

Interim Report

1st Quarter 2015

fair value
REIT

Key figures Fair Value Group			
		1/1 – 31/3/2015	1/1 – 31/3/2014
Revenues and earnings			
Rental income	in € thousand	5,590	6,185
Net rental income	in € thousand	3,917	4,781
Operating result (EBIT)	in € thousand	5,016	4,040
Group net profit	in € thousand	2,863	1,174
Earnings per share	in €	0.31	0.13
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	1,024	1,293
EPRA-Earnings/FFO per share	in €	0.11	0.14
Assets and capital		31/3/2015	31/12/2014
Non-current assets	in € thousand	279,167	277,909
Current assets	in € thousand	25,010	20,745
Non-current assets held for sale	in € thousand	–	13,240
Total assets	in € thousand	304,177	311,894
Equity/Net asset value (NAV)	in € thousand	81,226	78,273
Equity ratio	in %	26.7	25.1
Immovable assets	in € thousand	269,408	280,958
Equity within the meaning of Section 15 of the REIT act	in € thousand	138,076	138,321
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45 %)	in %	51.3	49.2
Real estate investments		31/3/2015	31/12/2014
Number of properties	amount	41	43
Market value of properties ¹⁾	in € million	269.4	281.0
Contractual rent p.a.	in € million	22.3	23.7
Potential rent p.a.	in € million	24.5	25.9
Occupancy	in %	91.0	91.5
Remaining term of rental agreements	years	4.8	5.0
Contractual rental yield before costs	in %	8.3	8.4

¹⁾ According to market valuations as of 31/12/2014.

Further key figures			
		31/3/2015	31/12/2014
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	8.71	8.39
EPRA-NAV per share	in €	8.72	8.49
Number of employees (including Management Board)		4	3

Letter to Shareholders

Dear shareholders and business partners,
ladies and gentlemen,

The Fair Value Group had a successful start to the fiscal year 2015 in several respects. We continued to groom our portfolio in the opening quarter of the year and sold properties that we no longer considered part of our core portfolio. However, most importantly, we created important prerequisites for rapidly proceeding with the growth strategy we adopted at the end of the past year.

With this in mind, almost 50 % of our convertible bond of around €8.5 million issued in January 2015 – incidentally the first capital measure since our IPO in November 2007 – was invested in subsidiaries in the first quarter of 2015. As part of initial recognition, the additionally acquired assets generated an IFRS profit contribution of around €1.9 million for the shareholders of Fair Value REIT-AG. This accounts for around 46 % of total investments made.

The significant fall in interest expenses compared to the prior-year period, which at €1.1 million were down approximately 22 % on the prior year, also had a positive effect. In the first quarter of 2015, with operating business performing as planned, we generated an IFRS group net profit of €2.9 million, which was up by around €1.7 million on the prior-year figure of €1.2 million.

Funds from operations (FFO) amounted to €1.0 million and matched our planned figure for the first quarter of the current fiscal year. The €0.3 million decrease on the prior year figure was primarily due to the sale of non-strategic properties.

As of the reporting date, group equity amounted to €81.2 million following €78.3 million as of 31 December 2014. As a result, the net asset value increased by 4 % from €8.39 for each share outstanding to €8.71. The REIT equity ratio also increased from 49.2 % to 51.3 % of immovable assets.

To finance our plans for further growth, we took advantage of the capital market environment in May 2015 and successfully placed a cash capital increase with shareholder subscription rights using all of the authorised capital. At a price of €7.90 per new share, we generated gross issue proceeds of around €37 million. With a subscription rate of 42 %, demand for the new shares among our existing shareholders was great. At the same time, 58 % of the volume was placed with new shareholders from Germany and from the rest of Europe.

We see the strong demand for our Company's newly issued shares as a sign of the trust in our Company and in our growth strategy. Our focus on retail and office property in German secondary locations as well as on real estate investments with particular emphasis on closed-end real estate funds proved convincing to investors.

We look forward to justifying this trust with the investment of funds received and continuing to create significant earnings and value for our shareholders.

Munich, 13 May, 2015
The Management Board



Frank Schaich

The Share

Fair Value REIT-AG on the capital market

The mood on the German stock markets brightened considerably going into 2015. The DAX, which comprises the 30 largest German blue-chips, exceeded the 12,000-point threshold for the first time mid-March. At 11,966 points, the leading share index in Germany closed the first quarter some 22 % up on the level recorded as of the end of December 2014.

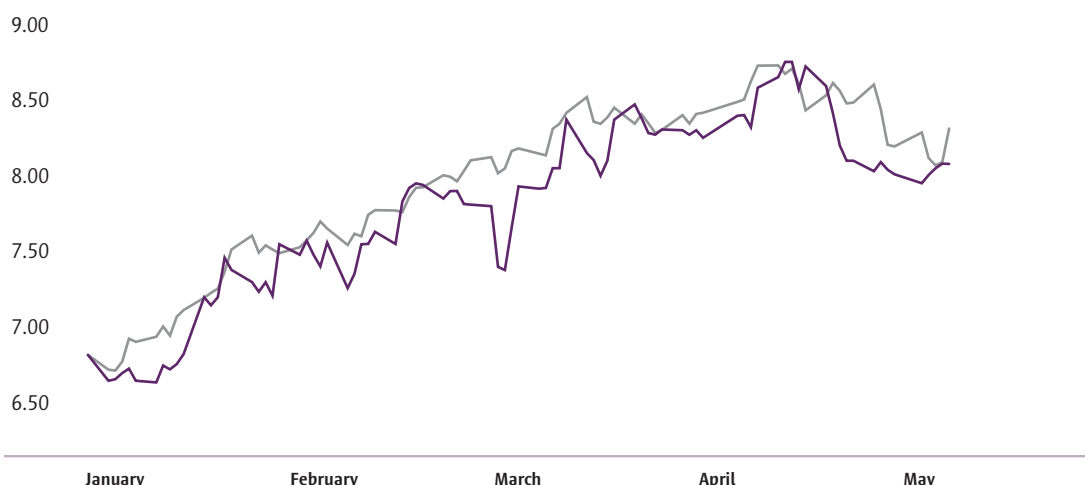
The price of the Fair Value share also increased sharply in the first quarter of 2015, thus maintaining the upward trend witnessed towards the end of 2014. Price rises were largely attributable to the Company's positive business development with continued portfolio optimization and an improvement in earnings. At the end of March 2015, the share closed at €8.37 on the electronic stock market XETRA, up by approximately 24 % compared to €6.77 on the last trading day of 2014. The highest XETRA closing price of €8.57 was reached on 23 March 2015, the lowest of €6.74 on 12 January 2015. 26,325 Fair Value shares were traded on average per day on all German stock exchanges. This was more than two and a half times the volume compared to the corresponding prior-year period. Of this volume, XETRA trading accounted for around 84 %.

Development of Fair Value's share

2 January to 8 May, 2015

in €

■ Fair Value REIT-AG (XETRA)
■ DAX Subsector Real Estate
(chain-linked at 1/1/2015)



Key data Fair Value REIT-AG's share

at 8 May, 2015

Sector	Real Estate (REIT)
WKN (German Securities Code)/ISIN	A0MW97 / DE000A0MW975
WKN/ISIN new shares	A14KRR / DE000A14KRR3
Stock symbol	FVI
Share capital (from 7 Mai 2015)	€28,220,646,00
Number of shares (non-par value shares) – from 7 Mai 2015	14,110,323 pcs.
Proportion per share in the share capital	€2.00
Initial listing	16 November, 2007
High/low 1st quarter 2015 (XETRA)	€8.57/€6.74
Market capitalization at 31 March, 2015 (XETRA)	€78.74 million
Market segment	Prime Standard
Stock exchanges Prime Standard	Frankfurt, XETRA
Stock exchanges OTC	Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated sponsor	ODDO SEYDLER BANK AG
Indices	RX REIT All Shares-Index, RX REIT-Index

Since 19 January 2015, Fair Value REIT-AG has been represented on the stock exchange also with a convertible bond. This is listed in the open market (quotation board) of the Frankfurt Stock Exchange (ISIN DE000A13SAB8). The convertible bond has a total nominal amount of €8.46 million and a term of five years. It was issued with the exclusion of the subscription rights for shareholders and subscribed by an investor. It bears interest at 4.5 % p.a. The conversion price is €9.00 per share.

