

Ad hoc notification



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Ad hoc notification pursuant to Section 15 of the German Securities Trading Act (published on April 17, 2015)

Fair Value REIT-AG
Leopoldstraße 244
80807 Munich
Germany
WKN: A0MW97
ISIN: DE000A0MW975

Fair Value REIT-AG resolves capital increase with subscription rights

Munich, April 17, 2015 – With the approval of the company's Supervisory Board, the Management Board of Fair Value REIT-AG has resolved to increase the company's share capital by up to EUR 9,406,822.00 against capital contribution in cash using the entire Authorised Capital 2014, with shareholder subscription rights. The 81,310 treasury shares held by the company are excluded from the subscription rights. Up to 4,703,441 new no-par value bearer shares, each with a notional value of EUR 2.00 and full dividend entitlement as from January 1, 2015, (the "**New Shares**") are to be issued and offered as part of a public offering in Germany and Luxembourg to the shareholders for subscription within the subscription period and to investors.

The company has prepared a securities prospectus for this purpose, which was approved today by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*).

In order to achieve a subscription ratio of 2:1 (i.e. two existing shares confer subscription entitlement to one New Share from the capital increase), the subscription rights for 40,655 New Shares were excluded. As part of the public offer, the 4,662,786 New Shares (the

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"**Subscription Shares**") will therefore be subscribed for by ODDO SEYDLER BANK AG, which will act as Global Coordinator and Book Runner for the capital increase, and offered to the shareholders by way of indirect subscription rights. This process will be based on a subscription offer at a subscription price still to be determined within a price range of EUR 7.80 and EUR 8.00. This subscription offer is scheduled for publication in the Federal Gazette on April 20, 2015. The subscription period is expected to commence on April 21, 2015 and end on May 5, 2015 (4 p.m. CEST). The admission of the New Shares to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) has been scheduled for May 7, 2015, and inclusion of the New Shares for trading for May 8, 2015.

In addition to the Subscription Offer, ODDO SEYDLER BANK AG will offer the New Shares by way of public offering in Germany and Luxembourg as well as to selected investors outside the USA in accordance with Regulation S of the U.S. Securities Act and outside Canada, Japan and Australia for purchase in the context of a private placement subject to claw-back and in a book building procedure with a price range of EUR 7.80 to EUR 8.00 for each New Share (the "**Private Placement**"). The offer period for the Private Placement is scheduled to run from April 21, 2015 (inclusive) until April 29, 2015 (9 a.m. CEST). After the Private Placement has been completed, the subscription price for the Subscription Shares and the 40,655 New Shares will be determined on the basis of the book building procedure presumably on April 29, 2015, and published by way of another ad-hoc notification.

In addition, it is intended to offer the New Shares which remain unsubscribed in the public offer including the subscription offer and the Private Placement after expiry of the subscription period to selected investors outside the USA in accordance with Regulation S of the U.S. Securities Act as well as outside Canada, Japan and Australia in another private placement.

The company intends to use the net issue proceeds from the capital increase primarily to finance direct and indirect investments in commercial real estate. In the process, up to 90% of the overall net proceeds are to be used to finance the acquisition of real estate (direct investments) from subsidiaries and third parties, and up to 10 % of the overall net proceeds to finance the acquisition of further participations in subsidiaries from minority shareholders as well as for general corporate purposes.

- End of the notification -

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This document does not constitute an offer to sell, or the solicitation of an offer to purchase, shares of Fair Value REIT-AG. This document is not a securities prospectus and investors should not purchase any securities mentioned in this document except on the basis of the securities prospectus (“Securities Prospectus”) which has been published on 17 April 2015 (after approval by the Bundesanstalt für Finanzdienstleistungsaufsicht and notification to the Luxembourg financial supervisory authority Commission de Surveillance du Secteur Financier) in connection with the public offer of shares in Fair Value REIT-AG in Germany and Luxembourg by Fair Value REIT-AG.

The Securities Prospectus is published on the Company’s website at <http://www.fvreit.de/en/investor-relations.html>.

The Securities Prospectus is available free of charge during regular business hours at Fair Value REIT-AG’s offices, located at Leopoldstraße 244, 80807 Munich, Germany.

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