

fair value
REIT

Company presentation

Frank Schaich, CEO
Fair Value REIT-AG
September 2012

Disclaimer

This presentation 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. 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.

Fair Value – an overview

BUSINESS MODEL

- ▶ **Focus** on commercial real estate in Germany
- ▶ **Direct and indirect investments** in German regional centers
- ▶ **Broadly diversified real estate portfolio** in regional und sectoral respect
- ▶ **Own share as currency:** Growth through contributions in kind of property or participations in property holding partnerships
- ▶ **Internal management with lean cost base** through outsourcing of accounting and property management



Neumünster



Rostock



Pinneberg

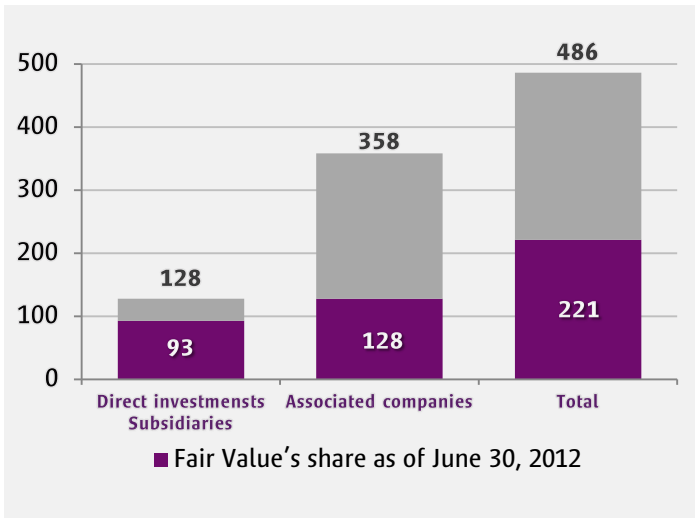


Real estate portfolio



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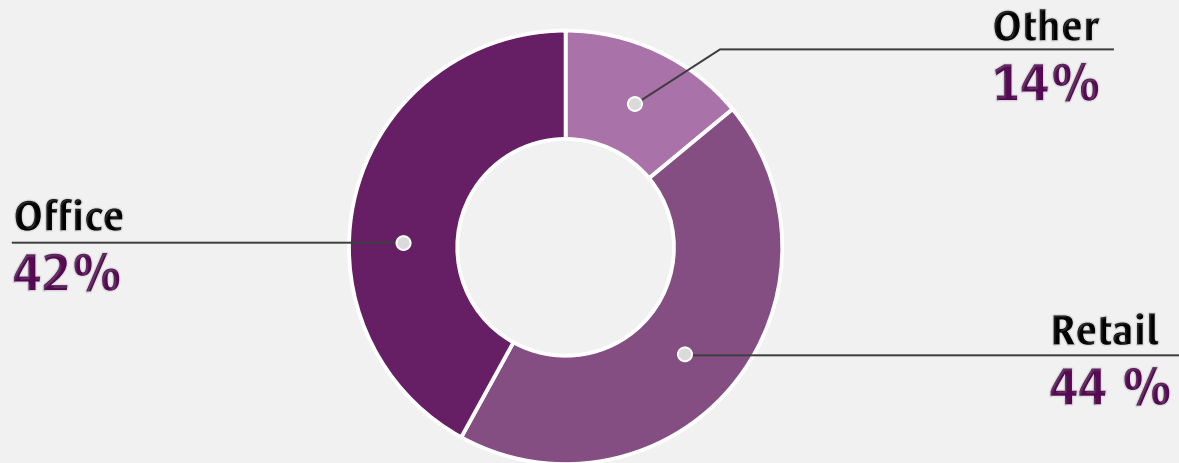
Portfolio structure – Market values



- ▶ **€ 486 million** market value of total portfolio
- ▶ **€ 221 million** Fair Value's share
- ▶ **Total of 71 properties** with a rental area of 430,000 m² (overall)
- ▶ Well balanced sector structure

▶ **Broad diversification of real estate portfolio**

Portfolio split by Sectors*



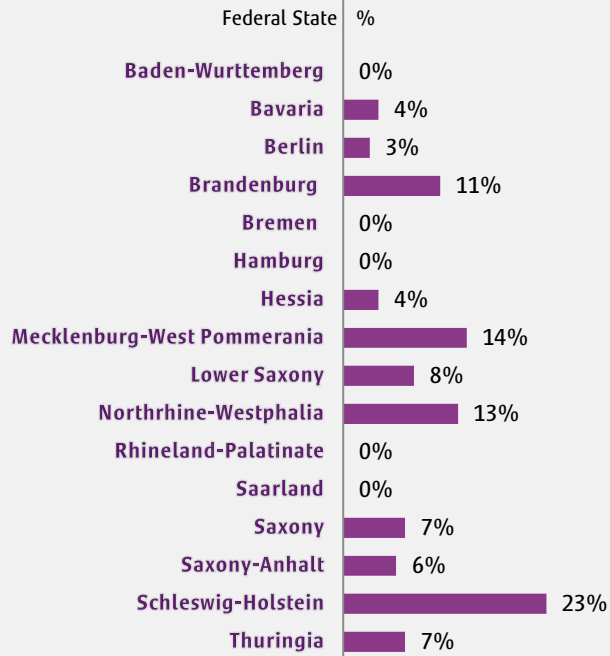
* Relating to potential rent, rounded

Portfolio split by region

Split by federal state

June 30, 2012

Fair Value's share



■ Fair Value's share - according to market values

- ▶ Broad regional diversification
- ▶ Focus on secondary locations
- ▶ Advantage: relatively low volatility concerning changes in rents and market values

