

Interim Report 1st – 3rd Quarter 2007



Fair Value Immobilien-Aktiengesellschaft

FAIR VALUE
Immobilien-Aktiengesellschaft

Headword REIT

On 1 June 2007 the legislator opened the possibility for a new investment form in real estate: the REIT. The **R**ea**E**state **I**nvestment **T**rust has been introduced in Germany with retroactive effect as of 1 January 2007 after it has been proven a success abroad for several years.

The corporate purposes of REITs are any activities related to real-estate. In Germany that encompasses in particular the acquisition, the holding and the sale of commercial real property. That includes inter alia industry buildings, office buildings, and retail stores. In order to obtain and attain REIT status, a company must meet the following criteria which are not exhaustive:

- The REIT AG must be admitted to an organized market at a stock exchange
- At least 90 % of the annual profits must be distributed to its shareholders annually
- The real estate assets must be covered by at least 45 % equity
- At least 75 % of the total assets of a REIT AG must be real property assets, such as real estate, real property, shares in investment funds, object companies
- At least 75 % of the sales proceeds must be derived from real property assets
- At the time of the initial listing at the stock exchange at least 25 % of the shares must be free float, afterwards at least 15 %
- The portfolio of a REIT may include domestic and foreign real property with the exception of residential real property which has been built before 1 January 2007. Foreign real property that is not eligible for REIT status in its foreign jurisdiction is also excluded

The introduction of REITs offers a new investment form to investors. Profits of REIT corporations are not subject to tax at corporate level. It is the shareholder who pays full tax on the dividends received with his personal rate of tax. From the year 2009 onwards, all private investors will be subject to the so-called flat-rate-tax [Abgeltungssteuer] under which all dividends received will be taxed at a rate of 25 % plus solidarity charges [Solidaritätszuschlag] and church taxes [Kirchensteuer]. At the same time, REITs can benefit from tax-privileged acquisition of commercial real estate (Exit Tax) until 31 December 2009. With that, the REIT AG has the opportunity to position itself as partner for potential real estate sellers. With the introduction of the REIT, the legislator has provided a new impulse to the German real estate market.



Aachen



Ahaus-Wuelen



Ahaus

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Altenberge



Alzey



Bad Salzungen

OVERVIEW

Business model	Direct and indirect investments in and active management of commercial real estate
	First REIT, to acquire interests in Closed-end Commercial Real Estate Funds in exchange for the issue of shares (capital contribution in kind) or in exchange for purchase price payment
Industries	Offices, logistics, retail
Region	Germany with a focus on regional locations
REIT status	Registered as pre-REIT since 16 July 2007; REIT status has been filed with, but not yet entered into the Commercial Register
Portfolio	Holdings in 14 Closed-end Commercial Real Estate Funds
• Real estate	52
• Market value	245.78 million euros*
• Annual rental income	20.02 million euros*
NAV	102.00 million euros

* Share of Fair Value

As of 30 September 2007



Berlin



Celle



Chemnitz

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Fair Value Immobilien AG has so far been the only company in Germany to offer individual investors in certain Closed-end Commercial Real Estate Funds the opportunity to exchange their partnership interests for daily tradable shares on fixed dates and at defined market values by way of a non-cash capital contribution. For Fair Value, this represents significant market access to the Closed-end Commercial Real Estate Funds-market which by the end of 2006 represented a total investment volume of over 140 billion euros.

During the third quarter of 2007, about 2,100 private and institutional investors from Closed-end Commercial Real Estate Funds participating in an initial transaction exchanged their limited partnership interests against shares of Fair Value. Basis for the exchange was the intrinsic value (Net Asset Value) as of 31 December 2006 of the respective Fund. In return, shares in Fair Value at a price of EUR 10.00 per share were issued. In so doing, the former fund investors achieved greater diversification for their real estate assets and will benefit from the future REIT status of Fair Value. Fund investors also sold their shares to Fair Value for a purchase price payment with a 15 % discount on the NAV as per 31 December 2006.

As a result, Fair Value as of 30 September 2007 indirectly participates through 14 Closed-end Commercial Real Estate Funds in a real estate portfolio widely diversified throughout Germany. And no real property transfer tax is incurred due to the shareholding structure. The portfolio consists of 52 properties with about 452,000 m² in leasing space. This transaction has created real estate assets with a market value relating

to Fair Value's stake of about 246 million euros generating annual rent of about 20 million euros. The leasing rate of the Fair Value portfolio is about 96 % and is contractually well secured by lease contracts with an average term of more than 6 years. In terms of the balance sheet for the portfolio, the seven funds acquired with a majority share are fully consolidated; the shares in the minority partners are listed as debt. The seven fund companies in which we have acquired interests of between 20% and 50% are valued as associated companies according to the equity method.

After the balance sheet date, we secured by direct acquisition a portfolio of 33 commercial properties primarily used as bank branches in Schleswig-Holstein with over 45,400 m² of leaseable space and a planned office building at the Dusseldorf airport with 4,600 m² of leaseable space at a total purchase price of about 64 million euros.

When we acquired the bank branches, we were able to benefit from the exit tax privilege as a pre-REIT. The seller only owes taxes on 50% of its book profits.

The listing on 16 November 2007 was an important milestone for us. The admission of Fair Value's shares for trading in the regulated market (Prime Standard) segment of the Frankfurt Stock Exchange gave us the ability to file for registration as Fair Value REIT-AG in the Commercial Register. With that, we intend to become one of the first REITs in Germany.

REITs are equally interesting to both private and institutional investors. While private investors must pay tax on their dividends at a maximum final withholding tax rate of 25% (+ solidarity



Chemnitz



Chemnitz



Chemnitz

supplement and church tax) starting in 2009, the positive effect on insurance companies and pension funds means that REIT shares will be credited on the real estate ratio and not the share ratio.

Like the current German economy, the German commercial real estate market is experiencing dynamic growth. In anticipation of this trend, Germany has now been a preferred investment location primarily of foreign investors for years, which has had a positive impact on the market values of real estate.

The general rise in interest rates and the global lending shortage that started in North America in summer 2007 have caused opportunistic investors to pull back significantly on their investments, which are usually financed with a high debt ratio.

Consequently, yields in the German real estate market have come back to a "healthy" level after some interest rate-driven overstatements. Investors with a longer investment horizon like Fair Value are taking greater advantage of these positive conditions to make acquisitions.

With the successful execution of the interest for share exchange transaction and the following listing at the Frankfurt Stock Exchange, we have achieved our main goal for 2007: to become one of the first REITs in Germany.

We thank you for your confidence – shown by your investment decision – towards the business model of Fair Value as well as towards the persons involved.

We also thank all our service providers and business partners and persons involved for their

great efforts and timely cooperation without which we would have not reached that goal.

We are positive that we can continue our positive operative development in the forthcoming months, so that the share price in the medium term will approach the net asset value (NAV), which as of 30 September 2007 results in EUR 11.43 per share.