Figures of the convertible bond

at 31 March, 2015

WKN/ISIN	A13SAB/DE000A13SAB8
Nominal amount	€1,000 each
Number	8,460 bearer bonds
Maturity/date of repayment	19 January 2020
Interest rate	4.50 % on the nominal amount
Interest payment	half-yearly, subsequently, on 19 January and 19 July, for the first time on 19 July 2015
Conversion price per share	€9,00
Stock market listing	Since 19 January 2015
Market segment	Open market (quotation board) of the Frankfurt Stock Exchange

Fair Value REIT-AG has provided more information on the Company, the share and the shareholder structure as well as on the bond on its website: www.fvreit.de. The Company also publishes annual and interim reports as well as ad hoc announcements and press releases.

Financial calendar

Fair Value REIT-AG

19 May 2015	Annual General Meeting (Munich, Germany)
6 August 2015	Semi Annual Report 2015
5 November 2015	Interim Report 1st–3rd Quarter 2015

Group Interim Management Report

Basic Group Information

Group structure and business model

Fair Value REIT-AG (hereinafter also referred to as Fair Value) is headquartered in Munich and does not have any branch offices. As a listed property investor, the Company satisfies the provisions of the REITG [“Gesetz über deutsche Immobilienaktiengesellschaften mit börsennotierten Anteilen”: German REIT Act] and is exempt from corporation and trade tax.

Business model

The Fair Value Group concentrates on the acquisition and management of commercial real estate in Germany. Its investing activities focus on retail and office property in secondary locations. Fair Value invests directly in real estate as well as indirectly via investments in real estate partnerships and actively manages its portfolio.

Non-strategic operating functions such as accounting as well as commercial and technical property management are outsourced to external service providers, which receive partly fixed and partly performance-based variable remuneration for their services.

Taking into account the trade limitations of the REITG and with a view to optimising the portfolio, the Company’s strategy also encompasses the targeted sales of individual portfolio properties, with particular focus on smaller properties and non-strategic real estate. The successive liquidation of subsidiaries is intended to save on investment-related administrative expenses and further expand the share of directly owned properties in the overall portfolio.

Portfolio

As of 31 March 2015, the directly and indirectly owned portfolio comprises 41 properties (31 December 2014: 43 properties) with market values (equivalent to the fair values pursuant to IFRS 13), totalling around €269 million (31 December 2014: €281 million).

At 91.0 %, the occupancy rate of the portfolio as of 31 March 2015 was down slightly on the rate as of 31 December 2014 (91.5 %). As of 31 March 2015, the weighted remaining term of the rental agreements stood at 4.8 years following 5.0 years as of 31 December 2014.

The table below provides an overview of the real estate assets allocated to the Group as of 31 March 2015. The market values of the properties are based on calculations by the external expert CBRE GmbH of the individual properties as of 31 December 2014.

Direct investments and investments
as of 31 March 2015

	Property area [m²]	Total lettable area [m²]	Annualized contractual rent [€ thousand]	Market value 31 Dec 2014 ¹⁾ [€ thousand]	Occupancy rate ^{2), 3)} [%]	Ø secured remaining term of lease agree- ments ^{2), 3)} [Years]	Contractual rent returns before costs [%]	Investment [%]
Direct investments segment	50,894	40,580	2,757	36,730	98.2	8.5	7.5	100
Subsidiaries segment	301,261	198,595	19,540	232,678	90.0	4.3	8.4	50
Total portfolio	352,155	239,175	22,297	269,408	91.0	4.8	8.3	57

Notes

¹⁾ Pursuant to market value report by CB Richard Ellis GmbH, Frankfurt am Main as of 31 December 2014

²⁾ (Sub)totals for occupancy rate and average remaining term

³⁾ Profit weighted

Economic Report

Macroeconomic and sector-specific environment

Macroeconomic environment The German economy is seeing a strong upswing. According to estimates by the Joint Economic Forecast Project Group, GDP is anticipated to increase by 2.1 % in the current year 2015.¹⁾ The labour market continued to develop positively. The employment trend remains on a clear upward trend. As of the end of March 2015, 2.93 million people were registered as unemployed. This was 123,000 less than the prior-year figure. The unemployment rate amounted to 6.8 %.²⁾ The rate of inflation continued to fall. As of the end of March 2015, consumer prices were up by 0.3% on the same month of the prior year.³⁾ For 2015 as a whole, the Joint Economic Forecast Project expects consumer prices to increase by 0.5 %.

Real Estate Market in Germany **The Rental Market Office Space** The pleasing employment trend generated a further revival in the seven German office centres.⁴⁾ Space turnover reached an accumulated volume of 0.8 million m² in the first quarter of 2015, up by 6 % on the prior-year period. Regional differences were also great in the current reporting period, with the change in relative terms ranging from minus 20 % in Cologne and a plus of 19 % in Stuttgart and Hamburg. There was also a fall in demand in Frankfurt (down 6 %). At 6.6 million m², vacant space at the top 7 locations reached a new low as of the end of the first quarter of 2015. This corresponds to an aggregated vacancy rate of 7.5 %.⁵⁾

Retail Space The pleasing economic development had a positive impact on income expectations and consumer sentiment. In the retail rental market, this was reflected in a strong finish to 2014. As a result, the start to the first quarter of 2015 was moderate. At 109,000 m², space turnover was down by 33 % on the level for the fourth quarter of 2014. According to estimates by JLL, there was a lack of offers in the space segment of 1,000 m² and more. In terms of space turnover by industry, the textile sector again continued to extend its leading position with 46 %. This was followed by the food and gastronomy sector, which remained unchanged at 21 %. The sport/outdoor, health/beauty and home/house/living sectors each accounted for between 7 % and 8 %.⁶⁾

The Investment Market The transaction volume for commercial properties of €9.5 billion in the first three months of the current fiscal year 2015 was only slightly short of the prior-year figure of €10.0 billion. The top 7 locations accounted for around 54 % of the transaction volume. With a share of 45 %, investors primarily focused on office use, followed by properties used for retail trade with a share of 31 %.⁷⁾

¹⁾ Joint Economic Forecast Project Group spring 2015.

²⁾ German Federal Employment Agency: The labour market in March 2015.

³⁾ Destatis: Consumer prices March 2015.

⁴⁾ Berlin, Düsseldorf, Frankfurt/Main, Hamburg, Cologne, Munich, Stuttgart.

⁵⁾ JLL: Office market overview Q1 2015.

⁶⁾ JLL: Retail market overview Q1 2015.

⁷⁾ JLL: The German investment market Q1 2015.

Overall statement from the company management on business development

Having hit all its operating targets, the Fair Value Group had a successful start to the current fiscal year. The rental income and net rental income of the Fair Value Group for the first quarter of 2015 was down on the prior year primarily due to the sale of non-strategic properties in the meantime.

Almost 50 % of our convertible bond of around €8.5 million issued in January 2015 was invested in subsidiaries in the first quarter of 2015. The additionally acquired assets generated an IFRS profit contribution of around €1.9 million.

As a result of these non-cash relevant special effects, the operating result of €5.0 million was up by 24 % on the prior year (€4.0 million). Further savings were seen in net interest expenses. These were down by 22 % on the prior year due to savings related to repayments and interest rates.

After deducting the minority interests, an IFRS group net profit of €2.9 million was generated (prior year: €1.2 million). With regard to the shares outstanding as of 31 March 2015 (9,325,576 shares), this corresponds to €0.31 per share following €0.13 per share in the prior year.

