

H1 2011 Results

Berlin, 30-August-2011



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①

GSW share established

- Inclusion in SDAX and EPRA indices
- Rising analyst coverage

②

Solid financial position

- Equity ratio increases to 40.1% (31-Dec-2010: 36.4%)
- LTV decreases to 55.7% (31-Dec-2010: 61.1%)
- Cash Position: €186.8m

③

Berlin Rent Index

- Confirms the attractiveness and dynamics of the Berlin residential market
- Shows the continued differentiation of the stated rents

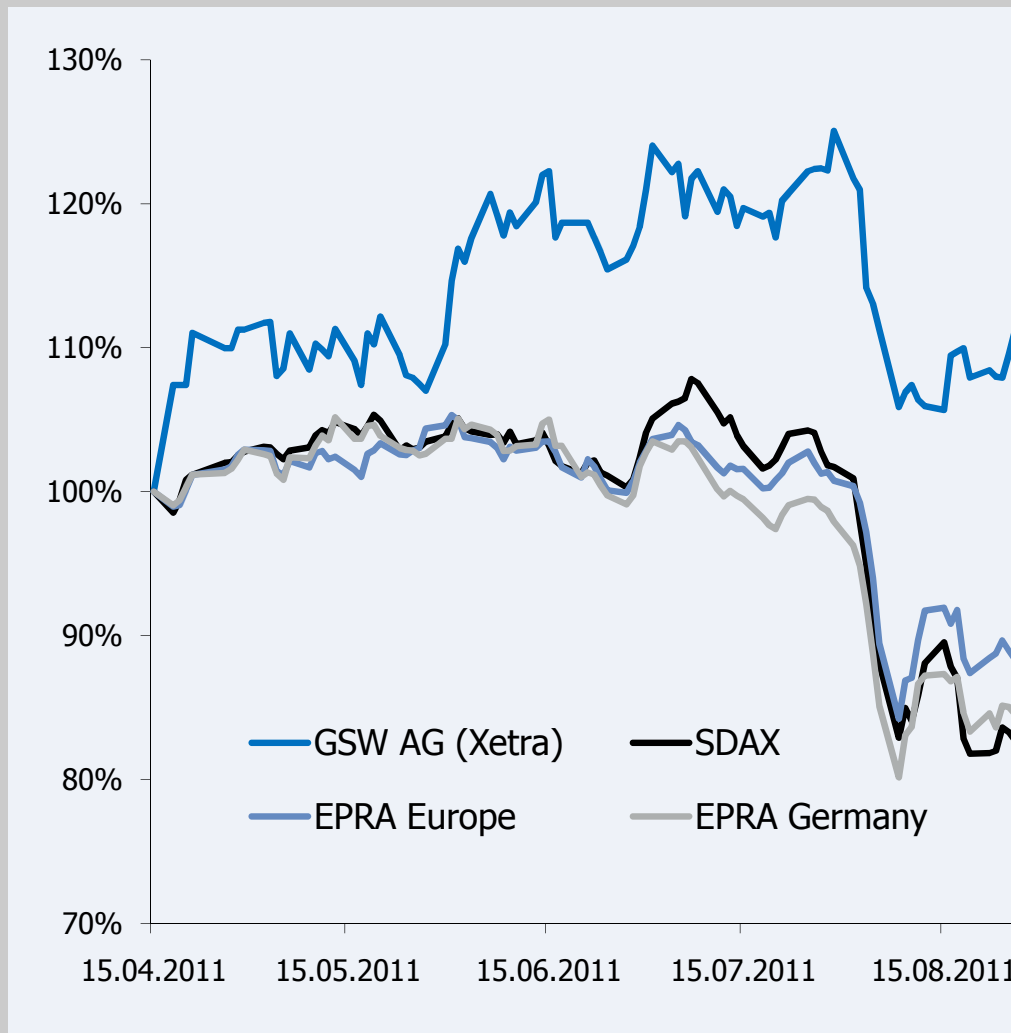
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Key financials as expected

