

# **Q1 2011 Results**

**Berlin, 31 May 2011**



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# Agenda

**1**

**Highlights Q1 2011**

**2**

**Portfolio overview & development**

**3**

**Overview key figures**

**4**

**Financials**

**5**

**Outlook**

①

## Refinancing of €875m

- Weighted average life of above 8 yrs
- Overall all-in interest rate of 4.18% (nominal)
- Long-term financing structure

②

## IPO

- 1st day of trading on 15 April 2011
- Issue price: €19.00 per share

③

## Divestment of broadband cable business

- Focussing on core business
- Positive NAV impact
- Positive effect on consolidated net income

④

## Key financials

- Net rental income: €34.8m
- Adjusted EBITDA: €28.8m
- FFO I: €13.2m

# Refinancing establishes long-term financing stability



## Key features of €875m new bank loans

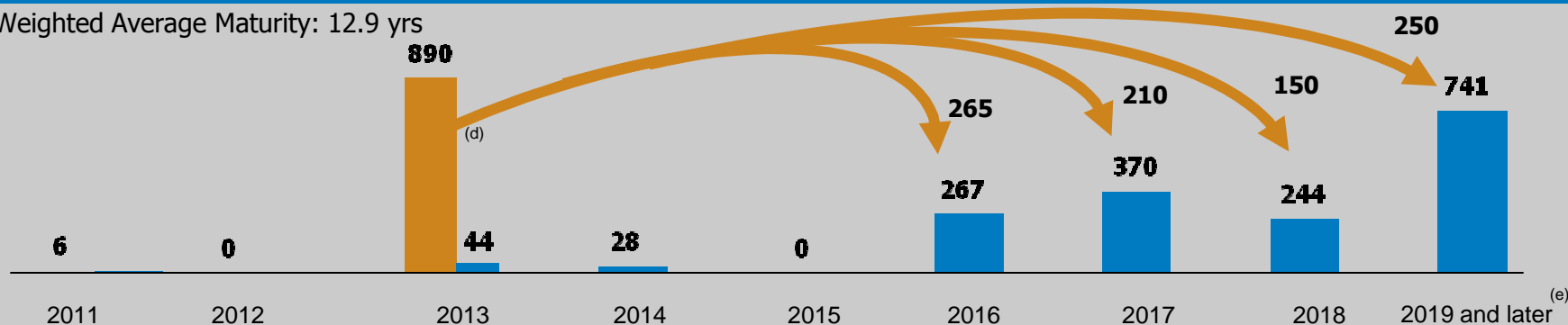
- Structure: bilateral agreements with 6 banks
- All-in interest rates range from 3.8% to 4.4%
- Overall all-in interest rate of 4.18%<sup>(a)</sup>
- 100% fixed or swapped
- Maturities range from 5 – 33 years
- Average maturity of more than 8 years
- Earliest maturity in Q1 2016

## Refinancing structure

Loan	Amount	Maturity	Bank	All in Cost
1	€215m	Q1 2016	UniCredit	4.0%
2	€210m	Q1 2017	Berlin Hyp	4.4%
3	€200m	Q1 2021	PBB	4.0% <sup>(b)</sup>
4	€150m	Q1 2018	IBB	4.3%
5	€50m	Q1 2016	DG Hyp	3.8%
6	€50m	Q1 2043	Muenchener Hyp	4.4% <sup>(c)</sup>
<b>Total/ Average</b>	<b>€875m</b>	<b>&gt; 8 years</b>		<b>4.18%</b>

## Post-refinancing GSW maturity profile (€m) – Total: €1,700m

Weighted Average Maturity: 12.9 yrs



**Weighted average interest rate of 3.7% across entire loan portfolio<sup>(f)</sup>**

(a) Interest rate post refinancing  
 (b) Interest rate fixed until 2015  
 (c) Interest rate fixed until 2021

