Interim Report

1st to 3rd Quarter 2013

fair value
REIT

Key figures Fair Value Group

Revenues and earnings		1/1–9/30/2013	1/1–9/30/2012 adjusted[1]
Rental revenues	in € thousand	7,739	8,183
Net rental income	in € thousand	5,251	6,390
Operating result (EBIT)	in € thousand	3,824	3,892
Result from equity-accounted investments	in € thousand	4,992	4,010
Consolidated net income	in € thousand	5,298	3,679
Earnings per share	in € thousand	0.57	0.39
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	3,976	4,187
EPRA-Earnings/FFO per share	in €	0.43	0.45
Assets and capital		**9/30/2013**	**12/31/2012[2]**
Non-current assets	in € thousand	176,139	176,294
Current assets	in € thousand	11,009	8,546
Total assets	in € thousand	187,148	184,840
Equity/Net asset value (NAV)	in € thousand	84,023	77,662
Balance Sheet equity ratio	in %	44.9	42.0
Immovable assets	in € thousand	178,772	176,141
Equity within the meaning of Section 15 of the REIT act	in € thousand	99,816	92,692
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45 %)	in %	55.8	52.6
Real estate investments[3]		**9/30/2013**	**12/31/2012**
Number of properties	amount	60	65
Market value of properties[4]	in € million	211	213
Contractual rent p.a.	in € million	17.9	17.9
Potential rent p.a.	in € million	18.9	18.9
Occupancy	in %	95.0	94.4
Remaining term of rental agreements	years	5.5	5.7
Contractual rental yield before costs	in %	8.5	8.4

1) 2012 figures adjusted on the back of the accrual of a rent prepayment received (Explanation see Note 11)
2) Adjustment of the financial year 2012 in line with IAS 8 (see explanation Note 2 - comparative figures)
3) Relating to Fair Value's proportionate portfolio.
4) Based on the market valuation dated December 31, 2012, relating to Fair Value's proportionate portfolio

Further key figures

		9/30/2013	12/31/2012[2]
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	9.01	8.33
EPRA-NAV per share	in €	9.63	9.28
Number of employees (including Management Board)		3	3

Letter to Shareholders

Dear Shareholders and Business Partners, Ladies and Gentlemen,

The German economy recorded a slightly positive trend in the first nine months of the current financial year. For the full year, experts continue to anticipate economic growth of 0.4 %, with a substantial rise of 1.8 % expected for 2014. At the end of September, the employment market looked robust with an unemployment rate of 6.6 %. For the full year 2013, the inflation rate will likely remain substantially below the two-percent mark, the medium-term inflation target of the European Central Bank.

In this stable economic environment, the Fair Value Group recorded pleasingly positive development over the first nine months of the current financial year. As part of this development, the occupancy rate of the real estate portfolio proportionate to Fair Value increased back from 94.4 % to the long-term average of 95.0 % in the reporting period. The average time to maturity of the lease agreements totalled 5.5 years as of September 30, 2013, following 5.7 years at the end of the previous year.

Consolidated net income as of September 30, 2013 came in at around € 5.3 million, more than 40 % higher than the previous year period (€ 3.7 million). However, the previous year figure was impacted by valuation expenses totalling around € 1.0 million during the year, while positive market value changes to interest rate hedges of around the same amount influenced this year’s figure.

Consolidated net income adjusted for sales earnings and changes in market values, or EPRA-earnings (FFO), was around € 3.7 million, some 5 % down on the previous year's figure of € 4.2 million. This can be attributed to property sales carried out in the interim.

As of September 30, 2013, group equity amounted to € 84.0 million. As a result, the balance sheet net asset value increased by 8 % in the first nine months of 2013 to € 9.01 per share in circulation. The REIT equity ratio rose from 52.6 % to 55.8 % of immovable assets. The increase in Group equity resulted from the already realised property sales at prices above the most recently set market values as well as the sale-related unscheduled repayments of financial liabilities.

Due to the other already published property sales and to future changes to participation ownership, the proportionate Fair Value rental income will be reduced by more than 20 % from 2014. The resultant lower proceeds can however already be offset, irrespective of possible re-investments, by future savings in net interest expenses. We are therefore maintaining our FFO forecasts for the current financial year and the financial year 2014. For 2013 as a whole, we are still anticipating adjusted consolidated net income (FFO) of € 5.3 million, or € 0.57 per share. The forecast for 2014 as a whole provides for adjusted consolidated net income of € 5.6 million, or € 0.60 per share.

Given this pleasing development, we have been able to double our forecast for the dividend for the financial years 2013 and 2014 from previously planned € 0.12 per share to € 0.24 per share. This represents a likely increase of the dividend from previous by approx. 20 % of FFO to around 40 % of FFO per share.

Munich, November 5, 2013

Frank Schaich, CEO

The Share

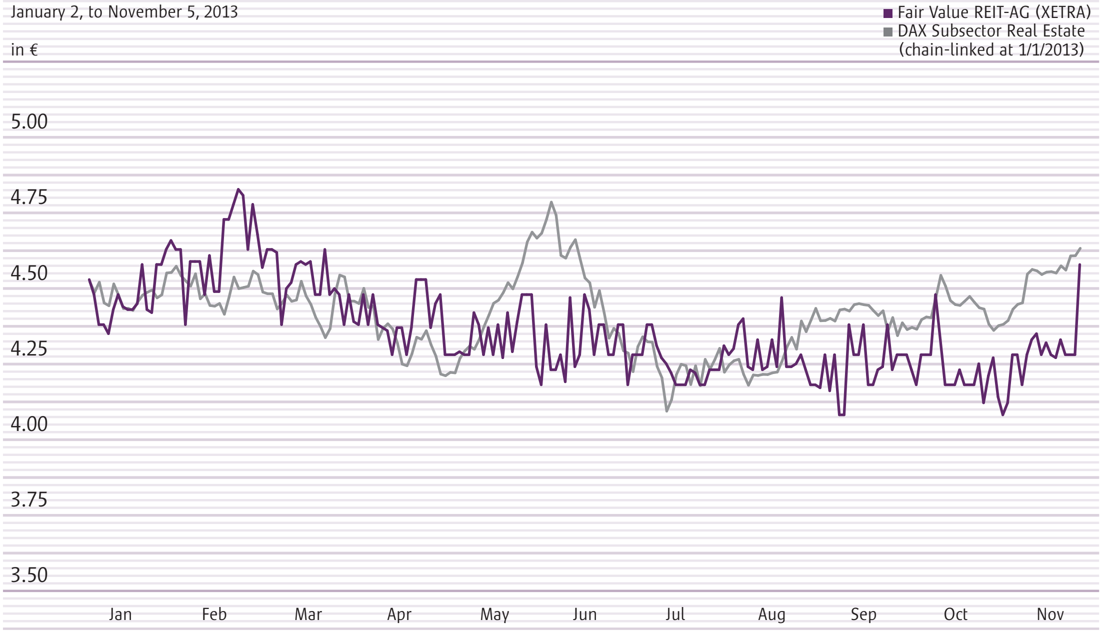
The Fair Value Share and Development of the Stock Market

In the third quarter, the German stock market was able to sustain its upbeat development from the second quarter. Shortly before the close of the quarter on September 19, the DAX once again posted an all-time high of 8,694 points and closed the reporting period at 8,594 points, up 7.7 %. Real estate shares were also able to gain ground.

The Fair Value share posted largely sideways movement in the third quarter, similar to the start of the year. It closed trading on September 30, 2013 at € 4.20 and was therefore on a par with the close of the previous quarter. By the end of the third quarter, the Fair Value REIT AG share had recorded a market capitalisation of € 39.5 million. The previous high during the current year was posted at € 4.85 on February 14, while the lowest price of € 4.10 was recorded half a year later on August 13 and 14. In the first nine months of the year, the Fair Value share lost around 7.7 % compared to the closing price of € 4.55 at the end of 2012.

