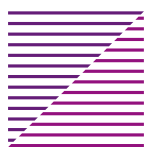




INTERIM REPORT

1st Quarter 2009



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	32 properties (directly held) 48 properties (held indirectly via 13 closed-end real estate funds)
Market value	€ 244.5 million *)
Potential rent	€ 21.0 million **)

*) Fair Value's share, based on market evaluations as of December 31, 2008

**) Fair Value's share as of March 31, 2009; approximately € 0.2 million above corresponding figure as of December 31, 2008

FINANCIAL KEY DATA

€ thousand	January 1 to March 31,	
	2009	2008
Revenues and earnings		
Rental revenues	2,565	2,947
EBIT	1,272	1,863
Consolidated net profit	426	348
Earnings per share (€)	0.05	0.04
Funds from operations (FFO)	260	645
FFO / share (in €)	0.03	0.07
Assets and capital		
Non-current assets	March 31,	December 31,
	2009	2008
Non-current assets	181,666	181,526
Current assets	11,911	16,717
Equity	75,772	76,787
Total assets	193,577	198,243
Equity ratio (in %)	39.1	38.7
Net asset value	75,772	76,787
Number of outstanding shares	9,406,882	9,406,882
Net asset value / share (in €)	8.05	8.16
Number of employees (including Managing Board)	5	5

Table of contents

TO OUR SHAREHOLDERS	5
Letter to shareholders	6
Fair Value's share	8
Portrait of Fair Value REIT-AG	12
GROUP INTERIM MANAGEMENT REPORT	17
Business report	18
I. Business activities and underlying conditions	18
i. Overview of business activities and company structure	18
ii. Underlying economic conditions and developments on the German commercial real estate market	19
II. Information on the total portfolio	20
III. Overall statement on the group's economic position and analysis of the financial position and results of operations	22
i. Overall statement on the group's economic position	22
ii. Earnings	23
iii. Financial position	24
iv. Net assets	24
IV. Related parties	25
Report on key events after the balance sheet date	26
Risk report	26
Opportunities and Forecast	27
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	29
Consolidated Balance Sheet	30
Consolidated Income Statement	32
Statement of Changes in consolidated equity	33
Consolidated Cash Flow Statement	34
Notes	36
Declaration by legal representatives	41
REAL ESTATE PORTFOLIO IN DETAIL	43
Valuation Method	44
Individual property information on total portfolio	46
Portfolio share according to proportionate interest	50
Imprint	54



To our shareholders



Manfred Heiler und Frank Schaich

Letter to shareholders

Dear shareholders, dear friends of our company,

Listed real estate companies such as Fair Value REIT-AG are part of two different worlds: Their own core business, asset and property management, and the world of the capital markets. These two worlds don't always move in the same direction.

In the first quarter of 2009 the international stock markets continued to be highly volatile and nervous. German real estate stocks again recorded major price losses from February after initial gains at the start of the year.

Prices seem to have started bottoming out since the start of the second quarter of 2009. The share prices of some companies have even enjoyed a perceptible upswing since March 2009 – the start of a trend that Fair Value REIT-AG's share price has not yet followed.

In parallel, our operating business has enjoyed on-track growth and there is a continued positive trend as a result of rental successes. The tenants in our property portfolio have met their rental obligations. Due to new lettings the occupancy level could be increased from 94.9 % at the end of 2008 to 95.2 % of Fair Value's potential rent as of March 31, 2009. At the same time, prolongations and renewals of rental agreements in the first quarter of 2009 more than compensated ending rental agreements on balance. As a result, in the first quarter of 2009 a good third of the rental agreements that were due for reletting or renewal this year have successfully been processed.

Consolidated earnings for the first quarter of 2009 (adjusted for extraordinary factors) reflect these operating successes. This figure totaled € 1.3 million and was up slightly on our forecast. The extraordinary factors relate to the market valuation of the real estate resulting from the calculatory reduction of overrents during the year and to the market valuation of interest rate hedges which are reflected in income. As of March 31, 2009 these market valuations resulted in total charges to income of € 0.9 million. As a result, we can report consolidated net income of € 0.4 million or € 0.05 per share for the first quarter of 2009. The comparable figure from the previous year totaled € 0.3 million or € 0.04 cent per share in circulation.

The market valuation of effective cash flow hedges resulted in the amount of € 1.4 million increasing the reserve for changes in value to € 6 million, thus depressing equity. Taking the consolidated net income into account, the consolidated equity (NAV) was € 75.8 million or € 8.05 per share in circulation as of March 31, 2009.

As the reserve for changes in value for cash flow hedges will be reversed again upon the maturity of the underlying hedged transactions, the future reduced charges of € 6 million will lift NAV in the amount of € 6 million to a current € 0.64 per share.

After the balance sheet date the financing bank agreed a two-year extension for the short-term financing for the purchase price payment for fund units acquired in 2007 which was about to expire in August 2009. In this connection, this loan of € 13.5 million will be redeemed in the amount of € 6 million from cash and cash equivalents and from financial assets.

As a result, we have already been able to complete financing tasks that were scheduled for this year and therefore, Fair Value REIT-AG's financing has been secured over the long term.

We have done our homework in a difficult environment: We have widened the basis for our income and further improved our financing structure. As a result we believe that our company is well positioned for constant further growth.

Munich, May 14, 2009

The Managing Board

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

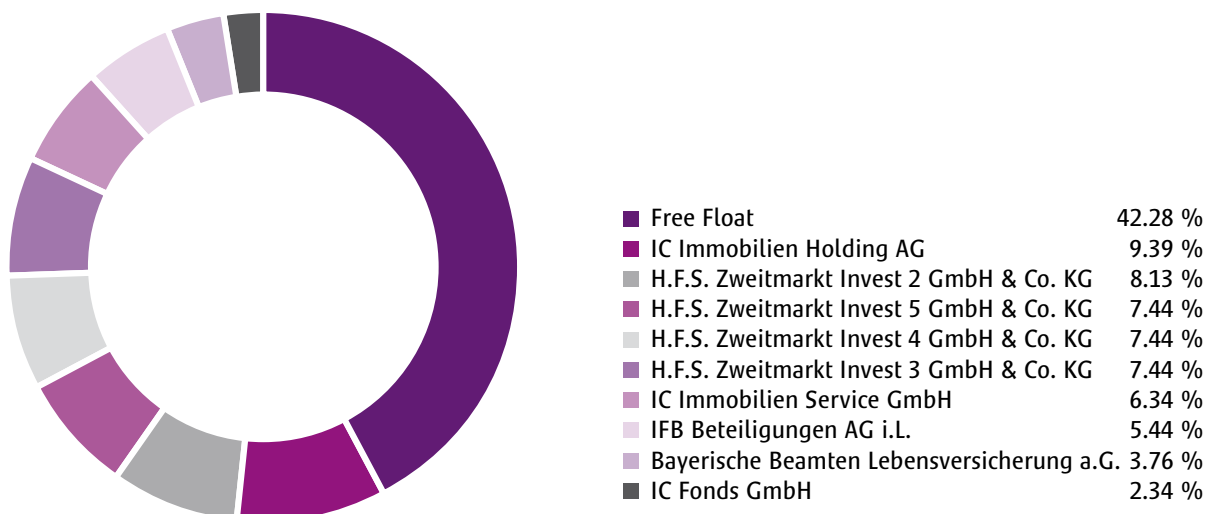
Manfred Heiler

Fair Value's shares

I. KEY DATA

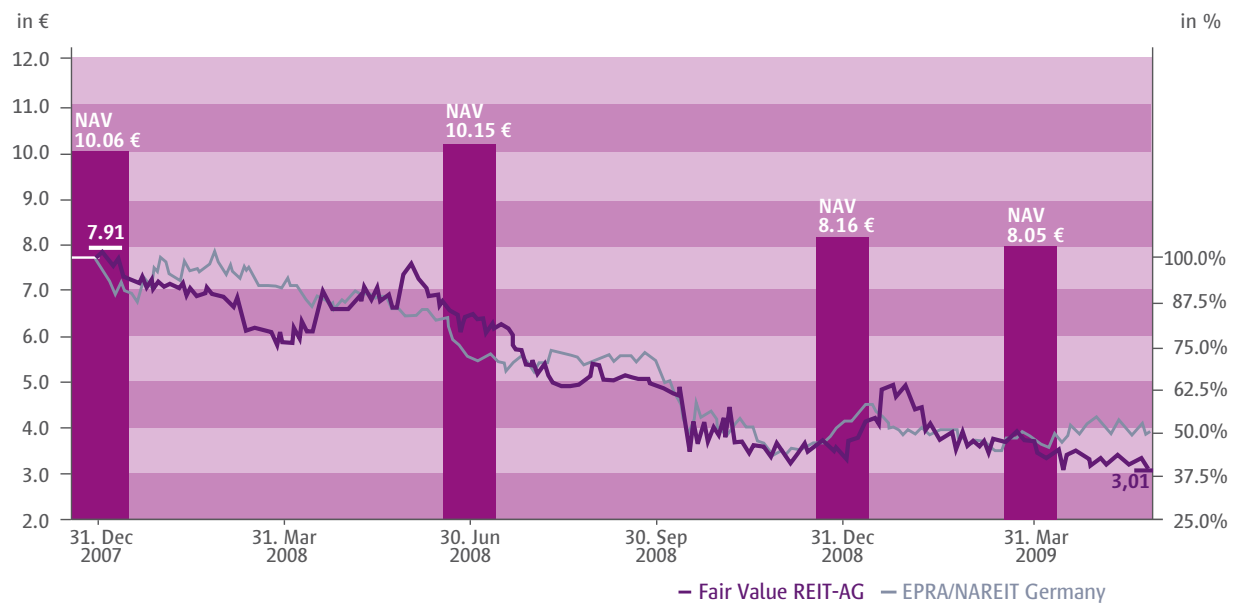
Sector	Real Estate (REIT)
WKN (German Securities Code) / ISIN	A0MW97 / DE000A0MW975
Stock exchange symbol	FVI
Share capital	€ 47,034,410.00
Number of shares (non-par value shares)	9,406,882
Proportion per share in the share capital	5,- €
Initial listing	November 16, 2007
High / low 2009	€ 4.80 / 3.01 (XETRA)
Market capitalization on March 31, 2009	€ 31.3 million (XETRA)
Market segment	Prime Standard
Stock exchanges	Prime Standard: Frankfurt, XETRA OTC: Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated Sponsors	WestLB, DZ-Bank
Indices	RX REIT All Shares-Index RX REIT-Index

Fair Value REIT-AG's shareholder structure



II. SHARE CHART

Share chart Fair Value REIT-AG incl. NAV vs. EPRA / NAREIT Germany-Index
(January 1, 2008 – May 13, 2009)



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.

III. PERFORMANCE OF THE STOCK MARKETS AND FAIR VALUE'S SHARES

The international stock markets continue to be influenced by the current financial and economic crisis. At the start of 2009 after a relief in the share price developments this situation deteriorated again, and prices on the capital markets further went down. Fair Value REIT-AG's shares were not able to escape this trend. Starting with a price of € 4.09 per share at the start of the year, the shares initially lifted to a high of € 4.80 on January 12, 2009. During the remainder of the first quarter, Fair Value's shares were increasingly swept along by the general negative trend on the market. When the preliminary results for

fiscal year 2008 were published in March, the share price stabilized at around € 3.30. On March 31, 2009 the shares were listed at € 3.33.