With best regards



Frank Schaich
Chief Executive Officer



Frank Schaich in front of the Frankfurt Stock Exchange on
16 November 2007



Dresden



Dresden



Dusseldorf

OVERALL ECONOMIC DEVELOPMENT AND REAL ESTATE MARKETS

The “subprime crisis” in the USA along with the subsequent turbulence in the international financial markets as well as the strength of the euro has so far had a modest impact at best on slowing down European economic growth. Although restrictive fiscal policy and increasing oil prices are weakening domestic demand in Germany and will contribute to an economic slowdown, the upswing is generally still intact. Growth rates of 2.6% in 2007 and 2.2% in 2008 are currently forecast for Germany.

After a surge in prices due to the increase in value added tax on 1 January 2007, the inflation rate in the Federal Republic of Germany was below 2% in recent months. Based on recent price increases in energy products and foodstuffs, however, the consumer price index increased in September and October to 2.4%. We do not expect a short-term change in interest rates since the European Central Bank did not carry out the prime rate increase that it announced for September.

Office market

The positive trend in the German office markets has so far kept pace this year. An approximately 26% increase in take-up to about 2.1 million m² office space has been achieved compared to the previous year for the five main office locations: Berlin, Dusseldorf, Frankfurt am Main, Hamburg and Munich. This trend has been driven chiefly by the return of large-scale enquiries to the leasing scene. As a reflection of strong economic growth and rising office employment, the net absorption has remained at a high level, which further reduces the office vacancy rate and increases peak rents while speculative new construction is still at a low level. Office markets in secondary cities and regional centers are also benefiting from this development.

Logistics market

After a weaker first half-year, the third quarter recovered strongly with demand for storage and logistics space. About 900,000 m² were leased, which is about 10% above the average in recent years. But due to the weak first half-year, this result is about 30% lower than last year’s figures. Like for office space, the take-up of logistics/storage space is in large part attributable to large-scale tenancies. Notwithstanding these developments, rents in all of the major logistics regions are stable.

Retail market

The retail rental market is in good shape despite modest declines in retail sales; competition for luxury spaces located in city centers continues to be intense. At 40 percent of all tenants, textiles continue to be the most important group in high street locations. Shoe stores, bookstores, pharmacies and variety stores each accounted for about seven percent of take-up in the first three quarters. In terms of space, stores dominate with 100 to 250 m².

Investment market

The investment market for commercial real estate has been more heavily affected by the consequences of the subprime crisis than the rental markets. According to media reports, several major transactions have not taken place because the originally planned financing could not be provided as expected due to more selective lending policies. Increasing interest-rate margins and decreasing lending limits have already resulted in the first increase in initial returns of about 10 to 25 base points.

However, the transaction volume in the German commercial real estate market produced a surprisingly strong result at 44 billion euros in



Eisenach



Eisenhuettendorf



Emmerich

the first nine months, with about 17 billion euros coming in the last quarter alone. Consequently, the result is about 20% above last year's figures. About half of the transaction volume at 23 billion euros came from office real estate, followed by retail properties with 10 billion euros. In the logistics segment, a transaction volume of about 2 billion euros was recorded. At the end of the year, a slowdown in investment dynamics is expected primarily for large-volume transactions due to the altered environment in the financial markets.



Erlangen



Essen



Frechen

THE FAIR VALUE SHARE

Fair Value AG was formed by the IC Real Estate Group as a limited partnership in 2003 with the goal of investing in Closed-end Real Estate Funds. In anticipation of the possibilities presented by new REIT legislation, a strategic repositioning was undertaken in the spring of 2007 in the form of a stock corporation to be one of the first REIT companies in Germany to be listed on the stock exchange.

This aim has been successfully achieved by Fair Value on 16 November 2007. Since then Fair Value is listed on the Frankfurt Stock Exchange in the Regulated Market (Prime Standard). The opening price on that date was EUR 11.00 per share. With the listing on the stock exchange Fair Value now fulfils the qualifications to obtain the REIT status retroactive to 1 January 2007 (see also supplemental report).

Key Data

Industry	Real estate (REIT*)
Share capital	47,034,410 euros
Number of shares (individual share certificates)	9.406.882**
Opening price on 16 November 2007	11.00 euros
High/Low	11.00 / 6.60 euros
Market capitalization on 16 November 2007	95.5 million euros
Designated Sponsor	WestLB
Prime Standard	Frankfurt, Xetra
Unofficial market	Berlin, Munich, Stuttgart
WKN / ISIN	A0MW97 / DE000A0MW975
Ticker symbol	FVI

* after registration as Fair Value REIT-AG in the Commercial Register

** amount of shares at listing at stock exchange on 16 November 2007

Shareholder structure

The following table shows the holdings of the original shareholders on 16 November 2007 as well as the substantial holdings by shareholders and the share capital of Fair Value AG:

Shareholders	Shares	Voting %
IC Immobilien Holding AG	883,419	9.39
H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG	764,992	8.13
H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG	700,000	7.44
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG	700,000	7.44
H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG	700,000	7.44
IC Immobilien Service GmbH	596,581	6.34
IFB Beteiligungs-AG	521,824	5.55
BBV Immobilien-Fonds GmbH	353,922	3.76
IC Fonds GmbH	220,366	2.34
H.F.S Zweitmarktfonds Deutschland 1 KG	183,536	1.95
EuroVal (Deutschland) GmbH (founding shareholder)	90,000	0.96
Dr. Oscar Kienzle (founding shareholder)	10,000	0.11
Other shareholders (free float)	3,682,242	39.14
Total	9,406,822	100.00



Genthin



Hamm



Hanover

Transferability of the shares/market protection agreements (“Lock up”)

The shares can be freely transferred with the exception of the market protection agreements applying to the following shareholders. Fair Value is subject to a soft lock-up of six months.

Shareholder	Market protection agreement
IC Immobilien Holding AG	12 months soft lock-up
H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG	6 months hard lock-up +12 months max. 500,000 euros/day
H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG	
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG	
H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG	
IC Immobilien Service GmbH	12 months soft lock-up
IFB Beteiligungs-AG	free
BBV Immobilien-Fonds GmbH	free
IC Fonds GmbH	12 months soft lock-up
H.F.S Zweitmarktfonds Deutschland 1 KG	free
EuroVal (Deutschland) GmbH	12 months soft lock-up
Dr. Oscar Kienzle	12 months soft lock-up
Other shareholders (free float)	free

Equity Story

Clear focus

Fair Value is a real estate company focusing on the acquisition, leasing, portfolio management and selling of commercial real estate in Germany and specializing in offices, logistics, and retail.

Exempt from income tax, robust, and dividend-oriented

By meeting clear legal requirements, REITs do not pay any corporate or trade taxes. Taxes have to be paid only on what the investor receives: dividends.

REITs are robust, listed real estate stock corporations required to have a high equity rate of 45% of the real estate assets.

REITs are dividend-oriented because 90% of the annual profit are distributed as dividends. And at

least 50% of profits from property sales must be distributed.

Exit tax privilege provides competitive advantages for purchasing

When acquiring real estate, the company benefits from the exit tax privilege as a pre-REIT and, after being listed at the stock exchange and being registered as one of the first REIT-AGs in Germany. Corporate real estate can be sold to Fair Value with tax advantages under certain conditions. Consequently, a company only has to pay taxes on 50% of the book profits.

