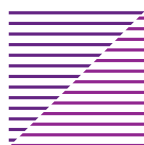




INTERIM REPORT

1st - 3rd Quarter 2008



fair value
REIT

OVERVIEW

Business model	Direct and indirect investments in commercial real estate First REIT in Germany to acquire interests in closed-end real estate funds against the issue of shares or payment of a purchase price (so-called UPREIT)
Sectors	Offices, Retail, Logistics / Light industrial
Region	Germany, focusing on regional locations
Portfolio	Direct investments and participations in closed-end real estate funds
Properties	33 properties (directly held) 49 properties (held indirectly via 13 closed-end real estate funds)
Market value	€ 286.1 million *
Potential rent	€ 23.5 million *

* Fair Value's share

FINANCIAL KEY DATA

€ thousand	January 1 to September 30		July 1 to September 30	
	2008	2007*	2008	2007*
Revenues and earnings				
Rental revenues	9,351	0	3,225	0
EBIT	4,379	6,135	2,317	6,096
Consolidated net profit	1,371	6,148	582	6,106
Earnings per share (€)	0.15	n/a	0.06	n/a
Funds from operations (FFO)	2,610	(486)	1,313	(348)
FFO/share (in €)	0.28	n/a	0.14	n/a
			Sep. 30, 2008	Dec. 31, 2007
Assets and capital				
Non-current assets			227,260	214,583
Current assets			6,041	15,776
Equity			94,785	94,663
Total assets			233,301	230,359
Equity ratio (in %)			40.6	41.1
Net asset value			94,785	94,663
Number of outstanding shares			9,406,882	9,406,882
Net asset value/share (in €)			10.08	10.06
Number of employees (including Managing Board)			5	5

* not comparable due to initial consolidation

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To our shareholders

Letter to shareholders

Dear Shareholders, Ladies and Gentlemen,

During the third quarter of 2008 the crisis on the financial markets reached a new dimension when a major US investment bank went bankrupt. This once again unsettled the market players' trust in the market in the face of a continued difficult situation on the credit markets. This crisis of trust grew into a global liquidity crisis which continues to keep the markets in its grip.

Intervention by governments and central banks around the world provided the markets and banks with extensive interest rate cuts, liquidity and capital via various programs. Despite the fact that the respective measures were passed relatively quickly, these are only now starting to take effect. In particular the German Act for the stabilization of the financial markets initially only received a very reserved welcome from the banks potentially affected. However, this emergency parachute is increasingly being taken up – public banks set the ball rolling, to be followed by private banks.

In spite of this, however, the international capital markets have not yet started to recover and readiness to make investments has remained correspondingly low. Share prices have come under further pressure across the board given this environment – and shares of real estate companies and thus also Fair Value REIT-AG were no exception. In particular the share's performance since the start of October 2008 has led to a discount of up to 70 % on the net asset value (NAV) for Fair Value's shares. This general trend reflects the concerns of a sustained recession which could impact market rent and thus the properties' market values. At the same time, business models that rely on a high proportion of borrowing and short-term follow-on financing are coming under increased pressure.

In view of this very difficult environment, we are very pleased that we have exceeded our economic targets for the first nine months of 2008 with consolidated net income of around € 1.4 million.

Our cash flow from operating activities (FFO – funds from operations), i.e. our consolidated net income adjusted for changes in valuations and other non-cash items totaled € 2.6 million in the first nine months of 2008 or € 0.28 per share. This clearly shows our company's earnings strength.

This positive growth is based on our portfolio of existing properties and participating interests now comprising 82 commercial properties, which we hold both directly and indirectly. On September 30, 2008, 95 % of the potential rent that Fair Value could achieve was being generated, thus underscoring our properties' excellent quality.

The office property at Duesseldorf airport which was only completed in July 2008 also made a contribution to these figures. Rental agreements for all of the offices and parking spaces had been concluded for this property as of September 30, 2008. The properties' higher value can also be seen in the fact that there is already serious interest in purchasing this property. We are currently considering this option.

In view of the high rental levels in our portfolio of existing properties and the long remaining terms of the

rental agreements (weighted: almost seven years), we believe that our earnings strength will continue to be highly stable even if the perspectives for business, which have now darkened significantly, reduce demand for space and thus market rents.

The Fair Value Group's refinancing structure is also very solid: Around 83 % of the proportionate liabilities including the associated companies have fixed interest rates. On average these are fixed at 6 % for a weighted remaining term of 5.7 years. Only 17 % of the loans have variable interest rate, and these allow us to benefit from the current interest rate cuts. Around half of these loans are due for extension within one year; as things stand today we will meet the corresponding requirements.

We believe that the stability and sustained earnings strength of our portfolio of existing properties and participating interests and our solid refinancing structure are sound foundations for our company's continued positive growth. As a result we are confident that the stock markets will increasingly honor our operating strength when the current crisis on the financial markets abates, and that Fair Value's share price will grow again towards its NAV.


We are upholding our forecast for consolidated net profits of € 1.3 to € 1.5 million for 2008 as a whole prior to changes in valuation as a result of the market. However, as a result of the outstanding market valuation of the properties as of December 31, 2008, we believe that there will be valuation losses. As is also the case for the valuation of derivative financial instruments it is not currently possible to quantify these losses, however we believe that these are expected to lead to a loss for the group under IFRS.

The company's ability to pay dividends depends on the single entity's financial statements (HGB, German GAAP), in which the anticipated changes in the market values are only included when these are realized. From today's perspective we can say that Fair Value REIT-AG's single-entity financial statements (HGB) are expected to close with a net profit. Since according to the German REIT Act at least 90 % of net income must be distributed to investors each year, shareholders can expect a dividend payout for the current fiscal year.

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

Munich, November 2008

The Managing Board



Frank Schaich



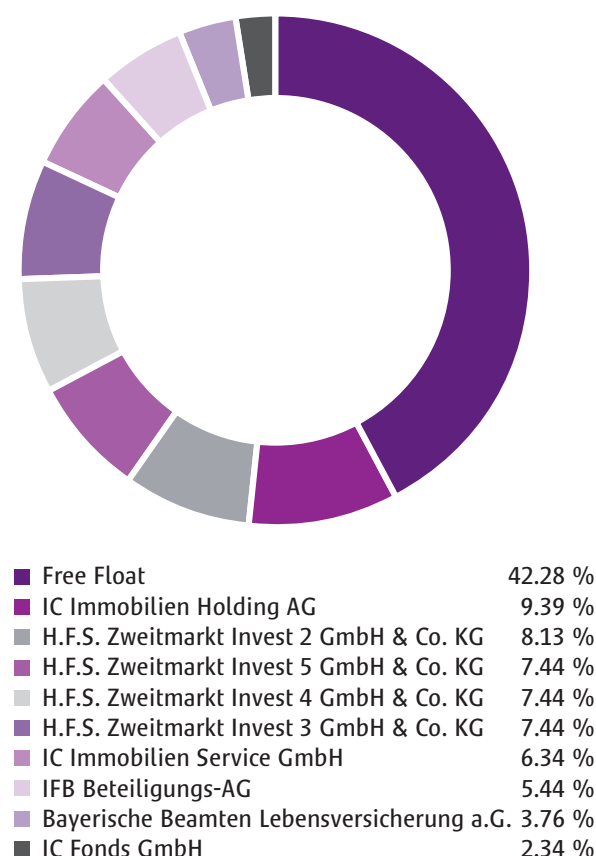
Manfred Heiler

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 / € 3.10 (XETRA)
Market capitalization on September 30, 2008	€ 42.8 million (XETRA)
Market segment	Prime Standard
Stock exchanges	Prime Standard: Frankfurt, XETRA OTC: Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated Sponsors	WestLB, DZ Bank (as of December 1, 2008)
Indices	RX REIT All Shares-Index RX REIT-Index

Fair Value REIT-AG's shareholder structure



II. SHAREHOLDER STRUCTURE

More than 2,000 private investors already decided to exchange their interests in closed-end real estate funds for shares of Fair Value before the IPO on November 16, 2007, and as a result the company has a broad shareholder base. This can be clearly seen in the high free-float, which remained at more than 42 % after the third quarter of 2008. In addition, a number of institutional and additional retail investors have also invested in Fair Value REIT-AG. The company does not currently hold any own shares.