The Fair Value share therefore recorded weaker development than the benchmark index DAX Subsector Real Estate, which fell by around 1.4 %. The DAX was able to gain 12.9 % during the period under review.

Development of Fair Values share
January 2, to November 5, 2013



Key data Fair Value REIT-AG's share	
at September 30, 2013	
Sector	Immobilien (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 2013 (XETRA)	€ 4.85/€ 4.10
Market capitalization at September 30, 2013 (XETRA)	€ 39.5 million
Market segment	Prime Standard
Stock exchanges Prime Standard	Frankfurt, XETRA
Stock exchanges OTC	Stuttgart, Berlin-Bremen, Duesseldorf, Munich
Designated sponsor	Close Brothers Seydler Bank
Indices	RX REIT All Shares-Index, RX REIT-Index

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 11, 2013	Presentation, German Equity Forum (Frankfurt/Main, Germany)
April 3, 2014	Annual Report 2013, Annual Press Conference (Frankfurt/Main, Germany)
May 8, 2014	Interim Report 1st Quarter 2014
May 27, 2014	Annual General Meeting (Munich, Germany)
August 7, 2014	Semi Annual Report 2014
October 2014	Presentation, Conference German Real Estate Shares (Frankfurt/Main, Germany)
November 6, 2014	Interim Report 1st–3rd Quarter 2014
November 24 - 26, 2014	Presentation, German Equity Forum (Frankfurt/Main, Germany)

Group Interim Management Report

Business report

Business activities and general conditions

Real estate portfolio and group structure

The occupancy rate of the real estate managed by the Group and its associated companies calculated on a proportionate basis increased to 95.0 %, compared with 94.4 % on December 31, 2012. The weighted remaining terms of the lease agreements as of September 30, 2013 totalled 5.5 years, compared with 5.7 years as of December 31, 2012.

The following table provides an overview of the real estate assets attributable to the Group (€ 125 million, 38 properties) and its associated companies (€ 333 million, 22 properties) as of September 30, 2013. The market values of the properties are based on property-by-property evaluations by the external experts CBRE GmbH as of December 31, 2012.

Real estate assets of Fair Value REIT-AG
as of September 30, 2013

					Fair Value REIT-AG's share					
	Total plot size[1] [m²]	Lettable space[1] [m²]	Annualized contractrual rent p.a.[1] [T€]	Market value 12/31/2012[1)2)] [T€]	Participating intereste [%]	Annualized contractrual rent[3] [T€]	Market value 12/31/2012[2)3)] [T€]	Occupancy level[4)6)] [%]	Ø-remaining term of rental agree-ments[5)6)] [years]	Contractual rental yield before costs[6)7)] [%]
Segment direct investments	47,486	37,912	2,978	42,345	100.0	2,978	42,345	98.0	10.0	7.0
Segment subsidiaries	151,368	115,660	7,211	82,300	58.1	4,178	47,798	91.5	4.2	8.7
Total Group	**198,854**	**153,572**	**10,189**	**124,645**	**72.3**	**7,156**	**90,143**	**94.1**	**6.6**	**7.9**
Total associated companies	337,795	257,303	30,736	333,170	36.2	10,773	120,615	95.6	4.7	8.9
Total Portfolio	**536,649**	**410,875**	**40,925**	**457,815**	**46.0**	**17,929**	**210,758**	**95.0**	**5.5**	**8.5**

Explanations
1) Does not take into account the respective participating interest
2) According to market valuation by CBRE GmbH, Frankfurt/Main, as of December 31, 2012
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, 2013 as of % of the proportionate market values

Macroeconomic and sector-specific conditions

Macroeconomic situation The German economy recorded an upwards trend during the third quarter 2013. The improved international economic environment and the decreasing uncertainty in connection with the euro crisis had a positive effect, as did the stable domestic demand on the back of rising employment and wages. After the gross domestic product rose by 0.7 % in the second quarter, an increase of 0.3 % is expected for the third quarter. For the full year, the Economic Forecast Project Group has anticipated economic growth of 0.4 %.[1)]

The German employment market remains robust. At the end of the third quarter, 2.85 million people were registered as unemployed. That is 61,000 more than at the same point in the previous year. The unemployment rate totalled 6.6 %[2)]. The inflation rate weakened somewhat in the third quarter, with consumer prices 1.4 % up on the previous year period in September 2013.[3)]

Real estate market in Germany **The leasing market** **Office space** Stable economic development has had a positive effect on the office market in the seven German office centres [4)], which was able to continue its recovery in the third quarter. The leasing turnover in the first three quarters was down just 2 % on the previous year period. In total, around 2.2 million m² were leased in the first nine months of 2013. While between 13 % and 36 % more space was rented in Cologne, Düsseldorf and Stuttgart, turnover in Frankfurt, Munich and Berlin was down between 9 % and 18 % compared to the first three quarters in the previous year. Turnover in Hamburg remained stable. According to information from Jones Lang LaSalle (JLL), the market remains more influenced by the lack of modern space available than by a lack of demand. Vacancies at top locations fell by 2 % to 7.49 million m². This represents a vacancy rate of 8.5 % across all cities. Top rent rose by an average of 2.5 % year-on-year. In the third quarter, the top rent in Frankfurt rose by 4.5 % to 34.50 €/m² and by 3.3 % in Munich to 31.50 €/m².[5)]

Retail space The retail rental market recorded largely constant development during the reporting period. 126,500 m² were brokered during the third quarter. In total, space turnover in the first nine months came in at 386,900 m² – around 10 % less than in the previous year period. However, the number of concluded lease agreements rose by 9 % to 772. The average top rent in all 183 German towns investigated rose by around 1.5 % compared to the previous year period. [6)]

The investment market The German investment market is heading for its second best result since 2007 according to estimates by JLL. In the first nine months of 2013, the transaction volume totalled € 19.1 billion. This represents 28 % more than in the first three quarters of the previous year. The seven top locations accounted for almost € 11.4 billion, or around 60 % of the invested capital. Munich came out on top with € 2.5 billion, followed by Berlin and Frankfurt with € 2.3 billion respectively. The most important asset classes were office real estate with 43 %, retail real estate with 29 % and logistics and industrial space with 10 %. The strongest buyer groups were asset and fund managers with a volume of € 3.4 billion as well as special funds totalling € 2.9 billion.[7)]

1) Economic Forecast Project Group: Konjunktur zieht an – Haushaltsüberschüsse sinnvoll nutzen
2) Federal Employment Agency: The employment market in September
3) Destatis: Consumer prices September 2013
4) Berlin, Düsseldorf, Frankfurt/Main, Hamburg, Cologne, Munich, Stuttgart
5) JLL: Office market overview Q3 2013
6) JLL: Rental market overview Q3 2013
7) JLL: The German investment market Q3 2013

Overall Statement of the Management on Business Performance

Compared with the previous year, the rental income of the Fair Value Group fell by 5 % in the first nine months of 2013 on the back of property sales. In connection with the rental-related higher property-related expenses, net rental income within the Group in the period under review came in at € 5.3 million, and was therefore 18 % down on the € 6.4 million reported in the previous year. However, the additional property-related expenses were more than offset by reduced net interest expenses, which also led to higher income from equity-accounted participations.

