29.03.2012 – 07:31 Uhr

EANS-News: Fair Value REIT-AG / Fair Value REIT-AG doubles its consolidated net income and forecasts a sustained rise in FFO

----

annual report/annual result

Subtitle: Consolidated net income up 109% year-on-year to EUR 4.6 million (previous year: EUR 2.2 million)
Funds from operations (FFO) recorded at EUR 5.5 million (previous year: EUR 5.8 million)
REIT equity ratio increases to 51.0% (previous year: 49.6%)
Forecast for FFO: +10% p.a. from 2013

München (euro adhoc) - March 29, 2012 - According to its final figures, Fair Value REIT-AG achieved total revenue of EUR 13.3 million for the financial year 2011 (previous year: EUR 14.4 million). Net rental income for the Group came in at EUR 8.8 million (previous year: EUR 9.5 million). The operating result (EBIT) rose by around EUR 3.8 million to EUR 6.7 million and was therefore around 130% up on the previous year figure of EUR 2.9 million. This rise in earnings is attributable to the considerably improved valuation result year-on-year for the Group's real estate portfolio.

Income from participations at associated companies came in at EUR 3.3 million, around EUR 0.6 million down on the previous year figure of EUR 3.9 million. This was due to the valuation loss on the real estate at these companies, which came on the back of write-downs on some buildings with soon-to-expire lease agreements.

During the reporting period, the company was able to substantially boost its consolidated net income by 109% to EUR 4.6 million (previous year: EUR 2.2 million). Earnings per share were up EUR 0.25 per share to EUR 0.49 per share, compared with EUR 0.24 in the previous year.

Consolidated net income adjusted for changes in market value and other one-off effects (in accordance with EPRA), which is also funds from operations (FFO), totalled EUR 5.5 million or
EUR 0.59 per share. This was in line with the full-year forecast revised upwards in November 2011, with only slight rounding differences. The minor fall in EPRA earnings (FFO) compared to the previous year figure of EUR 5.8 million came on the back of the disposal real estate, individual renewal agreements at lower market rents as well as the premature release from a lease agreement following the receipt of a compensation payment.

On the balance sheet date, consolidated equity came in at EUR 77.5 million (December 31, 2010:
EUR 74.6 million). As a result, the balance sheet net asset value increased by 4% from EUR 8.00 to EUR 8.31 per share in circulation. Taking into consideration the minority interests in subsidiaries, the equity ratio pursuant to § 15 of the REIT Act rose to 51.0% of immovable assets (December 31, 2010: 49.6%).

Retained earnings reported in the non-consolidated financial statements of Fair Value REIT-AG under the German Commercial Code (HGB) reached EUR 0.8 million (previous year: EUR 1.0 million). This fall was due to income from participations falling short of expectations during the financial year 2011. The Management Board and Supervisory Board will propose a dividend payment of EUR 0.08 per share for 2011 at the Annual General Meeting on May 14, 2012. This represents a pay-out ratio of 97.6% of retained earnings.

Frank Schaich, CEO of Fair Value REIT-AG, commented on the Group's business development: "Since Fair Value REIT-AG went public in 2007, we have been able to report stable operating earnings every year. Constantly high occupancy rates of around 95%, a solid equity base averaging 50% of our real estate portfolio, falling interest expenses for variable interest loans as well as high repayment volumes were and remain the basis for our stability even in uncertain times."

FFO of EUR 4.8 million or EUR 0.52 per share is anticipated for 2012, with forecasts suggesting an adjusted consolidated net income figure of EUR 5.8 million or EUR 0.62 per share for Fair Value in 2013. Based on the five-year forecast published for the first time this year, the Management Board anticipates FFO growth rates averaging 10% p.a. for the current real estate portfolio in the years 2014 to 2016.

"The forecast increases in FFO results from 2013 are largely due to falling interest expenses. In 2012 and 2013, around 62% of the Group's financial liabilities are due for renegotiating interest conditions, and this figure is around 75% at the associated companies. Given the current historically low interest rate levels, we are anticipating substantial potential savings despite generally increasing bank margins," continued Schaich.

With respect to the non-consolidated financial statements of Fair Value REIT-AG under the German Commercial Code, the forecast for net income from operating activities from 2013 onwards would allow a dividend payment of at least EUR 0.10 per share in the years ahead. With regard to 2012, not yet secured income of EUR 0.9 million, including cost cutting measures, is required for a dividend distribution on this level, however the Management Board believes that this can be achieved.

The Annual Report with the complete consolidated financial statements of Fair Value REIT-AG for the financial year 2011 is now available in the Financial Reports section of www.fvreit.de

Selected financial indicators of Fair Value REIT-AG

	2011	2010
IFRS Consolidated net income	EUR 4.6 million	EUR 2.2 million
IFRS-EPS/Earnings per share	EUR 0.49	EUR 0.24
Adjusted Consolidated net income (in accordance with EPRA) - FFO	EUR 5.5 million	EUR 5.8 million
EPRA EPS / FFO per share	EUR 0.59	EUR 0.62

	12/31/2011	12/31/2010
Balance sheet NAV per share	EUR 8.31	EUR 8.00
Equity ratio pursuant to § 15 of the REIT act	51.0%	49.6%

Contact

{Fair}[HYPERLINK: mailto:Fair] Value REIT-AG
Frank Schaich
Tel. 089-9292815-10
Fax. 089-9292815-15
e-mail: schaich@fvreit.de

Corporate profile

Fair Value REIT-AG, based in Munich, focuses on the acquisition, leasing, property management and sale of commercial properties in Germany. At the core of its investment activities are office and retail properties in German regional centres. Because of its REIT status, Fair Value is exempt from corporation and trade tax. In addition to investing in real estate directly, Fair Value also acquires participations in real estate partnerships.

Through direct investments and subsidiaries, Fair Value Group manages a portfolio of 50 commercial properties with a total leasable floor space of around 163,000 square metres and a market value of around EUR 130 million as of December 31, 2011. Fair Value's share of these investments amounted to around EUR 95 million on the same date.

In addition, Fair Value REIT-AG holds minority interests in six closed-end real estate partnerships with holdings in 23 commercial properties with a total leasable floor space of around 269,000 square metres. As of December 31, 2011, the total market value of these properties was around EUR 358 million. (Fair Value's share of this amounted to around EUR 128 million on the same date).

As of December 31, 2011, Fair Value's share of the total portfolio amounted to around EUR 222 million. This portfolio had an occupancy rate of 93.8% of the achievable rents at full occupancy of EUR 19.7 million per annum. As of December 31, 2011, the weighted remaining term of the leases was 6.0 years. Around 44% of the potential rent relates to retail floor space, 42% to office space and 14% to other facilities.

Further inquiry note:
{Fair}[HYPERLINK: mailto:Fair] Value REIT-AG
Frank Schaich
Tel. 089-9292815-10
Fax. 089-9292815-15
e-mail: schaich@fvreit.de

end of announcement   euro adhoc
----

company: Fair Value REIT-AG
Leopoldstraße 244
D-80807 München
phone: +49 (0) 89 9292815 01
FAX: +49 (0) 89 9292815 15
mail: info@fvreit.de
WWW: http://www.fvreit.de
sector: Real Estate
ISIN: DE000A0MW975
indexes: CDAX, Classic All Share, Prime All Share, RX REIT All Share Index, RX REIT Index
stockmarkets: free trade: Berlin, München, Düsseldorf, Stuttgart, regulated dealing/prime standard: Frankfurt
language: English