

Semi-Annual Report 2013

fair value
REIT

Key figures Fair Value Group			
Revenues and earnings		1/1-6/30/2013	1/1-6/30/2012¹⁾
Rental revenues	in € thousand	5,220	5,408
Net rental result	in € thousand	3,387	4,178
EBIT	in € thousand	2,438	2,000
Result from equity-accounted investments	in € thousand	3,408	2,584
Consolidated net income	in € thousand	3,359	1,953
Earnings per share	in € thousand	0.36	0.21
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	2,848	2,777
EPRA-Earnings/FFO per share	in €	0.31	0.30
Assets and capital		6/30/2013	12/31/2012²⁾
Non-current assets	in € thousand	176,944	176,294
Current assets	in € thousand	8,598	8,546
Total assets	in € thousand	185,542	184,840
Equity/Net asset value (NAV)	in € thousand	81,705	77,662
Equity ratio	in %	44.0	42.0
Immovable assets	in € thousand	176,805	176,141
Equity within the meaning of Section 15 of the REIT act	in € thousand	97,290	92,692
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45 %)	in %	55.0	52.6
Real estate investments³⁾		6/30/2013	12/31/2012
Number of properties	amount	61	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 %	94.6	94.4
Remaining term of rental agreements	years	5.6	5.7
Contractual rental yield before costs	in %	8.5	8.4

1) Q2 2013 figures adjusted on the back of the accrual of a rent repayment received (Explanation see Note 10)

2) Adjustment of the financial year 2012 in line with IAS 8 (see explanation Note 2)

3) Relating to Fair Value's proportionate portfolio. For further information see Annual Report 2012, pages 124-129

4) Based on the market valuation dated December 31, 2012, relating to Fair Value's proportionate portfolio

Further key figures			
		6/30/2013	12/31/2012²⁾
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	8.76	8.33
EPRA-NAV per share	in €	9.48	9.28
Number of employees (including Management Board)		3	3

Letter to Shareholders

Dear Shareholders and Business Partners, Ladies and Gentlemen,

In the first six months of the current financial year, the German economy initially recorded moderate and then increasingly positive results in the second quarter of 2013. For the full year, experts currently anticipate economic growth of 0.4%. The unemployment rate in Germany stood at 6.6% at the end of June and therefore on a par with the previous year. The inflation rate is rising slowly and was recorded at 1.8% in June. This figure, however, will likely remain substantially below the two-percent mark, the medium-term inflation target of the European Central Bank, for the full year 2013.

The European Central Bank is leaving the key interest rate on the main refinancing operations unchanged at the record low of 0.5% p.a. It is anticipating a gradual recovery of the European economy and is aiming to support this development with continued low interest rates.

This generally stable environment formed the foundation for the upbeat business development of Fair Value REIT-AG in the first half of 2013. As part of this development, the occupancy rate of our proportionate real estate portfolio increased slightly from 94.4% to 94.6% in the reporting period. The average remaining lease terms totalled 5.6 years as of June 30, 2013, following 5.7 years at the end of the previous year.

Consolidated net income in the first half of 2013 came in at around € 3.4 million, more than 70% higher than the previous year period (€ 2.0 million). The previous year figure was impacted by valuation expenses totalling around € 1.0 million. Consolidated net income adjusted for sales earnings and changes in market values, or FFO earnings, was € 2.85 million in the first half of 2013, some 3% higher than the previous year's figure of € 2.78 million.

As of the balance sheet date, consolidated equity amounted to € 81.7 million. As a result, the balance sheet net asset value increased by 5% in the first half of 2013 to € 8.76 per share in circulation. The REIT equity ratio rose from 52.6% to 55.0% of immovable assets.

We regard the results from the first half of 2013 as confirmation of our expectations and are maintaining our forecast for the current financial year. This means that for 2013 as a whole, we are still anticipating adjusted consolidated net income (FFO) of € 5.3 million, or € 0.57 per share.

Munich, August 5, 2013
Kind regards



Frank Schaich, CEO

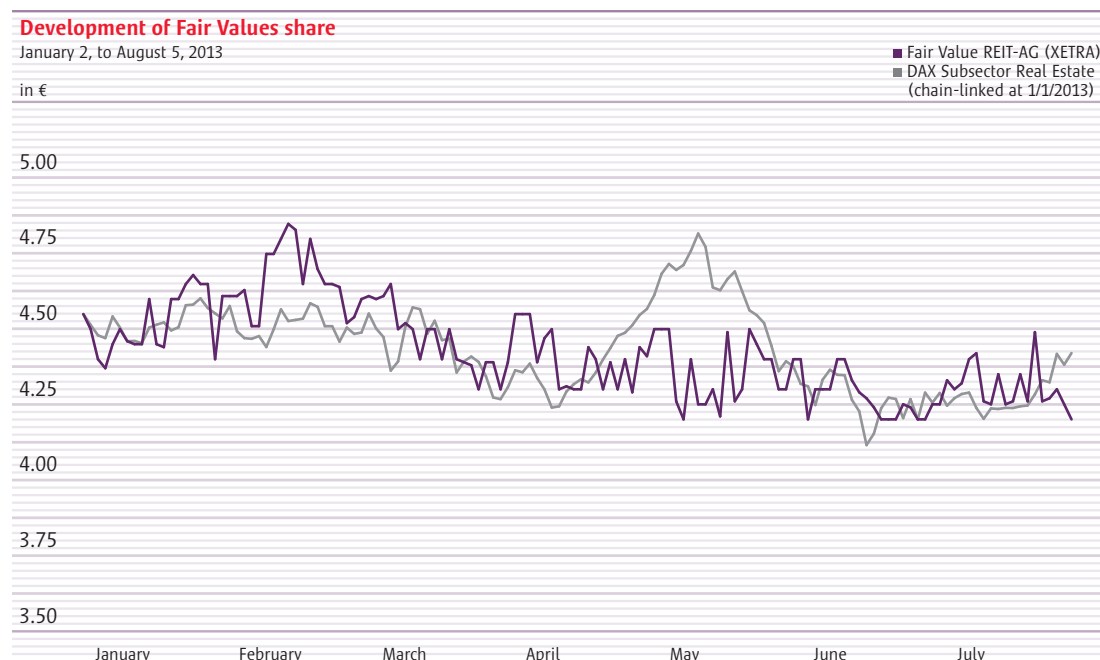
The Share

The Fair Value Share and Development of the Stock Market

Following the rather weak development in the first quarter 2013, there were substantial gains on the German stock market at times during the second quarter. Real estate shares, however, were unable to benefit from the general upwards trend. The DAX achieved a new all-time high on May 22, 2013 with 8,531 points. However, by the end of the first half year, the index had reversed back below the 8,000 point mark.