In the first nine months of the current financial year, the Fair Value Group's operating business result adjusted for extraordinary effects (EPRA earnings or FFO) was therefore € 4.0 million, around 5 % down on the previous year figure of € 4.2 million:

Adjusted consolidated net income (EPRA earnings or FFO)				**1/1–9/30/2013**				**1/1–9/30/2012[1)]**
		Adjustment for extraordinary factors				Adjustment for extraordinary factors		
in € thousand	According to consolidated income statement	Profits/losses on acquisition, sale and valuation	Interest rate swaps	**Adjusted consolidated income statement**	According to consolidated income statement	Profits/losses on acquisition, sale and valuation	Interest rate swaps	**Adjusted consolidated income statement**
Net rental income	**5,251**	–	–	**5,251**	**6,390**	–	–	**6,390**
General administrative expenses	(1,720)	–	–	(1,720)	(1,773)	–	–	(1,773)
Total other operating income and expenses	134	–	–	134	(86)	–	–	(86)
Earnings from sale of investment properties	162	(162)	–	–	23	(23)	–	–
Valuation profit/loss	(3)	3	–	–	(662)	662	–	–
Operating result	**3,824**	**(159)**	–	**3,665**	**3,892**	**639**	–	**4,531**
Income from participations	**4,992**	**83**	**(1,158)**	**3,917**	**4,010**	**40**	**(262)**	**3,788**
Income from beneficial acquisition of participations	163	(163)	–	–	–	–	–	–
Net interest expense	(2,782)	–	10	(2,772)	(3,559)		379	(3,180)
Income tax	(22)	–	–	(22)	(8)	–	–	(8)
Income before minority interests	**6,175**	**(239)**	**(1,148)**	**4,788**	**4,335**	**679**	**117**	**5,131**
Minority interests	(877)	22	43	(812)	(656)	(295)	7	(944)
Consolidated net income	**5,298**	**(217)**	**(1,105)**	**3,976**	**3,679**	**384**	**124**	**4,187**
Adjusted consolidated net income (FFO) per share (in €)	0.57	–	–	0.43	0.39	–	–	0.45

1) Consolidated net income 2012 adjusted in line with the explanation provided in Note 11

Income, financial and net asset position

Income Position

in € thousand	1/1–9/30/2013	1/1–9/30/2012[1]	in € thousand	Change in %
Total revenues	9,401	9,935	(534)	(5)
Net rental income	5,251	6,390	(1,139)	(18)
General adminstrative expenses	(1,720)	(1,773)	(53)	(3)
Other income and expenses, sales and valuation result	293	(725)	1,018	140
Operating result	3,824	3,892	(68)	(2)
Income from participations	4,992	4,010	982	25
Income from beneficial acquisition of participations	163	–	163	–
Net interest expense	(2,782)	(3,559)	(777)	(22)
Income tax	(22)	(8)	14	175
Minority interest in the result	(877)	(656)	221	34
Consolidated net income	**5,298**	**3,679**	**1,619**	**44**

1) Consolidated net income 2012 adjusted in line with the explanation provided in Note 11

Revenues totalled € 9.4 million, some € 0.5 million or 5 % down on the corresponding period in the previous year. The fall resulted from reduced rental income and ancillary income, mainly on the back of the sale of properties. Net rental income came in at € 5.3 million, around € 1.1 million or 18 % down on the € 6.4 million reported in the previous year. In addition to the reduced revenues, letting-related reconstruction costs at two properties owned by subsidiaries were also main reasons for the lower net rental income.

In contrast, after higher other operating income and an improved sale and valuation result, the operating result was recorded at € 3.8 million and was therefore around € 0.1 million or 2 % down on the € 3.9 million reported in the previous year.

Income from participations in equity-accounted associated companies came in at € 5.0 million, which represents an increase of 25 % over the previous year figure of € 4.0 million. The € 1.0 million improvement resulted almost exclusively from the valuation of interest rate hedges effective in profit and loss.

Income from the beneficial acquisition of participations of € 0.2 million resulted from various acquisitions of interests in the subsidiary BBV 06 as well as in the associated companies BBV 14 and IC 12 in the so-called secondary market at purchase prices which were below the proportional net asset value. On the back of repayment and interest rate-related savings, net interest expenses in the Group came in at € 2.8 million and were therefore € 0.8 million or 22 % down on the € 3.6 million reported in the previous year.

After deducting the minority interest in the result of € 0.9 million (previous year: € 0.7 million), the Fair Value Group concluded the first nine months of the current financial year 2013 with consolidated net income of € 5.3 million, or € 0.57 per share (previous year: € 3.7 million or € 0.39 per share).

Financial position

Cash Flow from operating activities The cash inflow from operating activities in the period under review totalled € 2.8 million and was therefore € 0.6 million or 27 % up on the previous year mark of € 2.2 million. The increase compared to the previous year figure largely resulted from changes in assets and liabilities, e.g. due to the collection of purchase price receivables for property sold in the previous year.

Cash and cash equivalents

in € thousand	1/1–9/30/2013	1/1–9/30/2012
Cash flow from operating activities	2,783	2,200
Cash flow from investment activities	1,758	2,341
Cash flow from financing activities	(4,156)	(6,912)
Change of cash and cash equivalents	**385**	**(2,371)**
Cash and cash equivalents – start of period	5,861	7,725
Cash and cash equivalents – end of period	**6,246**	**5,354**

Cash Flow from investment activities On the back of the carrying amount disposal of four properties sold in the current financial year, a net cash inflow of € 2.2 million resulted from investment activities. This relates to three directly-held properties (Boostedt, Helgoland and Norderstedt) and one property at the subsidiary BBV 06 (Emmerich). The net cash inflow was largely offset by value-sustaining, rental-related investment in Pinneberg (directly-held by Fair Value) totalling € 0.4 million.

Cash Flow from financing activities Cash outflow from investment activities totalling € 4.2 million (previous year: € 6.9 million) was made up of the balance of dividend payments (€ 0.9 million), increase of liabilities to banks worth € 0.7 million as well as scheduled repayments of liabilities to banks totalling € 2.1 million and unscheduled repayments of € 1.7 million after property sales in the previous and current financial years. Moreover, pay-outs totalling around € 0.1 million were made as part of the deconsolidation of the former subsidiary IC 01 (€ 91,000 payment to minorities) as well as the purchase price payment for the acquisition of an interest in the secondary market at the subsidiary BBV 06 (€ 6,000).

Liquidity In the first nine months of the current financial year, cash and cash equivalents in the Group increased by € 0.4 million to € 6.2 million (previous year period: fall of € 2.4 million to € 5.4 million).

Net asset position

Assets Total assets as of September 30, 2013 amounted to € 187.1 million, and were therefore slightly up compared with December 31, 2012 (€ 184.8 million).

Non-current assets totalling around € 176.1 million accounted for 94 % of total assets (December 31, 2012: 95 %). Of this amount, investment properties accounted for € 122.3 million or 69 % (December 31, 2012: € 126.7 million or 72 %). An amount of € 53.7 million from the equity-accounted participations in the associated companies (December 31, 2012: € 49.5 million) is included in the non-current assets.

A total of 57 %, or € 6.2 million of the current assets of € 11.0 million (December 31, 2012: € 8.5 million) comprise cash and cash equivalents, while € 2.8 million or 25 % are non-current assets available for sale (two directly-held office buildings in Kölln-Reisiek and Uetersen as well as a retail property from subsidiary BBV 06 in Altenberge) and € 2.0 million or 18 % are receivables and other assets.

Equity and liabilities As of September 30, 2013, 45 % of the assets were financed by equity and 55 % by debt. It should be noted that the minority interests in subsidiaries amounting to € 15.8 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 total € 99.8 million. This represents around 54 % of total assets (December 31, 2012: 50 %) or 55.9 % of immovable assets (December 31, 2012: 52.6 %).

Financial liabilities The Group's financial liabilities totalled € 79.9 million as of September 30, 2013. This accounted for 43 % of total assets, compared with 45 % or € 83.0 million as of December 31, 2012. Of these, 16 % or € 12.9 million (December 31, 2012: 16 % or € 13.1 million) were due within one year.