Unique access to Closed-end Commercial Real Estate Funds

Fair Value has so far been the only company in Germany to offer investors in certain Closed-end Commercial Real Estate Funds the opportunity to exchange their limited partnership interests



Herbolzheim



Cologne



Cologne

for daily tradable shares of Fair Value on fixed dates and at defined market values by way of a non-cash capital contribution. The following table shows the amount of shares acquired so far by interest for share-exchange or purchase:

Fair Value		
Consolidated companies (> 50%)		Associated companies (20-50%)
IC Fonds & Co. Büropark Teltow KG (IC 07)	75.24% ← → 45.02%	BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG (BBV 14)
IC Fonds & Co. Forum Neuss KG (IC 03)	71.58% ← → 39.83%	IC Fonds & Co. SchmidtBank-Passage KG (IC 12)
IC Fonds & Co. München-Karlsfeld KG (IC 01)	55.80% ← → 38.28%	IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG (IC 15)
BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG (BBV 03)	53.60% ← → 38.30%	BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG (BBV 10)
BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG (BBV 06)	53.76% ← → 37.09%	BBV Immobilien-Fonds Erlangen GbR (BBV 02)
IC Fonds & Co. Gewerbe-Portfolio Deutschland 13. KG (IC 13)	51.18% ← → 26.14%	IC Fonds & Co. Rabensteincenter KG (IC 10)
BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG (BBV 08)	50.73% ← → 24.93%	BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG (BBV 09)



Krefeld



Langen



Langenfeld

OVERVIEW OF THE REAL ESTATE PORTFOLIO

The 52 properties in which Fair Value currently has an interest through Closed-end Commercial Real Estate Funds include 33 retail properties, 13 office properties, four logistics properties and two miscellaneous properties. The properties have a total rental space of 452,181 m².

Fair Value's total properties including those that Fair Value holds through associated companies generate annual rental income in the amount of about 48.2K euros as of 30 September 2007. From the total rental income of 20.1 million euros, the rental income makeup from Fair Value is 53% from retail properties, 32% from office properties, 9% from logistics properties and 6% from miscellaneous properties.

Total portfolio	Retail	Office	Logistics	Miscellaneous	Total
Number of properties	33	13	4	2	52
Leasing space (m ²)	252,363	111,412	57,392	31,014	452,181
Market value (millions euros)	364.4	169.7	33.4	32.3	599.8
Annual rental income (millions euros)	27.5	14.6	3.4	2.5	48.0
Fair Value's share	Retail	Office	Logistics	Miscellaneous	Total
Market value (millions euros)	139.1	72.5	19.2	15.1	245.8
Annual rental income (millions euros)	10.6	6.3	1.9	1.2	20.0
Market rent (millions euros)	8.4	5.4	1.7	1.1	16.6
Average returns	7.6%	8.7%	9.8%	7.9%	8.2%
Vacancy rate	2.6%	6.2%	2.7%	0.0%	3.6%
Average remaining lease agreement term (years)	7.0	5.5	3.1	8.0	6.2

On 30 September 2007, the average return based on Fair Value's proportional market value of 245.8 million euros was about 8.2%. The vacancy rate was 3.6% and the average remaining term for the lease agreements was 6.2 years. The portfolio is characterized by a broadly diversified tenant structure with minimal dependence on individual tenants – the biggest tenant accounts for only 9.8% of total rental income. The main tenants have excellent credit ratings and strong market positions.

The portfolio concentrates on regional locations; about 60% of the rental space is located in cities with fewer than 100,000 inhabitants. As a result, the portfolio has more consistent profitability and lower volatility. By making selective purchases in high-density areas, Fair Value will optimize its portfolio and take advantage of potential for added value in these areas.



Lippetal



Meschede



Munich

GEOGRAPHIC SPREAD OF REAL ESTATE PORTFOLIO AS OF 30 SEPTEMBER 2007



Muenster



Naumburg



Neubrandenburg

CORPORATE INTERIM MANAGEMENT REPORT

Revenue situation

Comparing the consolidated profit and loss statements for the first three quarters of 2006 and 2007 is not very telling because Fair Value's business operations did not begin substantially until the 3rd quarter of 2007. Fair Value's profits from the subsidiaries and associated companies from the first three quarters are reflected in the balance sheet approaches on 30 September 2007 and not in sales revenue.

Sales revenue

Because the equity interests in subsidiaries are included in the balance sheet for the first time as of 30 September 2007 (opening balance sheet), the subsidiaries' sales revenue will not be presented until the 4th quarter of 2007.

Operational revenue

Management costs in the amount of 0.6 million euros include in particular costs which have been incurred by the conversion into a stock corporation and the establishment of a REIT.

Financial result

During the first three quarters of 2007, the financial result increased to 6.6 million euros, which is attributable essentially to the difference between the purchase prices of the equity interests acquired against payments and their market value as of the balance sheet date.

Taxes

As of 2007, a tax estimate will no longer be necessary given the expected REIT status and the accompanying exemption from income tax.

Consolidated profit

The consolidated profit was 6.1 million euros in the first three quarters of 2007.

Financial situation

During the period under review, Fair Value's balance sheet total increased by 23K euros to 277.4 million euros compared to 31 December 2006. The long-term assets increased by 10K euros to 231.8 million euros with the properties in the seven Closed-end Commercial Real Estate Funds in which a majority has been acquired and therefore fully consolidated (subsidiaries) and held as financial investments and the seven acquired equity interests in seven Closed-end Commercial Real Estate Funds with stakes between 20 % and 50 % (associated entities). A subsidiary's property already sold at the time of reporting in the amount of 14.2 million euros is presented in the current assets. Liquid funds increased by 13K euros to 28.9 million euros.

Asset situation

Equity as of 30 September 2007 is about 6.9 million euros compared to -93K euros at the end of the previous year. The equity does not take into account contributions made for approved capital increases in the amount of 96.8 million euros, which are still presented as long-term liabilities because the commercial register entry had not yet been made as of the balance sheet date.

Long-term liabilities also include the minority partners' shares in the subsidiaries in the amount of 34.2 million euros. The long-term financing liabilities for financing the subsidiaries' properties total 113.2 million euros.

Short-term liabilities total 26.4 million euros, including 16.2 million euros for purchase price liabilities from the acquisition of fund shares.



Neuss



Osnabrueck



Passau

SUPPLEMENTAL REPORT

The company entered into purchase agreements to acquire additional commercial real estate in October 2007. They relate to the acquisition of a real estate portfolio in northern Germany and a planned office building at the Dusseldorf airport. With the execution of these agreements, Fair Value's real estate portfolio increases by 34 commercial properties with about 50,000 m² of contractual leasing space. The purchase prices in the amount of 64.3 million euros in total are financed by the company's own funds as well as by bank loans.

Northern Germany real estate portfolio

The real estate portfolio in northern Germany consists of 33 commercial properties in different locations throughout Schleswig-Holstein. The properties are used primarily as bank branches. The majority of the properties are centrally located in small to medium cities (e.g. Bad Bramstedt, Bad Segeberg, Neumuenster, Pinneberg). The total leasing space is about 45,400 m² with a low overall vacancy rate of 2.3%. A majority of the space (about 80%) is leased to Sparkasse Südholstein for 10–18 years. The forecast rent is about 3.4 million euros. The purchase price for the real estate portfolio is 51.7 million euros and is due upon transfer of possession, benefits and burdens on 21 December 2007.