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

(d) Assumes exercise of loan extension option in 2011

(e) Includes loans without contractual maturity

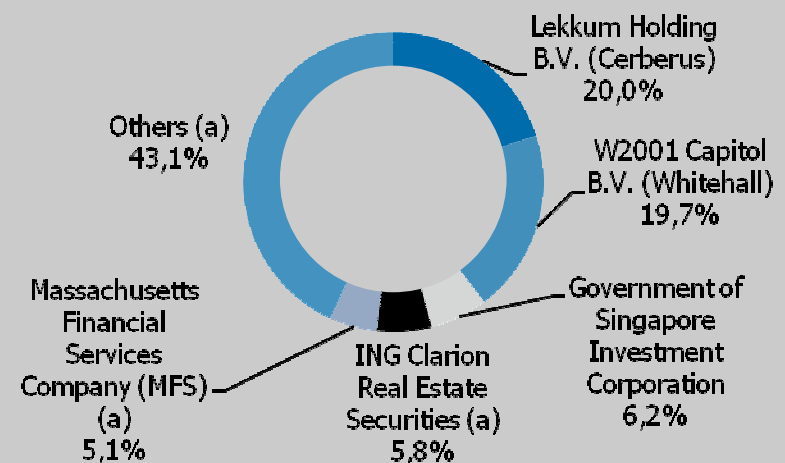
(f) Based on interest rate post refinancing combined with the interest rate as of 31 December 2010 for the non-refinanced debt

# Successful IPO on 15 April 2011

## Overview

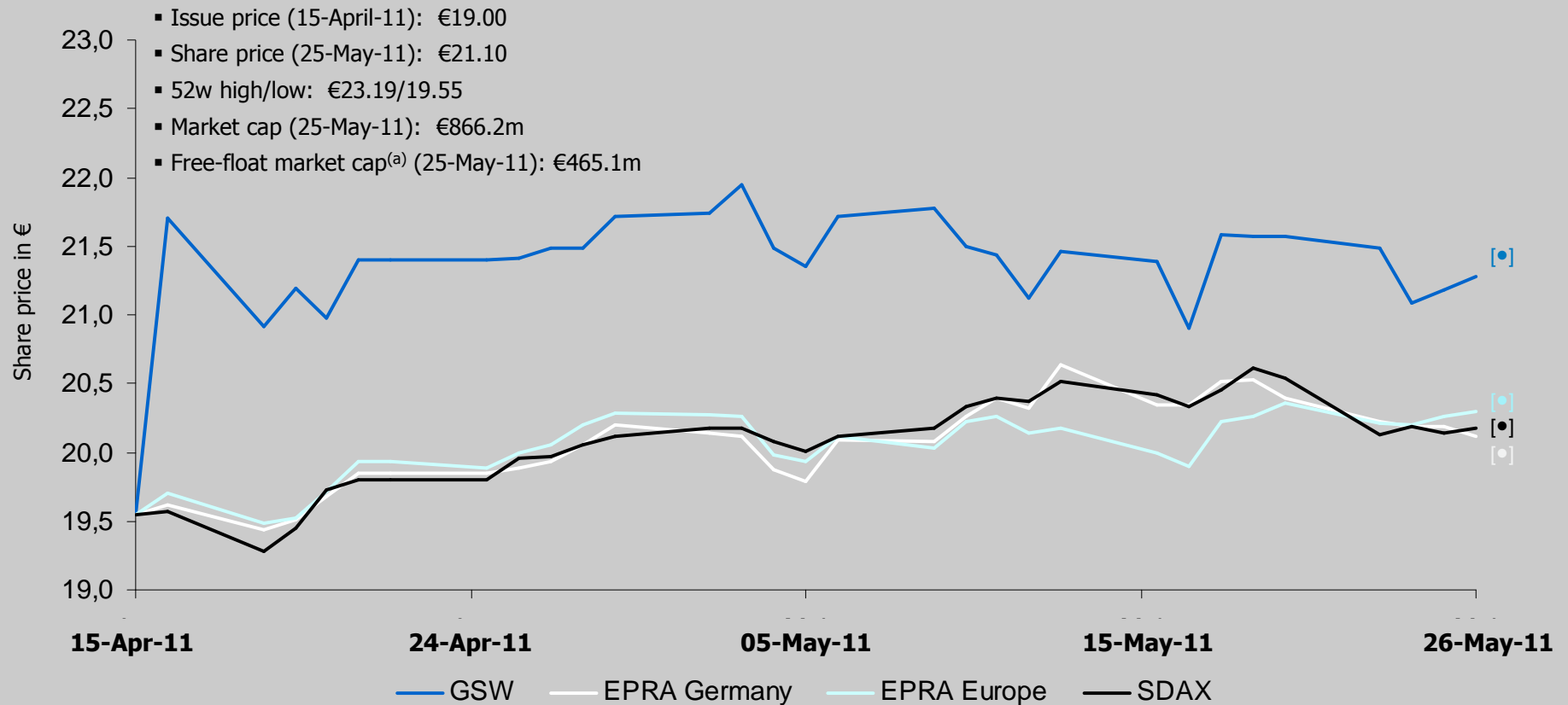
- Listing on Frankfurt and Berlin Stock Exchange
- Issue price of €19.00 (initial price range: €19.00 – €23.00)
- First price of €19.55
- Base deal shares 21.4m shares (6.1m primary, 15.4m secondary) and 3.2m Greenshoe shares (15%, all secondary)
- Total IPO size €467.6m
- Largest European and German real estate IPO since several years
- FTSE EPRA/NAREIT global real estate index series inclusion
- Free float according to Deutsche Börse of approx. 54%