III. SHARE CHART

(NOVEMBER 16, 2007 – NOVEMBER 27, 2008)

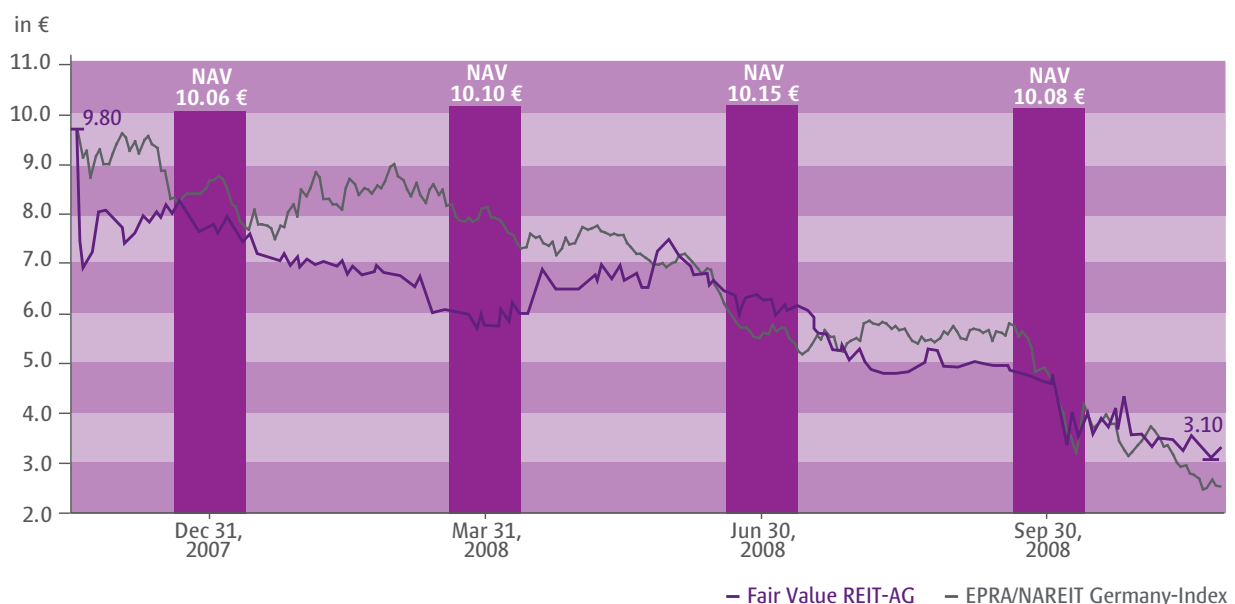
The current fiscal year to date has been characterized by a difficult climate for real estate companies on the stock market. International capital markets were hit by insecurities as a result of the US sub-prime crisis, with the result that real estate stocks initially came under pressure. Fair Value REIT-AG's shares were not able to escape these developments, and closed at € 6.01 on March 31, 2008, lower than the closing price of € 7.66 (XETRA) on the last day of trading in 2007. The share price increased again once the 2007 annual report was published, climbing to € 7.50 per share.

During the course of the third quarter of 2008, the international financial and banking crisis escalated, with the result that governments and central banks around the world were forced to make major interventions in the capital markets. However, investors became increasingly nervous in spite of this intervention, with the result that the global stock

market indices tumbled. In particular, there were major losses on the global financial markets in October 2008, after the end of the third quarter. This also affected Fair Value's share price, causing the shares to fall below € 4.00. When the act on the stabilization of the financial markets was passed, the share price recovered at above € 4.00, however it fell again to € 3.10 as a result of the global recession which is now emerging. This was the lowest share price in the period under review. After publication of the preliminary quarterly figures on November 7, 2008, the share price stabilized again above € 3 per share.

During the nine months of the year, 594,132 shares of Fair Value REIT-AG were traded on all of Germany's stock markets with a volume of € 3,680 thousand. The average daily turnover during this period totaled 3,094 shares or € 19.2 thousand.

Share chart Fair Value REIT-AG vs. EPRA/NAREIT Germany-Index
(November 16, 2007 – November 27, 2008)



The EPRA/NAREIT Germany-Index is published by the EPRA European Public Real Estate Association and currently consists of the following listed real estate companies:
Alstria Office, Colonia Real Estate, DIC Asset, Deutsche Wohnen, Deutsche Euroshop, Gagfah, Patrizia Immobilien, Vivacon.

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 nine months of 2008 within the meaning of Section 15 of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act):

Reporting party:	Date of transaction	Transaction	Number of shares	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. For example, in the fall of 2008, Fair Value participated in the 8th „Initiative Immobilien Aktie“ specialist congress, and the Germany Equity Forum, where it also reported in detail on its business development. Communication also focused on an increased international presence, in order to further increase the spread of Fair Value's international investors. For example, the company

also participated in the „Swiss Equity Real Estate Day“ in Zurich and increased its shares' international visibility by road show meetings on the occasion of the NAREIT Convention in San Diego (USA) in November 2008. These activities will be maintained in future. In addition, analyst coverage was also increased. 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 development.

Encompassing information on the shares can also be found at www.fvreit.de in the Investor Relations section.

V. FINANCIAL CALENDAR

October 20 – 21, 2008	Presentation, 8th Conference of the Real Estate Share Initiative, Frankfurt
October 30, 2008	Presentation, 2. Annual Meeting of the G-REIT, Deutsches Aktieninstitut, Frankfurt
November 7, 2008	Publication of preliminary results as of September 30, 2008
November 10 – 12, 2008	Presentation, German Equity Forum, Frankfurt
November 19 – 21, 2008	Road Show Meetings on the occasion of NAREIT Annual Convention, San Diego and San Francisco
November 26, 2008	Presentation, Swiss Equity Real Estate Day, Zurich
November 28, 2008	Interim Report 1st - 3rd Quarter 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, predictable rental income. The company directly and indirectly holds 82 commercial properties throughout Germany, and it thus participates in rental space totaling 469,534 m². The portfolio has a total value of € 615.3 million, with € 286.1 million due to Fair Value REIT-AG on a pro rata basis.

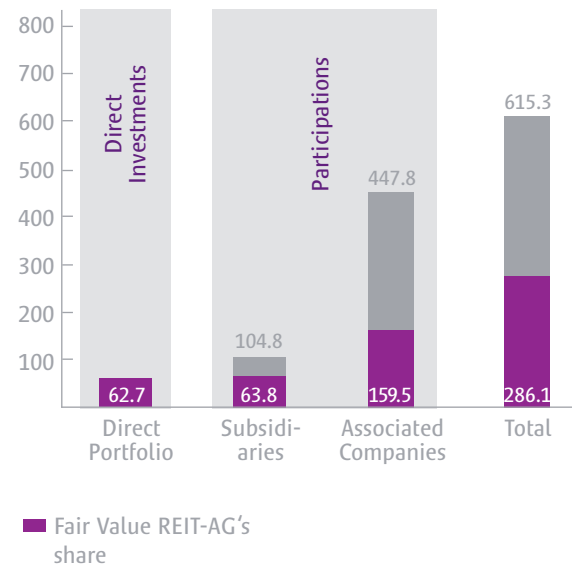
Fair Value REIT-AG's real estate is thus generally divided in two segments: Direct investments and Participations.

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 intends to increase the proportion of properties that it holds directly, thus further increasing the percentage of monthly rental income. The portfolio of directly held properties includes 32 properties acquired in December 2007. These are commercial properties primarily used as bank branches („Sparkasse portfolio“) and an office property in Duesseldorf („Airport Office II“). Completion of this property, which is located in direct proximity to Duesseldorf International Airport, in July 2008 took the rented space in the company's direct portfolio to a current total of 47,670 m².

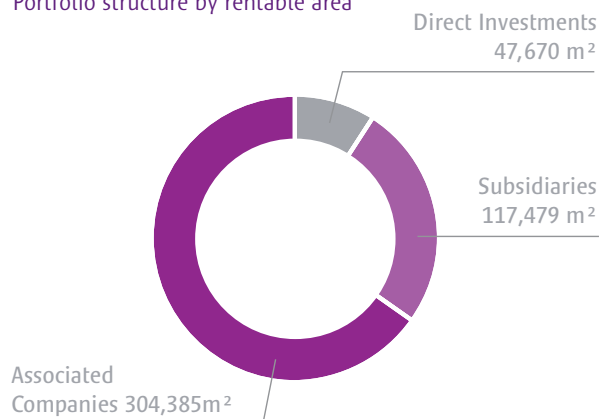
According to type of use, Fair Value REIT-AG's total portfolio has a high degree of diversification. Around 47 % of potential rent is currently generated in the office segment, with retail accounting for 40 %. The company generates a further 8 % from logistics properties. The other properties, which are 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, over the long term, around 50 % of rental income are generated by office properties. Income in the retail and logistics segment are each to account for around 25 %.

In addition to its broad risk diversification, Fair Value's real estate portfolio is characterized by its high earnings strength. In terms of the proportionate market values of the directly and

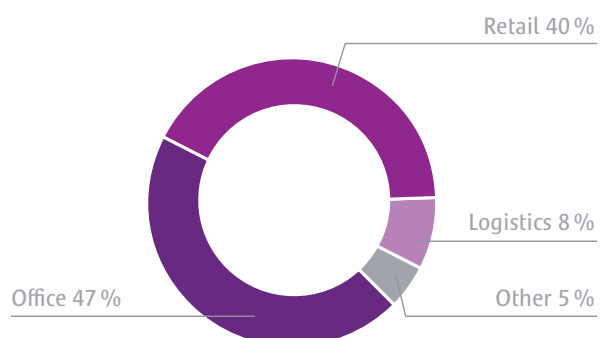
Market values as of September 30, 2008 (€ million)



Portfolio structure by rentable area



Portfolio breakdown by sectors*



* according to potential rent

indirectly held properties, the company records a potential rental return of 8.2 %. The occupancy rate of 95 % of the potential rent of the overall portfolio thus underscores the fact that the real estate portfolio is very solid.

DIRECT INVESTMENTS

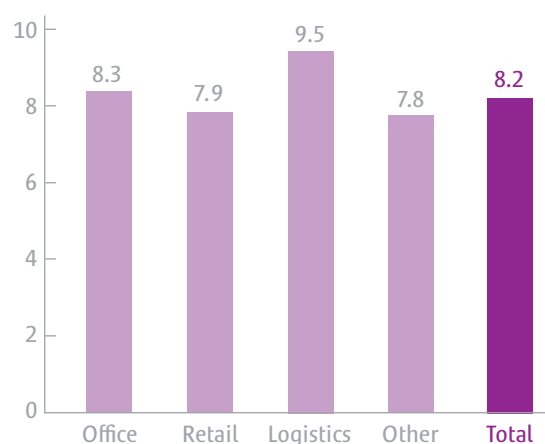
Sparkasse portfolio

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 region, these properties have a favorable location in one of Germany's high-growth regions. The portfolio's main tenant is Sparkasse Südholstein. The properties are around 97 % let and the rental agreements have an average remaining term of 13.3 years, and as a result the portfolio allows Fair Value to generate long-term, secure rental income.

