

Fair Value REIT-AG continues its successful development in the first nine months of 2017

- EBIT increases by around 41% on the previous-year period to EUR 15.0 million
- Group net profit increases by around 63% to EUR 7.4 million
- FFO increases by around 20% to EUR 5.3 million
- Active asset management ensures consistently good portfolio data
- Annual forecast for 2017 and target dividend confirmed

Graefelfing, 9 November 2017 – Fair Value REIT-AG (WKN A0MW97) continues its successful development. In the first nine months of 2017, all relevant performance indicators saw a considerable increase on the previous-year period. In light of this positive business development, the Management Board reaffirms its annual forecast for 2017. The operating result (EBIT) improved to EUR 15.0 million in the first nine months of 2017 compared to EUR 10.6 million in the previous-year period. Group net profit also increased significantly from EUR 4.5 million to EUR 7.4 million and funds from operations (FFO) after non-controlling interests increased from EUR 4.4 million to EUR 5.3 million. In the first nine months of 2017, this corresponded to FFO per share of EUR 0.38 compared to EUR 0.31 in the previous-year period.

As a result of active asset management, the relevant key indicators of the real estate portfolio remained at a consistently high level in the reporting period. Rental income generated from the real estate portfolio, which currently comprises 31 properties with a total market value of EUR 296 million, amounted to EUR 17.0 million, which was more or less at the previous-year level of EUR 17.1 million despite sales of properties. Net rental income increased from EUR 11.6 million to EUR 12.6 million. The main factors driving this increase were the reduction in vacancies, higher service charge income as well as lower property-related expenses. At EUR 22.2 million as of 30 September 2017, annualised contractual rent was also up on the EUR 21.8 million recorded one year previously. At the same time, interest expenses were reduced further in the reporting period to EUR 2.1 million, down significantly on the previous-year figure of EUR 2.9 million.

At 5.2 years, the weighted average lease term (WALT) as of 30 September 2017 remained unchanged compared to year-end 2016, and the occupancy rate also remained at a high level at 90.6%. The occupancy rate stands at 91.8% if the lease agreements already entered into for vacant space that is shortly to be handed over to tenants are taken into account.

Due to the dividend paid out in June 2017, which at EUR 5.6 million was up significantly on the previous-year distribution of EUR 3.5 million, equity in the Fair Value Group increased to EUR 122.4 million as of 30 September 2017 compared to EUR 120.6 million as of year-end 2016. This results in a net asset value (NAV) per share of EUR 8.72 compared to EUR 8.60 as of year-end 2016. The REIT equity ratio came to 63.0% of immovable assets compared to 62.7% at year-end 2016.

For the fiscal year 2017 as a whole, the Management Board of Fair Value REIT-AG reaffirms its current forecast and, based on the existing portfolio and with an unchanged share of directly owned properties, anticipates FFO before non-controlling interests of between EUR 9.6 million and EUR 10.2 million and after non-controlling interests of between EUR 6.1 million and EUR 6.4 million. This figure corresponds to between EUR 0.43 and EUR 0.46 per share. A dividend of EUR 0.25 per share is being targeted for the current year.

Patrick Kaiser, CEO of Fair Value REIT-AG: “I am extremely satisfied with the business performance in the first nine months of 2017. We have worked actively with our portfolio, and this is reflected in the consistently good performance indicators. We have consistently implemented our business strategy and ongoing planning on a highly efficient basis, thus creating a foundation for further profit increases. On the basis of this successful development, we believe we are firmly on track to fully achieving the annual targets we have set for 2017.”

The quarterly statement is available for download at www.fvreit.de in the Financial Reports section.

Selected key financials of Fair Value REIT-AG

| EUR million | 1/1 – 30/9/2017 | 1/1 – 30/9/2016 |
|---|-----------------|-----------------|
| Rental income | 17.0 | 17.1 |
| Net rental income | 12.6 | 11.6 |
| Operating result (EBIT) | 15.0 | 10.6 |
| IFRS group net profit | 7.4 | 4.5 |
| IFRS earnings per share | EUR 0.53 | EUR 0.32 |
| | | |
| EPRA result/FFO | 5.3 | 4.4 |
| FFO per share | EUR 0.38 | EUR 0.31 |
| | | |
| | 30/9/2017 | 31/12/2016 |
| NAV in the consolidated statement of financial position | 122.4 | 120.6 |
| NAV per share in the consolidated statement of financial position | EUR 8.72 | EUR 8.60 |
| EPRA-NAV per share | EUR 8.72 | EUR 8.60 |
| Equity ratio pursuant to Sec. 15 REITG | 63.0% | 62.7% |

Contact

Fair Value REIT-AG
Tel. 089-9292815-13
Fax. 089-9292815-15
E-mail: info@fvreit.de

Company profile

Fair Value REIT-AG, with its registered offices in Gräfelfing 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.