## Shareholder structure



Note: As of 25 May 2011 (based on last voting rights announcements due to WpHG)  
(a) Part of free float based on Deutsche Börse definition. Free float of approx 54%

# Stock performance (XETRA)



(a) Free-float definition of Deutsche Börse

# Agenda

**1**

**Highlights Q1 2011**

**2**

**Portfolio overview & development**

**3**

**Overview key figures**

**4**

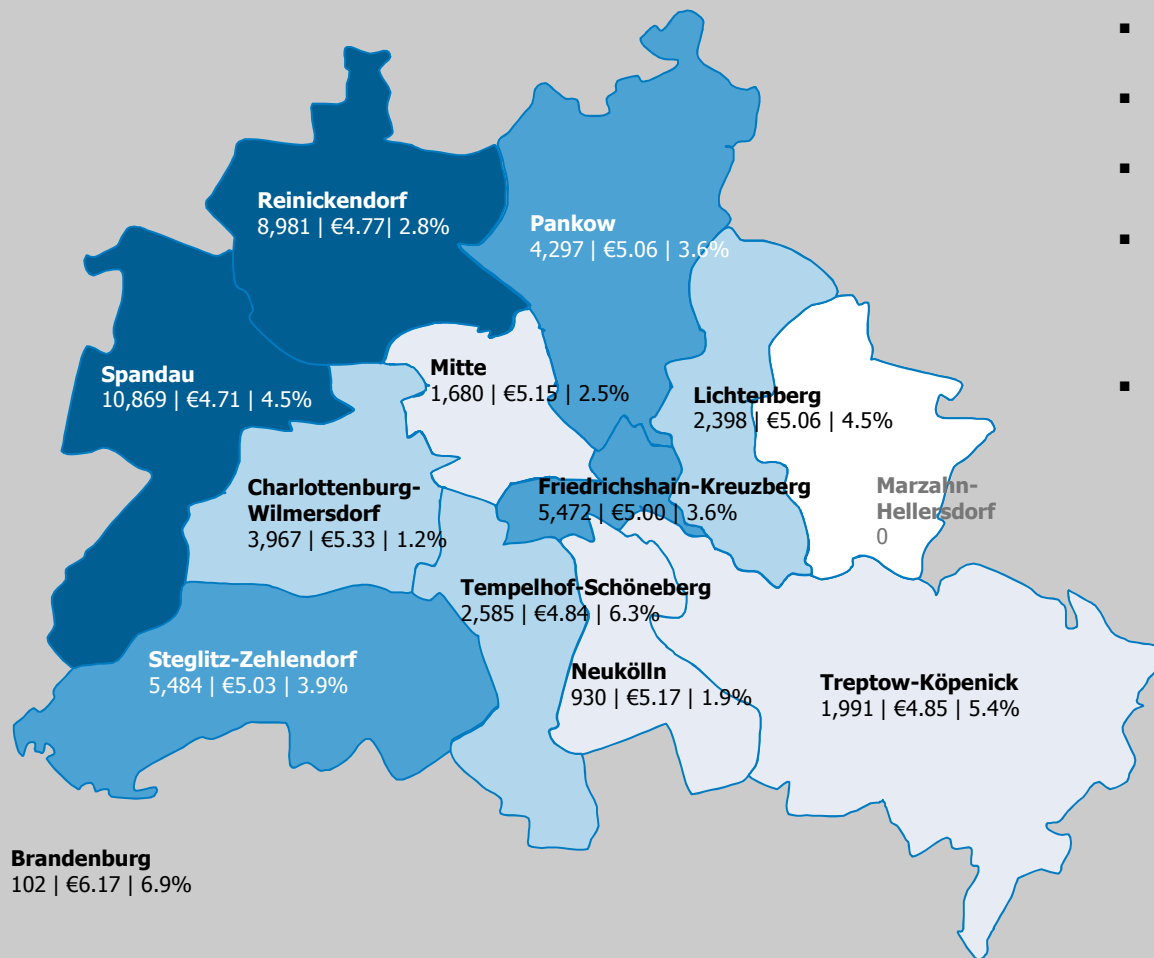
**Financials**

**5**

**Outlook**



# GSW Portfolio overview as of 31 March 2011

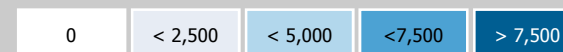


- Average residential rent €4.92/sqm
- Average residential vacancy 3.7%
- No. of residential units: 48,756
- Average apartment size per unit 61.5 sqm, meeting market demand for small- to mid-sized apartments
- Residential portfolio comprising approx. 49,700 residential and commercial units in ownership, in total approx. 65,500 units under management

### District

Residential Units | Monthly IPR €/m² | Vacancy in %

### GSW Residential units



# GSW Portfolio development

## Acquisitions

- 101 units in Reinickendorf
- Purchase Price €4.0m (€870/sqm)
- Multiple of 14x in-place rent
- Vacancy 2.5%
- Monthly in-place rent: €5.29/sqm
- Built in 1937
- Mostly 1 or 2 room apartments
- Fitting into GSW portfolio



## Privatizations

Result on Disposals (€m)	Q1 2011	Q1 2010
Investment property disposal proceeds	9.8	15.1
Carrying value of investment property disposals	(6.6)	(14.3)
<b>Gross margin</b>	<b>3.2</b>	<b>0.8</b>
Operating expenses of investment property disposed	(1.9)	(1.0)
<b>Result on disposal of investment property</b>	<b>1.3</b>	<b>(0.2)</b>

- Privatization of 122 units (date of transfer)
- 98 contracts signed with date of transfer after Q1
- Gross margin 32.7%
- Net margin 13.3%