During the first three months of the current fiscal year, the trading volume of Fair Value's shares was 86,646 shares. This means that on all of the stock exchanges, shares with a total volume of € 337.4 thousand were traded. The average daily turnover was 1,379 shares or € 5,356.35.

INVESTOR RELATIONS

Fair Value REIT-AG actively seeks dialog with the financial community, even and in particular in difficult economic periods. The Managing Board is in constant contact with analysts, investors and the specialist press, and it provides them with end-to-end information on the company's current business growth. The fundamental principles of corporate communication are being up-to-date, transparent and open.

The company constantly provides its interested audience with information via detailed reporting and the publication of company-relevant news. In addition, Fair Value participates regularly at investors' conferences in Germany and abroad, and presents its current results at roadshows.

The company plans to uphold this open exchange of information in future. 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 many private investors, with the most comprehensive picture possible of Fair Value's growth. Comprehensive information on the shares can also be found at www.fvreit.de in the Investor Relations section.

IV. FINANCIAL CALENDAR

May 15, 2009	Q1 Report 2009
May 29, 2009	Annual General Meeting, Munich
June 3-5, 2009	Presentation, NAREIT REIT - Week, New York City
August 17, 2009	Six-month report 2009
October 20, 2009	Presentation, 9th specialist conference "Initiative Immobilien-Aktie", Frankfurt am Main
November 9-11, 2009	Presentation, German Equity Forum, Frankfurt
November 16, 2009	Q3 Report 2009

INFORMATION



Portrait of Fair Value REIT-AG

REAL ESTATE PORTFOLIO - OVERVIEW

Fair Value REIT-AG focuses on acquiring and managing commercial properties in Germany. To date Fair Value is the only listed real estate company in Germany pursuing a unique business model: In addition to acquiring properties directly, the company acquires participations in closed-end real estate funds. As a rule, these participations can be acquired as non-cash acquisitions, i.e., by exchanging participations for shares of Fair Value (so-called "UPREIT"), or participations can be bought against payment of a purchase price. Fair Value REIT-AG's real estate portfolio thus comprises two segments: Direct Investments and Participations.

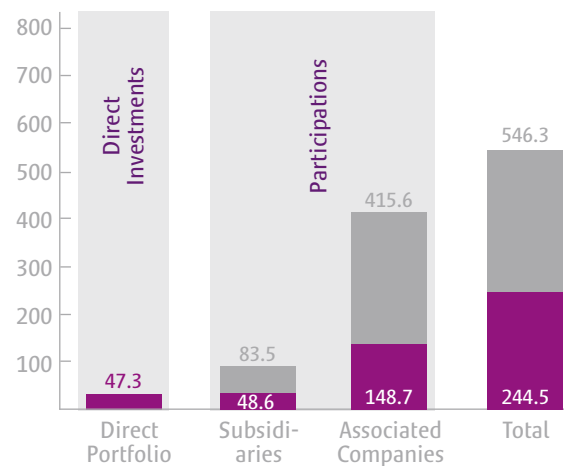
At present, the total portfolio of direct investments and participations comprises 80 properties with a total rental space 456,597m². The properties are located throughout Germany and had a market value of € 546.3 million based on individual valuations performed as of December 31, 2008. After considering the participation ratios in the individual funds, the value due to Fair Value totals € 244.5 million. Given proportionate potential rent of € 21.0 million, this thus results in an attractive current return of 8.6%. The income-related occupancy level of around 95% and an average remaining term of 6.7 years for the rental agreements means that rental income has been sustainably secured.

Participations segment

In the Participations segment the company acquires both majority and significant minority interests. This ensures an effective influence on management of the closed-end real-estate funds, and thus creates opportunities to realize potential to increase value via active asset management.

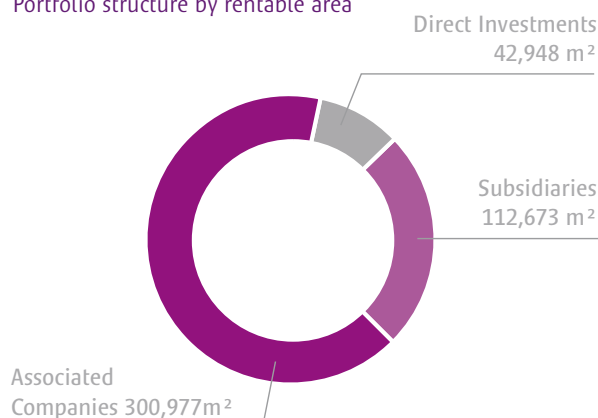
At present, Fair Value REIT-AG holds majority participations in five closed-end funds (subsidiaries). The properties held by these real estate funds have a total rental area of 112,673 m². The company holds a participation of between 20 and 50 percent in eight

Market values as of December 31, 2008 (€ million)



■ Fair Value REIT-AG's share

Portfolio structure by rentable area



Potential rental return in % based on proportionate market values

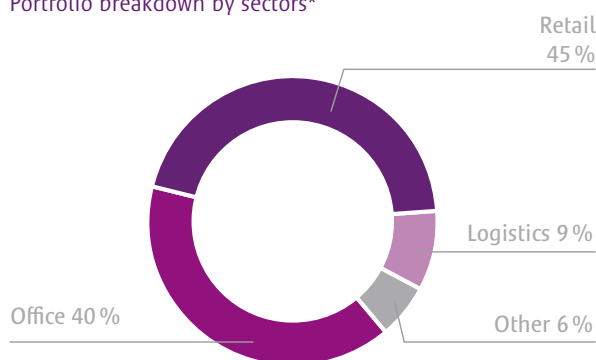


other funds (associated companies) with a rental area of 300,977 m². As a result, the rental area of the portfolio of participations totals 413,650 m².

Direct Investments segment

Fair Value REIT-AG currently holds a portfolio of 32 properties directly. These properties are primarily used as bank branches ("Sparkasse portfolio"), and have a total rental area of 42,948 m². The company acquired these properties in December 2007 using the so-called exit-tax privilege, thus effectively employing its status as a REIT. The main tenant for these commercial properties, located in the state of Schleswig-Holstein, is Sparkasse Südholstein. The "Sparkasse portfolio" had a total market value of around € 47.3 million as of December 31, 2008. Over the long term, the company plans to increase the proportion of properties it holds directly in its total portfolio, thus further increasing the rental income which is due to the company each month.

Portfolio breakdown by sectors*



* according to potential rent

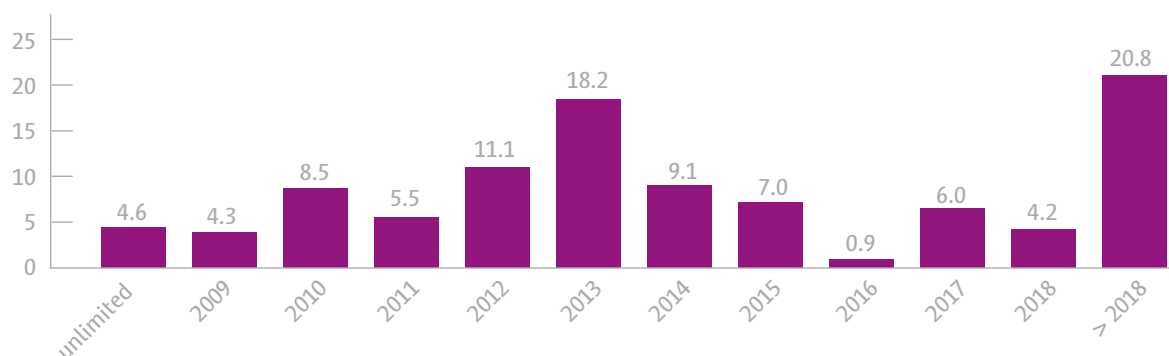
Occupancy rate in % of proportionate potential rents



Ten largest tenants in % of proportionate contractual rent

	March 31, 2009
Sparkasse Südholstein	14.14 %
Edeka Konzern	9.62 %
Metro Group	9.57 %
Kaufland Gruppe	5.80 %
BBV Holding AG	5.48 %
Schweizerhof Hotel	4.50 %
HPI Germany	2.93 %
ABB Grundbesitz GmbH	2.92 %
REWE Group	2.60 %
comdirect bank AG	2.51 %
Other	39.39 %
Sum	100.00 %

Lease expiry schedule in % of proportionate contractual rent



Portfolio Split by Region

(Market value of € 244,5 million of Fair Value's proportionate portfolio by federal state as of December 31, 2008)



Diversification is one of the main characteristics of Fair Value REIT-AG's real estate portfolio. The total of 80 properties are spread over a large number of locations, and have highly varied uses. Around 45 % of the proportionate potential rent are generated from renting retail properties, a further 40 % stem from office properties. Around 9 % stem from the logistics sector, with other space accounting for 6 % of the potential rent. This means that Fair Value is comparatively independent of developments in individual sectors or regions, both with regard to its rental activities as well as the growth in the value of its portfolio.

Fair Value's geographic focus is on medium-sized cities and regional centers throughout Germany. The regional breakdown of the real-estate portfolio shows: The company is present in almost all federal states, with its properties spread broadly throughout Germany. At the same time, the bulk of the properties are in so-called "secondary locations", both in terms of the number and also the market values of the properties.

This portfolio structure allows Fair Value to combine attractive rental returns with a comparatively low risk profile. As a result of the fact that the German economy tends to be geared to SMEs, the volatility for medium-sized locations is comparatively low. In contrast, economic fluctuations tend to impact the real estate markets in major cities to a greater extent – both in terms of the properties rents and the growth in their value.

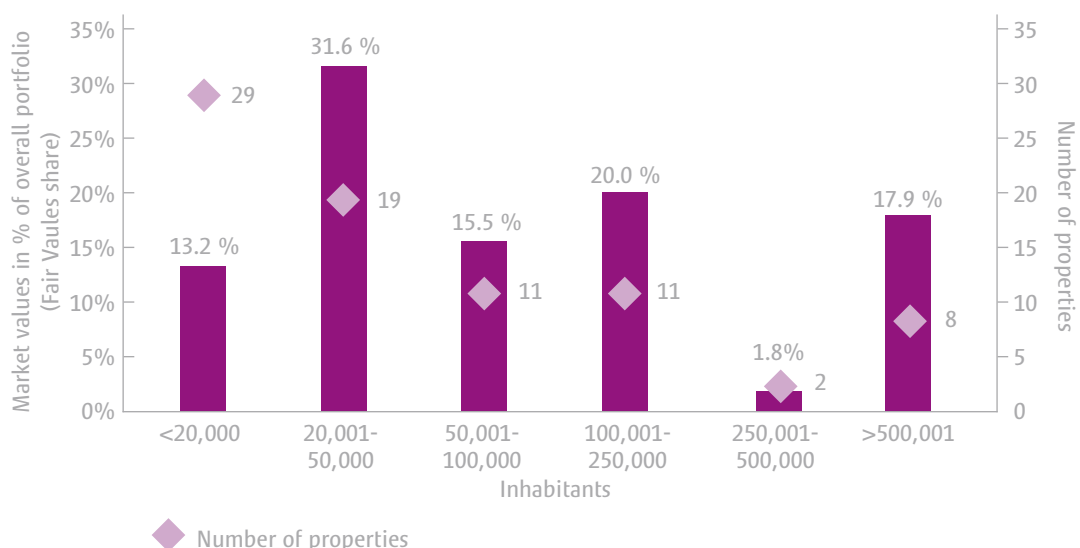
INVESTMENT CRITERIA AND STRATEGY

The structure of the real estate portfolio reflects Fair Value REIT-AG's investment strategy: Direct and indirect acquisitions of high-margin commercial properties, preferably in medium-sized locations. Based on this dual-pillar strategy, over the medium term Fair Value will thus drive the expansion of its business activities both via additional participating interests in specific closed-end real estate funds as well as via targeted direct investments.