While the Fair Value share generally recorded sideways movement in the first three months, overall the share price dipped slightly from April to June. The share closed Xetra trading at the end of 2012 at a price of € 4.55. On the last trading day of the reporting period under review, June 28, 2013, the share closed at € 4.20. By the end of the second quarter, the Fair Value REIT AG share had recorded a market capitalisation of € 39.5 million. The highest price to date in 2013 was € 4.85 achieved on February 14. The lowest price in the period under review was € 4.20 and was recorded on multiple days during the second quarter. Overall, the Fair Value share lost around 7.7 % during the first half of 2013.

The Fair Value share therefore recorded similar development as the DAX Subsector Real Estate benchmark index, which fell by 6.1%. In the period under review the DAX was able to gain 2.3 %.



Key data Fair Value REIT-AG's share

at June 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 first half year 2013 (XETRA)	€ 4.85/€ 4.20
Market capitalization at June 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

Oktober 24, 2013	Presentation, Conference German Real Estate Shares, (Frankfurt/Main, Germany)
November 7, 2013	Interim Report 1st-3rd Quarter 2013
November 11, 2013	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 proportional basis in relation to Fair Value increased slightly to 94.6 %, compared with 94.4 % on December 31, 2012. The weighted remaining terms of the lease agreements as of June 30, 2013 totalled 5.6 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) and its associated companies (€ 333 million) as of June 30, 2013. The market values of the properties are based on property-specific evaluations by the external experts CBRE GmbH as of December 31, 2012, to which reference is made individually on pages 124 to 129 of the Annual Report 2012. The buildings in Boostedt, Emmerich, Helgoland and Rheda-Wiedenbrück have since been sold.

Real estate assets of Fair Value REIT-AG as of June 30, 2013								Fair Value REIT-AG's share		
	Total plot size ¹⁾ [m ²]	Lettable space ¹⁾ [m ²]	Annualized contractual rent p. a. ¹⁾ [T€]	Market value 12/31/2012 ²⁾ [T€]	Participating interest ³⁾ [%]	Annualized contractual rent ³⁾ [T€]	Market value 12/31/2012 ²⁾ [T€]	Occupancy level ⁴⁾ [%]	Ø-remaining term of rental agreements ⁵⁾ [years]	Contractual rental yield before costs ⁶⁾ [%]
Segment										
direct investments	48,799	38,910	2,982	43,025	100.0	2,982	43,025	95.4	10.1	6.9
Segment										
subsidiaries	151,368	115,660	7,195	82,300	58.1	4,165	47,798	91.2	4.3	8.7
Total Group	200,167	154,570	10,176	125,325	72.5	7,147	90,823	92.9	6.7	7.9
Total associated companies	337,795	257,303	30,735	333,170	36.0	10,734	120,018	95.7	4.9	8.9
Total Portfolio	537,962	411,873	41,255	458,495	46.0	17,881	210,841	94.6	5.6	8.5

Erläuterungen

- 1) Does not take into account the respective participating interest
- 2) According to market valuation by CBRE GmbH, Frankfurt/Main, Berlin branch 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 June 30, 2013 as of % of the proportionate market values

Macroeconomic and sector-specific conditions

Macroeconomic situation During the period under review, the German economy recorded moderately positive development. In particular, in the second quarter 2013, production was expanded in the industrial sectors and investment in construction and equipment rose slightly again. While the increase in the gross domestic product (GDP) in the first quarter was only 0.1%, the German Institute for Economic Research (DIW) anticipates a rise of 0.4% for the second quarter. For both subsequent quarters, experts are expecting growth of 0.6% respectively, meaning that economic growth will prospectively total 0.4% for the full year 2013.¹⁾

The German employment market remains stable. At the end of June, almost 2.9 million people were registered as unemployed. The unemployment rate stood at 6.6% and was therefore on a par with the previous year.²⁾ In June 2013, consumer prices in Germany were 1.8% higher than in the same month of the previous year. Inflation therefore accelerated somewhat after growth of 1.5% and 1.2% was recorded for May and April respectively.³⁾

Real estate market in Germany **The leasing market** **Office space** After the weak result in the first quarter, the leasing performance in the seven German office centres⁴⁾ was somewhat better in the second quarter at around 770,000 m². In total, the sales volume in the first six months of 2013 came in at 1.36 million m², around 11% less than in the previous year period. According to estimates from Jones Lang LaSalle (JLL), this decrease was not only a reflection of cautious demand, but also partially the lack of modern space on offer. While a slightly improved result compared to the previous year period was achieved in Düsseldorf, sales in Frankfurt and Berlin were down by more than 20%. Vacancies fell by almost 6% to 7.67 million m², which represents a vacancy rate of 8.7%. In Düsseldorf, the top rent increased by 10%, while it remained constant at the other locations.⁵⁾

Retail space In total, in the first half of the year, 263,000 m² of retail space was leased, only 5,000 m² less than in the previous year period. As a result, the retail leasing market has recorded stable development for the third year in succession. Around 30% of the space turnover stemmed from the ten large centres, compared to around 40% during the first half of the previous year. Top rents for Germany as a whole rose from the end of June 2012 to the end of June 2013 by around 2.4%.⁶⁾

The investment market On the German investment market, the buoyant dynamics of the previous year continued in the first half of 2013. Transaction volumes were up 37% year on year to € 13.1 billion. Of this amount, around 60% stemmed from the seven largest German office centres, with Frankfurt (€ 1.8 billion), Berlin (€ 1.55 billion) and Munich (€ 1.48 billion) recording the highest transaction volumes. The largest portion of sales was made up of office properties with 43%, followed by retail real estate with 29% and mixed-use properties with 10%. The most important buyer groups were asset and fund managers with a volume of almost € 2.5 billion as well as special funds totalling € 2.1 billion.⁷⁾

1) DIW: Sommergrundlinien 2013 (Summer baseline forecasts 2013).

