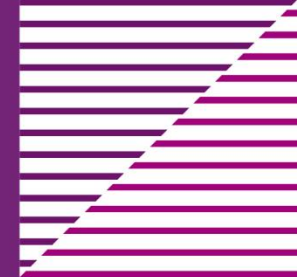


Frank Schaich
Fair Value REIT-AG
April 3, 2014



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Annual Report 2013

Reducing complexity – Improving return

Disclaimer

This presentation 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. 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.

Reducing Complexity, Improving Return

Highlights 2013

- **Portfolio consolidation:**
Reduction of 30% by sales and termination of partnership interest
- **Improved transparency:**
First-time adoption of IFRS 10
- **FFO-increase:**
+ 8% compared to previous year // + 21% compared to forecast
- **Dividend more than doubled:**
from forecast of € 0.12 to € 0.25 per share
- **Interest rate 2014:**
Decline by 35% to 2.8% p.a.

Strategic Portfolio Management

Creating leeway for new investments

- Property sales in 2013 above carrying values (+ 2%)
- Termination of a non-strategic participation at NAV 12/2013
- Valuation loss 2013: of which 75% result from 3 properties
- Continued focussing process in 2014

Portfolio development since 12/2012

	Total portfolio € million	Number of properties
12/2012	463	65
Sales 2013	-31	-11
Termination of a partnership interest	-107	-5
Valuation result 2013	-13	
12/2013	312	49
Sales 2014	-23	-5
5/2014	289	44

Successive Focus on Retail Properties

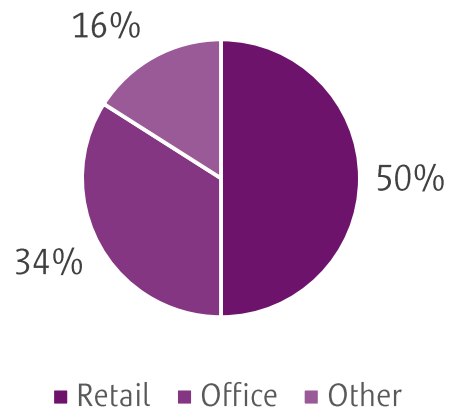
Divestments 2013 by type of use

Type of use	in % of volume
Retail	65%
Office	31%
Other	9%

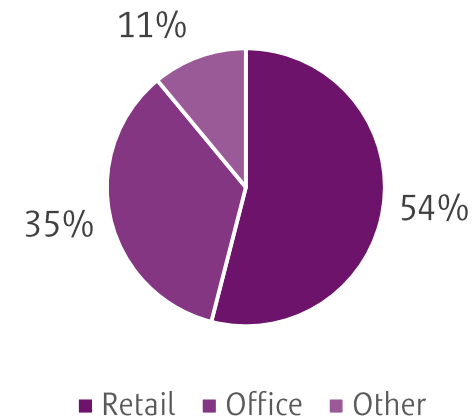
Continued focussing process in 2014

Type of use	in % of volume
Other	75%
Retail	19%
Office	6%

Portfolio by type of use 12/2013



Portfolio by type of use 2/2014



Successful Tenant Retention

Letting result 2013:

Increase from 93.2% to 93.3% (like-for-like)

- **2013**
Expiration of 81 contracts
14% of current rents
Insolvency of Praktiker AG

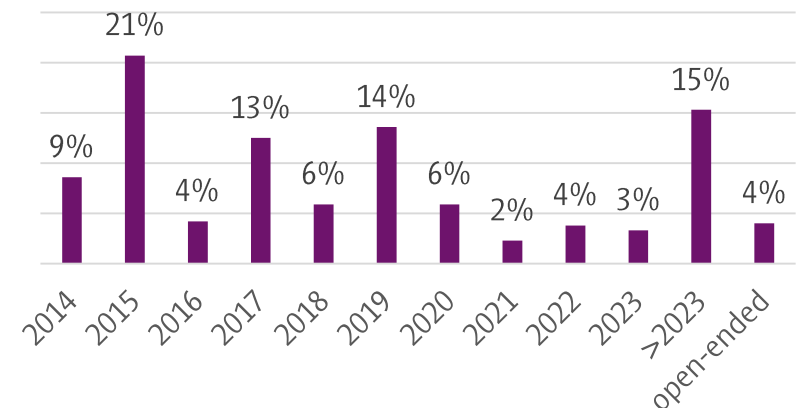
2014 / 2015: Solid real estate markets

- **2014**
73 contracts // 8.6% of current rent
- **2015**
78 contracts // 20.7% of current rent

