Interim Report

1st Quarter 2014

fair value REIT

Key figures Fair Value Group

Revenues and earnings		1/1–3/31/2014	1/1–3/31/2013 [1]
Rental revenues	in € thousand	6,185	7,240
Net rental result	in € thousand	4,781	5,323
Operating result (EBIT)	in € thousand	4,040	4,610
Result from equity-accounted investments	in € thousand	–	648
Consolidated net income	in € thousand	1,174	1,351
Earnings per share	in €	0.13	0.14
Adjusted consolidated net income (EPRA-Earnings)/FFO	in € thousand	1,293	1,179
EPRA-Earnings/FFO per share	in €	0.14	0.13

Assets and capital		3/31/2014	12/31/2013
Non-current assets	in € thousand	289,462	292,510
Current assets	in € thousand	30,589	33,771
Non-current assets available for sale	in € thousand	4,522	19,585
Total assets	in € thousand	324,573	345,866
Equity/Net asset value (NAV)	in € thousand	81,847	80,673
Equity ratio	in %	25.2	23.3
Immovable assets	in € thousand	293,872	311,974
Equity within the meaning of Section 15 of the REIT act	in € thousand	148,209	146,315
Equity ratio within the meaning of Section 15 of the REIT act (minimum 45 %)	in %	50.4	46.9

Real estate investments		3/31/2014	12/31/2013
Number of properties	amount	47	49
Market value of properties [2]	in € million	293.3	311.4
Contractual rent p.a.	in € million	23.9	26.5
Potential rent p.a.	in € million	26.7	28.4
Occupancy	in %	89.6	93.3
Remaining term of rental agreements	years	5.0	5.0
Contractual rental yield before costs	in %	8.1	8.5

[1] Year adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b).
[2] According to market valuations or according to sale contract, respectively.

Further key figures

		3/31/2014	12/31/2013 [2]
Number of shares in circulation	in pieces	9,325,572	9,325,572
Net asset value (NAV) per share	in €	8.78	8.65
EPRA-NAV per share	in €	8.89	8.86
Number of employees (including Management Board)		3	3

Letter to Shareholders

Dear Shareholders, Business Partners, Ladies and Gentlemen,

The Fair Value Group has made a successful start to the financial year 2014. Consolidated net income adjusted for sales results and market value changes (funds from operations – FFO) totalled € 1.3 million in the first quarter 2014. This was around 8 % up on the adjusted previous year figure of € 1.2 million. This equates to € 0.14 per share following € 0.13 per share in the previous year period. Results were therefore slightly better than expected.

In the first quarter 2014, we achieved unadjusted IFRS consolidated net income of € 1.2 million. Due to the property sales made, this was € 0.2 million or 13 % down on the adjusted previous year level of € 1.4 million as expected.

The occupancy rate of our portfolio fell temporary to 89.6 % as of March 31, 2014. However, the already completed new and follow-up leases not yet effective as of the reporting date mean that the occupancy rate will once again rise to significantly above 90 % in the coming months. The weighted remaining terms of the lease agreements remained unchanged from December 31, 2013 at 5.0 years.

Since the start of 2014, we have continued our portfolio optimisation in line with our strategy. We have sold further properties which were no longer considered part of our core portfolio. In addition to the full consolidation of all participations, we have therefore made the business model of our company substantially more transparent and also increased the attractiveness of the Fair Value share on the capital market.

On the balance sheet date, Group equity came in at € 81.8 million after € 80.7 million as of December 31, 2013. This means that the balance sheet net asset value per share in circulation increased by 2 % compared to December 31, 2013 to € 8.78 per share as of March 31, 2014. The REIT equity ratio rose substantially from 46.9 % to 50.4 % of immovable assets.

We regard the results from the first quarter of 2014 as confirmation of our plans. For 2014 as a whole, we are therefore still anticipating adjusted consolidated net income (FFO) of € 5.1 million or € 0.55 per share, with a dividend of € 0.25 per share.

We would like to thank all our shareholders for the trust they have placed in us and our business partners for their excellent cooperation. We look forward to the Annual General Meeting on May 27, 2014 in Munich.

Munich, May 6, 2014
The Management Board

Frank Schaich

The Share

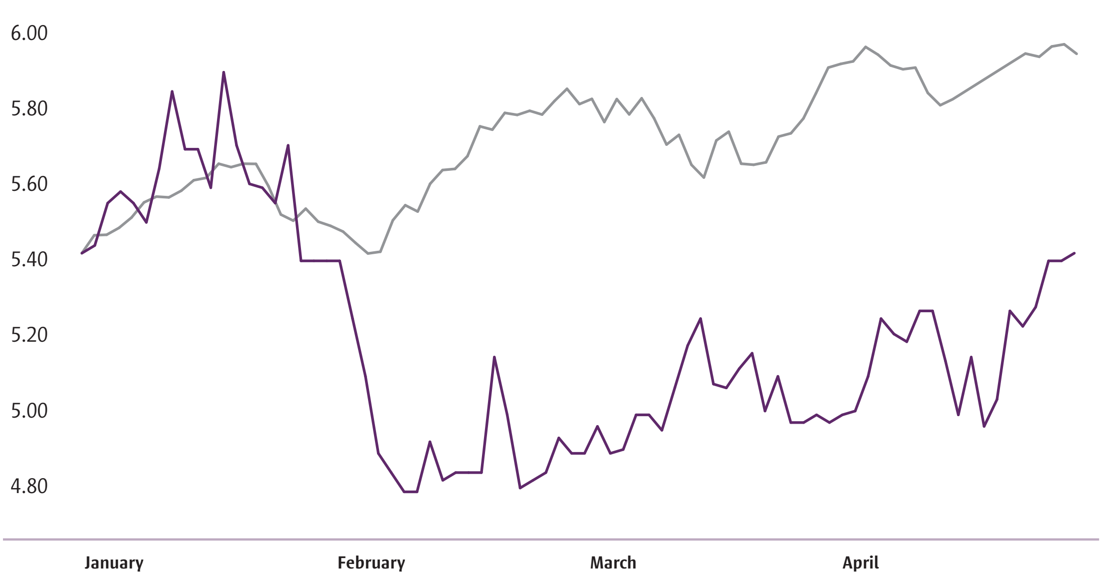
The Fair Value Share and Development of the Stock Market

Prices on German equity markets were characterised by volatility during the first quarter of 2014. Following significant fluctuations, the DAX index, which comprises Germany's 30 largest blue chips, nevertheless ended March 2014 at 9,556 points, almost its level at the end of 2013.

Especially at the start of the year, the Fair Value REIT-AG share appreciated markedly, reaching its highest closing price for the period under review in the electronic Xetra trading system on January 17, 2014 at € 5.89. By contrast, the share price then came under pressure during the second half of January, depreciating significantly by the start of February. Its low was reached on February 6, 2014 at € 4.80. The share price recovered slightly over the further course of the quarter, and at € 5.00 at the end of March 2014 was just below its 2013 year-end level of € 5.05.

After the end of the reporting period, the Fair Value share registered considerable share price gains after the proposal on April 3, 2014 to implement a further increase to the dividend. The share price was also driven by the 2013 operating profit growth and a positive outlook. Compared with the 2013 closing price, the share price at the end of April 2014 of € 5.42 represented an appreciation of some 7 %.

