

H1-2012 Results

Berlin, 20-August-2012



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Rights issue in April / May

- Issuance of 9.5 million new shares (50.5 million total shares)
- Over 90% of existing shareholders executed subscription rights

2

Successful AGM

- All resolutions with vast majority
- Resolutions for authorised capital and contingent capital

3

Dividend payout

- €45.5m total payout equalling €0.90 per share

4

Operational performance on track

- Residential in-place rents at 5.14 €/sqm (4.94 €/sqm H1-2011)
- Residential vacancy down to 3.2% (3.8% H1-2011)

5

Key financials well developed as expected

- Net rental income: €78.9m
- FFO I: €32.6m
- AFFO: €24.6m
- LTV: 51.5%

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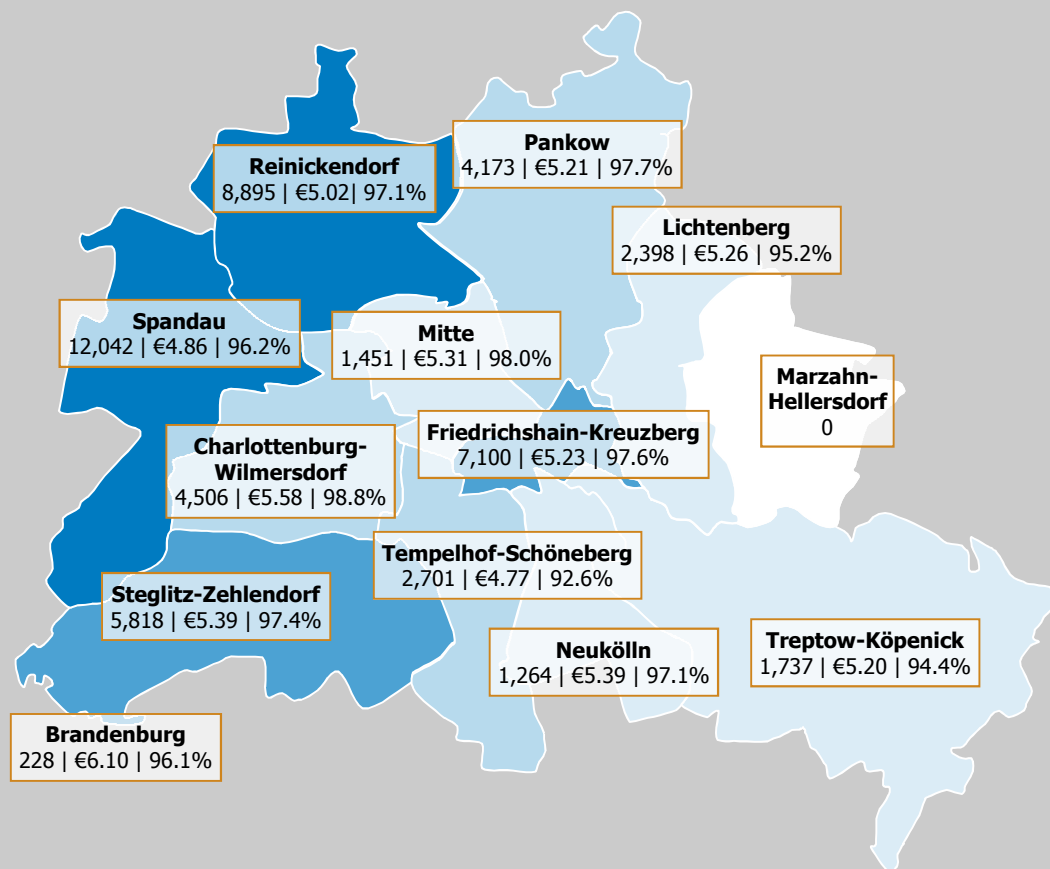
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GSW portfolio overview as of 30-June-2012



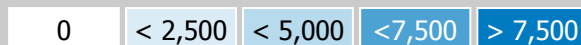
Overall Portfolio

Residential units	52,313
In-place rent	€5.14/sqm
Occupancy	96.8%
Average size	61.4 sqm

Valuation (31-Dec-2011)

