



GAGFAH S.A.

Investor Presentation

October 2007





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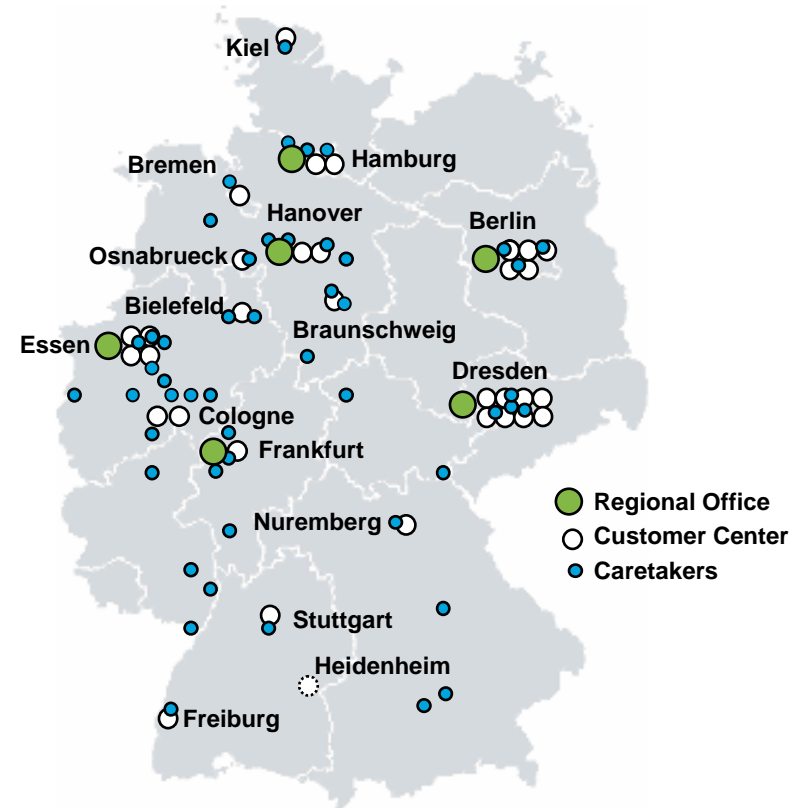
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GAGFAH Overview

- Largest German-listed owner and operator of residential real estate in Germany
- Over €10 billion in asset value and owns and manages >200,000 residential units¹⁾
- GAGFAH's size and geographical diversity makes it a dominant player in the market
- Nationwide operational presence with ability to service and acquire new assets in all markets

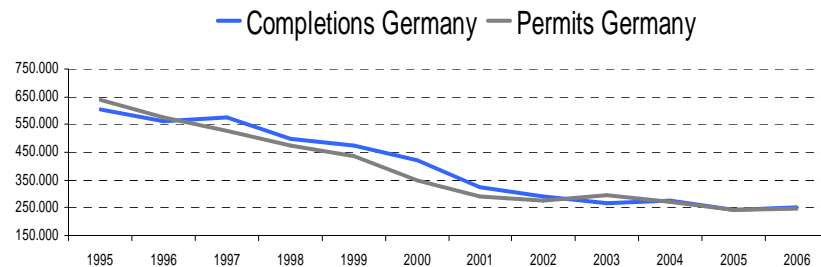


¹⁾ As of June 30, 2007; incl. all owned and managed units and new units we have acquired or agreed to acquire since IPO