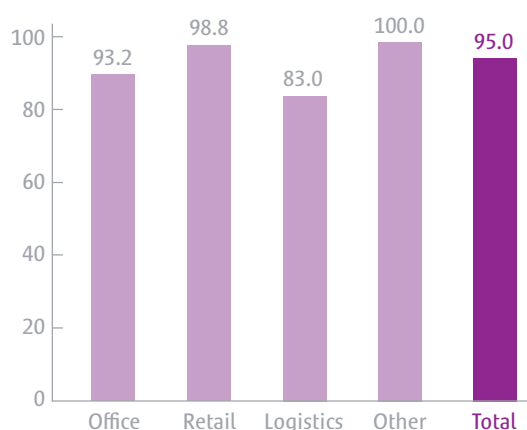
Airport Office II, Duesseldorf

The portfolio of directly held properties was further increased in the period under review when the office property „Airport Office II“ was completed (July 2008).

Potential rental return in % based on proportionate market values



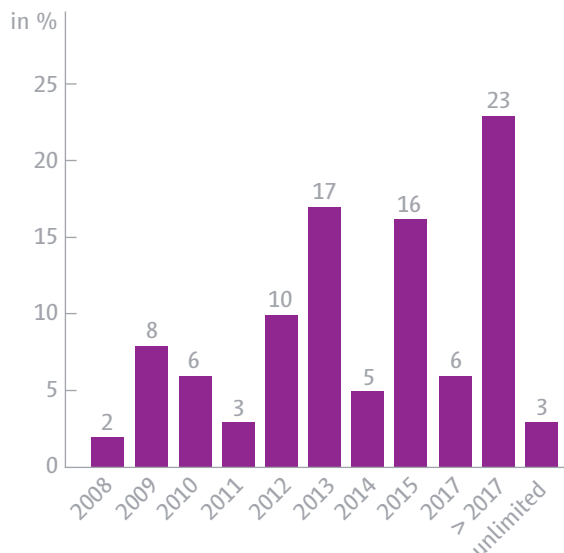
Occupancy rate in % of proportionate potential rents



Ten largest tenants in % of proportionate potential rent

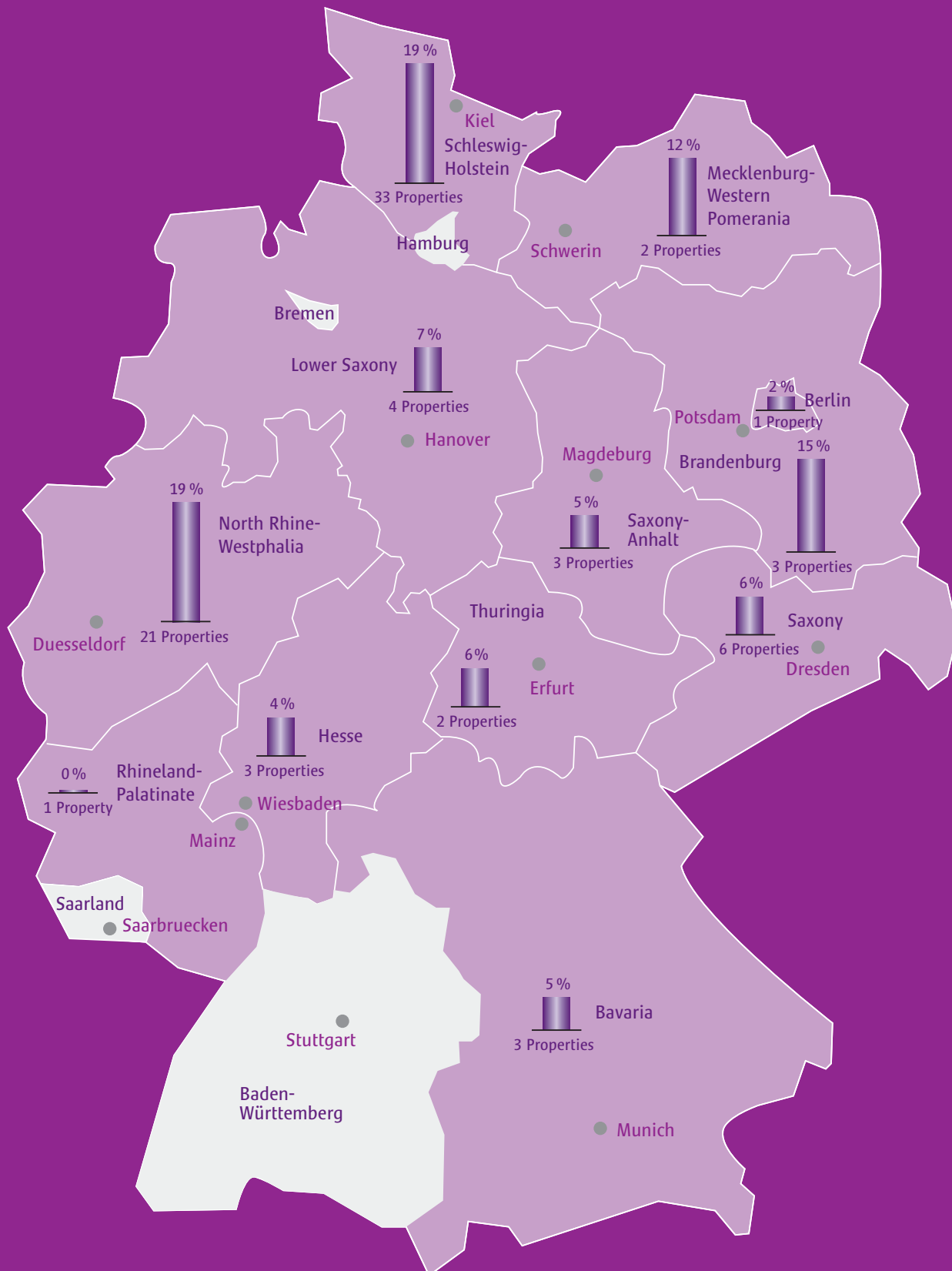
	September 30, 2008
Sparkasse Südholstein	12.2%
IDLG Immobiliendienstleistungen GmbH	9.6%
EDEKA - Konzern	8.6%
Metro Group	8.1%
Kaufland Stiftung & Co. KG	5.2%
BBV Holding AG	4.9%
Schweizerhof Hotel GmbH & Co. KG	4.0%
HPI Hotelbesitz GmbH	2.6%
ABB Grundbesitz GmbH	2.6%
comdirect bank AG	2.1%
Other	40.1%
Sum	100.0%

Lease expiry schedule in % of proportionate contractual rent



Portfolio Split by Region

(Market value of € 286.1 million of Fair Value's proportionate portfolio by federal state as of September 30, 2008)



PARTICIPATIONS

In addition to its portfolio of properties held directly, Fair Value REIT-AG also generates sustained rental income 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 five fully consolidated subsidiaries (majority interests), whereas 304,385 m² is included in the funds held as minority interests (associated companies). As a result of the high participating interests, 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.

The office property Rheinallee 9 in Duesseldorf was sold by the associated company (IC 15) for € 6,650 thousand by way of a notarized purchase agreement dated August 27, 2008. This figure was thus around 4% higher than the market value of € 6,380 thousand identified on June 30, 2008. As risks and rewards are scheduled to be transferred in December 2008, the property is still carried at its identified market value of € 6,380 thousand in the fund company's IFRS financial statements on the balance sheet date.

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 %	39.98 %	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)

* Equity interest in % of capital on September 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 additional 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 generated, and are comparatively less volatile. In addition, Fair Value will also make selective investments in urban conurbations – such as Airport Office II in Duesseldorf 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 increasing the proportion accounted for by the direct portfolio to around 50%.

The German market for commercial real estate continues to offer excellent opportunities and a stable basis in an international comparison. Fair Value REIT-AG has all of the conditions required to enjoy sustained benefits from this constellation. As a result, the company plans to consistently and resolutely continue the course it has taken. By the end of 2009, Fair Value aims to double its immovable assets compared to the end of 2007 – subject to more positive developments again 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 September 30, 2008, 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 downwards shift in the German economy which has been apparent since the second quarter has continued in the real economy as a result of the initial impact of the crisis on the financial markets. Gross domestic product (GDP) increased year-on-year in the third quarter of 2008 by 1.3 %. However, compared to the previous quarter GDP decreased by 0.4 %.

Germany has been hit particularly bad by the international economic weakness, as this has weakened its export industry. Exports contributed strongly to German economic growth over the past couple of years.

Inflationary pressure has fallen notably during the third quarter as a result of the downturn in the price of oil. Compared to June 2008 inflation has fallen from 3.3 % to 2.4 % in October 2008, and inflation continues to be driven by food products.

The deterioration in the economy has not affected the labor market yet. The German Federal Labor Agency reported a further increase in employment in September, and as a result the unemployment rate fell by 0.2 % to 7.4 % in the third quarter.

Even if total economic output continues to fall in the coming months, there is still hope despite the otherwise negative economic environment: Almost two thirds of companies are forecasting that production will remain at least constant in the coming year, with the construction sector and in the advance services and consumer goods industries being expected to fare the worst.