At €1.0 million, the operating business result of the Fair Value Group adjusted for valuation effects (EPRA result/FFO) was down by €0.3 million in the first three months of the current fiscal year compared to the prior-year figure of €1.3 million. On a per share basis FFO came in at €0.11 compared to €0.14 in the prior year. This is in line with the plan for the first quarter of 2015.

Adjusted profit/loss of the Group (EPRA earnings) or FFO

	1/1 – 31/3/2015				1/1 – 31/3/2014			
	Consolidated statement of income	Adjustment for one-off effects		Adjusted consolidated statement of income	Consolidated statement of income	Adjustment for one-off effects		Adjusted consolidated statement of income
in T€		Acquisition, selling and revaluation gains/losses	Measurement Interest rate swaps/ interest caps			Acquisition, selling and revaluation gains/losses	Revaluation Interest rate swaps/ interest caps	
Net rental income	3,917	–	–	3,917	4,781	–	–	4,781
General administrative expenses	(792)	–	–	(792)	(679)	–	–	(679)
Other operating income and expenses	1,319	(1,300)	–	19	40	–	–	40
Profit/loss from disposal of investment property	(18)	18	–	–	(102)	102	–	–
Net valuation gains/losses	590	(590)	–	–	–	–	–	–
Operating result	5,016	(1,872)	–	3,144	4,040	102	–	4,142
Net interest expenses	(1,114)	–	57	(1,057)	(1,432)	–	43	(1,389)
Profit/loss before non-controlling interests	3,902	(1,872)	57	2,087	2,608	102	43	2,753
Share of profit/loss attributable to non-controlling interests	(1,039)	(9)	(15)	(1,063)	(1,434)	(41)	14	(1,461)
Group net profit	2,863	(1,881)	42	1,024	1,174	61	58	1,293
Profit/loss of the Group per share	0.31	–	–	0.11	0.13	–	–	0.14

Results of operations, financial position and net assets

Results of operations

in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014	Change	
			in € thousand	in %
Rental income	5,590	6,185	(595)	(10)
Service charge income	1,034	1,324	(290)	(22)
Service charge expenses	(2,094)	(2,193)	(99)	(5)
Other property operating expenses	(613)	(535)	78	15
Net rental income	3,917	4,781	(864)	(18)
General administrative expenses	(792)	(679)	113	17
Other operating income and expenses, disposal and valuation gains/losses	1,891	(62)	1,953	n/a
Operating result	5,016	4,040	976	24
Net interest expenses	(1,114)	(1,432)	(318)	(22)
Minority interests	(1,039)	(1,434)	(395)	(28)
Group net profit	2,863	1,174	1,689	144

Rental income of €5.6 million was down by €0.6 million, or 10 %, on the corresponding prior-year period. The decrease is primarily due to sales of properties in the meantime. On account of the increase in other property operating expenses, net rental income of €3.9 million was down by €0.9 million, or 18 %, on the prior-year figure of €4.8 million.

General administrative expenses increased to €0.8 million (prior year: €0.7 million) on account of higher personnel expenses and advisory fees. The acquisition of non-controlling interests in subsidiaries generated earnings of €1.3 million. The acquisition of an inner city property in Chemnitz via a subsidiary resulted in a valuation gain of €0.6 million. This produces an operating result of €5.0 million, which was up by €1.0 million, or 24 %, on the prior year (€4.0 million).

Due to savings related to repayments and lower interest rates, net interest expenses within the Group of €1.1 million were down by €0.3 million, or 22 %, on the prior-year figure of €1.4 million.

After deducting the minority interests of €1.0 million (prior year: €1.4 million), the Fair Value Group closed the first three months of the current fiscal year 2015 with a group net profit of €2.9 million and €0.31 per share (prior year: €1.2 million and €0.13 per share).

Financial position

Cash flow from operating activities At €1.7 million, cash received from operating activities was down by €1.0 million on the prior-year level, which is primarily attributable to the decrease in net rental income.

Cash and cash equivalents		
in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Net cash flow from operating activities	1,729	2,764
Net cash flow from investing activities	9,607	18,204
Net cash flow from financing activities	(6,822)	(21,656)
Change in cash and cash equivalents	5,014	(688)
Cash and cash equivalents – start of period	14,588	17,361
Cash and cash equivalents – end of period	19,602	16,673

Cash flow from investing activities Investing activities resulted in a net cash inflow totalling €9.6 million (prior year: €18.2 million). At €13.2 million, the largest share was accounted for by the receipt of the purchase prices for three properties sold in the current year (Cologne, Ahaus and Pinneberg). A large share was also accounted for by cash paid for the acquisition of additional interests in subsidiaries of €2.9 million and €0.7 million for the full purchase price paid for the land in Chemnitz by the subsidiary H1CH.

Cash flow from financing activities Cash outflow from financing activities of €6.8 million (prior year: €21.7 million) is the result of scheduled repayments of €2.8 million and sales-related unscheduled repayments of €10.7 million. Also included are the costs for the reversal of an interest rate hedge (€0.9 million) as well as the deduction of the reversal of the provision for this interest derivative (around €0.8 million) contained in the group net profit. The issue of the convertible bond is included as a cash inflow of €8.4 million in the cash flow from financing activities.

Liquidity Cash and cash equivalents at the Group increased by €5.0 million in the first three months of the current fiscal year to €19.6 million (prior-year period: decrease of €0.7 million to €16.7 million). The increase is primarily due to as yet uninvested funds from the convertible bond.

Net assets

Assets Total assets amounted to €304.2 million as of 31 March 2015, down by 2 % on the level as of 31 December 2014 (€311.9 million).

Non-current assets of around €279.2 million accounted for around 92 % of total assets (31 December 2014: €277.9 million, or 89 %). Of current assets of €25.0 million, or 8 %, of total assets (31 December 2014: €20.7 million), cash and cash equivalents of €19.1 million accounted for 76 %. At €5.9 million, receivables and other assets accounted for 24 %.

Equity and liabilities On 31 March 2015, assets of €81.2 million (27 %) were financed by equity attributable to the shareholders of Fair Value REIT-AG and €223.0 million (73 %) by liabilities.

Here it must be taken into account that the minority interests in subsidiaries of €56.9 million are recognised under liabilities pursuant to IFRSs. For the calculation of the minimum equity ratio for the purpose of the REITG, interests in subsidiaries included in the consolidated financial statements not belonging to the parent company and recognised as debt capital are treated as equity. Group equity adjusted accordingly came to a total of €138.1 million, or 45 % of total assets (31 December 2014: €138.3 million, or 44 %).

With immovable assets totalling €269.4 million as of 31 March 2015, the REIT equity ratio amounted to 51.3 % (31 December 2014: 49.2 %).

Financial liabilities Taking into account the convertible bond of €8.46 million issued in January 2015 (fair value on 31 March 2015: around €8.3 million), the Group's financial liabilities amounted to €159.9 million, or 53 % of total assets (31 December 2014: €165.1 million, or 53 %). Of this amount, €54.2 million, or 22 %, was current (31 December 2014: €54.2 million, or 33 %).