Dusseldorf Airport Office Center

The office building will be constructed in the immediate vicinity of the Dusseldorf airport terminal. The property with about 4,600 m² is slated for completion during the 3rd quarter of 2008. The transfer of possession, benefits and burdens will take place once the payment due date conditions are met, expected to be on 15 January 2008. The forecast rent of about 884K euros is in contrast to a purchase price of about 12.6 million euros, payable according to construction progress.

The current pre-leasing rate is at 17% of the total leasing space.

Capital increases

With the entries for cash and non-cash capital increases on 31 October 2007, the company's share capital increased by 0.5 million euros to about 44.6 million euros. The shares issued in exchange for cash payment were issued at a price of 10 euros per share. Equity in the amount of 98 million euros was created resulting from original capital of one million euros, non-cash capital increases of about 86 million euros and a cash capital increase of 11 million euros in total.

The share capital was increased to 47.03 million euros on 9 November 2007 when an additional 480,000 shares were privately issued. These shares were issued at 10.50 euros each. This provided the company with additional cash funds of about 5.0 million euros.

The issuing price in excess of 5 euros per share (share capital) was and will be placed into the capital reserve minus capital procurement costs.

Admission to stock exchange

An application was filed on 2 November 2007 for admission of the entire share capital for trading on the Regulated Market as well as on the subsection of the Regulated Market with additional admission obligations (Prime Standard) for the Frankfurt Stock Exchange. The admission decision was issued on 15 November 2007 and the listing on the Frankfurt Stock Exchange took place on 16 November 2007 with an opening price of 11.00 euros.

Pre-REIT status/REIT status

The German Federal Tax Office sent a letter to Fair Value AG on 7 September 2007 confirming



Potsdam



Querfurt



Quickborn

that it is registered as a pre-REIT in accordance with Sec. 2 REITG [REIT Act] as of 16 July 2007. REIT status was filed for registration following the initial public offering on 16 November 2007. With that, entry in the commercial register as Fair Value REIT AG along with REIT status are expected this year, and a request will be made for exemption from corporate income tax and trade tax retroactive to 1 January 2007.

Loans and credit lines

The company has entered into two credit line agreements for a total of maximum 90 million euros with Westdeutsche ImmobilienBank AG ("WIB").

One credit line has a maximum total of 60 million euros with a term of 364 days following finalization of the loan agreement (31 July 2007) and can be used by the company to finance the purchase of individual commercial properties or portfolios in order to expand the REIT-eligible real estate portfolio, particularly in the office segment. If the credit line is utilized, standard bank guarantees in favor of WIB will be provided for the individual transactions. This credit line has so far not been used. There are plans to use it to acquire in part the real estate portfolio in northern Germany.

Another credit line has a maximum total of 30 million euros with a maximum term of 364 days following finalization of the loan agreement (31 July 2007). It was utilized in conjunction with the acquisition of limited partnership shares as part of the selling offer in the amount of approximately 16.1 million euros. A loan commitment from the credit line that has not been utilized will expire on 31 December 2007.

The company has no contingent liabilities.

Cost of capital procurement and conception

Due to contractual provisions, the company will incur costs for conceiving the REIT AG, expected to be a total of 3.5 million euros, by year's end (or no more than 1.25% of the long-term assets held at the end of the year). This includes all costs and fees for service providers, experts, as well as legal and tax advisers incurred in conjunction with the conception and the initial public offering. As of the balance sheet date, already about 1.6 million euros are incurred.

The bank commissions relating to the stock exchange listing for the entire share capital and those incurred with the pre-stock-exchange capital increase of about 5 million euros total 546K euros.



Rostock



Seligenstadt



Teltow

RISK REPORT

The portfolio of the subsidiary BBV 8 includes residential premises for elderly people („Radevormwald Premises“) which are likely to be qualified as currently leased residential premises pursuant to section 3 (9) REITG. On 5 November 2007 BBV 8 concluded a notarial purchase agreement concerning the sale of the Radevormwald premises at a purchase price of 14.5 million euros. In the consolidated balance sheet as of 30 September 2007 this amount was reduced by the estimated sales costs of approx. 300K euros. Possession, benefits and liabilities also passed to the purchaser on 5 November 2007. The transfer of title to property in the Land Register shall be effected as soon as possible.

In the event that the transfer of title to the property will not be carried out completely or will be reversed and should the Company fail to take appropriate measures, such as e.g. the sale of interest, in advance, then the Company would indirectly hold currently leased residential premises and, in so doing, could not be qualified as REIT and/or would lose its status as REIT.

This could involve considerable disadvantages in the competition with other real estate companies, which have obtained the REIT-status, and would also have negative effects on the net worth, financial and earnings/income situation of Fair Value.

The liquid funds and the cash from current business activities are sufficient to meet the present needs of Fair Value and – from a present point of view – are sufficient to meet all liabilities when due during the next twelve months. Nevertheless there are risks the occurrence of which would have detrimental effects on the net worth, financial and earnings/income situation of Fair Value.

For the real estate portfolio in Northern Germany purchase price payments and ancillary costs in a

total amount of 53.8 million euros will accrue. The purchase price will become due and payable as of 21 December 2007. These costs shall be financed through own funds of the Company as well as through the partial availment of a credit line of Westdeutschen Immobilien Bank AG („WIB“).

For the office building under construction at Dusseldorf Airport the purchase price shall become due and payable according to construction progress. The purchase price for the property in the amount of roughly 2.7 million euros and the first installment of the general contractor remuneration in the amount of roughly 5.5 million euros shall become due and payable in the middle of January 2008; further installments totaling roughly 4.4 million euros shall become due and payable until completion of the construction in summer 2008. The overall purchase price shall be financed by own funds as well as outside capital.

The final amount of the outside capital shares for both investments will be determined with due regard being paid to the provisions of the REITG concerning the equity capital coverage of the immovable property of Fair Value AG. The equity capital shares shall be contributed from already existing liquid funds of the Company, from advanced distributions of profits and current distributions of the subsidiaries and associated companies as well as from current rental surplus of direct investments.

Furthermore, liquidity inflows from further capital increases within the scope of the existing approved capital are strived for, and proceeds are expected from the sale of real property of subsidiaries and associated companies as well as – if required – by the sale of shares in subsidiaries or associated companies.

If expected liquidity inflows do not occur in due time or do not occur in the expected amount, or if an appropriate credit financing cannot be arranged



Waltrop



Weilburg



Weyhe

FORECAST REPORT

and the liquid funds required on the due date of liabilities cannot be provided, then the Company would be in default with the payment and the net worth, financial and earnings/income situation of the Company would be adversely affected.

On the whole, the chances, however, prevail. Thus, about 96% of the existing real property portfolio of 52 industrial premises related to the Fair Value pro-rated market value of roughly 246 million euros is leased for a period of more than 6 years.

Furthermore, the investment in Schleswig-Holstein generates an increase of rental income on an annual basis as from the date of transfer of possession, benefits and liabilities by roughly 17% to approx. 23.4 million euros. The occupancy rate of the newly acquired portfolio amounts to roughly 98% of the rentals, whereby about 84% of the budgeted rentals are secured by fully indexed triple net lease contracts with Sparkasse Südholstein as from date of delivery of possession for an average period of 15 years.