Total Fair Value	€2,946.6 m
Fair Value	€873/sqm
IPR Multiple	14.5x
IPR Yield	6.9%

GSW Residential units

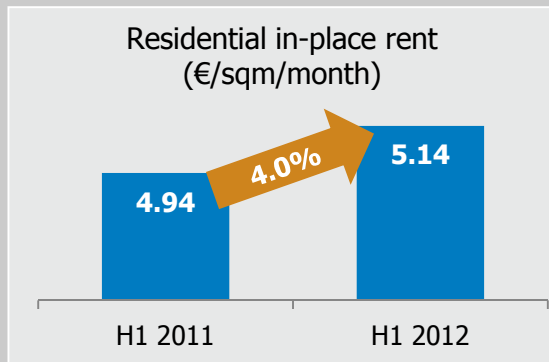


District

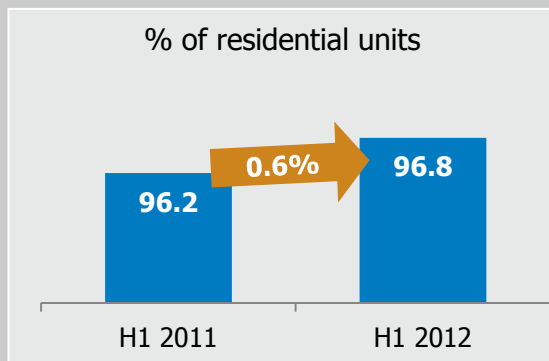
Residential Units | Monthly IPR €/sqm | Occupancy in %

Operational highlights

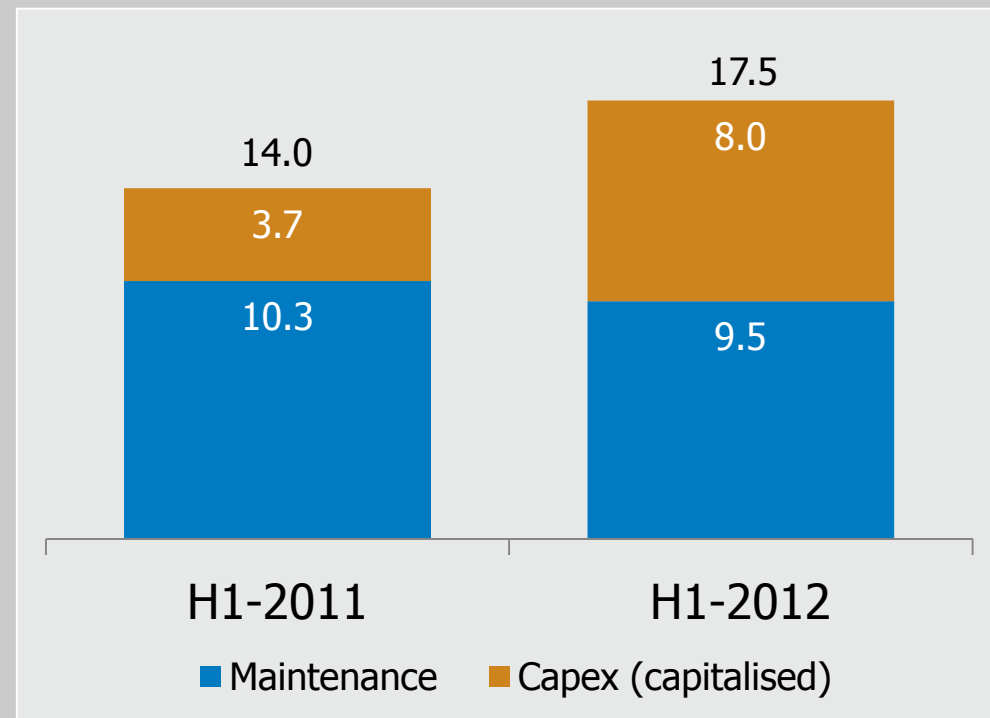
Rent increases



Occupancy increase



Maintenance and Capex (€m)