Financial liabilities of the Group

Short name	Lender	Amount 31/12/2014 € thousand	Amount 31/3/2015 € thousand	Interest rate	Bankmargin	Term
FV AG	Convertible bond (ISIN DE000A13SAB8)	–	(8,275)	4.50 %	–	19/1/2020 E
FV AG	Capital Bank GRAWE Group, Graz	(7,000)	(6,993)	EURIBOR	5.00 %	31/12/2016 E
FV AG	WIB Westdeutsche Immobilienbank AG ¹⁾	(9,700)	(9,500)	2.55 %	–	30/6/2019 E
FV AG	WIB Westdeutsche Immobilienbank AG ¹⁾	(12,004)	(9,833)	EURIBOR	1.27 %	30/6/2019 E
IC 07	HSH Nordbank AG	(816)	–	–	–	–
IC 13	HSH Nordbank AG	(10,693)	(10,616)	EURIBOR	3.20 %	30/10/2015
IC 13	HSH Nordbank AG	(2,067)	(1,997)	3.10 %	–	30/6/2015
IC 13	Sparkasse Langenfeld	(2,741)	(2,655)	1.55 %	–	30/3/2020
BBV 06	Unicredit Bank AG	(8,072)	–	–	–	–
IC 12	WIB Westdeutsche Immobilienbank AG ²⁾	(1,979)	(1,965)	5.20 %	–	31/8/2016
IC 15	HSH Nordbank AG	(6,349)	(6,163)	EURIBOR	3.10 %	28/8/2015
IC 15	Sparkasse Südholstein	(7,720)	(7,652)	2.71 %	–	30/1/2018
IC 15	pbb Deutsche Pfandbriefbank	(2,904)	(2,904)	3.00 %	–	30/6/2015
BBV 02	Bayer. Beamten Lebensvers. a.G. ³⁾	(139)	(145)	5.80 %	–	31/12/2016 E
BBV 02	Bayer. Beamten Lebensvers. a.G. ³⁾	(942)	(967)	6.15 %	–	31/12/2016 E
BBV 10	Bayer. Beamten Lebensvers. a.G.	(22,193)	(21,899)	3.90 %	–	31/12/2015
BBV 10	Unicredit Bank AG	(25,658)	(25,365)	EURIBOR	1.97 %	31/3/2016
BBV 10	Unicredit Bank AG	(9,947)	(9,344)	EURIBOR	2.05 %	31/3/2016
BBV 14	DG Hypothekenbank AG ⁴⁾	(34,150)	(33,675)	EURIBOR	1.25 %	31/3/2016 E
Total	Separate financial statements	(165,074)	(159,949)			
Total	Reversal of marked-to-market differences and deferred processing fees	(8)	66			
Total	Consolidated financial statements	(165,082)	(159,883)			

¹⁾ LTV 75 % // DSCR 120 %²⁾ LTV 50 % // DSCR 120 %³⁾ interest-free and redemption-free on account of assigning the purchase price share deposited to an escrow account for the sold Erlangen property⁴⁾ Fixed interest from 1 May 2015 to 31 March 2020 at 1.38 % p.a. // LTV 55 % // DSCR 110 %

Other than those loans marked with an “E” indicating the date of final maturity, the terms relate to the agreed interest terms as of 31 March 2015. After the terms have expired, the lenders have to offer new conditions.

As of the reporting date 31 March 2015, there were no longer any financial liabilities secured using interest rate swaps (31 December 2014: €5.0 million, or 3.0 %, of the financial liabilities at the Group). There is one interest hedge (interest cap) with a nominal volume of €33.6 million, or 20.7 % of financial liabilities at the Group.

Interest rate hedges 31/3/2015

		Amount € thousand	Cap/Swap	Interest rate	Term
BBV 14	DZ Bank AG	33,600	Cap	4.25 %	31/3/2016
Total		33,600	–	–	–

The fixed-interest loans amounted to €58.0 million, or 36 % of the Group's financial liabilities (31 December 2014: €47.6 million, or 29 %).

As the interest rate cap has not had any effect on account of the agreed cap of the 3-month EURIBOR interest rate of 4.25 % p.a., €102.0 million, or 64 %, of financial liabilities with no interest hedges are subject to variable interest on the reporting date (31 December 2014: around €118.0 million, or 71 %).

Assuming a 3-month EURIBOR interest rate for financial liabilities with a variable interest rate of 0.1% p.a., the weighted interest rate for all financial liabilities at the Group, taking into account the bank margins as of the reporting date, amounted to around 2.7 % p.a.

The weighted remaining term of the fixed-interest and bank margin agreements amounted to 2.5 years following 1.5 years as of 31 December 2014.

Equity/net asset value (NAV) Adding the market values of the properties and investments, taking into account the other balance sheet items, resulted in a net asset value (NAV) of €81.2 million as of 31 March 2015, compared to €78.3 million as of 31 December 2014.

The 9,325,572 shares outstanding as of the reporting date produce a NAV of €8.71 per share following €8.39 as of 31 December 2014.

NAV in the consolidated statement of financial position

in € thousand	31/3/2015	31/12/2014
Market value of properties (including held for sale)	269,408	280,958
Other assets less other liabilities	32,284	27,135
Non-controlling interests	(56,850)	(60,048)
Financial liabilities	(159,883)	(165,082)
Other liabilities	(3,733)	(4,690)
Net asset value	81,226	78,273
Net asset value per share	8.71	8.39

The Best Practice Recommendations of the European Public Real Estate Association (EPRA) are accepted guidelines which complement the IFRS reporting of real estate companies and provide guidance on a transparent calculation of the net asset value. The EPRA-NAV indicator shown below is based on these recommendations, eliminates the market values of derivative financial instruments and therefore corresponds to the property-related net asset value. As deferred taxes are not relevant to Fair Value REIT-AG due to its REIT status, the EPRA-NAV figure presented below also corresponds with the NNAV indicator used by some experts.

EPRA-NAV		
in € thousand	31/3/2015	31/12/2014
NAV pursuant to consolidated balance sheet	81,226	78,273
Market value of derivative financial instruments	140	990
Thereof attributable to minorities	(71)	(76)
EPRA-NAV	81,295	79,187
EPRA-NAV per share	8.72	8.49

Subsequent Events

On 6 May 2015, the Company announced the successful and complete placement of the cash capital increase with shareholder subscription rights concluded on 17 April 2015 by fully using the authorised capital 2014. The Company's issued capital was increased by 50 % to €28,220,646.00 by issuing 4,703,441 new no-par value bearer shares with an notional share in issued capital of €2.00 each.

The gross issue proceeds amount to around €37 million, while net income after transaction costs will amount to an estimated €34.5 million. On 7 May 2015, the new shares were admitted for trading on the regulated market while at the same time being admitted for trading on the subsegment of the regulated market with additional post-admission obligations (Prime Standard) on the Frankfurt Stock Exchange. The new shares were included in the listing of the Company's shares on the Frankfurt Stock Exchange (ISIN DE000A14KRR3 / WKN A14KRR) on 8 May 2015.

Risk Report

The Fair Value Group is exposed to a variety of risks on account of its business activities. In addition to economic risks, these primarily relate to rental risks, rental loss risks as well as interest and liquidity risks. The risk management system as well as the Company's general risks are described on pages 38 to 44 of Fair Value REIT-AG's 2014 annual report.

For fiscal year 2015, the Management Board once again does not expect any risks to occur that could jeopardise the ability of Fair Value-AG to continue as a going concern.

Opportunities and Forecast Report

Favourable economic conditions are expected to continue having a positive effect on demand for space and therefore on the upcoming follow-up and new rentals in the Fair Value Group's portfolio.

The Management Board is confident that it can use the current market environment to continue pursuing its planned growth of Fair Value REIT-AG by making additions to the existing and investment portfolio that generate substantial cash flows with a focus on retail and office properties at secondary locations in Germany.

The convertible bond of €8.5 million issued on January 2015 and the successful placement of the capital increase with net proceeds of around €34.5 million have laid the necessary financial foundations.

The funds generated from this will be used to finance direct and indirect investment in commercial real estate. In this regard, up to 90 % of the funds generated is to be used to finance the acquisition of properties (direct investments) from subsidiaries and third parties and up to 10 % for the acquisition of further investments in subsidiaries as well as for general business purposes.