▶ **High rental yields combined with relatively low risk profile**

Tenant structure

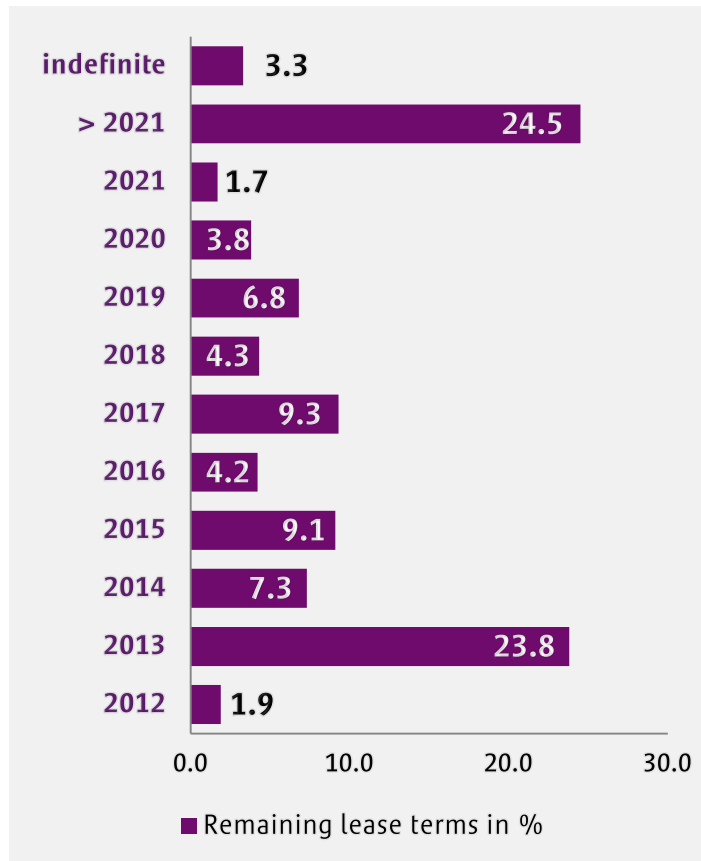
T€	June 30, 2012
Sparkasse Südholstein	15.0%
Metro Group	10.3%
Edeka Group	10.2%
BBV Holding AG	6.0%
Kaufland Group	5.2%
Schweizerhof Hotel	5.0%
Commerzbank Group	3.7%
HPI Germany	3.3%
Energiebau	2.3%
IAV Ingenieurgesellschaft	2.3%
Others	36.7%
Total	100.0%

- ▶ Tenant structure characterized by high solvency
- ▶ 10 largest tenants make up 63% of contractual rent
- ▶ Largest single tenant with share of 15% of contractual rent
- ▶ Retail companies such as Metro, Edeka and Kaufland account for total of 26% of contractual rent

▶ **Broad tenant structure improves risk diversification**

* in % of proportionate contractual rents

Occupancy and remaining lease terms 6/2012

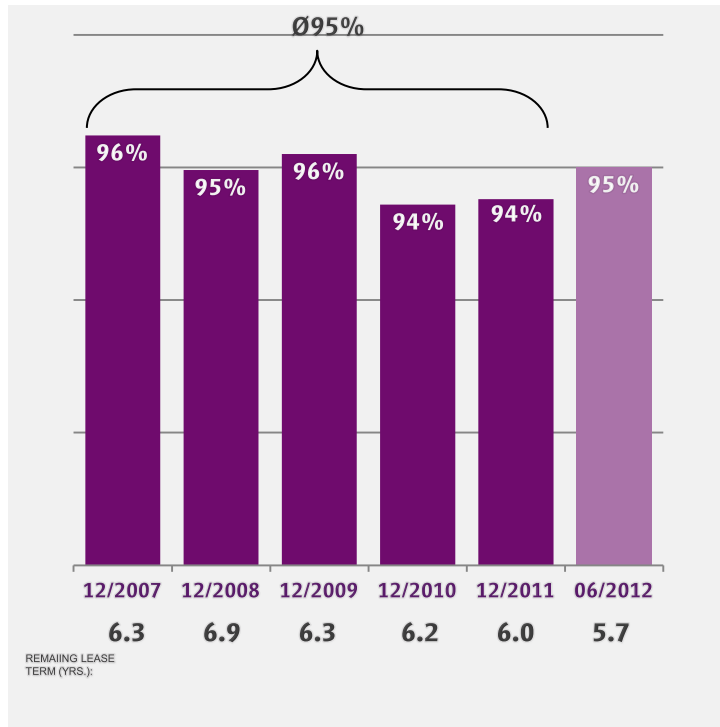


- ▶ Occupancy rate: **95.0%** of potential rent of **€ 19.5 million**
- ▶ Proportionate **contractual rents of € 18.5 million**
- ▶ Weighted residual lease term of **5.7 years**