Sales overview

Result on Disposals (€m)	H1 2012	H1 2011
No. of units sold	477	298
Investment property disposal proceeds	35.7	21.5
Carrying value of investment property disposals	(26.2)	(15.3)
Operating expenses of investment property disposed	(4.7)	(3.6)
Result on disposal of investment property	4.8	2.6

Comments
<ul style="list-style-type: none"> ▪ Strong demand for privatisation units continues in H1 ▪ Net margin: 13.4%



Track record of the Pegasus-portfolio

Operational performance

	30-Jun-2012	31-Dec-2011	Change
Occupancy ⁽¹⁾	97.3%	96.5%	0.8%
In-place rent ⁽¹⁾	5.73 €/sqm	5.66 €/sqm	0.07 €/sqm

- Implementation of assets into existing platform successfully completed in H1 2012
- 0.12 €/sqm increase since Nov 2011

Key figures

- Income from rents: €9.9m
- Adj. EBITDA yield: 4.9%
- FFO I: €3.7m
- FFO I yield: 6.5%
- FFO I guidance was €6.5-7.5m p.a.



Note: figures as of 30-Jun-2012
 (1) residential

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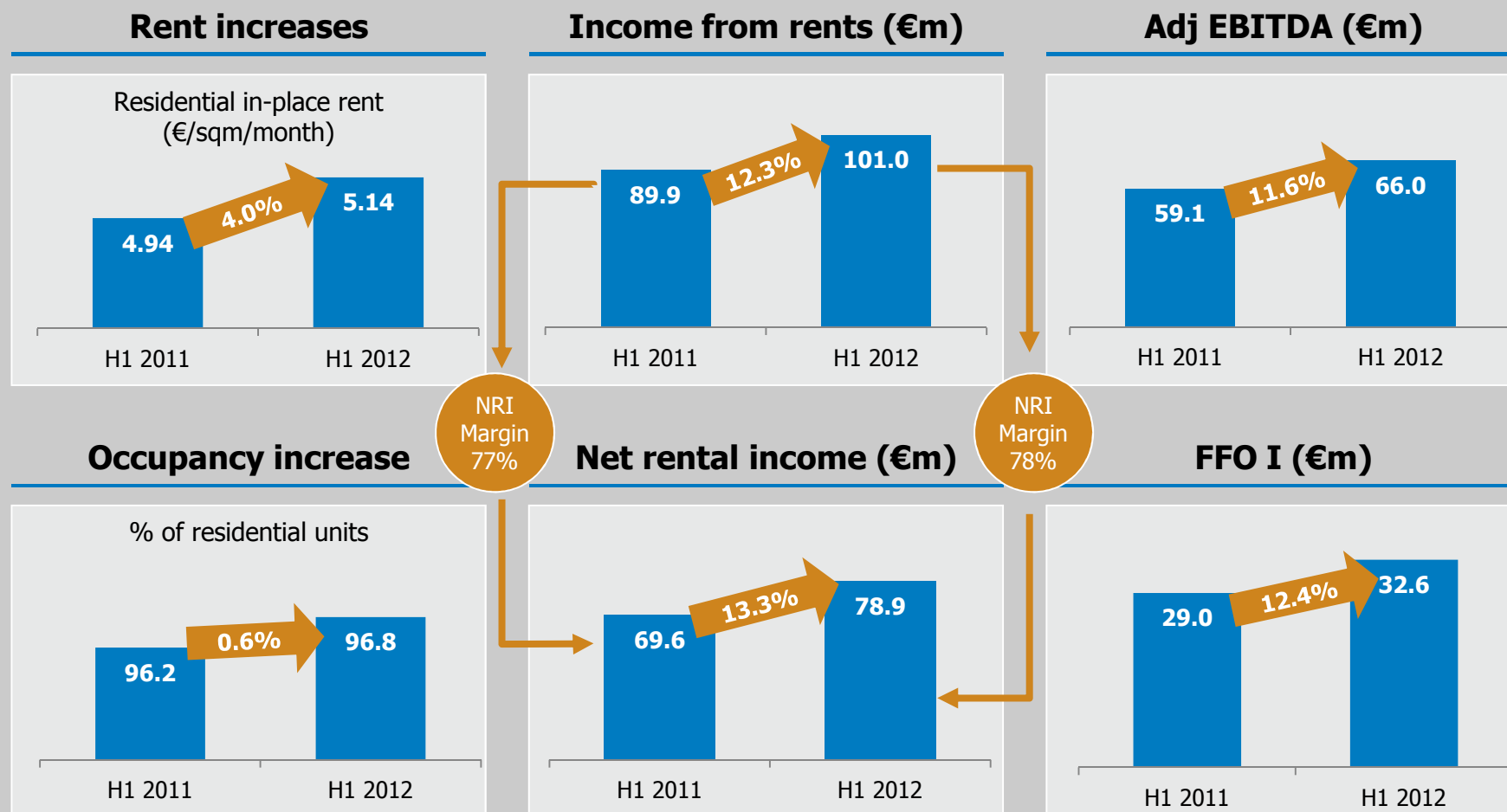
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Overview – Operational and financial highlights