Stable occupancy in the total portfolio



Lease expiration in % of current rent



10 Biggest Tenants as of February, 2014

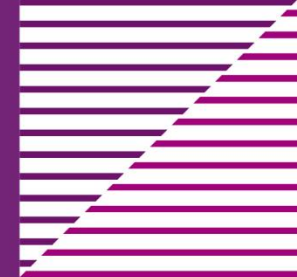
Business segments in% of current rents

- Retail	20%
- Banks	16%
- Hotels	9%
- Other	7%

52% of € 26.6 million (total rents)

Tenant	In % of current rent
Sparkasse Suedholstein	9.0%
Commerzbank Group	6.9%
Metro Group	6.7%
Kaufland/Lidl Group	6.0%
HPI Germany	5.7%
Edeka Group	4.5%
Bundesagentur	4.1%
RIMC Dresden	3.7%
Hammer specialty stores	2.8%
WISAG	2.2%

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First-time Adoption of IFRS 10

First-time Adoption of IFRS 10 as of Dec 31, 2013

Adherence to of IFRS 10 is mandatory as of 2014 – early adoption possible
De facto control over associated companies (voting rights < 50%) by voting majorities in general meetings historically confirmable

- **Consequence:** Full consolidation of all participations as of Dec 31,2013
- **Retroactive adjustments:** OB Jan 1, 2012 / YEB Dec 31, 2012 / P&L 2012
- **Group balance sheet extension:** Factor 2
- **Increase group rental income:** Factor > 2,5
- **Increase minority interest:** to currently 50% of results

Significant simplification of group structure!

IFRS 10: Expanding scope of consolidation

Major implications

- Balance sheet total 2012 doubled
- Group equity increased
 - Impairments dissolved
- Balance sheet equity cut in half to 21%
- Total equity incl. minorities
40% of balance sheet total

Adjustment of balance sheet as of Dec 31, 2012

<i>in € million</i>	<i>Year adjusted</i>	<i>Adjustment</i>	<i>Previously</i>
Non-current assets	367.7	191.4	176.3
Current assets	18.4	9.9	8.5
Total assets	385.1	200.3	184.8
Group equity	80.4	3.0	77.4
Minorities (non-current liabilities)	73.6	58.3	15.3
Other non-current liabilities	170.0	76.6	93.4
Current liabilities	61.1	45.6	15.5
Total liabilities	385.1	200.3	184.8

IFRS 10: Expanding scope of consolidation

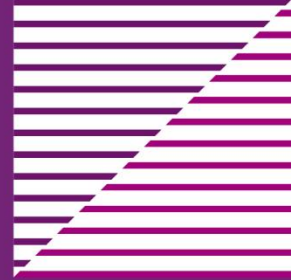
FFO forecast 2013 adjusted accordingly

Major implications on P&L

- 5 of 6 associated companies now consolidated
- Gross rental income: Factor 2,8
- Operating result: Factor 3,2
- Result from participations: Factor 0,3
- BBV 9 terminated as of Dec 31, 2013
- P&L: 100% Group as of 2014
- Minorities c. 50%

Forecast EPRA-result/FFO 2013

		<i>2013E Adjustment</i>	<i>Adjusted 2013E*</i>
Net Sales	12.9	23.0	35.9
Real estate-related expenses	-4.9	-9.3	-14.2
Net rental income	8.0	13.7	21.7
General administrative expenses	-2.0	-0.6	-2.6
Operating result	6.0	13.1	19.1
Income from equity-accounted participations	4.3	-3.1	1.2
Net interest expenses	-3.6	-5.8	-9.4
Income before minority interests	6.7	4.2	10.9
Minority interests in the result	-1.4	-4.2	-5.6
Adjusted consolidated net income (EPRA earnings/FFO)	5.3	0.0	5.3