Development of Fair Value's share
January 2 to April 30, 2014
in €



Key data Fair Value REIT-AG's share

at March 31, 2014

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 quarter 2014 (XETRA)	€ 5.89/€ 4.80
Market capitalization at March 31, 2014 (XETRA)	€ 47.0 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

Detailed information about the company and its share can be downloaded from the company's website at www.fvreit.de. Details about business trends are published in the context of business reports, ad hoc announcements and press releases.

Financial calendar

Fair Value REIT-AG

May 20–21, 2014	17. MKK – Munich Capital Conference (Munich, Germany)
May 27, 2014	Annual General Meeting (Munich, Germany)
August 7, 2014	Semi Annual Report 2014
October 16, 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

Operating Result (FFO)
€ 1.29 million
(2013[1)]): € 1.18 million)

Net income € 1.17 million
(2013[1)]): € 1.35 million)

Balance Sheet Equity Ratio
25.2 %
(2013[1)]): 23.3 %)

REIT-Equity Ratio 50.4 %
(2013[1)]): 46.9 %)

[1)] adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8

Group Interim Management Report

Basic Group Information

Group Structure and Business Model

Fair Value REIT-AG (hereinafter also referred to as Fair Value) is headquartered in Munich, Germany, and does not have any branch offices. As a listed property investor, the company fulfils the provisions of the REIT Act and is exempt from corporation and trade tax.

Business model

The Fair Value Group focuses on the acquisition and management of commercial properties in Germany. The investment focus is on retail and office properties in secondary and regional locations. Fair Value invests directly in real estate as well as indirectly in real estate partnerships via participations, and actively manages its portfolio.

The non-strategic operating functions such as commercial and technical property management, as well as accounting are outsourced to external service providers, which receive partly fixed and partly performance-related variable remuneration. The Group's fixed costs are kept to the required minimum level thanks to the streamlined organisational structure.

Taking into account the trade limitations of the REIT Act, the strategy also encompasses the targeted sales of individual portfolio properties. Here, smaller properties and non-strategic real estate form the focus. The successive liquidation of subsidiaries is intended to lead to savings of participation-related administration expenses, as well as to further reduce the complexity of the business model.

Change to accounting following the first-time adoption of IFRS 10 The consolidated interim financial statements encompass the financial statements of Fair Value REIT-AG and its subsidiaries. This forms the basis for the two business areas or segments of “Direct investments” and “Subsidiaries”.

Due to the first-time adoption of IFRS 10 as of December 31, 2013, the former associated companies BBV 02, BBV 10, BBV 14, IC 12 and IC 15 were fully consolidated (see Note 2b). The change to the accounting of the affected participations applies retroactively pursuant to IAS 8. This led to adjustments in the opening balance sheet on January 1, 2012, the final balance sheet for the previous financial year as of December 31, 2012, as well as the items of the income statement for the financial year 2012. As a result, the interim previous year figures have also been adjusted.

Portfolio

As of March 31, 2014, the directly and indirectly-held portfolio consisted of 47 properties (December 31, 2013: 49 properties) with market values, which correspond with the fair values pursuant to IAS 40, totalling around € 293 million (December 31, 2013: € 312 million).

The occupancy rate of the portfolio fell from 93.3 % as of December 31, 2013 to 89.6 %, largely due to the insolvency-related expiry of a rental agreement as of January 31, 2014 for the DIY store space in Celle rented by Praktiker AG. The weighted remaining terms of the lease agreements as of March 31, 2014 totalled 5.0 years, unchanged from December 31, 2013.

The following table provides an overview of the real estate assets attributable to the Group as of March 31, 2014. The market values of the properties are based on property-by-property evaluations by the external experts CBRE GmbH as of December 31, 2013 and on purchase contracts respectively.

Real estate assets of Fair Value Group
as of March 31, 2014

	Total plot size [m²]	Lettable space [m²]	Annualized contractrual rent [T€]	Market value 12/31/2013[1] [T€]	Occupancy level [2][3] [%]	Ø-remaining term of rental agreements [2][3] [years]	Contractual rental yield before costs [%]	Participating interest [%]
Segment direct investments	41,022	33,402	2,684	37,279	98.8	9.4	7.2	100
Segment subsidiaries	345,280	239,520	21,214	256,003	88.5	4.5	8.3	46
Total Portfolio	**386,302**	**272,922**	**23,898**	**293,282**	**89.6**	**5.0**	**8.1**	**53**

Explanations
[1] According to market valuation by CBRE GmbH, Frankfurt/Main as of December 31, 2013
[2] (Sub-) totals occupancy level + average of remaining term
[3] Income-weighted

Business Report

Business activities and general conditions

Macroeconomic situation The German economy has been on the rise in spring 2014. The gross domestic product will increase by 1.9 % in the current financial year according to estimates by the Economic Forecast Project Group.[1] The upbeat economic development is also being reflected on the employment market. At the end of March 2014, 3.06 million people were registered as unemployed. That is 43,000 less than on the same date in the previous year. The unemployment rate totalled 7.1 %.[2] Meanwhile, the inflation rate weakened further. At the end of March 2014, consumer prices were 1.0 % up on the previous year period.[3] For the year as a whole, the Project Group is anticipating a 1.3 % rise in consumer prices.

Real Estate Market in Germany **The Leasing Market** **Office Space** The upbeat economic development had a positive effect overall on the office market in the seven German office centres.[4] Leasing turnover in the first quarter 2014 totalled 0.7 million m^2 and was therefore 15 % up on the previous year period. However, development was not uniform across all regions. The range of relative change was between a fall of 18 % in Cologne and a rise of 133 % in Stuttgart. There were also declines in demand in Düsseldorf (-9 %) and in Hamburg (-3 %), while Munich recorded a rise of 9 % and Berlin an increase of 43 %.

Vacancies at top locations were down by 6 % to 7.2 million m^2 in the first three months of the current financial year. This represents a vacancy rate of 8.1 % across all cities.[5]

Retail Space The retail rental market made a dynamic start to 2014 and recorded space turnover of 166,000 m^2 - the highest turnover in Q1 for three years. Broken down by sector, space turnover was 38 % made up by the textile sector - the highest proportion. This was followed by the food and gastronomy sector with 21 %. The health and beauty sector fell compared to previous quarters, making up just 9 % of the space turnover.[6]

The Investment Market With a transaction volume of commercial properties totalling € 10 billion, the first three months of the current financial year saw turnover rise by around 40 % on the previous year period. Around 60 % of the transaction volume focused on locations outside of the seven “real estate strongholds”. Investors primarily focused on office buildings, which made up 43 % of investment, followed by properties used for retail with a share of 29 %.[7]

[1] Economic Forecast Project Group.
[2] Federal Employment Agency: The employment market in March 2014.
[3] Destatis: Consumer prices March 2013.
[4] Berlin, Dusseldorf, Frankfurt/Main, Hamburg, Cologne, Munich, Stuttgart
[5] JLL: Office market overview Q1 2014.
[6] JLL: Rental market overview Q1 2014.
[7] JLL: The German Investment market Q1 2014.