# Agenda

**1**

**Highlights Q1 2011**

**2**

**Portfolio overview & development**

**3**

**Overview key figures**

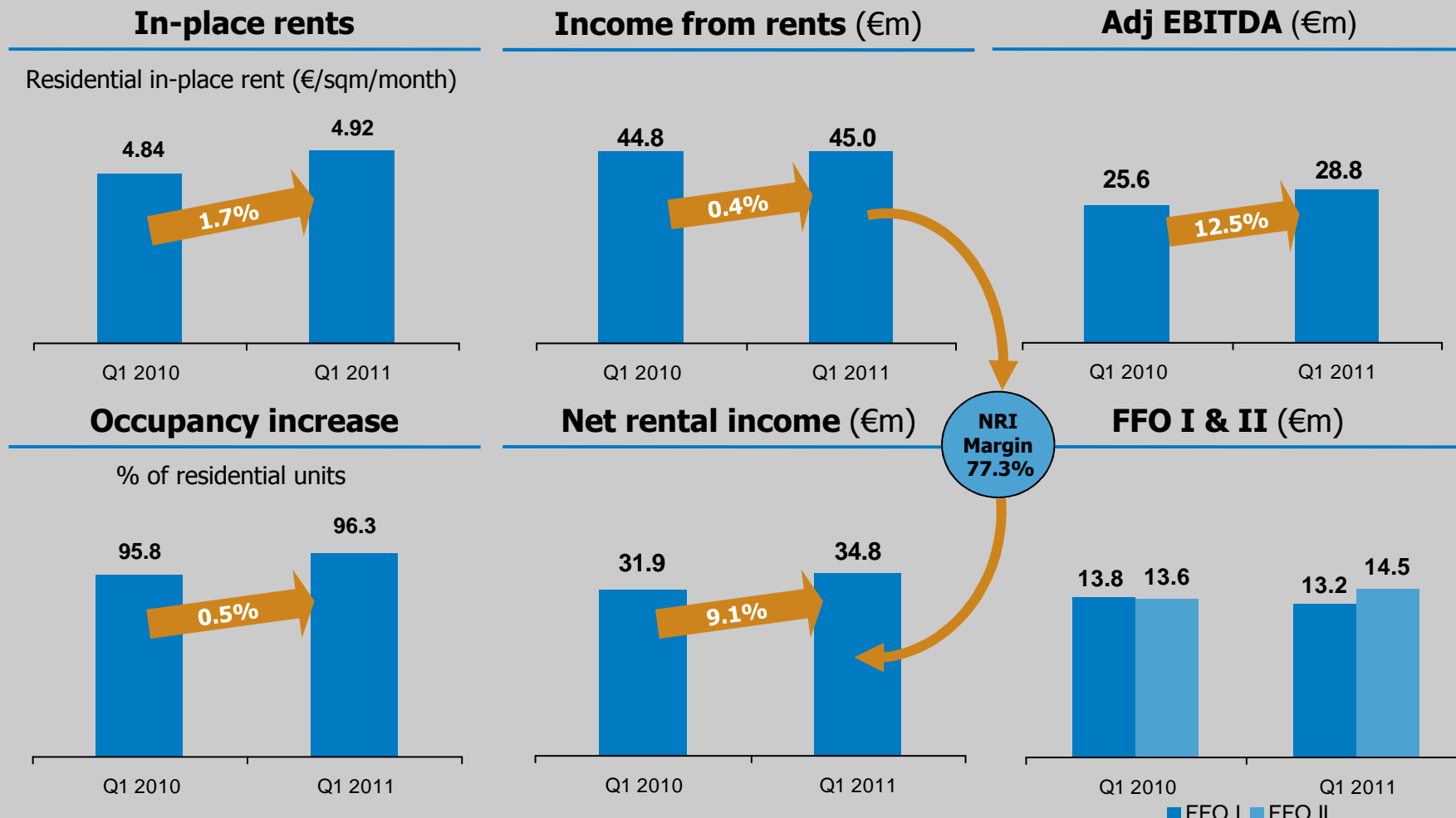
**4**

**Financials**

**5**

**Outlook**

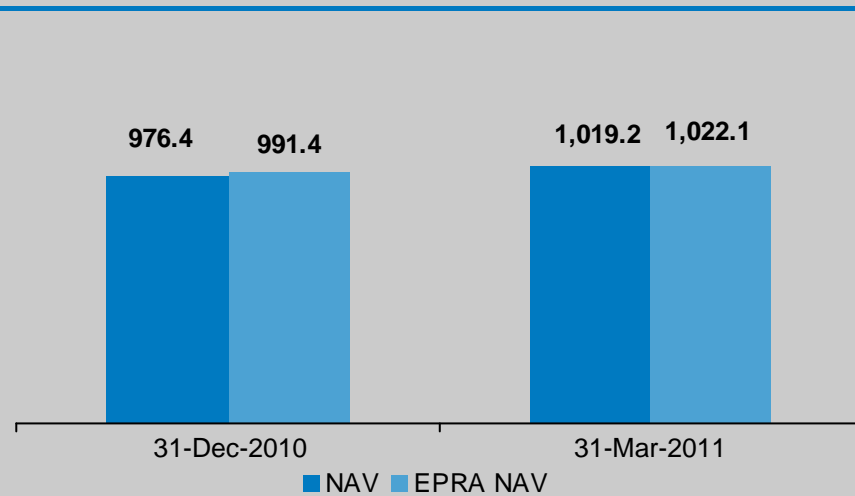
# Overview – operational and financial highlights