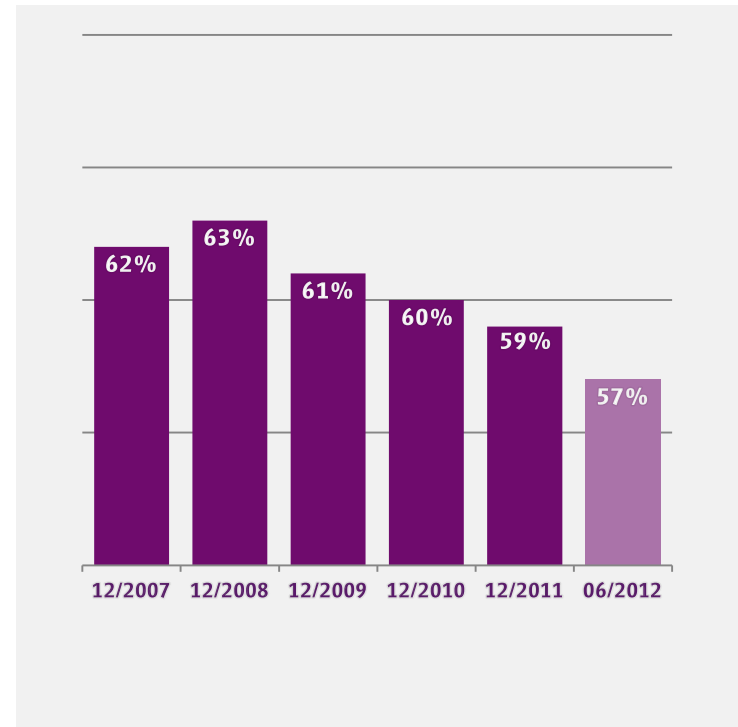
▶ **Solid base of rental income**

Solid base

OCCUPANCY RATE (IN % OF PROPORTIONATE POTENTIAL RENT): 2007 - 2011



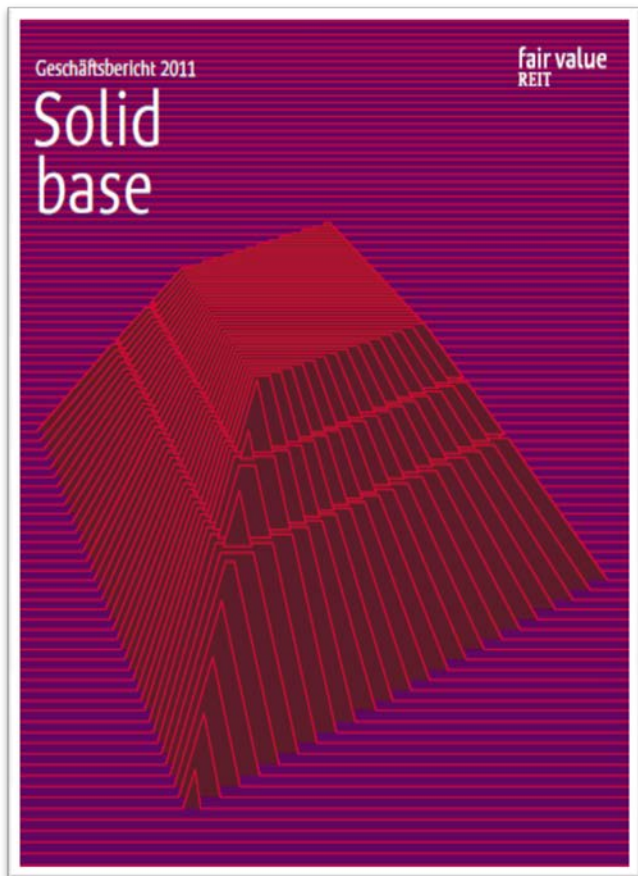
NET-LTV-RATIO (QUOTA CONSOLIDATED IN % OF PROPORTIONATE MARKET VALUES):



Financial results 2011 - Group und single entity

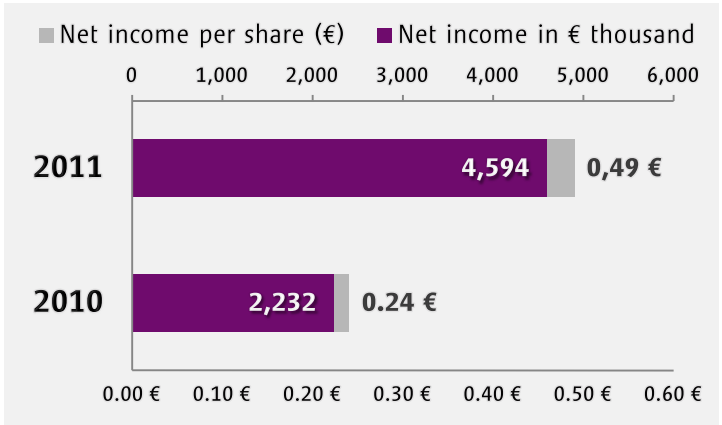
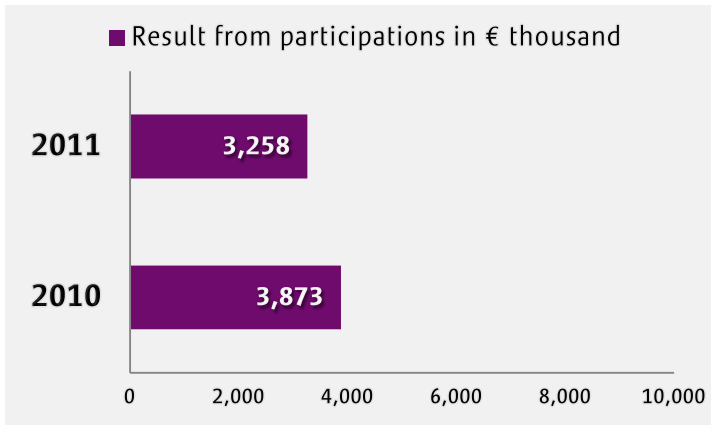
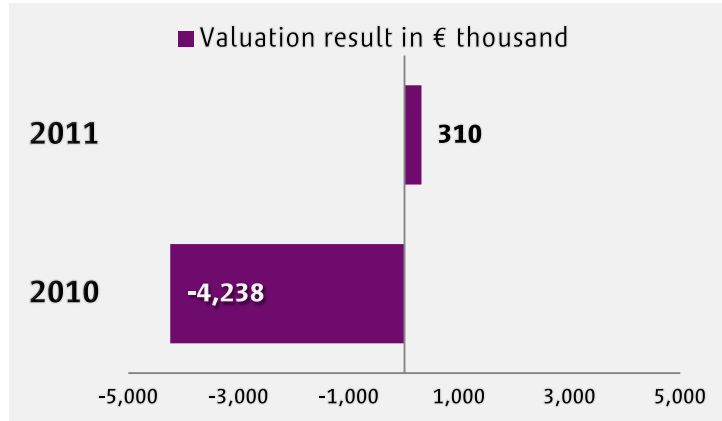
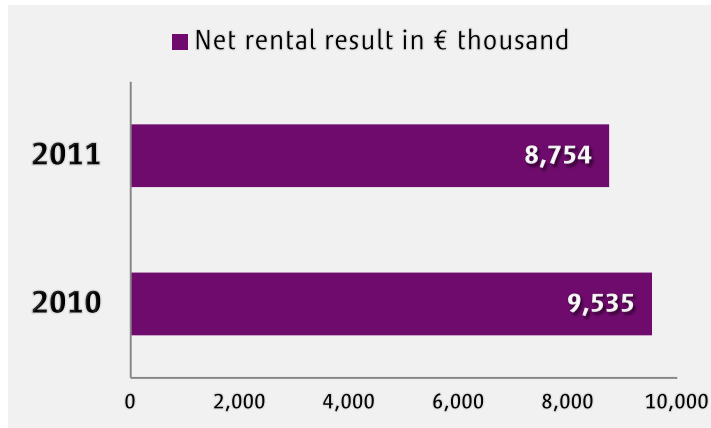


Group financial result 2011



- ▶ **IFRS-net income + 109%:**
2011: + € 4.6 million
2010: + € 2.2 million
- ▶ Property Valuation result with significant improvement
- ▶ **Equity ratio** according to § 15 REITG
increased to 51.0% (December 31, 2010: 49.6%)