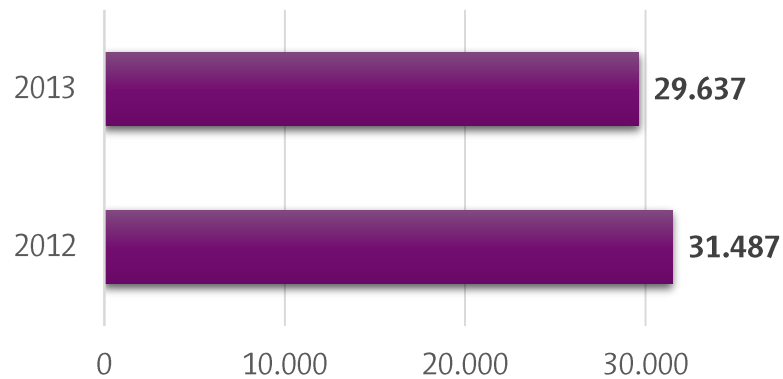
Key Financials 2013

Fair Value Group

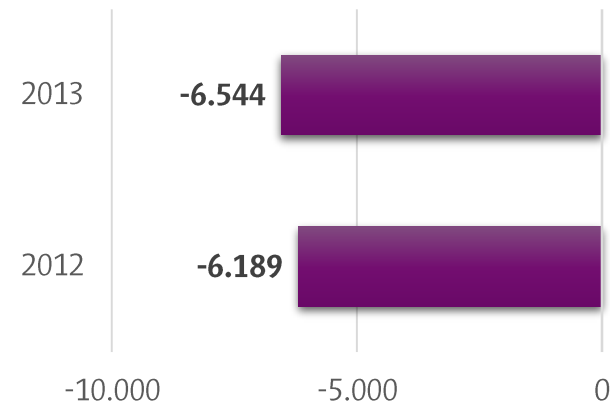
- Group result € (5.2) million
- FFO € 6.4 million
- NAV per share € 8.65
- REIT-equity 46.9%