Medium-sized cities and regional centers will thus continue to form the focus of investment activities in future thanks to the attractive returns that can be generated there, coupled with the lower fluctuations in market values and rents. In addition, Fair Value will also make selective investments in urban conurbations – as was the case with Airport Office II in Düsseldorf, which has now been sold. In order to further optimize its portfolio structure, in future the company will increase its real estate portfolio for logistics and office properties.

In an international comparison, the real estate market in Germany continues to be relatively stable, and thus continues to offer opportunities despite the current overall economic cooldown. That is why Fair Value REIT-AG is well positioned for further growth, and will consistently and resolutely continue the course it has taken to date.

Number of properties and market values of overall portfolio to town size as of December 31, 2008





Group interim management report

Business report

I. BUSINESS ACTIVITIES AND UNDERLYING CONDITIONS

i. Overview of business activities and company structure

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. Fair Value REIT-AG acts as the parent company for the Fair Value group. At present, the company holds participating interests in a total of 13 closed-end real-estate funds, of which five are majority interests, and eight are minority interests. In the case of minority interests, the shareholding totals 20 % to 50 %.

Fair Value's USP is that – in addition to investing directly in real estate – it also acquires interests in closed-end real estate funds. Participations can be acquired as non-cash acquisitions, i.e., by exchanging interests for shares of Fair Value, or interests can be bought against payment of a purchase price.

This method of acquiring real estate (so-called „UPREIT“) is unique to date in Germany, and together with the traditional, direct acquisition of real estate, the company's business model has two pillars: the segments „Participations“ and „Direct Investments“.

As of March 31, 2009, Fair Value REIT-AG's Participations segment held participating interests in a broadly diversified fund portfolio with 48 properties and a total rental area of 413,650 m². As of December 31, 2008, the market value of these properties totaled around € 499 million (Fair Value's share corresponded to around € 197.3 million).

In the Direct Investments segment, since December 2007 the company has owned a portfolio of 32 commercial properties, mostly used as bank branches by Sparkasse Südholstein. The properties,

located in Schleswig-Holstein, have a total rental space of 42,948 m². These properties had a total market value of around € 47.3 million as of December 31, 2008 based on individual valuations.

As of December 31, 2008, the total portfolio had a proportionate market value for Fair Value of around € 244.5 million. At the balance sheet date, around 95 % were let (income based) based on the potential rent of € 21.0 million which slightly increased. This is spread over property used for offices, retail, logistics and other uses.

Fair Value REIT-AG is independently managed by its Managing Board, which has many years' experience in acquiring and managing commercial properties and participations in closed-end real estate funds. The five employees (including the Managing Board) focus on the strategic management of the company and its participations as well as risk management.

The Managing Board cooperates closely with the Supervisory Board, which is included in all major decisions. The Supervisory Board comprises three members.

Operating support for the company for accounting, property management and asset management has been outsourced to IC Immobilien Group companies based in Unterschleißheim near Munich. These companies have around 200 employees and the group supports an investment volume of around € 5.3 billion for retail and institutional investors.

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

Macroeconomic environment

In spring 2009 the German economy was in a steep recession. To date even extensive Federal Government's Packages of Economic Measures have not been able to have any effect and recreate market participant's trust. Demand in Germany for investment products has also slumped, which has had a particularly major impact on the export sector - which drives Germany's economy and which has benefited in particular from the global upswing of the past few years. Even though various indicators initially point towards a deceleration in decrease of production and demand at present gross domestic product is forecast to fall by around 6.0 % in the current calendar year. The European Central Bank has cut interest rates in several steps to their current level of 1 %. However, this is not expected to have a positive effect before the second half of 2009.

Consumer prices did not change in the first three months of 2009 compared to December 2008. The lower cost of crude oil is taking the pressure off energy costs. The tense situation means that the core inflation rate is expected to fall, with the result that only a slight increase in prices is expected in 2009.

The economic downswing is increasingly impacting the job market. Compared to December 2008, in March 2009 almost 500,000 more people or 8.6 % of the workforce were unemployed. After seasonal adjustment, this is still almost 200,000 more people than in the previous year. However this should not disguise the fact that short-time work put in place in many companies has had a stabilizing impact on employment. The anticipated significant downturn

in general economic output will lead to accelerated staff cuts, which will result in unemployment passing the four million mark this year.

Sources:

December 2008 monthly report by the German Federal Labor Agency; Destatis – German Federal Statistics Office; Project Group Common Diagnosis, Spring 2009

Real estate market in Germany

Rental market

The recession has now also reached the office market. This has led to a significant downturn in demand for office space. Letting performance was down by approx. 30 % year-on-year, with total results of around 500,000 m² in the six major office centers of Munich, Stuttgart, Berlin, Düsseldorf, Frankfurt/Main and Hamburg.

During the remainder of the year, vacancies are expected to increase compared to the current 7.05 million m² or 9.0 %. This will be driven by both speculative new building activity as well as the simultaneous weak demand for space and users potentially reducing the amount of space they require when renting new premises.

After rents peaked at the end of 2008, a downturn could already be seen in the first quarter of 2009 in terms of both peak and average rents. In addition, the use of incentives, such as rent-free periods, has also increased.

The retail market, and top locations in particular, has not yet been affected by the economic crisis. There was also no significant change in market rents in the specialist stores segment, despite the current downturn in retail revenues.

In contrast, the market for logistics space did not present a uniform picture in the first quarter, even though rents were stable. Revenues in urban conurbations fell, however significantly more space was turned over outside the urban conurbations than was the case in previous years.

Investment market

The volume of transactions for commercially used properties fell substantially in 2008 compared to the previous two exceptional years, and this trend continued in the first quarter of the current fiscal year with a volume of just around € 1.75 million. However, the rapid increase in returns observed over the past few years has weakened significantly. Excellent products continue to find buyers, and the potential for further increases in yields is falling in particular in the top segment as demand increases.

Source:

Jones Lang LaSalle, Office Market Overview Q1 2009, Investment Market Overview Q1 2009 and Logistics Space Market Overview Q1 2009; Kempers Retail Ticker H1 2009

Participations in associated companies are carried at equity. Therefore only the proportionate net assets due to Fair Value REIT-AG are carried on the assets side of the balance sheet. The consolidated income statement includes the proportionate current results from the associated companies in the result from participations.

The following table provides information on the real estate attributable to the group and the associated companies. The right hand side shows the annualized contractual rent as of March 31, 2009 and the market values as of December 31, 2008 as well as the rental-related information taking into account Fair Value REIT-AG's respective participation rate as of March 31, 2009.

Compared to December 31, 2008, the rental level in the proportionate portfolio due to Fair Value has increased from 94.9 % to 95.2 % of the proportionate potential rent at the end of the first quarter of 2009. The weighted remaining period of the rental agreements was 6.7 years on the balance sheet date.

II. INFORMATION ON THE OVERALL PORTFOLIO

The Fair Value Group's real estate portfolio is either directly owned by the parent company or is held by subsidiaries (participation of more than 50 %). In addition, the real estate held by associated companies (participating interest of less than 50 %) forms part of Fair Value's total portfolio. This portfolio structure impacts the accounting treatment in the consolidated balance sheet and the consolidated income statement. The full consolidation of subsidiaries means that, according to IFRS accounting, the interests attributable to the minority shareholders are carried on the equity and liability side of the balance sheet. In Fair Value's case, these are carried under liabilities.

Short name	Direct investments and participations	Plot size ⁰⁾	Total rental area ^{0) 6)}	Annualised contractual rent March 31, 2009	Market value December 31, 2008 ^{0), 1)}	Fair Value REIT-AG's share				
						Percentage of participation	Annualised contractual rent March, 2009	Market value December 31, 2008 ^{1), 2)}	Occupancy level ^{3), 4), 5)}	Average remaining term of rental agreements ^{4), 5)}
		[m ²]	[m ²]	[€ thousand]	[€ thousand]	[%]	[€ thousand]	[€ thousand]	[%]	[years]
	Direct investments									
	Sparkasse Portfolio	58,624	42,948	3,218	47,270	100.00	3,218	47,270	98.0	13.1
	Total direct investments	58,624	42,948	3,218	47,270	100.00	3,218	47,270	98.0	13.1
	Subsidiaries									
IC07	IC Fonds & Co. Büropark Teltow KG	5,324	9,732	442	7,500	75.73	335	5,680	63.1	2.4
IC03	IC Fonds & Co. Forum Neuss KG	19,428	12,064	613	7,720	71.58	439	5,526	95.8	1.8
IC01	IC Fonds & Co. München-Karlsfeld KG	7,019	3,375	348	4,340	55.79	194	2,421	100.0	6.7
BBV06	BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG	97,232	72,457	4,777	54,770	54.89	2,622	30,065	89.4	5.0
BBV03	BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG	26,210	15,046	882	9,140	53.69	474	4,907	91.8	2.7
	Total subsidiaries	155,213	112,673	7,062	83,470		4,064	48,600	87.8	4.3
	Total group	213,837	155,620	10,280	130,740					
	Associated companies									
IC13	Associated companies	22,357	21,834	2,556	23,600	49.86	1,274	11,767	94.4	5.4
BBV14	BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG	16,196	37,997	6,165	84,660	45.03	2,776	38,119	97.4	4.9
IC12	IC Fonds & Co. SchmidtBank-Passage KG	4,226	8,380	536	7,760	40.22	216	3,121	80.4	4.7
BBV02	BBV Immobilien-Fonds Erlangen GbR	6,350	2,770	231	1,770	38.94	90	689	100.0	3.3
IC15	IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG	21,335	33,088	3,070	34,550	38.34	1,146	12,800	96.8	4.3
BBV10	BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG	177,231	96,199	10,660	122,780	38.31	4,084	47,042	97.4	5.1
IC10	IC Fonds & Co. Rabensteincenter KG	11,203	9,981	693	9,180	26.14	181	2,400	91.3	3.1
BBV09	BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG	114,912	90,728	11,715	131,250	24.93	2,921	32,720	100.0	8.8
	Total associated companies	373,810	300,977	35,626	415,550		12,688	148,658	97.2	5.8
	Total proportionate portfolio						19,970	244,528	95.2	6.7

Explanations

⁰⁾ Does not consider the respective participating interest

¹⁾ According to valuation by CB Richard Ellis GmbH, Berlin, December 31, 2008

²⁾ Proportionate market values attributable to Fair Value based on percentage of participations; in the case of IC15 the two-tier fund structure of the properties „Dresden“ and „Chemnitzpassage“ is taken into account.

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

⁴⁾ Income-weighted as of March 31, 2009

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

⁶⁾ The reduction of lettable areas by a total of 553 m² compared to the list as of December 31, 2008, is due to space reductions at some properties due to market situations with subsequent letting effectively not rentable surfaces such as general surfaces etc. as well as changes of renting surfaces in the course of new measurements

III. OVERALL STATEMENT ON THE GROUP'S ECONOMIC POSITION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

i. Overall statement on the group's economic position

In the first quarter of 2009, operating business enjoyed on-track development both in the group and also at the associated companies. Overall, there was a positive trend for rentals. The occupancy level on the balance sheet date for directly held properties increased to 98,0 % of the potential rent (December 31, 2008: 97.1 %). At the properties of the subsidiaries this figure increased to 88.4 % (December 31, 2008: 87.5 %). Fair Value's share of occupancy level at the associated companies was stable at 97.2 % (December 31, 2008: 97.2 %).