Munich, 11 May 2015

Fair Value REIT-AG



Frank Schaich, Management Board

Consolidated Interim Financial Statements

Consolidated Balance Sheet

Consolidated balance sheet			
in € thousand	Note no.	31/3/2015	31/12/2014
Assets			
Non-current assets			
Intangible assets	3	68	78
Property, plant and equipment		31	3
Investment property	4	269,408	267,718
Other receivables and assets	5	9,660	10,110
Total non-current assets		279,167	277,909
Current assets			
Trade receivables		2,769	2,981
Income tax receivables		4	19
Other receivables and assets	5	3,135	3,157
Cash and cash equivalents		19,102	14,588
Total current assets		25,010	20,745
Non-current assets held for sale	6	–	13,240
Total assets		304,177	311,894
Equity and liabilities			
Equity			
Issued capital		18,814	18,814
Capital reserves		74,477	74,387
Revaluation reserve		(18)	(18)
Loss carryforward		(11,649)	(14,512)
Treasury shares		(398)	(398)
Total equity	7	81,226	78,273
Non-current liabilities			
Minority interests		56,850	60,048
Financial liabilities	8	124,500	110,907
Derivative financial instruments		140	990
Other liabilities		634	635
Total non-current assets		182,124	172,580
Current liabilities			
Provisions		588	555
Financial liabilities	8	35,383	54,175
Trade payables		1,757	2,256
Other liabilities		3,099	4,055
Total current assets		40,827	61,041
Total equity and liabilities		304,177	311,894

Consolidated Statement of Income

Consolidated statement of income			
in € thousand	Note no.	1/1 – 31/3/ 2015	1/1 – 31/3/ 2014
Rental income		5,590	6,185
Service charge income		1,034	1,324
Service charge expenses		(2,094)	(2,193)
Other property operating expenses		(613)	(535)
Net rental income		3,917	4,781
General administrative expenses	10	(792)	(679)
Other operating income		1,368	75
Other operating expenses		(49)	(35)
Total other operating income and expenses		1,319	40
Income from the disposal of investment properties and non-current assets held for sale		16,540	18,005
Expenses in connection with the disposal of investment properties and non-current assets held for sale		(16,558)	(18,107)
Profit/loss from the disposal of investment property and non-current assets held for sale		(18)	(102)
Valuation gains from investment property		590	–
Valuation result	4	590	–
Operating result		5,016	4,040
Interest income		5	16
Interest expenses	11	(1,119)	(1,448)
Profit/loss before taxes		3,902	2,608
Minority interests		(1,039)	(1,434)
Group net profit		2,863	1,174
Earnings per share in € (basic/diluted)		0.31	0.13

Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income		
in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Group net profit	2,863	1,174
Other comprehensive income		
Gains (+) / losses (-) from cash flow hedges	–	–
minus minority interests - gains (-) / losses (+)	–	–
Total other comprehensive income	–	–
Total comprehensive income	2,863	1,174

Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity							
in € thousand except for circulating shares	Number of shares in circulation (in pieces)	Issued capital	Capital reserves	Treasury shares	Revaluation reserve	Retained earnings	Total
As of 1 January 2014	9,325,572	47,034	46,167	(398)	–	(12,130)	80,673
Dividends	–	–	–	–	–	–	–
Group net profit	–	–	–	–	–	1,174	1,174
As of 31 March 2014	9,325,572	47,034	46,167	(398)	–	(10,956)	81,847
As of 1 January 2015	9,325,572	18,814	74,387	(398)	(18)	(14,512)	78,273
Equity instrument	–	–	90	–	–	–	90
Group net profit	–	–	–	–	–	2,863	2,863
As of 31 March 2015	9,325,572	18,814	74,477	(398)	(18)	(11,649)	81,226

Consolidated Cash Flow Statement

Consolidated statement of cash flows		
in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Group net profit	2,863	1,174
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Interest expenses	1,119	1,448
Interest income	(5)	(16)
Depreciation of property, plant and equipment and amortization of intangible assets	10	10
Profits (-) / losses (+) from the disposal of investment properties	18	(102)
Net valuation gains/losses	(590)	–
Other non-cash expenses	(1,237)	5
Shares of losses (+) / gains (-) attributable to minorities	1,039	1,434
Result from the valuation of derivative financial instruments	–	(902)
Interest paid	(1,410)	(2,100)
Interest received	5	16
Changes in assets, equity and liabilities		
Increase (-) / decrease (+) in trade receivables	163	669
Increase (-) / decrease (+) in other receivables	22	1,819
Decrease (-) / increase (+) in provisions	33	(39)
Decrease (-) / increase (+) in trade payables	(499)	(899)
Decrease (-) / increase (+) in other liabilities	198	247
Net cash flow from operating activities	1,729	2,764
Purchase of investment property	(650)	2
Purchase of property, plant and equipment and intangible assets	(28)	–
Acquisition of interests in subsidiaries	(2,937)	–
Proceeds from disposal of investment property / assets under construction	13,222	18,202
Net cash flow from investing activities	9,607	18,204
Proceeds from borrowings	8,365	–
Repayment of borrowings	(13,474)	(20,942)
Interest rate hedge	(1,713)	–
Dividends paid to non-controlling interests	–	(714)
Net cash flow from financing activities	(6,822)	(21,656)
Change in cash and cash equivalents	4,514	(688)
Cash and cash equivalents – start of period	14,588	17,361
Cash and cash equivalents – end of period	19,102	16,673

Notes

(1) General corporate information

Fair Value REIT-AG is a stock corporation founded and based in Germany. The Company does not have any branch offices. Following its registration as a stock corporation on 12 July 2007, Fair Value REIT-AG (the "Company") has been listed on the stock exchange since 16 November 2007. It qualified as a real estate investment trust (REIT) on 6 December 2007. The shares of Fair Value REIT-AG are publicly traded. The registered offices of the Company are located at Leopoldstr. 244 in 80807 Munich.

As a real estate investment firm, the Company focuses on the acquisition and management of commercial real estate in Germany. Its investing activities focus on retail and office property in secondary locations. Fair Value REIT-AG invests directly in real estate as well as indirectly via the acquisition of investments in real estate partnerships. Information on the group structure is presented in note 2. Information on other group relationships with related parties is presented in note 13.

Due to its investment in a total of 10 (31 December 2014: 10) closed-end real estate funds as well as seven additional entities, the Company is required to prepare consolidated financial statements.

(2) Significant accounting, measurement and consolidation methods

Basis of presentation of the financial statements The consolidated financial statements of Fair Value REIT-AG were prepared in accordance with the International Financial Reporting Standards ("IFRSs") of the International Accounting Standards Board (IASB) while taking into account IAS 34 "Interim Financial Reporting".

The consolidated financial statements are generally prepared in accordance with the historical cost convention, except for investment property which was measured at fair value.

The consolidated financial statements are presented in euros. Unless otherwise specified, all amounts are stated in thousands of euro (€ thousand).

Comparative figures Comparative figures are used in the statement of financial position and the consolidated statement of changes in equity as of the reporting date 31 December 2014. The comparative figures in the statement of income, the statement of comprehensive income and the statement of cash flows as well as the other overviews relate to the period from 1 January to 31 March 2014.

Consolidation principles and basis of consolidation All subsidiaries are included in the consolidated financial statements. The basis of consolidation did not change in comparison to 31 December 2014.