- Net rental income: €69.6m
- Adjusted EBITDA: €59.1m
- FFO I: €29.0m

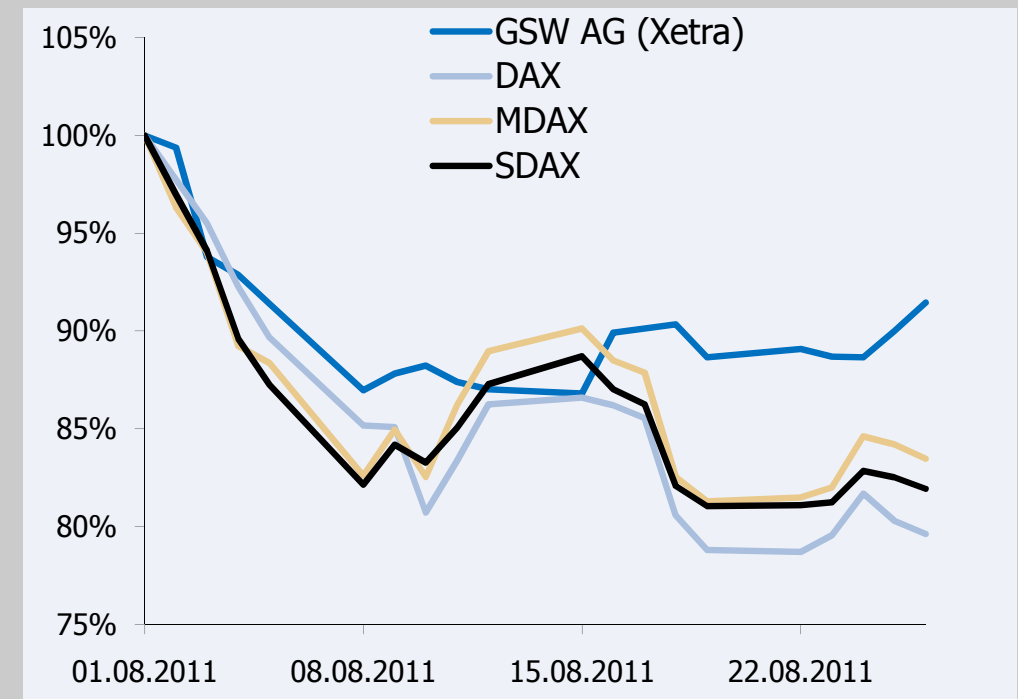
Stock performance (XETRA)

GSW-Share since IPO



GSW-Share at volatile times

- Issue price (15-April-11): €19.00
- Share price (26-August-11): €21.77
- 52w high/low: €24.71/19.55
- Market cap (26-August-11): €893.5m
- Free-float market cap ^(a) (26-August-11): €479.7m