Equity / Net Asset Value (NAV) The net asset value (NAV), calculated as the sum of the market values of the properties and the participations, after taking the other balance sheet items into account, amounted to € 84.0 million as of September 30, 2013, compared with € 77.7 million on December 31, 2012.

Based on 9,325,572 shares in circulation as of the balance sheet date, the NAV per share was € 9.01, compared to € 8.33 on December 31, 2012.

Balance sheet NAV		
in € thousand	**9/30/2013**	**12/31/2012** 1)
Market value of properties (including properties held for sale)	125,054	126,672
Equity-accounted participations	53,718	49,469
Miscellaneous assets minus miscellaneous liabilities	1,978	881
Minority interests	(15,793)	(15,030)
Financial liabilities	(79,857)	(82,984)
Other liabilities	(1,077)	(1,346)
Net Asset Value	**84,023**	**77,662**
Net Asset Value per share (in €)	9.01	8.33

1) Previous year figures adjusted in line with Notes 2 and 11

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	**9/30/2013**	**12/31/2012** 1)
NAV pursuant to consolidated balance sheet	84,023	77,662
Market value of derivative financial instruments	5,230	6,685
Thereof due to minority interests	(26)	(52)
Market value of derivative financial instruments of equity-accounted participations (proportionate)	597	2,265
EPRA-NAV	**89,824**	**86,560**
EPRA-NAV per share (in €)	9.63	9.28

1) Previous year figures adjusted in line with Notes 2 and 11

Supplementary Report

Directly held portfolio

The sale prices for the sold properties in Uetersen (€ 1.90 million) and Kölln-Reisiek (€ 0.21 million) were paid as agreed. The transfer of ownership, risks and benefits took place on October 31, 2013 in both cases.

Subsidiary BBV 06

The sale price for the sold property in Altenberge totalling € 0.82 million was received on October 16, 2013; the transfer of ownership, risks and benefits was made to the purchaser on this date.

Associated company BBV 14

The sale price for the sold property in Berlin, Carnotstraße totalling € 15.60 million was paid in full on October 8, 2013; the transfer of ownership, risks and benefits was made to the purchaser on this date. The company agreed a distribution of around € 5.7 million on October 31, 2013. The proportionate Fair Value REIT-AG share totals around € 2.6 million.

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 50 to 56 of the Fair Value REIT-AG Annual Report 2012.

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

Development in the first nine months of the current financial year was in line with expectations overall and therefore highly satisfactory. The occupancy rate of the Fair Value portfolio was increased slightly to 95.0 % (December 31, 2012: 94.4 %) and is therefore back on a par with the long-term average.

The property sales already agreed in the current financial year, which total around 6 % of the property portfolio proportionate to Fair Value, were made at prices which were 5 % above the value determined by experts as of December 31, 2012. Taking into account the termination of the around 25 % interest in the associated company BBV 9 effective as of the end of 2013 in return for compensation at a fair market value, the proportionate real estate portfolio will be reduced by around € 39 million or 18 % year-on-year. This reduction in the total portfolio relates around 90% to properties held by associated companies, in which Fair Value REIT-AG does not hold the voting rights majority.

The lease volume proportionate to Fair Value is projected to be reduced by 22 % from 2014. However, the successively occurring lower proceeds in the current year and in the coming financial year can be offset by savings in net interest expenses.

Confirmation of FFO forecasts for 2013 and 2014

On the back of the actual Group interim financial statements, the Management Board is reiterating its existing earnings forecast for the full year 2013. This provides for adjusted IFRS consolidated net income (EPRA earnings or FFO) of € 5.3 million for 2013, corresponding to € 0.57 per share. The Management Board has also confirmed the earnings forecast for the financial year 2014, which anticipates adjusted IFRS consolidated net income (EPRA earnings or FFO) of € 5.6 million or € 0.60 per share.

Doubling the dividend forecast

The already implemented or pending changes in the real estate and participation portfolio will have a positive impact on the earnings of Fair Value REIT-AG pursuant to the German Commercial Code in 2013 and beyond. Given this development, the Management Board is increasing its dividend forecast for the financial years 2013 and 2014 by 100 % from the previous mark of € 0.12 per share or around 20 % of the adjusted IFRS consolidated net income (FFO) per share to around 40 % of the FFO per share.

The Management Board plans to increase the future distribution rates in % of FFO further by realising continued improvements in the structure of the existing portfolio and economies of scale in connection with the continued desire to expand the equity base.

Munich, November 4, 2013

Fair Value REIT-AG

Frank Schaich, CEO

Consolidated Interim Financial Statements

Balance Sheet

Consolidated balance sheet			
in € thousand	Note no.	9/30/2013	12/31/2012 [1]
Assets			
Non-current assets			
Intangible assets	3	116	143
Property, plant and equipment		5	4
Investment property	4	122,290	126,672
Equity-accounted investments	5	53,718	49,469
Other receivables and assets		10	6
Total non-current assets		**176,139**	**176,294**
Current assets			
Non-current assets available for sale	6	2,764	–
Trade receivables		927	1,398
Income tax receivables		45	65
Other receivables and assets		1,027	1,222
Cash and cash equivalents		6,246	5,861
Total current assets		**11,009**	**8,546**
Total assets		**187,148**	**184,840**
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserve for changes in value	7	(4,416)	(6,411)
Loss carryforward		(4,364)	(8,730)
Treasury shares		(398)	(398)
Total equity		**84,023**	**77,662**
Non-current liabilities			
Minority interests		15,793	15,030
Financial liabilities	8	67,002	69,873
Derivative financial instruments		5,230	6,685
Other liabilities		78	90
Total non-current liabilities		**88,103**	**91,678**
Current liabilities			
Provisions		265	268
Financial liabilities	8	12,855	13,111
Trade payables		903	865
Other liabilities		999	1,256
Total current liabilities		**15,022**	**15,500**
Total equity and liabilities		**187,148**	**184,840**

1) Adjustment of the financial year 2012 in line with IAS 8 (see Note 2 – comparative figures)

Income Statement

Consolidated income statement

in € thousand	Note no.	1/1–9/30 2013	1/1–9/30 2012 [1)]	7/1–9/30 2013	7/1–9/30 2012 [1)]
Rental income		7,739	8,183	2,519	2,775
Income from operating and incidental costs		1,662	1,752	670	713
Leasehold payments		(4)	(3)	–	–
Real estate-related operating expenses		(4,146)	(3,542)	(1,325)	(1,276)
Net rental income		**5,251**	**6,390**	**1,864**	**2,212**
General administrative expenses	9	**(1,720)**	**(1,773)**	**(552)**	**(579)**
Other operating income		135	73	(69)	5
Other operating expenses		(1)	(159)	–	(117)
Total other operating income and expenses		**134**	**(86)**	**(69)**	**(112)**
Net income from the sale of investment properties		2,282	2,905	780	1,691
Expenses in connection with the sale of investment properties		(2,120)	(2,882)	(725)	(1,669)
Result from sale of investment properties	4	**162**	**23**	**55**	**22**
Valuation gains		–	–	–	–
Valuation losses		(3)	(662)	88	349
Valuation result	4	**(3)**	**(662)**	**88**	**349**
Operating result (EBIT)		**3,824**	**3,892**	**1,386**	**1,892**
Result from equity-accounted investments	5	**4,992**	**4,010**	**1,584**	**1,426**
Income from beneficial acquisition of participations		163	–	–	–
Interest income		5	28	2	10
Interest expense	11	(2,787)	(3,587)	(953)	(1,245)
Income before taxes		**6,197**	**4,343**	**2,019**	**2,083**
Income tax		(22)	(8)	–	(8)
Income before minority interests		**6,175**	**4,335**	**2,019**	**2,075**
Minority interest in the result		(877)	(656)	(243)	(307)
Net income		**5,298**	**3,679**	**1,776**	**1,768**
Earnings per share in € (basic/diluted)		0.57	0.39	0.19	0.19