Group key financial data 2011 – P&L



German GAAP result 2011



- ▶ **Net income 2011 according to German GAAP** in line with 2010
- ▶ **Property valuation result** with positive impact
- ▶ **Balance sheet net income at € 0.8 million**
- ▶ **Dividend payment of € 0.08** per share
- ▶ **Dividend ratio:** 98% of net income

Group balance sheet figures - Assets



► Total assets

12/2011: - 2%

► Non-current assets

12/2010: 91%

12/2011: 94%

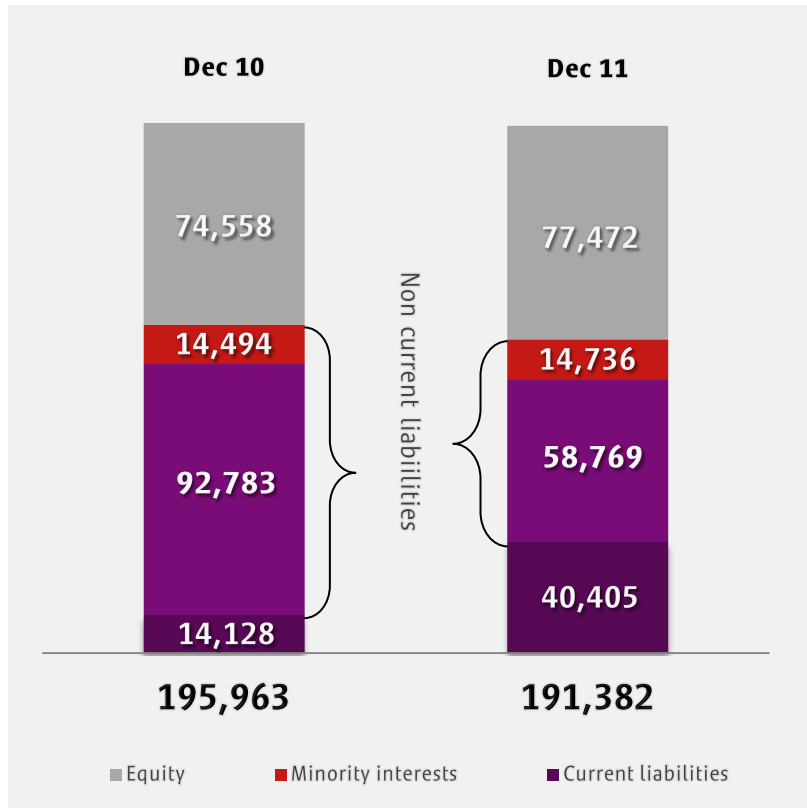
► Cash and cash equivalents

12/2010: € 12.0 million

12/2011: € 7.7 million (- 36%)

- Dividend payment in 2011 € 0.9 mn
- Extraordinary debt repayments > € 3 mn

Group balance sheet figures – Equity/Liabilities



► Financial liabilities

12/2010: € 99.1 mn

12/2011: € 91.0 mn (- 8%)

► Balance sheet equity ratio

12/2010: 38.0%

12/2011: 40.5%

► Equity ratio according to § 15 REITG*

12/2010: 49.6%

09/2011: 51.0%

* (equity + minority interests) /
immovable assets

Group financial figures H1 2012



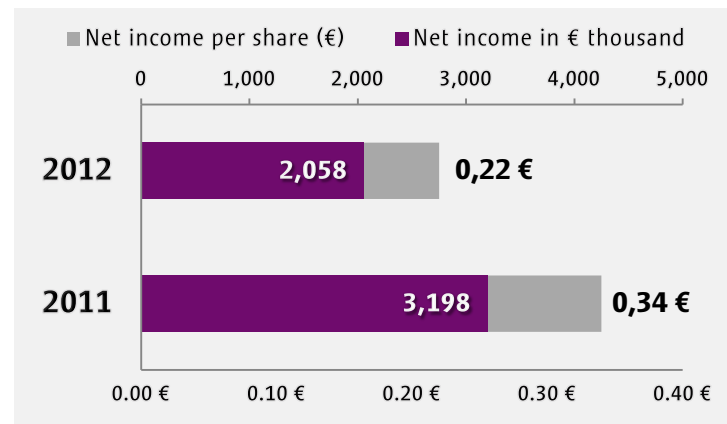
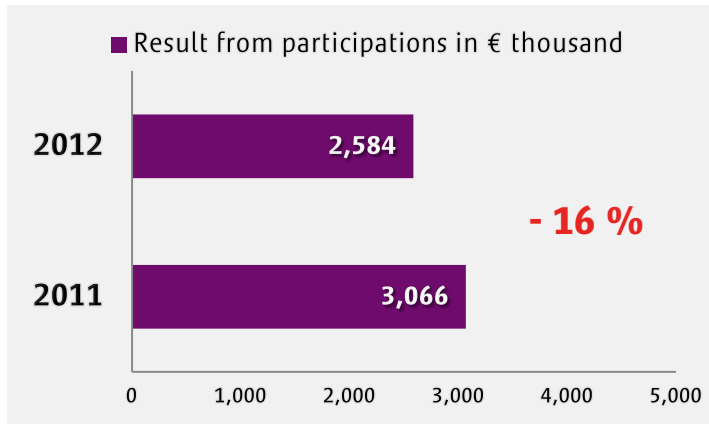
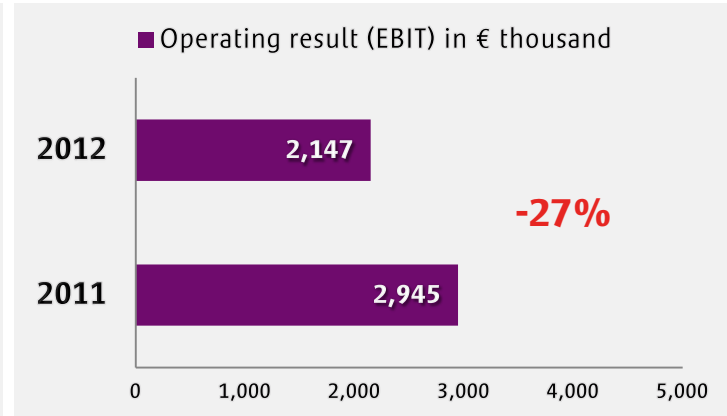
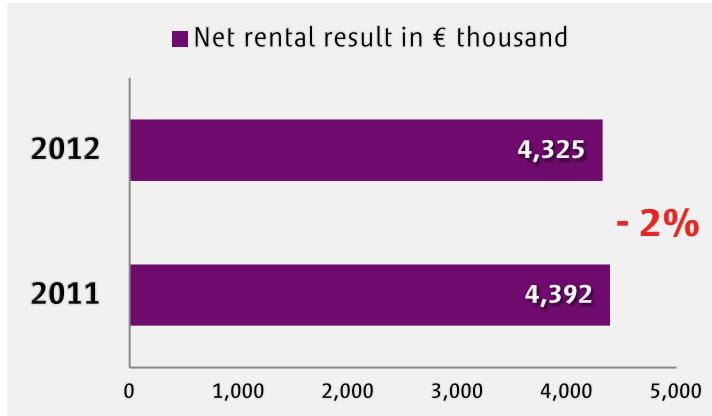
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Group financial figures H1 2012

