

Further information on the possible merger of Fair Value REIT-AG with DEMIRE Deutsche Mittelstand Real Estate AG

Munich, 06 August 2015 – On 31 July 2015, DEMIRE Deutsche Mittelstand Real Estate AG (“DEMIRE”) announced its intention to submit a voluntary public takeover offer to the shareholders of Fair Value REIT-AG (“Fair Value”). For the purpose of the merger, Fair Value and DEMIRE have signed a business combination agreement (BCA). The merger pursues the target to build the leading commercial player in German secondary locations.

From the perspective of both companies, the essential and value creating aspects of the merger are:

- Creating a leading € 1.0 billion commercial real estate player in Germany focused on secondary locations
- Levering integrated asset- and portfolio management towards combined economies of scale and portfolio optimisation
- Combining Strong real estate sourcing networks and demonstrable integration track-record
- Defensive long-leased portfolio and strong tenant structure supportive of additional debt funding costs reduction
- Strengthening balance sheet profile supported by expected delivering trajectory towards an LTV of 50-60%
- Increasing capital markets presence and improved access to financing markets
- Implementation of “Prime-Standard” adequate corporate governance structures into combined company

The management board of Fair Value welcomes the opportunity to take the next growth step with the collaboration of DEMIRE and appreciates to build the leading commercial player in German secondary locations.

A presentation on the possible merger of Fair Value and DEMIRE has been published on the Fair Value website under Investor Relations, Presentations (www.fvreit.de/investor-relations/).

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Company profile

Fair Value REIT-AG, based in Munich, focuses on the acquisition, leasing, property management and sale of commercial properties in Germany. At the core of its investment activities are retail and office properties in German secondary locations as well as property participations with a unique focus on closed end funds.

As of 30 June 2015, Fair Value's total portfolio of 44 properties amounted to around EUR 306 million. This portfolio had an occupancy rate of 91.8% of potential rent on full occupancy of EUR 27.6 million per year. As of 30 June 2015 the weighted remaining term of the leases was 4.7 years. Around 57% of the potential rent relates to retail space, 33% to office space and 10% to other types of use.