Favorable Market Conditions

Supply

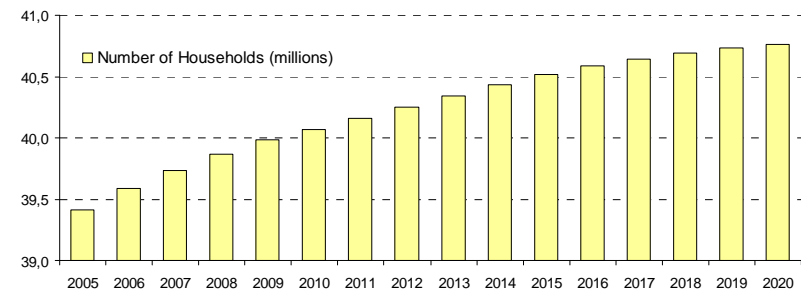
Construction Trends in Units



Source: German Federal Office for Statistics

Demand

German Household Increase



Source: German Federal Office for Building and Regional Planning

The Housing market and the Economy



The Housing market and the Economy

- The housing market tends to track the movement in the economy, with a lag



Overview TOP 5 locations of GAGFAH Group

Location	Number of GAGFAH units	Growth Population***	Job growth** (2006)	Growth Residential units*	Growth Rent €/m2** (2006)	Growth Price rental units €/m2** (2006)
Dresden	43,031	1,8%	2,7%	-0,1%	5,1%	3,0%
Berlin	28,028	0,3%	1,1%	0,2%	2,9% ¹	4,3%
Hamburg	10,157	0,6%	1,9%	0,3%	4,2%	1,6%
Hanover	5,537	0,8%	-0,1%	0,2%	2,2%	-0,9%
Heidenheim	4,848	-0,4%	0,1%	-0,2%	3,9%	2,4%
Weighted average of TOP 5 locations	91,601	0,5%	1,3%	0,2%	4,1%	3,0%
German average		-0,1%	0,7%	0,5%	3,2%	1,8%

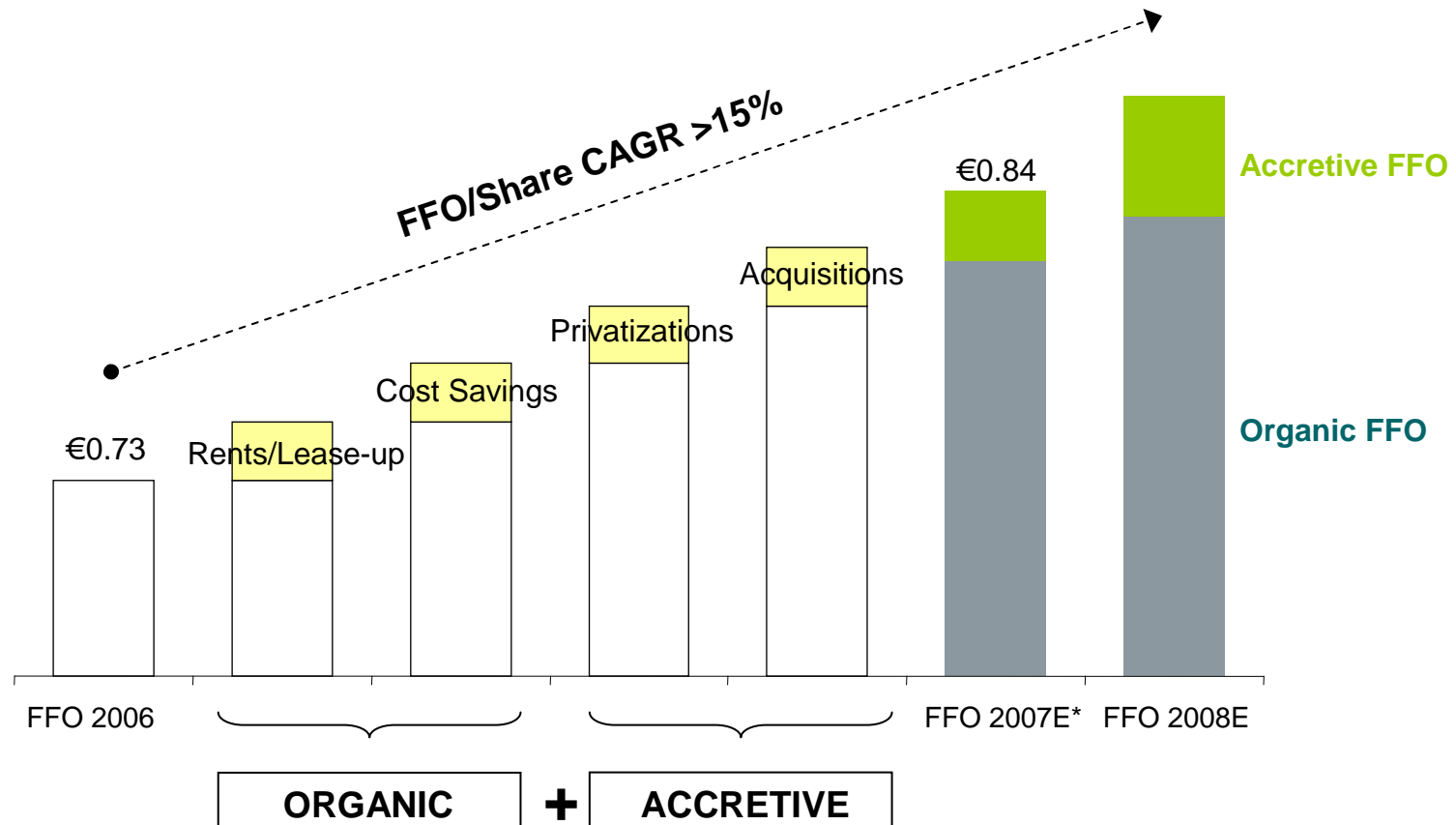
*Avg rent growth due to rent tables Berlin 2005 and 2007 for one year (Berliner Morgenpost as of August 25, 2007)