2) Federal Employment Agency: Der Arbeitsmarkt im Juni (The employment market in June).

3) Destatis: Verbraucherpreise Juni 2013 (Consumer prices June 2013).

4) Berlin, Düsseldorf, Frankfurt/Main, Hamburg, Cologne, Munich, Stuttgart

5) JLL: Büromarktüberblick 2. Quartal 2013

(Office market overview Q2 2013).

6) JLL: Einzelhandelsmarktüberblick 1. Halbjahr 2013

(Retail market overview H1 2013).

7) JLL: Der deutsche Investmentmarkt Q2 2013 (The German investment market Q2 2013).

Overall Statement of the Management on Business Performance

Compared with the previous year, rental income in the first half of 2013 fell slightly by 3 % due to property sales. On the back of the higher property-related expenses in connection with new lettings in the period under review, net rental income within the Group came in at € 3.4 million, and was therefore 19 % down on the € 4.2 million reported in the previous year. However, these lower proceeds were more than offset by substantially reduced net interest expenses, which also led to higher results from equity-accounted participations.

The Fair Value Group's consolidated net income adjusted for extraordinary effects (EPRA earnings or FFO) stood at € 2.85 million, around 3 % up on the previous year figure of € 2.78 million:

Adjusted consolidated net income (EPRA earnings or FFO)	1/1–6/30/2013				1/1–6/30/2012 ¹⁾			
	According to consolidated income statement	Adjustment for extraordinary factors		Adjusted consolidated income statement	According to consolidated income statement	Adjustment for extraordinary factors		Adjusted consolidated income statement
		Profits/losses on sale and valuation	Interest rate swaps			Profits/ losses on sale and valuation	Interest rate swaps	
in € thousand								
Net rental income	3,387	—	—	3,387	4,178	—	—	4,178
General administrative expenses	(1,168)	—	—	(1,168)	(1,194)	—	—	(1,194)
Total other operating income and expenses	203	—	—	203	26	—	—	26
Earnings from sale of investment properties	107	(107)	—	—	1	(1)	—	—
Valuation profit/loss	(91)	91	—	—	(1,011)	1,011	—	—
Operating result	2,438	(16)		2,422	2,000	1,010		3,010
Income from participations	3,408	32	(611)	2,829	2,584	40	(70)	2,554
Net interest expense	(1,831)	—	8	(1,823)	(2,324)	—	158	(2,166)
Income tax	(22)	—	—	(22)	—	—	—	0
Income before minority interests	3,993	16	(603)	3,406	2,260	1,050	88	3,398
Minority interests	(634)	32	44	(558)	(307)	(296)	(18)	(621)
Consolidated net income	3,359	48	(559)	2,848	1,953	754	70	2,777
Adjusted consolidated net income (FFO) per share (in €)				0.31				0.30

1) Consolidated net income adjusted (see explanation in Note 10)

Income, financial and net asset position

Income Position

in € thousand	1/1–6/30/2013	1/1–6/30/2012 ¹⁾	Change	
			in € thousand	in %
Total revenues	6,212	6,447	(235)	(4)
Net rental income	3,387	4,178	(791)	(19)
General administrative expenses	(1,168)	(1,194)	(26)	(2)
Other income and expenses, sales and valuation result	219	(984)	1,206	123
Operating result	2,438	2,000	438	22
Income from participations	3,408	2,584	824	32
Net interest expense	(1,831)	(2,324)	(493)	(21)
Minority interest in the result	(634)	(307)	327	107
Consolidated net income	3,359	1,953	1,406	72

1) Consolidated net income adjusted (see explanation in Note 10)

Total revenues totalled € 6.21 million, some € 0.24 million or 4 % down on the previous year figure. The decline resulted from reduced rental income and incidental cost reimbursements, mainly on the back of the sale of properties. Net rental income came in at € 3.39 million, around € 0.79 million or 19 % down on the € 4.18 million reported in the previous year. The additional expenditure resulted from the rental-related reconstruction costs at two properties owned by subsidiaries.

In contrast, after higher other operating income and an improved sale and valuation result, the operating result was recorded at € 2.44 million and was therefore around € 0.44 million or 22 % up on the € 2.0 million reported in the previous year.

Income from participations in equity-accounted associated companies were recorded at € 3.41 million, which represents an increase of 32 % over the previous year figure of € 2.58 million. The improvement of € 0.82 million was 55 % attributable to the valuation of interest rate hedges effective in profit or loss, 33 % to the lower net interest expenses and 12 % to other earnings improvements as well as a gain from the sale of a property by the associated company BBV 10 (Rheda-Wiedenbrück: sale of € 2.9 million – market value as of December 31, 2012: € 2.69 million).

The net interest expenses in the Group came in at € 1.83 million and were therefore € 0.49 million or 21 % down on the € 2.32 million reported in the previous year. The previous year figure contains liquidity-neutral expenses from the market valuation of interest hedging transactions worth € 0.16 million.

After deduction of minority interests in the result of € -0.63 million (previous year: € -0.31 million), the Fair Value Group concluded the first half of the current financial year 2013 with consolidated net income of € 3.36 million, or € 0.36 per share (previous year: € 1.95 million or € 0.21 per share).

