

Fair Value REIT-AG's business development in 2016 positive

- EBIT up 26% to EUR 15.5 million in 2016 (previous year: EUR 12.3 million)
- Group net profit up 3% to EUR 6.9 million (previous year: EUR 6.6 million)
- Funds from operations (FFO) as forecast at previous-year level of EUR 6.4 million (EUR 0.45/share)
- Proposed dividend for 2016 of EUR 0.40 per share
- Successful lets increase pro forma occupancy rate to 93.2%

Graefelfing, 30 March 2017 – In the past fiscal year 2016, Fair Value REIT-AG (WKN A0MW97) successfully continued with its strategic portfolio streamlining. The sale of seven directly and indirectly held properties that no longer belong to its core portfolio generated income before selling costs of EUR 19.8 million, exceeding carrying amounts by 4% overall.

As a result of successful lets, the occupancy rate of the portfolio increased to 90.6% of potential rents as of 1 January 2017 compared to 88.5% (like-for-like) of potential rents in the previous year. After including, on a pro forma basis, lease agreements already entered into for space still to be handed over, the occupancy rate again stood at 93.2% of potential rents as of 1 January 2017. This had a positive impact on the measurement result from the properties of the portfolio which, with a measurement gain of EUR 1.7 million in the fiscal year 2016, was up considerably on the previous-year figure. In 2015, a measurement loss of EUR 2.8 million had been recorded.

Rental income within the Fair Value Group totalling EUR 22.5 million in 2016 was around 7% short of the previous-year figure of EUR 24.3 million due to sales and vacancies. Net rental income amounted to EUR 16.1 million, down 9% on the previous-year figure of EUR 17.7 million.

At EUR 15.5 million, the operating result (EBIT) of the Fair Value Group in 2016 exceeded the previous-year figure of EUR 12.3 million by 26%. The increase in earnings of EUR 3.3 million resulted from an increase of EUR 2.8 million in the balance of disposal and measurement gains and losses as well as other operating income and expenses in addition to a decrease in general administrative expenses.

At EUR 3.4 million, net interest expenses in 2016 were 19% below the previous-year figure of EUR 4.2 million, largely due to repayments. Deducting the share of profit/loss attributable to non-controlling interests generated a group net profit of EUR 6.9 million compared to EUR 6.6 million in the previous year. This corresponds to a group net profit of EUR 0.49 per share currently outstanding (previous year basic: EUR 0.53).

At EUR 10.4 million, group net profit adjusted for measurement effects and non-recurring effects (EPRA result or FFO = funds from operations) was up slightly in the reporting period compared to the previous-year figure of EUR 10.3 million. After non-controlling interests, FFO amounted to EUR 6.3 million (previous year: EUR 6.4 million). This figure is within the expected range of between EUR 6.2 million and EUR 6.5 million and corresponds to an adjusted group net profit of EUR 0.45 per share currently outstanding.

Group equity attributable to the shareholders of Fair Value REIT-AG as of 31 December 2016 increased by 3% to EUR 120.6 million compared to EUR 117.3 million in the previous year. This

corresponds to a net asset value of EUR 8.60 for each share currently outstanding, compared to EUR 8.36 as of the end of the previous year.

As of the reporting date, the REIT equity ratio increased to 62.7% of property assets (previous year: 59.6%) and was therefore considerably above the legally prescribed 45% minimum. The Group's net debt decreased by 7% to 39.6% of property assets compared to 42.8% in the previous year.

As announced in the ad hoc announcement from 21 February 2017, the Management Board is planning to propose to the Annual General Meeting being held on 2 June 2017 to distribute a dividend of EUR 0.40 per share currently outstanding for the fiscal year 2016 – and thus EUR 0.15 more than the EUR 0.25 per share originally planned for the fiscal year 2016. This is largely attributable to the net income for 2016 pursuant to German GAAP of EUR 6.2 million. The planned distribution of around EUR 5.6 million is around 91.0% of the net income pursuant to German GAAP generated for the year and thus fulfils the requirements of the REIT law.

For the fiscal year 2017, Fair Value REIT-AG expects funds from operations (FFO) before non-controlling interests to range between around 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 corresponds to FFO of between EUR 0.43 and EUR 0.46 per share currently outstanding. The target dividend for 2017 is EUR 0.25 per share for all shares currently outstanding. This corresponds to a distribution rate of 55% to 57% of FFO.

Frank Schaich, CEO of Fair Value REIT-AG, is pleased with the net income for 2016: “On the rental side, we have achieved our goals and our target for the operating business result was also met. The pleasing increase in the planned dividend for 2016 is a direct result of successfully streamlining the portfolio, which had a positive impact on the German GAAP profit due to the increase in investment income.”

The annual report containing the complete consolidated financial statements of Fair Value REIT-AG for fiscal year 2016 and the 2016 separate financial statements prepared in accordance with the requirements of German GAAP can be accessed from today at www.fvreit.de in the Financial Reports section.

Selected key financials of Fair Value REIT-AG

EUR million	2016	2015
Rental income	22.5	24.3
Net rental income	16.1	17.7
Operating result (EBIT)	15.5	12.3
IFRS group net profit	6.9	6.6
IFRS earnings per share ¹⁾	EUR 0.49	EUR 0.53/0.52
EPRA result/FFO	6.3	6.4
FFO per share ¹⁾	EUR 0.45	EUR 0.52/0.51
	31/12/2016	31/12/2015
NAV in the consolidated statement of financial position	EUR 120.6 million	EUR 117.3 million
NAV per share in the consolidated statement of financial position	EUR 8.60	EUR 8.36
EPRA-NAV per share	EUR 8.60	EUR 8.36
Ratio of net financial liabilities (Net-LTV)	39.6%	42.8%
Equity ratio pursuant to Sec. 15 REITG	62.7%	59.6%

¹⁾ Weighted average of shares outstanding in 2016: 14,029,013 (basic/diluted)
 Weighted average number of shares outstanding in 2015: 12,379,587 (basic)/13,265,505 (diluted)

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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.

As of 31 December 2016, the portfolio represented 33 properties (previous year: 40) with an aggregate market value of around EUR 291 million (previous year: EUR 300 million). The portfolio recorded an occupancy rate of 90.6% as of 1 January 2017 (previous year: 89.2%). Lease agreements had a weighted residual term of 5.2 years at that point in time compared to 4.9 years in the previous year. As of 1 January 2017, around 55% of potential rents of EUR 24 million relate to retail space, 37% to office space and 8% to other space.