Source: German federal labor office, BulwienGesa AG, Feri Finance Research

*Dec 2004 – Dec 2005; **Dec 2005 – Dec 2006; *** Dec 2004 – Dec 2006

Our Objectives

We intend to significantly increase our FFO per share



*Note: FFO 2007E is based on annualized FFO per share of €0.42 for the first six months of 2007

Financial Performance for Past Year

Accomplishments

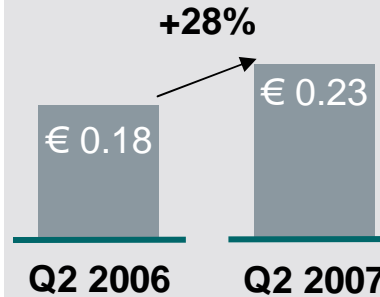
- Current annualized dividend yield: 5.5%*
- FFO up 20% since Q2 2006

- NAV of €13.97 per share, up 30% since Q4 2006

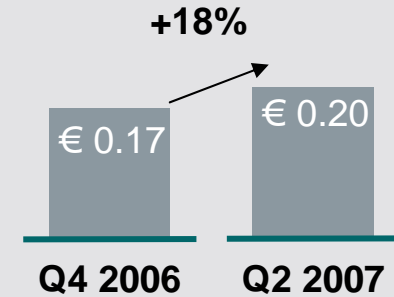
*Based on annualized Q2 07 dividend of €0.20 and a share price of €14.63 as of Aug 31, 07.