1) Consolidated net income adjusted (see explanation in Note 11)

Statement of Comprehensive Income

Consolidated statement of comprehensive income		
in € thousand	1/1–9/30/2013	1/1–9/30/2012 1)
Net income	**5,298**	**3,679**
Other results		
Change in cash flow hedges	1,465	(298)
Thereof due to minority interests	(17)	32
Change in cash flow hedges of associated companies	513	104
Total other results	**1,961**	**(162)**
Comprehensive income	**7,259**	**3,517**

1) Consolidated net income adjusted (see explanation in Note 11)

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	Retained earnings 1)	Total
Balance at January 1, 2012	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,480)**	**(8,851)**	**77,472**
Distribution of dividends	–	–	–	–	–	(748)	(748)
Adjustment without effect on income IFRS	–	–	–	–	–	4	4
Total net income 1)	–	–	–	–	(217)	3,679	3,462
Balance at September 30, 2012 1)	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,697)**	**(5,916)**	**80,190**
Balance at January 1, 2013	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,411)**	**(8,730)**	**77,662**
Distribution of dividends	–	–	–	–	–	(932)	(932)
Hedge Accounting	–	–	–	–	1,995	–	1,995
Total net income	–	–	–	–	–	5,298	5,298
Balance at September 30, 2013	**9,325,572**	**47,034**	**46,167**	**(398)**	**(4,416)**	**(4,364)**	**84,023**

1) Consolidated net income adjusted (see explanation in Note 11)

Cash Flow Statement

Consolidated cash flow statement		
in € thousand	1/1–9/30/2013	1/1–9/30/2012 1)
Net income	**5,298**	**3,679**
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Income tax expenses/(income)	20	16
Amortization of intangible assets and depreciation of property, plant and equipment	26	30
(Profits)/Losses from the disposal of investment properties	(162)	(23)
Valuation result	–	650
Income from equity-accounted investments	(4,992)	(4,010)
Withdrawals from equity-accounted investments	1,749	2,019
Income from beneficial acquisition of participations	(163)	–
Loss/(profit) of minority shareholders in subsidiaries	877	656
Disbursement to minority shareholders in subsidiaries	–	(563)
Result from the valuation of derivative financial instruments	10	380
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	471	(192)
(Increase)/decrease in other liabilities	191	46
(Decrease)/increase in provisions	(3)	(7)
(Decrease)/increase in trade payables	38	(309)
(Decrease)/increase in other liabilities	(577)	(172)
Cash flow from operating activities	**2,783**	**2,200**
Payments for purchase of interests in associated companies	(22)	–
Investments in investment properties	(409)	(468)
Disposal of investment properties/properties under construction	2,189	2,809
Cash flow from investment activities	**1,758**	**2,341**
Distribution of dividends	(932)	(746)
Receipts of financial liabilities	700	–
Repayment of financial liabilities	(3,827)	(6,166)
Payments minority interests	(97)	–
Cash flow from financing liabilities	**(4,156)**	**(6,912)**
Cash effective change of liquid funds	**385**	**(2,371)**
Cash and cash equivalent (start of period)	5,861	7,725
Cash and cash equivalent (end of period)	**6,246**	**5,354**
Additional disclosures: Interest received		
Interest received	5	28
Interest paid	2,787	3,587

1) Consolidated net income adjusted (see explanation in Note 11)

Notes

(1) General Information about the Company

Fair Value REIT-AG is headquartered in Munich, Germany, and does not have any branch offices. As a real estate investment firm, the Company focuses on the acquisition and management of commercial properties in Germany. Investment activities focus in particular on office and retail properties in regional centres. Fair Value REIT-AG invests directly in real estate as well as indirectly in real estate partnerships via the acquisition of participations. Following its registration as a public company on July 12, 2007, Fair Value REIT-AG ("the Company") has been listed on the stock exchange since November 16, 2007. It became a REIT on December 6, 2007.

As a result of its participations in a total of 11 (previous year: 12) closed-end real estate funds and six additional companies, the Company must prepare consolidated financial statements.

(2) Key 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 quarterly report. The same methods of composition of the consolidated group of companies are used as for the consolidated financial statement on December 31, 2012.

The composition of the consolidated group of companies has changed since December 31, 2012. During the reporting period, the liquidation of IC Fonds & Co. München Karlsfeld KG, Munich ("IC 01") was completed based on the liquidation balance sheet as of December 31, 2012 through an agreed final payment by the liquidator IC Immobilien Service GmbH. The liquidation did not have any impact on the assets, financial position and results of operations of the Group as shown in the following table of gains and losses from the deconsolidation:

Identifable assets and liabilities IC01	
in € thousand	carrying amounts
Trade receivables	114
Other assets	19
Cash and cash equivalents	248
Provisions	11
Trade payables	115
Other liabilities	47
Fair value of net assets	**208**
Proceeds of liquidation for Fair Value Reit-AG	117
Minority interests	91
Proceeds of liquidation, total	**208**
Result of deconsolidation	**–**

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, 2012.

Comparative Figures The figures used for comparison in the balance sheet and the statement of change in the equity capital are from the reporting date December 31, 2012. The comparative figured 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, 2012.

Net assets as of December 31, 2012 contained an error correction in minority interests in line with IAS 8, which came about from the recalculation of the percentage of minority interests at the subsidiaries IC07, BBV03 and BBV06 as of December 31, 2012. Minority interests therefore fell by € 269,000 to € 15,030,000. At the same time, group equity increased by € 269,000 to € 77,662,000 compared with December 31, 2012.

(3) Intangible Assets

The intangible assets include a contractual right that was valued individually within the framework of a company acquisition and will be amortized over a useful life of five years. Amortization totalling € 27,000 of € 116,000 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, 2013	**49,147**	**113,515**	**162,662**
Disposals (sale)	(1,406)	(1,400)	(2,806)
Reclassifications	(2,431)	(1,485)	(3,916)
Additions (subsequent acquisition costs)	409	3	412
Balance at September 30, 2013	**45,719**	**110,633**	**156,352**
Changes in value			
Balance at January 1, 2013	**(5,435)**	**(30,555)**	**(35,990)**
Reclassifications	437	715	1,152
Write-downs	–	(3)	(3)
Disposals (sale)	39	740	779
Balance at September 30, 2013	**(4,959)**	**(29,103)**	**(34,062)**
Fair values			
Balance at January 1, 2013	43,712	82,960	126,672
Balance at September 30, 2013	**40,760**	**81,530**	**122,290**

The fair values used for the investment properties are those determined on December 31, 2012 by CBRE GmbH, Frankfurt. Due to the change of use at the property Damm 49 in Pinneberg ("direct investment") from office space to a health centre, reconstruction costs totalling € 409,000 were incurred up to the hand-over of the rental space as of September 30, 2013. The expenses are regarded as value-enhancing, considering the long-term re-letting of the building and the resultant higher rental income from the property, and therefore the value of the property diverges from the appraisal value as of December 31, 2012 to the corresponding extent. Three directly-held properties (Boostedt, Helgoland and Norderstedt) were sold for a total of € 1,532,000 in the period under review. Sales related costs amounting to € 57,000 were incurred. In addition, a retail building in Emmerich was sold by the subsidiary BBV 06 for € 750,000. Sales related costs amounting to € 36,000 were incurred. The reclassification recognized directly in equity (€ 185,000) relates to a renovation measure at BBV 06, which was already carried out in the previous financial year and was already taken into account in the valuation carried out as of December 31, 2012. In addition, two office buildings in Uetersen and Kölln-Reisiek from the directly held portfolio with fair values totalling € 1,994,000 and a retail property in Altenberge at subsidiary BBV 06 with a fair value of € 770,000 were reclassified to assets available for sale.