Financial position

Cash flow from operating activities The cash inflow from operating activities in the period under review totalled € 3.26 million and was therefore € 0.90 million or 38 % up on the previous year mark of € 2.35 million. The increase compared to the previous year figure largely resulted from the collection of purchase price receivables for property sold in the previous year.

Cash and cash equivalents		
in € thousand	1/1–6/30/2013	1/1–6/30/2012
Cash flow from operating activities	3,256	2,351
Cash flow from investment activities	1,356	1,196
Cash flow from financing activities	(3,215)	(3,430)
Change of cash and cash equivalents	1,397	117
Cash and cash equivalents – start of period	5,861	7,725
Cash and cash equivalents – end of period	7,258	7,842

Cash flow from investment activities On the back of the carrying amount disposal of three properties sold in the current financial year, a net cash inflow of € 1.45 million resulted from investment activities. This relates to two directly-held properties (Boostedt and Helgoland) and one property at the subsidiary BBV 06 (Emmerich). The net cash inflow was partially offset by a rental-related investment in the Pinneberg medical building (directly-held by Fair Value) totalling € 0.09 million. The previous year figure resulted from the disposal of the sold property in Frechen (subsidiary BBV 06).

Cash flow from financing activities Cash outflow from financing activities totalling € 3.22 million (previous year: € 3.43 million) was made up of the balance of dividend payments (€ 0.93 million), increase of liabilities to banks worth € 0.70 million as well as scheduled and unscheduled repayments of liabilities to banks totalling € 2.98 million. The unscheduled repayments totalling € 1.74 million resulted from property sales in the previous year and in the current financial year.

Liquidity In the first half of 2013, cash and cash equivalents in the Group rose by € 1.40 million to € 7.26 million (previous year period: € 0.12 million increase to € 7.84 million).

Net asset position

Assets Total assets as of June 30, 2013 amounted to € 185.54 million, and were therefore slightly up compared with December 31, 2012.

Non-current assets totalling around € 176.94 million accounted for 95 % of total assets (December 31, 2012: 95 %). Of this amount, investment properties accounted for € 125.33 million or 71 % (December 31, 2012: € 126.67 million or 72 %). An amount of € 51.48 million from the equity-accounted participations in the associated companies (December 31, 2012: € 49.47 million) is included in the non-current assets.

A total of around 84 % of the current assets of € 8.60 million (December 31, 2012: € 8.55 million) comprise cash and cash equivalents, while 16 % are receivables and other assets.

Equity and liabilities As of June 30, 2013, 44 % of assets were financed by equity and 56 % by debt. It should be noted that the minority interests in subsidiaries amounting to € 15.59 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 € 97.29 million. This represents around 52 % of total assets (December 31, 2012: 50 %) or 55 % of immovable assets (December 31, 2012: 52.6 %).

Financial liabilities The Group's financial liabilities of € 80.71 million as of June 30, 2013 accounted for 43 % of total assets, compared with 45 % or € 82.98 million as of December 31, 2012. Of these, 16 % or € 13.26 million (December 31, 2012: 16 % or € 13.11 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 € 81.71 million as of June 30, 2013, compared with € 77.66 million on December 31, 2012.

Based on 9,325,572 shares in circulation as of the balance sheet date, the NAV per share was € 8.76, compared to € 8.33 on December 31, 2012.

Balance sheet NAV		
in € thousand	6/30/2013	12/31/2012 ¹⁾
Market value of properties (including properties held for sale)	125,325	126,672
Equity-accounted participations	51,480	49,469
Miscellaneous assets minus miscellaneous liabilities	2,273	881
Minority interests	(15,585)	(15,030)
Financial liabilities	(80,707)	(82,984)
Other liabilities	(1,081)	(1,346)
Net Asset Value	81,705	77,662
Net Asset Value per share (in €)	8.76	8.33

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	6/30/2013	12/31/2012 ¹⁾
NAV pursuant to consolidated balance sheet	81,705	77,662
Market value of derivative financial instruments	5,441	6,685
Thereof due to minority interests	(26)	(52)
Market value of derivative financial instruments of equity-accounted participations (proportionate)	1,309	2,265
EPRA-NAV	88,429	86,560
EPRA-NAV per share (in €)	9.48	9.28

1) Adjustments of previous year figures (see explanations in Note 2 and Note 10)

Supplementary report

Subsidiary IC 01

After the sale of the Alzey property in the previous year, the liquidation of the subsidiary IC 01 was agreed and the corresponding process passed over to the fund manager as liquidator. The final payment attributable to Fair Value from the liquidator was received on July 18, 2013. The subsidiary IC 01 can therefore be deconsolidated in the third quarter 2013.

Associated company BBV 10

In July 2013, the DIY store chains Praktiker and Max Bahr filed for insolvency due to their inability to pay and due to excess debt. Fair Value REIT-AG is impacted by this insolvency via the associated company BBV 10. In particular, this relates to the two properties in Celle and Eisenhüttenstadt, which are partly leased to Praktiker. The rents at both locations totalled 3.4% of contractual rents attributable to Fair Value.

The rental space in Celle was switched to the Max Bahr concept last year in connection with the extension of the lease agreement by 10 years. For the space in Eisenhüttenstadt, negotiations over a 6-year extension were successfully completed based on a fair market rent with a subsequent switch to the Max Bahr concept shortly before the insolvency filing. It is currently not foreseeable whether the result of the negotiations in Eisenhüttenstadt will be contractually implemented and how the issue in Celle will develop. Up to now, the responsible insolvency administrator has not made any use of the right of cancellation.

In the case of a cancellation of the Praktiker lease agreements for Celle and Eisenhüttenstadt, the current occupancy rate of the Fair Value portfolio would be temporarily reduced to approx. 91% on a yearly basis. In this case, EPRA-Earnings/FFO for 2013 would be slightly reduced by a maximum of € 0.2 million as the situation currently stands. Earnings under commercial law 2013 for Fair Value REIT-AG will be reduced by approx. € 0.36 million on the back of a waiver of the expected profit distribution of the associated company BBV 10 for reasons of commercial prudence. However, the Management Board is anticipating that this effect will be balanced out by higher income from other sources.