FFO and Dividend per Share

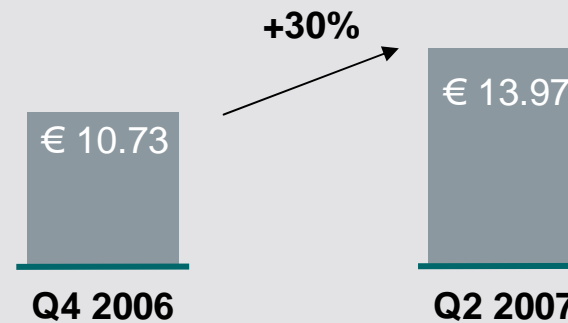
FFO per Share



Dividend per Share

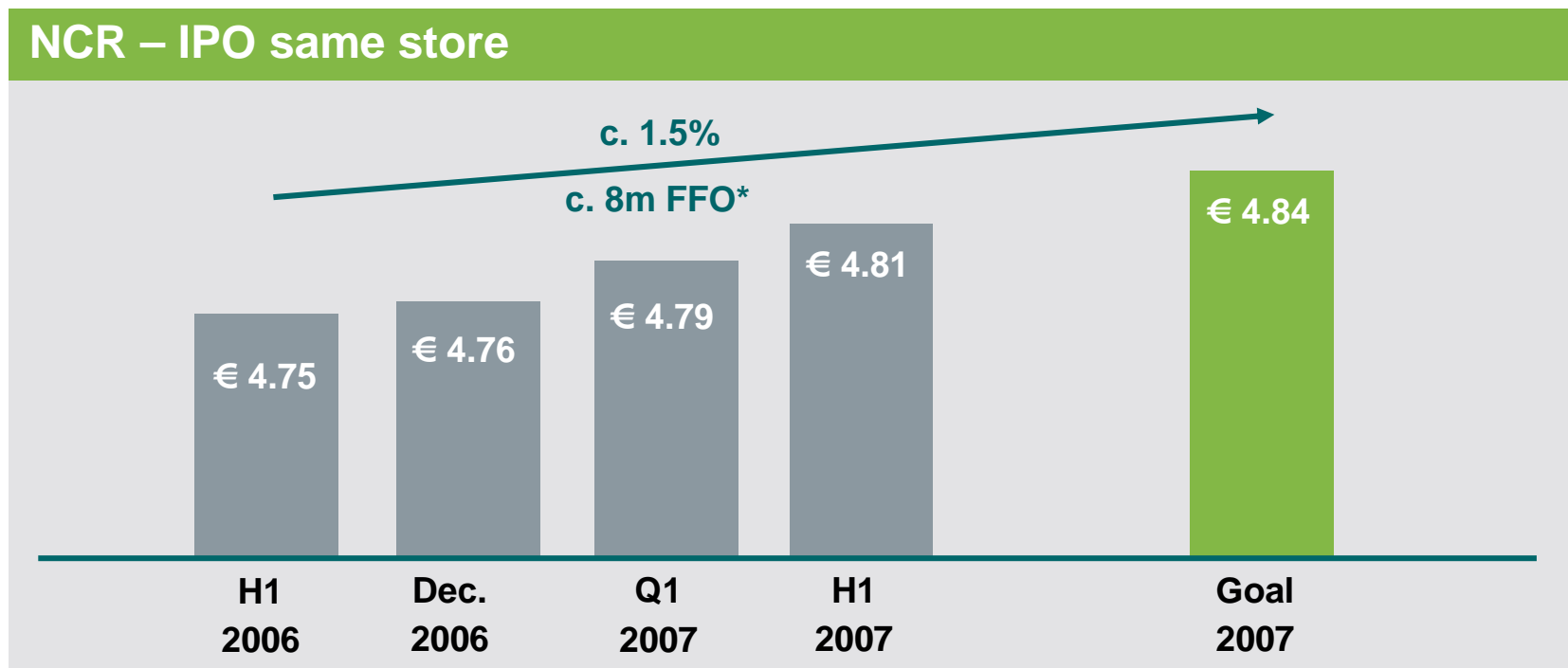


NAV per Share



Organic growth – rents

- GAGFAH's portfolio is currently 10% below market*
- Over 40% of rent increases generated through fluctuation of approx. 10%