The present leasing successes for the office building under construction in Dusseldorf are based on budgeted rental estimates. Therefore, one proceeds from a rather complete leasing of these premises until completion in the third quarter of 2008.

The new investments further resulted in a further geographical diversification of the real property portfolio. In view of an otherwise unchanged status of the portfolio the segment distribution in case of a complete leasing of the premises in Dusseldorf will be changed to the effect that roughly 44% of the rental income will be realized in the Office and Retail Trade segment; about 8% of the rental income will then be attributable to the Logistics sector and about 5% will be attributable to the sector „Miscellaneous“.

The consolidated interim accounts as of 30 September 2007 has to be viewed like an initial balance sheet of the Company, since the interests in subsidiaries and associated companies were acquired upon lapse of 30 September 2007 both in the case of the contribution in kind as well as in the case of the shares purchased.

The current surplus to which Fair Value is entitled pursuant to the Share Transfer Agreements as of 1 January 2007 are included – including the market values of the real property and the financial liabilities as of 30 September 2007 regarding the net asset value – in the equity capital or in the contributions made within the scope of the capital increases resolved.

Current management results from the subsidiaries or current income from the associated companies will be reflected in the consolidated profit and loss account only from the fourth quarter of 2007. On the basis of administrative costs, which accrue to the Company and have to be adjusted, and interest expenditures the fourth quarter will presumably end with slightly negative result. However, the balance of any evaluation changes under the market evaluation of the real property to be effected as of 31 December 2007 is not yet considered.

On the basis of the existing portfolio including the investments already contracted, we expect for 2008 a consolidated surplus according to IFRS in the amount of 7 million euros. This value is subject to more recent knowledge of the budgets of the Company, the subsidiaries and the associated companies which are still to be prepared for 2008. Furthermore, valuation adjustments of the real property could have positive and negative effects on the consolidated surplus of the year 2008.



Wiedenbrueck



Wittenberg



Zittau

Furthermore, it has to be considered that Fair Value AG – through further capital increases through cash contributions and contributions in kind – strives for dynamic growth and, therefore, there should be a qualitative and quantitative change in the fixed assets within the next 12 months.

Surplus according to German Commercial Code

The predicted consolidated surplus according to IFRS are not synonymous with the surplus of the Company pursuant to the German Commercial Code which are relevant for the dividend payments.

Essential differences of the ascertained results between IFRS and the German Commercial Code exist insofar as pursuant to the German Commercial Code and its imparity principle not realized consistent losses are to be reflected in the assets, while only actually realized valuation adjustments are reflected in the result, whereby in contrast according to IFRS also not realized valuation adjustments according to the fair value principle are relevant for the result. Furthermore, in the consolidated accounts according to the German Commercial Code not the market values of the real property are applied but the acquisition costs of the real property whereby the straight-line/flat-rate depreciation of the buildings in the amount of 2% p.a. does reduce the consolidated result.

Another difference is that any cost in connection with capital procurement and the initial stock exchange listing are to be booked in the capital reserves according to IFRS while such costs are expenditures pursuant to the German Commercial Code.

The aforementioned differences result presumably in the lack of distributable surplus under the German Commercial Code for the year 2007.

Furthermore, it has to be taken into account that any withdrawals/drawings from subsidiaries and associated companies increase the current result only insofar – and contribute, in so doing, to the annual surplus eligible for dividends pursuant to the German Commercial Code – as the withdrawal of profits is concerned on the level of the respective subsidiaries or associated companies.



Aachen



Ahaus-Wuelen



Ahaus

BUSINESS WITH RELATED COMPANIES AND INDIVIDUALS

The following deals have been made with related companies and individuals:

REIT conceptual agreement

An agreement for the development and conception of an REIT was entered into with IC Fonds GmbH (ICF), in Unterschleißheim, Germany, according to which ICF will carry out the necessary profitability calculations, prepare the contractual structure, and perform all other tasks for the development of the REIT (operational support, issuing of prospectus, sales information, etc.). Compensation is degressively graduated as a function of the real estate assets and is between 1.25% and 0.25% of the real estate assets directly or indirectly held on 31 December 2007; fees paid by Fair Value to service providers and advisors in connection with the conception of the REIT and the listing at the stock exchange are deducted.

Asset Management and Corporate Services agreement

The company entered into a service agreement with ICF in which it agrees to carry out asset management and accounting for the properties and companies in the company's possession. ICF will receive annual compensation in the amount of 20% of the dividend for the respective fiscal year as of 1 January 2008. If ICF or a company associated with it provides similar services to subsidiaries of the company, the compensation paid at this level will be offset as a percentage of the equity interest ratio. Compensation for 2007 is a flat fee of 850K euros.

Property Management agreement

The company has entered into a service agreement with IC Immobilien Service GmbH, in Unterschleißheim, Germany, in which it agrees to manage the properties directly held

by the company, i.e. without the involvement of subsidiaries. The annual compensation is 3% of the actual annual rent; conversion or restoration work as well as new tenancies will be compensated separately.

Shares held by the chairman

Mr. Frank Schaich directly holds 2,028 shares. In addition, Mr. Schaich holds 23% of the shares in MIM Münchener Immobilien Management GmbH, which in turn has a 19.04% equity interest in IC Immobilien Holding AG. Because IC Immobilien Holding AG has an equity interest in Fair Value AG directly with 9.39%, indirectly through its subsidiaries IC Immobilien Service GmbH 6.34%, IC Fonds GmbH 2.34% and IC Beteiligungs-Treuhand GmbH 0.13%, another 77,282 shares in total of Fair Value AG are attributed to Mr. Schaich. Mr. Schaich therefore holds 79,310 shares in Fair Value AG altogether.

Shares held by the supervisory board

Supervisory board member Dr. Oscar Kienzle has a 14,500 share equity interest in the company at the time of reporting. In addition, Dr. Kienzle indirectly holds 7,627 shares in the company through IC Immobilien Holding AG and 157,925 shares, also indirectly, through MIM Münchener Immobilien Management GmbH. His wife, Helga Kienzle, directly holds 21,386 shares in the company; the estate of Dr. Inge Kienzle directly holds 21,187 shares and indirectly holds 2,401 shares through IC Immobilien Holding AG; Kienzle Vermögensverwaltungs GmbH, in the possession of Dr. Oscar and Helga Kienzle, holds 137,091 shares.

There are no further equity interests in the share capital of the company held by supervisory board members.



Altenberge



Alzey



Bad Salzungen

Board of Directors

The Board of Directors was constituted as follows on 30 September 2007:

- Frank Schaich (CEO)

Mr. Manfred Heiler was appointed as an additional board member at this time, effective 1 December 2007.

Supervisory Board

The Supervisory Board was constituted as follows on 30 September 2007:

- Christian Hopfer (supervisory board chairman)
- Frank Manzke (supervisory board vice chairman until 7 October 2007)
- Dr. Oscar Kienzle (supervisory board member)

In the annual meeting on 8 October 2007, Dr. Heinz Rehkugler was elected to the supervisory board after Mr. Franz Manzke resigned his supervisory board office effective 7 October 2007. In the supervisory board meeting on 22 October 2007, Dr. Heinz Rehkugler was elected as chairman of the supervisory board. His replacement is Mr. Christian Hopfer.