Note: FFO I = FFO excl. sales result

Net Rental Income

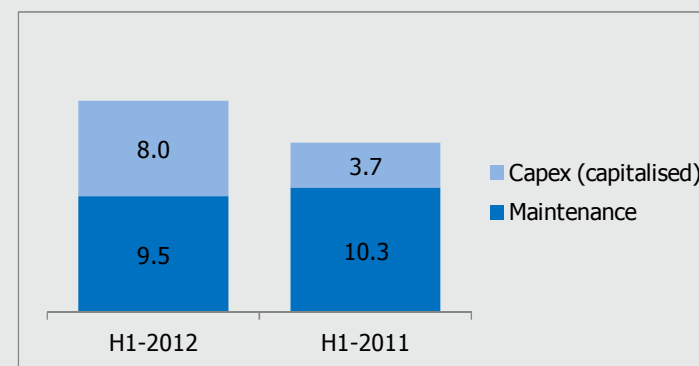
H1-2012

(€m)	H1 2012	H1 2011
Income from rents	101.0	89.9
Income from management activities and other income	5.3	5.2
Gross rental income	106.2	95.1
Income from direct government grants	4.1	5.3
Total rental income	110.3	100.4
Costs of materials	(18.8)	(19.9)
Personnel expenses	(9.4)	(9.1)
Other property operating expenses/income	(3.2)	(1.8)
Net rental income	78.9	69.6

Comments

Higher average rent per sqm, increased occupancy, acquisition impact

Like-for-like residential growth yoy: 2.83%; from €4.94/sqm (H1-2011) to €5.08/sqm (H1-2012)



Extraordinary provision effect in 2011

Income statement

H1-2012



(€m)	H1 2012	H1 2011
Net rental income	78.9	69.6
Result on disposal of investment property	4.8	2.6
Net valuation gains on investment property	0.0	0.0
Administrative expenses	(17.4)	(29.1)
Other income, net	0.0	25.4
Net operating profit (EBIT)	66.3	68.6
Net results of investments	1.2	0.1
Interest result	(41.5)	(39.5)
Profit before income taxes (EBT)	26.0	29.2
Income taxes	(1.0)	(0.4)
Consolidated net income for the period	25.0	28.8

Comments		
Admin expenses adjusted (€m)		
Admin expenses (total)	(17.4)	(29.1)
Thereof IPO + project expenses	0.7	8.6
Thereof LTIP (paid by former shareholders)	1.6	8.2
Thereof acquisition costs	1.4	0.0
Admin expenses adjusted	(13.7)	(12.3)
Sale of broadband cable business (one-off) in H1-2011		
Interest result (€m)		
Interest income	12.1	12.8
Interest expense	(53.6)	(52.3)
Interest result	(41.5)	(39.5)
Less valuation effects from loans	5.1	11.9
Less valuation effects from derivatives	1.5	(2.5)
Less discounting	0.3	1.2
Less accrued interest for loans & derivatives	(0.1)	(1.0)
Less breakage fees	0.1	0.0
Cashflow net interest	(34.5)	(30.0)