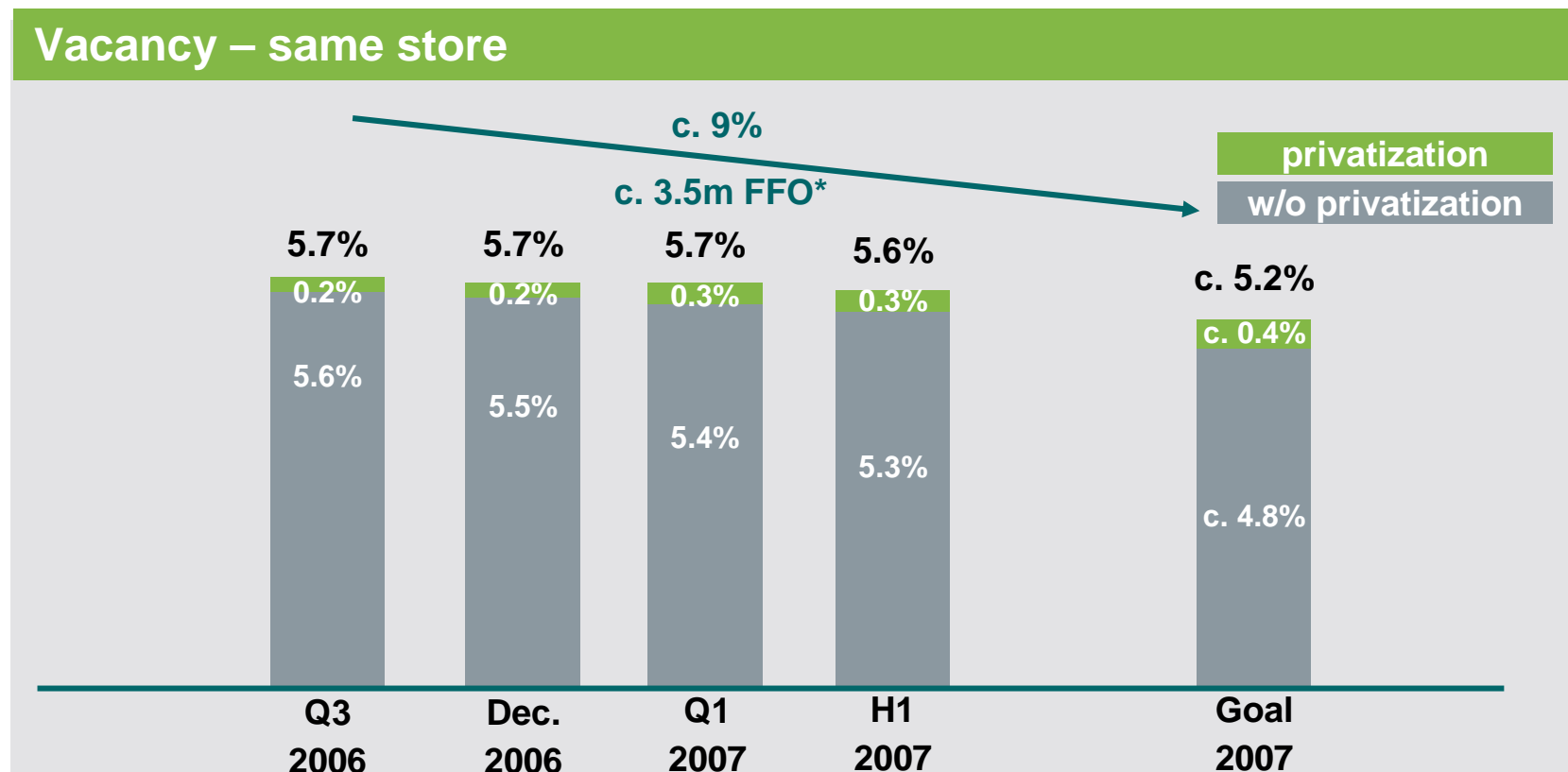
Note: rent per sqm; IPO same store residential
Numbers include rounding effects

Note that some restriction apply on our ability to increase rents

* annualized

Organic growth – lease-ups

- Reduce vacancy of core portfolio to below 5%*
- Additional potential through acquisition of under-managed portfolios