Sources: Monthly report (July) from the Federal Agency for Labor;
Destatis – German Federal Statistics Office, Deutsches Institut
für Wirtschaftsforschung Economic Survey 2009.

Real estate markets

Despite the negative overall economic growth, the rental markets are proving to be stable.

According to information from Jones Lang LaSalle, the rental volume in the six major cities was more than 2 million m² in the first nine months, thus exceeding the ten year average by around 18 %.

As a result of the lack of new enquiries for large amounts of space that can already be seen, a downturn in rentals is being forecast for 2009.

The excellent demand situation has also caused the vacancy rates in each of the six main real estate locations (Berlin, Duesseldorf, 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 these cities is now just 8.8 % on average and has thus fallen by 10 basis points during the third quarter of 2008.

Vacancy rates in top locations are expected to fall slightly by the end of the year. However, new construction activity has increased greatly over the course of the year, which will put pressure on vacancy rates over the medium term. Top rents moved sideward during the past quarter.

Logistics space has enjoyed very positive growth over the course of the year. Rentals totaled around 1.11 million m² in the Berlin, Duesseldorf, Hamburg, Frankfurt, Munich and Wiesbaden / Mainz regions, allowing results to be recorded that were up 19 % on the previous year and up 26 % on the five-year average.

The turbulence on the international financial markets also depressed investment activities on the commercial real estate market during the third quarter. The volume of transactions totaled around EUR 16 billion in the first nine months – down 62 % on the previous year.

Loan conditions became more restrictive during the course of the year, and many banks have left the market entirely.

II. INFORMATION ON THE COURSE OF BUSINESS AND THE PORTFOLIO AS A WHOLE

Fair Value REIT-AG was able to continue its positive business in the first nine months of the current year. In the „Participations“ division, net rental earnings were recorded in line with the forecast. At the same time, the „Direct Investments“ division was characterized by the on-time completion of the office property „Airport Office II“ in Duesseldorf. It has been possible to exceed the original forecasts thanks to the fact that the property was fully let at an early stage and due to the rental prices achieved. This operating success means that the economic targets have been met, despite valuation losses caused by market valuation of the properties as of June 30, 2008.

Direct investments

Sparkasse portfolio, Schleswig-Holstein:

The rent paid for the Sparkasse portfolio was included for the entire period under review for the first time. This rent was paid in full and on time. 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 this sub-portfolio have increased slightly to 96.9 %. As of July 30, 2008, long-term financing with a term through to June 30, 2018 totaling € 33.7 thousand was concluded for the Sparkasse portfolio. Variable interest was agreed, based on the 3-month EURIBOR plus a 1.06 % , margin with a cap of 4.94 % plus margin. In addition, the company has concluded an interest-rate swap with an identical term for a payment of € 140 thousand due on December 30, 2008 at a fixed interest rate of 4.94 % in order to hedge against potential interest risks. A staggered, pro-rata repayment has been agreed for the loan, which effectively corresponds to a 2 % annuity repayment. As a result, Fair Value substantially improved its financing structure during the period under review. The concluded agreements fulfil the documentation and effectiveness

required by IAS 39 for “hedge accounting”. The market value to be determined at the balance sheet date will hence be booked as a reserve for valuation changes in the company's equity. As of September 30, 2008, this position amounted to € –1.25 million.

Airport Office II, Duesseldorf:

Ownership, risks and rewards for the office property in direct proximity to the Duesseldorf Airport terminal building, which was still under construction on the respective date, were transferred on January 15, 2008. The property with a total rental area of 4,370 m² was completed as scheduled on July 15, 2008. The property was carried under non-current assets at amortized cost of € 13.7 million in the balance sheet dated September 30, 2008 (see Note (4)). All of the defects have now been rectified, and the retainer for defects of € 83 thousand has now been paid.

The property was let practically in parallel to the construction progress. The excellent demand meant that rental agreements had been signed for 100 % of the office space and parking spaces and 80 % of the storage space as of September 30, 2008. 64.4 % of the rental space had already been occupied by this date. All of the tenants will have occupied their space by the end of the year, with the result that Airport Office II will generate full rental income throughout the whole of 2009. Based on an annual potential rent of around € 974 thousand, the original forecast has been exceeded by 9 %. The successful letting underscores the attractiveness of the property's location at Duesseldorf Airport.

The property was 36 % equity financed with 64 % financed by a master credit agreement with Deutsche Genossenschafts-Hypothekenbank AG (DG-Hyp). The loan totaling € 8.1 million currently bears variable interest based on 1-month EURIBOR plus a margin of 1.2 % and a remaining term of additional 19 years.

Participations

Subsidiary BBV 06

It was possible to rent a further approx. 800 m² of the available 24,476 m² of logistics space in Cologne in the third quarter. This means that a total of 10,245 m² (42 %) had again been let by September 30. This property is not expected to be fully let before the first half of 2009. A package of activities was concluded between the financing bank and BBV 06 including Fair Value REIT-AG and the fund's management in June 2008. These activities include reduced interest charges, a temporary repayment vacation, a reduced bank margin for a limited term and the waiver of service charges and the allowance of shareholder loans, in order to compensate for a temporary liquidity shortage at the company. For further information please refer to Note 11 to the consolidated financial statements.

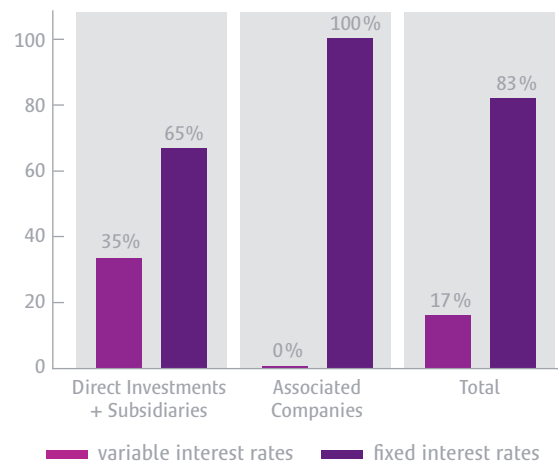
Financing for participations

The loan for the participations in closed-end real estate funds acquired against payment of a purchase price in the amount of € 14,243 thousand was extended through to July 31, 2009 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 participations are to be used proportionately at either 50 % or 30 % depending on the loan amount, or according to a minimum key per fund company for the repayment of this loan.

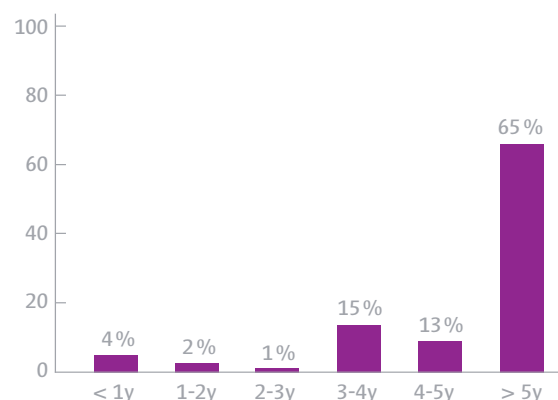
Financing of real estate portfolio

Including participations in associated companies around 83 % of Fair Value's bank loans are fixed proportionately over the long term with an average remaining term for fixed interest rates of 5.7 years. Interest rates are partially hedged using derivatives, and these total an average of 6 % of the total loan. Only around 17 % of bank loans have variable financing, with the result that here too the loan agreements have an average remaining term of 6.4 years. As a result, Fair Value REIT-AG has a stable financing structure, not only as a result of its high equity ratio, but also due to the fact that its liabilities mostly have long-term financing.

Variable vs. fixed interest rates in %



Fixed rate terms in %



Information on the overall portfolio

The following table shows the total rental space and the market values as of June 30, 2008 or the carried forward acquisition costs (Airport Office II, Duesseldorf) of the direct investments and the subsidiary or the associated companies. In total, the market values of the existing properties proportionately due to Fair Value after completion of Airport Office II, Duesseldorf, totaled € 286.1 million.

On September 30, the portfolio of existing properties had a proportionate rental level of 95 % of potential rents. The weighted remaining term of the rental agreements was, related to Fair Value's share, 6.9 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	96.9	13.3
	Airport Office II	4.729	4.730	13.700	100.00	13.700	64.4	6.1
	Total direct investments	63.353	47.670	62.722	100.00	62.722	89.4	12.1
Subsidiaries								
IC07	IC Fonds & Co. Büropark Teltow KG	5.324	13.382	24.800	75.65	18.761	100.0	6.8
IC03	IC Fonds & Co. Forum Neuss KG	19,428	12,063	8,380	71.58	5,998	84.9	1.0
IC01	IC Fonds & Co. München-Karlsfeld KG	7,019	3,375	4,700	55.81	2,623	97.8	7.0
BBV06	BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG	97,232	73,857	57,360	54.64	31,344	91.4	4.6
BBV03	BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG	26,210	14,802	9,510	53.64	5,101	96.4	2.3
	Total subsidiaries	155,213	117,479	104,750	60.99	63,827	94.4	5.1
Associated companies								
IC13	IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG	22,357	22,034	24,350	49.68	12,098	92.2	5.9
BBV14	BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG	16,196	38,522	86,410	45.02	38,903	97.1	5.2
IC12	IC Fonds & Co. SchmidtBank-Passage KG	4,226	8,380	8,120	40.22	3,266	90.2	2.7
IC15	IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG	24,689	35,413	42,780	38.31	15,921	97.5	5.1
BBV10	BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG	177,231	96,567	131,980	38.30	50,553	97.2	5.6
BBV02	BBV Immobilien-Fonds Erlangen GbR	6,350	2,770	1,890	38.28	723	100.0	3.0
IC10	IC Fonds & Co. Rabensteincenter KG	11,203	9,970	9,690	26.14	2,533	90.2	2.0
BBV09	BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG	114,912	90,728	142,600	24.93	35,550	100.0	9.3
	Total associated companies	377,164	304,385	447,820	37.41	159,548	97.1	6.2
Total properties portfolio		595,730	469,534	615,292		286.097	95.0	6.9

Explanations

⁰⁾ Does not consider the respective participations in percent

¹⁾ According to market evaluation of CB Richard Ellis GmbH, Berlin, as of June 30, 2008; Airport Office II: Carried forward acquisition costs as of September 30, 2008

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⁾ Contracted rents / (contracted rents + vacancies at customary rents)

⁴⁾ Income-weighted

⁵⁾ (Sub) Totals for rental level and average remaining term taking the respective percentage of 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

During the first nine months of 2008, Fair Value REIT-AG recorded rental income totaling € 9,351 thousand from its portfolio of direct investments and its fully consolidated subsidiaries.