Group-P&L Compared to Last Year

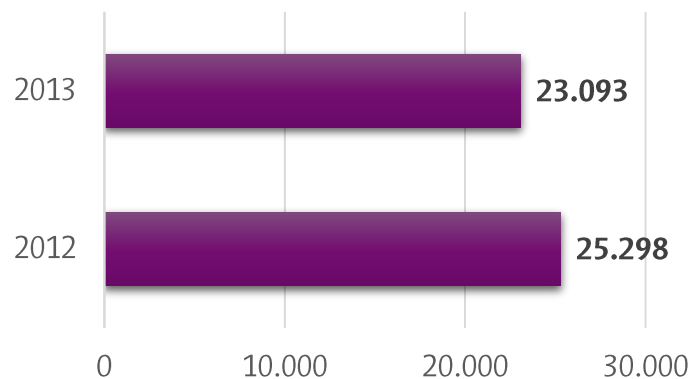
Rental income in T€



Real estate-related expenses in T€



Net rental income in T€

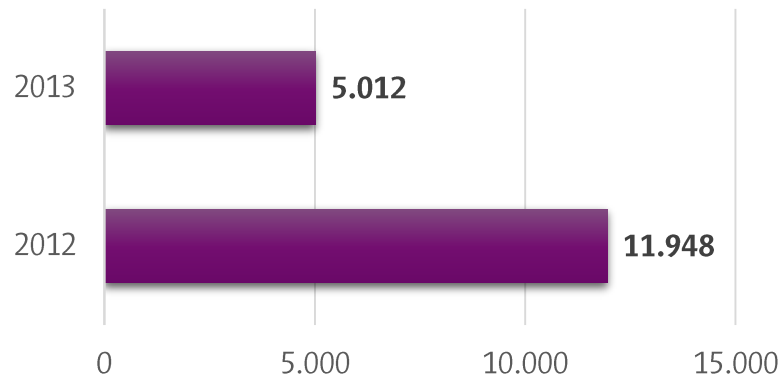


Net rental income – 9%
thereof

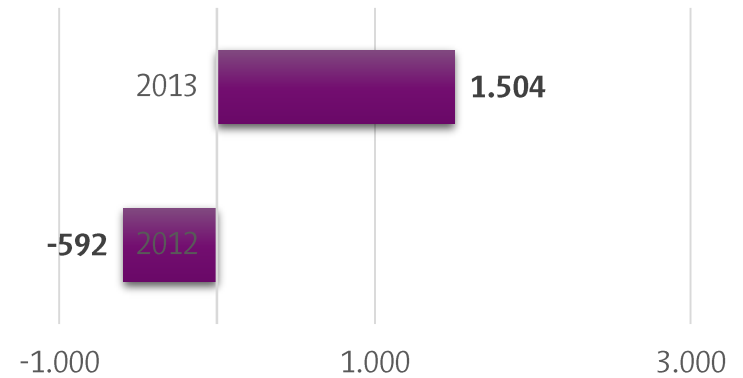
86% lower rent (property sales)
14% higher expenses