Berlin



Celle



Chemnitz

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2007

Consolidated Balance Sheet (in thousands of euros)

Assets

	Explanation	30 September 2007	31 December 2007
Non-current assets			
Investment properties	4	168,630	0
Investment accounted for using the equity method	3	63,131	0
Financial assets		0	10
Total non-current assets		231,761	10
Current assets			
Non-current assets held for sale	5	14,200	0
Receivables	6	2,576	0
Liquid funds		28,876	13
Total current assets		45,652	13
Total assets		277,413	23

Shareholders' equity and Liabilities

Shareholders' equity			
	7		
Subscribed capital		500	0
Capital reserve		521	0
Profit reserves		5,855	0
Net assets of shareholders		0	(93)
Total shareholders' equity		6,876	(93)
Non-current liabilities			
Contributions made to carry out the approved capital increases	7	96,751	0
Minority interest	3	34,196	0
Financing liabilities	8	113,216	0
Total non-current liabilities		244,163	0
Current liabilities			
Financing liabilities	8	5,995	0
Purchase price liability from acquisition of fund shares	9	16,237	0
Other liabilities	9	4,142	116
Total current liabilities		26,374	116
Total shareholders' equity and liabilities		277,413	23



Chemnitz



Chemnitz



Chemnitz

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2007

Consolidated Profit and Loss Statement

(in thousands of euros)

	Explanation	1 January to 30 September 2007	1 January to 30 September 2006
General administrative costs		(602)	(11)
Other operating revenue		103	0
Operating result	10	(499)	(11)
Revenue from holdings valued at equity	3	4,840	0
Other equity interest result	11	180	0
Revenue from profitable equity interest acquisition	3	1,614	0
Net revenue from interest		13	1
Financial result		6,647	1
Profit before taxes		6,148	(10)
Taxes on earnings		0	0
Consolidated profit		6,148	(10)



Dresden



Dresden



Dusseldorf

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2007

Development of the Consolidated Equity (in thousands of euros)

	Subscribed capital	Capital reserve	Profit reserves	Net assets of the shareholders	Total
Status on 1 January 2006	0	0	0	-37	-37
Financial profit	0	0	0	-10	-10
Status on 30 September 2006	0	0	0	-47	-47
Status on 1 January 2007	0	0	0	-93	-93
Contributions	0	0	0	821	821
Reclassification due to change in form	500	521	-251	-770	0
Consolidated profit	0	0	6,106	42	6,148
Status on 30 September 2007	500	521	5,855	0	6,876



Eisenach



Eisenhuettenstadt



Emmerich

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2007

Consolidated Statement of Cash Flow (in thousands of euros)

	01.01.– 30.09.2007	01.01.– 30.09.2006
Consolidated profit	6,148	(10)
Adjustments to transfer of consolidated profit to „cash flow“ from operations, adjusted by effects from company acquisitions		
Revenue from the disposal of „Hausbesitzbriefe“	(180)	0
Result from shares valued at equity	(4,840)	0
Result from profitable company acquisition	(1,614)	0
(Increase)/decrease of other receivables	(327)	0
(Decrease)/increase of liabilities	(213)	4
Outflow of funds from operations	(1,026)	(6)
Liquid funds from acquired subsidiaries	17,903	0
Revenue from the disposal of „Hausbesitzbriefe“	190	0
Inflow of funds from investments	18,093	0
Deposits for approved cash capital increase	10,925	0
Other partner deposits	821	0
Shareholder loan	50	0
Inflow of funds from financing activities	11,796	0
Change of liquid funds	28,863	(6)
Liquid funds at the start of the period	13	25
Liquid funds at the end of the period	28,876	19



Erlangen



Essen



Frechen

NOTES ON THE CONSOLIDATED ACCOUNTS

1. General information on the company

The company was formed as a limited partnership on 21 October 2003 and conceived as a Closed-end Real Estate Fund. Its purpose was to acquire, manage and utilize equity interests particularly in real estate companies.

By 31 December 2006, limited partnership capital contributions of 550K euros were subscribed, of which 200K euros were paid. During the reporting period, a limited partnership capital contribution of 50K euros was subscribed, the general partners took on 400K euros in contributions and all outstanding contributions were paid in.

On 23 May 2007, a resolution was passed to change the form to an AG and the articles of incorporation were established. The previous fixed capital accounts became share capital at a 2:1 ratio, which were 500K euros. The legal entity in its new form was entered into the commercial register at the local court of Munich on 12 July 2007 under HRB 168882.

On 16 July 2007, the company applied for registration as a pre-REIT according to Sec. 2 REITG. With respect to the planned REIT status, the general meeting of 12 July 2007 redrafted the articles of incorporation. The purpose of the company was amended to be restricted to the activities specified in Sec. 1 Para. 1 No. 1 through 5 REITG. In addition, the registered office was moved from Unterschleißheim to Munich. The business address is Leopoldstr. 244, 80807 Munich.

In September 2007, the company took an equity interest in a total of 14 of the real estate funds managed by the IC Real Estate Group, including a majority holding in seven companies

and a holding of between 20% and 50% in the other seven companies. The acquisitions took place by way of capital contributions in kind and purchasing. Further details are provided in the explanatory note no. 3.

Moreover, the share capital was increased by two cash-based capital increases in the amount of 5,487K euros and 2,400K euros which was entered into the commercial register on 31 October 2007 and 9 November 2007 respectively.

The company's shares have been listed in the Regulated Market of the Frankfurt Stock Exchange since 16 November 2007.

Due to the equity interest acquisitions mentioned above, the company must prepare consolidated year-end financial statements. The present financial statements are the first consolidated interim financial statements of the company.

2. Balance sheet and valuation methods

Principles of preparation – The consolidated interim financial statements were prepared based on the International Financial Reporting Standards ("IFRS") along with IAS 34 „Interim Reporting.“

Consolidation – All subsidiaries are included in the consolidated financial statements. Subsidiaries are companies whose financial and business policies can be determined by the corporate group; in general, this is tied to a voting right majority. The subsidiaries are incorporated as of the date on which the corporate group obtains control until termination of control.



Genthin



Hamm



Hanover

Intragroup receivables and liabilities as well as intragroup expenditures and revenue are offset against one another. Unrealized profits from transactions between group companies are completely eliminated.

Shares in associated companies – Shares in associated companies are presented in the balance sheet according to the equity method. Associated companies are those companies whose business and financial policies are significantly influenced by the corporate group, which nonetheless does not have any controlling power over them; usually this is characterized by a stake and voting right of between 20 % and 50 %. The new acquisition of shares is part of the acquisition costs. Consequently, the book value of the shares is increased or decreased according to the shareholder's share in the net income of a given period. Distributions received by associated companies reduce the book value of the shares.

Real estate held as a financial investment – Real estate held as a financial investment includes real estate and buildings held to obtain rental income or to increase value. Real estate held as a financial investment is valued at the current market value. The current market value is determined by appraisals from independent experts. Changes to value are included in the profit and loss statement with an effect on net income.