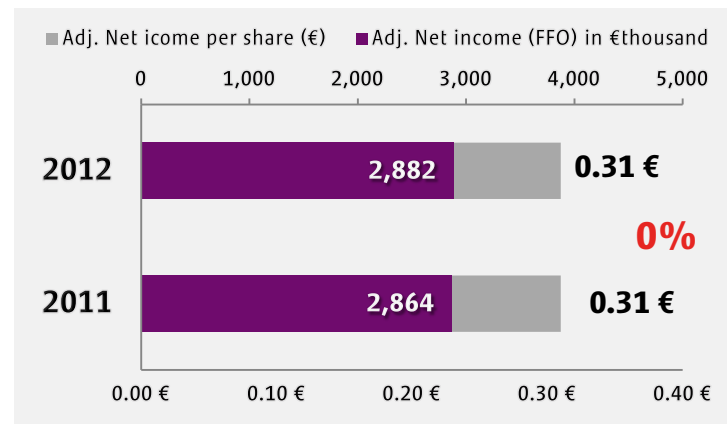
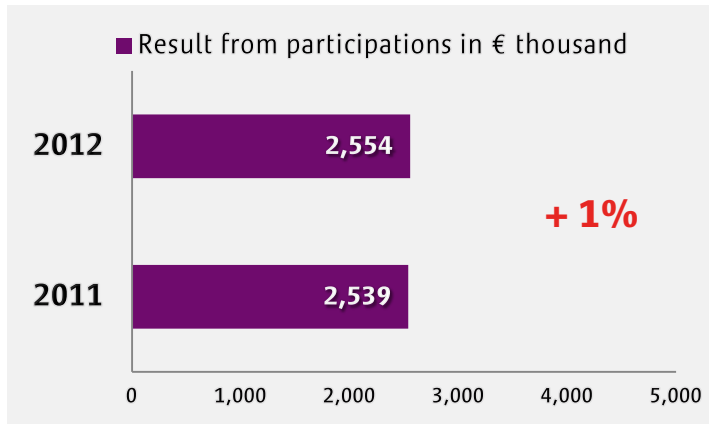
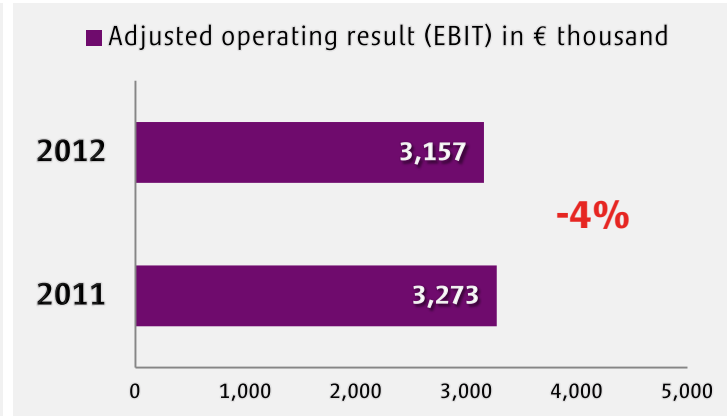
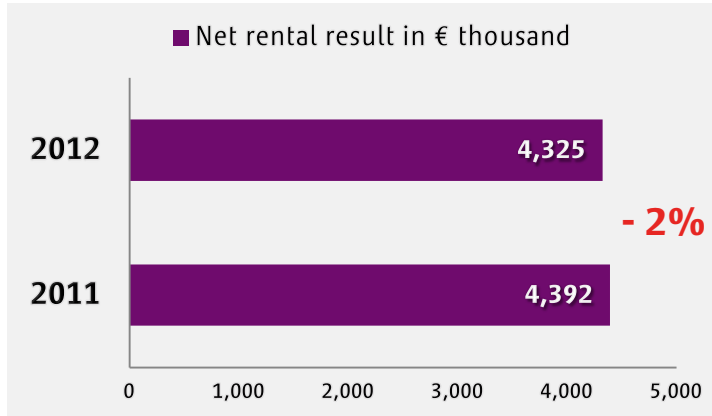


- ▶ **IFRS-Net income:**
H1/2012: + € 2.1 million
H1/2011: + € 3.2 million
- ▶ Higher positive valuation result on interest rate derivatives in 2011 (66% of decline)
- ▶ Renovation costs and valuation losses (34% of decline)
- ▶ **EPRA result (FFO):**
H1/2012: + € 2.9 million
H1/2011: + € 2.9 million
- ▶ **Equity ratio** according to § 15 REITG **increased to 52.2%** (December 31, 2011: 51.0%)

