Independent Research

Unabhängige Finanzmarktanalyse GmbH

Investment Research

Fair Value REIT-AG

fair value
REIT

Q1 results 2011

05/18/2011

Please take note of the information concerning the preparation of this document, the information concerning potential conflicts of interest, the compulsory information required by Section 34b WpHG (Wertpapierhandelsgesetz - German Securities Trading Act), and the liability statement at the end of this document. This financial analysis in the meaning of Section 34b WpHG shall only be distributed to professional clients or eligible counterparties according to Section 31a WpHG.

Positive special item - Guidance increase comes as a surprise to us

Q1 results 2011

- The presented Q1 2011 figures are not surprising. Rental income declined as a result of a lower occupancy rate and sold property to EUR2.58m (3.15; our forecast: 2.63). Consequently, operating income decreased to EUR1.21m (2.04; our forecast: 1.24).
- We are surprised in a positive way from the at equity income of EUR1.90m (0.85; our forecast: 1.05). The reason for the considerable income improvement was a valuation profit at derivative financial instruments. The equity ratio according to the German REIT Act improved to 51.3% as of March 31, 2011 (December 31, 2010: 49.6%). Net financial debt decreased to EUR83.4m (as of December 31, 2010: 87.1).
- For 2011 and 2012, Fair Value expects adjusted group income of EUR5.0m (before: 4.3) and EUR5.7m (before: 5.1). Apart from the pleasing Q1 development (roughly 25% above Fair Value forecast) particularly the successful completion of an early loan refunding is the reason for raising the forecast.
- Following a debt refinancing (volume EUR48m) the group expects an annual profit contribution of EUR0.6m. We raised our estimates correspondingly.
- We assume that Fair Value's growth will be driven by active portfolio management and capital measures. The company said that it planned to make specific capital measures (capital increase through contributions in cash or in kind) if market conditions are favourable.
- Based on our updated valuation models we determine an unchanged price target of EUR8.00 (EPRA-NAV as of March 31, 2011: EUR9.05). The Fair Value share reacted in a positive way to the Q1 figures. On the current price target the share still shows a clear upside potential. Optimised external funds, the high transparency as well as the stable income situation are to boost the share. Hence, we remain committed to our Buy recommendation.

AP	FY	Rental inc.	EBIT	EBT	EAT	EPS
IFRS	2008	12,392	-1,754	-13,736	-13,301	-1.41
IFRS	2009	10,460	-727	-3,851	-2,906	-0.31
IFRS	2010	12,081	2,867	1,975	2,232	0.24
IFRS	2011E	11,580	5,375	5,675	6,858	0.73
IFRS	2012E	12,159	6,261	6,661	8,038	0.85
CAGR 2008 - 2012E		-0.5%	-	-	-	

Figures in EUR'000 except EPS (in EUR), hist. PERs based on average share prices

Fair Value REIT-AG 6)

Recommendation: Buy
before: -
as of -

Price target (in EUR) (6 months)	**8.00**
Share price (Xetra) (in EUR)	4.51
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Share price potential	77.27%
Company data	
Country	GE
Sector	Financial Services / REIT
Market segment	Prime Standard
ISIN	DE000A0MW975
Reuters	FVIG.DE
Bloomberg	FVI
Internet	www.fvreit.de
Share data	
Shares (m)	9.407
Free float	41.42%
Market cap. (EURm)	43.7
∅ Trading volume	4,900
52W High 12/27/10	EUR4.88
52W Low 06/18/10	EUR3.65
Beta	0.70
Volatility (60 days)	30.39

Multiples

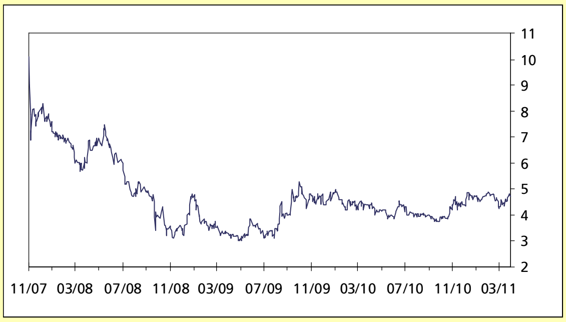
	EV/Sales	EV/EBIT	P/E ratio	Dividend yield
2008	10.7	neg.	neg.	0.0%
2009	13.1	neg.	neg.	0.0%
2010	10.5	44.3	17.9	2.4%
2011E	10.8	23.3	6.2	2.2%
2012E	10.3	20.0	5.3	3.3%

