

Fair Value REIT-AG reports significant increase in FFO in the first six months of 2016

- FFO after non-controlling interests at EUR 3.1 million in H1 2016 (previous year: EUR 2.1 million)
- Net asset value per share increases to EUR 8.54 as of 30 June 2016 (31 December 2015: EUR 8.36)
- REIT equity ratio increases to 62.8% (31 December 2015: 59.6%)
- Annual guidance for 2016 confirmed

Munich, 31 August 2016 - In the first six months of 2016, Fair Value REIT-AG (ISIN DE000A0MW975) successfully further optimised its portfolio, generating a significant increase in the operating business result (FFO) compared to the first half of the previous year.

Funds from operations (FFO) adjusted for measurement and special effects amounted to EUR 5.0 million before non-controlling interests, up EUR 0.9 million or 23% on the FFO of the previous year of EUR 4.1 million

After deducting the profit/loss attributable to non-controlling interests, the FFO for the shareholders of Fair Value REIT-AG came to EUR 3.1 million, an increase of more than EUR 1.0 million compared to the previous-year figure of EUR 2.1 million. Related to the higher number of shares outstanding compared to the previous year, FFO increased by 10% to EUR 0.22 per share in the first six months of 2016 compared to EUR 0.20 per share in the previous-year period.

Despite sales of properties that did not belong to the core portfolio in the meantime, rental income increased by 3% to EUR 11.4 million from EUR 11.1 million in the comparative previous-year period. The ratio of FFO to rental income has thus improved further to 44% compared to 37% in the first half of the previous year.

At EUR 8.0 million, net rental income was down by EUR 0.3 million or 4% on the previous year (EUR 8.3 million) on account of higher non-recoverable service charge expenses as well as higher other property-related expenses.

At EUR 1.2 million, general administrative expenses were down considerably in the first six months of 2016 compared to EUR 1.8 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 4.2 million on the previous-year income of EUR 4.0 million. The high level of previous-year income was due to non-cash effects on income following acquisitions of investments and land.

Due to the decrease in such special effects in the current fiscal year, EBIT came to EUR 6.6 million in the reporting period, down on the previous-year result of EUR 10.5 million. Net interest expense decreased by EUR 0.2 million to EUR 2.1 million in the reporting period compared to the previous-year period; however, this contains a non-recurring expense for the premature repayment of the convertible bond of EUR 0.3 million made in February 2016.

In light of this, Fair Value REIT-AG generated an IFRS group net profit of EUR 2.7 million in the first six months of 2016, which was down by around EUR 3.6 million on the previous-year figure of EUR 6.3 million.

As of the reporting date, group equity amounted to EUR 119.9 million following EUR 117.3 million as of 31 December 2015. The net asset value for each share outstanding thus increased from EUR 8.36 to

EUR 8.54. The REIT equity ratio in proportion to immovable assets increased from 59.6% as of the end of the previous year to 62.8% on 30 June 2016.

Frank Schaich, CEO of Fair Value REIT-AG, commented on the development of business during the first half of 2016: "Based on the strong result of the first half of 2016, we can confirm our guidance for the whole of 2016. We therefore still expect an FFO per share outstanding in a range of EUR 0.44 to EUR 0.46. The fact that the Group's equity backing increased will help us make attractive purchases. It also allows us to continue to reduce non-controlling interests in order to improve the group net profit attributable to Fair Value's shareholders in a way that makes strategic sense and adds value."

The semi-annual report 2016 is available for download at www.fvreit.de in the Financial Reports section.

Selected key financials of Fair Value REIT-AG (H1 2016)

Consolidated statement of income (EUR thousand/EUR)	1/1– 30/6/2016	1/1– 30/6/2015
Rental income	11,369	11,055
Net rental income	7,982	8,313
Earnings before interest and taxes (EBIT)	6,615	10,491
Profit/loss before non-controlling interests	4,485	8,129
IFRS group net profit	2,666	6,271
IFRS earnings per share basic/diluted *	EUR 0.19 / 0.19	EUR 0.59 / 0.54
EPRA result/FFO before non-controlling interests	5,001	4,053
EPRA result/FFO of Fair Value's shareholders	3,083	2,106
FFO per share basic/diluted*	EUR 0.22 / 0.22	EUR 0.20 / 0.18
Consolidated statement of financial position (EUR thousand/EUR)	30/6/2016	31/12/2015
Equity in the consolidated statement of financial position (NAV)	119,854	117,278
NAV per share in the consolidated statement of financial position *	EUR 8.54	EUR 8.36
EPRA-NAV per share *	EUR 8.54	EUR 8.36
Immovable assets	290,131	299,544
Equity pursuant to Sec. 15 REITG	182,223	178,438
Equity ratio pursuant to Sec. 15 REITG	62.8%	59.6 %
Net financial liabilities	118,919	128,085
% of immovable assets (LTV)	41.0	42.8

* Weighted number of shares outstanding: 14,029,313 shares basic/diluted (30 June 2016) or 10,703,823 (basic) / 11,578,308 shares (diluted) (30 June 2015)

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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 30 June 2016, the overall portfolio represented 37 properties with a market value of around EUR 290 million. At that date, the portfolio recorded an occupancy rate of 88.5% of the rental income of the potential rents of EUR 25.1 million p.a. achievable in the case of full occupancy. On 30 June 2016, the rent agreements had a weighted residual term of 4.9 years. Around 58% of potential rents relate to retail space, 35% to office space and 7% to other space.