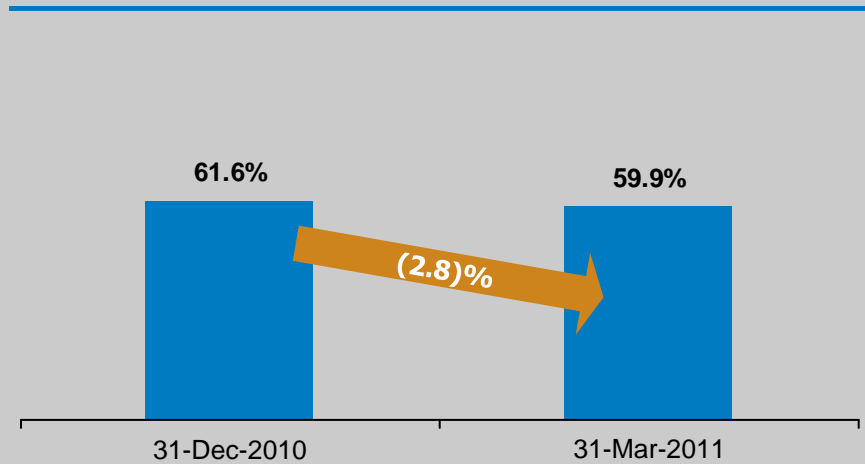
Note: FFO I = FFO excl. result on disposal of investment property  
 FFO II = FFO incl. result on disposal of investment property

# NAV & LTV development

NAV (€m)



LTV



Further improvement after capital increase in Q2 2011 expected

Note: NAV and LTV do not include the capital increase from April 2011

# Agenda

**1**

**Highlights Q1 2011**

**2**

**Portfolio overview & development**

**3**

**Overview key figures**

**4**

**Financials**

**5**

**Outlook**

# Net Rental Income – Q1 2011

(€m)	Q1 2011	Q1 2010	Comments
Income from rents	45.0	44.8	
Income from management activities and other income	2.6	3.1	Q1 2011 includes €0.9m contribution of subsidiary BWG (3rd party management) and €1.4m of Facilita (facility management)
<b>Gross rental income</b>	<b>47.7</b>	<b>47.8</b>	
Income from direct government grants	2.7	3.5	
<b>Total rental income</b>	<b>50.4</b>	<b>51.3</b>	
Costs of materials	(8.9)	(12.4)	€3.1m lower maintenance expenses compared to Q1 2010 13-14 €/sqm for maintenance and capex expected in 2011
Personnel expenses	(4.0)	(4.2)	
Other property operating expenses/income	(2.6)	(2.9)	
<b>Net rental income</b>	<b>34.8</b>	<b>31.9</b>	

# Income statement – Q1 2011

(€m)	Q1 2011	Q1 2010	Comments
Net rental income	34.8	31.9	No valuation in Q1 2011, next annual valuation at YE
Result on disposal of investment property	1.3	(0.2)	
Net valuation gains on investment property	0.0	(11.4)	
Administrative expenses	(10.3)	(12.6)	
Other income, net	25.4	0.0	Extraordinary impact from sale of broadband cable business
<b>Net operating profit (EBIT)</b>	<b>51.2</b>	<b>7.7</b>	
Net results of investments	0.1	0.1	
Interest result	(16.7)	(18.3)	
<b>Profit before income taxes (EBT)</b>	<b>34.5</b>	<b>(10.6)</b>	
Income taxes	1.5	(0.7)	
<b>Consolidated net income for the period</b>	<b>36.0</b>	<b>(11.3)</b>	

	Q1 2011	Q1 2010
Admin expenses (total)	(10.3)	(12.6)
thereof IPO and projects expenses	(3.9)	(5.7)
<b>Admin expenses adjusted</b>	<b>(6.5)</b>	<b>(6.9)</b>

	Q1 2011	Q1 2010
Interest income	8.1	2.2
Interest expense	(24.8)	(20.5)
<b>Interest result</b>	<b>(16.7)</b>	<b>(18.3)</b>
less valuation effects	2.5	7.4
less discounting	0.6	0.7
less accrued interest loans	(2.0)	(1.0)
<b>Cashflow net interest</b>	<b>(15.6)</b>	<b>(11.2)</b>