(a) Free float of approx 54% based on Deutsche Börse definition

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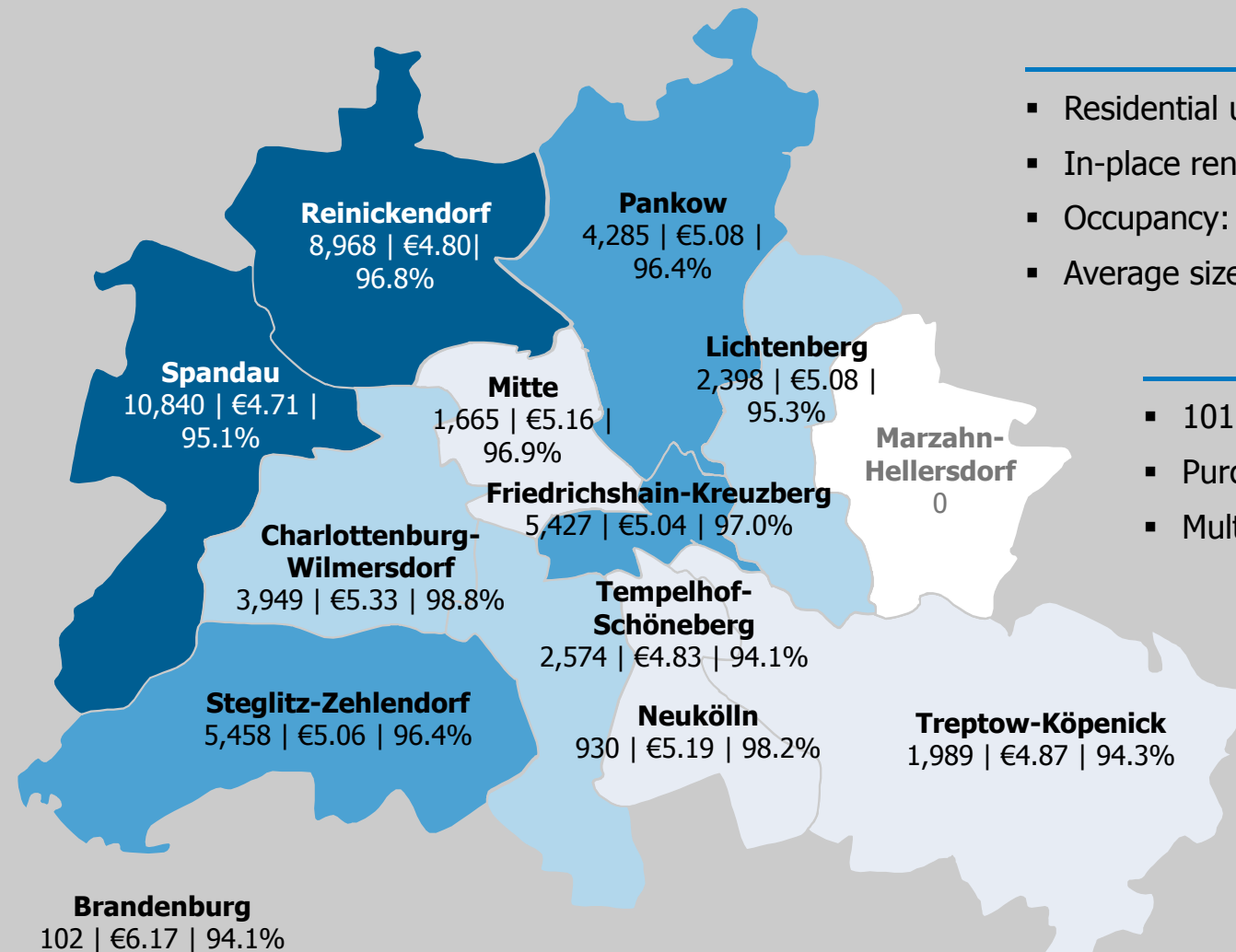
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GSW portfolio overview as of 30-June-2011



Overall Portfolio

- Residential units: 48,585
- In-place rent: €4.94/sqm
- Occupancy: 96.2%
- Average size: 62 sqm

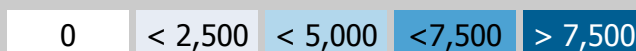
Acquisition

- 101 units in Reinickendorf
- Purchase Price €4.0m (€870/sqm)
- Multiple of 14x in-place rent

Privatisations

- Privatisation of 298 units (date of transfer)
- 142 contracts signed with date of transfer after H1
- Gross margin 28.8%