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

The developments in the first half of 2013 were highly pleasing overall. The occupancy rate of the Fair Value portfolio was increased slightly to 94.6 % (December 31, 2012: 94.4 %). Net sales were 4 % down on the previous year figure due to property sales, while net rental income fell by 19 % on the back of rental-related increased property-related expenses. Higher income from the associated companies and substantially lower net interest expenses allowed an adjusted consolidated net income (FFO) of € 2.85 million or € 0.31 per share, which corresponds to an increase of 3 % over the previous year figure.

Confirmation of the forecast for 2013

The upbeat results in the first half of 2013 form a solid basis for further development in the current financial year. As a result, the Management Board is reiterating its 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.

Munich, August 6, 2013

Fair Value REIT-AG

A handwritten signature in purple ink, appearing to read 'Frank Schaich', written in a cursive style.

Frank Schaich, CEO

Consolidated Interim Financial Statements

Balance Sheet

Consolidated balance sheet			
in € thousand	Note no.	6/30/2013	12/31/2012 ¹⁾
Assets			
Non-current assets			
Intangible assets	3	125	143
Property, plant and equipment		6	4
Investment property	4	125,325	126,672
Equity-accounted investments	5	51,480	49,469
Other receivables and assets		8	6
Total non-current assets		176,944	176,294
Current assets			
Non-current assets available for sale		981	1,398
Income tax receivables		45	65
Other receivables and assets		314	1,222
Cash and cash equivalents		7,258	5,861
Total current assets		8,598	8,546
Total assets		185,542	184,840
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Reserve for changes in value	6	(4,795)	(6,411)
Loss carryforward		(6,303)	(8,730)
Treasury shares		(398)	(398)
Total equity		81,705	77,662
Non-current liabilities			
Minority interests		15,585	15,030
Financial liabilities	7	67,447	69,873
Derivative financial instruments		5,441	6,685
Other liabilities		90	90
Total non-current liabilities		88,563	91,678
Current liabilities			
Provisions		207	268
Financial liabilities	7	13,260	13,111
Trade payables		816	865
Other liabilities		991	1,256
Total current liabilities		15,274	15,500
Total equity and liabilities		185,542	184,840

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

Income Statement

Consolidated income statement							
in € thousand	Note no.	1/1-6/30 2013	1/1-6/30 2012 ¹⁾	4/1-6/30 2013	4/1-3/30 2012 ¹⁾	1/1-3/31 2013	1/1-3/31 2012 ¹⁾
Rental income		5,220	5,408	2,762	2,677	2,458	2,731
Income from operating and incidental costs		992	1,039	477	624	515	415
Leasehold payments		(4)	(3)	(4)	—	—	(3)
Real estate-related operating expenses		(2,821)	(2,266)	(1,078)	(1,088)	(1,743)	(1,178)
Net rental result		3,387	4,178	2,157	2,213	1,230	1,965
General administrative expenses	8	(1,168)	(1,194)	(635)	(665)	(533)	(529)
Other operating income		204	68	86	23	118	45
Other operating expenses		(1)	(42)	(1)	(41)	—	(1)
Total other operating income and expenses		203	26	85	(18)	118	44
Net income from the sale of investment properties		1,502	1,214	1,502	114	—	1,100
Expenses in connection with the sale of investment properties		(1,395)	(1,213)	(1,395)	(99)	—	(1,114)
Result from sale of investment properties	4	107	1	107	15	—	(14)
Valuation gains		—	—	—	—	—	—
Valuation losses		(91)	(1,011)	(91)	(859)	—	(152)
Valuation result	4	(91)	(1,011)	(91)	(859)	—	(152)
Operating result		2,438	2,000	1,623	686	815	1,314
Result from equity-accounted investments	5	3,408	2,584	1,739	1,166	1,669	1,418
Interest income		3	18	2	15	1	3
Interest expense	9	(1,834)	(2,342)	(833)	(1,074)	(1,001)	(1,268)
Income before taxes		4,015	2,260	2,531	793	1,484	1,467
Income tax		(22)	—	(22)	—	—	—
Income before minority interests		3,993	2,260	2,509	793	1,484	1,467
Minority interest in the result		(634)	(307)	(770)	(92)	136	(215)
Net income		3,359	1,953	1,739	701	1,620	1,252
Earnings per share in € (basic/diluted)		0.36	0.21	0.19	0.08	0.17	0.13

1) Consolidated net income adjusted (see explanation in Note 10)

Statement of Comprehensive Income

Consolidated statement of comprehensive income		
in € thousand	1/1–6/30/2013	1/1–6/30/2012 ¹⁾
Net income	3,359	1,953
Other results		
Change in cash flow hedges	1,254	(298)
Thereof due to minority interests	(17)	32
Change in cash flow hedges of associated companies	362	104
Total other results	1,599	(162)
Comprehensive income	4,958	1,791

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
Adjustment without effect on income IFRS	—	—	—	—	—	(22)	(22)
Total net income ¹⁾	—	—	—	—	(194)	1,953	1,759
Balance at June 30, 2012¹⁾	9,325,572	47,034	46,167	(398)	(6,674)	(6,920)	79,209
Balance at January 1, 2013	9,325,572	47,034	46,167	(398)	(6,411)	(8,730)	77,662
Hedge Accounting	—	—	—	—	1,616	—	1,616
Distribution of dividends	—	—	—	—	—	(932)	(932)
Total net income	—	—	—	—	—	3,359	3,359
Balance at June 30, 2013	9,325,572	47,034	46,167	(398)	(4,795)	(6,303)	81,705

1) Consolidated net income 2012 adjusted (explanation see Note 10)