Performance (in %)

	1M	3M	6M	12M
Absolute	-1.5	-4.1	4.0	10.7
Relative to:				
DAX	-4.9	-2.2	-2.4	-6.4
Pr. Fin. Services	-7.4	-1.0	-10.0	-3.4

Index weighting

Prime Fin. Services	0.103%
RX REIT Index	7.830%



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1)2)3)4)6) **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Company profile

Direct investments in the real estate market and participations in real estate funds

Fair Value REIT-AG at a glance

Munich-based Fair Value REIT-AG is a real estate investment trust (REIT) specialising in the acquisition, letting, management and sale of commercial properties. The company's investment activity focuses on office and retail properties in certain regional locations in Germany. Fair Value is following a two-pronged strategy. It acquires interests in select closed-end real estate funds on the one hand, and it makes direct investments in the German real estate market on the other. As at December 31, 2010, the market value of all properties held (including associated companies) totalled EUR496m. Fair Value's share in the market value of the entire portfolio (directly held real estate plus properties held through participations (pro rata)) was around EUR225m. The occupancy rate was 93.6% (95.5%), and the potential rent was EUR19.7m per year at full lease-up.
Fair Value REIT-AG came into being in 2007 when "IC Grundbesitz Gesellschaft mbH & Co. Beteiligungs-KG" changed its corporate form to Fair Value Immobilien-Aktiengesellschaft. Since November 16, 2007, the company is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

Fair Value REIT-AG: Shareholder structure

	in %
IC Immobilien Holding AG	9.39
H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG*	8.13
H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG*	7.44
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG*	7.44
H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG*	7.44
IC Immobilien Service GmbH	6.34
IFB Beteiligungen AG i.L.	5.44
Bayerische Beamten Lebensversicherung a.G.	3.76
IC Fonds GmbH	2.34
Own shares	0.86
Free float	**41.42**

* 30.45% of the of voting rights of H.F.S. Zweitmarkt are controlled by UniCredit

Source: Fair Value REIT-AG as of 03/31/11

REITs do not have to pay corporate and business taxes

Real Estate Investment Trust - REIT

Put simply, a REIT is a trust that owns and manages real estate properties. In order to be classified as a REIT, a real estate company is required to distribute at least 90% of its distributable profit (according to German Commercial Code) to the shareholders through dividends. Up to 50% of capital gains may be allocated to a reserve for the purposes of acquiring immovable assets for a period of up to two years. REITs do not have to pay corporate and business taxes. The profit distributed by the company (dividend) is only taxable with the shareholders through their withholding tax. Furthermore, a REIT must have an equity ratio of at least 45% measured by its real estate assets. The high minimum equity ratio creates stability, while the high payout ratio is an attractive regular source of income for the REIT investors.

Business development Q1 2011

Occupancy rate: 93.1% (93.9%)

Declining rental income in line with our expectations

Q1 figures published by Fair Value are not surprising on the operating level. As expected rental income declined to EUR2.58m (3.15; our forecast: 2.63). The reasons for declining income were particularly a slightly lower occupancy rate (93.1% (93.9%)) as well as real estate sales. Following higher expenses for re-letting vacant property (EUR1.24m (0.91)) net rental income decreased to EUR1.95m (2.63; our forecast: 1.98).

Fair Value REIT-AG

Selected key data of the consolidated income statement

Unit : EUR'000 **Fiscal year :** Dec 31 **Accounting standards :** IFRS	**Q1 2010**	**Q1 2011**	**Q1 2011** (our forecast)
Sales	**3.15**	**2.58**	**2.63**
Net rental result	**2.63**	**1.95**	**1.98**
as percentage of sales	83.7%	75.6%	75.3%
Operating income	**2.04**	**1.21**	**1.24**
as percentage of sales	64.7%	47.1%	47.1%
Net income	**1.21**	**1.83**	**1.56**
as percentage of sales	38.4%	71.0%	59.3%

Source: Independent Research; Fair Value REIT-AG

Operating income burdened by lower rental income

Due to lower rental income, operating income fell to EUR1.21m (2.04; our forecast: 1.24). Furthermore, the valuation result amounting to EUR-0.18m (0.00) had a burdening effect. Fair Value does not rate portfolios below one year. The valuation loss is attributable to write-downs resulting from capitalized restructuring costs.