GSW Residential units



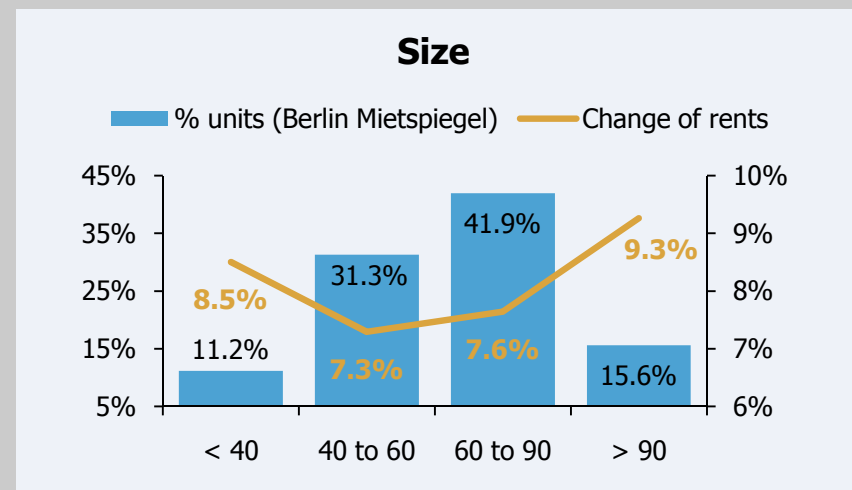
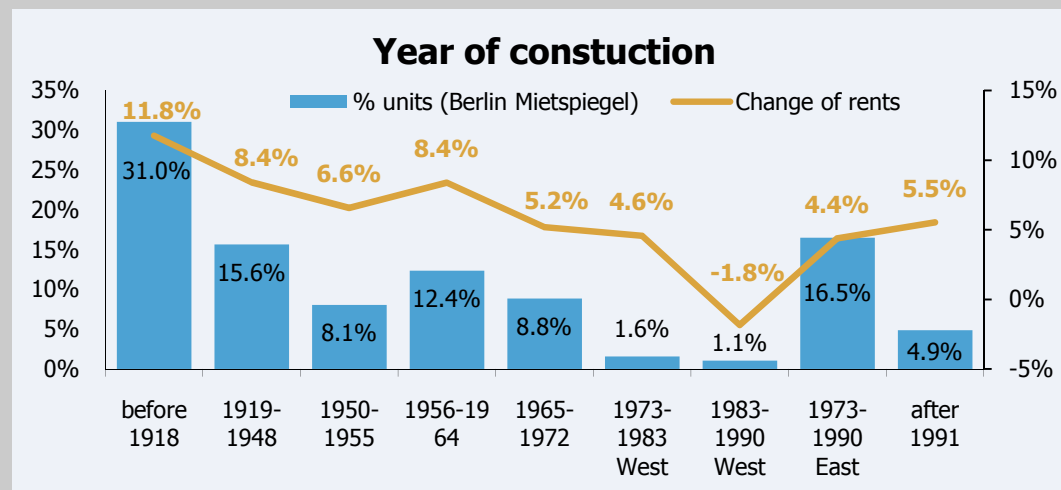
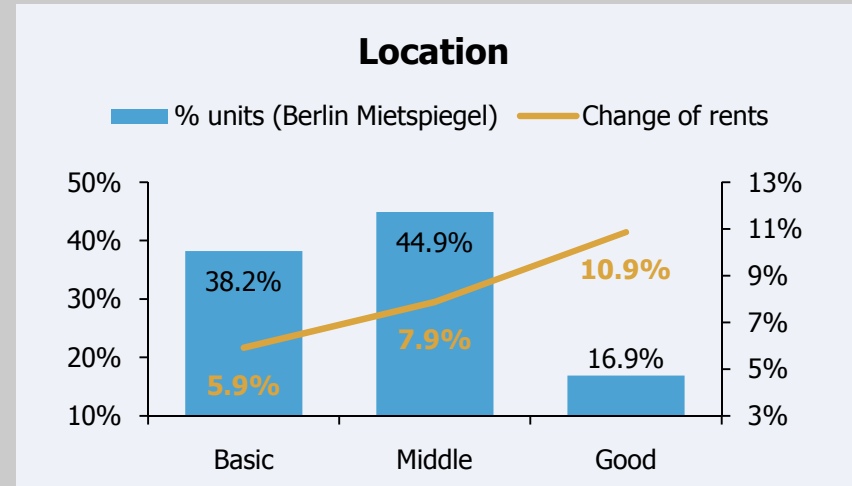
District

Residential Units | Monthly IPR €/sqm | Occupancy in %

Publication of new Berlin Mietspiegel

Attractive Berlin Residential Market

- Berlin Mietspiegel increase of 7.9 % to € 5.21/sqm reflects market dynamics
- Index influenced by new calculation of special apartment equipment and characteristics
- The spread of average rents is very high, depending on location, age and size