The purchase price retainer in connection with the sale of Airport Office II, Düsseldorf, of € 0.6 million was paid to Fair Value during Q1 2009 with the exception of € 54 thousand. In line with expectations, no claims were made against Fair Value for the rental guarantee it issued for five rental agreements for the first quarter of 2009.

The further reduction in capital market interest rates has caused losses from the valuation of interest rate hedges (interest rate swaps) during the period under review. This caused a € 1.4 million increase in the reserve for changes in value in the amount of the effective cash flow hedges, taking the figure to € 6.0 million (December 31, 2009: € 4.6 million). Income from equity-accounted participations fell as a result of losses from the market valuation of interest rate swaps. This was reflected in income in the proportionate amount of € 0.5 million.

The following table clearly shows that, after adjustment for extraordinary factors from the reduction of so-called overrents and the changes in

the market valuation of interest rate swaps, there was adjusted consolidated net income of € 1.3 million. These adjusted earnings are thus slightly higher than the forecast published in the spring of 2009 for IFRS consolidated earnings of € 4.2 to € 4.5 million in fiscal year 2009 prior to the consideration of the reduction in overrents.

Adjusted consolidated earnings	According to Consolidated Income Statement	Adjustment for extraordinary factors		Adjusted Consolidated Income Statement
		reduction over-rents	Interest-swaps	
Net rental result	1,854			1,854
General administrative expenses	-571			-571
Other operating income and expenses	-1			-1
Valuation result	-10	10		0
Operating income	1,272			1,282
Co-operation results	500	375		875
Minority interests	-204	-5	-21	-230
Net interest expense	-1,142		550	-592
Financial result	-1,346			-822
Consolidated net income (loss)	426	380	529	1,335

ii. Earnings

In the first three months of 2009 the Fair Value Group recorded revenues (rental income including income from operating and incidental costs) of € 2.8 million (previous year: € 3.3 million). Of this total, 32 % was recorded in the Participation segment, and 68 % in the Direct Investments segment. After deducting the real estate-related operating expenses including leasehold payments totaling around € 1.0 million, the net rental result totals around € 1.8 million (previous year: € 2.8 million).

The € 0.5 million downturn in revenues compared to the previous year is due to the lower rental income at the subsidiary IC 07 after the premature termination of the general rental agreement against a compensation payment. The real estate-related operating expenses in the first quarter of 2009 are in line with forecast. Around half of the year-on-year increase of € 0.5 million is due to shifts in the settlement of operating costs connected with the

acquisition of the Sparkasse portfolio. This effect will balance itself out during the course of the year. The other half of the increase is due to the increase in maintenance and energy costs.

Fair Value REIT-AG's general administrative costs totaled € 0.57 million in the first quarter of 2009 and were thus 7 % below the same period of the previous year. Of this total, 75 % was due to overheads at the parent company, with the remaining 25 % attributable to general administrative costs at the subsidiaries. Budget of overhead costs of the parent company reflect a reduction of 13 % in comparison to the previous year.

Net income for the equity-accounted participating interests totaled € 0.7 million. This included expenses from the valuation of interest rate hedges (swaps) totaling € 1.9 million) and valuation losses from the reduction of overrents totaling € 1.1 million. The

non-cash reduction in the differences from the market valuation of financial liabilities on the date of first-time consolidation (September 30, 2007) of € 0.2 million, results in an economic result of € 0.9 million. The proportion attributable to Fair Value thus led to income from equity-accounted participations of € 0.5 million (previous year: € 0.4 million).

Taking the minority interest in the result and the net interest expense totaling € 1.3 million into account, there was consolidated net income of € 0.4 million after the first three months of fiscal year 2009 (previous year: € 0.3 million). This corresponds to basic earnings per share of € 0.05 (previous year: € 0.04).

iii. Financial position

During the period under review, the cash flow from operating activities (so-called funds from operations or FFO) amounted to € 0.3 million (previous year: € 0.6 million (or € 0.03 per share (previous year: € 0.07)). In order to calculate this indicator, the non-cash income and expense were added to or deducted from the consolidated net income (see the consolidated cash flow statement). The year-on-year reduction was impacted by the lower rental income at the subsidiary IC 07 after the premature termination of the general rental agreement against a corresponding compensation payment.

The net cash used in operating activities of € 3.3 million (previous year: € 3.6 million) is mostly due to the settlement of value added tax, which resulted from the compensation payment by IC 07's general tenant in December 2008. Cash and cash equivalents fell, taking the investments in property, plant and equipment and the repayment of bank loans totaling € 0.4 million in the first quarter of 2009 by € 3.7 million to € 10.4 million (previous year's balance sheet date: € 5.2 million).

iv. Net assets

Fair Value's consolidated total assets amounted to € 193.6 million on March 31, 2008 (December 31, 2008: € 198.2 million).

Non-current assets account for the bulk of this total at 94 % or € 181.7 million. Around € 130.7 is due to Fair Value REIT-AG's directly held properties and its subsidiaries properties. A further € 48.6 million is due to the net assets of associated companies (equity-accounted participations). In addition, non-current assets include a fixed-term deposit of € 2.3 million which is pledged as security.

During the first quarter of 2009, current assets fell by € 4.8 million to € 11.9 million. This is due to the reduction in cash and cash equivalents. A large proportion of this amount was due to settle value added tax – as a result of the compensation payment made by the subsidiary IC 07's general tenant.

The group's financial liabilities totaled € 94.0 million or 49 % of total assets (€ 193.6 million) on the balance sheet date. Of this total 17 % or € 16.3 million is due within one year.

Taking into account the minority interests, the equity ratio totaled 51.5 % of immovable assets according to Section 15 of the REITG.

Fair Value REIT-AG's equity or net asset value (NAV) on the balance sheet date totaled € 75.8 million or € 8.05 per share (December 31, 2008: € 76.8 million or € 8.16) taking into account the reserve for changes in value (hedge accounting for interest rate hedges) totaling € -6.0 million.

	March 31, 2009	December 31, 2008
in € thousand		
Fair market values – real estate	130,730	130,740
Equity-accounted investments	48,589	48,443
Other assets less other liabilities	8,055	13,150
Minority interests	-16,620	-16,505
Financial liabilities	-93,976	-94,257
Other liabilities	-1,006	-4,784
Net asset value	75,772	76,787
Net asset value per share* (in €)	8.05	8.16

* based on 9,406,882 shares in circulation

IV. RELATED PARTIES

Companies in the IC Immobilien Group which hold a total interest of 18.09 % in Fair Value REIT-AG, provide asset management, property management and corporate services for the group and its associated companies. There are other service agreements at a subsidiary and associated company level. Details of these relationships and of the relationships with other related parties can be found in Fair Value REIT-AG's 2008 annual report on pages 90 to 94. Please refer to Note 12 to the consolidated financial statements with regard to receivables and liabilities on the balance sheet date.

No transactions were concluded with the Supervisory Board, Managing Board and their close relatives in the first three months of 2009.

Report on events after the balance sheet date

The financing bank agreed with the company a two-year extension of what had previously been current financial liabilities through to July 31, 2011. In this connection, the company redeemed the loan to finance the fund units purchased in 2007 (participation financing) with an initial total of € 16.1 million (value on March 31, 2009: € 13.5 million) from cash and cash equivalents in the amount of € 3.5 million to € 10.0 million.

As part of a further redemption by € 2.5 million to € 7.5 million, the bank will issue a guarantee in the amount of € 2.3 million, which will be provided to the seller of the Sparkasse portfolio in exchange for the fixed-term deposit pledged as collateral for an eventual loss of the company's REIT status.

In future, further redemption payments are to be made in the amount of 60% of the funds received from the sale of fund properties or participations in funds, however at least in the amount of € 0.5 million p.a. The bank margin will increase from August 2009 from a previous 165 bp to 475 bp over EURIBOR. A margin of 225 bp will accrue for the guarantee.

This agreement will reduce the group's liquidity. At the same time, however, the financial liabilities will also fall by € 6.0 million to around € 88 million, of which approx. 97% will then qualify as non-current financial liabilities under IFRS.

Risk management report

Fair Value is exposed to various risks as a result of its business activities. In addition to economic crisis, these are mostly rental risks, risks of rental default, interest rate risks and liquidity risks. The company's risk management and general risks are detailed in Fair Value REIT-AG's 2008 annual report on pages 42 to 45.

As the forecasts for global economic growth fell further in the first quarter, it is possible that the valuation of the company's real estate on December 31, 2009, will lead to further devaluations. This could have a negative impact on Fair Value REIT-AG's financial position.

The continued reduction in interest rates also bears the risk of losses from financial derivatives, however, these are not cash flow relevant. As a result of the strong downturn in interest rates, at present less interest is incurred for the loans with variable interest rates.

Taking into account the loan for acquired participating interests, which has been extended by two years, cash and cash equivalents and the cash flow from operating activities are sufficient to pay all liabilities when they are due for the coming twelve months. Despite the continuing weak economy, the Managing Board does not believe that risks will occur in fiscal year 2009 that could endanger the continued existence of Fair Value REIT-AG.

Opportunities and forecast

Fair Value REIT-AG is pursuing a consistent corporate strategy by investing directly in properties and participations in closed-end real estate funds. The company can use both opportunities for direct investments and also investments in closed-end real estate funds, based on a broadly diversified portfolio of existing properties with an income-based rental level of 95,2 % of potential rent. In particular the market for closed-end real estate funds offers enormous potential with a portfolio of more than € 140 billion, which Fair Value REIT-AG aims to increasingly penetrate. Fair Value REIT-AG is excellently positioned in this regard as the first "upstream REIT" in Germany.

The company will have to obtain additional equity in order to continue its on-track expansion. This is possible via either cash or non-cash capital increases thanks to Fair Value REIT-AG's special business model. A key requirement for these activities is a positive environment on the capital markets. The most recent recovery on the capital markets could point towards the stock markets stabilizing still further during the course of the year. The company will use the time until then to prepare in the best possible way for the opportunities that arise.

As a result of the on-track growth in the first quarter of 2009, the Managing Board has reinforced its forecast for 2009 as a whole. This forecast includes Fair Value REIT-AG recording consolidated earnings (IFRS) of € 4.2 to € 4.5 million before taking changes in the market values of its real estate and interest rate derivatives into account.