Overall Statement of the Management on Business Performance

The Fair Value Group started the current financial year successfully with slightly higher results than anticipated.

The rental income of the Fair Value Group came in at the expected level of € 6.2 million in the first three months of 2014 (previous year: € 7.2 million). The 15 % fall compared to the previous year is largely due to the properties sold in the meantime. After deducting non-allocatable real estate-related expenses of € 1.4 million (previous year: € 1.9 million), net rental income of € 4.8 million was generated. This was therefore 10 % down on the previous year figure of € 5.3 million, projected on an annual basis, but still slightly higher than anticipated.

In the first three months of the current financial year, the Fair Value Group's operating business result adjusted for extraordinary effects (EPRA earnings or FFO) was at € 1.3 million, around 8 % up on the previous year figure of € 1.2 million.

Adjusted consolidated income (EPRA-Earnings or FFO)

	1/1 – 3/31/2014				1/1 – 3/31/2013 [1]			
		Adjustment for extraordinary factors				Adjustment for extraordinary factors		
in € thousand	According to consolidated income statement	Profit/losses on sale	Valuation costs interest rate swaps/ interest rate caps	Adjusted consolidated income statement	According to consolidated income statement	Valuation	Valuation costs interest rate swaps/ interest rate caps	Adjusted consolidated income statement
Net rental income	**4,781**	**–**	**–**	**4,781**	**5,323**	**–**	**–**	**5,323**
General administrative expenses	(679)	–	–	(679)	(811)	–	–	(811)
Total other operating income and expenses	40	–	–	40	160	–	–	160
Earnings from sale of investment properties	(102)	102	–	–	–	–	–	–
Valuation profit/loss	–	–	–	–	(62)	62	–	–
Operating result	**4,040**	**102**	**–**	**4,142**	**4,610**	**62**	**–**	**4,672**
Income from participations	–	–	–	–	648	8	(271)	385
Net interest expense	(1,432)	–	43	(1,389)	(2,312)	–	3	(2,309)
Income before minority interests	**2,608**	**102**	**43**	**2,753**	**2,946**	**70**	**(268)**	**2,748**
Minority interests	(1,434)	(41)	14	(1,461)	(1,595)	(34)	60	(1,569)
Consolidated net income	**1,174**	**61**	**58**	**1,293**	**1,351**	**36**	**(208)**	**1,179**
Consolidated net income per share	0.13			0.14	0.14	–	–	0.13

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Income, financial and net asset position

Income position

in € thousand	1/1 – 3/31/2014	1/1 – 3/31/2013 [1]	Change in € thousand	Change in %
Rental income	6,185	7,239	(1,054)	(15)
Net rental income	4,781	5,323	(534)	(10)
General adminstrative expenses	(679)	(811)	132	16
Other income and expenses, sale and valuation result	(62)	98	(160)	(163)
Operating result	4,040	4,610	(570)	(12)
Income from participations	–	648	(648)	(100)
Net interest expense	(1,432)	(2,312)	880	38
Minority interest in the result	(1,434)	(1,595)	161	10
Consolidated net income	**1,174**	**1,351**	**(177)**	**(13)**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Rental income totalled € 6.2 million, some € 1.1 million or 15 % down on the corresponding period in the previous year. The fall mainly resulted from the property sales made in the interim. Net rental income came in at € 4.8 million, around € 0.5 million or 10 % down on the € 5.3 million reported in the previous year due to lower non-allocatable real estate-related expenses.

The savings in general administration expenses of € 0.1 million were offset by higher expenses in the balance of other income, expenses as well as the sale and valuation results. The operating result therefore came in at € 4.0 million, around € 0.6 million or 12 % down on the adjusted previous year figure of € 4.6 million.

Due to the disposal of the only equity-accounted associated company as of December 31, 2013, no income from participations had to be taken into account in the first three months of 2014 (previous year: € 0.6 million).

On the back of repayment-related and interest rate-related savings, net interest expenses in the Group came in at € 1.4 million and were therefore € 0.9 million or 38 % down on the € 2.3 million reported in the previous year.

After deducting the minority interests in the result of € 1.4 million (previous year: € 1.6 million), the Fair Value Group concluded the first three months of the current financial year 2014 with consolidated net income of € 1.2 million, or € 0.13 per share (previous year: € 1.4 million or € 0.14 per share).

Financial position

Cash flow from operating activities The cash inflow from operating activities in the period under review totalled € 2.8 million, up 8 % on the previous year level.

Cash and cash equivalents

in € thousand	1/1 – 3/31/2014	1/1 – 3/31/2013 [1)]
Cash flow from operating activities	**2,764**	**2,577**
Cash flow from investment activities	**18,204**	**(62)**
Cash flow from financing activities	**(21,656)**	**(2,336)**
Change of cash and cash equivalents	(688)	179
Cash and cash equivalents – start of period	17,361	14,182
Cash and cash equivalents – end of period	**16,540**	**14,361**

[1)] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Cash flow from investment activities Investment activities resulted in a cash inflow totalling € 18.2 million (previous year: cash outflow of € 0.1 million). This mainly resulted from the payment of purchase prices and disposals of two properties sold in the current financial year. These are the properties in Henstedt-Ulzburg (directly-held) and the hotel in Hannover (subsidiary BBV 06).

Cash flow from financing activities Cash outflow from financing activities totalling € 21.7 million (previous year: € 2.3 million) was the result of scheduled repayments of € 2.1 million as well as sale-related one-off repayments totalling € 18.9 million. Moreover, this also contains pay-outs to minority shareholders totalling € 0.7 million; these are 94 % due to a liquidity distribution to the shareholders at subsidiary IC 03 and 6 % to purchase price payments for the acquisition of minority shareholdings by Fair Value REIT-AG in the so-called secondary market.

Liquidity In the first three months of the current financial year, cash and cash equivalents in the Group fell by € 0.7 million to € 16.5 million (previous year period: rise of € 0.2 million to € 14.4 million). The fall is largely attributable to the costs for the partial termination of an interest rate hedging transaction.

Net asset position

Assets Total assets as of March 31, 2014 amounted to € 324.6 million, and were down by 6 % compared with December 31, 2013 (€ 345.9 million). The fall resulted from property sales and repayments of financial liabilities in the first three months of the current financial year.

Non-current assets totalling around € 289.5 million accounted for 89 % of total assets (December 31, 2013: € 292.5 million or 85 %). Current assets totalled € 30.6 million or 9 % of total assets (December 31, 2013: € 33.8 million). Of this amount, cash and cash equivalents made up € 16.7 million or 55 %. Receivables and other assets accounted for another € 13.9 million (45 %). In this category, the largest item was the receivable for the pay-out of the settlement credit for the participation cancelled at the associated company BBV 09 as of December 31, 2013, totalling € 11.6 million.