Cash Flow Statement

Consolidated cash flow statement		
in € thousand	1/1–6/30/2013	1/1–3/30/2012 ¹⁾
Net income	3,359	1,953
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Income tax expenses/(income)	20	4
Amortization of intangible assets and depreciation of property, plant and equipment	16	20
(Profits)/Losses from the disposal of investment properties	(107)	(1)
Valuation result	91	650
Income from equity-accounted investments	(3,408)	(2,584)
Withdrawals from equity-accounted investments	1,749	2,010
Loss/(profit) of minority shareholders in subsidiaries	634	307
Disbursement to minority shareholders in subsidiaries	(56)	(569)
Result from the valuation of derivative financial instruments	10	158
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	417	16
(Increase)/decrease in other liabilities	906	448
(Decrease)/increase in provisions	(61)	(30)
(Decrease)/increase in trade payables	(49)	(308)
(Decrease)/increase in other liabilities	(265)	277
Cash flow from operating activities	3,256	2,351
Investments in investment properties/properties under construction	(91)	–
Disposal of investment properties/properties under construction	1,454	–
Investments in property, plant and equipment and intangible assets	–	1,196
Cash flow from investment activities	1,356	1,196
Distribution of dividends	(932)	–
Receipts of financial liabilities	700	–
Repayment of financial liabilities	(2,977)	(3,430)
Payments minority interests	–6	–
Cash flow from financing liabilities	(3,215)	(3,430)
Cash effective change of liquid funds	1,397	117
Cash and cash equivalent (start of period)	5,861	7,725
Cash and cash equivalent (end of period)	7,258	7,842
Additional disclosures: Interest received		
Interest received	3	18
Interest paid	1,834	2,318

1) Consolidated net income 2012 adjusted (explanation see Note 10)

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 eleven closed-end real estate funds, 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 derivatives 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, 2012.

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 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 June 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 € 18,000 of € 125,000 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)	(778)	(1,400)	(2,178)
Reclassifications	—	(185)	(185)
Additions (subsequent acquisition costs)	91	—	91
Balance at June 30, 2013	48,460	111,930	160,390
Changes in value			
Balance at January 1, 2013	(5,435)	(30,555)	(35,990)
Reclassifications	—	185	185
Write-downs	(91)	—	(91)
Disposals (sale)	91	740	831
Balance at June 30, 2013	(5,435)	(29,630)	(35,065)
Fair values			
Balance at January 1, 2013	43,712	82,960	126,672
Balance at June 30, 2013	43,025	82,300	125,325

The fair values used for the remaining investment properties otherwise are those determined on December 31, 2012 by CBRE GmbH, Frankfurt. Two directly-held properties (Boostedt and Helgoland properties) were sold in the period under review. Sales related costs amounting to € 33,000 were incurred. In addition, a retail building in Emmerich was sold by the subsidiary BBV06 for € 750,000. Sales related costs amounting to € 15,000 were incurred. The reclassification recognised directly in equity relates to a renovation measure at BBV06, which was already carried out in the previous financial year and was already taken into account in the valuations carried out as of December 31, 2012.

(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)	—	—	—	—	—	7	7
Income from favourable purchase of participations	—	—	—	—	—	5	5
Withdrawals	—	(216)	—	(511)	—	(1,022)	(1,749)
Proportionate earnings	19	369	12	1,296	842	865	3,403
Profit from cash flow hedge	—	—	—	—	345	—	345
Balance at Juni 30, 2013	2,514	7,243	125	11,867	14,078	18,825	54,652
Value adjustment							
Balance at January 1, 2013/June 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 June 30, 2013	2,396	6,866	76	11,436	12,992	17,714	51,480

This refers to participations with holdings of between 20 % and 50 %. The increase of € 2,013,000 in the carrying amounts compared to December 31, 2012 consists of the proportionate earnings allocation to Fair Value for the period under review totalling € 3,403,000, plus the proportionate change in the reserve for changes in value recorded directly in equity totalling € 345,000 less the distributions received including the withholding tax on interest income and the solidarity surcharges totalling € 1,749,000. The acquisition of interests in BBV14 led to income from the favourable acquisition of interests of € 5,000. The value adjustments arises 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 June 30, 2013

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 %	38.44 %	45.14 %	
Investment property	3,182	13,912	608	26,972	37,075	38,468	120,217
Trade receivables	57	117	2	1	46	181	404
Other receivables and assets	7	9	—	24	123	247	410
Cash and cash equivalents	191	538	4	2,950	1,243	1,282	6,208
Provisions	(4)	(3)	(2)	(4)	(9)	(14)	(36)
Financial liabilities	(858)	(7,180)	(474)	(16,907)	(23,709)	(20,618)	(69,746)
Derivative financial instruments	—	—	—	(775)	(361)	(173)	(1,309)
Trade payables	(32)	(67)	(7)	(54)	(169)	(123)	(452)
Other liabilities	(29)	(83)	(6)	(340)	(161)	(425)	(1,044)
Net assets at June 30, 2013	2,514	7,243	125	11,867	14,078	18,825	54,652

Overview of maturities of financial liabilities at June 30, 2013

Long term	(828)	(4,210)	(447)	(16,089)	(13,991)	(20,077)	(55,642)
Short term	(30)	(2,970)	(27)	(818)	(9,718)	(541)	(14,104)
Total financial liabilities	(858)	(7,180)	(474)	(16,907)	(23,709)	(20,618)	(69,746)

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 June 30, 2013							
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%	38.44%	45.14%	
Rental income	93	569	45	1,474	1,787	1,442	5,410
Income from operating and incidental costs	50	52	4	15	398	354	873
Real estate-related operating expenses	(102)	(102)	(19)	(76)	(621)	(667)	(1,587)
Net rental income	41	519	30	1,413	1,564	1,129	4,696
General administrative expenses	(9)	(29)	(6)	(55)	(82)	(121)	(302)
Other operating income and expenses (balance)	2	2	—	1	3	41	49
Income from sale of investment properties	—	—	—	—	78	—	78
Valuation result	—	(4)	—	(1)	—	(28)	(33)
Operating result	34	488	24	1,358	1,563	1,021	4,488
Net interest expense	(15)	(119)	(12)	(588)	(677)	(197)	(1,608)
Valuation result of derivative financial instruments with effect to net income	—	—	—	526	(44)	41	523
Financial result	(15)	(119)	(12)	(62)	(721)	(156)	(1,085)
Economic result at first half year 2013	19	369	12	1,296	842	865	3,403

Through the purchase of company interests in BBV14 on the secondary market, the interest held by Fair Value REIT-AG increased to 45.14 % from April 1, 2013 (previously 45.12 %).