Group key financial data H1 2012 – P&L



Adjusted net income (EPRA-result/FFO) H1 2012



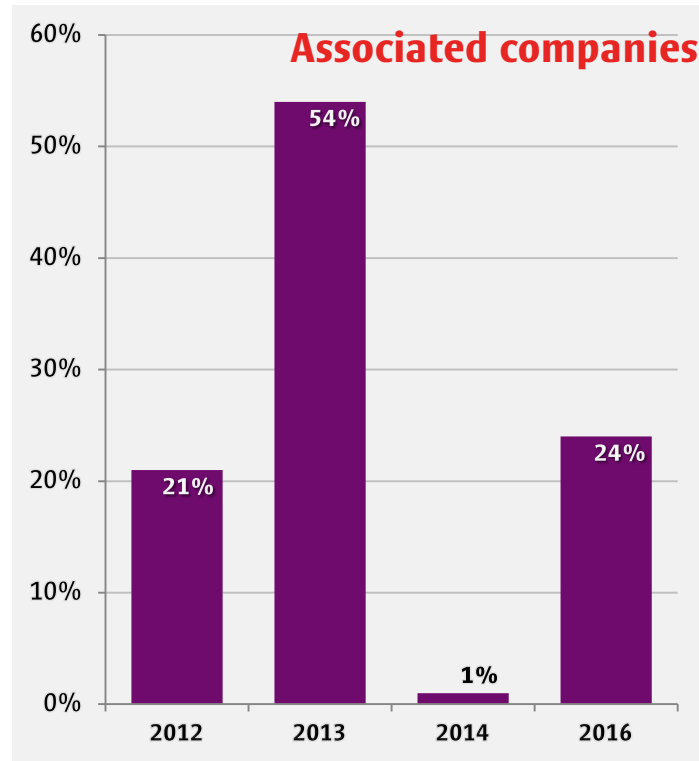
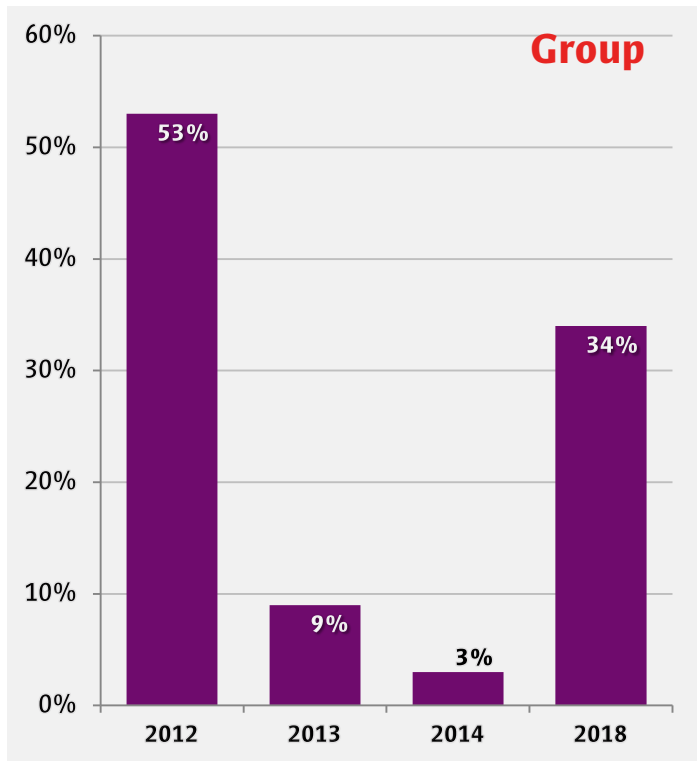
Earnings outlook 2012 - 2016



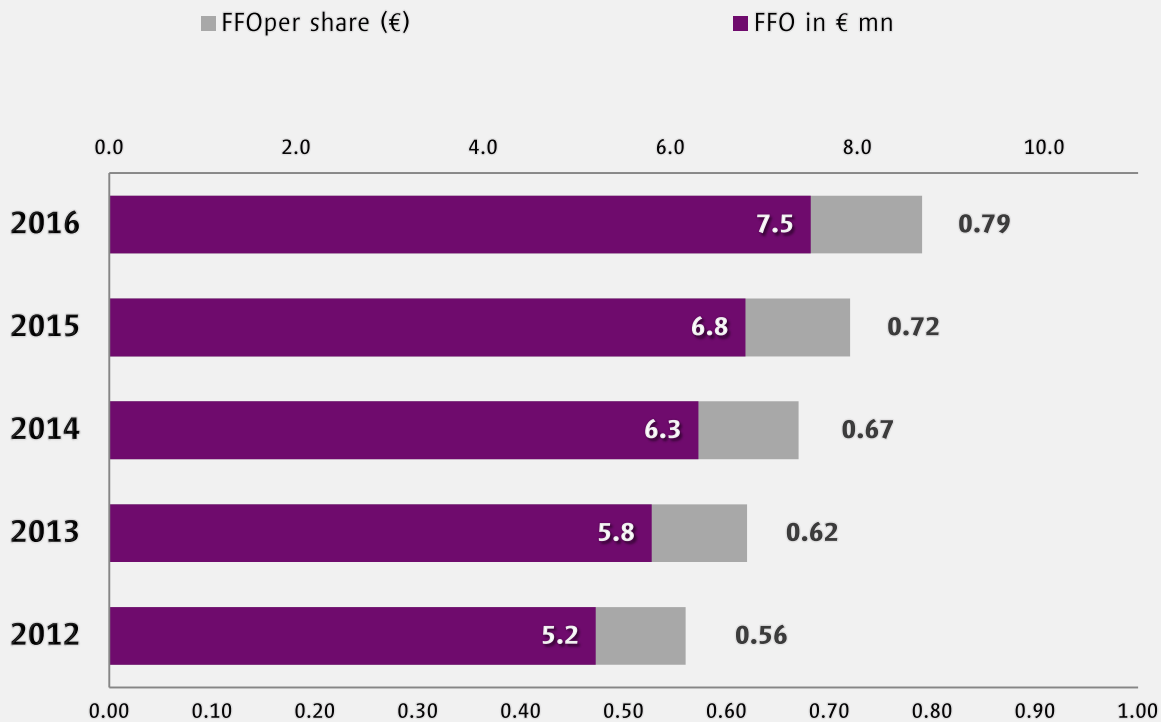
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Savings potential for financial result