Non-current assets available for sale totalled € 4.5 million or 1 % of total assets (December 31, 2013: € 19.6 million or 6 % of total assets), and included three properties in Erlangen, Sparrieshoop and Weyhe-Leeste. The two latter properties were transferred to the buyers as planned on April 30, 2014 following payment of the sale price. In the case of the Erlangen property, the economic transfer of ownership, risks and benefits took place in January 2014; since then, the existing financial liabilities of the subsidiary are interest and repayment free. The transfer of legal ownership to the purchaser requires the prior entry of all shareholders of the subsidiary into the land register; however, not all powers of attorney required for this have yet been gathered.

Equity and liabilities As of March 31, 2014, 25 % or € 81.8 million of the assets were financed by equity attributable to the shareholders of Fair Value REIT-AG, and 75 % or € 242.7 million by debt.

It should be noted that minority interests in subsidiaries in the amount of € 66.4 million are reported as liabilities in accordance with IFRS. For calculating the minimum equity ratio for purposes laid out by the REIT Act, interests in subsidiaries included in the consolidated financial statements not owned by the parent company and classified as debt are handled as equity. The corresponding Group equity totalled € 148.2 million or 46 % of total assets (December 31, 2013: € 146.3 million or 42 %).

In relation to immovable assets as of March 31, 2014 totalling € 293.9 million, the REIT equity ratio comes in at 50.4 % (December 31, 2013: 46.9 %).

Financial liabilities The financial liabilities of the Group totalled € 170.2 million or 52 % of total assets (December 31, 2013: € 191.2 million or 55 %). Of these, 28 % or € 47.2 million (December 31, 2013: € 64.6 million or 34 %) were current. The decrease in financial liabilities by € 21.0 million or 11 % compared to December 31, 2013 was largely attributable to unscheduled repayments in connection with the sale of properties.

Equity / Net asset value (NAV) The net asset value (NAV), calculated as the sum of the market values of the real estate, after taking the other balance sheet items into account, amounted to € 81.8 million as of March 31, 2014, compared with € 80.7 million on December 31, 2013.

Based on 9,325,572 shares in circulation as of the balance sheet date, the NAV per share was € 8.78, compared to € 8.65 on December 31, 2013.

Balance sheet NAV

in € thousand	3/31/2014	12/31/2013
Market value of properties (including properties held for sale)	293,872	311,974
Miscellaneous assets minus miscellaneous liabilities	27,873	29,224
Minority interests	(66,362)	(65,642)
Financial liabilities	(170,239)	(191,181)
Other liabilities	(3,297)	(3,702)
Net Asset Value	**81,847**	**80,673**
Net Asset Value per share	8.78	8.65

The “Best Practices 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	3/31/2014	12/31/2013
NAV pursuant to consolidated balance sheet	81,847	80,673
Market value of derivative financial instruments	1,187	2,089
Thereof due to minority interests	(147)	(161)
EPRA-NAV	**82,887**	**82,601**
EPRA-NAV per share	8.89	8.86

Supplementary Report

No events with a material impact on the earnings, financial and asset position have occurred since the end of the reporting period.

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 40 to 46 of the Fair Value REIT-AG Annual Report 2013.

The Management Board does not expect any risks to materialise in 2014 that could pose a threat to the continued existence of Fair Value REIT-AG.

Opportunities and forecast

The development in the first three months of the current financial year was highly pleasing and slightly better than anticipated overall. The occupancy rate of the portfolio fell temporarily to 89.6 %. However, thanks to already concluded rental agreements and follow-up agreements which were not yet effective as of the balance sheet date, the occupancy rate will once again rise to substantially over 90 % in the months to come. The weighted remaining terms of the lease agreements remained unchanged from December 31, 2013 at 5.0 years.

The Management Board views the positive development in the first quarter 2014 as confirmation of the anticipated development. As a result, it is reiterating its forecast for the full year 2014. This provides for adjusted IFRS consolidated net income (EPRA earnings or FFO) of € 5.1 million for 2014, corresponding to € 0.55 per share.

Munich, May 6, 2014

Fair Value REIT-AG

Frank Schaich, CEO

Consolidated Interim Financial Statements

Balance Sheet

Consolidated balance sheet

in € thousand	Note no.	3/31/2014	12/31/2013
Assets			
Non-current assets			
Intangible assets	3	97	106
Property, plant and equipment		88	97
Investment property	4	289,266	292,297
Other receivables and assets		11	10
Total non-current assets		**289,462**	**292,510**
Current assets			
Trade receivables		1,817	2,491
Income tax receivables		32	27
Other receivables and assets	5	12,067	13,892
Cash and cash equivalents		16,673	17,361
Total current assets		**30,589**	**33,771**
Non-current assets available for sale	6	4,522	19,585
Total assets		**324,573**	**345,866**
Equity and liabilities			
Equity			
Subscribed capital		47,034	47,034
Share premium		46,167	46,167
Loss carryforward		(10,956)	(12,130)
Treasury shares		(398)	(398)
Total equity		**81,847**	**80,673**
Non-current liabilities			
Minority interests		66,362	65,642
Financial liabilities	7	122,992	126,583
Derivative financial instruments		1,187	2,089
Total non-current liabilities		**190,541**	**194,314**
Current liabilities			
Provisions		390	429
Financial liabilities	7	47,247	64,598
Trade payables		1,251	2,150
Other liabilities		3,297	3,702
Total current liabilities		**52,185**	**70,879**
Total equity and liabilities		**324,573**	**345,866**

Income Statement

Consolidated income statement

in € thousand	Note no.	1/1–3/31/ 2014	1/1–3/31/ 2013 [1]
Rental income		6,185	7,240
Income from operating and incidental costs		1,324	1,596
Real estate-related operating expenses		(2,728)	(3,513)
Net rental result		**4,781**	**5,323**
General administrative expenses	8	**(679)**	**(811)**
Other operating income		75	177
Other operating expenses		(35)	(17)
Total other operating income and expenses		**40**	**160**
Net income from the sale of investment properties		18,005	–
Expenses in connection with the sale of investment properties		(18,107)	–
Result from sale of investment properties	6	**(102)**	**–**
Valuation gains		–	–
Valuation losses		–	(62)
Valuation result		**–**	**(62)**
Operating result		**4,040**	**4,610**
Result from equity-accounted investments		–	648
Interest income		16	26
Interest expense	9	(1,448)	(2,338)
Income before minority interests		**2,622**	**2,946**
Minority interest in the result		(1,438)	(1,595)
Net income		**1,184**	**1,351**
Earnings per share in € (basic/diluted)		0.13	0.14

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Statement of Comprehensive Income

Consolidated statement of comprehensive income

in € thousand	1/1–3/31/2014	1/1–3/31/2013 [1]
Net income	**1,174**	**1,351**
Other results		
Change in cash flow hedges	–	(1,042)
Thereof due to minority interests	–	279
Change in cash flow hedges of associated companies	–	–
Total other results	**–**	**(763)**
Comprehensive income	**1,174**	**588**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

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	Total
Balance at January 1, 2013	**9,325,572**	**47,034**	**46,167**	**(398)**	**(6,411)**	**(5,971)**	**80,421**
Total net income [1]	–	–	–	–	763	1,351	2,114
Balance at March 31, 2013	**9,325,572**	**47,034**	**46,167**	**(398)**	**(5,648)**	**(4,620)**	**82,535**
Balance at January 1, 2014	**9,325,572**	**47,034**	**46,167**	**(398)**	**–**	**(12,130)**	**80,673**
Total net income	–	–	–	–	–	1,174	1,174
Balance at March 31, 2014	**9,325,572**	**47,034**	**46,167**	**(398)**	**–**	**(10,956)**	**81,847**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Cash Flow Statement