Proportionate income situation for the equity-accounted associated companies at June 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	75	561	44	1,484	1,876	1,457	5,497
Income from operating and incidental costs	45	47	(4)	15	134	318	555
Real estate-related operating expenses	(163)	(112)	(18)	(72)	(436)	(543)	(1,344)
Net rental income	(43)	496	22	1,427	1,574	1,232	4,708
General administrative expenses	(7)	(24)	(4)	(58)	(80)	(111)	(284)
Other operating income and expenses (balance)	(14)	(4)	—	19	—	4	5
Income from sale of investment properties	—	—	—	—	—	(40)	(40)
Operating result	(64)	468	18	1,388	1,494	1,085	4,389
Net interest expense	(18)	(150)	(14)	(596)	(793)	(304)	(1,875)
Valuation result of derivative financial instruments with effect to net income	—	—	—	26	59	(15)	70
Financial result	(18)	(150)	(14)	(570)	(734)	(319)	(1,805)
Economic result at first half year 2012	(82)	318	4	818	760	766	2,584

(6) 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 € 1,616,000. After deduction of the units held by minority shareholders, the share held by the group decreased by € 1,271,000. In contrast, there was a reduction of the reserve by € 345,000 related to the equity-accounted participations, to the extent that these resulted from cash flow hedges made by the participating companies.

(7) Financial Liabilities

The long-term and short-term financial liabilities of € 80,707,000 in total decreased by € 2,277,000 compared to December 31, 2012. This was because of scheduled repayments of € 1,233,000 and unscheduled repayments of a total 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 unused creditline. Current financial liabilities increased by € 149,000 to € 13,260,000 compared with December 31, 2012. This is due to the fact that the repayment instalments due in the quarter under review would only be balanced out in the following quarter at Fair Value REIT-AG (€ 250,000) and at IC07 (€ 62,000).

(8) General Administrative Expenses

in € thousand	1/1-6/30/2013	1/1-6/30/2012
Personnel expenses	222	199
Office costs	23	23
Travel and vehicle expenses	16	22
Accounting	67	58
Stock market listing	71	50
Annual general meeting	45	48
Financial reports	95	69
Events	5	7
Valuations	47	66
Legal and consulting costs	72	128
Audit expenses	97	100
Remuneration (Supervisory and Advisory Boards, General Partner)	31	29
Fund management fees	160	157
Trustee fees	57	58
Amortization and depreciation	19	18
Other	31	45
Non-deductible VAT	110	117
Total general administrative expenses	1,168	1,194

Of the general administrative expenses, € 820,000 (70 %) are attributable to Fair Value (€ 878,000 or 74 % in the previous year). To the subsidiaries € 348,000 (30 %) are attributable (€ 316,000 or 26 % in the previous year).

(9) Interest Expenses

in € thousand	1/1–6/30/2013	1/1–6/30/2012
Valuation of derivative financial instruments	(8)	(158)
Other interest expenses	(1,826)	(2,160)
Total interest expenses	(1,834)	(2,318)

Interest expenses include costs relating to the change in the fair value of derivative financial instruments (interest rate hedges) amounting to € 106,000.

(10) Segment Revenues and Results

in € thousand	1/1–6/30/2013		1/1–6/30/2012 ¹⁾	
	Segment revenues	Segment results	Segment revenues	Segment results
Direct investments	1,810	1,222	1,826	1,403
Subsidiaries	4,402	1,934	4,621	2,775
Total segment revenues and results	6,212	3,156	6,447	4,178
Central administrative expenses and other		(718)		(2,178)
Earnings from equity-accounted participations		3,403		2,584
Income from favourable purchase of participations		5		–
Net interest expense		(1,831)		(2,324)
Income tax		(22)		–
Minority interest in the result		(634)		(307)
Net income		3,359		1,953

¹⁾ The segment results of the previous year quarter were reduced by € 147,000 at a subsidiary ("IC03"). The segment revenues of the previous year included 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. This accrual was now taken into account on a quarterly basis, meaning that the proceeds from the payment totaled € 3,000 in the previous year quarter.

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 June 30, 2013										
		Direct investments		Subsidiaries						
in € thousand	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total	Recon- ciliation	Group
Rental income	1,498	—	271	270	903	275	1,907	3,626	—	5,124
Income from operating and incidental costs	312	—	106	92	265	52	261	776	—	1,088
Segment revenue	1,810	—	377	362	1,168	327	2,168	4,402	—	6,212
Leasehold payments	—	—	—	—	—	—	(4)	(4)	—	(4)
Real estate-related operating expenses	(485)	—	(158)	(764)	(383)	(452)	(612)	(2,369)	—	(2,854)
Net rental result	1,325	—	219	(402)	785	(125)	1,552	2,029	—	3,354
Administrative expenses related to segment	(41)	—	(17)	(15)	(54)	(83)	(168)	(337)	(11)	(389)
Other operating expenses and income (balance)	13	—	1	126	6	10	24	167	23	203
Profit from purchase of investment properties	65	—	—	—	—	—	75	75	—	140
Valuation losses	(91)	—	—	—	—	—	—	—	—	(91)
Segment result	1,271	—	203	(291)	737	(198)	1,483	1,934	12	3,217
Central administrative costs	(779)	—	—	—	—	—	—	—	—	(779)
Other expenses	—	—	—	—	—	—	—	—	—	—
Income from equity-accounted participations	1,749	—	—	—	—	—	—	—	1,659	3,408
Other income from participations	72	—	—	—	—	—	—	—	(72)	—
Net interest expense	(1,185)	—	(29)	(38)	(244)	—	(336)	(647)	1	(1,831)
Minority interest in the result	—	—	—	—	—	—	—	—	(634)	(634)
Income tax	(22)	—	—	—	—	—	—	—	—	(22)
Consolidated net income	1,106	—	174	(329)	493	(198)	1,147	1,287	966	3,359