As of 31 March 2015, the basis of consolidation was as follows:

Share of voting rights in %	Share as of 31/3/2015	Share as of 31/12/2014
GP Value Management GmbH, Munich ("GPVM")	100.00	100.00
BBV 3 Geschäftsführungs-GmbH & Co. KG, Munich ("FV03")	100.00	100.00
BBV 6 Geschäftsführungs-GmbH & Co. KG, Munich ("FV06")	100.00	100.00
BBV 9 Geschäftsführungs-GmbH & Co. KG, Munich ("FV09")	100.00	100.00
BBV 10 Geschäftsführungs-GmbH & Co. KG, Munich ("FV10")	100.00	100.00
BBV 14 Geschäftsführungs-GmbH & Co. KG, Munich ("FV14")	100.00	100.00
Hartmannstraße 1 Chemnitz GmbH & Co. KG, Chemnitz ("H1CH")	100.00	100.00
BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG, Munich ("BBV03")	80.05	80.05
IC Fonds & Co. Büropark Teltow KG, Munich ("IC07")	77.99	77.99
IC Fonds & Co. Forum Neuss KG, Munich ("IC03")	71.58	71.58
BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG, Munich ("BBV06")	61.75	60.89
IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG, Munich ("IC13")	56.97	51.21
IC Fonds & Co. SchmidtBank-Passage KG, Munich ("IC12")	53.76	50.36
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG, Munich ("BBV14")	49.54	45.56
IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG, Munich ("IC15")	47.83	40.22
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG, Munich ("BBV10")	44.31	41.66
BBV Immobilien-Fonds Erlangen GbR, Munich ("BBV02")	42.02	42.02

In the past reporting quarter, non-controlling interests in subsidiaries were increasingly acquired. This caused the ownership interests at the entities BBV 06, BBV 10, BBV 14, IC 12, IC 13 and IC 15 to change in comparison to 31 December 2014, in some cases significantly.

Accounting policies The accounting policies used in the quarterly financial statements are the same as those used in the consolidated financial statements as of 31 December 2014.

Fair value measurement The Group measures financial instruments and real estate on each reporting date at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the business transaction in the course of which the asset is sold or the liability is transferred takes place either on the:

- principal market for the asset or the liability or
- most advantageous market for the asset or liability if there is no principal market.

The Group must have access to the principal market or the most advantageous market.

(3) Intangible assets

Intangible assets mainly contain a contractual right that was individually measured during the business combination. This right is amortised over a useful life of five years. In the reporting quarter, €9 thousand was amortised on an amount of €61 thousand.

(4) Investment property

Development of investment property

in € thousand	Direct investments	Subsidiaries	Total
Acquisition cost			
As of 1 January 2015	38,062	325,678	363,740
Additions	3,670	1,690	5,360
Disposals	–	(3,706)	(3,706)
As of 31 March 2015	41,732	323,662	365,394

Changes in value

As of 1 January 2015	(5,002)	(91,020)	(96,022)
Disposals	–	36	36
As of 31 March 2015	(5,002)	(90,984)	(95,986)

Fair values

As of 1 January 2015	33,060	234,658	267,718
As of 31 March 2015	36,730	232,678	269,408

The values determined by CBRE GmbH, Frankfurt, as of 31 December 2014 were used to determine the fair value of the investment property. Fair Value REIT-AG acquired the only remaining property in Cologne, Marconistrasse, from the subsidiary BBV03 for €3,300 thousand. From the Group's perspective, the directly owned property continues to be accounted for at the market value of €3,670 thousand determined by CBRE.

As of 31 March 2015, there were a total of 41 investment properties, of which 36 properties are freehold, four properties partially owned and one leasehold property. Compared to 31 December 2014, the number of properties increased by one. The addition of €1,690 thousand represents the fair value for the land acquired in Chemnitz, Hartmannstrasse 1, with the purchase price amounting to €1,100 thousand. The €450 thousand down payment on the purchase price recognised under other assets (non-current) was reversed. The remaining acquisition cost of €650 thousand was financed via a shareholder loan with Fair Value REIT-AG (€600 thousand) and via cash and cash equivalents (€50 thousand) of H1CH. The market value for the property determined by CBRE amounts to €1,690 thousand. This gives rise to a net measurement gain of €590 thousand.

(5) Other receivables and assets (non-current and current)

Other assets (non-current)		
in € thousand	31/3/2015	31/12/2014
Non-financial assets		
Receivable settlement balance BBV09	9,652	9,652
Down payment on purchase price for property Hartmannstr. 1, Chemnitz	–	450
Security deposit ("Fair Value")	8	8
	9,660	10,110

Other assets (non-current) decreased by €450 thousand due to the reclassification of the down payment on the purchase price of the property Hartmannstrasse 1, Chemnitz, as an investment property (note 4).

Other assets (current)		
in € thousand	31/3/2015	31/12/2014
Financial assets		
Purchase price receivable for commercial property Erlangen, Henkestr. 5 (BBV02)	1,355	1,355
Receivable settlement balance BBV09	1,073	1,073
Reversal of down payment on purchase price for property Chemnitz, Hartmannstr. 1 (IC12)	–	500
Insurance	91	7
Settlement balance minority partners	84	84
Property management fees	48	–
Other	25	18
Collateral provided	3	3
Various entities of the IC group	2	–
Total financial assets	2,681	3,040
Non-financial assets		
Consulting fees for capital increase	346	–
VAT	80	45
Other	28	72
Total non-financial assets	454	117
Total assets	3,135	3,157

With regard to other assets (current), financial assets fell by €359 thousand compared to 31 December 2014. Non-financial assets increased by €337 thousand. Consulting fees incurred in the reporting period to prepare the capital increase of €346 thousand were recorded as prepaid expenses. After performing the capital increase, these prepaid expenses are offset against the capital reserves.

(6) Non-current assets held for sale

in € thousand	31/3/2015	31/12/2014
Logistics and office property Cologne, Köhlstr. 8 ("BBV06")	–	8,350
Health centre Pinneberg, Damm 49 ("Fair Value")	–	3,250
Retail property Ahaus, Zum Rotering 5-7 ("BBV10")	–	1,640
	–	13,240

The logistics and office property in Cologne (BBV06), the health centre in Pinneberg (Fair Value) and the retail property in Ahaus (BBV10) were sold under notarised agreements dated 16 December 2014, 1 December 2014 and 22 December 2014 at purchase prices of €8,350 thousand, €3,250 thousand and €1,640 thousand, respectively. Following payment of the purchase prices as of 7 January 2015 (Fair Value) and 27 January 2015 (BBV10), ownership with all risks and rewards for the two properties was transferred to the acquirers. The risks and rewards were transferred to the acquirer of the property in Cologne (BBV06) on 27 February 2015.

(7) Equity

The conversion right for the convertible bond of Fair Value issued in January 2015 is treated as an equity instrument and accounted for directly in group equity without effecting profit or loss. The amount of the equity instrument recognised is determined by discounting the convertible bond at the higher market rate that would be paid for a bond with a conversion right. Discounting at a higher market rate produces a lower present value. The difference between the repayment amount of the bond and this present value of €90 thousand represents the value of the equity instrument. It is reversed through profit or loss over the term of the convertible bond.

(8) Financial liabilities

Non-current and current liabilities totalling €159,883 thousand decreased by €5,199 thousand compared to 31 December 2014. Scheduled repayments of €2,799 thousand and extraordinary repayments totalling €10,675 thousand were made. Of the extraordinary repayments, €7,500 thousand relates to the sale of the logistics and office property in Cologne (BBV06), €500 thousand to the sale of the property in Ahaus (BBV10) and €1,930 thousand to the sale of the property in Pinneberg at Fair Value. The loan of IC07 at HSH Nordbank of €745 thousand was replaced in full with a shareholder loan of Fair Value.

As a result of the extraordinary repayments and the extension of the term of the loan of Fair Value at Capital Bank in Vienna of €7,000 thousand, current financial liabilities decreased by €18,792 thousand.

