	93.3	5,839	6,260	9.8	
10,453	0	1,170	1,170	49.68	5,465	7.3	100.0	581	581	10.6	
7,557	1,313	1,103	1,217	49.68	4,939	5.5	90.6	548	605	12.2	
4,024	1,489	197	297	49.68	1,694	2.4	66.4	98	148	8.7	
10,049	2,117	1,020	1,254	45.02	6,978	0.7	81.3	459	565	8.1	
9,167	359	760	780	45.02	3,651	1.1	97.4	342	351	9.6	
19,306	777	4,245	4,337	45.02	28,274	6.9	97.9	1,911	1,953	6.9	
8,380	762	597	666	40.22	3,266	2.9	89.6	240	268	8.2	
5,845	0	533	533	38.31	1,636	1.0	100.0	204	204	12.5	
5,118	935	350	427	36.07	2,139	1.9	82.0	126	154	7.2	
11,554	0	869	869	35.59	4,378	9.4	100.0	309	309	7.1	
2,325	0	402	402	38.31	2,444	10.0	100.0	154	154	6.3	
10,570	0	1,264	1,265	38.31	5,325	3.9	99.9	484	485	9.1	
2,054	164	227	235	38.30	961	1.5	96.6	87	90	9.4	
10,611	0	1,129	1,129	38.30	5,286	4.5	100.0	432	432	8.2	
40,101	0	4,697	4,697	38.30	21,795	5.3	100.0	1,799	1,799	8.3	
1,275	256	65	81	38.30	303	4.8	80.1	25	31	10.2	
14,021	3,157	1,208	1,451	38.30	7,124	3.0	83.3	463	556	7.8	
7,353	0	674	674	38.30	3,647	10.6	100.0	258	258	7.1	
4,207	0	305	305	38.30	1,253	1.3	100.0	117	117	9.3	
2,235	238	168	186	38.30	839	2.2	90.8	65	71	8.5	
14,710	708	1,845	1,892	38.30	9,346	9.6	97.5	707	725	7.8	
2,770	0	231	231	38.28	723	4.0	100.0	88	88	12.2	
9,970	342	693	746	26.14	2,533	2.6	92.9	181	195	7.7	
10,985	0	1,260	1,260	24.93	3,764	4.0	100.0	314	314	8.3	
37,400	0	3,483	3,483	24.93	13,038	16.1	100.0	868	868	6.7	
19,018	0	4,391	4,391	24.93	10,545	5.5	100.0	1,095	1,095	10.4	
15,180	0	1,743	1,743	24.93	5,559	10.2	100.0	435	435	7.8	
8,145	0	785	785	24.93	2,643	9.8	100.0	196	196	7.4	
304,385	12,617	35,410	36,503		159,548	6.4	96.5	12,585	13,045	8.2	
464,804	31,447	47,959	49,908		272,397	7.1	95.6	21,533	22,528	8.3	
4,730	833	809	974	100.00				809			

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PICTURES

Fair Value REIT-AG:
Airport Office II, Düsseldorf
Different views of the office building

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