Kasse 5

Kasse 4

Kasse 3

GeldService
Einzahlungen
Geldausgabe
Geldkarte
Kontostandabfrage

GeldService
Einzahlungen
Geldausgabe
Geldkarte
Kontostandabfrage

GeldService
Einzahlungen
Geldausgabe
Geldkarte
Kontostandabfrage

Consolidated interim financial statements

as of March 31, 2009

Consolidated Balance Sheet

€ thousand	Note No.	March 31, 2009	December 31, 2008
Assets			
Noncurrent assets			
Intangible assets		5	2
Property, plant and equipment		22	22
Investment property	3	130,730	130,740
Equity-accounted investments	4	48,589	48,443
Financial assets	5	2,320	2,319
Total non-current assets		181,666	181,526
Current assets			
Trade receivables		937	1,502
Other receivables and assets		595	1,176
Cash and cash equivalents		10,379	14,039
Total current assets		11,911	16,717
Total assets		193,577	198,243

€ thousand	Note No.	March 31, 2009	December 31, 2008
Equity & liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserve for changes in value	6	(6,016)	(4,575)
Retained earnings		(11,413)	(11,839)
Total equity		75,772	76,787
Non-current liabilities			
Minority interests		16,620	16,505
Financial liabilities	7	77,681	78,352
Derivative financial instruments		5,439	4,217
Other liabilities		279	279
Total non-current liabilities		100,019	99,353
Current liabilities			
Provisions		253	334
Financial liabilities	7	16,295	15,905
Trade payables		511	1,359
Other liabilities	8	727	4,505
Total current liabilities		17,786	22,103
Total shareholders' equity and liabilities		193,577	198,243

Consolidated income statement

€ thousand	Note No.	January 1 to March 31,	
		2009	2008
Rental income		2,565	2,947
Income from operating and incidental costs		272	380
Leasehold payments		(57)	(57)
Real-estate related operating expenses		(926)	(510)
Net rental result		1,854	2,760
General administrative expenses	9	(571)	(614)
Other operating income		2	14
Other operating expenses		(3)	(2)
Other operating income and expenses		(1)	12
Valuation gains		0	0
Valuation losses		(10)	(295)
Valuation result	3	(10)	(295)
Operating result		1,272	1,863
Income from equity-accounted investments	4	500	419
Income from participations		500	419
Minority interest in the result		(204)	(250)
Net interest expense	10	(1,142)	(1,684)
Financial result		(1,346)	(1,934)
Consolidated net income		426	348
Earnings per share in € (basic/diluted)		0.05	0.04

Statement of changes in consolidated equity

€ thousand	Shares in circulation	Subscri- bed capital	Share premium	Reserve for changes in value	Retained earnings	Total
Balance at January 1, 2008	9,406,882	47,034	46,167	0	1,462	94,663
Consolidated net income	0	0	0	0	348	348
Balance at March. 31, 2008	9,406,882	47,034	46,167	0	1,810	95,011
Balance at January 1, 2009	9,406,882	47,034	46,167	(4,575)	(11,839)	76,787
Change from cash-flow hedge	0	0	0	(1,176)	0	(1.176)
of which attributable to minority interests	0	0	0	89	0	89
Change from cash-flow hedges for associated companies	0	0	0	(354)	0	(354)
Consolidated net income	0	0	0	0	426	426
Balance at March 31, 2009	9,406,882	47,034	46,167	(6,016)	(11,413)	75,772

Consolidated cash flow statement

€ thousand	January 1 to March 31,	
	2009	2008
Consolidated net income	426	348
Consolidated net income	74	2
Valuation result	10	295
Share of profit from equity-accounted investments	(500)	(419)
Minority interest in the result	204	250
Result from the valuation of derivative financial instruments	46	169
Funds from operations	260	645
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	565	432
(Increase)/decrease in other liabilities	580	2,888
(Decrease)/increase in provisions	(81)	25
(Decrease)/increase in trade payables	(848)	(182)
(Decrease)/increase in other liabilities	(3,778)	(213)
Cash Flow from operating activities	(3,302)	3,595
Payments for the purchase of interests in associated companies	0	(10)
Income from the sale of subsidiaries (BBV 08)	0	2,856
Investments in investment property/property under construction	0	(10,171)
Investments in property, plant and equipment and intangible assets	(77)	0
Cash Flow from investment activities	(77)	(7,325)
Receipts from financial liabilities	0	6,138
Repayment of financial liabilities	(281)	(2,622)
Cash Flow from financing activities	(281)	3,516
Net change in cash and cash equivalents	(3,660)	(214)
Cash and cash equivalents - start of period	14,039	5,381
Cash and cash equivalents – end of period	10,379	5,167



Notes

(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.

(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, 2008.

Accounting and valuation methods – Fair Value REIT-AG has used all of the accounting standards for which application was mandatory from fiscal year 2009. These mostly comprise IAS 1 on presentation of the financial statements, IAS 23 on the capitalization of borrowing costs and IFRS 8 on segment reporting.

The amended IAS 1 has led to a new classification of the components of the annual financial statements.

The amended IAS 23 requires that allocable borrowing costs are capitalized for qualified assets for which production started or which were acquired on or after January 1, 2009. An asset is a qualified

asset if a period of at least one year is required to make the asset ready for its intended use or sale. The amended IAS 23 does not have any impact on the presentation of Fair Value REIT AG's financial position and results of operations.

Comparable figures – the comparable figures in the income statement and the cash flow statement are for the period from January 1 to March 31, 2008.

(3) INVESTMENT PROPERTY

€ thousand	Direct invest-ments	Subsidiar-ies	Total
Acquisition costs			
Balance at January 1, 2009	51,832	104,605	156,437
Balance at March 31, 2009	51,832	104,605	156,437
Changes in value			
Balance at January 1, 2009	(4,562)	(21,135)	(25,697)
Write-downs	0	(10)	(10)
Balance at March 31, 2009	(4,562)	(21,145)	(25,707)
Fair values			
Balance at January 1, 2009	47,270	83,470	130,740
Balance at March 31, 2009	47,270	83,460	130,730

The values identified by CB Richard Ellis GmbH, Berlin, on December 31, 2008, less any "overrents" were used as the fair values of the investment properties. Please refer to the comments and information on pages 44 to 49 (Real Estate portfolio in detail) with regard to the assumptions on which the DCF method is based.

The lower valuation (valuation loss) of € 10 thousand is due to the removal of the advantage from a rental agreement which was concluded at rent which is higher than the current market level (so-called overrent) which was identified via the company's own estimates.

(4) EQUITY-ACCOUNTED INVESTMENTS

€ thousand	IC 10	IC 12	IC 13	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	Total
Balance at January 1, 2009	0	2,297	853	5,106	105	10,888	16,370	12,824	48,443
Proportion of earnings	0	22	20	106	3	(178)	359	168	500
Loss from cash flow hedge	0	0	0	0	0	0	(354)	0	(354)
Balance at March 31, 2009	0	2,319	873	5,212	108	10,710	16,375	12,992	48,589

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, 2008, by a total of € 146 thousand is due to these companies' proportionate earnings due to Fair Value for the reporting period totaling € 500 thousand less the proportionate change in the reserve for changes in value totaling € 354 thousand taken directly to equity.

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 income	180	132	638	784	58	2,994	2,765	1,524	9,075
Income from operating and incidental costs	68	63	86	70	7	76	177	370	917
Real-estate related operating expenses	(152)	(104)	(171)	(167)	(31)	(164)	(394)	(629)	(1,812)
Net rental result	96	91	553	687	34	2,906	2,548	1,265	8,180
General administrative expenses	(7)	(9)	(31)	(44)	(7)	(128)	(108)	(140)	(474)
Other operating income and expenses	0	0	0	(2)	16	0	0	3	17
Valuation result	0	0	(180)	(71)	(20)	(530)	(200)	(90)	(1,091)
Operating result	89	82	342	570	23	2,248	2,240	1,038	6,632
Other interest expense	(116)	(28)	(326)	(365)	(20)	(1,244)	(1,117)	(762)	(3,978)
Valuation of derivative financial instruments recognized in income	0	0	0	0	0	(1,718)	(199)	0	(1,917)
Net interest expense	(116)	(28)	(326)	(365)	(20)	(2,962)	(1,316)	(762)	(5,895)
Net profit	(27)	54	16	205	3	(714)	924	276	737
Reversal of difference from market valuation of financial liabilities as of September 30, 2007	(3)	2	24	71	4	0	13	98	209
Financial result	(30)	56	40	276	7	(714)	937	374	946
Fair Value REIT-AG's share	0	22	20	106	3	(178)	359	168	500

The valuation loss of € 1.1 thousand is due to the removal of the advantage from a several existing rental agreements which were concluded at rent which is higher than the current market level (so-called overrents) which was identified via the company's own estimates.

(5) FINANCIAL ASSETS

A bank balance of € 2,300 thousand has been pledged to indemnify against claims in case of the sale of the Sparkasse portfolio not receiving benefits under the German REIT Act within four years of the contract being concluded (October 6, 2007). Interest as of March 31, 2009, was 2.0 % p.a.

(6) EQUITY

The reserve for changes in value takes changes in the value of interest rate hedges directly to equity if these fulfill the conditions for hedge accounting. Minority interests are deducted. In addition, this reserve includes changes in equity-accounted participations to the extent that these result from cash flow hedges from associated companies.

(7) FINANCIAL LIABILITIES

Non-current and current financial liabilities totaling € 93,976 thousand fell by € 281 thousand compared to December 31, 2008. This amount comprises scheduled repayments.

(8) OTHER LIABILITIES

The reduction is mostly due to the payment of value added tax liabilities.

(9) GENERAL ADMINISTRATIVE EXPENSES

€ thousand	January 1 to March 31,	
	2009	2008
Fund administration and trustee fees	91	90
Remuneration (Supervisory Board, Advisory Council, General Partner)	22	12
Legal and consulting costs	52	14
Audit expenses	42	47
Valuations	58	125
Stock market listing, general meeting and events	36	51
Personnel expenses	161	197
Office costs	17	27
Travel and vehicle expenses	13	22
Non-deductible VAT	59	5
Other	20	24
	571	614

Of the general administrative costs, € 144 thousand (25.2 %) are due to the subsidiaries and € 427 thousand (74.8 %) are due to Fair Value REIT-AG.

(10) NET INTEREST EXPENSE

€ thousand	January 1 to March 31,	
	2009	2008
Interest income	62	102
Valuation of derivative financial instruments	(46)	(169)
Other interest expense	(1,158)	(1,617)
	(1,142)	(1,684)

Net interest expense include expenses from the change in the fair value of derivative financial instruments (interest rate hedges) totaling € 46 thousand. Of this total, € 21 thousand is due to minority interests in subsidiaries.

(11) SEGMENT REVENUES AND RESULTS

€ thousand	January 1 to March 31,	
	2009	2008
Segment revenues		
Direct investments	914	874
Participations	1,923	2,453
	2,837	3,327
Segment results		
Direct investments	604	540
Participations	1,004	1,725
	1,608	2,265
Income from equity-accounted participations	500	419
Central administrative expenses	(336)	(402)
Minority interest in the result	(204)	(250)
Net interest expense	(1,142)	(1,684)
Consolidated earnings	426	348

(12) RELATED PARTIES

€ thousand	March 31, 2009	Decem- ber 31, 2008
Receivables		
Other	6	74
Liabilities		
Liabilities from loans	(165)	(115)
Liabilities from services	(6)	(237)
Other	0	(15)
	(165)	(293)

NO AUDITOR'S REVIEW

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

DECLARATION CONCERNING THE GERMAN CORPORATE GOVERNANCE CODE

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

DECLARATION BY THE LEGAL REPRESENTATIVES

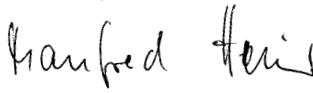
To the best of our knowledge, we declare that, according to the principles of proper consolidated reporting applied, the unaudited consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, that the group management report presents 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, May 8, 2009

Fair Value REIT-AG



Frank Schaich



Manfred Heiler



Real Estate portfolio in detail

Valuation Method

PROCEEDINGS AND ASSUMPTIONS

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

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

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 term and renewals, the probability of existing rental agreements being extended, vacancy periods and vacancy costs, non-allocable incidental costs and capital expenditure expected by the owner, fitting and rental costs for initial and renewals 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.