(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, 2013	**2,495**	**7,090**	**113**	**11,082**	**12,891**	**18,970**	**52,641**
Additions (acquisition costs)	308	—	—	—	—	22	330
Income from beneficial acquisition of participations	148	—	—	—	—	15	163
Withdrawals	—	(216)	—	(511)	—	(1,022)	(1,749)
Proportionate earnings	(7)	550	19	2,087	1,111	1,232	4,992
Profit from cash flow hedge	—	—	—	—	513	—	513
Balance at September 30, 2013	**2,944**	**7,424**	**132**	**12,658**	**14,515**	**19,217**	**56,890**
Value adjustment							
Balance at January 1, 2013 / September 30, 2013	**(118)**	**(377)**	**(49)**	**(431)**	**(1,086)**	**(1,111)**	**(3,172)**
Carrying amounts							
Balance at January 1, 2013	2,377	6,713	64	10,651	11,805	17,859	49,469
Balance at September 30, 2013	**2,826**	**7,047**	**83**	**12,227**	**13,429**	**18,106**	**53,718**

This refers to participations with holdings of between 20 % and 50 %. The increase of € 4,249,000 in the carrying amounts compared to December 31, 2012 consists of the proportionate earnings allocation to Fair Value for the period under review totalling € 4,992,000, plus the proportionate change in the reserve for changes in value recorded directly in equity totalling € 513,000 less the distributions received including the withholding tax on interest income and the solidarity surcharges totalling € 1,749,000. In addition, the acquisition of interests in the associated companies BBV 14 and IC12 led to acquisition costs of € 22,000 and € 308,000 respectively, resulting in income from the beneficial acquisition of participations totalling € 163,000. The participation quotas therefore increased during the period under review to 45.21 % at BBV 14 (previously 45.12 %) and to 48.43 % at IC12 (previously 40.95 %). 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 81 of the Annual Report 2012.

Proportionate share of assets and liabilities of equity-accounted associated companies at September 30, 2013

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	48.43 %	39.08 %	41.39 %	25.17 %	38.44 %	45.21 %	
Property, plant and equipment	—	—	—	—	1	—	1
Investment property	**3,763**	**13,912**	**608**	**26,972**	**37,075**	**31,611**	**113,941**
Non-current assets available for sale	—	—	—	—	—	6,917	6,917
Trade receivables	59	117	3	17	155	154	505
Other receivables and assets	12	8	—	9	111	268	408
Cash and cash equivalents	189	554	3	2,584	1,166	1,243	5,739
Provisions	(5)	(6)	(2)	(1)	(11)	(17)	(42)
Financial liabilities	**(1,007)**	**(7,080)**	**(467)**	**(16,579)**	**(23,464)**	**(20,384)**	**(68,981)**
Derivative financial instruments	—	—	—	(256)	(180)	(161)	(597)
Trade payables	(19)	(17)	(8)	(54)	(184)	(111)	(393)
Other liabilities	(48)	(64)	(5)	(34)	(154)	(303)	(608)
Net assets at September 30, 2013	**2,944**	**7,424**	**132**	**12,658**	**14,515**	**19,217**	**56,890**

Overview of maturities of financial liabilities at September 30, 2013

Long term	(974)	(4,174)	(440)	(15,925)	(13,839)	(19,878)	(55,230)
Short term	(33)	(2,906)	(27)	(654)	(9,625)	(506)	(13,751)
Total financial liabilities	**(1,007)**	**(7,080)**	**(467)**	**(16,579)**	**(23,464)**	**(20,384)**	**(68,981)**

Proportionate share of assets and liabilities of equity-accounted associated companies at December 31, 2012

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	40.95 %	39.08 %	41.39 %	25.17 %	38.43 %	45.12 %	
Investment property	**3,183**	**13,912**	**608**	**26,972**	**38,100**	**38,450**	**121,225**
Trade receivables	54	62	3	23	95	212	449
Other receivables and assets	2	21	—	3	—	203	229
Cash and cash equivalents	197	646	7	2,849	905	1,720	6,324
Provisions	(4)	(6)	(3)	(10)	(12)	(14)	(49)
Financial liabilities	**(873)**	**(7,328)**	**(486)**	**(17,070)**	**(25,151)**	**(20,864)**	**(71,772)**
Derivative financial instruments	—	—	—	(1,301)	(750)	(214)	(2,265)
Trade payables	(29)	(63)	(8)	(68)	(116)	(128)	(412)
Other liabilities	(35)	(154)	(8)	(316)	(180)	(395)	(1,088)
Net assets at December 31, 2012	**2,495**	**7,090**	**113**	**11,082**	**12,891**	**18,970**	**52,641**

Overview of maturities of financial liabilities at December 31, 2012

Long term	(844)	(1,167)	(460)	(16,416)	(15,251)	(20,349)	(54,487)
Short term	(29)	(6,161)	(26)	(654)	(9,900)	(515)	(17,285)
Total financial liabilities	**(873)**	**(7,328)**	**(486)**	**(17,070)**	**(25,151)**	**(20,864)**	**(71,772)**

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, 2013

in € thousand	IC 12	IC 15	BBV 02	BBV 09	BBV 10	BBV 14	**Total**
Fair Value REIT-AG's share	48.43 %	39.08 %	41.39 %	25.17 %	38.44 %	45.21 %	
Rental income	166	852	67	2,215	2,651	2,177	8,128
Income from operating and incidental costs	85	80	6	23	605	537	1,336
Real estate-related operating expenses	(218)	(164)	(27)	(173)	(1,013)	(1,024)	(2,619)
Net rental income	**33**	**768**	**46**	**2,065**	**2,243**	**1,690**	**6,845**
General administrative expenses	(15)	(47)	(10)	(142)	(117)	(176)	(507)
Other operating income and expenses (balance)	3	6	1	1	5	42	58
Income from sale of investment properties	—	—	—	—	63	—	63
Valuation result	—	(4)	—	—	—	(80)	(84)
Operating result (EBIT)	**21**	**723**	**37**	**1,924**	**2,194**	**1,476**	**6,375**
Net interest expense	(28)	(173)	(18)	(880)	(1,142)	(298)	(2,539)
Valuation result of derivative financial instruments with effect to net income	—	—	—	1,045	59	54	1,158
Financial result	**(28)**	**(173)**	**(18)**	**165**	**(1,083)**	**(244)**	**(1,381)**
Income tax	—	—	—	(2)	—	—	(2)
Economic result at September 30, 2013	**(7)**	**550**	**19**	**2,087**	**1,111**	**1,232**	**4,992**

Through the purchase of company interests in BBV 14 on the secondary market, the interest held by Fair Value REIT-AG increased to 45.21 % from July 1, 2013. Moreover, further interests in IC12 were acquired through a purchase in the secondary market as of September 30, 2013, which increased the interest to 48.43 %.

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
Income from sale of investment properties	—	—	—	—	—	—	—
Valuation result	—	—	—	—	—	(40)	(40)
Operating result (EBIT)	**(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)**
Income tax	—	—	—	(3)	—	—	(3)
Economic result at September 30, 2012	**(82)**	**381**	**14**	**1,358**	**1,155**	**1,184**	**4,010**

(6) Non-current Assets Available for sale

in € thousand	9/30/2013	12/31/2012
Office building („FVAG“) in Uetersen	1,810	–
Office building („FVAG“) in Kölln-Reisiek	184	–
Retail property ("BBV 06") in Altenberge	770	–
Total non-current Assets Available for sale	**2,764**	**–**

The additions relate to two office buildings from Fair Value REIT-AG’s (FVAG) directly-held portfolio. The sale price of the properties in Uetersen and Kölln-Reisiek totalling € 2,105,000 is above the total fair value of the properties of € 1,994,000. November 1, 2013 has been agreed in the contract as the date for the transfer of ownership, risks and benefits for both properties. At the subsidiary BBV 06, a retail property in Altenberge was reclassified at a fair value of € 770,000. The sale price for this property is € 815,000. The transfer of ownership, risks and benefits was made to the purchaser on the payment of the sale price on October 16, 2013.