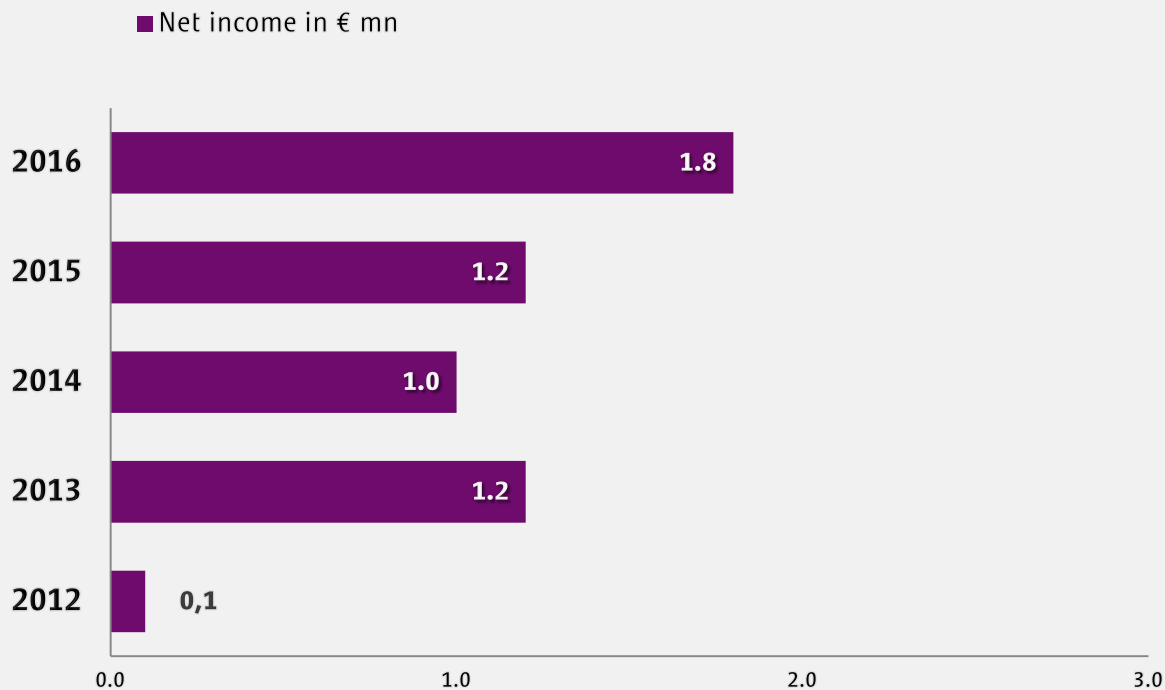
MATURITIES OF FINANCIAL LIABILITIES



FFO-outlook 2012-2016



Outlook German GAAP results 2012 - 2016



Goals and Strategy



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Group - NAV per share

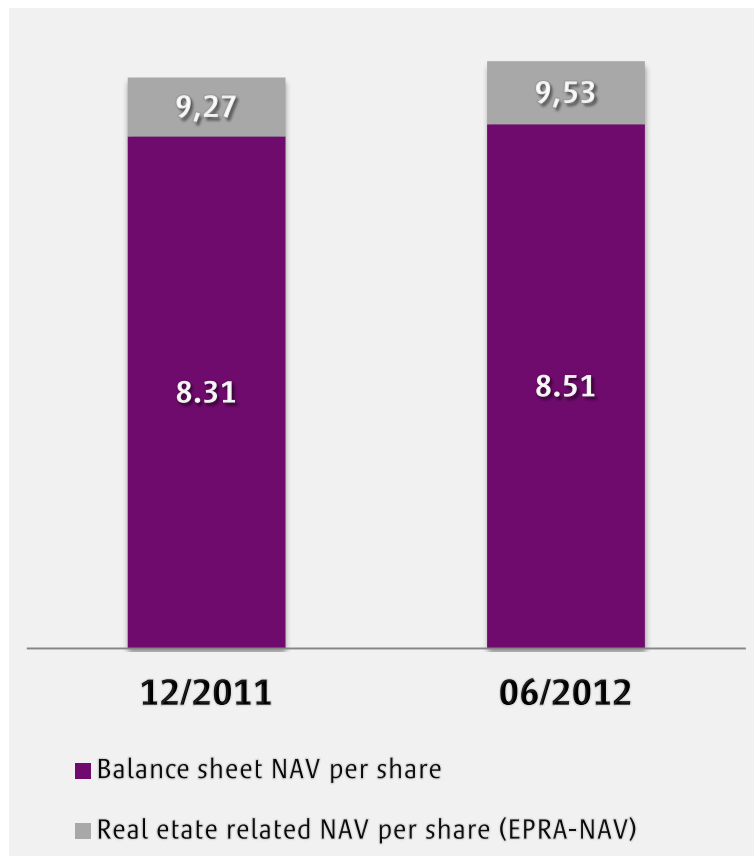
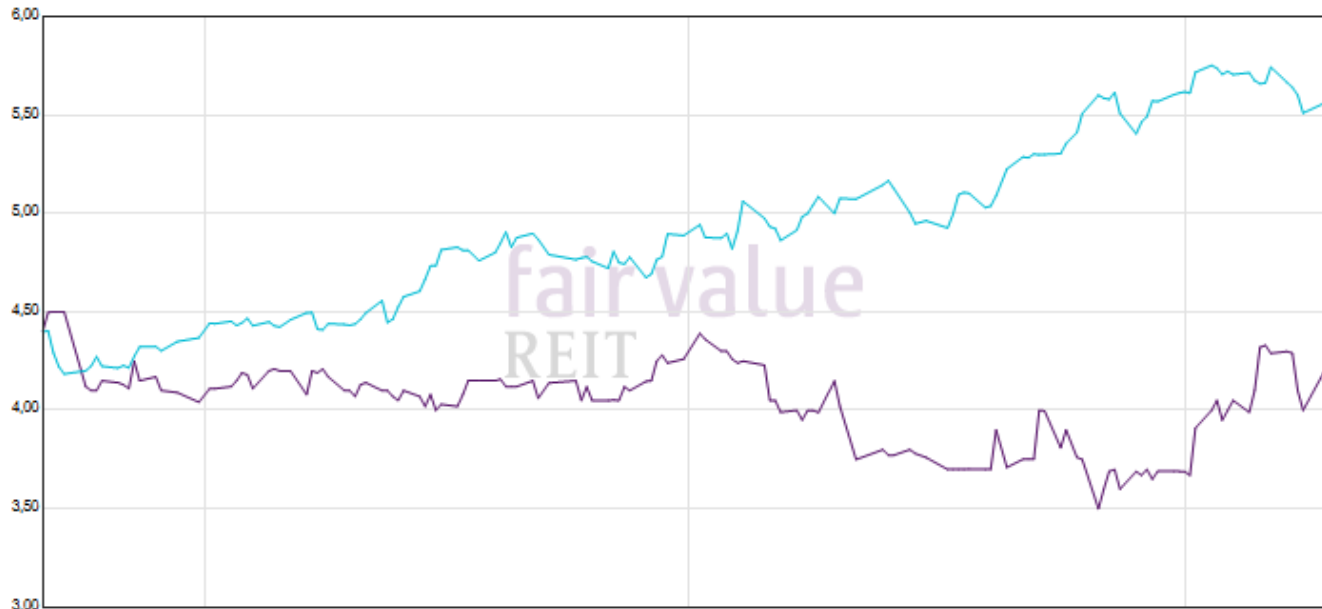