VOLATILE MARKETS

According to Guidance Note 5 of the RICS Valuation Standards CBRE points out explicitly, that the current crisis in the global financial system, including the failure or bail out of important banks and financial institutions, has caused considerable uncertainty in commercial real estate markets. Furthermore, CBRE refers to temporarily increased price volatility regarding prices and values under these circumstances, while the market absorbs different changes and settles down at a stable level. The lack of liquidity on capital markets could lead to potentially severe difficulties in achieving a successful sale of the evaluated investment properties in the short run.

Individual property information on total portfolio

Street	Town	Fund	Primary use	Year of construction	Last renovation / modernization	Plot size [m ²]	Market value December 31, 2007 [€ thousand]	Market value December 31, 2008 [€ thousand]	Change [%]
Direct holdings									
Hauptstraße 56e / 56 d	Appen	n/a	Office	1975	1995	4,320	250	230	-8.0
Bleek 1	Bad Bramstedt	n/a	Office	1973	2006	3,873	1,300	1,200	-7.7
Oldesloer Straße 24	Bad Segeberg	n/a	Office	1982	2007	5,152	9,700	9,240	-4.7
Königstr. 19-21	Barmstedt	n/a	Office	1911	ongoing	2,842	1,520	1,460	-3.9
Bahnhofstraße 9	Bönnigstedt	n/a	Office	1992	2003	1,131	260	240	-7.7
Bahnhofstraße 14	Boostedt	n/a	Office	1989	2005	1,006	140	130	-7.1
Am alten Markt 9a	Bornhöved	n/a	Office	1991	2005	873	710	680	-4.2
Berliner Damm 6	Ellerau	n/a	Office	1990	2000	1,177	430	410	-4.7
Pinneberger Straße 155	Ellerbek	n/a	Office	1985	2001	1,708	390	360	-7.7
Dorfstraße 29	Geschendorf	n/a	Office	1985	2006	1,154	260	230	-11.5
Hauptstraße 33	Halstenbek	n/a	Office	1969	2001	1,195	910	860	-5.5
Seestraße 232	Halstenbek	n/a	Office	1976	2002	549	100	90	-10.0
Friesenstraße 59	Helgoland	n/a	Office	1986	2000	194	620	610	-1.6
Hamburger Straße 83	Henstedt-Ulzburg	n/a	Office	1989	2004	1,219	1,160	1,100	-5.2
Holstenstraße 32	Kaltenkirchen	n/a	Office	1978	2005	1,893	2,050	1,970	-3.9
Köllner Chaussee 27	Kölln-Reisiek	n/a	Office	1990	2001	1,004	200	180	-10.0
Hamburger Straße 40	Leezen	n/a	Office	1989	2005	886	200	190	-5.0
Segeberger Straße 21	Nahe	n/a	Office	1971	2004	1,698	750	700	-6.7
Ehndorfer Straße 153	Neumünster	n/a	Office	1971	2003	1,685	270	250	-7.4
Kuhberg 11-13	Neumünster	n/a	Office	1989	2005	5,286	16,300	15,300	-6.1
Röntgenstraße	Neumünster	n/a	Office	1972	1998	2,481	310	280	-9.7
Ulzburger Str. 363 d / e	Norderstedt	n/a	Office	1994	2004	2,762	1,570	1,480	-5.7
Ulzburger Str. 545 / 547	Norderstedt	n/a	Office	1960		1,313	520	510	-1.9
Damm 49	Pinneberg	n/a	Office	1996	2007	1,383	2,500	2,370	-5.2
Oeltingsallee 30	Pinneberg-Quellental	n/a	Office	1970	2002	2,047	680	660	-2.9
Kieler Straße 100	Quickborn	n/a	Office	1980	2002	1,625	1,560	1,490	-4.5
Hauptstraße 49	Rellingen	n/a	Office	1983	2001	828	600	560	-6.7
Rosenstraße 15	Sparrieshoop	n/a	Office	1961	1999	984	210	200	-4.8
Willy-Meyer-Straße 3-5	Tornesch	n/a	Office	1977	2003	970	620	590	-4.8
Am Markt 1	Trappenkamp	n/a	Office	1985	2005	1,190	690	660	-4.3
Wassermühlenstraße 5	Uetersen	n/a	Office	2001		2,348	2,000	1,890	-5.5
Markt 1	Wahlstedt	n/a	Office	1975	2005	1,848	1,180	1,150	-2.5
Sub-total direct holdings						58,624	49,960	47,270	-5.4
Subsidiaries									
Rheinstr. 8 ^{1), 2)}	Teltow	IC07	Office	1995		5,324	25,200	7,500	-70.2
Im Taubental 9-17	Neuss	IC03	Logistics	1990		19,428	8,600	7,720	-10.2
Heidhauser Straße 94	Essen-Heidhausen	IC01	Retail	1990		4,776	2,900	2,600	-10.3
Hospitalstraße 17 - 19 / Judengasse 21	Alzey	IC01	Retail	1990	2007	2,243	1,800	1,740	-3.3
Andreasstr. 1	Ahaus-Wüllen	BBV06	Retail	1990		5,513	1,300	1,110	-14.6
Andreasstr. 3 - 7	Ahaus-Wüllen	BBV06	Retail	1973		13,036	4,800	4,380	-8.8
Marktplatz 3	Altenberge	BBV06	Retail	1986		1,756	1,200	1,190	-0.8
Heerenbergerstr. 51	Emmerich	BBV06	Retail	1987		4,314	1,200	870	-27.5
Hubert-Protz-Str. 117	Frechen	BBV06	Retail	1988		4,282	1,300	1,270	-2.3
Schwarzer Weg 21-24	Hamm	BBV06	Retail	1990		2,665	1,400	1,350	-3.6
Hinüberstr. 6	Hannover	BBV06	Other	1981	2006	3,204	20,200	20,000	-1.0

¹⁾ The general rental agreement with the IDLG Dienstleistungs GmbH was terminated against a compensation payment in the fourth quarter of 2008. As a result, the lettable floor space was adjusted from gross to net. The net space is subject to being measured.

²⁾ Through termination of the general rental agreement against a compensation payment and subrogation of the subtenancy agreements on a lower rental level the subsequent valuation losses over the coming years were advanced.

³⁾ The reduction of lettable space by a total of 553 m² compared to the list as of December 31, 2008, is due to space reductions at some properties due to market and new measurement-related reductions of lettable floor space.

	Discount interest rate December 31, 2008	Capitalization interest rate December 31, 2008	Lettable floor space ³⁾	Vacancies	Ø Remaining terms of rental contracts	Occupancy by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing yield on contractual rent	Ongoing yield on potential rent
	[%]	[%]	[m ²]	[m ²]	[years]		[€ thousand]	[€ thousand]	[%]	[%]
	7.00	6.50	212	0	8.8	100.0	19	19	8.4	8.4
	6.60	5.60	997	0	15.8	100.0	78	78	6.5	6.5
	6.60	6.10	9,144	378	14.4	95.6	608	636	6.6	6.9
	6.50	6.00	1,264	0	15.2	99.1	93	94	6.4	6.4
	7.10	6.80	211	0	8.8	100.0	19	19	8.0	8.0
	6.50	5.90	114	0	8.8	100.0	10	10	8.0	8.0
	6.70	6.00	664	0	8.3	100.0	51	51	7.6	7.6
	6.90	6.70	369	0	8.8	100.0	31	31	7.6	7.6
	6.70	5.70	356	0	6.2	100.0	28	28	7.7	7.7
	7.00	5.90	316	0	8.8	99.4	20	20	8.8	8.8
	7.40	7.00	791	0	8.8	100.0	65	65	7.5	7.5
	7.30	6.80	188	0	8.8	100.0	8	8	9.2	9.2
	6.30	5.40	488	0	13.4	100.0	38	38	6.2	6.2
	6.50	6.00	1,005	0	16.8	100.0	72	72	6.5	6.5
	6.50	6.10	1,581	0	16.6	100.0	122	122	6.2	6.2
	7.10	6.40	168	0	8.8	100.0	15	15	8.5	8.5
	7.00	6.60	174	0	8.8	100.0	16	16	8.4	8.4
	7.00	6.50	734	0	8.8	100.0	60	60	8.5	8.5
	7.60	7.00	346	0	7.8	99.2	23	23	9.2	9.3
	6.50	6.10	11,808	99	16.1	99.0	951	960	6.2	6.3
	7.30	6.70	534	0	7.7	100.0	28	28	10.2	10.2
	6.60	5.90	1,340	0	14.2	100.0	106	106	7.2	7.2
	8.20	7.60	1,005	495	5.3	60.5	42	69	8.2	13.6
	7.00	6.50	1,930	0	3.8	100.0	176	176	7.4	7.4
	6.80	6.10	624	0	6.1	100.0	52	52	7.9	7.9
	6.60	6.00	1,309	0	16.8	100.0	100	100	6.7	6.7
	7.50	6.90	524	0	8.8	100.0	42	42	7.5	7.5
	7.40	6.90	237	0	7.3	100.0	17	17	8.7	8.7
	6.90	6.30	657	0	7.0	100.0	55	55	9.4	9.4
	6.90	6.00	787	0	7.9	100.0	53	53	8.1	8.1
	6.40	5.50	1,726	0	14.3	100.0	124	124	6.6	6.6
	6.70	6.20	1,346	0	8.4	100.0	92	92	8.0	8.0
			42,948	972	13.1	98.0	3,218	3,284	6.8	6.9
	7.60	6.60	9,732	3,059	2.4	63.1	442	701	5.9	9.3
	7.60	6.90	12,064	261	1.8	95.8	613	640	7.9	8.3
	6.80	6.40	1,386	0	6.6	100.0	216	216	8.3	8.3
	6.90	6.40	1,989	18	7.0	100.0	132	132	7.6	7.6
	7.60	6.90	1,496	0	1.8	100.0	108	108	9.7	9.7
	7.60	6.80	3,915	0	5.8	100.0	473	473	10.8	10.8
	6.80	6.20	1,285	0	2.8	100.0	106	106	8.9	8.9
	7.60	6.80	1,415	92	4.6	96.8	84	87	9.7	10.0
	7.30	6.70	1,225	0	4.6	100.0	135	135	10.6	10.6