(7) Reserve for Changes in Value

Included in the reserve for changes in value currently reducing the total equity 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 decreased on balance by € 1,995,000. After deduction of the units held by minority shareholders, the share held by the group decreased by € 1,482,000. In contrast, there was a decrease in reserved of € 513,000 related to the equity-accounted participations, to the extent that theses resulted from cash flow hedges made by the participating companies.

(8) Financial Liabilities

The short-term and long-term financial liabilities of € 79,857,000 decreased by € 3,127,000 compared to December 31, 2012. This was because of scheduled repayments of € 2,083,000 and unscheduled repayments of € 1.744,000. Of this amount, € 502,000 was attributable to property sales from the previous year (Bönningstedt and Ellerau) and € 492,000 from the directly held properties in Helgoland and Boostedt in the current financial year. At the subsidiary BBV 06, € 750,000 was used for an unscheduled repayment as part of the property sale in Emmerich. Moreover, Fair Value REIT-AG used a partial amount of € 700,000 from its granted credit. Current financial liabilities decreased by € 256,000 to € 12,855,000 compared with December 31, 2012.

(9) General Administrative Expenses

in € thousand	1/1–9/30/2013	1/1–9/30/2012
Personnel expenses	381	354
Office costs	37	35
Travel and vehicle expenses	23	32
Accounting	100	103
Stock market listing, designated sponsoring and research	95	67
Annual general meeting	47	50
Financial reports	99	78
Events	23	15
Valuations	25	87
Legal and consulting costs	156	222
Audit expenses	114	135
Remuneration (Supervisory and Advisory Boards, General Partner)	47	52
Fund management fees	247	232
Trustee fees	77	87
Amortization and depreciation	29	27
Other	72	41
Non-deductible VAT	148	156
Total general administrative expenses	**1,720**	**1,773**

Of the general administrative expenses, € 1,222,000 (71 %) are attributable to Fair Value (€ 1,292,000 or 73 % in the previous year). To the subsidiaries € 498,000 (29 %) are attributable (€ 481,000 or 27 % in the previous year).

(10) Interest Expenses

in € thousand	1/1–9/30/2013	1/1–9/30/2012
Valuation of derivative financial instruments	(10)	(379)
Other interest expenses	(2,777)	(3,208)
Total interest expenses	**(2,787)**	**(3,587)**

Interest expenses include costs relating to the change in the fair value of derivative financial instruments (interest rate hedges) amounting to € 10,000. From the other interest expenses, a total of € 2,663,000 was spent on loans and swaps. The remaining € 114,000 relate to commitment fees, the release of accruals for processing fees and expenses from the market valuation of a loan.

(11) Segment Revenues and Results

	1/1–9/30/2013		1/1–9/30/2012 [1]	
in € thousand	Segment revenues	Segment results	Segment revenues	Segment results
Direct investments	2,712	1,984	2,796	2,116
Subsidiaries	6,689	2,883	7,139	4,274
Total segment revenues and results	**9,401**	**4,867**	**9,935**	**6,390**
Central administrative expenses and other	–	(1,043)	–	(2,498)
Earnings from equity-accounted participations	–	4,992	–	4,010
Income from beneficial acquisition of participations	–	163	–	–
Other income from participations	–	–	–	–
Net interest expense	–	(2,782)	–	(3,559)
Income tax	–	(22)	–	(8)
Minority interest in the result	–	(877)	–	(656)
Consolidated net income	**–**	**5,298**	**–**	**3,679**

1) The segment results of the previous year were reduced by € 146,000 at a subsidiary (“IC03”). This stems from a rent prepayment totalling € 150,000 over 25 years for the use of the roof space for operating a photovoltaic system, which was accrued as part of the annual financial statements 2012 at a total of € 144,000. As a result, the proceeds from the compensation payments in the previous year quarter were € 4,000.

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

Income statement by segments at September 30, 2013 [1]

	Direct investments	Subsidiaries							
in € thousand	**FV AG**	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Reconciliation	**Group**
Rental income	2,252	441	421	1,369	440	2,816	5,487	—	7,739
Income from operating and incidental costs	460	155	146	393	78	430	1,202	—	1,662
Segment revenue	**2,712**	**596**	**567**	**1,762**	**518**	**3,246**	**6,689**	**—**	**9,401**
Leasehold payments	—	—	—	—	—	(4)	(4)	—	(4)
Real estate-related operating expenses	(723)	(266)	(836)	(630)	(500)	(1,191)	(3,423)	—	(4,146)
Net rental income	**1,989**	**330**	**(269)**	**1,132**	**18**	**2,051**	**3,262**	**—**	**5,251**
Administrative expenses related to segment	(136)	(31)	(31)	(79)	(115)	(223)	(479)	—	(615)
Other operating expenses and income (balance)	23	3	2	10	10	24	49	—	72
Profit from purchase of investment properties	108	—	—	—	—	54	54	—	162
Valuation losses	—	—	(3)	—	—	—	(3)	—	(3)
Segment result	**1,984**	**302**	**(301)**	**1,063**	**(87)**	**1,906**	**2,883**	**—**	**4,867**
Central administrative costs	(1,086)	—	—	—	—	—	—	(19)	(1,105)
Other expenses	—	—	—	—	—	—	—	62	62
Income from equity-accounted participations	1,749	—	—	—	—	—	—	3,243	4,992
Other income from participations	(1,358)	—	—	—	—	—	—	1,358	—
Income from beneficial acquisition of participations	—	—	—	—	—	—	—	163	163
Net interest expense	(1,725)	(43)	(56)	(360)	1	(600)	(1,058)	1	(2,782)
Minority interest in the result	—	—	—	—	—	—	—	(877)	(877)
Income tax	(22)	—	—	—	—	—	—	—	(22)
Consolidated net income	**(458)**	**259**	**(357)**	**703**	**(86)**	**1,306**	**1,825**	**3,931**	**5,298**

1) The former subsidiary IC01 was deconsolidated after completing liquidation in Q3 2013 (see Note 2)

Income statement by segments at September 30, 2012 [1)]

in € thousand	Direct investments FV AG	Subsidiaries IC 01	IC 03	IC 07	IC 13	BBV 03	BBV 06	Total	Reconciliation	Group
Rental income	2,445	77	430	337	1,336	511	3,009	5,700	–	8,145
Income from operating and incidental costs	351	64	121	191	428	83	552	1,439	–	1,790
Segment revenue	**2,796**	**141**	**551**	**528**	**1,764**	**594**	**3,561**	**7,139**	**–**	**9,935**
Leasehold payments	–	–	–	–	–	–	(3)	(3)	–	(3)
Real estate-related operating expenses	(680)	8	(396)	(327)	(874)	(169)	(1,104)	(2,862)	–	(3,542)
Net rental income	**2,116**	**149**	**155**	**201**	**890**	**425**	**2,454**	**4,274**	**–**	**6,390**
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 losses	–	(650)	–	–	(12)	–	–	(662)	–	(662)
Segment result	**2,101**	**(624)**	**119**	**172**	**812**	**320**	**2,206**	**3,005**	**13**	**5,119**
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	–	–	–	–	–	–	–	–	(656)	(656)
Income tax	–	–	–	–	–	–	–	–	(8)	(8)
Consolidated net income	**734**	**(651)**	**57**	**131**	**392**	**322**	**1,258**	**1,509**	**1,436**	**3,679**