Adjusted EBITDA reconciliation

H1-2012

(€m)	H1 2012	H1 2011	Comments
EBIT	66.3	68.6	
Depreciation	0.4	0.5	
Fair value adjustment of investment property	0.0	0.0	Adjustment of €1.2m costs in Q1-2012 has been offset with capital reserve in Q2 -2012
EBITDA	66.7	69.1	
Costs of IPO / capital increase	0.0	6.7	No impact on equity value; offset on balance sheet level
LTIP (by selling shareholders)	1.6	8.2	
Restructuring expenses	0.1	0.2	
Project expenses	1.0	2.9	H1-2011: CMBS refinancing, sale of cable business
Acquisition expenses	1.4	0.0	
Gains on disposal of shares in companies, associates, joint ventures, intangible assets and property, plant and equipment	0.0	(25.4)	
Result on disposal of investment property	(4.8)	(2.6)	
Adjusted EBITDA	66.0	59.1	

Result on disposals (€m)	H1 2012	H1 2011
Investment property disposal proceeds	35.7	21.5
Carrying value	(26.2)	(15.3)
Sales expenses	(4.7)	(3.6)
Result on disposals	4.8	2.6

Derivation of FFO

H1-2012

(€m)	H1 2012	H1 2011	Comments
Adjusted EBITDA	66.0	59.1	
Cashflow net interest (normalised)	(34.5)	(30.0)	Mainly due to higher debt balance as a result of acquisitions
Results of associates, joint ventures and other investments	1.2	0.1	
Cashflow net taxes	(0.1)	(0.2)	
FFO I (excl. sales result)	32.6	29.0	FFO I per share average: €0.73 (€0.77 in H1-2011) ⁽¹⁾ FFO I per share reporting date: €0.64 (€0.71 in H1-2011) ⁽²⁾
AFFO (FFO I less capitalised expenses for maintenance and modernisation)	24.6	25.4	Shift from maintenance expenses to more value enhancing capex (capitalised)
FFO II (incl. sales result)	37.4	31.6	

(1) Based on an average number of 44,436,089 shares outstanding in H1-2012 (H1 2011: 37,574,876)

(2) Based on number of shares outstanding 30-Jun-2012: 50,526,314 (30-Jun-2011: 41,052,630)

Balance sheet

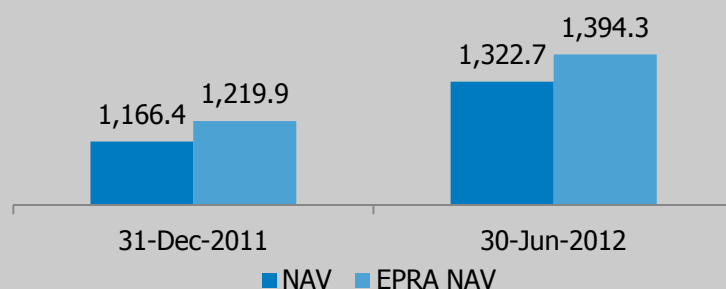
30-Jun-2012

GSW

Selected items (€m)	30-Jun-2012	31-Dec-2011
Non-current assets	2,932.0	2,947.6
Investment property	2,915.1	2,930.2
Other non-current assets	16.9	17.3
Current assets	263.9	92.1
Assets held for sale	15.0	17.1
Cash and cash equivalents	234.1	62.6
Receivables and other current assets	14.9	12.4
Total assets	3,196.0	3,039.7

Selected items (€m)	30-Jun-2012	31-Dec-2011
Shareholders' equity	1,322.7	1,166.4
Financial liabilities	1,743.3	1,770.9
Other liabilities	130.0	102.4
Total equities and liabilities	3,196.0	3,039.7

NAV Development (€m)



NAV (€m)	30-Jun-2012	31-Dec-2011
Diluted NAV	1,322.7	1,166.4
Fair value of financial instruments (net)	71.6	53.6
Deferred tax ⁽¹⁾	(0.0)	(0.0)

Diluted EPRA NAV (€m)	1,394.3	1,219.9
No. of shares outstanding	50.53m	41.05m

Diluted EPRA NAV per share: €27.59

(1) Not including deferred taxes on changes in valuation of derivatives (through OCI)
30-Jun-2012: €3.5m; 31-Dec-2011: €2.7m

