

Fair Value REIT-AG enjoys successful start to 2016

- FFO before non-controlling interests comes to EUR 2.5 million in Q1 2016 (previous year: EUR 2.1 million)
- Net asset value per share increases to EUR 8.42 as of 31 March 2016 (31 December 2015: EUR 8.36)
- REIT equity ratio increases to 62.5% (31 December 2015: 59.6%)

Munich, 10 May 2016 – Fair Value REIT-AG (ISIN DE000A0MW975) has had a successful start to fiscal year 2016, increasing its operating business result (FFO (funds from operations)) significantly in the first quarter of 2016.

Group net profit adjusted for measurement, disposal and other special effects (FFO) amounted to EUR 2.5 million before non-controlling interests. This was EUR 0.4 million or 19% above the previous-year figure of EUR 2.1 million.

After deducting the profit/loss attributable to non-controlling interests, the FFO for the shareholders of Fair Value REIT-AG amounted to EUR 1.6 million, an increase of more than 50% compared to the previous-year figure of EUR 1.0 million. The higher percentage rise in FFO after non-controlling interests compared to the increase in FFO before non-controlling interests is mainly due to the acquisition of non-controlling interests as well as to the direct purchase of properties previously held indirectly in the previous year.

At EUR 5.6 million overall, the Group's rental income in the first three months of 2016 was at the previous-year level. At EUR 3.7 million, net rental income was down by 7% on the comparative quarter (EUR 3.9 million) on account of the increase in property-related expenses. Adjusted for value-enhancing measures of EUR 0.5 million, net rental income came to EUR 4.2 million in the first quarter of 2016, up 8% on the previous-year figure.

At EUR 0.6 million, general administrative expenses were down considerably compared to EUR 0.8 million in the previous year. At an expense of EUR 0.2 million, the balance of other income and expenses as well as of disposal and measurement gains and losses was down by EUR 2.1 million on the previous-year income of EUR 1.9 million. The high previous-year balance was due to non-cash special effects following favourable acquisitions of investments and land.

Owing to these previous-year special effects the operating result (EBIT) amounted to EUR 2.8 million, thus falling EUR 2.2 million short of the EBIT generated in the first quarter of 2015. Net interest expense increased to EUR 1.3 million compared to EUR 1.1 million in the previous year; this contains a premium for the premature repayment of the convertible bond of EUR 0.3 million made in February 2016 as a non-recurring effect.

In the first quarter of 2016, Fair Value REIT-AG generated an IFRS group net profit of EUR 0.9 million, which was down by around EUR 2.0 million on the previous-year figure of EUR 2.9 million.

As of the reporting date, group equity amounted to EUR 118.1 million following EUR 117.3 million as of 31 December 2015. The net asset value (NAV) for each share outstanding thus increased from EUR 8.36 to EUR 8.42. The REIT equity ratio in proportion to immovable assets increased from 59.6% as of the end of the previous year to 62.5% on 31 March 2016.

Frank Schaich, CEO of Fair Value REIT-AG, commented on the development of business during the first quarter: “The results for the first three months of 2016 confirm our planning and thus provide a sound foundation for our continued positive business development in 2016. The fact that the Group’s equity backing increased once again will help us make attractive purchases. It also allows us to continue to reduce non-controlling interests in order to further expand the group net profit attributable to Fair Value’s shareholders in a way that makes strategic sense and adds value.”

The quarterly statement for the first quarter of 2016 is also available for download at www.fvreit.de in the Financial Reports section.

Selected key financials of Fair Value REIT-AG (Q1 2016)

Consolidated statement of income (EUR thousand/EUR)	1/1 – 31/3/2016	1/1 – 31/3/2015
Rental income	5,571	5,590
Net rental income	3,650	3,917
EBIT	2,817	5,016
Profit/loss before non-controlling interests	1,533	3,902
IFRS group net profit	887	2,863
IFRS earnings per share *	EUR 0.06	EUR 0.31
EPRA result/FFO before non-controlling interests	2,501	2,087
EPRA result/FFO of Fair Value’s shareholders	1,570	1,024
FFO per share *	EUR 0.11	EUR 0.11
Consolidated statement of financial position	31/3/2016	31/12/2015
Equity in the consolidated statement of financial position (NAV)	118,075	117,278
NAV per share in the consolidated statement of financial position *	EUR 8.42	EUR 8.36
EPRA-NAV per share *	EUR 8.42	EUR 8.36
Immovable assets	287,759	299,544
Equity pursuant to Sec. 15 REITG	179,901	178,438
Equity ratio pursuant to Sec. 15 REITG	62.5%	59.6%
Net financial liabilities	116,079	128,085
% of immovable assets (LTV)	40.3	42.8

* Number of shares outstanding 14,029,013 (31 March 2016) / 9,325,572 (31 March 2015)

Contact

Fair Value REIT-AG
Frank Schaich
Tel. 089-9292815-10
Fax 089-9292815-15
E-mail: schaich@fvreit.de

Company profile

Fair Value REIT-AG, based in Munich, focuses on retail and office properties in German secondary locations as well as on real estate holdings with a special emphasis on closed end funds.

As of 31 March 2016, the overall portfolio represented 38 properties with a market value of around EUR 288 million. The portfolio recorded an occupancy rate of 88.5% and a rental income of 25.1 Mio. EUR p.a. that point in time. As of 31 March 2016 the rental income had a weighted residual term of 5 years. Around 57% of potential rents relate to retail space, 35% to office space and 8% to other space.