

Fair Value REIT-AG reports significant profit increase in the first quarter of 2017

- EBIT increases to EUR 3.5 million (previous year: EUR 2.8 million)
- Group net profit increases to EUR 1.7 million in the first quarter (previous year: EUR 0.9 million)
- FFO increases to EUR 1.8 million (previous year: EUR 1.6 million)
- Portfolio continues to develop positively
- Forecast and dividend target confirmed for the full year

Graefelfing, 11 May 2017 – In the first quarter of 2017, Fair Value REIT-AG (WKN A0MW97) recorded a successful business development as well as significant increases in all relevant earnings indicators. In light of this and the positive development of the real estate portfolio, the forecast for the full year and the dividend target are confirmed for 2017.

At EUR 3.5 million, the operating result (EBIT) in the first quarter of 2017 was up significantly on the previous-year figure of EUR 2.8 million. This was primarily due to the increase in net rental income within the Group from EUR 3.7 million to EUR 4.3 million. Group net profit improved from EUR 0.9 million to EUR 1.7 million and funds from operations (FFO) increased from EUR 1.6 million to EUR 1.8 million. This corresponds to FFO per share in the first quarter of 2017 of EUR 0.13 compared to EUR 0.11 in the previous-year period.

The basis for the successful business development is the sound, directly and indirectly held real estate portfolio currently comprising 32 properties with a market value of around EUR 289 million, which Fair Value REIT-AG is constantly working on as part of an active asset management. At 5.1 years, the weighted average lease term (WALT) remained more or less unchanged as of 31 March 2017 compared to 31 December 2016. The occupancy rate increased slightly to 91.0% as of the reporting date or to 91.7% if the lease agreements already entered into for vacant space that is soon to be handed over to tenants are taken into account.

Equity in the Fair Value Group of EUR 120.6 million as of 31 December 2016 increased to around EUR 122.3 million as of 31 March 2017, while the net asset value (NAV) per share increased in the same period from EUR 8.60 to EUR 8.71. The REIT equity ratio rose from 62.7% to 63.4% of immovable assets.

For the full year 2017, Fair Value REIT-AG fully reaffirms its forecast and expects funds from operations (FFO) before non-controlling interests to range between EUR 9.6 million and EUR 10.2 million and after non-controlling interests to range between EUR 6.1 million and EUR 6.4 million. This figure corresponds to between EUR 0.43 and EUR 0.46 per share. The announced dividend target of EUR 0.25 per share for the fiscal year 2017 is also confirmed.

Patrick Kaiser, sole Management Board member of Fair Value REIT-AG, commented on the development of business for the first quarter: “The first quarter of 2017 has been exceptionally successful for our Company. This is manifested in the rising profits and a higher NAV as well as the pleasing development of our portfolio. I am extremely optimistic for the rest of the year and expect us to comfortably reach all our targets. The first quarter of 2017 has already taken us a good step nearer to our goal.”

The detailed quarterly statement for the first quarter of 2017 is available at www.fvreit.de in the Financial Reports section.

Selected key financials of Fair Value REIT-AG

EUR million	1/1 – 31/3/2017	1/1 – 31/3/2016
Rental income	5.5	5.6
Net rental income	4.3	3.7
Operating result (EBIT)	3.5	2.8
IFRS group net profit	1.7	0.9
IFRS earnings per share	EUR 0.12	EUR 0.06
EPRA result/FFO	1.8	1.6
FFO per share	EUR 0.13	EUR 0.11
	31/3/2017	31/12/2016
NAV in the consolidated statement of financial position	122.3	120.6
NAV per share in the consolidated statement of financial position	EUR 8.71	EUR 8.60
EPRA-NAV per share	EUR 8.71	EUR 8.60
Equity ratio pursuant to Sec. 15 REITG	63.4%	62.7%

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Company profile

Fair Value REIT-AG, with its registered offices in Graefelfing in the Munich district, concentrates its activities on acquiring, leasing, holding portfolios in and selling commercial property in Germany. The primary focus of investing activities is currently placed on retail and office properties in regional centres in Germany.