Liabilities to credit institutions – Liabilities to credit institutions are valued at the acquisition cost for first-time inclusion. For new liabilities, they result from the disbursement amount minus direct transaction costs. For liabilities

of subsidiaries that occur within the corporate group as part of the initial consolidation, the acquisition costs equal the market value of these liabilities. Any difference between the acquisition costs and the repayment amount is distributed over the duration of the fixed interest as the book value is adjusted proportionally.

Reserves – Reserves are formed whenever a legal or factual obligation from past events arises for the corporate group on the balance sheet date and this obligation will likely result in a drain on resources, the amount of which can be reliably estimated.

Realization of profit – Rental income is collected pro rata temporis. Profit is realized during the sale of real estate when the risks and opportunities (possession, benefits and burdens) associated with ownership transfer to the buyer.

3. Acquisition of companies

Fair Value AG took an equity interest in the following 14 IC/BBV real estate funds by way of capital contributions in kind and by purchase:

- IC Fonds & Co. München-Karlsfeld KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5042 (also referred to as „IC 01“ below);
- IC Fonds & Co. Forum Neuss KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5212 (also referred to as „IC 03“ below);



Herbolzheim



Cologne



Cologne

- IC Fonds & Co. Büropark Teltow KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5454 (also referred to as „IC 07“ below);
- IC Fonds & Co. Rabensteincenter KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5588 (also referred to as „IC 10“ below);
- IC Fonds & Co. SchmidtBank-Passage KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5675 (also referred to as „IC 12“ below);
- IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5702 (also referred to as „IC 13“ below);
- IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG with registered office in Regensburg, entered in the commercial register of the local court of Regensburg under HR A 5839 (also referred to as „IC 15“ below);
- BBV Immobilien-Fonds Erlangen GbR, with registered office in Munich (also referred to as „BBV 02“ below);
- BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 65425 (also referred to as „BBV 03“ below);
- BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 67052 (also referred to as „BBV 06“ below);
- BBV Immobilien-Fonds Nr. 8 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 65523 (also referred to as „BBV 08“ below);
- BBV Immobilien-Fonds Nr. 9 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 67919 (also referred to as „BBV 09“ below);
- BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 68914 (also referred to as „BBV 10“ below); and
- BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG with registered office in Munich, entered in the commercial register of the local court of Munich under HR A 68759 (also referred to as „BBV 14“ below).



Krefeld



Langen



Langenfeld

The following table shows the amount of acquired equity interests (shares in the fixed capital and holding percentages):

	Fixed capital		Share acquisition (nominal)				Total	
	Total	through capital contributions in kind	by purchase					
	Thou. of euros	Thou. of euros	%	Thou. of euros	%	Thou. of euros	%	
Subsidiaries								
IC 01	6,442	3,569	55.40	26	0.40	3,595	55.80	
IC 03	9,842	6,662	67.69	383	3.89	7,045	71.58	
IC 07	23,519	17,522	74.50	174	0.74	17,696	75.24	
IC 13	29,144	13,659	46.87	1,256	4.31	14,915	51.18	
BBV 03	15,550	6,360	40.90	1,975	12.70	8,335	53.60	
BBV 06	48,040	20,455	42.58	5,373	11.18	25,828	53.76	
BBV 08	48,255	19,062	39.50	5,420	11.23	24,482	50.73	
Associated Companies								
IC 10	11,990	0	0.00	3,134	26.14	3,134	26.14	
IC 12	21,014	6,596	31.39	1,774	8.44	8,370	39.83	
IC 15	37,544	12,006	31.98	2,366	6.30	14,372	38.28	
BBV 02	5,169	813	15.73	1,104	21.36	1,917	37.09	
BBV 09	101,605	18,907	18.61	6,423	6.32	25,330	24.93	
BBV 10	94,795	25,367	26.76	10,943	11.54	36,310	38.30	
BBV 14	113,290	41,405	36.55	9,600	8.47	51,005	45.02	

Equity interests were acquired through capital contributions in kind as well as through purchases of shares as of 30 September 2007.

The acquisition costs of capital contributions in kind are generally measured according to the value of the issued shares as stated by the share price at the time of the transaction. Given that the company's shares were not yet listed on the stock exchange on 30 September 2007 and there was no share price for the shares to be issued at this time, the acquisition costs of

the shares acquired by capital contributions in kind must be determined using their current market values. Because the companies are real estate companies that otherwise do not operate in the marketplace, the proportional net asset value of the specific fund can be used as the current market value. The acquisition costs of the contributed shares calculated in this manner totaled 85,826K euros, including 38,483K euros for shares in subsidiaries and 47,343K euros for shares in associated companies.



Lippetal



Meschede



Munich

The price of the purchased shares equals the intrinsic values determined for the exchange offer minus a discount of 15%, thereby totaling 16,237K euros. Of this, 5,289K euros relate to shares in subsidiaries and 10,948K euros relate to shares in associated companies.

The assets and debts of the acquired subsidiaries are recorded as follows in the consolidated interim financial statements using their current market value:

Subsidiaries	IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	BBV 08	Total
	K€	K€	K€	K€	K€	K€	K€	K€
Real estate held as a financial investment.	4,500	8,700	25,300	25,500	10,200	55,830	38,600	168,630
Non-current assets								
held for sale	0	0	0	0	0	0	14,200	14,200
Accounts receivable	25	101	(9)	16	42	193	126	494
Other receivables	31	6	0	11	33	23	30	134
Liquid funds	620	44	2,604	4,256	3,779	2,106	4,494	17,903
Financing liabilities	(2,050)	(3,958)	(15,124)	(24,890)	0	(38,584)	(29,724)	(114,330)
Derivative financial instruments	0	0	0	0	0	(241)	0	(241)
Accounts payable	(63)	(29)	(34)	(85)	(17)	(35)	(58)	(321)
Other liabilities	(6)	(59)	(380)	(247)	(53)	(1,024)	(528)	(2,297)
Total book values	3,057	4,805	12,357	4,561	13,984	18,268	27,140	84,172
Adjustment of financing liabilities to the market value as of 30 September 2007	(32)	(13)	(248)	(498)	0	(2,567)	(1,232)	(4,590)
Current market value of the net asset values	3,025	4,792	12,109	4,063	13,984	15,701	25,208	79,582
Minority interests	(1,337)	(1,362)	(2,998)	(1,984)	(6,489)	(7,261)	(12,765)	(34,196)
Deficit differential	(3)	(16)	(9)	26	(343)	(250)	(1,019)	(1,614)
Procurement costs of the acquired shares	1,685	3,414	9,102	2,105	7,152	8,190	12,124	43,772
including contributed shares	1,676	3,244	9,021	1,904	5,719	6,685	10,234	38,483
including purchased shares	9	170	81	201	1,433	1,505	1,890	5,289

Between the shares accruing to the company in the net asset value of the acquired subsidiaries and the acquisition costs, a differential arose

in the amount of 1,614K euros, which was collected as revenue from profitable equity interest acquisition.