After taking income from operating and incidental costs (€ 939 thousand) and the deduction of leasehold payments (€ 174 thousand) and property-related operating expenses (€ 2,079 thousand) into account, net rental income totaled € 8,037 thousand.

Rental income enjoyed positive growth in the first nine months of 2008. In addition to the five subsidiaries, the Sparkasse portfolio in the „Direct Investments“ division contributed to earnings for the first time for the entire period under review. In addition, since its completion in July, Fair Value has also received rent from property Airport Office II, Duesseldorf („Direct Investments“ division).

In the first three quarters of 2008, Fair Value REIT-AG's general administrative costs totaled € 2,270 thousand, of which around 70 % were due to the parent company's overheads. The fully consolidated subsidiaries incurred around 30 % of the general administrative costs.

Compared to June 30, 2008, the valuation result improved slightly from € -2,459 thousand to € -2,377 thousand (also see Notes No. 3. and 7). The next valuation for all of the properties will be conducted on December 31, 2008.

The proportionate valuation result for the properties held by associated companies is included in the income from equity-accounted investments, which contributed € 2,206 thousand to the financial result. In addition, the valuation of the derivative financial instruments (swaps of € 50 thousand) and income from the restructuring of financial liabilities for BBV 06 totaling € 1,472 thousand (see Note 13 to the consolidated financial statements) had a positive impact. After taking minority interests into account (€ 1,296 thousand), the financial result totals € -2,098 thousand.

Fair Value REIT-AG thus recorded consolidated net income of € 1,371 thousand in the first nine months of 2008. This corresponds to basic earnings per share of € 0.15.

ii. Financial position

During the first nine months of 2008, the cash flow from operating activities (so-called funds from operations or FFO) totaled € 2,610 thousand or € 0.28 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 € 5,317 thousand, of which € 3,056 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).

During the first nine months of 2008, the net cash used in investing activities added up to € 8,778 thousand. This was due to investments in Airport Office II at Duesseldorf airport to the amount of € 13,473 thousand. Of this total, € 4,705 thousand was financed by the net cash provided from income from the sale of interests in BBV 08.

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 cost of Airport Office II, Duesseldorf was financed via a bank loan totaling € 8.100 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 accounted for € 2,736 thousand.

The group had cash and cash equivalents to the amount of € 4,656 thousand on the balance sheet date. The downturn compared to the date of first-time consolidation on September 30, 2007 (€ 28,876 thousand) is due, in particular, to the increased investment activities during the fourth quarter of 2007 (Sparkasse portfolio) and in the first half of 2008 (Airport Office II, Duesseldorf). The deconsolidation of the two subsidiaries BBV 08 (sale) and IC 13 (reduction of participating interest to less than 50 %) also contributed to the change in cash and cash equivalents.

iii. Net assets

Fair Value's consolidated total assets increased to € 233,301 thousand as of September 30, 2008 (December 31, 2007: € 230,359 thousand), with non-current assets accounting for around 97% of total assets. Non-current assets increased by the amortized acquisition costs for the office property Airport Office II, Duesseldorf, compared to December 31, 2007. In addition, the properties in Waltrop (BBV 06) and Essen-Heidhausen (IC 01) were reclassified as non-current assets, causing this figure to increase to € 227,260 thousand on September 30. Around 72 % of total assets are due to properties held

directly by Fair Value REIT-AG and its 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 € 6,041 thousand. This is due to the reclassification of two properties held as „non-current assets available for sale“ to „investment properties“ and the downturn in „other receivables and other assets“ of € 3,056 thousand.

After taking the reserve for valuation changes (hedge accounting for interest swaps) into account, the company's equity or the net asset value (NAV) totaled € 94,785 thousand on the balance sheet date, or € 10.08 per share (December 31, 2007: € 94,663 thousand or € 10.06). As a result, Fair Value REIT-AG's had an equity ratio of 40.6 % of consolidated total assets on September 30, 2008.

Non-current liabilities increased to € 118,480 thousand on September 30, 2008 (December 31, 2007: € 76,097 thousand). This is mostly due to the conclusion of the long-term follow-on financing for the Sparkasse portfolio and the raising of loans for Airport Office II in Duesseldorf. In contrast, current liabilities fell correspondingly during the period under review from € 59,999 thousand to € 20,036 thousand.

IV. RELATED PARTIES

Companies belonging to IC Real Estate Group, which holds an 18.09 % interest in Fair Value REIT-AG, provides the following services for the Group and its associated companies: Asset management and corporate services as well as property management. 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 15 to the consolidated financial statements.

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

Report on events after the balance sheet date

In the beginning of October the loan for participations in closed-end real estate funds acquired against payment of a purchase price was reduced by € 760 thousand, with the effect that it now amounts to € 13,483 million.

An advance profit distribution of 3.5 % for calendar 2008 was resolved at the partners' meeting of BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG (BBV 09) on November 14, 2008. The amount due to Fair Value REIT-AG totals € 886 thousand and will be disbursed in December 2008.

The partners' meeting of the subsidiary IC Fonds & Co. Büropark Teltow KG (IC 07) on November 18, 2008 resolved to cancel the general lease agreement, which would have expired in July 2015, with IDLG Immobiliendienstleistungen GmbH with effect from September 30, 2008 against compensation of € 15,430 thousand, due on December 1, 2008. However, due to this compensation payment the market value of the property will probably decrease at least to the same amount. Therefore, according to IFRS no additional profit will occur. The cancellation agreement allows the company to adjust to market rentals in good time. At present, approx. 67 % of the property is let to a total of 15 tenants. In addition, the meeting also resolved to use a total of around € 10 million of the net compensation payment after the settlement of service fees for extraordinary loan redemption. An advance profit distribution of 16 % of the nominal capital of the subsidiary will be paid to shareholders in December. € 911 thousand of this total is due to minority shareholders.

After the balance sheet date chances for an opportunistic, profitable sale of the office building "Airport Office II" in Duesseldorf substantiated. At the reporting date final negotiations concerning a sale of the property even before year end are taking place.

Risk management report

This is due to the strong interest in this property shown by potential purchasers. Fair Value REIT-AG acquired this property while it was still being built, and has fully let it during just a short period. This shows Fair Value's competence in creating and realizing value – even in a difficult market. Selling the property over the short term would improve Fair Value's financing structure and would also contribute significantly to fulfil the equity ratio at year end, as required by the German REIT Act (REITG). In addition, the liquidity accruing to the company would open up additional investment opportunities while using the exit tax privilege.

Fair Value is exposed to various risks as a result of its business activities. In addition to economic risks, 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.

New risks resulted during the first nine months of 2008 as a result of the global financial crisis. The intended bridging of the liquidity shortage at the subsidiary BBV 6 has been achieved and put in place. However, it may only be feasible to execute planned property divestitures with a delay or, in extreme cases, it may not be possible to execute these at all, if the price targets set by the partners cannot be achieved. This could result in renewed liquidity shortages for BBV 06, as the redemption payments of 2.5 % are to be restarted in 2009, and the bank's reduced margin ends. From today's perspective, it cannot be ruled out that Fair Value REIT-AG will be called upon in the amount of up to € 600 thousand from its agreement to make a shareholder loan in excess of the € 200 thousand currently granted.

The strong reduction in short-term interest means that less interest is incurred for the loans with variable interest (Airport Office II, financing for participating interests). However, at the same time, the risk of valuation losses from financial derivatives increases.

The liquid fund disbursements due at the end of the year and the divestitures already commenced mean that the cash and cash equivalents and the cash flow from operating activities have been secured for 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. Its highly diverse portfolio of existing properties with an income-related rental level of 95 % of potential rent means that the Fair Value Group has stable foundations.