Group P&L Compared to Last Year

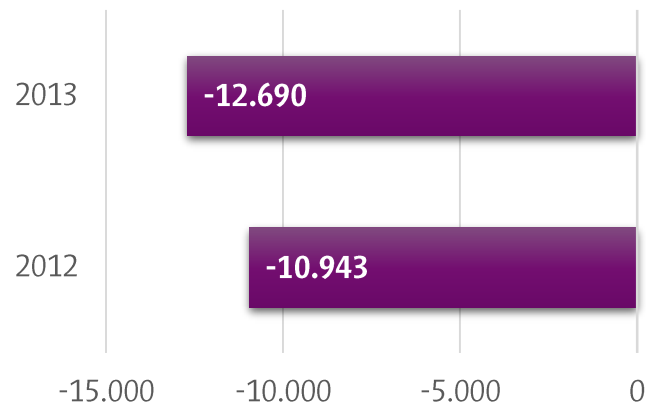
Operating result in T€



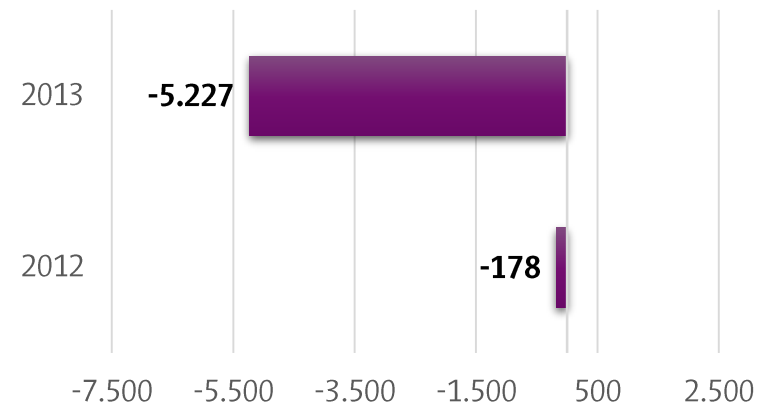
Income from participations in T€



Net interest expenses in T€



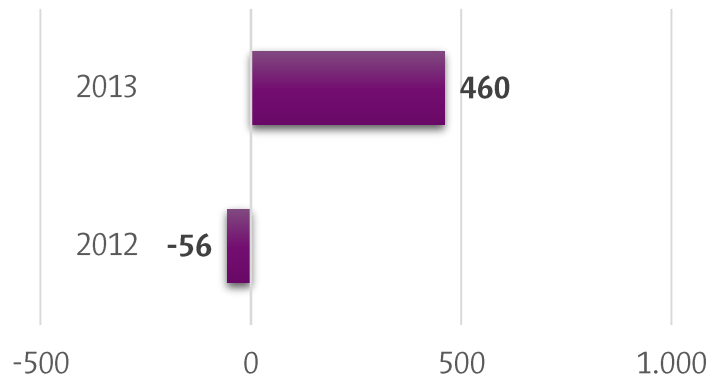
Consolidated net loss in T€



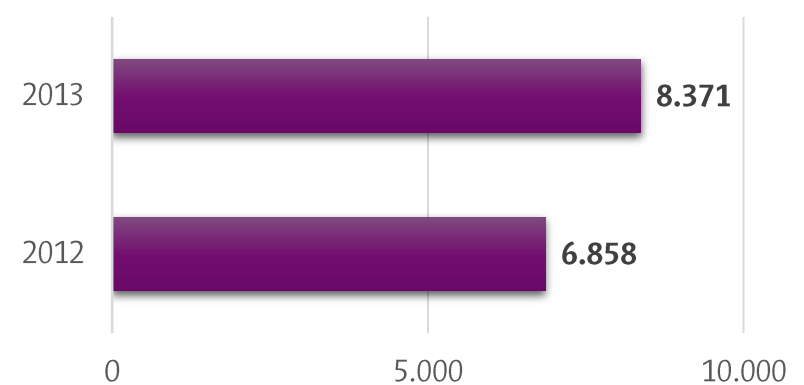
One-off Effects 2013 ex Minorities

Net Effect € 11.6 million (€ 6.1 million)

Result from sale of inv. properties in T€



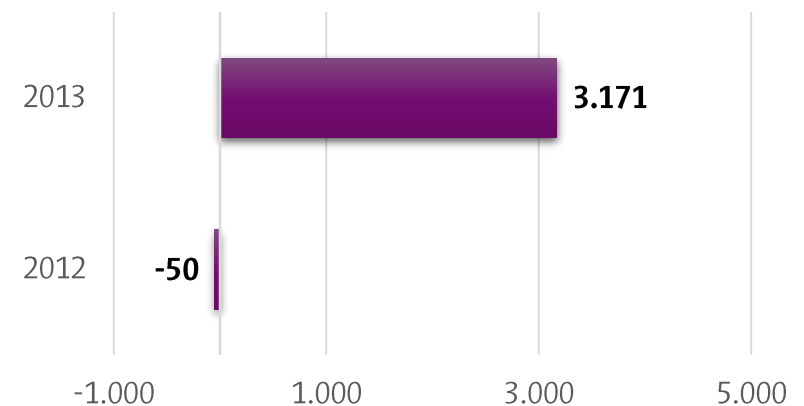
Valuation result in T€



Income from participations in T€



Valuation/dissolution of swaps/caps in T€



Adjusted Consolidated Net Income / FFO

Analysis

- Compared to forecast
 - Net rental income: 6%
 - Net operating result: 4%
 - Net interest result: -6%
 - Income before minorities: 16%
 - **FFO increase: 21%**

- Compared to previous year
 - Net rental income: -9%
 - Net operating result: -8%
 - Net interest result: -18%
 - Income before minorities: 2%
 - **FFO increase: 8%**

EPRA-result/FFO compared to previous year

<i>in € million</i>	2013	<i>Adjusted 2013E*</i>	<i>Adjusted 2012*</i>
Net rental income	23.1	21.7	25.3
General administrative expenses	-3.3	-2.6	-3.5
Net operating result	19.8	19.1	21.6
Income from participations	1.6	1.2	1.5
Net interest result	-8.8	-9.4	-10.7
Income before minority interests	12.6	10.9	12.4
Minority interests in the result	-6.2	-5.6	-6.5
Adjusted consolidated net income (EPRA earnings/FFO)	6.4	5.3	5.9
FFO per share in €	0.69	0.57	0.63

Group Balance Sheet - Assets

Compared to the previous year

- Immovable assets:

2013: € 311.9 million - 15%

2012: € 366.5 million

- Cash and cash equivalents: +23%

- **Balance sheet total: - 10%**

<i>in € million</i>	2013	adjusted 2012*
Investment property (IAS 40)	292.3	355.9
Equity-accounted investments	0	10.6
Other	0.2	0.2
Total non-current assets	292.5	366.7
Receivables	16.4	4.2
Cash and cash equivalents	17.4	14.2
Total current assets	33.8	18.4
Non-current assets held for sale	19.6	0
Total assets	345.9	385.1

Group Balance Sheet - Liabilities

Compared to the previous year

- Total equity incl. minority interests:
 - 2013: € 146.3 million (42% of BS)
 - 2012: € 154.0 million (40%)
- Fair Value's share:
 - 2013: 55%
 - 2012: 52%
- Financial liabilities -12%:
 - 2013: € 191.2 million (55% of BS)
 - 2012: € 216.7 million (56%)