Valuation profit in interest hedging

Doubled at-equity income

We are surprised in a positive way by the at equity income amounting to EUR1.90m (0.85; our forecast: 1.05). The reason for the significantly improved income was a valuation profit at derivative financial instruments. According to Fair Value, the increased market value of interest rate hedging and the effect on income is attributable to recent interest rate increases. At almost unchanged interest charges (EUR1.15m (1.25)) group income rose to EUR1.83m (1.21; our forecast: 1.56).

Unchanged balance sheet structures

Fair Value's balance sheet structure is solid. The equity ratio according to the German REIT Act increased again to 51.3% as of March 31, 2011 (as of December 31, 2010: 49.6%). The increase in equity to EUR77.8m (as of December 31, 2010: 74.6) supported by income as well as the reduction in total assets following property sales were responsible for this development. In Q1 2011, the group received inflows of roughly EUR2.4m (2.9) from property sales. As of March 31, 2011 net debt declined to EUR83.4m (as of December 31, 2010: 87.1).

Outlook for 2011 and 2012 raised

Positive profit contribution of EUR0.6m per year after refinancing

It was a surprise to us that Fair Value raised its outlook for 2011. Now, the group expects adjusted group income 2011 of EUR5.0m (before: 4.3). For 2012 Fair Value sees adjusted group income of EUR5.7m (before: 5.1). Apart from the pleasant Q1 development (roughly 25% above Fair Value forecast) especially the successful completion of an early loan refunding formed the basis for raising the forecast. After negotiating for a long time with HSH Nordbank, Fair Value succeeded in redeeming a loan of EUR49.3m at the associated BBV 14 at the end of April. The group sees a positive at equity income contribution amounting to EUR0.6m from the refinancing measure. The new loan of EUR48.0m has a maturity of 5 years. Currently, the interest rate agreed on is 2.50% (EURIBOR + 125 basis points).

Raising our forecasts

Group income 2011E: EUR6.86m (before: 6.26)

Correspondingly, we raised our forecasts for 2011 and 2012 and expect now group income of EUR6.86m (before: 6.26) or EUR8.04m (before: 7.44). In the past, Fair Value reported repeatedly that it planned to optimize its financial liabilities in view of the favourable interest rate environment. Hence, the step made at the end of April is no surprise. After a long time of valuation losses, we expect the valuation profit to have a positive effect on income. In the operating development the higher occupancy rate to 94.1% (Q1 2011: 93.1%) has to be mentioned. After a construction permit was granted for property in Krefeld (precondition for rental agreement), the way is open for rental.

Valuation

In order to value Fair Value REIT-AG we used the NAV calculation, which is the common method for real estate companies, but also a dividend discount model (DDM) and a peer group analysis. As Fair Value is classified as a REIT, it will distribute a large percentage of profit in the future. We still weight the DDM at 33.3%. For the peer group analysis we used real estate companies with a similar business model due to the lack of REITs in Germany. These include companies which primarily manage office and commercial properties. The fair value per share results from the weighted average of the three valuation methods.