Street	Town	Fund	Primary use	Year of construction	Last renovation / modernization	Plot size [m²]	Market value December 31, 2007 [€ thousand]	Market value December 31, 2008 [€ thousand]	Change [%]
Köhlstr. 8	Köln	BBV06	Logistics	1982		40,591	9,300	9,360	0.6
Gutenbergstr. 152/ St. Töniser Str. 12	Krefeld	BBV06	Retail	1990		8,417	4,800	4,100	-14.6
Lippest. 2	Lippetal-Herzfeld	BBV06	Retail	1990		3,155	1,700	1,550	-8.8
Zeughausstr. 13	Meschede	BBV06	Retail	1989		1,673	610	500	-18.0
Äußere Spitalhofstr. 15-17	Passau	BBV06	Retail	2007	2007	2,884	4,900	4,440	-9.4
Steinheimer Str. 64	Seligenstadt	BBV06	Retail	1983		4,000	1,900	1,780	-6.3
Bahnhofstraße 20 a-e	Waltrop	BBV06	Retail	1989		1,742	2,900	2,870	-1.0
Adalbertsteinweg 32-36	Aachen	BBV03	Office	1990		1,038	2,300	2,030	-11.7
Marconistr. 4-8	Köln	BBV03	Logistics	1990		13,924	3,700	3,330	-10.0
Hauptstr. 51 - 55	Weyhe-Leeste	BBV03	Retail	1989	2005	11,248	3,900	3,780	-3.1
Sub-total subsidiaries						155,213	105,910	83,470	-21.2
Total Group						213,837	155,870	130,740	-16.1
Associated companies									
Max-Planck-Ring 26/28	Langenfeld	IC13	Logistics	1996		14,727	11,100	10,200	-8.1
Friedrich-Engels-Ring 52	Neubrandenburg	IC13	Office	1996		4,705	10,900	9,550	-12.4
Großbeerenstr. 231	Potsdam	IC13	Office	1995		2,925	3,300	3,850	16.7
Carnotstr. 5 - 7	Berlin	BBV14	Office	1995		4,583	15,900	15,600	-1.9
Nossener Brücke 8 - 12	Dresden	BBV14	Office	1997		4,134	8,300	7,660	-7.7
Kröpeliner Str. 26-28	Rostock	BBV14	Retail	1995		7,479	62,800	61,400	-2.2
Hartmannstr. 3 a - 7	Chemnitz	IC12	Office	1997		4,226	8,300	7,760	-6.5
Heinrich-Lorenz-Str. 35	Chemnitz	IC15	Office	1998		4,718	4,400	3,890	-11.6
Am alten Bad 1 - 7, Theaterstr. 34a	Chemnitz	IC15	Office	1997		3,246	6,000	5,560	-7.3
Königsbrücker Str. 121 a	Dresden	IC15	Other	1997		4,242	12,300	11,900	-3.3
Pascalkehe 15 / 15a	Quickborn	IC15	Office	1997		9,129	15,100	13,200	-12.6
Zum Rotering 5-7	Ahaus	BBV10	Retail	1989		3,884	2,600	2,320	-10.8
Vor den Fuhren 2	Celle	BBV10	Retail	1992		21,076	13,700	12,500	-8.8
Nordpassage 1	Eisenhüttenstadt	BBV10	Retail	1993		20,482	57,800	53,500	-7.4
Altmärker Str. 5	Genthin	BBV10	Retail	1998		3,153	730	730	0.0
Robert-Bosch-Str. 11	Langen	BBV10	Office	1994		6,003	18,500	17,700	-4.3
Hammer Str. 455-459	Münster	BBV10	Retail	1991		15,854	9,600	8,570	-10.7
Hannoversche Str. 39	Osnabrück	BBV10	Retail	1989		7,502	3,300	3,050	-7.6
Klingelbrink 10	Rheda-Wiedenbrück	BBV10	Retail	1991		2,455	2,200	2,110	-4.1
Lerchenbergstr.112/113, Annendorfer Str. 15/16	Wittenberg	BBV10	Retail	1994		96,822	24,800	22,300	-10.1
Henkestr. 5	Erlangen	BBV02	Retail	1984		6,350	1,800	1,770	-1.7
Oberfrohaer Str. 62 - 74	Chemnitz	IC10	Retail	1997		11,203	9,800	9,180	-6.3
Leimbacher Straße	Bad Salzungen	BBV09	Retail	1992		22,979	15,000	13,500	-10.0
Mühlhäuser Str. 100	Eisenach	BBV09	Retail	1994		44,175	52,400	48,500	-7.4
Putzbrunner Str. 71 / 73, Fritz-Erler-Str. 3	München-Neuperlach	BBV09	Office	1986		10,030	43,100	38,500	-10.7
Weißenfels Str. 70	Naumburg	BBV09	Retail	1993		20,517	21,600	21,000	-2.8
An der Backstania 1	Weilburg	BBV09	Retail	1994		17,211	10,800	9,750	-9.7
Total associated companies						373,810	446,130	415,550	-6.9
Grand Total						587,647	602,000	546,290	-9.3

Discount interest rate December 31, 2008	Capitalization interest rate December 31, 2008	Lettable floor space ³⁾	Vacan- cies	Ø Remai- ning terms of rental contracts	Occupancy by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing yield on contractual rent	Ongoing yield on potential rent
[%]	[%]	[m²]	[m²]	[years]		€ thousand]	€ thousand]	[%]	[%]
8.00	7.20	23,076	12,879	4.8	46.7	473	1,014	5.1	10.8
7.50	6.60	4,683	0	1.4	100.0	451	451	11.0	11.0
7.40	6.70	1,452	0	1.7	100.0	144	144	9.3	9.3
7.30	6.60	1,095	0	4.3	100.0	42	42	8.4	8.4
7.00	6.80	8,492	0	8.1	100.0	600	600	13.5	13.5
7.10	6.60	1,390	0	4.5	100.0	153	153	8.6	8.6
7.30	6.60	2,124	250	5.1	91.6	226	247	7.9	8.6
7.30	6.40	2,264	1,183	2.6	68.8	171	249	8.4	12.3
7.00	6.40	9,640	0	3.1	100.0	330	330	9.9	9.9
7.00	6.50	3,141	45	2.5	99.8	381	382	10.1	10.1
		112,673	17,787	4.4	88.4	7,062	7,991	8.5	9.6
		155,620	18,759	7.1	91.2	10,281	11,275	7.9	8.6
7.30	6.70	10,453	0	6.6	100.0	1,170	1,170	11.5	11.5
7.00	6.20	7,557	1,314	4.8	91.4	1,110	1,214	11.6	12.7
6.90	6.30	3,824	234	2.6	85.0	276	325	7.2	8.4
6.60	5.80	9,863	643	2.2	92.4	1,141	1,235	7.3	7.9
7.10	6.60	8,828	20	0.7	92.9	724	779	9.4	10.2
6.20	5.80	19,306	194	6.4	99.6	4,300	4,316	7.0	7.0
6.50	5.90	8,380	1,150	4.7	80.4	536	666	6.9	8.6
7.20	6.20	5,845	0	1.1	100.0	533	533	13.7	13.7
6.40	6.00	5,119	1,195	2.4	77.3	343	443	6.2	8.0
6.60	6.00	11,554	0	8.7	100.0	869	869	7.3	7.3
7.00	6.20	10,570	0	3.1	100.0	1,325	1,325	10.0	10.0
7.60	6.90	2,054	164	1.7	96.6	227	235	9.8	10.1
7.10	6.40	10,611	0	3.7	100.0	1,129	1,129	9.0	9.0
6.70	6.20	40,101	0	4.6	100.0	4,988	4,988	9.3	9.3
7.60	6.70	1,275	256	4.1	80.1	65	81	8.8	11.0
6.90	6.40	13,665	2,298	1.4	86.8	1,279	1,474	7.2	8.3
6.90	6.40	7,353	0	9.9	100.0	674	674	7.9	7.9
7.00	6.50	4,207	0	3.2	100.0	293	293	9.6	9.6
7.10	6.30	2,235	238	1.8	90.8	168	186	8.0	8.8
6.50	6.00	14,698	774	9.2	97.4	1,836	1,885	8.2	8.5
7.20	6.50	2,770	0	3.3	100.0	231	231	13.1	13.1
6.90	6.10	9,981	465	3.1	91.3	693	759	7.6	8.3
7.30	6.60	10,985	0	3.3	100.0	1,260	1,260	9.3	9.3
6.50	6.10	37,400	0	15.4	100.0	3,483	3,483	7.2	7.2
6.60	6.00	19,018	0	4.8	100.0	4,391	4,391	11.4	11.4
7.00	6.50	15,180	0	9.4	100.0	1,743	1,743	8.3	8.3
7.30	6.70	8,145	0	9.1	100.0	839	839	8.6	8.6
		300,977	8,943	6.2	97.5	35,626	36,525	8.6	8.8
		456,597	27,702	6.4	96.0	45,907	47,800	8.4	8.7

Portfolio share according to proportionate interest

Street	Town	Fund	Proportionate participating interest	Market value December 31, 2007	Market value December 31, 2008	Change
			[%]	[€ thousand]	[€ thousand]	[%]
Direct holdings						
Hauptstraße 56e / 56 d	Appen	n/a	100.00	250	230	-8.0
Bleeck 1	Bad Bramstedt	n/a	100.00	1,300	1,200	-7.7
Oldesloer Straße 24	Bad Segeberg	n/a	100.00	9,700	9,240	-4.7
Königstr. 19-21	Barmstedt	n/a	100.00	1,520	1,460	-3.9
Bahnhofstraße 9	Bönnigstedt	n/a	100.00	260	240	-7.7
Bahnhofstraße 14	Boostedt	n/a	100.00	140	130	-7.1
Am alten Markt 9a	Bornhöved	n/a	100.00	710	680	-4.2
Berliner Damm 6	Ellerau	n/a	100.00	430	410	-4.7
Pinneberger Straße 155	Ellerbek	n/a	100.00	390	360	-7.7
Dorfstraße 29	Geschendorf	n/a	100.00	260	230	-11.5
Hauptstraße 33	Halstenbek	n/a	100.00	910	860	-5.5
Seestraße 232	Halstenbek	n/a	100.00	100	90	-10.0
Friesenstraße 59	Helgoland	n/a	100.00	620	610	-1.6
Hamburger Straße 83	Henstedt-Ulzburg	n/a	100.00	1,160	1,100	-5.2
Holstenstraße 32	Kaltenkirchen	n/a	100.00	2,050	1,970	-3.9
Köllner Chaussee 27	Kölln-Reisiek	n/a	100.00	200	180	-10.0
Hamburger Straße 40	Leezen	n/a	100.00	200	190	-5.0
Segeberger Straße 21	Nahe	n/a	100.00	750	700	-6.7
Ehndorfer Straße 153	Neumünster	n/a	100.00	270	250	-7.4
Kuhberg 11-13	Neumünster	n/a	100.00	16,300	15,300	-6.1
Röntgenstraße	Neumünster	n/a	100.00	310	280	-9.7
Ulzburger Str. 363 d / e	Norderstedt	n/a	100.00	1,570	1,480	-5.7
Ulzburger Str. 545 / 547	Norderstedt	n/a	100.00	520	510	-1.9
Damm 49	Pinneberg	n/a	100.00	2,500	2,370	-5.2
Oeltingsallee 30	Pinneberg-Quellental	n/a	100.00	680	660	-2.9
Kieler Straße 100	Quickborn	n/a	100.00	1,560	1,490	-4.5
Hauptstraße 49	Rellingen	n/a	100.00	600	560	-6.7
Rosenstraße 15	Sparrieshoop	n/a	100.00	210	200	-4.8
Willy-Meyer-Straße 3-5	Tornesch	n/a	100.00	620	590	-4.8
Am Markt 1	Trappenkamp	n/a	100.00	690	660	-4.3
Wassermühlenstraße 5	Uetersen	n/a	100.00	2,000	1,890	-5.5
Markt 1	Wahlstedt	n/a	100.00	1,180	1,150	-2.5
Sub-total direct holdings				49,960	47,270	-5.4
Subsidiaries						
Rheinstr. 8 ^{1), 2)}	Teltow	IC07	75.73	19,085	5,680	-70.2
Im Taubental 9-17	Neuss	IC03	71.58	6,156	5,526	-10.2
Heidhauser Straße 94	Essen-Heidhausen	IC01	55.79	1,618	1,451	-10.3
Hospitalstraße 17 - 19 / Judengasse 21	Alzey	IC01	55.79	1,004	971	-3.3
Andreasstr. 1	Ahaus-Wüllen	BBV06	54.89	714	609	-14.6
Andreasstr. 3 - 7	Ahaus-Wüllen	BBV06	54.89	2,635	2,404	-8.7
Marktplatz 3	Altenberge	BBV06	54.89	659	653	-0.8
Heerenbergerstr. 51	Emmerich	BBV06	54.89	659	478	-27.5
Hubert-Protz-Str. 117	Frechen	BBV06	54.89	714	697	-2.3
Schwarzer Weg 21-24	Hamm	BBV06	54.89	769	741	-3.6
Hinüberstr. 6	Hannover	BBV06	54.89	11,089	10,979	-1.0

¹⁾ The general rental agreement with the IDLG Dienstleistungs GmbH was terminated against a compensation payment in the fourth quarter of 2008. As a result, the lettable floor space was adjusted from gross to net. The net space is subject to being measured.