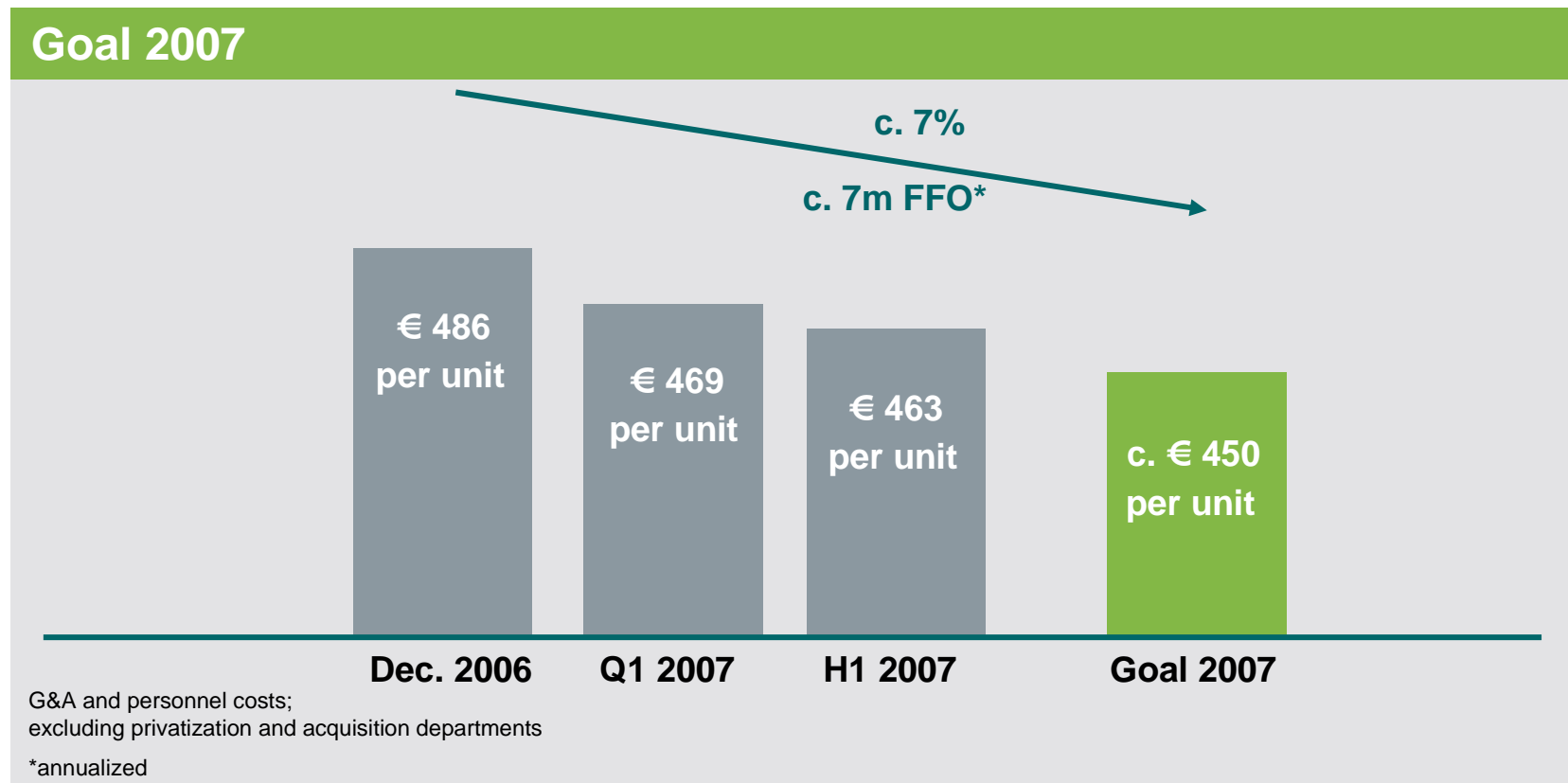
*Excludes units held vacant for privatizations