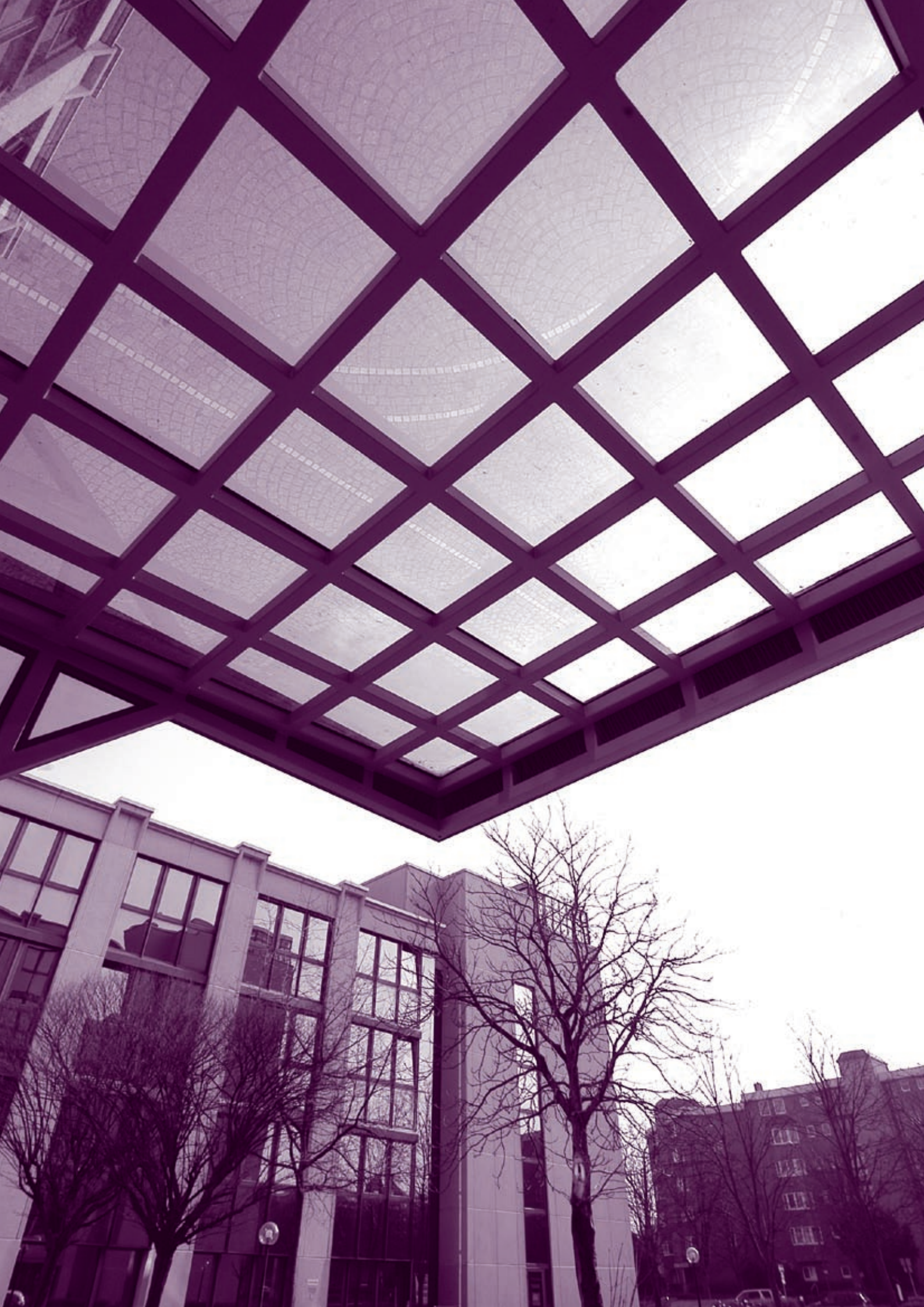
The company thus has a solid basis to be able to consistently use the opportunities offered by the German market for commercial real estate. As a result of its well-balanced business model, the company offers opportunities for growth in both segments: Increasing the portfolio of participations and also the directly held portfolio will drive the company's future growth. In order to continue its on-track growth, Fair Value REIT-AG needs additional equity from cash or non-cash capital increases. Both of these demand a more favorable climate on the capital markets than is presently the case given the current financial crisis. The fact that the market environment has clouded means that we must initially assume that growth will slow. However, if the situation on the capital markets improves when the international stock markets calm down, the company will consistently and decisively use the resulting opportunities.

The company is benefiting from its status as a REIT given the current situation on the market. Fair Value can use the exit tax privilege when acquiring properties, and thus enjoys a clear 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 for future investments.

The forecast for consolidated net income in a bandwidth of € 1.3 to 1.5 million stated in the annual report 2007 was based on the assumption that market induced valuation changes would not appear. Only

a predictable reduction of market values by the net present value of over-rents to the amount of € 2.2 million had already been incorporated. The Managing Board is forecasting that Fair Value's ongoing business will enjoy positive growth and continues to uphold its guidance. However, the Managing Board is expecting additional, market induced valuation losses for properties and interest derivatives as of December 31, 2008. While the extent of these changes cannot be foreseen at this point in time, it seems very likely that a loss for Fair Value group according to IFRS will result.

However, relevant for the company's ability to disburse dividends is the German legislation for the single entity's (AG) financial statements according to the German Commercial Code (HGB). According to these accounting principles, changes in the market values of properties and financial derivatives are generally only included by the time they are realized. At the reporting date it can therefore be assumed the single entity's financial statements according to HGB will show a net profit. Since the regulations of the German REIT Act require a disbursement of at least 90 % of net profits, a dividend payment for the current fiscal year is very likely.



Consolidated interim financial statements

for the period from January 1 to September 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.	September 30, 2008	December 31, 2007
Assets			
Non-current assets			
Intangible assets		2	2
Property, plant and equipment		24	31
Investment property	3	167,432	150,070
Properties under construction	4	0	566
Equity-accounted investments	5	59,502	58,909
Financial assets	6	300	5,005
Total non-current assets		227,260	214,583
Current assets			
Non-current assets available for sale	7	0	5,700
Trade receivables		615	869
Other receivables and assets	8	770	3,826
Cash and cash equivalents		4,656	5,381
Total current assets		6,041	15,776
Total assets		233,301	230,359
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserves for valuation changes	9	(1,249)	0
Retained earnings		2,833	1,462
Total equity		94,785	94,663
Non-current liabilities			
Minority interests		19,402	18,487
Financial liabilities	10/11	97,351	57,116
Other liabilities		1,727	494
Total non-current liabilities		118,480	76,097
Current liabilities			
Provisions		267	255
Financial liabilities	10/11	16,047	55,018
Trade accounts payable		2,063	2,617
Other liabilities		1,659	1,709
Total current liabilities		20,036	59,599
Total equity and liabilities		233,301	230,359

Consolidated income statement

in € thousand	Note No.	January 1 to September 30		July 1 to September 30	
		2008	2007	2008	2007
Rental revenues		9,351	0	3,225	0
Income from operating and incidental costs		939	0	343	0
Leasehold payments		(174)	0	(57)	0
Real-estate related operating expenses		(2,079)	0	(797)	0
Net rental result		8,037	0	2,714	0
General administrative expenses	12	(2,270)	(602)	(800)	(358)
Other operating income		107	103	4	0
Other operating expenses		(28)	0	5	0
Other operating income and expenses		79	103	9	0
Valuation gains		850	0	60	0
Valuation losses		(3,227)	0	22	0
Valuation result	3/7	(2,377)	0	82	0
Operating income		3,469	(499)	2,005	(358)
Income from equity-accounted investments	5	2,206	4,840	659	4,840
Other result from participations		0	180	0	0
Income from „Lucky-Buy“		0	1,614	0	1,614
Minority interests		(1,296)	0	(347)	0
Net interest expense	13	(3,008)	13	(1,735)	10
Financial result		(2,098)	6,647	(1,423)	6,464
Consolidated net income (loss)		1,371	6,148	582	6,106
Earnings per share in €		0.15		0.06	

Statement of changes in consolidated equity

in € thousand	Shares in circulation (units)	Subscribed Capital	Share premium	Reserve for valuation changes	Retained earnings	Net assets due to shareholders	Total
Balance at January 1, 2007	0	0	0	0	0	(93)	(93)
Contributions						821	821
Regrouping due to change of form	100,000	500	521	0	(251)	(770)	0
Consolidated net profit	0	0	0	0	6,106	42	6,148
Balance at September 30, 2007	100,000	500	521	0	5,855	0	6,876
Balance at January 1, 2008	9,406,882	47,034	46,167	0	1,462	0	94,663
Valuation of derivative financial instruments	0	0	0	(1,249)	0	0	(1,249)
Consolidated net income	0	0	0	0	1,371		1,371
Balance at September 30, 2008	9,406,882	47,034	46,167	(1,249)	2,833	0	94,785

Consolidated cash flow statement

in € thousand	January 1 to September 30	
	2008	2007
Consolidated net income (economic result)	1,371	6,148
Amortization of intangible assets and depreciation of property, plant and equipment	7	0
Income from the disposal of participating interests	0	(180)
Valuation result	2,377	0
Income from equity-accounted investments	(2,206)	(4,840)
Withdrawals from equity-accounted investments	1,629	0
Income from „Lucky-Buy“	0	(1,614)
Minority interests	1,296	0
Distributions to minority interests	(343)	0
Income from restructuring financial liabilities	(1,472)	0
Result from the valuation of derivative financial instruments	(49)	0
Cash flow from operating activities (funds from operations)	2,610	(486)
Changes in assets, equity and liabilities		
(Increase)/decrease in trade receivables	254	0
(Increase)/decrease in other receivables	3,056	(327)
(Decrease)/increase in provisions	12	0
(Decrease)/increase in trade payables	(504)	(260)
(Decrease)/increase in other liabilities	(111)	47
Net cash provided by / used in operating activities	5,317	(1,026)
Take over of liquid funds of acquired subsidiaries less paid purchase price	0	17,903
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	(13,473)	0
Income from sale of property ownership certificates	0	190
Net cash used in investing activities	(8,778)	18,093
Contributions from cash capital increase	0	10,925
Contributions from shareholders	0	821
Drawing down bank borrowing	45,439	0
Repayment of bank borrowing	(42,703)	0
Shareholder loan	0	50
Net cash provided by financing activities	2,736	11,796
Net change in cash and cash equivalents	(725)	28,863
Cash and cash equivalents – start of period	5,381	13
Cash and cash equivalents – end of period	4,656	28,876



Notes to the consolidated financial statements

(1) GENERAL INFORMATION ON THE COMPANY

After being entered 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 include, for the entire period, the segment „Direct Investments“ with the Sparkasse portfolio and the office building Airport Office II in Duesseldorf from its completion in July 2008.