Chart Fair Value ./. Dax subsector Real Estate

PERIOD JAN 1, 2012 – AUGUST 31, 2012

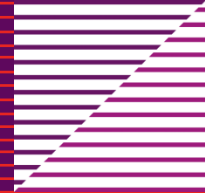


- **SOLID OPERATIVE BASE**
- **GOOD PERSPEKTIVES FOR NET INCOME**
- **OPPORTUNITY: DISCOUNT TO NAV >50%**

Goals and Strategy – enhance dividend potential



- ▶ **Improve overhead cost ratio** in participations
- ▶ **Improve financial result** based on loan maturities facing all time low interest rates
- ▶ **Sell selective (smaller) properties**
- ▶ **Further improve equity ratio**
- ▶ **Increase equity base** and generate growth related economies of scale
- ▶ **Reduce complexity of group balance sheet structure** in favour of direct investments (includes liquidation of partnerships) and majority interests

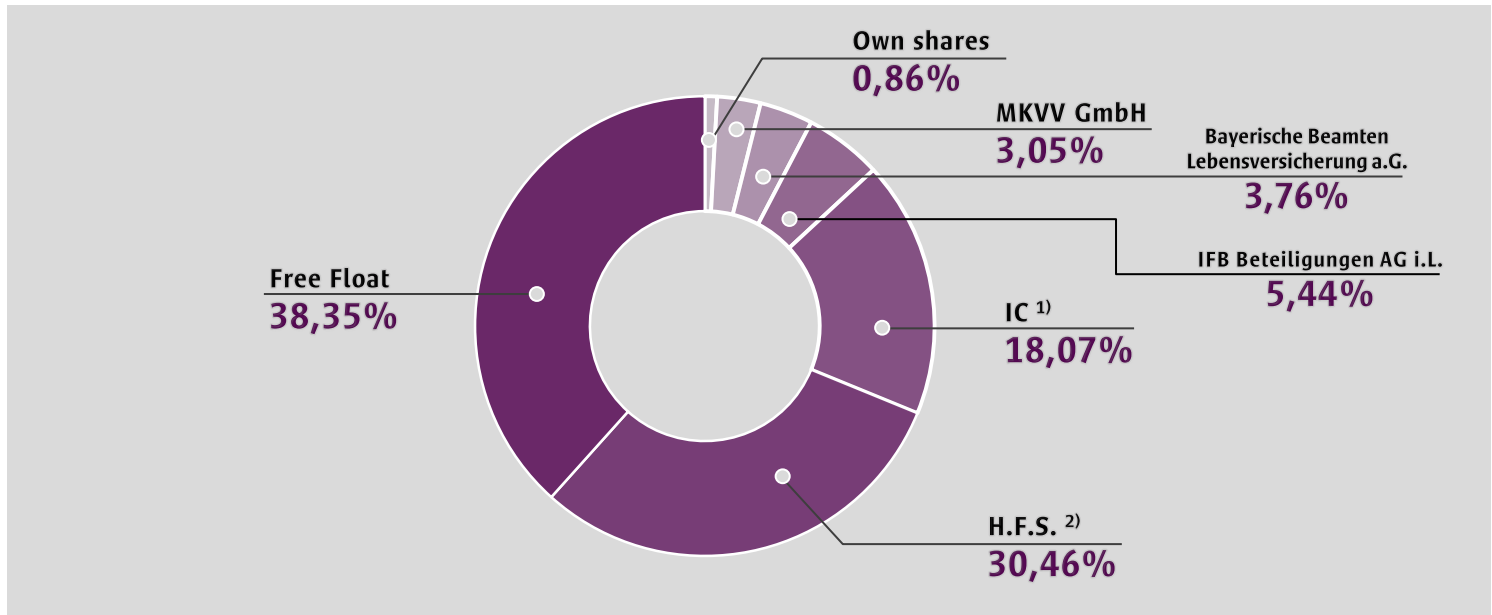


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Annex - Shareholder structure



¹⁾ IC Immobilien Holding AG 9,39 %, IC Immobilien Service GmbH 6,34%, IC Fonds GmbH 2,34%

²⁾ H.F.S. Zweitmarkt Invest 2 GmbH & Co. KG 8,13%, H.F.S. Zweitmarkt Invest 5 GmbH & Co. KG 7,44%,
H.F.S. Zweitmarkt Invest 4 GmbH & Co. KG 7,44%, H.F.S. Zweitmarkt Invest 3 GmbH & Co. KG 7,44%,

Annex - Key data

Sector	Real estate (REIT)
WKN (German Securities Code) / ISIN:	A0MW97 / DE000A0MW975
Bloomberg	FVI:GR
Reuters	FVIG.DE
Share capital	€ 47,034,410.00
Number of shares (no-par value bearer shares)	9,406,882
Proportion per share in the share capital	€ 5.00
Authorized capital	n/a
Initial listing	November 16, 2007
High / low H1 2012	€ 4.50 / € 3.70 (XETRA)
Market capitalization on June 30, 2012	€ 34,9 million (XETRA)
Market segment	Prime Standard
Stock exchanges	Prime Standard: Frankfurt, XETRA OTC: Stuttgart, Berlin-Bremen, Dusseldorf, Munich
Designated Sponsor	Close Brothers Seydler
Indices	RX REIT All Shares-Index, RX REIT-Index

Annex - Management

MANAGEMENT BOARD



Frank Schaich
CEO

Frank Schaich

- ▶ International real estate experience since 1983 (Germany, Canada, USA, Poland, the Netherlands)
- ▶ 1988 to 2007 in executive positions at IC Real Estate Group
- ▶ CEO of Fair Value since September 17, 2007

- ▶ **Tried-and-tested international experience and expertise in all areas of the real estate business**