Consolidated cash flow statement in € thousand	1/1–3/31/2014	1/1–3/31/2013 [1]
Net income	**1,174**	**1,351**
Adjustments to consolidated earnings for reconciliation to cash flow from operating activities		
Income tax expenses/(income)	–	4
Interest expenses	1,448	2,338
Interest income	(16)	(26)
Amortization of intangible assets and depreciation of property, plant and equipment	10	8
Valuation result	(102)	62
Income from equity-accounted investments	–	(648)
Loss/(profit) of minority shareholders in subsidiaries	1,434	1,595
Disbursement to minority shareholders in subsidiaries	–	(57)
Result from the valuation of derivative financial instruments	(902)	3
Interest paid	(2,100)	(1,911)
Interest received	16	26
Change in assets, equity and liabilities		
(Increase)/decrease in trade receivables	669	87
(Increase)/decrease in other receivables	1,819	793
(Decrease)/increase in provisions	(39)	(27)
(Decrease)/increase in trade payables	(899)	(8)
(Decrease)/increase in other liabilities	247	(1,030)
Noncash relevant additions and disposals	5	17
Cash flow from operating activities	**2,764**	**2,577**
Investments in investment property	2	(62)
Disposal of investment properties/properties under construction	18,202	–
Cash flow from investment activities	**18,204**	**(62)**
Repayment of financial liabilities	(20,942)	(2,325)
Payments to minority interests	(714)	(11)
Cash flow from financing liabilities	**(21,656)**	**(2,336)**
Cash effective change of liquid funds	**(688)**	**179**
Cash and cash equivalent (start of period)	17,361	14,182
Cash and cash equivalent (end of period)	**16,673**	**14,361**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Notes

(1) General Information about the Company

Fair Value REIT-AG is a stock company ("Aktiengesellschaft") founded and headquartered in Germany. The company does not have any branch offices. Following its registration as an "Aktiengesellschaft" 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. The shares of Fair Value REIT-AG are publicly traded. The registered headquarters of the company are located at Leopoldstr. 244 in 80807 Munich, Germany.

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. Information on the Group structure is presented in Note 2a.

As a result of its participations in a total of 10 (previous year: 11) closed-end real estate funds and six additional companies, the Company must prepare consolidated financial statements.

(2) Key Accounting, Valuation and Consolidation Methods as well as Presentation of Amendments from Previous Years

(2a) Key Accounting, Valuation and Consolidation

Basis of preparation of the financial statements The consolidated interim financial statement from Fair Value REIT-AG were prepared in accordance with the International Financial Reporting Standards ("IFRs") of the International Accounting Standards Board (IASB) while taking into account the interpretations of the IAS 34 "Zwischenberichterstattung".

The consolidated interim financial statements are generally prepared by applying the cost principle. The exceptions to this are investment properties as well as derivative financial instruments, which were measured at fair value.

The consolidated interim financial statements have been prepared in euros. Unless otherwise stated, all amounts are provided in thousands of euros (€ thousand).

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, 2013. 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 March 31, 2013.

Principles and scope of consolidation All subsidiaries are included in the consolidated interim financial report. The scope of consolidation has not changed since December 31, 2013.

The scope of consolidation as of March 31, 2014 constitutes the following:

Voting rights/fixed capital interest in %	Share per **03/31/2014**	Share per **12/31/2013**
GP Value Management GmbH, Munich ("GPVM")	100.00	100.00
BBV 3 Geschäftsführungs-GmbH & Co. KG, Munich ("FV03")	100.00	100.00
BBV 6 Geschäftsführungs-GmbH & Co. KG, Munich ("FV06")	100.00	100.00
BBV 9 Geschäftsführungs-GmbH & Co. KG, Munich ("FV09")	100.00	100.00
BBV 10 Geschäftsführungs-GmbH & Co. KG, Munich ("FV10")	100.00	100.00
BBV 14 Geschäftsführungs-GmbH & Co. KG, Munich ("FV14")	100.00	100.00
IC Fonds & Co. Büropark Teltow KG, Munich ("IC 07")	77.74	77.74
IC Fonds & Co. Forum Neuss KG, Munich ("IC 03")	71.58	71.58
BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG, Munich ("BBV 06")	59.72	59.72
BBV Immobilien-Fonds Nr. 3 GmbH & Co. KG, Munich ("BBV 03")	54.10	54.10
IC Fonds & Co. Gewerbeportfolio Deutschland 13. KG, Munich ("IC 13")	50.71	50.54
IC Fonds & Co. SchmidtBank-Passage KG, Munich ("IC 12")	49.74	48.86
BBV Immobilien-Fonds Nr. 14 GmbH & Co. KG, Munich ("BBV 14")	45.22	45.22
BBV Immobilien-Fonds Erlangen GbR, Munich ("BBV 02")	41.53	41.53
BBV Immobilien-Fonds Nr. 10 GmbH & Co. KG, Munich ("BBV 10")	40.85	40.77
IC Fonds & Co. Gewerbeobjekte Deutschland 15. KG, Munich ("IC 15")	39.56	39.49

The slight changes in individual participation levels are based on other shareholders exiting, on the additional acquisition of participations in the so-called secondary market and on roundings.

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, 2013. The first-time adoption of IFRS 13 – Measuring Fair Value – had impacts on mandatory explanatory notes on specific assets and liabilities as well as on a disclosure of fair value hierarchies. For the period under review there were no material impacts on the measurement of fair value.

Measuring fair value The Group measures financial instruments and real estate at fair value at every reporting date.

The fair value is the price which would be paid in an orderly business transaction between market participants on the valuation date for the sale of an asset or the transfer of a liability. When measuring fair value, the assumption is made that the business transaction which takes place during the sale of an asset or the transfer of a liability, either takes place on the:
– Main market for the asset or liability or
– The most advantageous market for the asset or liability, if no main market is available.

The Group needs to have access to the main market or the most advantageous market.

(2b) Changes of Accounting Methods

As of December 31, 2013, the Group adopted the standard IFRS 10 Consolidated Financial Statements for the first time, which resulted in an expansion of the scope of consolidation and therefore required an adjustment to the comparative figures from the previous year. Due to the first-time adoption of IFRS 10, the former equity-accounted companies BBV 02, BBV 10, BBV 14, IC 12 and IC 15 became subsidiaries which are fully consolidated as part of their inclusion into the Group. For more detailed explanations of this, please refer to the annual report 2013, Note 2a (p. 59 f.).

The income statement as of March 31, 2013 contains 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 IC 07, BBV 03 and BBV 06 as of December 31, 2012. Minority interests have therefore been reduced by € 269 thousand in the previous year period.