Comparable figures – the comparable figures in the income statement and the cash flow statement are for the period from January 1 to September 30, 2007. The company was transformed from a partnership to an *Aktiengesellschaft* (German Public Limited Company) during this period and had a total of seven subsidiaries on September 30, 2007.

(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 property and financial derivatives are measured at their fair values, interests 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.

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

(3) INVESTMENT PROPERTY

€ thousand	Direct investments	Subsidiary	Total
Acquisition costs			
Balance at January 1, 2008	51,615	98,880	150,495
Reclassification	13,660	5,800	19,460
Additions (subsequent acquisition costs)	217	162	379
Balance at September 30, 2008	65,492	104,842	170,334
Changes in value			
Balance at January 1, 2008	(1,655)	1,230	(425)
Reclassification	0	(100)	(100)
Write-ups	0	850	850
Write-downs	(1,155)	(2,072)	(3,227)
Balance at September 30, 2008	(2,810)	(92)	(2,902)
Fair values			
Balance at Dec. 31, 2007	49,960	100,110	150,070
Balance at September 30, 2008	62,682	104,750	167,432

The figures identified by CB Richard Ellis GmbH, Berlin as of June 30, 2008 were used as the market values of the investment properties with the exception of Airport Office II, Duesseldorf. Please refer to the comments on pages 34 and 40 of the six-month report 2008 with regard to the assumptions on which the DCF method is based.

Economic ownership of Airport Office II in Duesseldorf was transferred to the group in January 2008. This property was completed and transferred on July 15, 2008. It is now carried at amortized cost under Investment Properties. The carrying amount of € 13,660 thousand includes construction interest totaling € 174 thousand. On September 30, 2008, 100 % of the office space and parking space had been let, and 80 % of the storage space.

The value of five of the properties increased by a total of € 790 thousand during the first six months of 2008. As the group no longer expects that the Waltrop property (BBV 06) will be sold within one year, this is now carried at its fair value under Investment Properties. As the selling costs of € 100 thousand and the impairment of € 40 thousand as of June 30, 2008 were no longer included, the property's value increased by € 60 thousand. Write-ups (valuation gains) thus totaled € 850 thousand.

The write-downs (valuation losses) for the properties were due to the 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, the subsequent

incidental acquisition costs for the Sparkasse portfolio and the rework costs resulting from the subsequent letting of the Alzey property (IC 01) increased to € 379 thousand. As these items are not covered by the market values as of June 30, 2008, these were written off immediately. As the Essen-Heidhausen property (IC 01) is no longer expected to be sold within one year, it is carried at its fair value under Investment properties, and the impairment of € 50 thousand in the first six months was taken into account.

The write-downs for the direct investments and the subsidiaries currently total € 3,227 thousand.

(4) PROPERTIES UNDER CONSTRUCTION

Economic ownership of Airport Office II in Duesseldorf was transferred to the group in January 2008. This property was completed and transferred on July 15, 2008. It is now carried at amortized cost of € 13,660 thousand under Investment Properties.

(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)	(145)	(2)	(887)	(365)	(1)	(1,629)
Reserves for valuation changes	0	0	0	6	0	0	0	0	6
Proportion of earnings	(10)	44	0	(232)	23	1,252	937	192	2,206
Balance at September 30, 2008	15	2,423	1,276	5,680	120	15,535	20,683	13,770	59,502

This relates to participations where a participation of between 20 % and 50 % is held in each case. The € 593 thousand increase in this item compared to December 31, 2007 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 € 2,206 thousand less the disbursements received in the nine months of the year including the retained withholding tax and solidarity surcharge totaling € 1,629 thousand.

The group concluded an interest rate hedge that classifies for hedge accounting during the period under review. The change in the fair value between the date the hedge was concluded and September 30, 2008 was included in a reserve for changes in value. € 6 thousand of this total is due to Fair Value.

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	527	448	2,109	2,578	94	8,793	7,751	4,577	26,877
Income from operating and incidental costs	237	244	217	241	18	150	496	1,032	2,635
Real-estate related operating expenses	(317)	(311)	(379)	(426)	(68)	(562)	(1,272)	(2,240)	(5,575)
Net rental result	447	381	1,947	2,393	44	8,381	6,975	3,369	23,937
General administrative expenses	(24)	(33)	(93)	(114)	(15)	(329)	(344)	(368)	(1,320)
Other operating income and expenses	0	0	0	3	1	1	(3)	(6)	(4)
Valuation gains	0	0	110	80	78	800	243	0	1,311
Valuation losses	(110)	(181)	(1,060)	(1,929)	0	(1,100)	(1,510)	(590)	(6,480)
Valuation result (net)	(110)	(181)	(950)	(1,849)	78	(300)	(1,267)	(590)	(5,169)
Operating result	313	167	904	433	108	7,753	5,361	2,405	17,444
Other interest expenses	(329)	(78)	(1,062)	(1,473)	(64)	(3,510)	(2,998)	(2,564)	(12,078)
Change in market value for the loans	(12)	3	73	216	7	388	41	289	1,005
Net interest expense	(341)	(75)	(989)	(1,257)	(57)	(3,122)	(2,957)	(2,275)	(11,073)
Financial result	(28)	92	(85)	(824)	51	4,631	2,404	130	6,371
Fair Value's share after consolidation	(10)	44	0	(232)	23	1,252	937	192	2,206

(6) FINANCIAL ASSETS

These 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 acquirer.

(7) NON-CURRENT ASSETS AVAILABLE FOR SALE

As the group no longer expects that the Essen-Haidhausen property (IC 01) and the Waltrop property (BBV 06) will be sold within the year, these are now carried under Investment Properties.

(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) EQUITY

The group concluded two interest rate hedges that classify for hedge accounting during the period under review. The change in the fair value between the date the hedges were concluded and September 30, 2008 was included in a reserve for changes in value. Of this total, € 38 thousand is due to minority interests in subsidiaries.

(10) FINANCIAL LIABILITIES

Non-current and current financial liabilities totaling € 113,398 thousand increased by € 1,264 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 Duesseldorf totaling € 8,100 thousand.

(11) RESTRUCTURING OF FINANCIAL LIABILITIES BBV 06

A package of activities including reduced interest payments, temporarily discontinued loan repayments, limited-term reduced bank margin, waiver 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 shortage.

Precisely, 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 two 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 waived its ongoing remuneration from July 2008 up to a maximum amount of € 200 thousand. In addition, from July 2008 on 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 (€ 200 thousand were claimed so far).

The redemption agreements include a repayment-free period until April 2009 and July 2009 and pro-rata redemption amounts for the period thereafter, which initially total 2.6 % or 2.9 % of the loan's value.

The fixed-interest loans were originally included in Fair Value's consolidated financial statements at their market values as of September 30, 2007. Termination of the two fixed-interest loans and the transition to variable-interest loans resulted in income from the restructuring of financial liabilities totaling € 1,472 thousand.

(12) GENERAL ADMINISTRATIVE EXPENSES

€ thousand	January 1 to September 30	
	2008	2007
Fund administration and trustee fees	460	0
Allowances (Supervisory Board, Advisory Boards in Funds, Managing Directors of Funds)	54	1
Consulting and auditing costs	413	52
Conception and change of legal form	0	366
Reviewer	264	0
Expenses being public	65	0
Costs financial reports	52	0
General Annual Meeting	86	0
Advertisement, events, insertions	57	65
Personnel expenses	574	0
Office costs	73	2
Travel and vehicle expenses	65	0
Depreciation and amortization	7	0
Non-deductible VAT	80	96
Other	20	20
	2,270	602

Of the general administrative costs, € 670 thousand (29.5 %) are due to the subsidiaries and € 1,600 thousand (70.5 %) are due to Fair Value REIT-AG.

(13) NET INTEREST EXPENSE

€ thousand	January 1 to September 30	
	2008	2007
Interest income	936	13
Income from refinancing of BBV 06	1,472	0
Valuation of derivative financial instruments	50	0
Other interest expense	(5,466)	0
	(3,008)	13

Net interest includes income from the change in the fair value of derivative financial instruments (interest rate hedges) totaling € 50 thousand. Of this total, € 23 thousand is due to minority interests in subsidiaries. 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 € 1,472 thousand. Of this total, € 668 thousand is due to minority interests in subsidiaries (see 11)).