Berlin Mietspiegel and the GSW portfolio

Leading to 0.31 €/sqm or **6.8% rent increase**
For approx. 15,000 units = 45% of unrestricted residential units



18,209 currently no increase

33,181 unrestricted units (subject to rent index)



15,404 restricted units

48,585 total residential units

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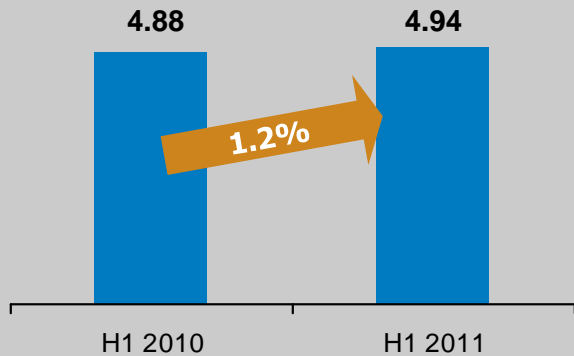
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Overview – operational and financial highlights

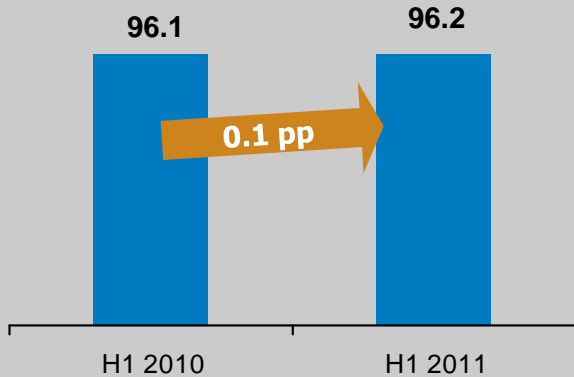
In-place rents

Residential in-place rent (€/sqm/month)

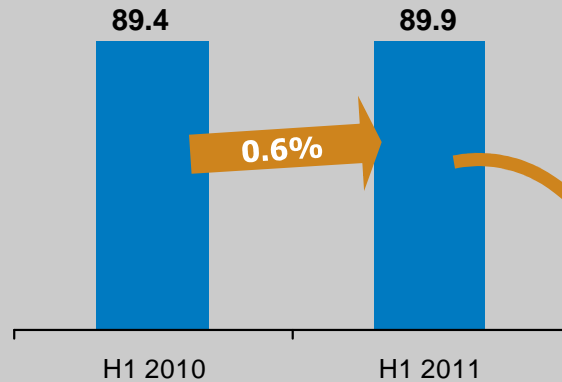


Occupancy increase

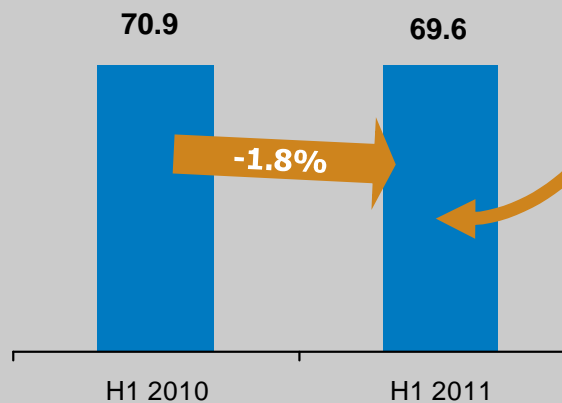
% of residential units



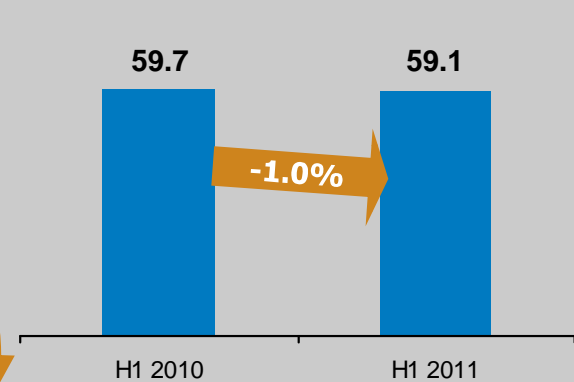
Income from rents (€m)