Effect on the income statement (increase/decrease) in earnings

in € thousand	3/31/2013 [1]	Adjustment	3/31/2013
Rental income	7,240	4,782	2,458
Income from operating and incidental costs	1,596	1,081	515
Real estate-related operating expenses	(3,513)	(1,770)	(1,743)
Net rental result	**5,323**	**4,093**	**1,230**
General administrative expenses	**(811)**	**(278)**	**(533)**
Other operating income	177	59	118
Other operating expenses	(17)	(17)	–
Total other operating income and expenses	**160**	**42**	**118**
Net income from the sale of investment properties	–	–	–
Expenses in connection with the sale of investment properties	–	–	–
Result from sale of investment properties	**–**	**–**	**–**
Valuation gains	–	–	–
Valuation losses	(62)	(62)	–
Valuation result	**(62)**	**(62)**	**–**
Operating result	**4,610**	**3,795**	**815**
Result from equity-accounted investments	**648**	**(1,021)**	**1,669**
Interest income	26	25	1
income expenses	(2,338)	(1,337)	(1,001)
Result before minority interest	**2,946**	**1,462**	**1,484**
Minority interest in the result	(1,595)	(1,731)	136
Financial result	**1,351**	**(269)**	**1,620**
Earnings per share in € (basic/diluted)	0.14		0.17

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Effect on the statement of cash flows (increase/decrease) in cash flow

in € thousand	3/31/2013 [1]	Adjustment	3/31/2013
Net income	**1,351**	**(269)**	**1,620**
Adjustments to consolidated earnings for reconcolidation to cash flow from operating activities			
Income tax expenses/(income)	4	10	(6)
Interest expenses	2,338	1,337	1,001
Interest income	(26)	(25)	(1)
Amortization of intangible assets and depreciation of property, plant and equipment	8	–	8
Valuation result	62	62	–
Income from equity-accounted investments	(648)	1,021	(1,669)
Loss/(profit) for minority interests	1,595	1,731	(136)
Disbursements to minority interests	(57)	(1)	(56)
Result from the valuation of derivative financial instruments	3	(103)	106
Interest paid	(1,911)	(1,242)	(669)
Interest received	26	25	1
Changes in assets, equity and liabilities			
(Increase)/Decrease in trade receivables	87	(134)	221
(Increase)/Decrease in other receivables	793	(124)	917
(Decrease)/Increase in provisions	(27)	(11)	(16)
(Decrease)/Increase in trade payables	(8)	77	(85)
(Decrease)/Increase in other liabilities	(1,030)	(302)	(728)
noncash relevant additions and disposals	17	17	–
Cash flow from operating activities	**2,577**	**2,069**	**508**
Receipt of cash and cash equivalents of aquired subsidiaries minus investments of investment property	(62)	(62)	–
Cash flow from investment activities	**(62)**	**(62)**	**–**
Receipts from financial liabilities	–	(68)	68
Repayment of financial liabilties	(2,325)	(1,048)	(1,277)
Disbursements of minority intersts	(11)	(11)	–
Cash flow from financing activities	**(2,336)**	**(1,127)**	**(1,209)**
Cash effective change of liquid funds	**179**	**880**	**(701)**
Cash and cash equivalents – start of period	14,182	8,321	5,861
Cash and cash equivalents – end of period	**14,361**	**9,201**	**5,160**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

(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 € 9 thousand of € 97 thousand 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, 2014	**42,338**	**341,858**	**384,196**
Additions (subsequent acquisition costs)	6	–	6
Reclassifications	(204)	(3,900)	(4,104)
Balance at March 31, 2014	**42,140**	**337,958**	**380,098**
Changes in value			
Balance at January 1, 2014	**(5,059)**	**(86,840)**	**(91,899)**
Reclassifications	27	1,040	1,067
Balance at March 31, 2014	**(5,032)**	**(85,800)**	**(90,832)**
Fair values			
Balance at January 1, 2014	37,279	255,018	292,297
Balance at March 31, 2014	**37,108**	**252,158**	**289,266**

The fair values used for the investment properties are those determined on December 31, 2013 by CBRE GmbH, Frankfurt.

There were a total of 44 properties on March 31, 2014, with 38 freehold properties, five properties in co-ownership and one leasehold property. During the reporting period a directly-held office building in Sparrieshoop with a fair value of € 177 thousand and a retail property and doctor’s centre in Weyhe held by the subsidiary BBV 03 with a fair value of € 2,860 thousand were reclassified into assets available for sale.

(5) Other Receivables and Assets

The purchase price of € 1.95 million for the property in Kaltenkirchen sold at the end of 2013 was received in January of this year.

(6) Non-current Assets available for sales

in € thousand	3/31/2014	12/31/2013
Hotel property Hannover, Hinueberstr. 6 (“BBV 06”)	–	17,000
Office building Henstedt-Ulzburg, Hamburger Str. 83 (“FVAG”)	–	1,100
Doctor's practice building and supermarket in Weyhe (“BBV 03”)	2,860	–
Retail property Erlangen, Henkestr. 5 (“BBV 02”)	1,485	1,485
Office building in Sparrieshoop (“FVAG”)	177	–
Total non-current assets available for sale	**4,522**	**19,585**

The retail property and doctor’s centre in Weyhe and the office building in Sparrieshoop were sold with notarial purchase agreements dated March 14, 2014, and March 20, 2014, for € 2,860 thousand and € 181 thousand respectively. The transfer of risks and benefits to the new owners will take place on May 1, 2014 for both properties.

The transfer of ownership of the commercial property in Erlangen (BBV 02) is to be delayed until further notice as the land register correction requires the power of attorney of all shareholders. 94 % of these powers of attorney have already been received.

The receivables relating to the payment of the purchase prices for the administration property Henstedt-Ulzburg and the hotel property in Hannover were settled in February of this year. In the quarter under view, the sales resulted in sales losses totalling € 102 thousand on the back of incidental costs of sale.

(7) Financial Liabilities

The short-term and long-term financial liabilities of € 170,239 thousand decreased by € 20,942 thousand compared to December 31, 2013. This was because of scheduled repayments of € 2,089 thousand and unscheduled repayments of € 18,853 thousand. Of this amount, € 16,982 thousand was attributable to property sales of the hotel property in Hannover (BBV 06) and € 1,871 thousand from the directly held properties in Kaltenkirchen und Henstedt-Ulzburg. Current financial liabilities decreased in total by € 17,340 thousand to € 47,258 thousand.

(8) General Administrative Expenses

in € thousand	1/1–3/31/2014	1/1–3/31/2013 [1]
Personnel expenses	120	104
Office costs	13	11
Travel and vehicle expenses	8	9
Accounting	33	33
Stock market listing, general meeting and events	70	83
Valuations	35	34
Legal and consulting costs	33	46
Audit expenses	40	51
Remuneration (Supervisory and Advisory Boards, General Partner)	25	27
Fund management	130	233
Trustee-fees	89	74
Depreciation	10	10
Other	37	39
Non-deductible VAT	36	57
Total general administrative expenses	**679**	**811**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Of the general administrative expenses, € 369 thousand (54 %) are attributable to Fair Value (€ 310 thousand or 46 % in the previous year). To the subsidiaries € 364 thousand (45 %) are attributable (€ 447 thousand or 55 % in the previous year).