<i>in € million</i>	2013	<i>adjusted</i> 2012*
Total equity	80.7	80.4
Minority interest	65.6	73.6
Other non-current liabilities	128.7	170.0
Total non-current liabilities	194.3	243.6
Current liabilities	70.9	61.1
Total liabilities	345.9	385.1

Group Financial Liabilities

Interest rate terms

- Interest margins roll-over loans:

2013: 188 bp

2012: 191 bp

- Weighted interest rate of all loans

2013: 2.8% (0.3% 3-M-EURIBOR)

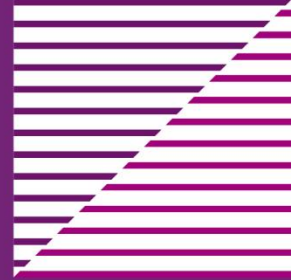
2012: 4.3%

- Interest rate swap as per January 31, 2014

reduced to € 5 million

Financial liabilities structure

<i>in € million</i>	<i>Dec 31, 2013</i>	<i>in %</i>
Fixed-rate loans	58	30%
Swap	10	5%
Roll-over loans	124	65%
Total	192	100%



Key financials 2013

Single Accounts/German GAAP (HGB)

- Modified net income € 2.5 million
- Dividend Proposal € 2.3 million
- Dividend per Share € 0.25

Fair Value REIT-AG - P&L

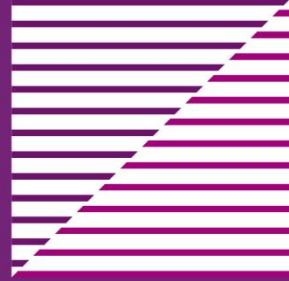
Highlights

- Book profit BBV 9
c. € 6.1 million
- Dissolution- and valuation-expenses Swap
c. € 4.8 million
- Charge to re-investment reserves
c. € 0.2 million

Key figures

<i>in € million</i>	2013	2012
Revenues	3.7	3.8
Net rental result	1.8	2.1
Net operating result	0.6	0.5
Income from participations	9.1	3.6
Net interest expenses	6.8	2.7
Net income	2.7	1.1
Charge to re-investment reserves (pursuant to section 13 REIT Act)	-0.2	-0.1
Modified net income (pursuant to section 13 REIT Act)	2.5	1.0
Dividend in %	92.6%	96.6%

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Fair Value REIT-AG
April 3, 2014



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Forecast 2014 - 2015

FFO and Dividend
Goals und Strategy

Forecast EPRA-earnings/FFO

Analysis

- Temporarily reduced rental income
 - Vacancy loss
 - Maintenance and repairs
- Significantly reduced interest expenses
- Dividend 45% of FFO
 - for 2014: € 0.25 per share
 - for 2015: € 0.28 per share

EPRA-result/FFO - Forecast

<i>in € million</i>	2013	2014E*	2015E
Net sales	36.4	30.5	31.4
Real estate-related expenses	-13.3	-12.7	-12.5
Net rental income	23.1	17.8	18.9
General administrative expenses / other	-3.3	-2,7	-2.6
Operating result	19.8	15.1	16.3
Income from participations	1.6	0	0
Net interest expenses	-8.8	-5.0	-4.5
Income before minority interests	12.6	10.1	11.8
Minority interest	-6.2	-5.0	-6.1
Adjusted consolidated net income (EPRA earnings/FFO)	6.4	5.1	5.7
FFO per share in €	0.69	0.55	0.61

Goals and Strategy



Continued focussing process

- Reduction of „other“ use type
- Increase retail type of use

Reduce minority interests

- Secondary market / direct acquisition
 - e.g. IC 12 in 2013
 - FVI-share: now 49% (was 41%)

Reduction of general administrative cost

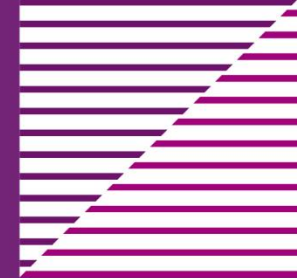
- e.g. by successive liquidation of SPVs

Strengthen dividend potential

- Goal 50% of FFO

Close gap between share price and NAV

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Annual Report 2013

Reducing complexity – Improving return

Shareholder Structure (Free Float < 5% participation)