1) Consolidated net income adjusted (see explanation in Note 11)

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

Segment assets and liabilities at September 30, 2013 [1)]

	Direct invest-ments	Subsidiaries							
in € thousand	**FV AG**	IC 03	IC 07	IC 13	BBV 03	BBV 06	**Total**	Recon-ciliation	**Group**
Intangible assets and property, plant and equipment	6	—	—	—	—	—	—	115	121
Investment property	**40,760**	**6,010**	**7,920**	**19,170**	**6,630**	**42,570**	**82,300**	**—**	**123,060**
Non-current assets available for sale	1,994	—	—	—	—	—	—	—	1,994
Trade receivables	350	159	130	44	20	212	565	12	927
Income tax receivables	36	—	—	—	—	—	—	9	45
Other receivables and assets	909	7	2	2	41	76	128	—	1,037
Cash and cash equivalents	398	236	511	658	973	3,384	5,762	86	6,246
Subtotal segment assets	**44,453**	**6,412**	**8,563**	**19,874**	**7,664**	**46,242**	**88,755**	**222**	**133,430**
Participation in subsidiaries	28,432	—	—	—	—	—	—	(28,432)	—
Equity-accounted participations	47,153	—	—	—	—	—	—	6,565	53,718
Total assets	**120,038**	**6,412**	**8,563**	**19,874**	**7,664**	**46,242**	**88,755**	**(21,645)**	**187,148**
Provisions	(184)	(6)	(9)	(14)	(15)	(31)	(75)	(6)	(265)
Trade payables	(138)	(36)	(135)	(64)	(71)	(459)	(765)	—	(903)
Other liabilities	(546)	(171)	(118)	(168)	(35)	(25)	(517)	(14)	(1,077)
Subtotal segment liabilities	**(868)**	**(213)**	**(262)**	**(246)**	**(121)**	**(515)**	**(1,357)**	**(20)**	**(2,245)**
Minority interests	—	—	—	—	—	—	—	(15,793)	(15,793)
Financial liabilities	(32,684)	(3,080)	(1,379)	(16,481)	—	(26,429)	(47,369)	196	(79,857)
Derivative financial instruments	(5,170)	—	—	—	—	(60)	(60)	—	(5,230)
Total liabilities	**(38,722)**	**(3,293)**	**(1,641)**	**(16,727)**	**(121)**	**(27,004)**	**(48,786)**	**(15,617)**	**(103,125)**
Net assets at September 30, 2013	**81,316**	**3,119**	**6,922**	**3,147**	**7,543**	**19,238**	**39,969**	**(37,262)**	**84,023**

1) The former subsidiary IC 01 was deconsolidated after completing liquidation in Q3 2013 (see Note 2)

Overview of maturities of financial liabilities at September 30, 2013

Long term	(31,661)	(2,904)	—	(13,571)	—	(18,866)	(35,341)	—	(67,002)
Short term	(1,023)	(176)	(1,379)	(2,910)	—	(7,563)	(12,028)	196	(12,855)
Financial liabilities	**(32,684)**	**(3,080)**	**(1,379)**	**(16,481)**	**—**	**(26,429)**	**(47,369)**	**196**	**(79,857)**

Segment assets and liabilities at December 31, 2012 [1)]

	Direct invest-ments							Subsidiaries		
in € thousand	**FV AG**	IC01	IC03	IC07	IC13	BBV 03	BBV 06	**Total**	Recon-ciliation	**Group**
Intangible assets and property, plant and equipment	5	—	—	—	—	—	—	—	142	147
Investment property	**43,712**	**—**	**6,010**	**7,920**	**19,170**	**6,630**	**43,230**	**82,960**	**—**	**126,672**
Trade receivables	399	115	166	186	116	16	400	999	—	1,398
Income tax receivables	46	—	—	—	—	—	—	—	19	65
Other receivables and assets	744	23	9	—	97	41	374	544	(60)	1,228
Cash and cash equivalents	998	246	60	870	207	1,061	2,360	4,804	59	5,861
Subtotal segment assets	**45,904**	**384**	**6,245**	**8,976**	**19,590**	**7,748**	**46,364**	**89,307**	**160**	**135,371**
Participation in subsidiaries	29,901	—	—	—	—	—	—	—	(29,901)	—
Equity-accounted participations	46,835	—	—	—	—	—	—	—	2,634	49,469
Total assets	**122,640**	**384**	**6,245**	**8,976**	**19,590**	**7,748**	**46,364**	**89,307**	**(27,107)**	**184,840**
Provisions	(167)	(11)	(9)	(8)	(13)	(14)	(37)	(92)	(9)	(268)
Trade payables	(323)	(119)	(14)	(25)	(119)	(84)	(181)	(542)	—	(865)
Other liabilities	(650)	(46)	(162)	(100)	(85)	(21)	(267)	(681)	(15)	(1,346)
Subtotal segment liabilities	**(1,140)**	**(176)**	**(185)**	**(133)**	**(217)**	**(119)**	**(485)**	**(1,315)**	**(24)**	**(2,479)**
Minority interests	—	—	—	—	—	—	—	—	(15,030)	(15,030)
Financial liabilities	(33,734)	—	(3,200)	(1,564)	(16,929)	—	(27,787)	(49,480)	230	(82,984)
Derivative financial instruments	(6,564)	—	—	—	—	—	(121)	(121)	—	(6,685)
Total liabilities	**(41,438)**	**(176)**	**(3,385)**	**(1,697)**	**(17,146)**	**(119)**	**(28,393)**	**(50,916)**	**(14,824)**	**(107,178)**
Net assets at December 31, 2012	**81,202**	**208**	**2,860**	**7,279**	**2,444**	**7,629**	**17,971**	**38,391**	**(41,931)**	**77,662**

1) Adjustment of the financial year 2012 in line with IAS 8 (see Note 2 – comparative figures)

Overview of maturities of financial liabilities at December 31, 2012

Long term	(32,775)	—	(2,971)	(1,316)	(13,273)	—	(19,538)	(37,098)	—	(69,873)
Short term	(959)	—	(229)	(248)	(3,656)	—	(8,249)	(12,382)	230	(13,111)
Financial liabilities	**(33,734)**	**—**	**(3,200)**	**(1,564)**	**(16,929)**	**—**	**(27,787)**	**(49,480)**	**230**	**(82,984)**

(12) Relationships with Related Parties

Receivables and Liabilities to IC Real Estate Group		
in € thousand	1/1–9/30/2013	1/1–9/30/2012
Receivables	7	–
Liabilities		
Provisions	(13)	(7)
Liabilities	–	(37)
Total Receivables and Liabilities to IC Real Estate Group	**(6)**	**(44)**

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 4, 2013
Fair Value REIT-AG

Frank Schaich

Declaration by Legal Representative To the best of my knowledge, I declare that, according to the princip-les of proper consolidated re-porting applied, the unaudited consolidated financial statement 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 pro-vide a true and fair view and that the major opportunities and risks of the Group's anticipated de-velop-ment are described.

Munich, November 4, 2013
Fair Value REIT-AG

Frank Schaich

Imprint

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Disclaimer This interim report contains future-oriented statements, which are subject to risks and uncertainties. They are estimations of the management board of Fair Value REIT-AG and reflect it's current views with regard to future events. Such expressions concerning forecasts can be recognised by terms such as "expect", "estimate", "intend", "can", "will" and similar expressions with reference to the enterprise. Factors, that can cause deviations or effects can be (without claim on completeness): the development of the property market, competition influences, alterations of prices, the situation on the financial markets or developments related to general economic conditions. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of Fair Value REIT-AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.