NAV calculation 2009-2012E

	2009	2010E	2011E	2012E
Fair market value of investment properties	137,587	128,650	128,650	128,650
Equity-accounted participations	47,442	48,551	51,851	55,351
Other assets less other liabilities	3,022	-1,021	-3,747	-4,068
Financial liabilities	108,316	99,103	90,116	85,950
Cash and cash equivalents	8,281	11,975	7,149	5,524
Minority interests	15,296	14,494	13,311	11,934
NAV	**72,720**	**74,558**	**80,475**	**87,573**
Number of shares (in m)	9,407	9,407	9,407	9,407
NAV per share	7.73	7.93	**8.55**	**9.31**
Average NAV per share			**8.93**	

Figures in EUR'000 except for NAV per share (in EUR)
Source: Independent Research; Fair Value REIT-AG

NAV per share: EUR8.93; fair value according to DDM: EUR3.53

We have based our valuation of the Fair Value stock on the average NAV for the fiscal years 2011 and 2012. As the balance sheet items have been adjusted, we have calculated a new average NAV per share of EUR8.93 (before: 8.84). The EPRA NAV per share calculated by Fair Value was EUR8.93 as at December 31, 2010.
The DDM implies a new fair value per share of EUR3.56 (before: 3.53) due to the temporal adjustment of the model.

Dividend discount model (DDM)

in EUR	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
DPS	**0.10**	**0.15**	**0.17**	**0.20**	**0.23**	**0.26**	**0.30**	**0.35**	**0.40**	**0.46**
Present values	**0.10**	**0.13**	**0.14**	**0.16**	**0.17**	**0.18**	**0.19**	**0.21**	**0.22**	**0.24**
Sum of present values	1.73									
Terminal value	1.82		in % of total value :	51%						
Fair value per share	**3.56**									

Model parameters DDM:

Risk-free rate of return :	4.00%	Beta :	0.7	Risk premium equity :	4.0%
		Cost of equity :	6.8%	Date :	05/17/11

Source: Independent Research

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Peer group comparison				
Company	**P/E**		**EV/Sales**	
	2011E	**2012E**	**2011E**	**2012E**
ALSTRIA OFFICE REIT	15.7	13.2	14.1	13.1
DIC Asset	23.2	18.6	12.4	11.8
Deutsche Euroshop	16.7	14.5	15.7	13.1
Hamborner REIT	29.5	24.3	11.2	9.0
Average	21.3	17.6	13.4	11.7

Source: Independent Research; Bloomberg Share prices as of 05/16/2011

	EPS		**Sales**	
in EUR'000, EPS in EUR	**2011E**	**2012E**	**2011E**	**2012E**
Fair Value REIT-AG	0.73	0.85	13,175	13,761
Enterprise Value			175,967	161,627
Cash and cash equivalents			10,285	
Debt			-99,919	
Fair market capitalisation			86,333	71,993
Number of shares (in '000)			9,407	
Fair value	15.53	15.06	9.18	7.65
Average	15.30		8.42	
Weighting	1/2		1/2	
Fair value per share	**11.86**			

Source: Independent Research

Price target unchanged: EUR8.00

Our peer group analysis produced a fair value per share of EUR11.86 (before: 11.89). The combination of the different valuation models leads to an almost unchanged fair value of EUR8.11 (before: 8.08) per share. Accordingly, we are maintaining our price target of EUR8.00 for the Fair Value stock.

Valuation summary			
	NAV	**DDM**	**Peer group**
Fair value per share (EUR)	8.93	3.56	11.86
Weighting	33.3%	33.3%	33.3%
Final fair value per share (EUR)	**8.11**		