²⁾ Taking the received compensation payment in the amount of € 15.4 million into account, the reduction in value for the property in Teltow falls to € 2.2 million or 9 %. In terms of Fair Value REIT-AG's portfolio share the total reduction in value falls from 10.7 % year-on-year to 6.4 %.

Ø Remaining term of rental agreements	Rental level by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing yield on contractual rent	Ongoing yield on potential rent
[years]	[%]	[€ thousand]	[€ thousand]	[%]	[%]
8.8	100.0	19	19	8.4	8.4
15.8	100.0	78	78	6.5	6.5
14.4	95.6	608	636	6.6	6.9
15.2	99.1	93	94	6.4	6.4
8.8	100.0	19	19	8.0	8.0
8.8	100.0	10	10	8.0	8.0
8.3	100.0	51	51	7.6	7.6
8.8	100.0	31	31	7.6	7.6
6.2	100.0	28	28	7.7	7.7
8.8	99.4	20	20	8.8	8.8
8.8	100.0	65	65	7.5	7.5
8.8	100.0	8	8	9.2	9.2
13.4	100.0	38	38	6.2	6.2
16.8	100.0	72	72	6.5	6.5
16.6	100.0	122	122	6.2	6.2
8.8	100.0	15	15	8.5	8.5
8.8	100.0	16	16	8.4	8.4
8.8	100.0	60	60	8.5	8.5
7.8	99.2	23	23	9.2	9.3
16.1	99.0	951	960	6.2	6.3
7.7	100.0	28	28	10.2	10.2
14.2	100.0	106	106	7.2	7.2
5.3	60.5	42	69	8.2	13.6
3.8	100.0	176	176	7.4	7.4
6.1	100.0	52	52	7.9	7.9
16.8	100.0	100	100	6.7	6.7
8.8	100.0	42	42	7.5	7.5
7.3	100.0	17	17	8.7	8.7
7.0	100.0	55	55	9.4	9.4
7.9	100.0	53	53	8.1	8.1
14.3	100.0	124	124	6.6	6.6
8.4	100.0	92	92	8.0	8.0
13.1	98.0	3,218	3,284	6.8	6.9
2.4	63.1	335	531	5.9	9.3
1.8	95.8	439	458	7.9	8.3
6.6	100.0	121	121	8.3	8.3
7.0	100.0	74	74	7.6	7.6
1.8	100.0	59	59	9.7	9.7
5.8	100.0	260	260	10.8	10.8
2.8	100.0	58	58	8.9	8.9
4.6	96.8	46	48	9.7	10.0
4.6	100.0	74	74	10.6	10.6
1.8	100.0	79	79	10.7	10.7
5.8	100.0	898	898	8.2	8.2

Street	Town	Fund	Proportionate participating interest	Market value December 31, 2007	Market value December 31, 2008	Change
			[%]	[€ thousand]	[€ thousand]	[%]
Köhlstr. 8	Köln	BBV06	54,89	5,105	5,138	0.6
Gutenbergstr. 152/ St. Töniser Str. 12	Krefeld	BBV06	54,89	2,635	2,251	-14.6
Lippestr. 2	Lippetal-Herzfeld	BBV06	54,89	933	851	-8.8
Zeughausstr. 13	Meschede	BBV06	54,89	335	274	-18.0
Äußere Spitalhofstr. 15-17	Passau	BBV06	54,89	2,690	2,437	-9.4
Steinheimer Str. 64	Seligenstadt	BBV06	54,89	1,043	977	-6.3
Bahnhofstraße 20 a-e	Waltrop	BBV06	54,89	1,592	1,575	-1.0
Adalbertsteinweg 32-36	Aachen	BBV03	53,69	1,235	1,090	-11.7
Marconistr. 4-8	Köln	BBV03	53,69	1,986	1,788	-10.0
Hauptstr. 51 - 55	Weyhe-Leeste	BBV03	53,69	2,094	2,029	-3.1
Sub-total subsidiaries				64,748	48,600	-24.9
Associated companies						
Max-Planck-Ring 26/28	Langenfeld	IC13	49,86	5,534	5,086	-8.1
Friedrich-Engels-Ring 52	Neubrandenburg	IC13	49,86	5,435	4,762	-12.4
Großbeerenstr. 231	Potsdam	IC13	49,86	1,645	1,920	16.7
Carnotstr. 5 - 7	Berlin	BBV14	45,03	7,159	7,024	-1.9
Nossener Brücke 8 - 12	Dresden	BBV14	45,03	3,737	3,449	-7.7
Kröpeliner Str. 26-28	Rostock	BBV14	45,03	28,276	27,646	-2.2
Hartmannstr. 3 a - 7	Chemnitz	IC12	40,22	3,338	3,121	-6.5
Heinrich-Lorenz-Str. 35	Chemnitz	IC15	38,34	1,687	1,492	-11.6
Am alten Bad 1 - 7, Theaterstr. 34a	Chemnitz	IC15	36,10	2,166	2,007	-7.3
Königsbrücker Str. 121 a	Dresden	IC15	35,63	4,382	4,240	-3.3
Pascalkehe 15 / 15a	Quickborn	IC15	38,34	5,790	5,061	-12.6
Zum Roterling 5-7	Ahaus	BBV10	38,31	996	889	-10.8
Vor den Fuhren 2	Celle	BBV10	38,31	5,249	4,789	-8.8
Nordpassage 1	Eisenhüttenstadt	BBV10	38,31	22,145	20,498	-7.4
Altmärker Str. 5	Genthin	BBV10	38,31	280	280	0.0
Robert-Bosch-Str. 11	Langen	BBV10	38,31	7,088	6,782	-4.3
Hammer Str. 455-459	Münster	BBV10	38,31	3,678	3,283	-10.7
Hannoversche Str. 39	Osnabrück	BBV10	38,31	1,264	1,169	-7.6
Klingelbrink 10	Rheda-Wiedenbrück	BBV10	38,31	843	808	-4.1
Lerchenbergstr.112/113, Annendorfer Str. 15/16	Wittenberg	BBV10	38,31	9,502	8,544	-10.1
Henkestr. 5	Erlangen	BBV02	38,94	701	689	-1.7
Oberfrohnauer Str. 62 - 74	Chemnitz	IC10	26,14	2,562	2,400	-6.3
Leimbacher Straße	Bad Salzungen	BBV09	24,93	3,739	3,366	-10.0
Mühlhäuser Str. 100	Eisenach	BBV09	24,93	13,063	12,091	-7.4
Putzbrunner Str. 71 / 73, Fritz-Erler-Str. 3	München-Neuperlach	BBV09	24,93	10,745	9,598	-10.7
Weißenfeler Str. 70	Naumburg	BBV09	24,93	5,385	5,235	-2.8
An der Backstania 1	Weilburg	BBV09	24,93	2,692	2,431	-9.7
Sub-total associated companies				159,084	148,658	-6.6
Grand Total ²⁾				273,791	244,528	-10.7

¹⁾ The general rental agreement was cancelled against a compensation payment in the fourth quarter of 2008. As a result, the rental space was adjusted from gross to net. The net space is subject to being measured.

²⁾ Taking the received compensation payment in the amount of € 15.4 million into account, the reduction in value for the property in Teltow falls to € 2.2 million or 9 %. In terms of Fair Value REIT-AG's portfolio share the total reduction in value falls from 10.7 % year-on-year to 6.4 %.

Ø Remaining term of rental agreements	Rental level by rental revenues	Annualized contractual rent	Annualized potential rent	Ongoing yield on contractual rent	Ongoing yield on potential rent
[years]	[%]	[€ thousand]	[€ thousand]	[%]	[%]
4.8	46.7	260	557	5.1	10.8
1.4	100.0	248	248	11.0	11.0
1.7	100.0	79	79	9.3	9.3
4.3	100.0	23	23	8.4	8.4
8.1	100.0	329	329	13.5	13.5
4.5	100.0	84	84	8.6	8.6
5.1	91.6	124	136	7.9	8.6
2.6	68.8	92	134	8.4	12.3
3.1	100.0	177	177	9.9	9.9
2.5	99.8	205	205	10.1	10.1
4.3	87.8	4,064	4,631	8.4	9.5
6.6	100.0	583	583	11.5	11.5
4.8	91.4	553	605	11.6	12.7
2.6	85.0	138	162	7.2	8.4
2.2	92.4	514	556	7.3	7.9
0.7	92.9	326	351	9.4	10.2
6.4	99.6	1,936	1,943	7.0	7.0
4.7	80.4	216	268	6.9	8.6
1.1	100.0	204	204	13.7	13.7
2.4	77.3	124	160	6.2	8.0
8.7	100.0	310	310	7.3	7.3
3.1	100.0	508	508	10.0	10.0
1.7	96.6	87	90	9.8	10.1
3.7	100.0	432	432	9.0	9.0
4.6	100.0	1,911	1,911	9.3	9.3
4.1	80.1	25	31	8.8	11.0
1.4	86.8	490	565	7.2	8.3
9.9	100.0	258	258	7.9	7.9
3.2	100.0	112	112	9.6	9.6
1.8	90.8	65	71	8.0	8.8
9.2	97.4	703	722	8.2	8.5
3.3	100.0	90	90	13.1	13.1
3.1	91.3	181	199	7.6	8.3
3.3	100.0	314	314	9.3	9.3
15.4	100.0	868	868	7.2	7.2
4.8	100.0	1,095	1,095	11.4	11.4
9.4	100.0	435	435	8.3	8.3
9.1	100.0	209	209	8.6	8.6
5.8	97.2	12,687	13,053	8.5	8.8
6.7	95.2	19,970	20,968	8.2	8.6

Imprint

Fair Value REIT-AG
Leopoldstraße 244
80807 Munich
Germany

Tel. + 49 (0) 89 / 92 92 8 15 - 01
Fax + 49 (0) 89 / 92 92 8 15 - 15

info@fvreit.de
www.fvreit.de

MANAGING BOARD

Frank Schaich, Chief Executive Officer
Manfred Heiler

SUPERVISORY BOARD

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

Registered office: Munich
Commercial register at Munich Local Court
No. HRB 168 882

Date of publication: May 15, 2009

CONCEPT AND REALIZATION

cometis AG
Unter den Eichen 7
65195 Wiesbaden
Germany
www.cometis.de

PICTURES

Fair Value REIT-AG
Cover: Subsidy of Sparkasse Südholstein, Pinneberg, Damm 49
Page 55 and interior photos: Headquarter of Sparkasse Südholstein, Neumünster, Kuhberg 11-13

DISCLAIMER

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



STADTBUCHEREI



Fair Value REIT-AG
Leopoldstraße 244
80807 Munich
Germany

Tel. +49 (0) 89 / 92 92 8 15 - 01
Fax +49 (0) 89 / 92 92 8 15 - 15

info@fvreit.de
www.fvreit.de



fair value
REIT