The fair value of the convertible bond of Fair Value-REIT AG developed as follows as of 31 March 2015:

Convertible loan	
in € thousand	
Convertible bond (nominal)	8,460
Transaction costs	(103)
Embedded derivative	(90)
Valuation	8
As of 31 March 2015	8,275

(9) Property operating expenses

in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Energy costs and water consumption	755	772
Property tax	198	210
Property management fees	165	180
Garden maintenance/cleaning	154	120
Servicing and operating technical systems	102	151
Insurance	100	74
Security	90	83
Caretaker costs	84	84
Non-deductible VAT	73	104
Other	71	68
Building cleaning	68	76
Management contract costs	65	91
Other operating expenses	48	36
Street cleaning/garbage removal	46	50
Maintenance cost payments for partially-owned properties	35	52
Other property costs	26	33
Advertising and promotional expenses	14	7
Expenses from the settlement of service charges	–	2
Service charge expenses	2,094	2,193
Repairs and maintenance costs	390	501
Technical building maintenance	139	31
Letting costs	84	3
Other property operation expenses	613	535
Total property operating expenses	2,707	2,728

(10) General administrative expenses

in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Personnel expenses	177	120
Office expenses	19	13
Travel and vehicle expenses	7	8
Accounting	32	33
Stock market listing, Annual General Meeting and events	57	70
Appraisals	10	35
Legal and consulting fees	88	33
Audit fees	49	40
Remuneration (Supervisory Board, Advisory Board and General Partner remuneration)	39	25
Fund management	139	130
Trustee fees	68	89
Amortisation, depreciation and impairment	9	10
Other	44	37
Non-deductible input tax	54	36
Total general administrative expenses	792	679

Of the general administrative expenses, €428 thousand (54 %) was attributable to Fair Value, compared to €369 thousand (54 %) in the prior year. An amount of €364 thousand (46 %) was attributable to the subsidiaries, compared to €310 thousand (46 %) in the prior year. At the subsidiary BBV 03, provisions were made for anticipated legal costs of €30 thousand stemming from a lawsuit filed by the buyer of the property in Weyhe relating to maintenance allegedly not having been carried out.

(11) Interest expenses

in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Changes in value of derivative financial instruments / consumption of provisions	841	902
Other interest expenses	(1,960)	(2,350)
Total interest expenses	(1,119)	(1,448)

Interest expenses contain a gain from the change in the fair value of derivative financial instruments (interest rate hedges) of €841 thousand. Of the other interest expenses, €1,006 thousand was used for loans. A further €863 thousand was used as an offsetting payment for the reversal of the interest rate swap at Fair Value REIT-AG. The remaining €91 thousand relates to standby fees, the reversal of accruals for processing fees as well as the payment of a cap premium.

(12) Segment revenue and earnings

in € thousand	1/1 – 31/3/2015		1/1 – 31/3/2014	
	Segment revenue	Segment earnings	Segment revenue	Segment earnings
Direct investments	732	550	817	554
Subsidiaries	5,892	3,159	6,692	3,801
Total segment revenue and earnings	6,624	3,709	7,509	4,355
Central administrative expenses and other	–	1,307	–	(315)
Net interest expenses	–	(1,114)	–	(1,432)
Minority interests	–	(1,039)	–	(1,434)
Profit/loss of the Group	–	2,863	–	1,174

The table below shows the profit and loss statements of the segments; the "Subsidiaries" segment has been broken down by subsidiary.

Profit and loss statement by segment as of 31 March 2015

	Direct investments				
in € thousand	FV AG	IC07	IC12	H1CH	IC13
Rental income	609	179	145	4	427
Service charge income	123	76	85	–	126
Segment revenue	732	255	230	4	553
Service charge expenses	(131)	(85)	(116)	–	(172)
Other property operating expenses	(6)	(50)	(15)	–	(103)
Segment-related administrative expenses	(37)	(11)	(11)	(7)	(22)
Other operating expenses and income (balance)	(8)	10	5	–	2
Gain from disposal of investment property	–	–	–	–	–
Valuation gains	–	–	–	590	–
Valuation losses	–	–	–	–	–
Segment earnings	550	119	93	587	258
Central administrative expenses	(391)	–	–	–	–
Other expenses	–	–	–	–	–
Net interest expenses	(223)	(7)	(18)	–	(123)
Minority interests	–	–	–	–	–
Income taxes	–	–	–	–	–
Net income	(64)	112	75	587	135

Subsidiaries									
	IC15	BBV02	BBV03	BBV06	BBV10	BBV14	Total	Reconciliation	Group
	679	(1)	90	438	1,747	1,273	4,981	–	5,590
	70	–	11	70	430	43	911	–	1,034
	749	(1)	101	508	2,177	1,316	5,892	–	6,624
	(110)	–	(14)	(219)	(836)	(411)	(1,963)	–	(2,094)
	(18)	–	(54)	(38)	(258)	(71)	(607)	–	(613)
	(32)	(2)	(67)	(48)	(74)	(95)	(369)	–	(406)
	6	–	(31)	2	1	9	4	–	(4)
	–	(7)	(370)	(5)	(6)	–	(388)	370	(18)
	–	–	–	–	–	–	590	–	590
	–	–	–	–	–	–	–	–	–
	595	(10)	(435)	200	1,004	748	3,159	370	4,079
	–	–	–	–	–	–	–	5	(386)
	–	–	–	–	–	–	–	1,323	1,323
	(126)	–	–	(37)	(439)	(141)	(891)	–	(1,114)
	–	–	–	–	–	–	–	(1,039)	(1,039)
	–	–	–	–	–	–	–	–	–
	469	(10)	(435)	163	565	607	2,268	659	2,863

Profit and loss statement by segment as of 31 March 2014

	Direct investments				
in € thousand	FV AG	IC03	IC07	IC12	IC13
Rental income	669	–	154	120	469
Service charge income	148	–	82	72	132
Segment revenue	817	–	236	192	601
Service charge expenses	(205)	(10)	(100)	(100)	(165)
Other property operating expenses	(8)	–	(27)	(106)	(66)
Segment-related administrative expenses	(41)	(4)	(16)	(10)	(24)
Other operating expenses and income (balance)	–	–	–	(4)	–
Valuation losses	(9)	–	–	–	–
Segment earnings	554	(14)	93	(28)	346
Central administrative expenses	(328)	–	–	–	–
Other income from at equity accounted participations	1,691	–	–	–	–
Net interest expenses	(347)	–	(9)	(17)	(113)
Minority interests	–	–	–	–	–
Net income	1,570	(14)	84	(45)	233

Subsidiaries									
	IC 15	BBV 02	BBV 03	BBV 06	BBV 10	BBV 14	Total	Reconciliation	Group
	730	–	170	693	1,881	1,299	5,516	–	6,185
	87	–	26	73	402	302	1,176	–	1,324
	817	–	196	766	2,283	1,601	6,692	–	7,509
	(104)	(19)	(42)	(250)	(780)	(418)	(1,988)	–	(2,193)
	(16)	–	(20)	(72)	(161)	(59)	(527)	–	(535)
	(29)	(7)	(22)	(47)	(82)	(69)	(310)	–	(351)
	(29)	–	–	–	51	9	27	13	40
	–	(8)	–	(75)	(3)	(7)	(93)	–	(102)
	639	(34)	112	322	1,308	1,057	3,801	13	4,368
	–	–	–	–	–	–	–	–	(328)
	–	–	–	–	–	–	–	(1,691)	–
	(140)	(14)	–	(183)	(464)	(145)	(1,085)	–	(1,432)
	–	–	–	–	–	–	–	(1,434)	(1,434)
	499	(48)	112	139	844	912	2,716	(3,125)	1,174

The following table shows all assets and liabilities allocated and not allocated to the segments; the "Subsidiaries" segment has been broken down by fund company.