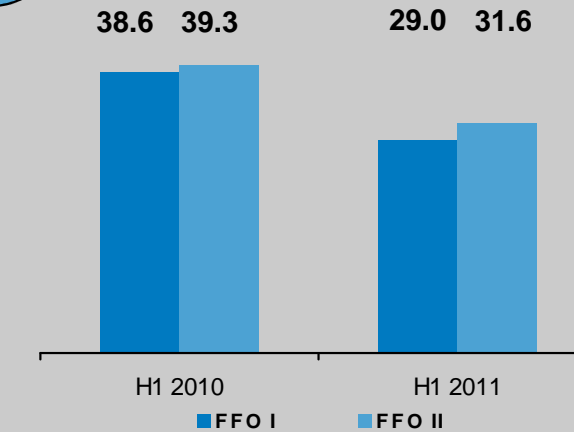
Net rental income (€m)



Adj EBITDA (€m)



FFO I & II (€m)



NRI Margin 77.4%

Note: FFO I = FFO excl. sales result
FFO II = FFO incl. sales result

Net Rental Income – H1 2011

(€m)	H1 2011	H1 2010	Comments
Income from rents	89.9	89.4	Smaller portfolio, but higher average rent per sqm and increased occupancy
Income from management activities and other income	5.2	7.2	Sale of broadband cable business (~€1.25m)
Gross rental income	95.1	96.6	
Income from direct government grants	5.3	7.0	
Total rental income	100.4	103.6	
Costs of materials	(19.9)	(21.6)	Mainly driven by lower maintenance expenses compared to H1 2010 13-14 €/sqm for maintenance and capex expected for 2011.
Personnel expenses	(9.1)	(8.6)	
Other property operating expenses/income	(1.8)	(2.5)	
Net rental income	69.6	70.9	

Income statement – H1 2011

(€m)	H1 2011	H1 2010
Net rental income	69.6	70.9
Result on disposal of investment property	2.6	0.8
Net valuation gains on investment property	0.0	(10.7)
Administrative expenses	(20.9)	(18.0)
Other income, net	25.4	0.0
Net operating profit (EBIT)	76.8	43.0
Net results of investments	0.1	0.1
Interest result	(39.5)	(36.0)
Profit before income taxes (EBT)	37.4	7.1
Income taxes	(0.4)	(1.3)
Consolidated net income for the period	36.9	5.8

Comments		
See: Adjusted EBITDA reconciliation		
Admin expenses adjusted (€m)	H1 2011	H1 2010
Admin expenses (total)	(20.9)	(18.0)
thereof IPO and projects expenses	(8.5)	(5.6)
Admin expenses adjusted	(12.4)	(12.3)
Sale of broadband cable business in Q1 2011		
Interest result (€m)	H1 2011	H1 2010
Interest income	12.8	3.2
Interest expense	(52.3)	(39.2)
Interest result	(39.5)	(36.0)
less valuation effects	9.4	14.4
less discounting	1.2	1.4
less accrued interest loans	(1.0)	(0.1)
Cashflow net interest	(30.0)	(20.3)

Adjusted EBITDA reconciliation – H1 2011

(€m)	H1 2011	H1 2010
EBIT	76.8	43.0
Depreciation	0.5	0.8
Fair value adjustment of investment property	0.0	10.7
EBITDA	77.3	54.5
IPO costs	6.7	4.8
Restructuring expenses	0.2	0.4
Project costs	2.9	0.9
Gains on disposal of shares in companies, associates, joint ventures, intangible assets and property, plant and equipment	(25.4)	0.0
Result on disposal of investment property	(2.6)	(0.8)
Adjusted EBITDA	59.1	59.7

