



GAGFAH S.A.

Investor Presentation
September 2007





Disclaimer

This document has been issued by GAGFAH S.A. (the “Company”) and does not constitute or form part of and should not be construed as any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company or any present or future member of the group, nor shall any part of it nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

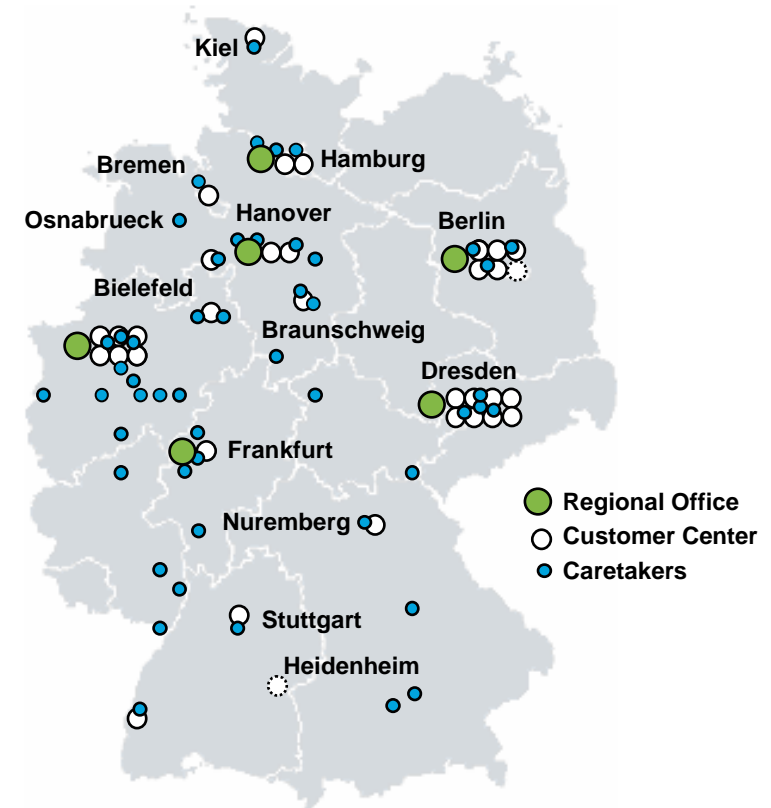
All information contained herein has been carefully prepared. However, no reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company or any of its directors, officers or employees or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by the Company or any of its directors, officers or employees nor any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.

The information contained in this presentation is subject to amendment, revision and updating. