Interim Report

1st to 3rd Quarter 2012

fair value REIT

Key figures Fair Value Group

Revenues and earnings		1/1–9/30/2012	1/1–9/30/2011
Rental revenues	in € thousand	8,329	7,845
Net rental result	in € thousand	6,536	6,265
EBIT	in € thousand	4,038	4,212
Result from equity-accounted investments	in € thousand	4,010	4,528
Consolidated net income	in € thousand	3,783	4,518
Earnings per share	in €	0.41	0.48
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	4,291	4,183
EPRA-Earnings/FFO per share	in €	0.46	0.45

Assets and capital		9/30/2012	12/31/2011
Non-current assets	in € thousand	178,891	180,078
Current assets	in € thousand	9,470	11,304
Total assets	in € thousand	188,361	191,382
Equity/Net asset value (NAV)	in € thousand	80,294	77,472
Equity ratio	in %	42.6	40.5
Immovable assets	in € thousand	180,225	180,975
Equity within the meaning of Section 15 of the REIT act	in € thousand	95,197	92,208
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45 %)	in %	52.8	51.0

Real estate investments[1]		9/30/2012	12/31/2011
Number of properties	amount	69	73
Market value of properties[2]	in € million	220	222
Contractual rent p.a.	in € million	18.3	18.4
Potential rent p.a.	in € million	19.3	19.7
Occupancy	in %	95.1	93.8
Remaining term of rental agreements	years	5.5	6.0
Contractual rental yield before costs	in %	8.4	8.3

[1] Relating to Fair Value's proportionate portfolio. For further information see Annual Report 2011, pages 122–127.
[2] Based on the market valuation dated December 31, 2011, on the purchase price (Alzey IC 01) and adjusted assessed value (Pinneberg, Damm 49).

Further key figures

		9/30/2012	12/31/2011
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	8.61	8.31
EPRA-NAV per share	in €	9.61	9.27
Number of employees (including Management Board)		3	3

Letter to Shareholders

Dear Shareholders and Business Partners, Ladies and Gentlemen,

The crisis in the Eurozone is slowing the German economy more strongly than originally anticipated. With regard to the coming year, growth forecasts for gross domestic product have also been reduced to around 1.0 %. Nevertheless, according to the autumn survey 2012 conducted by the DIHK (German Chamber of Commerce and Industry), the German economy is set to create around 180,000 new jobs, primarily in the service industries. Companies are operating cautiously, but most believe that they remain in a competitive position.

In this context, we were able to increase the occupancy rate of our real estate portfolio back up to the long-term average of around 95 % in the first nine months of the current financial year, with the average time to maturity of the lease agreements totalling 5.5 years as of September 30, 2012.

Consolidated net income for the first nine months of 2012 came in at € 3.8 million, down € 0.7 million on the previous year figure of € 4.5 million. The fall compared to the previous year was around 50 % attributable to the higher earnings contribution from the market valuation of interest hedging transactions in the previous year and 50 % from the valuation loss on a sold property during the year. In contrast, consolidated net income adjusted for changes in market values, or FFO earnings, came in at € 4.3 million or € 0.46 per share, some 3 % higher than the corresponding previous year figure. As of September 30, 2012, Group equity totalled € 80.3 million in 2012, following € 77.5 million in the previous year. As a result, the balance sheet net asset value (NAV) increased from € 8.31 to € 8.61 per share in circulation. The REIT equity ratio also increased from 51.0 % to approximately 52.8 % of immovable assets.

For the fourth quarter, we are anticipating rental-related expenses on the back of successful leasing which will be above the average of the first three quarters of the current financial year. This will lead to a total annual result that is slightly higher than anticipated. We continue to uphold our forecast for the full year 2012 and we are therefore still anticipating adjusted IFRS consolidated net income (EPRA earnings or FFO) of € 5.2 million for 2012, corresponding to € 0.56 per share.

We remain committed to paying out a dividend for 2012 totalling € 0.10 per share, although further commercial results and liquidity inflows are currently required to realise this.

Munich, November 8, 2012

Kind regards

Frank Schaich, CEO

The Share

Development of the Stock Market and the Fair Value Share

After the gains in the first quarter, the German stock markets endured a long period with markedly declining prices during the second quarter which continued into June. The subsequent recovery was sustained until the end of the reporting period.

The Fair Value share recorded a sideways trend during the first months of the year. In the period from May to July, the price fell temporarily, recording its annual low to date of € 3.50 on July 16, 2012. From this point, the share put in a sustained recovery. The highest price recorded during the reporting period was € 4.95 on September 20, 2012. On the final day of trading during the third quarter (September 28, 2012), the Fair Value share came in at € 4.88 and was therefore substantially up on the price of € 4.40 recorded at the start of the year. This constituted a market capitalisation of around € 45.9 million.

Development of Fair Value's share
January 3 to November 6, 2012

Key data Fair Value REIT-AG's share

at September 30, 2012

Sector	Real Estate (REIT)
WKN (German Securities Code)/ISIN	A0MW97/DE000A0MW975
Stock symbol	FVI
Share capital	€ 47,034,410.00
Number of shares (non-par value shares)	9,406,882 pcs.
Proportion per share in the share capital	€ 5.00
Initial listing	November 16, 2007
High/low 1st–3rd quarter 2012 (XETRA)	€ 4.95/€ 3.50
Market capitalization at September 30, 2012 (XETRA)	€ 45.91 million
Market segment	Prime Standard
Stock exchanges Prime Standard	Frankfurt, XETRA
Stock exchanges OTC	Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated sponsors	Close Brothers Seydler Bank
Indices	RX REIT All Shares-Index, RX REIT-Index

In the first nine months of the current financial year, approximately 0.5 million Fair Value REIT-AG shares were traded on all stock markets. This resulted in a trading volume of around € 1.9 million in the reporting period, compared with some € 5.3 million in the comparable period last year.

Further information about the share, the shareholder structure as well as other investor relations content is available on www.fvreit.de in the "Investor Relations" section.

Financial calendar

Fair Value REIT-AG

November 12, 2012	Presentation, German Equity Forum (Frankfurt/Main, Germany)
March 27, 2013	Annual Report 2012, Annual Press Conference (Frankfurt/Main, Germany)
May 8, 2013	Interim Report 1st Quarter 2013
May 16, 2013	Annual General Meeting (Munich, Germany)
August 8, 2013	Semi Annual Report 2013
November 7, 2013	Interim Report 1st–3rd Quarter 2013
November 18, 2013	Presentation, German Equity Forum (Frankfurt/Main, Germany)

Group Interim Management Report

Economic Report

Business Activities and General Conditions

Real Estate Portfolio and Group Structure

The Fair Value related occupancy rate of the real estate managed by the Group and its associated companies increased to 95.1 %, compared with 93.8 % on December 31, 2011. The weighted remaining terms of the lease agreements as of September 30, 2012 averaged 5.5 years, compared with 6.0 years as of December 31, 2011.

The following table provides an overview of the real estate assets attributable to the Group (€ 127 million) and its associated companies (€ 358 million) as of September 30, 2012. The market values of the properties are based on property-by-property evaluations by the external experts CBRE GmbH as of December 31, 2011, to which reference is made individually on pages 122 to 127 of the Annual Report. Deviating from this, in the case of the sold real estate in Alzey, the agreed sale price was applied, and in Pinneberg, Damm 49, the expenses for reconstruction costs which are considered value-sustaining were also applied.

Real estate assets of Fair Value REIT-AG
as of September 30, 2012

					Fair Value REIT-AG's share					
	Total plot size[1] [m²]	Lettable space[1] [m²]	Annualized contractrual rent p. a.[1] [T€]	Market value 12/31/2011[1)2)] [T€]	Participating interest [%]	Annualized contractrual rent[3] [T€]	Market value 12/31/2011[2)3)] [T€]	Occupancy level[4)6)] [%]	Ø-remaining term of rental agreements[5)6)] [years]	Contractual rental yield before costs[6)7)] [%]
Segment direct investments	54,354	40,717	3,159	44,819	100.0	3,159	44,351	97.3	10.1	7.0
Segment subsidiaries	157,925	118,826	7,499	82,440	57.6	4,270	47,507	90.9	4.0	9.0
Total Group	**212,279**	**159,543**	**10,658**	**127,259**	**72.5**	**7,429**	**91,858**	**93.5**	**6.6**	**8.0**
Total associated companies	340,250	269,156	31,145	357,750	35.7	10,911	127,671	96.2	4.8	8.5
Total Portfolio	**552,529**	**428,699**	**41,804**	**485,009**	**45.3**	**18,340**	**219,530**	**95.1**	**5.5**	**8.3**

[1] Does not take into account the respective participating interest
[2] According to market valuation by CBRE GmbH, Frankfurt/Main, as of December 31, 2011, sale agreement (Alzey, IC 01) and adjustment of assessed value (Pinneberg, Damm 49)
[3] Proportionate values attributable to Fair Value based on percentage of participations
[4] Contractual rent/(contractual rent + vacant space at standard market rent)
[5] Income-weighted
[6] (Sub) totals taking the respective participating interest into account
[7] Contractual rents as of September 30, 2012 as % of the proportionate market values

Macroeconomic and Sector-Specific Conditions

Macroeconomic Situation After German economic performance recorded a rise in the first quarter 2012, the economy has been slowed more strongly than anticipated by the crisis in the Eurozone during the course of the year. In its autumn forecast, the German Institute for Economic Research (DIW) anticipated that the German economy will grow by only 0.9 % on average for the year 2012, which represents a reduction of ten basis points compared to the previous forecast. While the crisis in the southern Eurozone is impacting German exports, private consumption is benefiting from the upbeat employment situation and continued moderate inflation. According to DIW estimates, the employment market continues to record comparably robust development. In September, the unemployment rate totalled 6.5 % and was therefore slightly lower than the mark posted at the end of the second quarter (6.6 %).

In September 2012, consumer prices in Germany were 2.0 % higher than in the same month of the previous year. As a result, upward pressure on prices weakened again slightly compared to August 2012. The base rate in the Euro zone hit a historical low of 0.75 % following the decision of the European Central Bank on July 5, 2012.

Sources: Destatis – German Federal Statistics Agency, DIW, German Federal Employment Agency

The Real Estate Market in Germany **The Leasing Market** **Office Space** The German office leasing market has remained relatively robust over the first nine months of 2012 overall according to Jones Lang LaSalle (JLL). In the seven German centres for office space[1)], JLL recorded a total turnover of 2.15 million m² in the reporting period, which represents a decline of 14% compared to the same period in the previous year. However, vacancies continued to be reduced and the vacancy rate came in at 9.0 % at the end of September, not least due to the continued modest construction activities. This mark is therefore a further 20 basis points lower than at the mid-year point in 2012.

Retail Space With the moderate inflation development and the continuing robust employment market, the conditions for retailing remained favourable in the third quarter, meaning that the environment on the rental market for retail properties also remains positive.

The Investment Market The transaction volumes on the German real estate investment market totalled around € 14.9 billion in the first nine months of 2012, falling by around 14 % year-on-year. However, in the third quarter the market upturn expected for the second half of the year began to be realised and momentum was tangibly gained compared to the previous quarter. According to JLL, a total of around € 5.4 billion was invested in commercially used real estate from July to September, which represents an increase of 26 % compared to the second quarter.

Although there were no major changes with regards to the proportions of individual types of use based on total transaction volume in the third quarter, significant differences are noticeable compared to the previous year. The proportion of office properties rose to € 6.6 billion or 44 % (previous year: € 4.4 billion or 25 %), while the proportion of retail properties fell from 48 % to around 30 %. The top returns at the large commercial real estate centres remained largely unchanged in the third quarter.

Source: Jones Lang LaSalle
[1)] Berlin, Duesseldorf, Frankfurt/ Main, Hamburg, Munich, Stuttgart, Cologne

Overall Statement of the Management on Business Performance

Fair Value REIT-AG concluded the first nine months of the current financial year 2012 with consolidated net income of € 3.78 million, or € 0.41 per share (previous year: € 4.52 million or € 0.48 per share).

Around 50 % of the decline compared with the previous year is a consequence of the market valuation through profit and loss of the interest rate hedges both in the Group and at the equity-accounted participations. From a year-on-year perspective, this resulted in lower income from equity-accounted companies and to higher interest expenses in the Group. The remaining 50 % of the difference resulted from a valuation loss in connection with the sale of a property in Alzey (subsidiary IC 01; see Note 4).

The Fair Value Group's operating net income adjusted for changes in market values and valuation losses (EPRA earnings or FFO) was around 3 % up on the previous year:

Adjusted consolidated net income (EPRA earnings or FFO)	1/1–9/30/2012				1/1–9/30/2011			
		Adjustment for extraordinary factors				Adjustment for extraordinary factors		
in € thousand	According to consolidated income statement	Profits/ losses on sale and valuation	Interest rate swaps	**Adjusted consolidated income statement**	According to consolidated income statement	Profits/ losses on sale and valuation	Interest rate swaps	**Adjusted consolidated income statement**
Net rental income	**6,536**	–	–	**6,536**	**6,265**	**–**	**–**	**6,265**
General administrative expenses	(1,773)	–	–	(1,773)	(1,692)	–	–	(1,692)
Total other operating income and expenses	(86)	–	–	(86)	83	–	–	83
Earnings from sale of investment properties	23	(23)	–	–	(74)	74	–	–
Valuation profit/loss	(662)	662	–	–	(370)	370	–	–
Operating result	**4,038**	**639**	–	**4,677**	**4,212**	**444**	**–**	**4,656**
Income from participations	**4,010**	**40**	**(262)**	**3,788**	**4,528**	**–**	**(600)**	**3,928**
Net interest expense	(3,567)	–	379	(3,181)	(3,408)	–	(124)	(3,532)
Income before minority interests	**4,481**	**679**	**117**	**5,277**	**5,332**	**444**	**(724)**	**5,052**
Minority interests	(698)	(295)	7	(986)	(814)	(110)	55	(869)
Consolidated net income	**3,783**	**384**	**131**	**4,291**	**4,518**	**223**	**(557)**	**4,183**
Adjusted consolidated net income (FFO) per share in €	–	–	–	0.46	–	–	–	0.45

At € 6.54 million, net rental income increased by 4 % compared to the € 6.27 million reported in the previous year. The operating result adjusted for sale and valuation effects came in at € 4.68 million, slightly up on the previous year mark of € 4.66 million. Adjusted income from participations came in at € 3.79 million, around € 0.14 million down on the previous year figure of € 3.93 million.

Net interest expenses adjusted for market value changes of interest rate hedges came in at € 3.18 million, down 10% compared to the previous year figure of € 3.53 million. Taking account of minority interests, adjusted consolidated net income (EPRA earnings or FFO) in the first nine months of the current financial year amounted to € 4.29 million or € 0.46 per share, which was around 3 % up on the previous year level of € 4.18 million or € 0.45 per share.

Income, Financial and Net Asset Position

Income Position

in € thousand	1/1–9/30/2012	1/1–9/30/2011	Change	in %
Total revenues	10,081	9,562	519	5 %
Net rental income	6,536	6,265	271	4 %
General adminstrative expenses	(1,773)	(1,692)	81	5 %
Sale and valuation result	(725)	(361)	(364)	(100 %)
Operating result	4,038	4,212	(174)	(4 %)
Income from participations	4,010	4,528	(518)	(11 %)
Net interest expense	(3,567)	(3,408)	159	5 %
Minority interest in the result	(698)	(814)	(116)	(14 %)
Consolidated net income	**3,783**	**4,518**	(735)	(16 %)

With total revenues of € 10.08 million, the previous year figure was exceeded by € 0.52 million or 5%. This rise resulted from higher rental income (€ 0.45 million) and higher income from incidental expenses allocations (€ 0.07 million).

Net rental income increased by 4 % or € 0.27 million year-on-year to € 6.54 million.

The sale and valuation expenses of € 0.73 million (previous year: € 0.36 million) mainly resulted from the valuation loss in connection with the sold property in Alzey (see Note 4) and impacted the operating result accordingly. This came in at € 4.04 million and was therefore € 0.17 million or 4 % down on the € 4.21 million reported in the previous year.

The income from participations on the other hand decreased by € 0.52 million or 11 % to € 4.0 million which was mainly due to the changes in the valuation of interest rate hedges reported in the income statement. The positive, liquidity-neutral contribution to operating income amounted to € 0.26 million, compared with € 0.60 million in the previous year period.

Net interest expenses came in at € 3.57 million, around € 0.16 million up on the € 3.41 million reported in the previous year. This includes liquidity-neutral expenses from the market valuation of interest rate hedges totalling € 0.38 million compared to income of € 0.12 million in the previous year.

After taking the minority interests at subsidiaries into account, the Fair Value Group achieved IFRS consolidated net income of € 3.78 million (previous year: € 4.52 million). This represents earnings per share of € 0.41 compared with € 0.48 in the previous year.

Financial Position

Cash Flow from Operating Activities The cash inflow from operating activities in the period under review totalled € 2.20 million and was therefore 19 % down on the previous year mark of € 2.73 million. A compensation payment of € 2.00 million received for the premature cancellation of a lease agreement was contained in the previous year figure.

Cash and cash equivalents

in € thousand	1/1–9/30/2012	1/1–9/30/2011
Cash flow from operating activities	2,200	2,726
Cash flow from investment activities	2,341	685
Cash flow from financing activities	(6,912)	(5,716)
Change of cash and cash equivalents	**(2,371)**	**(2,305)**
Cash and cash equivalents – start of period	7,725	11,975
Cash and cash equivalents – end of period	**5,354**	**9,670**

Cash Flow from Investment Activities A net cash inflow of € 2.34 million resulted from investment activities following the disposal of four sold properties, compared with € 0.69 million in the previous year.

Cash Flow from Financing Activities Due to the repayment of bank borrowings and the dividend payment, financing activities generated a net cash outflow of € 6.91 million compared to € 5.72 million in the corresponding period in the previous year.

Liquidity In the reporting period, cash and cash equivalents in the Group fell by € 2.37 million to € 5.35 million.

Net Asset Position

Assets Total assets as of September 30, 2012 amounted to € 188.36 million, which was down by 2 % on the level from December 31, 2011 (€ 191.38 million).

The non-current assets totalling € 178.89 million accounted for 95 % of total assets (December 31, 2011: 94 %). Of this amount, investment properties accounted for € 125.75 million or 70 % (December 31, 2011: € 129.13 million). The equity-accounted participations in the associated companies are included in non-current assets, comprising of € 52.97 million (December 31, 2011: € 50.75 million).

Around 57 % of the current assets of € 9.47 million (December 31, 2011: € 11.30 million) comprise cash and cash equivalents, while 28 % are receivables and other assets, and 16 % are real estate held for sale in Alzey and Pinneberg, Oeltingsallee.

Equity and Liabilities As of September 30, 2012, 43 % of the assets were financed by equity and 57 % by debt. It should be noted that the minority interests in subsidiaries amounting to € 14.90 million are shown under liabilities in accordance with IFRS. If minority interests in subsidiaries were considered equity, as proposed in the REIT Act, equity would increase to € 95.20 million. This represents around 51 % of total assets (December 31, 2011: 48 %) or 53 % of the immovable assets.

Financial Liabilities The Group's financial liabilities of € 84.86 million as of September 30, 2012 account for 45 % of total assets, compared with 48 % or € 91.03 million as of December 31, 2011. Of these, 22 % or € 18.98 million (December 31, 2011: 42 % or € 38.22 million) were due within one year.

The background for the increase in the proportion of non-current liabilities is the extension of all financial liabilities at the BBV 06 subsidiary. Of these, € 21 million were extended until December 31, 2014 and € 7.5 million until June 30, 2013.

Equity/Net Asset Value (NAV) The net asset value (NAV), calculated as the sum of the market values of the real estate and the participations, after taking the other balance sheet items into account, amounted to € 80.29 million as of September 30, 2012, compared with € 77.47 million at the end of the previous year.

Based on 9,325,572 shares in circulation as of the balance sheet date, the NAV per share was € 8.61, compared to € 8.31 on December 31, 2011.

Balance sheet NAV			
in € thousand		9/30/2012	12/31/2011
Market value of properties (including properties held for sale)		127,259	130,227
Equity-accounted participations		52,966	50,748
Miscellaneous assets minus miscellaneous liabilities		512	3,257
Minority interests		(14,903)	(14,736)
Financial liabilities		(84,861)	(91,027)
Other liabilities		(679)	(997)
Net Asset Value		**80,294**	**77,472**
Net Asset Value per share	in €	8.61	8.31

The "Best Practice Recommendations" of the European Public Real Estate Association (EPRA) are accepted recommendations which complement the IFRS reporting of real estate companies by providing guidance on a transparent net asset value calculation. The EPRA-NAV indicator shown below was calculated on the basis of these recommendations; it eliminates the market values of derivative financial instruments and therefore represents the real-estate-related net asset value. As deferred taxes are not relevant to Fair Value REIT-AG as a result of its REIT status, the EPRA-NAV figures shown below also correspond to the NNAV indicator used by some experts.

EPRA-NAV			
in € thousand		9/30/2012	12/31/2011
NAV pursuant to consolidated balance sheet		80,294	77,472
Market value of derivative financial instruments		6,683	5,893
Thereof due to minority interests		(50)	(88)
Market value of derivative financial instruments of equity-accounted participations (proportionate)		2,714	3,201
EPRA-NAV		**89,641**	**86,478**
EPRA-NAV per share	in €	9.61	9.27

Supplementary Report

Successful Refinancing of the Loan for Acquisition Financing

As of the end of October 2012, refinancing was agreed for the current financial liability totalling around € 5.0 million from WIB Westdeutsche ImmobilienBank AG, Mainz. The new lender is Capital Bank in Vienna, which agreed to a loan totalling € 7.0 million. As previously, the limited partnership participations in the subsidiaries and associated companies were pledged as collateral. The full loan matures on June 30, 2014, however earlier repayments are possible at any time. No further covenants exist. Commitment interest of 1.5 % p.a. and p.r.t. has to be paid for unused loan components. The interest rate for valued loan components corresponds with the 3-month EURIBOR plus a margin of 500 basis points. In addition, a one-off processing fee of 1 % of the loan commitment was agreed.

The Management Board is planning to use the additional loan-related liquidity of around € 2 million for the acquisition of further interests in participations in the so-called secondary market and anticipates that this will allow earnings and value contributions to be generated that are substantially higher than the interest expenses.

Risk Report

The Fair Value Group's business activities expose it to a wide range of risks. In addition to general economic risks, these are essentially occupancy risks, rental default risks, interest rate risks and liquidity risks. The risk management activities and the general risks faced by the company are described on pages 48 to 54 of the Fair Value REIT-AG Annual Report 2011.

Given the long-term refinancing of the loan for acquisition financing, the Management Board does not expect any risks to materialise in the coming 12 months that could pose a threat to the continued existence of Fair Value REIT-AG.

Opportunities and Forecast

The operating business of Fair Value REIT-AG has developed very well over the first nine months of the current financial year. A total of 30 % of the space that was available for leasing at the start of 2012 has been re-let since then. In addition, up to September 30, 2012, renewal agreements or follow-up tenants could be secured for two thirds of the rental volume expiring in the current financial year.

As a result, the occupancy rate of the Fair Value portfolio was increased to 95.1 % as of the reporting date (December 31, 2011: 93.8 %) and is therefore back on a par with the long-term average. Further, already concluded, lease agreements for rental space not yet handed over will have a positive effect on the occupancy rate and the contractual rent in the final quarter.

The net rental income and adjusted operating result were in line with expectations for the first nine months, while the higher income from associated companies already gave the company cause to increase its earnings forecast in the semi-annual report.

Even taking the pending rental-related expenses in the fourth quarter into account, the Management Board is anticipating earnings slightly higher than forecast. It is confirming its forecast for the full year 2012 which provides for adjusted IFRS consolidated net income (EPRA earnings or FFO) of € 5.2 million for 2012, corresponding to € 0.56 per share.

The Management Board remains to strive for a dividend for 2012 of € 0.10 per share. For this further income according to German GAAP and liquidity inflows are needed, which are currently not yet secured.

Munich, November 8, 2012

Fair Value REIT-AG

Frank Schaich, CEO

Consolidated Interim Financial Statements

Balance Sheet

Consolidated balance sheet			
in € thousand	Note no.	9/30/2012	12/31/2011
Assets			
Non-current assets			
Intangible assets	3	152	180
Property, plant and equipment		4	6
Investment property	4	125,748	129,127
Equity-accounted investments	5	52,966	50,748
Other receivables and assets		21	17
Total non-current assets		**178,891**	**180,078**
Current assets			
Non-current assets available for sale	6	1,511	1,100
Trade receivables		1,476	1,284
Income tax receivables		59	75
Other receivables and assets		1,070	1,120
Cash and cash equivalents		5,354	7,725
Total current assets		**9,470**	**11,304**
Total assets		**188,361**	**191,382**
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserve for changes in value	7	(5,812)	(6,481)
Loss carryforward		(6,697)	(8,850)
Treasury shares		(398)	(398)
Total equity		**80,294**	**77,472**
Non-current liabilities			
Minority interests		14,903	14,736
Financial liabilities	8	65,881	52,810
Derivative financial instruments		6,683	5,893
Other liabilities		31	66
Total non-current liabilities		**87,498**	**73,505**
Current liabilities			
Provisions		243	250
Financial liabilities	8	18,980	38,217
Trade payables		698	1,007
Other liabilities		648	931
Total current liabilities		**20,569**	**40,405**
Total equity and liabilities		**188,361**	**191,382**

Income Statement

Consolidated income statement					
in € thousand	Note no.	1/1–9/30/2012	1/1–9/30/2011	7/1–9/30/2012	7/1–9/30/2011
Rental income		8,329	7,845	2,774	2,669
Income from operating and incidental costs		1,752	1,717	713	539
Leasehold payments		(3)	(23)	—	(13)
Real estate-related operating expenses		(3,542)	(3,274)	(1,276)	(1,322)
Net rental result		**6,536**	**6,265**	**2,211**	**1,873**
General administrative expenses	9	**(1,773)**	**(1,692)**	**(579)**	**(536)**
Other operating income		73	78	5	50
Other operating expenses		(159)	5	(117)	(4)
Total other operating income and expenses		**(86)**	**83**	**(112)**	**46**
Net income from the sale of investment properties		2,905	2,500	1,691	—
Expenses in connection with the sale of investment properties		(2,882)	(2,574)	(1,669)	—
Result from sale of investment properties	6	**23**	**(74)**	**22**	**—**
Valuation gains		—	—	—	—
Valuation losses		(662)	(370)	349	(116)
Valuation result	4	**(662)**	**(370)**	**349**	**(116)**
Operating result		**4,038**	**4,212**	**1,891**	**1,267**
Result from equity-accounted investments	5	**4,010**	**4,528**	**1,426**	**1,462**
Interest income		28	68	10	31
Interest expense	10	(3,587)	(3,476)	(1,245)	(1,162)
Income before taxes		**4,489**	**5,332**	**2,082**	**1,598**
Income tax		(8)	—	(8)	—
Income before minority interests		**4,481**	**5,332**	**2,074**	**1,598**
Minority interest in the result		(698)	(814)	(349)	(676)
Net income		**3,783**	**4,518**	**1,725**	**922**
Earnings per share in € (basic/diluted)		0.41	0.48	0.18	0.10

Statement of Comprehensive Income

Consolidated statement of comprehensive income in € thousand	1/1–9/30/2012	1/1–9/30/2011
Net income	**3,783**	**4,518**
Other results		
Change in cash flow hedges	(410)	(645)
Thereof due to minority interests	(32)	(110)
Change in cash flow hedges of associated companies	225	187
Total other results	**(217)**	**(568)**
Comprehensive income	**3,566**	**3,950**

Statement of Changes in Equity

Consolidated statement of changes in equity in € thousand	Shares in circulation [in pcs.]	Subscribed capital	Share premium	Own shares	Reserve for changes in value	Distribution of dividends	Retained earnings	Total
Balance at January 1, 2011	**9,325,572**	**47,034**	**46,167**	**(398)**	**(5,732)**	**–**	**(12,513)**	**74,558**
Purchase of treasury shares	–	–	–	–	–	–	–	–
Total net income	–	–	–	–	(568)	–	4,518	3,950
Distribution of dividends	–	–	–	–	–	(932)	–	(932)
Effect resulting out of the change of consolidation scope	–	–	–	–	–	–	(5)	(5)
Balance at September 30, 2011	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,300)**	**(932)**	**(8,000)**	**77,571**
Balance at January 1, 2012	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,480)**	**(932)**	**(7,919)**	**77,472**
Effect resulting out of the change of consolidation scope	–	–	–	–	–	–	–	–
Hedge Accounting	–	–	–	–	(217)	–	–	(217)
Distribution of dividends	–	–	–	–	–	(748)	–	(748)
Adjustment without effect on income IFRS	–	–	–	–	–	–	4	4
Total net income	–	–	–	–	–	–	3,783	3,783
Balance at September 30, 2012	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,697)**	**(1,680)**	**(4,132)**	**80,294**

Cash Flow Statement

Consolidated cash flow statement		
in € thousand	1/1–9/30/2012	1/1–9/30/2011
Net income	**3,783**	**4,518**
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Income tax expenses/(income)	16	5
Amortization of intangible assets and depreciation of property, plant and equipment	30	2
(Profits)/losses from the disposal of investment properties	(23)	74
Valuation result	650	370
Income from equity-accounted investments	(4,010)	(4,528)
Withdrawals from equity-accounted investments	2,019	780
Loss/(profit) of minority shareholders in subsidiaries	698	814
Disbursement to minority shareholders in subsidiaries	(563)	(648)
Result from the valuation of derivative financial instruments	380	(124)
Compensation payment received	—	2,000
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	(192)	280
(Increase)/decrease in other liabilities	46	110
(Decrease)/increase in provisions	(7)	(23)
(Decrease)/increase in trade payables	(309)	(306)
(Decrease)/increase in other liabilities	(318)	(598)
Cash flow from operating activities	**2,200**	**2,726**
Payments for the purchase of assets on equity-accounted participations	—	(12)
Payments for the purchase of non-current assets	—	(13)
Investments in investment properties	(468)	(959)
Income from the disposal of investment properties	2,809	1,868
Investments in property, plant and equipment and intangible assets	—	(199)
Cash flow from investment activities	**2,341**	**685**
Distribution of dividends	(746)	(932)
Repayment of financial liabilities	(6,166)	(4,854)
Payments minority interests	—	70
Cash flow from financing liabilities	**(6,912)**	**(5,716)**
Cash effective change of liquid funds	**(2,371)**	**(2,305)**
Cash and cash equivalent (start of period)	7,725	11,975
Cash and cash equivalent (end of period)	**5,354**	**9,670**

Notes

(1) General Information about the Company

Fair Value REIT-AG (hereinafter referred to as "Fair Value" or "Company") has been listed on the stock market since November 16, 2007, and obtained REIT status on December 6, 2007. Since the 2007 fiscal year, it has therefore been exempt from business and corporation tax.

As a result of its participations in a total of twelve closed-end real estate funds, the company must prepare consolidated financial statements.

(2) Accounting and Valuation Methods

Basis of the Preparation The Interim Consolidated Financial Statement has been prepared on the basis of the International Financial Reporting Standards ("IFRSs") in compliance with IAS 34 "Interim Financial Reporting".

Investment properties and financial derivates are valued at fair value; interests held in associated companies are equity-accounted. All other valuations are based on cost.

Consolidation All subsidiaries are included in the consolidated financial statement. The composition of the consolidated group of companies has not changed since December 31, 2011.

Accounting and Valuation Methods The same accounting and valuation methods are used for the quarterly report as for the consolidated financial statement on December 31, 2011.

Comparative Figures On the balance sheet, the previous year comparison refers to the balance sheet date on December 31, 2011. The comparative figures used for the profit and loss account, the statement of income and accumulated earnings and the cash flow statement in general relate to the period from January 1 to September 30, 2011.

(3) Intangible Assets

The intangible assets include a contractual right that was valued individually within the frame-work of a company acquisition and will be amortized over a useful life of five years. Amortizations totalling € 27,000 of a carrying amount of € 151,000 were carried out in the quarter under review.

(4) Investment Property

Development of investment property			
in € thousand	Direct investments	Subsidiaries	**Total**
Acquisition costs			
Balance at January 1, 2012	**51,550**	**115,505**	**167,055**
Additions (subsequent acquisition costs)	468	12	480
Disposals (Sale)	(1,686)	—	(1,686)
Reclassification to held-for-sale	(651)	(860)	(1,511)
Balance at September 30, 2012	**49,681**	**114,657**	**164,338**
Changes in value			
Balance at January 1, 2012	**(5,513)**	**(32,415)**	**(37,928)**
Write-downs	—	(662)	(662)
Balance at September 30, 2012	**(5,513)**	**(33,077)**	**(38,590)**
Fair values			
Balance at January 1, 2012	46,037	83,090	129,127
Balance at September 30, 2012	**44,168**	**81,580**	**125,748**

As part of the re-letting effort and change of usage into doctor's practices and a health centre at the property Damm 49 in Pinneberg (Direct investment), reconstruction costs totalling € 468,000 were incurred as of September 30, 2012. The expenses are regarded as value-enhancing, considering the long-term re-letting of the site and the resultant higher rental income from the property, and therefore the value of the property diverges from the expert assessment as per December 31, 2011 to the corresponding extent. On the back of the sale of the three properties in Halstenbek, Seestraße 232 as well as Hauptstraße 33 and Nahe, Segeberger Straße 21, acquisition costs fell by a total of € 1,686,000. The sales resulted in net income of € 1,801,000. Selling costs of € 81,000 were incurred, which overall resulted in a profit from the sale of investment properties of € 34,000. In addition, the property in Pinneberg, Oeltingsallee 30 was reclassified into non-current assets available for sale.

In the course of the additionally required efforts to relet the commercial space in the mixed-use property in Alzey (subsidiary IC 01), the property was successfully sold to a local investor for owner occupation. The notarial sale agreement dated February 29, 2012 became effective on April 16, 2012 after approval by the partners meeting. The transfer of all risks and benefits will be completed in the fourth quarter of this year. The property therefore continues to be reported in the item "Non-current assets available for sale". The difference between the carrying amount of € 1,510,000 and the sale price of € 860,000 was already recorded as a valuation loss of € 650,000. This valuation loss is at a minimum offset by insurance compensation, cost savings for no longer required repair work and no longer required new tenant-related reconstruction.

The fair values used for the remaining investment properties otherwise are those determined on December 31, 2011 by CB Richard Ellis GmbH, Frankfurt.

(5) Equity-accounted Participations

Development of equity-accounted participations

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Proportionate equity							
Balance at January 1, 2012	**2,356**	**7,540**	**72**	**12,864**	**14,812**	**18,526**	**56,170**
Additions (acquisition costs)	—	—	—	—	—	—	—
Withdrawals	—	(217)	—	(511)	(366)	(920)	(2,014)
Change of consolidation scope	—	—	—	—	—	—	—
Proportionate earnings	(82)	381	14	1,358	1,155	1,184	4,010
Profit from cash flow hedge	—	—	—	—	225	—	225
Valuation of loan	—	—	(3)	—	—	—	(3)
Balance at September 30, 2012	**2,274**	**7,704**	**83**	**13,711**	**15,826**	**18,790**	**58,388**
Value adjustment							
Balance at January 1, 2012/September 30, 2012	**(175)**	**(543)**	**(64)**	**(1,059)**	**(1,786)**	**(1,795)**	**(5,422)**
Carrying amounts							
Balance at January 1, 2012	2,181	6,997	8	11,805	13,026	16,731	50,748
Balance at September 30, 2012	**2,099**	**7,161**	**19**	**12,652**	**14,040**	**16,995**	**52,966**

This refers to participations with holdings of between 20 % and 50 %. The € 2,218,000 increase in the carrying amounts in comparison to December 31, 2011 consists of the proportionate earnings allocation to Fair Value in the reporting period, amounting to a total of € 4,010,000 plus the proportional profit from cash flow hedge recorded without affecting net income, amounting to a total of € 225,000 minus withdrawals including withholding tax on interest income and the solidarity surcharges amounting to € 2,014,000 as well as the market valuation not affecting net income of a loan BBV 02.

The value adjustments arise from the net present value of company expenses not taken into account in the market valuations of the properties. For further information regarding the difference in value, please refer to the explanations on page 79 of the 2011 Annual Report.

Additional financial information pertaining to the equity-accounted associated companies is provided in the following tables, in which the information relates to the Fair Value REIT-AG share in the associated companies on the respective reporting dates and not to 100% of the capital in the respective companies. The proportionate assets and liabilities of these companies are as follows prior to provision for changes in value:

Proportionate share of assets and liabilities of equity-accounted associated companies at September 30, 2012

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	40.34 %	38.94 %	41.05 %	25.17 %	38.43 %	45.12 %	
Investment property	**2,949**	**14,248**	**566**	**30,128**	**41,493**	**38,488**	**127,872**
Trade receivables	33	100	5	21	83	155	397
Other receivables and assets	22	306	12	143	34	280	797
Cash and cash equivalents	177	1,331	9	2,838	825	1,663	6,843
Provisions	(5)	(7)	(2)	(12)	(10)	(16)	(52)
Financial liabilities	**(868)**	**(8,095)**	**(489)**	**(17,397)**	**(25,456)**	**(20,991)**	**(73,296)**
Derivative financial instruments	—	—	—	(1,557)	(928)	(229)	(2,714)
Trade payables	(21)	(11)	(10)	(17)	(102)	(87)	(248)
Other liabilities	(13)	(168)	(8)	(436)	(113)	(473)	(1,211)
Net assets at September 30, 2012	**2,274**	**7,704**	**83**	**13,711**	**15,826**	**18,790**	**58,388**
Overview of maturities of financial liabilities at September 30, 2012							
Long term	(839)	(1,152)	(463)	(16,579)	(24,694)	(20,480)	(64,207)
Short term	(29)	(6,943)	(26)	(818)	(762)	(511)	(9,089)
Total financial liabilities	**(868)**	**(8,095)**	**(489)**	**(17,397)**	**(25,456)**	**(20,991)**	**(73,296)**

Proportionate share of assets and liabilities of equity-accounted associated companies at December 31, 2011

in € thousand	IC 12	IC 15 (consolidated)	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	40.34 %	38.94 %	41.05 %	25.17 %	38.43 %	45.12 %	
Investment property	**2,948**	**14,252**	**567**	**30,127**	**41,492**	**38,488**	**127,874**
Trade receivables	52	90	16	20	129	248	555
Other receivables and assets	4	279	12	124	27	8	454
Cash and cash equivalents	279	1,463	71	2,228	978	1,750	6,769
Provisions	(4)	(7)	(3)	(9)	(12)	(14)	(49)
Financial liabilities	**(887)**	**(8,302)**	**(505)**	**(17,724)**	**(26,329)**	**(21,363)**	**(75,110)**
Derivative financial instruments	—	—	—	(1,751)	(1,231)	(219)	(3,201)
Trade payables	(23)	(18)	(76)	(31)	(154)	(116)	(418)
Other liabilities	(13)	(217)	(10)	(120)	(88)	(256)	(704)
Net assets at December 31, 2011	**2,356**	**7,540**	**72**	**12,864**	**14,812**	**18,526**	**56,170**
Overview of maturities of financial liabilities at December 31, 2011							
Long term	(860)	(1,187)	(484)	(17,070)	(25,271)	(20,863)	(65,735)
Short term	(27)	(7,115)	(21)	(654)	(1,058)	(500)	(9,375)
Total financial liabilities	**(887)**	**(8,302)**	**(505)**	**(17,724)**	**(26,329)**	**(21,363)**	**(75,110)**

The proportionate income position of the equity-accounted companies for the reporting period compared to the same period of the previous year was as follows:

Proportionate income situation for the equity-accounted associated companies at September 30, 2012

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	40.34 %	38.94 %	41.05 %	25.17 %	38.43 %	45.12 %	
Rental income	117	829	67	2,220	2,822	2,172	8,227
Income from operating and incidental costs	71	68	(1)	23	201	451	813
Real estate-related operating expenses	(219)	(171)	(25)	(130)	(635)	(798)	(1,978)
Net rental income	**(31)**	**726**	**41**	**2,113**	**2,388**	**1,825**	**7,062**
General administrative expenses	(13)	(37)	(7)	(79)	(117)	(163)	(416)
Other operating income and expenses (balance)	(12)	(4)	—	26	2	3	15
Valuation result	—	—	—	—	—	(40)	(40)
Operating result	**(56)**	**685**	**34**	**2,060**	**2,273**	**1,625**	**6,621**
Net interest expense	(26)	(304)	(20)	(893)	(1,040)	(441)	(2,724)
Valuation result of derivative financial instruments with effect to net income	—	—	—	194	(78)	—	116
Financial result	**(26)**	**(304)**	**(20)**	**(699)**	**(1,118)**	**(441)**	**(2,608)**
Profit from purchase of investment properties	—	—	—	(3)	—	—	(3)
Economic result at September 30, 2012	**(82)**	**381**	**14**	**1,358**	**1,155**	**1,184**	**4,010**

Proportionate income situation for the equity-accounted associated companies at September 30, 2011

in € thousand	IC 12	IC 15 (consolidated)	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	40.27 %	38.89 %	40.45 %	25.17 %	38.43 %	45.11 %	
Rental income	130	872	66	2,212	2,858	2,123	8,261
Income from operating and incidental costs	79	88	7	53	225	512	964
Real estate-related operating expenses	(120)	(194)	(25)	(173)	(560)	(770)	(1,842)
Net rental income	**89**	**766**	**48**	**2,092**	**2,523**	**1,865**	**7,383**
General administrative expenses	(12)	(39)	(6)	(65)	(122)	(162)	(406)
Other operating income and expenses (balance)	—	1	2	32	49	(160)	(76)
Operating result	**77**	**728**	**44**	**2,059**	**2,450**	**1,543**	**6,901**
Net interest expense	(32)	(288)	(20)	(903)	(1,169)	(561)	(2,973)
Valuation result of derivative financial instruments with effect to net income	—	—	—	756	55	(211)	600
Financial result	**(32)**	**(288)**	**(20)**	**(147)**	**(1,114)**	**(772)**	**(2,373)**
Economic result at September 30, 2011	**45**	**440**	**24**	**1,912**	**1,336**	**771**	**4,528**

(6) Non-current Assets available for Sale

in € thousand	9/30/2012	12/31/2011
Retail-property Frechen (BBV 06)	—	1,100
Mixed-use-property Alzey (IC 01)	860	—
Mixed-use-property Pinneberg, Oeltingsallee (Direct investment)	651	—
	1,511	**1,100**

The valuation of the leasehold rental property in Frechen was carried out in the previous year at the agreed purchase price. The ownership, benefits and obligations changed hands for the property as of the cut-off date February 20, 2012. Selling expenses amounting to € 15,000 were incurred in the period under review. The addition related to the mixed-use property in Alzey in the amount of the agreed purchase price. The directly owned property in Pinneberg, Oeltingsallee 30 was reclassified with a carrying amount of € 651,000 (see Note 4). The agreed purchase price is € 720,000. The disposal of both properties is expected for the fourth quarter 2012.

(7) Reserve for Changes in Value

Included in the reserve for changes in value currently reducing the equity capital are changes in value (with no effect on net income) relating to interest rate hedges, to the extent that these fulfil the requirements for "Hedge Accounting". During the reporting period, the revaluation reserve increased on balance by € 217,000. After deduction of the units held by minority shareholders, the share held by the group increased by € 442,000. In contrast, there was a reduction in reserved of € 225,000 related to the equity-accounted participations, to the extent that these resulted from cash flow hedges made by the participating companies.

(8) Financial Liabilities

Non-current and current financial liabilities totalled € 84,861,000 and fell by € 6,166,000 compared with December 31, 2011. Total repayments in the current financial year comprise of scheduled repayments of € 2,956,000, as well as an increase of financial liabilities totalling € 132,000 as part of a roof renovation (subsidiary IC 03). In addition, unscheduled repayments totalling € 3,342,000 were made. Of this amount, € 2,351,000 (70 %) resulted from the sale of a retail property in Frechen (subsidiary BBV 06) and from the sale of three directly held bank buildings in Halstenbek and Nahe. A further 21 % of the unscheduled repayments (€ 700,000) were made in connection with follow-up financing (subsidiary IC 13), while € 291,000 (9 % of unscheduled repayments) were made after liquidity extracted from participations was used for repayments.

Current financial liabilities fell by € 38,217,000 to € 18,980,000 compared with December 31, 2011. On the back of the agreement of terms and conditions on June 26, 2012, the majority of the loans at BBV 06 were extended until December 31, 2014. Overall, a loan amount of € 20,029,000 was regrouped into non-current liabilities.

(9) General Administrative Expenses

in € thousand	1/1–9/30/2012	1/1–9/30/2011
Personnel expenses	354	315
Office costs	35	37
Travel and vehicle expenses	32	29
Accounting	103	107
Stock market listing	67	56
General meeting	50	48
Financial Reports	78	85
Events	15	75
Valuations	87	76
Legal and consulting costs	222	195
Audit expenses	135	102
Remuneration (Supervisory and Advisory Boards, General Partner)	52	67
Fund management fees	232	206
Trustee fees	87	85
Amortization and depreciation	27	2
Other	41	46
Non-deductible VAT	156	161
Total general administrative expenses	**1,773**	**1,692**

Of the general administrative expenses, € 1,292,000 (72.9 %) are attributable to Fair Value (€ 1,251,000 or 73.9 % in the previous year). To the subsidiaries € 481,000 (27.1 %) are attributable (€ 441,000 or 26.1 % in the previous year).

(10) Interest Expenses

in € thousand	1/1–9/30/2012	1/1–9/30/2011
Valuation of derivative financial instruments	(379)	124
Other interest expenses	(3,208)	(3,600)
Total interest expenses	**(3,587)**	**(3,476)**

Interest expenses include costs relating to the change in the fair value of derivative financial instruments (interest rate hedges) amounting to € 379,000. Of this sum, € 6,600 are attributable to the minority interests.

(11) Segment Revenues and Results

The following table shows the income statement of the segments, with the "subsidiaries" segment being broken down according to the individual fund companies.

	1/1–9/30/2012		1/1–9/30/2011	
in € thousand	Segment revenues	Segment results	Segment revenues	Segment results
Direct investments	2,796	2,116	2,854	2,140
Subsidiaries	7,285	4,420	6,708	4,124
Total segment revenues and results	**10,081**	**6,536**	**9,562**	**6,264**
Central administrative expenses and other		(2,498)		(2,052)
Earnings from equity-accounted participations		4,010		4,528
Net interest expenses		(3,559)		(3,408)
Income tax		(8)		–
Minority interest in the result		(698)		(814)
Net income		**3,783**		**4,518**

Income statement by segments at September 30, 2012

	Direct investments	Subsidiaries								
in € thousand	**FV AG**	IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Reconciliation	**Group**
Rental income	2,445	77	576	337	1,336	511	3,009	5,846	—	8,291
Income from operating and incidental costs	351	64	121	191	428	83	552	1,439	—	1,790
Segment revenue	**2,796**	**141**	**697**	**528**	**1,764**	**594**	**3,561**	**7,285**	**—**	**10,081**
Leasehold payments	—	—	—	—	—	—	(3)	(3)	—	(3)
Real estate-related operating expenses	(680)	8	(396)	(327)	(874)	(169)	(1,104)	(2,862)	—	(3,542)
Net rental result	**2,116**	**149**	**301**	**201**	**890**	**425**	**2,454**	**4,420**	**—**	**6,536**
Administrative expenses related to segment	(65)	(26)	(24)	(26)	(66)	(110)	(220)	(472)	(9)	(546)
Other operating expenses and income (balance)	16	(97)	(12)	(3)	—	5	(17)	(124)	22	(86)
Profit from purchase of investment properties	34	—	—	—	—	—	(11)	(11)	—	23
Valuation result	—	(650)	—	—	(12)	—	—	(662)	—	(662)
Segment result	**2,101**	**(624)**	**265**	**172**	**812**	**320**	**2,206**	**3,151**	**13**	**5,265**
Central administrative costs	(1,227)	—	—	—	—	—	—	—	—	(1,227)
Income from equity-accounted participations	1,793	—	—	—	—	—	—	—	2,217	4,010
Other income from participations	131	—	—	—	—	—	—	—	(131)	—
Net interest expenses	(2,064)	(27)	(62)	(41)	(420)	2	(948)	(1,496)	1	(3,559)
Minority interests	—	—	—	—	—	—	—	—	(698)	(698)
Income tax	—	—	—	—	—	—	—	—	(8)	(8)
Consolidated net income	**734**	**(651)**	**203**	**131**	**392**	**322**	**1,258**	**1,655**	**1,394**	**3,783**

Income statement by segments at September 30, 2011

	Direct investments	Subsidiaries								
in € thousand	**FV AG**	IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Reconciliation	**Group**
Rental income	2,423	99	412	335	1,273	493	2,804	5,416	—	7,839
Income from operating and incidental costs	431	34	119	190	370	90	489	1,292	—	1,723
Segment revenue	**2,854**	**133**	**531**	**525**	**1,643**	**583**	**3,293**	**6,708**	**—**	**9,562**
Leasehold payments	—	—	—	—	—	—	(15)	(15)	—	(15)
Real estate-related operating expenses	(714)	(53)	(184)	(287)	(622)	(141)	(1,282)	(2,569)	—	(3,283)
Net rental result	**2,140**	**80**	**347**	**238**	**1,021**	**442**	**1,996**	**4,124**	**—**	**6,264**
Administrative expenses related to segment	(142)	(22)	(24)	(26)	(58)	(104)	(214)	(448)	7	(583)
Other operating expenses and income (balance)	—	—	—	—	(5)	1	91	87	(4)	83
Profit from purchase of investment properties	—	(74)	—	—	—	—	—	(74)	—	(74)
Valuation result	(214)	—	—	—	(156)	—	—	(156)	—	(370)
Segment result	**1,784**	**(16)**	**323**	**212**	**802**	**339**	**1,873**	**3,533**	**3**	**5,320**
Central administrative costs	(1,108)	—	—	—	—	—	—	—	—	(1,108)
Income from equity-accounted participations	569	—	—	—	—	—	—	—	3,959	4,528
Other income from participations	730	—	—	—	—	—	—	—	(730)	—
Net interest expenses	(1,802)	(50)	(138)	(86)	(370)	2	(1,088)	(1,730)	—	(3,532)
Valuation result of derivative financial instruments with effect to net income	—	—	—	—	—	—	124	124	—	124
Minority interests	—	—	—	—	—	—	—	—	(814)	(814)
Consolidated net income	**173**	**(66)**	**185**	**126**	**432**	**341**	**909**	**1,927**	**2,418**	**4,518**

The following table shows all the allocated and non-allocated assets and liabilities, with the "subsidiaries" segment being broken down according to the individual fund companies.

Segment assets and liabilities at September 30, 2012

	Direct investments	Subsidiaries								
in € thousand	**FV AG**	IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Reconciliation	**Group**
Intangible assets and property, plant and equipment	5	—	—	—	—	—	—	—	151	156
Investment property	**44,168**	**—**	**5,960**	**7,360**	**18,040**	**6,100**	**44,120**	**81,580**	**—**	**125,748**
Non-current assets held for sale	651	860	—	—	—	—	—	860	—	1,511
Trade receivables	330	45	170	202	293	28	406	1,144	2	1,476
Income tax receivables	41	—	—	1	—	—	—	1	17	59
Other receivables and assets	188	31	21	10	659	—	243	964	(61)	1,091
Cash and cash equivalents	225	198	72	1,112	598	973	2,148	5,101	28	5,354
Subtotal segment assets	**45,608**	**1,134**	**6,223**	**8,685**	**19,590**	**7,101**	**46,917**	**89,650**	**137**	**135,395**
Participation in subsidiaries	29,897	—	—	—	—	—	—	—	(29,897)	—
Equity-accounted participations	46,619	—	—	—	—	—	—	—	6,347	52,966
Total assets	**122,124**	**1,134**	**6,223**	**8,685**	**19,590**	**7,101**	**46,917**	**89,650**	**(23,413)**	**188,361**
Provisions	(161)	(7)	(8)	(8)	(14)	(9)	(28)	(74)	(8)	(243)
Trade payables	(158)	(126)	(6)	(35)	(211)	(17)	(135)	(530)	(10)	(698)
Other liabilities	(221)	(6)	(24)	(32)	(160)	(28)	(205)	(455)	(3)	(679)
Subtotal segment liabilities	**(540)**	**(139)**	**(38)**	**(75)**	**(385)**	**(54)**	**(368)**	**(1,059)**	**(21)**	**(1,620)**
Minority interests	—	—	—	—	—	—	—	—	(14,903)	(14,903)
Financial liabilities	(34,271)	(697)	(3,244)	(1,683)	(17,078)	—	(28,117)	(50,819)	229	(84,861)
Derivative financial instruments	(6,570)	—	—	—	—	—	(113)	(113)	—	(6,683)
Total liabilities	**(41,381)**	**(836)**	**(3,282)**	**(1,758)**	**(17,463)**	**(54)**	**(28,598)**	**(51,991)**	**(14,695)**	**(108,067)**
Net assets at September 30, 2012	**80,743**	**298**	**2,941**	**6,927**	**2,127**	**7,047**	**18,319**	**37,659**	**(38,108)**	**80,294**

Overview of maturities of financial liabilities at September 30, 2012

Long term	(28,272)	(654)	(3,018)	(802)	(13,388)	—	(19,747)	(37,609)	—	(65,881)
Short term	(5,999)	(43)	(226)	(881)	(3,690)	—	(8,370)	(13,210)	229	(18,980)
Financial liabilities	**(34,271)**	**(697)**	**(3,244)**	**(1,683)**	**(17,078)**	**—**	**(28,117)**	**(50,819)**	**229**	**(84,861)**

Segment assets and liabilities at December 31, 2011

in € thousand	Direct investments	Subsidiaries								
	FV AG	IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Reconciliation	**Group**
Intangible assets and property, plant and equipment	8	—	—	—	—	—	—	—	178	186
Investment property	**46,037**	**1,510**	**5,960**	**7,360**	**18,040**	**6,100**	**44,120**	**83,090**	**—**	**129,127**
Non-current assets held for sale	—	—	—	—	—	—	1,100	1,100	—	1,100
Trade receivables	423	127	69	215	168	21	261	861	—	1,284
Income tax receivables	70	—	—	—	—	—	—	—	5	75
Other receivables and assets	223	1	27	5	196	252	494	975	(61)	1,137
Cash and cash equivalents	578	225	94	1,283	2,020	1,713	1,753	7,088	59	7,725
Subtotal segment assets	**47,339**	**1,863**	**6,150**	**8,863**	**20,424**	**8,086**	**47,728**	**93,114**	**181**	**140,634**
Participation in subsidiaries	30,433	—	—	—	—	—	—	—	(30,433)	—
Equity-accounted participations	46,835	—	—	—	—	—	—	—	3,913	50,748
Total assets	**124,607**	**1,863**	**6,150**	**8,863**	**20,424**	**8,086**	**47,728**	**93,114**	**(26,339)**	**191,382**
Provisions	(157)	(9)	(10)	(8)	(12)	(12)	(27)	(78)	(15)	(250)
Trade payables	(165)	(128)	(114)	(32)	(277)	(49)	(237)	(837)	(5)	(1,007)
Other liabilities	(98)	(55)	(49)	(90)	(192)	(64)	(440)	(890)	(9)	(997)
Subtotal segment liabilities	**(420)**	**(192)**	**(173)**	**(130)**	**(481)**	**(125)**	**(704)**	**(1,805)**	**(29)**	**(2,254)**
Minority interests	—	—	—	—	—	—	—	—	(14,736)	(14,736)
Financial liabilities	(37,259)	(722)	(3,239)	(1,936)	(18,219)	—	(29,834)	(53,950)	182	(91,027)
Derivative financial instruments	(5,693)	—	—	—	—	—	(200)	(200)	—	(5,893)
Total liabilities	**(43,372)**	**(914)**	**(3,412)**	**(2,066)**	**(18,700)**	**(125)**	**(30,738)**	**(55,955)**	**(14,583)**	**(113,910)**
Net assets at December 31, 2011	**81,235**	**949**	**2,738**	**6,797**	**1,724**	**7,961**	**16,990**	**37,159**	**(40,922)**	**77,472**

Overview of maturities of financial liabilities at December 31, 2011

Long term	(30,243)	(684)	(3,019)	(1,144)	(17,720)	—	—	(22,567)	—	(52,810)
Short term	(7,016)	(38)	(220)	(792)	(499)	—	(29,834)	(31,383)	182	(38,217)
Financial liabilities	**(37,259)**	**(722)**	**(3,239)**	**(1,936)**	**(18,219)**	**—**	**(29,834)**	**(53,950)**	**182**	**(91,027)**

(12) Extent of Relationships with Related Parties

Receivables and liabilities

in € thousand	1/1–9/30/2012	1/1–9/30/2011
Receivables	—	70
Liabilities (Provisions)	(5)	—
Liabilities	(39)	(31)
Total receivables and liabilities	**(44)**	**39**

No Auditor's Review

This report was not audited within the meaning of Section 317 of the Handelsgesetzbuch (German GAAP) or subject to an audit review by an auditor and thus does not include an auditor's opinion.

Declaration Concerning the German Corporate Governance Code

The current declarations by Fair Value REIT-AG's Managing and Supervisory Boards according to Section 161 of the AktG on the German Corporate Governance Code have been made permanently accessible on the company's website.

Munich, November 5, 2012

Fair Value REIT-AG

Frank Schaich, CEO

Declaration by Legal Representative To the best of my knowledge, I declare that, according to the principles of proper consolidated reporting applied, the unaudited consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations, that the group interim management report presents the Group's business including the results and the Group's position such as to provide a true and fair view and that the major opportunities and risks of the Group's anticipated development are described.

Munich, November 5, 2012
Fair Value REIT-AG

Frank Schaich, CEO

Imprint

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