Source: Independent Research

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Fair Value REIT-AG

Selected key data

Unit :	EUR'000						
Fiscal year :	Dec 31	**2007**	**2008**	**2009**	**2010**	**2011E**	**2012E**
Accounting standards :	IFRS						
Key data income statement							
Rental income (EUR'000)		4,326	12,392	10,460	12,081	11,580	12,159
EBITDA margin		neg.	64.5%	54.2%	58.9%	46.5%	51.6%
EBIT margin		neg.	neg.	neg.	23.7%	46.4%	51.5%
Net yield		124.7%	neg.	neg.	18.5%	59.2%	66.1%
Value adjustment ratio		16.8%	78.6%	60.9%	35.1%	0.0%	0.0%
Interest coverage ratio		1.2	0.4	0.2	-0.6	-1.2	-1.4
Profitability ratios							
ROE		5.7%	neg.	neg.	3.0%	8.5%	9.2%
ROI		2.3%	neg.	neg.	1.1%	3.6%	4.1%
Accounting ratios							
Equity ratio		41.1%	38.7%	35.7%	38.0%	41.9%	45.1%
Ratio of equity to non-current assets		44.1%	42.3%	39.2%	42.0%	44.5%	47.5%
Ratio of non-current assets to total assets		93.2%	91.6%	91.0%	90.6%	94.1%	94.9%
Trade accounts receivables/Sales		20.1%	12.1%	12.5%	10.7%	11.7%	11.4%
Key data per share (EUR)							
EPS		2.29	-1.41	-0.31	0.24	0.73	0.85
Free cash flow per share		-24.05	2.66	0.11	1.38	0.54	0.37
Dividend per share		0.00	0.00	0.00	0.10	0.10	0.15
Cash and cash equivalents per share		2.28	1.49	0.88	1.27	0.76	0.59
Book value per share		40.11	8.16	7.73	7.93	8.55	9.31
Valuation ratios							
EV/Sales		29.0	10.7	13.1	10.5	10.8	10.3
EV/EBITDA		neg.	neg.	neg.	42.6	23.3	20.0
EV/EBIT		neg.	neg.	neg.	44.3	23.3	20.0
PER		3.5	neg.	neg.	17.9	6.2	5.3
Price to book value ratio		0.2	0.7	0.5	0.5	0.5	0.5
Price to cash flow ratio		-0.3	neg.	neg.	neg.	neg.	neg.
Price to sales ratio		4.3	4.3	3.5	3.3	3.7	3.5
Dividend yield		0.0%	0.0%	0.0%	2.4%	2.2%	3.3%

Source: Independent Research; Fair Value REIT-AG

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Fair Value REIT-AG

Consolidated income statement

Unit : EUR'000 / Fiscal year : Dec 31 / Accounting standards : IFRS	2007	2008	2009	2010	2011E	2012E
Rental income	**4,326**	**12,392**	**10,460**	**12,081**	**11,580**	**12,159**
year-on-year growth	-	186.5%	-15.6%	15.5%	-4.1%	5.0%
Operating income and incidental costs	264	1,303	1,505	2,363	1,595	1,602
Expenses for investment properties	2,038	2,912	3,437	4,909	5,400	5,400
Net rental result	**2,552**	**10,783**	**8,528**	**9,535**	**7,775**	**8,361**
year-on-year growth	-	322.5%	-20.9%	11.8%	-18.5%	7.5%
General administrative expenses	3,502	3,797	2,611	2,252	2,300	2,000
as percentage of rental income	81.0%	30.6%	25.0%	18.6%	19.9%	16.4%
Other operating income and expenses (total)	-135	-351	-84	-69	-100	-100
as percentage of rental income	neg.	neg.	neg.	neg.	neg.	neg.
Result from sale of investment properties	0	1,345	-190	-109	0	0
as percentage of rental income	0.0%	10.9%	neg.	neg.	0.0%	0.0%
Valuation result	-725	-9,734	-6,370	-4,238	0	0
as percentage of rental income	neg.	neg.	neg.	neg.	0.0%	0.0%
Operating income	**-1,810**	**-1,754**	**-727**	**2,867**	**5,375**	**6,261**
as percentage of rental income	neg.	neg.	neg.	23.7%	46.4%	51.5%
Income from participations	**7,638**	**-7,075**	**1,401**	**3,873**	**4,800**	**5,000**
as percentage of rental income	176.6%	neg.	13.4%	32.1%	41.5%	41.1%
Expenses for going public	1,825	0	0	0	0	0
Net interest expenses	-1,491	-4,907	-4,525	-4,765	-4,500	-4,600
as percentage of rental income	neg.	neg.	neg.	neg.	neg.	neg.
Financial result	**334**	**-4,907**	**-4,525**	**-4,765**	**-4,500**	**-4,600**
as percentage of rental income	7.7%	neg.	neg.	neg.	neg.	neg.
Profit (loss) before taxes	**6,162**	**-13,736**	**-3,851**	**1,975**	**5,675**	**6,661**
as percentage of rental income	142.4%	neg.	neg.	16.3%	49.0%	54.8%
Income taxes	0	0	0	2	0	0
Profit (loss) before minority interests	**6,162**	**-13,736**	**-3,851**	**1,977**	**5,675**	**6,661**
Minority interest in the result	-768	435	945	255	1,183	1,377
Net profit (loss)	**5,394**	**-13,301**	**-2,906**	**2,232**	**6,858**	**8,038**
as percentage of rental income	124.7%	neg.	neg.	18.5%	59.2%	66.1%
Number of shares ('000)	2,360	9,407	9,407	9,407	9,407	9,407
EPS (EUR)	**2.29**	**-1.41**	**-0.31**	**0.24**	**0.73**	**0.85**
DPS (EUR)	0.00	0.00	0.00	0.10	0.10	0.15