(9) Interest Expenses

in € thousand	1/1–3/31/2014	1/1–3/31/2013 [1]
Valuation of derivative financial instruments	902	10
Other interest expenses	(2,350)	(2,348)
Total interest expenses	**(1,448)**	**(2,338)**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

Interest expenses include income relating to the change in the fair value of derivative financial instruments (interest rate hedges) amounting to € 902 thousand. From the other interest expenses, a total of € 1,282 thousand was spent on loans and swaps. A further € 940 thousand was recorded as expense in relation to a settlement payment for the reduction of the interest rate swap at Fair Value REIT-AG. The remaining € 128 thousand relate to commitment fees, the release of accruals for processing fees and expenses from the market valuation of a loan as well as a payment of the cap premium.

(10) Segment Revenues and Results

		1/1–3/31/2014		1/1–3/31/2013 [1]
in € thousand	Segment revenues	Segment results	Segment revenues	Segment results
Direct investments	817	554	898	624
Subsidiaries	6,692	3,801	7,938	4,301
Total segment revenues and results	**7,509**	**4,355**	**8,836**	**4,925**
Central administrative expenses and other		(315)		(315)
Earnings from equity-accounted participations		–		648
Net interest expenses		(1,432)		(2,312)
Minority interest in the result		(1,434)		(1,595)
Net income		**1,174**		**1,351**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

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 March 31, 2014

	Direct investments				
in € thousand	**FV AG**	IC 03	IC 07	IC 13	BBV 03
Rental income	669	–	154	469	170
Income from operating and incidental costs	148	–	82	132	26
Segment revenue	**817**	**–**	**236**	**601**	**196**
Real estate-related operating expenses	(213)	(14)	(127)	(231)	(62)
Administrative expenses related to segment	(41)	–	(16)	(24)	(22)
Other operating expenses and income (balance)	–	–	–	–	–
Income from sale of investment properties	(9)	–	–	–	–
Valuation gains	–	–	–	–	–
Valuation losses	–	–	–	–	–
Segment result	**554**	**(14)**	**93**	**346**	**112**
General administrative costs	(328)	–	–	–	–
Income from equity-accounted participations	–	–	–	–	–
Other income from participations	1,691	–	–	–	–
Net interest expenses	(347)	–	(9)	(113)	–
Minority interests in the result	–	–	–	–	–
Consolidated net income	**1,570**	**(14)**	**84**	**233**	**112**

						Subsidiaries		
BBV 06	IC 12	IC 15	BBV 02	BBV 10	BBV 14	**Total**	Reconciliation	**Group**
693	120	730	–	1,881	1,299	5,516	–	6,185
73	72	87	–	402	302	1,176	–	1,324
766	**192**	**817**	**–**	**2,283**	**1,601**	**6,692**	**–**	**7,509**
(322)	(206)	(120)	(19)	(941)	(477)	(2,519)	–	(2,732)
(47)	(10)	(29)	(7)	(82)	(69)	(306)	–	(347)
–	(4)	(29)	–	51	9	27	–	27
(75)	–	–	(8)	(3)	(7)	(93)	–	(102)
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
322	**(28)**	**639**	**(34)**	**1,308**	**1,057**	**3,801**	**–**	**4,355**
–	–	–	–	–	–	–	13	(315)
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	(1,691)	–
(183)	(17)	(140)	(14)	(464)	(145)	(1,085)	–	(1,432)
–	–	–	–	–	–	–	(1,434)	(1,434)
139	**(45)**	**499**	**(48)**	**844**	**912**	**2,716**	**(3,112)**	**1,174**

Income statement by segments at March 31, 2013 1)

	Direct investments					
in € thousand	**FV AG**	IC 01	IC 03	IC 07	IC 13	BBV 03
Rental income	750	–	117	124	439	110
Income from operating and incidental costs	148	–	53	39	131	27
Segment revenue	**898**	**–**	**170**	**163**	**570**	**137**
Real estate-related operating expenses	(237)	1	(72)	(579)	(211)	(318)
Administrative expenses related to segment	(49)	–	(7)	(8)	(27)	(41)
Other operating expenses and income (balance)	8	–	1	88	3	7
Profit from purchase of investment properties	–	–	–	–	–	–
Valuation gains	–	–	–	–	–	–
Valuation losses	–	–	–	–	–	–
Segment result	**620**	**1**	**92**	**(336)**	**335**	**(215)**
General administrative costs	(315)	–	–	–	–	–
Income from equity-accounted participations	–	–	–	–	–	–
Other income from participations	72	–	–	–	–	–
Net interest expenses	(636)	–	(15)	(20)	(117)	–
Valuation result of derivative financial instruments with effect to net income	–	–	–	–	–	–
Minority interests in the result	–	–	–	–	–	–
Consolidated net income	**(259)**	**1**	**77**	**(356)**	**218**	**(215)**

1) Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

						Subsidiaries		
BBV 06	IC 12	IC 15	BBV 02	BBV 10	BBV 14	**Total**	Reconciliation	**Group**
919	113	726	55	2,317	1,569	6,489	–	7,239
117	60	71	4	562	385	1,449	–	1,597
1,036	**173**	**797**	**59**	**2,879**	**1,954**	**7,938**	**–**	**8,836**
(327)	(119)	(120)	(23)	(835)	(673)	(3,276)	–	(3,513)
(80)	(10)	(33)	(5)	(94)	(146)	(451)	4	(496)
1	4	1	–	(5)	52	152	–	160
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	(62)	–	–	–	(62)	–	(62)
630	**48**	**583**	**31**	**1,945**	**1,187**	**4,301**	**4**	**4,925**
–	–	–	–	–	–	–	–	(315)
–	–	–	–	–	–	–	648	648
–	–	–	–	–	–	–	(72)	–
(213)	(24)	(163)	(15)	(932)	(178)	(1,677)	1	(2,312)
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	(1,595)	(1,595)
417	**24**	**420**	**16**	**1,013**	**1,009**	**2,624**	**(1,014)**	**1,351**

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 March 31, 2014

	Direct investments				
in € thousand	**FV AG**	IC 03	IC 07	IC 13	BBV 03
Intangible assets and property, plant and equipment	88	–	–	–	–
Investment property	37,108	–	7,860	18,580	3,670
Non-current assets held for sale	177	–	–	–	2,860
Trade receivables	401	49	221	65	10
Income tax receivables	25	–	–	–	–
Other receivables and assets	11,694	12	13	22	17
Cash and cash equivalents	2,037	259	353	621	974
Subtotal segment assets	**51,530**	**320**	**8,447**	**19,288**	**7,531**
Participation in subsidiaries	64,170	–	–	–	–
Total assets	**115,700**	**320**	**8,447**	**19,288**	**7,531**
Provisions	(237)	(16)	(7)	(11)	(10)
Trade payables	(86)	(103)	(45)	(67)	(17)
Other liabilities	(227)	(89)	(29)	(190)	(43)
Subtotal segment liabilities	**(550)**	**(208)**	**(81)**	**(268)**	**(70)**
Minority interests	–	–	–	–	–
Financial liabilities	(29,699)	–	(1,244)	(16,014)	–
Derivative financial instruments	(902)	–	–	–	–
Total liabilities	**(31,151)**	**(208)**	**(1,325)**	**(16,282)**	**(70)**
Net assets at March 31, 2014	**84,549**	**112**	**7,122**	**3,006**	**7,461**