Note: Same store residential;
Numbers include rounding effects

* annualized

Organic growth – cost savings

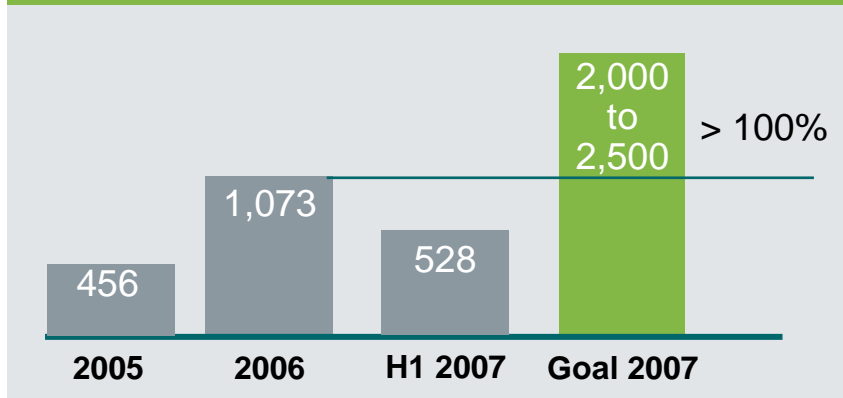
- Cost to manage core units: target < €450/ unit
- Incremental cost to manage: target: < €200/ unit