Source: Independent Research; Fair Value REIT-AG

Fair Value REIT-AG

Consolidated balance sheet

Unit : EUR'000 **Fiscal year :** Dec 31 **Accounting standards :** IFRS	**2007**	**2008**	**2009**	**2010**	**2011E**	**2012E**
Assets						
Intangible assets	2	2	4	3	3	3
Property, plant and equipment	31	22	12	7	7	7
Investment properties	150,070	130,740	137,587	128,650	128,650	128,650
Properties under construction	566	0	0	0	0	0
Equity-accounted investments	58,909	48,443	47,442	48,551	51,851	55,351
Fiancial assets (non-current)	5,005	2,319	348	269	269	269
Total non-current assets	**214,583**	**181,526**	**185,393**	**177,480**	**180,780**	**184,280**
Non-current assets available for sale	5,700	0	8,237	2,500	0	0
Trade receivables	869	1,502	1,307	1,291	1,356	1,389
Other receivables and assets	3,826	1,176	591	2,717	2,853	2,995
Cash and cash equivalents	5,381	14,039	8,281	11,975	7,149	5,524
Total current assets	**15,776**	**16,717**	**18,416**	**18,483**	**11,357**	**9,909**
Total assets	**230,359**	**198,243**	**203,809**	**195,963**	**192,137**	**194,189**
Equity and liabilities						
Subscribed capital	47,034	47,034	47,034	47,034	47,034	47,034
Share premium	46,167	46,167	46,167	46,167	46,167	46,167
Retained earnings (loss carried forward)	1,462	-11,839	-14,745	-12,513	-6,596	502
Reserve for changes in value	0	-4,575	-5,446	-5,732	-5,732	-5,732
Treasury shares	0	0	-290	-398	-398	-398
Total equity	**94,663**	**76,787**	**72,720**	**74,558**	**80,475**	**87,573**
Minority interests	18,487	16,505	15,296	14,494	13,311	11,934
Financial liabilities	57,116	78,352	104,004	87,556	78,800	74,860
Other liabilities	494	4,496	5,313	5,227	5,358	5,492
Total non-current liabilities	**76,097**	**99,353**	**124,613**	**107,277**	**97,469**	**92,286**
Provisions	255	334	261	241	241	241
Financial liabilities	55,018	15,905	4,312	11,547	11,316	11,090
Trade payables	2,617	1,359	809	1,083	1,354	1,692
Other current liabilities	1,709	4,505	1,094	1,257	1,282	1,308
Total current liabilities	**59,599**	**22,103**	**6,476**	**14,128**	**14,193**	**14,331**
Total equity and liabilities	**230,359**	**198,243**	**203,809**	**195,963**	**192,137**	**194,189**

Source: Independent Research; Fair Value REIT-AG

1)2)3)4)6) **Please notice the advice regarding possible conflicts of interests as well as the disclaimer at the end of this document**

