

1 April 2009

Fair Value REIT AG

Neutral €3.33

(Remains Unchanged)

Target Price: n/a

Reuters Code: FVIG.DE

Bloomberg Ticker: FVI GR

EPS adj.

Dec 2008E €-1.39

Dec 2009E €-1.68

Dec 2010E €0.52

WestLB Research estimates

Market Cap: € 31m

Current recommendation since 06/03/2009

Previous recommendation was Buy

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Fair Value REIT AG

Guiding for no dividend for 2009

- Fair Value has published its complete set of 2008 figures and is guiding for no dividend also for 2009 in its outlook statement. As the most important figures were already published earlier there was limited surprise from the final numbers. We will follow the company's guidance on dividend and review our estimates.

Fair Value REIT AG forecasts and multiples

Year End	Sales	EBITDA	EPS adj.	P/E	EV/EBITDA	Yield
Dec	(€m)	(€m)	(€)	(x)	(x)	(%)
2008E	13	9	-1.39	nm	14.1	0.0
2009E	14	9	-1.68	nm	12.5	10.5
2010E	14	9	0.52	6.4	12.2	10.5
Net cash/Share ¹	-€7.4					
NAV/Share	€8.2					

¹ Cash/debt at end of current year

Source Fair Value REIT AG, WestLB Research estimates

- The company has skipped its dividend expectation for the current year as it does not expect any gains from property sales in the current market environment, that would be necessary to arrive at a positive result at the parent company based on German GAAP.

Result vs. expectations

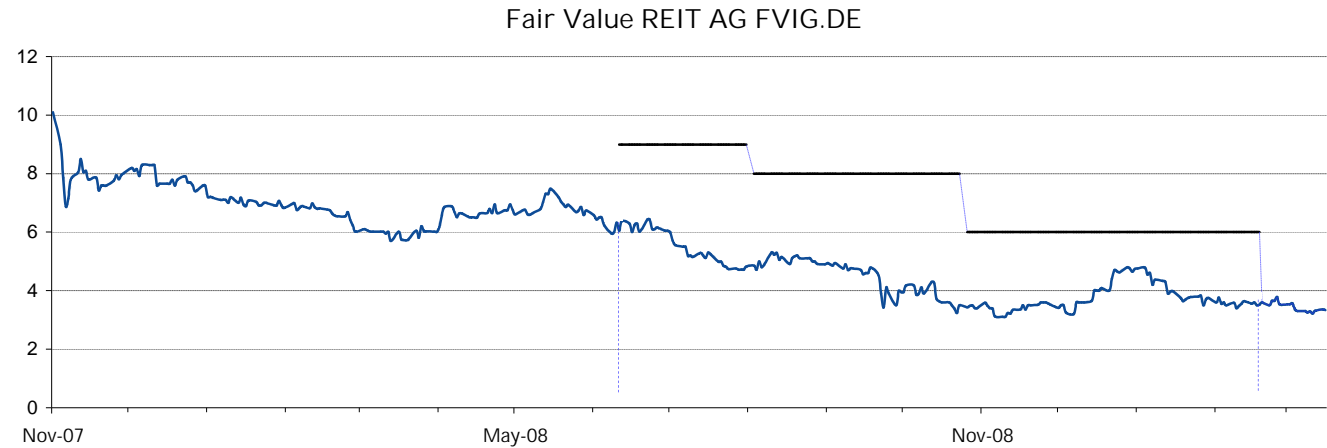
€m	2008A	2008E	dev.
Rental income	12.7	12.3	3.3%
Rental result	10.8	10.4	3.8%
Costs	-3.8	-2.8	35.7%
Sales gains	1.3	1	30.0%
Result from valuation and associates	-16.8	-17.9	-6.1%
Operating result after associates	-8.7	-9.1	-4.4%
Financial result	-4.5	-4.2	7.1%
Net attributable result	-13.3	-13.1	1.5%
EPS (€)	-1.41	-1.39	1.4%
NAV (€)	8.16	8.16	0.0%

Source Company, WestLB Research estimates

- The final result was slightly better on the income side. However, costs showed quite a large deviation and there were also slightly higher financing costs.
- We are sticking to our Neutral assessment. The high discount to NAV could be a reason to upgrade the stock, but on the other hand there is another disappointment on the dividend.

Dr. Georg Kanders

01 April 2009



Date	Price	Changed to...	Date	Price	Changed to...	Date	Price	Changed to...
06-Mar-09	3.60	Neutral	26-Jun-08	6.05	Buy	12-Jun-06	0.00	No Rating

Coverage History

Rating at 16/11/2007 was No Rating
Initiation of coverage as of 26 June 2008

Source FactSet/JCF, WestLB Research

Since 30/1/2009 the rating Hold is replaced by Neutral. When the rating is Neutral the target price is equal to the actual share price.

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Neutral	86	43	Neutral	15	38
Sell/Reduce	35	17	Sell/Reduce	4	10

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