Comments		
CMBS-Refinancing €1.6m, BMH divestment €0.4m		
Result on Disposals (€m)	H1 2011	H1 2010
Investment property disposal proceeds	21.5	27.1
Carrying value of investment property disposals	(15.3)	(26.2)
Gross margin	6.2	0.9
Operating expenses of investment property disposed	(3.6)	(0.2)
Result on disposal of investment property	2.6	0.8

Derivation of FFO – H1 2011

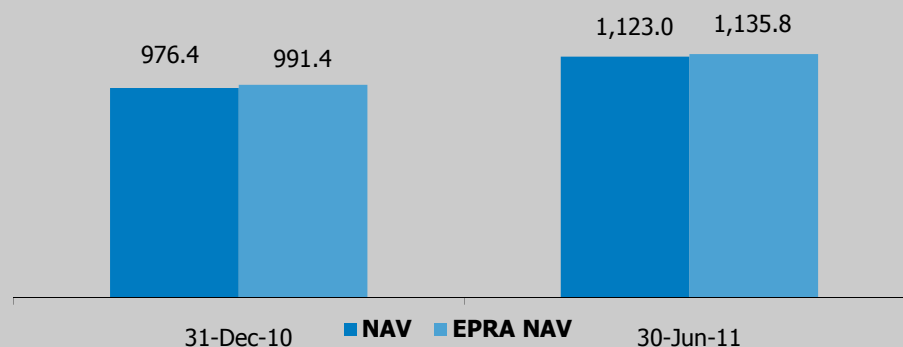
(€m)	H1 2011	H1 2010
Adjusted EBITDA	59.1	59.7
Cashflow net interest	(30.0)	(20.3)
Results of associates, joint ventures and other investments consolidated using the equity method	0.1	0.1
Cashflow net taxes	(0.2)	(0.9)
FFO I (excl. sales result)	29.0	38.6
Result on disposal of investment property	2.6	0.8
FFO II (incl. sales result)	31.6	39.3

Comments		
Interests paid CMBS vs refi (€m)	H1 2011	H1 2010
CMBS	(4.2)	(6.8)
Refi-loans	(12.8)	(0.0)
Total	(17.0)	(6.8)
Refinancing impact	(10.2)	
FFO I per share: €0.71 (based on 41.05m shares)		
Our payout ratio is based on FFO I		

Balance sheet – H1 2011

Selected items (€m)	30-Jun-11	31-Dec-10
Non-current assets	2,575.6	2,585.7
Investment property	2,563.0	2,571.7
other non-current assets	12.7	14.0
Current assets	223.3	96.0
Assets held for sale	9.3	9.0
Cash and cash equivalents	186.8	70.8
Receivables and other current assets	26.2	16.1
Total assets	2,798.9	2,681.7

Selected items (€m)	30-Jun-11	31-Dec-10
Shareholders' equity	1,123.0	976.4
Financial liabilities	1,577.6	1,606.6
Other liabilities	98.3	98.8
Total equities and liabilities	2,798.9	2,681.7



NAV (€m)	30-Jun-11	31-Dec-10
Diluted NAV	1,123.0	976.4
Fair value of financial instruments (net)	12.8	15.0
Deferred tax	(0.0)	(0.0)

Diluted EPRA NAV (€m)	1,135.8	991.4
NAV per share: €27.36		

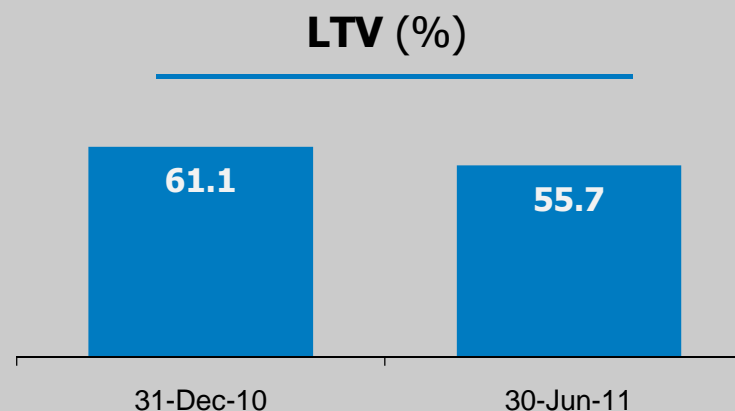
Net Debt and LTV Reconciliation – H1 2011