# Adjusted EBITDA reconciliation – Q1 2011

(€m)	Q1 2011	Q1 2010
<b>EBIT</b>	<b>51.2</b>	<b>7.7</b>
Depreciation	0.3	0.4
Fair value adjustment of investment property	0.0	11.4
<b>EBITDA</b>	<b>51.5</b>	<b>19.5</b>
IPO costs	2.5	5.4
Restructuring expenses	0.1	0.2
Project costs	1.4	0.3
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	(1.3)	0.2
<b>Adjusted EBITDA</b>	<b>28.8</b>	<b>25.6</b>

Comments	
<b>Refinancing costs</b>	
Admin expenses	(0.8)
Capitalized expenses	(7.9)
<b>Total</b>	<b>(8.7)<sup>(a)</sup></b>

(a) includes €0.1m from reversal of provisions

# Derivation of FFO – Q1 2011

(€m)	Q1 2011	Q1 2010
<b>Adjusted EBITDA</b>	<b>28.8</b>	<b>25.6</b>
Cash flow net interest	(15.6)	(11.2)
Results of associates, joint ventures and other investments consolidated using the equity method	0.1	0.1
Cash flow net taxes	(0.1)	(0.7)
<b>FFO I (excl. result on disposal of investment property)</b>	<b>13.2</b>	<b>13.8</b>
Result on disposal of investment property	1.3	(0.2)
<b>FFO II (incl. result on disposal of investment property)</b>	<b>14.5</b>	<b>13.6</b>

Comments			
<u>Impact of higher interest level and shifted payment dates</u>			
	<b>Q1 2011</b>	<b>Q1 2010</b>	
CMBS	(4.2)	(3.5)	interest level
Refi-loans	(3.7)	0.0	payment dates
<b>Total</b>	<b>(7.9)</b>	<b>(3.5)</b>	
Pro forma FFO I per share: €0.32 (based on 41.05m shares)			

# Balance sheet – Q1 2011

Selected items (€m)	31-Mar-11	31-Dec-10
<b>Non-current assets</b>	<b>2,589.5</b>	<b>2,585.7</b>
Investment property	2,569.8	2,571.7
other non-current assets	19.7	14.0
<b>Current assets</b>	<b>107.2</b>	<b>96.0</b>
Assets held for sale	9.1	9.0
Cash and cash equivalents	75.4	70.8
Receivables and other current assets	22.6	16.2
<b>Total assets</b>	<b>2,696.7</b>	<b>2,681.7</b>

## Pro forma NAV per share

Based on 41.05m shares without taking the IPO proceeds into account the NAV per share would have been €24.90

Selected items (€m)	31-Mar-11	31-Dec-10
<b>Shareholders' equity</b>	<b>1,019.2</b>	<b>976.4</b>
Financial liabilities	1,579.1	1,606.6
Other liabilities	98.4	98.8
<b>Total equities and liabilities</b>	<b>2,696.7</b>	<b>2,681.7</b>

NAV (€m)	31-Mar-11	31-Dec-10
<b>Diluted NAV</b>	<b>1,019.2</b>	<b>976.4</b>
Fair value of financial instruments (net)	2.9	15.0
Deferred tax	(0.0)	(0.0)

<b>Diluted EPRA NAV (€m)</b>	<b>1,022.1</b>	<b>991.4</b>
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# Agenda

**1**

**Highlights Q1 2011**

**2**

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**3**

**Overview key figures**

**4**

**Financials**

**5**

**Outlook**

## ▪ Use of cash and proceeds

- External growth by acquisitions
- Modernisation Capex
- Payment of EK02 liability of €42m in September 2011

## ▪ Dividend policy

- Targeted payout of approximately 65% of FFO I
- Targeted first dividend payment in 2012 for 2011

## ▪ Key Performance Indicators

- Company is focussed on development of Total rental income, Net rental income, adjusted EBITDA, FFO and NAV

## ▪ FFO I guidance

- €54-59m expected for FY 2011

# IR Contact



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