Fair Value REIT-AG

Consolidated cash flow statement

Unit : EUR'000 / **Fiscal year :** Dec 31 / **Accounting standards :** IFRS	**2007**	**2008**	**2009**	**2010**	**2011E**	**2012E**
Net profit (deficit)	**5,394**	**-13,301**	**-2,906**	**2,232**	**6,858**	**8,038**
Income tax expense	0	0	0	-8	0	0
Amortisation/depreciation of intangible assets and property, plant and equipment	3	11	26	10	10	10
Profits from the disposal of investment properties	0	-1,345	190	109	0	0
Valuation result	725	9,734	6,370	4,238	0	0
Income from equity-accounted investments	-7,638	7,075	-1,401	-3,873	-4,800	-5,000
Withdrawls from equity-accounted investments	1,418	2,519	1,902	2,758	1,500	1,500
Losses from the sale of subsidiaries	3,080	0	0	0	0	0
Income from the disposal of participating interests	-180	0	0	0	0	0
Income from beneficial acquisition of participations	-3,155	0	0	0	0	0
Income from restructuring of a financial liability	0	-1,469	0	0	0	0
Loss/profit for minority interests	768	-435	-945	-255	-1,183	-1,377
Disbursement to minority interests	-1,371	-1,256	-397	-469	0	0
Result from the valuation of derivative financial instruments	-16	88	108	-113	0	0
Expenses connected to compensation payment received	0	1,880	0	169	0	0
FFO (funds from operations) subtotal	**-972**	**3,501**	**2,947**	**4,798**	**2,385**	**3,171**
Compensation payment received	0	15,438	0	500	0	0
Expenses connected to compensation payment received	0	-1,880	0	-169	0	0
(Increase)/decrease in trade receivables	-612	-633	249	16	-65	-34
(Increase)/decrease in other liabilities	-1,944	3,524	-53	-39	-136	-143
(Decrease)/increase in provisions	188	79	-85	-20	0	0
(Decrease)/increase in trade payables	2,504	-1,258	-639	274	271	338
(Decrease)/increase in other liabilities	-51	2,725	-3,679	-231	156	160
Cash flow from operating activities	**-887**	**21,496**	**-1,260**	**5,129**	**2,611**	**3,493**
Cash and cash equivalents from acquired subsidiaries	12,614	0	0	0	0	0
Payments for the purchase of interests in associated companies	-10,948	-9	-67	-13	0	0
Proceeds from the sale of subsidiaries	0	4,705	0	76	0	0
Cash and cash equivalent reduction from sold subsidiaries	-1,037	0	0	0	0	0
Cash and cash equivalent reduction from participating interests no longer fully consildated but equity-accounted	-4,318	0	0	0	0	0
Income from the disposal of investment properties	0	15,068	403	8,128	0	0
Investments in investment propert./ propert. under construction	-52,331	-13,892	-74	-301	2,500	0
Income (payment) related to non-current assets	0	-2,300	2,050	0	0	0
Investm. in property, plant and equipm. and intangible assets	-36	-2	-18	-4	-10	-10
Income from the sale of property ownership certificates	190	0	0	0	0	0
Cash flow from investment activities	**-55,866**	**3,570**	**2,294**	**7,886**	**2,490**	**-10**
Dividend distribution	0	0	0	0	-941	-941
Capital contribution	16,835	0	-290	-108	0	0
Payments for capital procurement	-1,117	0	0	0	0	0
Receipts from financial liabilities	51,398	46,959	80	0	-8,987	-4,166
Repayment from financial liabilities	-1,758	-63,367	-8,421	-9,213	0	0
Cash flow from financing activities	**65,358**	**-16,408**	**-8,631**	**-9,321**	**-9,927**	**-5,107**
Change in cash and cash equivalents	8,605	8,658	-5,758	3,694	-4,826	-1,624
Cash and cash equivalents - start of period	13	8,618	14,039	8,281	11,975	7,149
Cash and cash equivalents - end of period	**8,618**	**17,276**	**8,281**	**11,975**	**7,149**	**5,524**

Source: Independent Research; Fair Value REIT-AG

Disclaimer

Recommendations concerning particular shares **(starting December 18, 2009)**

Buy:	According to our assessment, the stock will rise by at least 15% in absolute terms within a 6-month period.
Hold:	According to our assessment, the stock will rise by between 0% and 15% in absolute terms within a 6-month period.
Sell:	According to our assessment, the stock will decline in absolute terms within a 6-month period.

Recommendations concerning particular shares **(until December 17, 2009)**

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Accumulate:	According to our assessment, the stock will rise by between 0% and 15% in absolute terms within a 6-month period.
Reduce:	According to our assessment, the stock will decline by between 0% and 15% in absolute terms within a 6-month period.
Sell:	According to our assessment, the stock will decline by least 15% in absolute terms within a 6-month period.

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As at: 05/18/2011

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