Muenster



Naumburg



Neubrandenburg

The method for determining the current market values of the acquired shares in associated companies and reconciling them with the acquisition costs can be seen below:

Associated Companies	IC 10	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	Total
	(consolidated)*							
	K€	K€	K€	K€	K€	K€	K€	K€
Real estate held as a financial investment	10,300	8,500	44,600	1,800	143,200	135,290	87,500	431,190
Accounts receivable	10	134	23	6	104	115	943	1,335
Other receivables	4	25	55	71	71	64	946	1,236
Liquid funds	420	583	2,098	193	11,478	8,102	3,828	26,702
Minority interests	0	0	(139)	0	0	0	0	(139)
Financing liabilities	(7,968)	(2,430)	(33,032)	(1,374)	(82,175)	(80,037)	(52,330)	(259,346)
Derivative financial instruments	0	0	0	0	(4,782)	(1,177)	0	(5,959)
Accounts payable	(48)	(40)	(167)	(5)	(44)	(64)	(385)	(753)
Other liabilities	(52)	(30)	(558)	(57)	(2,346)	(884)	(961)	(4,888)
Total book values	2,666	6,742	12,880	634	65,506	61,409	39,541	189,378
Adjustment of financing liabilities to the market value as of 30 September 2007	168	(25)	(1,422)	(82)	(516)	(1,580)	(2,937)	(6,394)
Current market value of the net asset values	2,834 **	6,717	11,458	552	64,990	59,829	36,604	182,984
Holdings as %	26.14	39.83	38.28	37.09	24.93	38.30	45.02	
Current market value of acquired shares	270	2,675	4,386	205	16,202	22,914	16,479	63,131
Deficit differential	(202)	(78)	234	(36)	(1,434)	(2,247)	(1,077)	(4,840)
Procurement costs of the shares	68	2,597	4,620	169	14,768	20,667	15,402	58,291
including contributed shares	0	2,108	3,664	87	12,095	16,010	13,379	47,343
including purchased shares	68	489	956	82	2,673	4,657	2,023	10,948

* IC 15: Consolidation of two property companies at fund level

** including € 1,800,000 for a special capital contribution of other partners



Neuss



Osnabrueck



Passau

Between the shares accruing to the company in the net asset value of the associated companies and the acquisition costs of the holdings in these companies, a differential arose in the amount of 4,840K euros, which was collected as revenue from holdings valued at equity.

4. Real estate held as a financial investment

The real estate held as a financial investment (subsidiaries) is made up of 27 properties distributed according to the following segments:

Breakdown of investment properties by segment

	Number	Thousands
Office real estate	4	42,400
Logistics	4	33,400
Retail	18	73,030
Miscellaneous	1	19,800
Total	27	168,630

The valuation took place with the market values determined by expert reports as of 30 June 2007.

5. Non-current liabilities held for sale

The non-current assets held for sale relate to a property in Radevormwald (BBV 08), which was sold in a notarized purchase agreement dated 5 November 2007 at a price of 14,500K euros; thereof sales cost of 300K euros were deducted.

6. Receivables

The receivables include inter alia deducted capital procurement costs within equity incurred by the balance sheet date in the amount of 1,621K euros. These relate to the cash capital increase in the amount of 5,487K

euros, the capital contribution in kind from the exchange offer and from the listing without which REIT status is not possible. Because these capital increases would not have been possible without the promise of REIT status, the listing costs are considered costs directly related to capital procurement. Accordingly, these costs and the related costs incurred after the balance sheet date will be directly offset against the contributions within the capital reserve once they are reposted to equity.

7. Equity

The subscribed capital shown has now increased due to cash capital increases of 5,487K euros and 2,400K euros as well as a capital contribution in kind increase of 38,647K euros to 47,034K euros. It has been fully provided. The share capital as of 30 September 2007 is divided into 8,926,882 voting no-par-value bearer shares of the same class. With the capital increase of 480,000 shares of 9 November 2007 the number of shares amounts to 9,406,882.

On the balance sheet date, 5,462.5K euros plus a premium share of the same amount were already paid in for the capital increase of 5,487K euros, so a total of 10,925K euros. The contributions to be made as part of the capital contribution in kind were fully provided. The value of these contributions is 85,826K euros, thereby exceeding the amount by which the share capital was increased, 47,179K euros. Because both capital increases were entered on 31 October 2007, so after the balance sheet date, the contributions made totaling 96,751K euros are not yet listed as equity but rather as "contributions made to carry out the approved capital increases" under long-term liabilities.



Potsdam



Querfurt



Quickborn

According to Section 5 Para. 5 of the articles of association, the Board of Directors is authorized to increase the share capital by 21,250K euros until 9 November 2012 in exchange for cash contributions and/or capital contributions in kind with the consent of the supervisory board (approved capital).

(Deutschland) GmbH on 3 May 2007 at a purchase price of 190K euros, resulting in a sales profit of 180K euros.

8. Financing liabilities

The current and non-current financing liabilities totaling 119,211K euros are made up of liabilities to credit institutions in the amount of 118,710K euros, liabilities from interest rate swaps (241K euros), and liabilities to a related company (IC Immobilien Holding AG) in the amount of 260K euros. The bank liabilities are secured by real property liens.

9. Other short-term liabilities

The purchase price liability from the acquisition of fund shares was paid in November 2007. Financing was provided by a bank loan.

Other liabilities include accounts payable (1,798K euros) and deferred interest (1,494K euros).

10. Operating result

The administrative costs primarily include costs incurred in relation to the change in legal form and conception of an REIT.

The other operating revenue in the amount of 103K euros involves losses on unrecoverable debts from companies that departed before the change of form.

11. Other equity interest result

The shares in various fund companies presented under financial assets on 31 December 2006 were sold to EuroVal



Rostock



Seligenstadt



Teltow

FINANCIAL CALENDAR

15 March 2008	Presentation of financial figures
31 March 2008	Release of 2007 Annual Report
15 May 2008	Announcement of Q1/2008 figures
May 2008	Annual meeting
15 August 2008	Release of 2008 Half-Year Report
November 2008	Announcement of Q3/2008 figures
	Presentation at Equity Forum

CONTACT

FAIR VALUE Immobilien-Aktiengesellschaft
Leopoldstr. 244
80807 Munich

Tel. +49 89 92 92 815-01
Fax +49 89 92 92 815-15
www.fair-value-reit.de

For media inquiries:

cometis AG
Ulrich Wiehle
Unter den Eichen 7
65195 Wiesbaden

Tel. +49 611 20 58 55-11
Fax +49 611 20 58 55-66



Waltrop



Weilburg



Weyhe

Imprint

FAIR VALUE Immobilien-Aktiengesellschaft
Leopoldstr. 244
80807 Munich
Germany

Tel. +49 89 92 92 815-01
Fax +49 89 92 92 815-15
www.fair-value-reit.de

info@fair-value-reit.de
www.fair-value-reit.de

Board of Directors

Frank Schaich

Supervisory Board

Prof. Dr. Heinz Rehkugler, supervisory
board chairman
Christian Hopfer, supervisory board vice
chairman
Dr. Oscar Kienzle

Company Headquarter: Munich
Register Court: Munich
Company Registration Number: HRB 168 882

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Wiedenbrueck



Wittenberg



Zittau



FAIR VALUE
Immobilien-Aktiengesellschaft

Fair Value Immobilien-Aktiengesellschaft
Leopoldstraße 244
80807 München
Deutschland

Tel. 089 / 92 92 8 15 - 01
Fax 089 / 92 92 8 15 - 15

info@fair-value-reit.de
www.fair-value-reit.de