Assets and liabilities by segment 31 March 2015

	Direct investments					
in € thousand	FV AG	IC03	IC07	IC12	H1CH	IC13
Property, plant and equipment and intangible assets	11	–	–	24	–	3
Investment property	36,360	–	8,630	7,570	1,690	18,450
Non-current assets held for sale	–	–	–	–	–	–
Trade receivables	318	20	273	92	5	65
Income tax receivables	18	–	–	–	–	–
Other receivables and assets	12,481	8	6	5	–	9
Cash and cash equivalents	2,186	343	54	844	12	723
Segment assets subtotal	51,374	371	8,963	8,535	1,707	19,250
Participation in subsidiaries	63,245	–	–	–	–	–
Total assets	114,619	371	8,963	8,535	1,707	19,250
Provisions	(411)	(16)	(7)	(9)	–	(11)
Trade payables	(369)	(216)	(43)	(69)	–	(99)
Other liabilities	(713)	(12)	(28)	(53)	–	(269)
Segment liabilities subtotal	(1,493)	(244)	(78)	(131)	–	(379)
Minority interests	–	–	–	–	–	–
Financial liabilities	(34,601)	–	(750)	(1,965)	(620)	(15,268)
Derivative financial instruments	–	–	–	–	–	–
Total liabilities	(36,094)	(244)	(828)	(2,096)	(620)	(15,647)
Net assets as of 31 March 2015	78,525	127	8,135	6,439	1,087	3,603

Overview of maturities of financial liabilities

Long term	(33,769)	–	–	(1,861)	–	(14,750)
Short term	(832)	–	(750)	(104)	(620)	(518)
Financial liabilities	(34,601)	–	(750)	(1,965)	(620)	(15,268)

Subsidiaries								
IC15	BBV02	BBV03	BBV06	BBV10	BBV14	Total	Reconciliation	Group
–	–	–	–	–	–	27	61	99
32,830	–	–	13,038	80,650	69,820	232,678	370	269,408
–	–	–	–	–	–	–	–	–
93	–	18	73	1,059	694	2,392	59	2,769
–	–	–	–	–	–	–	(14)	4
76	1,382	6	97	50	43	1,682	(1,368)	12,795
1,885	42	4,384	1,495	3,147	3,802	17,231	185	19,102
34,884	1,424	4,408	14,703	84,906	74,359	254,010	(707)	304,177
–	–	–	–	–	–	–	(63,245)	–
34,884	1,424	4,408	14,703	84,906	74,359	254,010	(63,952)	304,177
(18)	(9)	(9)	(20)	(25)	(48)	(172)	(5)	(588)
(45)	(8)	(68)	(59)	(579)	(202)	(1,388)	–	(1,757)
(196)	(4)	(111)	(432)	(1,468)	(425)	(2,998)	(22)	(3,733)
(259)	(21)	(188)	(511)	(2,072)	(675)	(4,558)	(27)	(6,078)
–	–	–	–	–	–	–	(56,850)	(56,850)
(16,720)	(1,112)	–	–	(56,608)	(33,609)	(127,152)	1,370	(159,883)
–	–	–	–	–	(140)	(140)	–	(140)
(16,979)	(1,133)	(188)	(511)	(58,680)	(34,424)	(131,850)	(55,507)	(222,951)
17,905	291	4,220	14,192	26,226	39,935	121,073	(119,459)	81,226
(7,440)	(1,033)	–	–	(33,123)	(32,524)	(91,231)	–	(124,500)
(9,280)	(79)	–	–	(23,485)	(1,085)	(35,921)	1,370	(35,383)
(16,720)	(1,112)	–	–	(57,108)	(33,609)	(127,152)	1,370	(159,883)

Assets and liabilities by segment 31 December 2014

in € thousand	FV AG	IC03	IC07	IC12	H1CH	IC13
Property, plant and equipment and intangible assets	11	–	–	–	–	–
Investment property	33,060	–	8,630	7,570	–	18,450
Non-current assets held for sale	3,250	–	–	–	–	–
Trade receivables	290	20	271	73	–	127
Income tax receivables	19	–	–	–	–	–
Other receivables and assets	10,805	8	–	505	450	–
Cash and cash equivalents	2,278	343	51	352	50	792
Segment assets subtotal	49,713	371	8,952	8,500	500	19,369
Participation in subsidiaries	60,308	–	–	–	–	–
Investments accounted for using the equity method	–	–	–	–	–	–
Total assets	110,021	371	8,952	8,500	500	19,369
Provisions	(383)	(16)	(11)	(10)	–	(13)
Trade payables	(107)	(216)	(52)	(100)	–	(112)
Other liabilities	(1,491)	(12)	(50)	(42)	–	(275)
Segment liabilities subtotal	(1,981)	(244)	(113)	(152)	–	(400)
Minority interests	–	–	–	–	–	–
Financial liabilities	(28,691)	–	(816)	(1,984)	–	(15,501)
Derivative financial instruments	(850)	–	–	–	–	–
Total liabilities	(31,522)	(244)	(929)	(2,136)	–	(15,901)
Net assets as of 31 December 2014	78,499	127	8,023	6,364	500	3,468
Overview of maturities of financial liabilities						
Long term	(18,782)	–	–	(1,880)	–	(14,736)
Short term	(9,909)	–	(816)	(104)	–	(765)
Financial liabilities	(28,691)	–	(816)	(1,984)	–	(15,501)

Subsidiaries								
IC15	BBV02	BBV03	BBV06	BBV10	BBV14	Total	Reconciliation	Group
–	–	–	–	–	–	–	70	81
32,830	–	3,670	13,038	80,650	69,820	234,658	–	267,718
–	–	–	8,350	1,640	–	9,990	–	13,240
149	2	18	200	1,145	671	2,676	15	2,981
–	–	–	–	–	–	–	–	19
2	1,390	–	96	9	–	2,460	2	13,267
1,769	51	1,028	1,232	2,433	4,027	12,128	182	14,588
34,750	1,443	4,716	22,916	85,877	74,518	261,912	269	311,894
–	–	–	–	–	–	–	(60,308)	–
–	–	–	–	–	–	–	–	–
34,750	1,443	4,716	22,916	85,877	74,518	261,912	(60,039)	311,894
(15)	(9)	(8)	(22)	(22)	(41)	(167)	(5)	(555)
(104)	(17)	(7)	(405)	(879)	(257)	(2,149)	–	(2,256)
(237)	(4)	(46)	(388)	(1,517)	(602)	(3,173)	(26)	(4,690)
(356)	(30)	(61)	(815)	(2,418)	(900)	(5,489)	(31)	(7,501)
–	–	–	–	–	–	–	(60,048)	(60,048)
(16,958)	(1,112)	–	(8,072)	(57,798)	(34,150)	(136,391)	–	(165,082)
–	–	–	–	–	(140)	(140)	–	(990)
(17,314)	(1,142)	(61)	(8,887)	(60,216)	(35,190)	(142,020)	(60,079)	(233,621)
17,436	301	4,655	14,029	25,661	39,328	119,392	(120,118)	78,273
(7,494)	(1,033)	–	–	(34,020)	(32,962)	(92,125)	–	(110,907)
(9,464)	(79)	–	(8,072)	(23,778)	(1,188)	(44,266)	–	(54,175)
(16,958)	(1,112)	–	(8,072)	(57,798)	(34,150)	(136,391)	–	(165,082)

(13) Related parties transactions

in € thousand	1/1 – 31/3/2015	1/1 – 31/3/2014
Receivables	9	125
Trade payables	(45)	(52)
Total	(36)	73

Waiver of review

This report was not subject to an audit pursuant to Sec. 317 HGB or a review by the auditor and therefore does not contain an audit opinion.

Declaration of compliance with the German Corporate Governance Code

The current declarations pursuant to Sec. 161 AktG [“Aktengesetz”: German Stock Corporation Act] on the German Corporate Governance Code of the Management Board and Supervisory Board of Fair Value REIT-AG have been made permanently available on the Company website.

Munich, 11 May 2015

Fair Value REIT-AG



Frank Schaich

Responsibility statement

To the best of my knowledge, and in accordance with the applicable reporting principles, the unaudited interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Munich, 11 May 2015

Fair Value REIT-AG



Frank Schaich

Imprint

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Date of publication: 13 May 2015

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Frank Schaich

Supervisory Board

Rolf Elgeti, Chairman
Dr. Oscar Kienzle, Vice Chairman
Prof. Dr. Heinz Rehkugler

Disclaimer This interim report contains future-oriented statements, which are subject to risks and uncertainties. They are estimations of the management board of Fair Value REIT-AG and reflect its 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.