(€m)	30-Jun-11	31-Dec-10
Financial liabilities	1,577.6	1,606.6
EK02 tax liability	41.2	40.1
Cash and Cash equivalents	(186.8)	(70.8)
Net Debt	1,432.0	1,575.9
Investment properties	2,563.0	2,571.7
Assets held for sale	9.3	9.0
Loan-to-value ratio	55.7%	61.1%

Comments

based on nominal debt of €1,684m the LTV is 59.8%

LTV reflects solid financing structure



Outlook & Guidance

FFO I

€54-59m for 2011 (1.32-1.44 €ps)

Maintenance
and capex

13-14 €/sqm expected for 2011

Dividend policy

65% payout intended in 2012 for 2011 (0.86-0.93 €ps)

EK02

€42m voluntary prepayment in September 2011

Acquisitions

5,000 to 6,000 units targeted within the next 2 years

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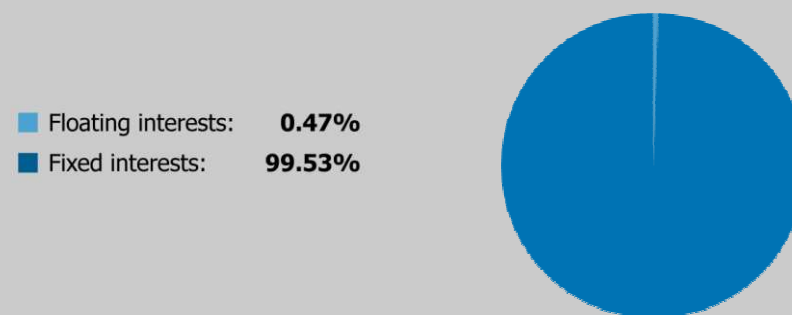
Solid financing structure

Key features of € 1,684m bank loans

- Long term maturity profile (95.5% of debt after 2016)
- Very low average costs of debt
- Almost 100% fixed/hedged

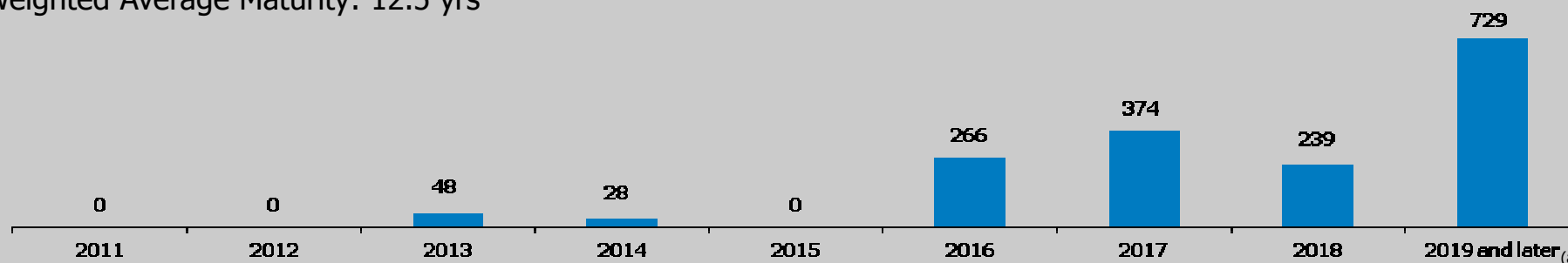
➔ Fundamental base for future development and growth

Interest rate hedging



GSW maturity profile (€m) – Total: € 1,684m as of 30-Jun-11

Weighted Average Maturity: 12.5 yrs



Weighted average interest rate of approx. 3.7 % across entire loan portfolio^(b)

(a) Includes loans without contractual maturity
 (b) Based on interest rate post refinancing combined with the interest rate as of 31-Dec-2010 for the non-refinanced debt
 Note: Maturities and debt are based on nominal values and do not include regular annual amortisations