Net debt and LTV reconciliation

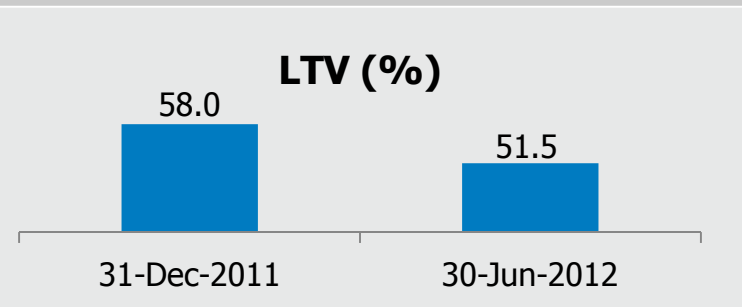
30-Jun-2012

(€m)	30-Jun-2012	31-Dec-2011
Financial liabilities	1,743.3	1,770.9
Cash and Cash equivalents	(234.1)	(62.6)
Net Debt	1,509.2	1,708.3
Investment properties	2,915.1	2,930.2
Assets held for sale	15.0	17.1
Loan-to-value ratio	51.5%	58.0%

Comments

Based on nominal debt of €1,845.3m the LTV is 55%

LTV development



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Outlook & Guidance

FFO I

Raised to €61-64m for 2012

Maintenance and capex

€13-15/sqm expected for 2012, plus modernisation projects

Dividend

Intended dividend payout ratio for FY2012:
65% of FFO I

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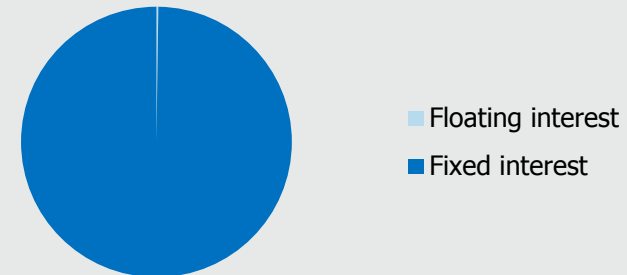
Long term & robust financing structure

344 bank loans of €1,845m

- Long term maturity profile (82% of debt expiring 2016)
- Very low average costs of debt
- Almost 100% fixed/hedged

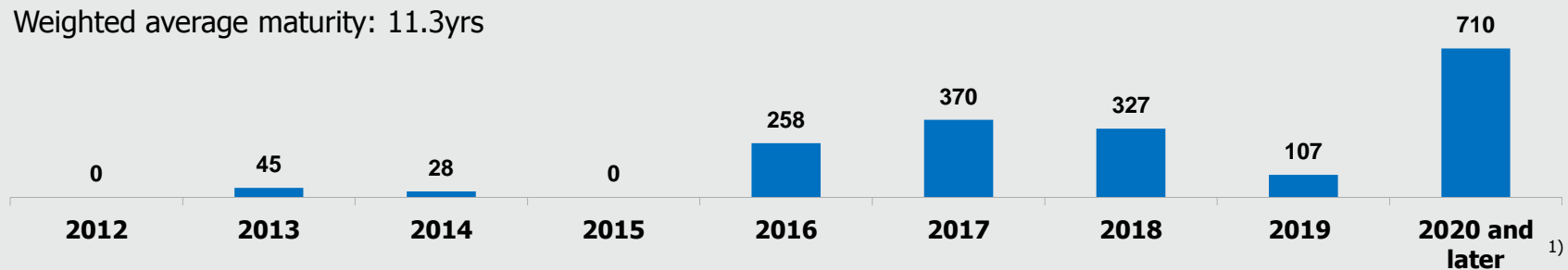
▶ **Stable basis for future growth**

Floating vs. fixed interest



GSW maturity profile (€m) – Total: €1,845m as of 30-Jun-2012

Weighted average maturity: 11.3yrs



Weighted average interest rate of approx. 4.0% across entire loan portfolio²⁾

1) Includes loans without contractual maturity

2) Based on average interest rate as of 30-Jun-2012 for the existing debt portfolio

Note: Maturities and debt are based on nominal values and do not include regular annual amortizations

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