Accretive growth - privatizations

- Sale of individual residential units – primarily to tenants

Goal 2007 – in units

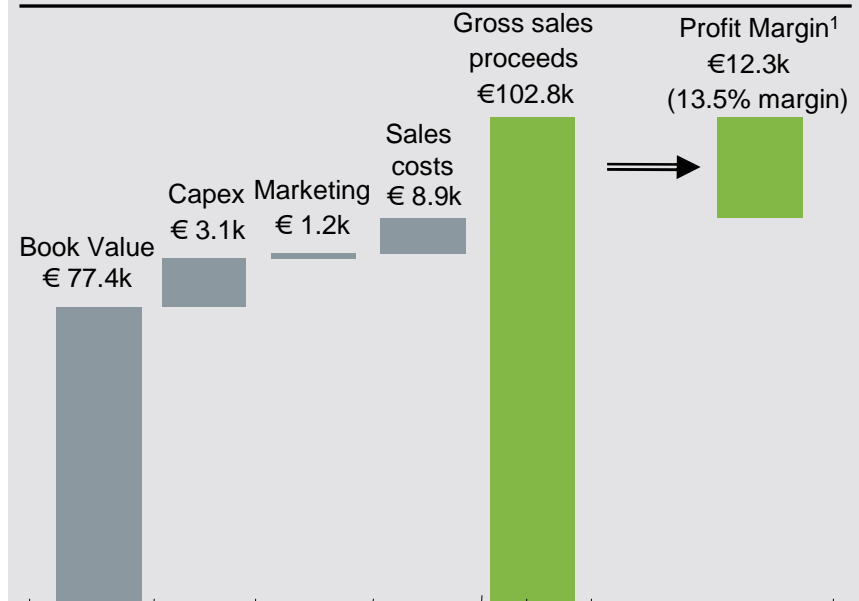


Profit margin



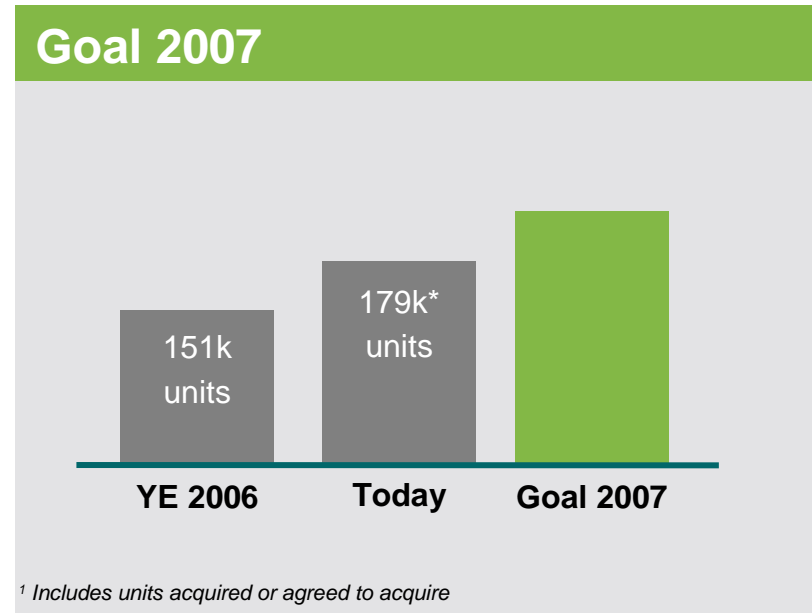
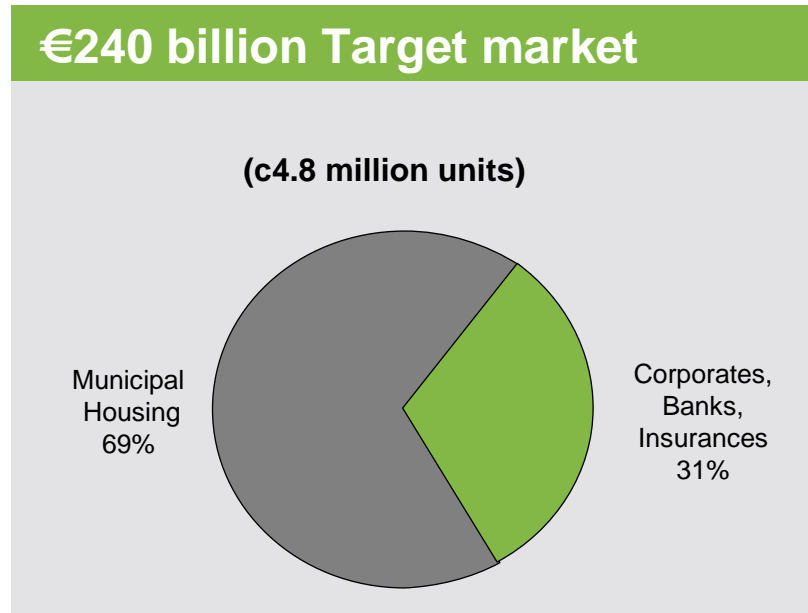
Illustrative Privatization Economics

Disposal of 1 Unit



¹ Margin on book value plus sales and marketing costs and capex

Accretive growth - acquisitions



Strategy



GAGFAH's strategy is to acquire **€1.4 billion** of assets p.a. at yields accretive to earnings

Source: Innova Research

Note: Target market of €240bn based on value estimate of €50,000 per unit

Key Figures

	YE 2006	H1/06	H1/07	Variance
Number of residential units ¹	151.366	151.261	166.956	10,4%
Residential square meters	9.072.423	9.075.164	10.027.973	10,5%
Income from leasing (€m)	823,2	402,5	459,70	14,2%
Profit from leasing (€m)	386,5	184,80	227,60	23,2%
FFO (€m)	165,4	78,7	94,0	19,4%
FFO per share	0,73	0,35	0,42	20,0%
Privatization (units)	1.073	173	528	205,2%
NCR per square meter (€)	4,76	4,75	4,81	1,3%
Overall vacancy (%)	5,7	6,2	6,0	-3,2%
Investment properties (€m)	7.660,0	7.641,0	9.151,1	19,8%
NAV (€m)	2.420,0	2.420,0 ²	3.149,7	30,2%
NAV per share (€)	10,73	10,73	13,97	30,2%

¹ owned units

² as of Dec. 31, 2006



Conclusions

- One of the highest dividend yield stocks in Germany
- Upside potential through organic and accretive growth
- Limited downside through stable and predictable cash flows
- Invest alongside Fortress



Appendix

Long-term debt liabilities

	Notional Amount as of June 30, 2007 (in €m)	Weighted Avg. Maturity	Effective Interest Rate	Fixed or Floating Rate
Term Loans	5,194	2013	3.9%	Fixed
Senior Debt	605	2031	2.6%	Fixed
GBH Acquisition Loan ¹	262	2007	4.7%	Fixed
Acquisition Facility	226	2008	5.6%	Floating
NILEG Non-Core Loan	57	2010	5.0%	Floating
Total	6,344			

¹ This loan has been refinanced with a weighted average maturity of 2012.



Thank you!