Income statement by segments at June 30, 2012¹⁾

in € thousand	Direct invest-ments	Subsidiaries							Recon-ciliation	Group
	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total		
Rental income	1,635	55	278	225	843	344	2,035	3,780	—	5,415
Income from operating and incidental costs	191	24	80	134	261	56	286	841	—	1,032
Segment revenue	1,826	79	358	359	1,104	400	2,321	4,621	—	6,447
Leasehold payments	—	—	—	—	—	—	(3)	(3)	—	(3)
Real estate-related operating expenses	(423)	30	(277)	(196)	(591)	(117)	(692)	(1,843)	—	(2,266)
Net rental result	1,403	109	81	163	513	283	1,626	2,775	—	4,178
Administrative expenses related to segment	(42)	(18)	(16)	(15)	(44)	(72)	(148)	(313)	—	(355)
Other operating expenses and income (balance)	—	1	(12)	(3)	—	1	31	18	8	26
Profit from purchase of investment properties	15	—	—	—	—	—	(14)	(14)	—	1
Valuation losses	(349)	(650)	—	—	(12)	—	—	(662)	—	(1,011)
Segment result	1,027	(558)	53	145	457	212	1,495	1,804	8	2,839
Central administrative costs	(836)	—	—	—	—	—	—	—	(3)	(839)
Income from equity-accounted participations	1,924	—	—	—	—	—	—	—	660	2,584
Other income from participations	—	—	—	—	—	—	—	—	—	—
Net interest expenses	(1,242)	(19)	(45)	(43)	(296)	1	(680)	(1,082)	—	(2,324)
Minority interests	—	—	—	—	—	—	—	—	(307)	(307)
Consolidated net income	873	(577)	8	102	161	213	815	722	358	1,953

1) Consolidated net income 2012 adjusted (see explanation Note 10)

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 June 30, 2013										
		Direct investments		Subsidiaries					Reconciliation	
in € thousand	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total		Group
Intangible assets and property, plant and equipment	7	—	—	—	—	—	—	—	124	131
Investment property	43,025	—	6,010	7,920	19,170	6,630	42,570	82,300	—	125,325
Trade receivables	348	117	180	131	47	23	142	640	(7)	981
Income tax receivables	36	—	—	—	—	—	—	—	9	45
Other receivables and assets	141	19	7	4	5	43	103	181	—	322
Cash and cash equivalents	1,390	120	166	597	619	914	3,383	5,799	69	7,258
Subtotal segment assets	44,947	256	6,363	8,652	19,841	7,610	46,198	88,920	195	134,062
Participation in subsidiaries	29,907	—	—	—	—	—	—	—	(29,907)	—
Equity-accounted participations	46,830	—	—	—	—	—	—	—	4,650	51,480
Total assets	121,684	256	6,363	8,652	19,841	7,610	46,198	88,920	(25,062)	185,542
Provisions	(106)	(11)	(7)	(3)	(11)	(19)	(43)	(94)	(7)	(207)
Trade payables	(223)	(118)	(28)	(64)	(42)	(128)	(211)	(591)	(2)	(816)
Other liabilities	(302)	(47)	(171)	(132)	(206)	(32)	(176)	(764)	(15)	(1,081)
Subtotal segment liabilities	(631)	(176)	(206)	(199)	(259)	(179)	(430)	(1,449)	(24)	(2,104)
Minority interests	—	—	—	—	—	—	—	—	(15,585)	(15,585)
Financial liabilities	(33,002)	—	(3,123)	(1,503)	(16,645)	—	(26,630)	(47,901)	196	(80,707)
Derivative financial instruments	(5,382)	—	—	—	—	—	(59)	(59)	—	(5,441)
Total liabilities	(39,015)	(176)	(3,329)	(1,702)	(16,904)	(179)	(27,119)	(49,409)	(15,413)	(103,837)
Net assets at June 30, 2013	82,669	80	3,034	6,950	2,937	7,431	19,079	39,511	(40,475)	81,705
Overview of maturities of financial liabilities at June 30, 2013										
Long term	(31,747)	—	(2,950)	—	(13,683)	—	(19,067)	(35,700)	—	(67,447)
Short term	(1,255)	—	(173)	(1,503)	(2,962)	—	(7,563)	(12,201)	196	(13,260)
Financial liabilities	(33,002)	—	(3,123)	(1,503)	(16,645)	—	(26,630)	(47,901)	196	(80,707)

Segment assets and liabilities at December 31, 2012¹⁾

in € thousand	Direct invest-ments	Subsidiaries							Recon-ciliation	Group
	FV AG	IC01	IC03	IC07	IC13	BBV03	BBV06	Total		
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

2) Adjustment of the financial year 2012 in line with IAS 8 (see explanation Note 2)

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)

(11) Relationships with Related Parties

Receivables and Liabilities to IC Real Estate Group		
in € thousand	1/1-6/30/2013	1/1-6/30/2012
Receivables		
Liabilities	(21)	(22)
Total Receivables and Liabilities to IC Real Estate Group	(21)	(22)

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, August 5, 2013
Fair Value REIT-AG



Frank Schaich

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 interim 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 provide a true and fair view and that the major opportunities and risks of the Group's anticipated development are described.

Munich, August 5, 2013
Fair Value REIT-AG



Frank Schaich

Imprint

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Christian Hopfer

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 its 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.