(14) SEGMENT REVENUES AND RESULTS

€ thousand	January 1 to September 30		July 1 to September 30	
	2008	2007	2008	2007
Segment revenues				
Direct investments	2,704	0	957	0
Participations	7,586	0	2,611	0
	10,290	0	3,568	0
Segment results				
Direct investments	842	0	569	0
Participations	3,957	0	1,909	0
	4,799	0	2,478	0
Income from equity-accounted investments	2,206	4,840	659	4,840
Income from „Lucky-Buy“	0	1,614	0	1,614
General administrative expenses	(1,330)	(499)	(473)	(358)
Other result from participating interests	0	180	0	0
Minority interests	(1,296)	0	(347)	0
Net interest expenses	(3,008)	13	(1,735)	10
Consolidated earnings	1,371	6,148	582	6,106

(15) RELATED PARTIES

€ thousand	September 30, 2008	December 31, 2007
Receivables		
Purchase price receivable BBV 08	300	5,145
Other	200	68
Liabilities		
Liabilities from loans	(95)	(145)
Liabilities from services	(1,170)	(1,021)
Other	(1)	0
	(766)	4,047

NO AUDITOR'S REVIEW

This report was not audited within the meaning of Section 317 of the German Commercial Code (*HGB*) or subject to an audit review by an auditor and thus does not include 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 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 management interim 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, November 2008

Fair Value REIT-AG

The image shows two handwritten signatures in black ink. The signature on the left is 'Frank Schaich' and the signature on the right is 'Manfred Heiler'.

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. CBRE

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

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	Fund	Primary use	Year of construction	Last renovation / modernization	Plot size	Market value December 31. 2007	Market value June 30. 2008	Discount interest rate
						[m²]	[€ thousand]	[€ thousand]	[%]
Direct holdings									
Hauptstraße 56e/56 d	Appen	n/a	Offices	1975	1995	4,320	250	240	6.80
Bleek 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	Boennigstedt	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	Bornhoeved	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	Neumuenster	n/a	Offices	1971	2003	1,685	270	260	7.40
Kuhberg 11-13	Neumuenster	n/a	Offices	1956	2005	5,286	16,300	16,100	6.30
Röntgenstraße	Neumuenster	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
Peter-Müller-Straße 16/16a	Duesseldorf	n/a	Offices	2008		4,729	n/a	13,700	n/a
Sub-total direct investments						63,353	49,960	62,722	
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-Wuellen	BBV06	Retail	1990		5,513	1,300	1,170	7.40
Andreasstr. 3 - 7	Ahaus-Wuellen	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

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	9.3	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	14.1	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	9.3	100.0	19	19	7.3	
114	0	10	10	100.00	140	9.3	100.0	10	10	7.3	
664	0	51	51	100.00	690	8.4	100.0	51	51	7.4	
369	0	31	31	100.00	420	9.3	100.0	31	31	7.3	
356	0	28	28	100.00	370	6.4	100.0	28	28	7.5	
316	0	15	20	100.00	250	9.3	75.0	15	20	8.0	
791	0	64	64	100.00	880	9.3	100.0	64	64	7.3	
188	0	8	8	100.00	92	9.3	100.0	8	8	8.8	
490	0	38	38	100.00	610	12.6	100.0	38	38	6.2	
1,005	0	71	71	100.00	1,120	17.4	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	9.3	100.0	15	15	8.0	
174	0	16	16	100.00	200	9.3	100.0	16	16	7.8	
734	0	59	59	100.00	730	9.3	100.0	59	59	8.1	
346	0	23	23	100.00	260	7.1	100.0	23	23	8.7	
11,808	102	939	949	100.00	16,100	16.8	99.0	939	949	5.9	
534	0	28	28	100.00	300	8.3	100.0	28	28	9.4	
1,340	43	104	104	100.00	1,560	14.1	100.0	104	104	6.6	
872	702	16	67	100.00	520	3.9	23.4	16	67	12.9	
1,930	0	174	174	100.00	2,450	4.3	100.0	174	174	7.1	
624	0	51	51	100.00	670	5.2	100.0	51	51	7.7	
1,309	0	98	98	100.00	1,540	17.4	100.0	98	98	6.4	
524	0	42	42	100.00	580	9.3	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	5.5	100.0	55	55	9.1	
787	106	47	53	100.00	680	8.5	88.6	47	53	7.7	
1,759	0	123	123	100.00	1,960	14.3	100.0	123	123	6.3	
1,346	198	92	92	100.00	1,160	6.4	100.0	92	92	7.9	
4,730	1,598	628	974	100.00	13,700	6.1	64.4	628	974	7.1	
47,670	3,215	3,755	4,200		62,722	12.1	89.4	3,755	4,200	6.7	
13,382	0	2,823	2,823	75.65	18,761	6.8	100.0	2,136	2,136	11.4	
12,063	1,014	544	641	71.58	5,998	1.0	84.9	389	459	7.6	
1,386	0	216	216	55.81	1,590	7.2	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	2.3	100.0	59	59	9.2	
3,915	0	473	473	54.64	2,596	0.6	100.0	259	259	10.0	
1,285	0	106	106	54.64	672	3.0	100.0	58	58	8.7	
1,415	92	120	123	54.64	590	5.1	97.8	66	67	11.4	
1,225	0	154	154	54.64	672	5.1	100.0	84	84	12.5	
1,349	0	144	144	54.64	770	1.3	100.0	79	79	10.2	

Street	Town	Fund	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 [%]
Hinüberstr. 6	Hanover	BBV06	Other	1970. 1987. 1991	2006	3.204	20.200	20.200	6.50
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
Lippestr. 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	Duesseldorf	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	Eisenhuettenstadt	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	Muenster	BBV10	Retail	1991		15,854	9,600	9,520	6.50
Hannoversche Str. 39	Osnabrueck	BBV10	Retail	1989		7,502	3,300	3,270	6.70
Klingelbrink 10	Rheda-Wiedenbrueck	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
Oberfrohaer 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						595,730	608,300	615,292	

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]	[%]	
19,460	0	1,636	1,636	54.64	11,038	6.3	100.0	894	894	8.1	
24,476	14,231	597	1,041	54.64	5,459	4.2	57.4	326	569	10.4	
4,683	0	451	451	54.64	2,541	1.9	100.0	246	246	9.7	
1,452	0	144	144	54.64	918	2.1	100.0	78	78	8.5	
1,095	0	42	42	54.64	306	4.8	100.0	23	23	7.5	
8,492	0	600	600	54.64	2,519	8.7	100.0	328	328	13.0	
1,390	0	163	166	54.64	1,060	5.1	98.2	89	90	8.5	
2,124	151	234	255	54.64	1,563	1.3	91.8	128	139	8.9	
2,021	1,022	185	219	53.64	1,078	1.7	84.7	99	117	10.9	
9,640	0	330	330	53.64	1,920	3.6	100.0	177	177	9.2	
3,141	45	381	381	53.64	2,103	1.6	100.0	204	204	9.7	
117,479	16,574	9,585	10,193		63,827	5.1	94.4	5,918	6,266	9.8	
10,453	0	1,170	1,170	49.68	5,465	7.1	100.0	581	581	10.6	
7,557	1,313	1,110	1,217	49.68	4,939	5.3	91.2	551	605	12.2	
4,024	1,539	194	297	49.68	1,694	2.2	65.2	96	148	8.7	
10,049	445	1,180	1,254	45.02	6,978	2.4	94.1	531	565	8.1	
9,167	293	760	780	45.02	3,651	0.7	97.4	342	351	9.6	
19,306	194	4,245	4,337	45.02	28,274	6.8	97.9	1,911	1,953	6.9	
8,380	674	601	666	40.22	3,266	2.7	90.2	242	268	8.2	
5,845	0	533	533	38.31	1,636	0.7	100.0	204	204	12.5	
5,118	1,208	339	427	36.07	2,139	1.4	79.3	122	154	7.2	
11,554	0	869	869	35.59	4,378	9.3	100.0	309	309	7.1	
2,325	0	402	402	38.31	2,444	9.8	100.0	154	154	6.3	
10,570	0	1,265	1,265	38.31	5,325	3.6	100.0	484	485	9.1	
2,054	164	227	235	38.30	961	1.2	96.6	87	90	9.4	
10,611	0	1,131	1,131	38.30	5,286	4.2	100.0	433	433	8.2	
40,101	0	4,697	4,697	38.30	21,795	5.1	100.0	1,799	1,799	8.3	
1,275	256	65	81	38.30	303	4.5	80.1	25	31	10.2	
14,021	2,642	1,245	1,451	38.30	7,124	2.6	85.8	477	556	7.8	
7,353	0	674	674	38.30	3,647	10.5	100.0	258	258	7.1	
4,207	0	305	305	38.30	1,253	1.1	100.0	117	117	9.3	
2,235	238	168	186	38.30	839	1.8	90.8	65	71	8.5	
14,710	696	1,846	1,892	38.30	9,346	9.4	97.6	707	725	7.8	
2,770	0	231	231	38.28	723	3.0	100.0	88	88	12.2	
9,970	248	673	746	26.14	2,533	2.0	90.2	176	195	7.7	
10,985	0	1,260	1,260	24.93	3,764	3.8	100.0	314	314	8.3	
37,400	0	3,483	3,483	24.93	13,038	16.0	100.0	868	868	6.7	
19,018	0	4,391	4,391	24.93	10,545	5.3	100.0	1,095	1,095	10.4	
15,180	0	1,743	1,743	24.93	5,559	10.0	100.0	435	435	7.8	
8,145	0	785	785	24.93	2,643	9.7	100.0	196	196	7.4	
304,385	9,910	35,587	36,505		159,548	6.2	97.1	12,667	13,046	8.2	
469,534	29,699	48,926	50,898		286,097	6.9	95.0	22,339	23,511	8.2	

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PICTURES

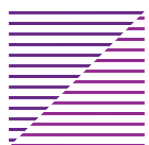
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