Overview of maturities of financial liabilities at March 31, 2014

Long term	(28,404)	–	–	(15,043)	–
Short term	(1,295)	–	(1,244)	(971)	–
Financial liabilities	**(29,699)**	**–**	**(1,244)**	**(16,014)**	**–**

						Subsidiaries		
BBV 06	IC 12	IC 15	BBV 02	BBV 10	BBV 14	**Total**	Reconciliation	**Group**
–	–	–	–	–	–	–	97	185
21,796	7,980	34,030	–	88,362	69,880	252,158	–	289,266
–	–	–	1,485	–	–	4,345	–	4,522
124	87	272	–	348	231	1,407	9	1,817
–	–	–	–	–	–	–	7	32
73	24	40	28	43	109	381	3	12,078
3,668	252	1,834	3	2,960	3,594	14,518	118	16,673
25,661	**8,343**	**36,176**	**1,516**	**91,713**	**73,814**	**272,809**	**234**	**324,573**
–	–	–	–	–	–	–	(64,170)	–
25,661	**8,343**	**36,176**	**1,516**	**91,713**	**73,814**	**272,615**	**(63,936)**	**324,573**
(19)	(11)	(13)	(6)	(25)	(27)	(145)	(8)	(390)
(218)	(54)	(69)	(27)	(419)	(144)	(1,163)	(2)	(1,251)
(855)	(35)	(330)	(93)	(1,169)	(222)	(3,055)	(15)	(3,297)
(1,092)	**(100)**	**(412)**	**(126)**	**(1,613)**	**(393)**	**(4,363)**	**(25)**	**(4,938)**
–	–	–	–	–	–	–	(66,362)	(66,362)
(8,290)	(2,044)	(17,647)	(1,110)	(59,752)	(34,635)	(140,736)	196	(170,239)
(60)	–	–	–	–	(225)	(285)	–	(1,187)
(9,442)	**(2,144)**	**(18,059)**	**(1,236)**	**(61,365)**	**(35,253)**	**(145,384)**	**(66,191)**	**(242,726)**
16,219	**6,199**	**18,117**	**280**	**30,348**	**38,561**	**127,425**	**(130,127)**	**81,847**
–	(1,967)	(7,652)	(1,032)	(35,209)	(33,685)	(94,588)	–	(122,992)
(8,290)	(77)	(9,995)	(78)	(24,543)	(950)	(46,148)	196	(47,247)
(8,290)	**(2,044)**	**(17,647)**	**(1,110)**	**(59,752)**	**(34,635)**	**(140,736)**	**–**	**(170,239)**

Segment assets and liabilities at December 31, 2013

in € thousand	Direct investments FV AG	IC 03	IC 07	IC 13	BBV 03
Intangible assets and property, plant and equipment	97	–	–	–	–
Investment property	37,279	–	7,860	18,580	6,530
Non-current assets held for sale	1,100	–	–	–	–
Trade receivables	364	121	200	85	34
Income tax receivables	24	–	–	–	–
Other receivables and assets	13,685	22	–	1	29
Cash and cash equivalents	717	2,662	461	775	810
Subtotal segment assets	**53,266**	**2,805**	**8,521**	**19,441**	**7,403**
Participation in subsidiaries	64,128	–	–	–	–
Total assets	**117,394**	**2,805**	**8,521**	**19,441**	**7,403**
Provisions	(243)	(16)	(5)	(13)	(12)
Trade payables	(310)	(240)	(47)	(142)	(14)
Other liabilities	(288)	(61)	(115)	(217)	(28)
Subtotal segment liabilities	**(841)**	**(317)**	**(167)**	**(372)**	**(54)**
Minority interests	–	–	–	–	–
Financial liabilities	(31,601)	–	(1,316)	(16,296)	–
Derivative financial instruments	(1,778)	–	–	–	–
Total liabilities	**(34,220)**	**(317)**	**(1,483)**	**(16,668)**	**(54)**
Net assets at December 31, 2013	**83,174**	**2,488**	**7,038**	**2,773**	**7,349**

Overview of maturities of financial liabilities at December 31, 2013

Long term	(30,641)	–	–	(15,703)	–
Short term	(960)	–	(1,316)	(593)	–
Financial liabilities	**(31,601)**	**–**	**(1,316)**	**(16,296)**	**–**

						Subsidiaries		
BBV 06	IC 12	IC 15	BBV 02	BBV 10	BBV 14	**Total**	Reconciliation	**Group**
–	–	–	–	–	–	–	106	203
21,796	7,980	34,030	–	88,362	69,880	255,018	–	292,297
17,000	–	–	1,485	–	–	18,485	–	19,585
588	86	224	5	498	286	2,127	–	2,491
–	–	–	–	–	–	–	3	27
79	7	24	30	8	14	214	3	13,902
3,369	435	1,692	4	2,898	3,416	16,522	122	17,361
42,832	**8,508**	**35,970**	**1,524**	**91,766**	**73,596**	**292,366**	**234**	**345,866**
–	–	–	–	–	–	–	(64,128)	0
42,832	**8,508**	**35,970**	**1,524**	**91,766**	**73,596**	**292,366**	**(63,894)**	**345,866**
(22)	(13)	(15)	(5)	(34)	(41)	(176)	(10)	(429)
(391)	(77)	(122)	(67)	(520)	(215)	(1,835)	–	(2,145)
(864)	(113)	(332)	(12)	(1,310)	(340)	(3,392)	(27)	(3,707)
(1,277)	**(203)**	**(469)**	**(84)**	**(1,864)**	**(596)**	**(5,403)**	**(37)**	**(6,281)**
–	–	–	–	–	–	–	(65,642)	(65,642)
(25,415)	(2,061)	(17,883)	(1,112)	(60,397)	(35,100)	(159,580)	–	(191,181)
(60)	–	–	–	–	(251)	(311)	–	(2,089)
(26,752)	**(2,264)**	**(18,352)**	**(1,196)**	**(62,261)**	**(35,947)**	**(165,294)**	**(65,679)**	**(265,193)**
16,080	**6,244**	**17,618**	**328**	**29,505**	**37,649**	**127,072**	**(129,573)**	**80,673**
–	(1,985)	(7,704)	(1,045)	(35,605)	(33,900)	(95,942)	–	(126,583)
(25,415)	(76)	(10,179)	(67)	(24,792)	(1,200)	(63,638)	–	(64,598)
(25,415)	**(2,061)**	**(17,883)**	**(1,112)**	**(60,397)**	**(35,100)**	**(159,580)**	**–**	**(191,181)**

(11) Scope of relationships with related parties

in € thousand	**1/1–3/31/2014**	**1/1–3/31/2013** [1]
Receivables	125	156
Liabilities	(52)	(19)
Total	**73**	**137**

[1] Previous year period adjusted as part of the first-time adoption of IFRS 10 and due to a correction pursuant to IAS 8 (see Note 2b)

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, May 5, 2014
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 provides 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, May 5, 2014
Fair Value REIT-AG

Frank Schaich

Imprint

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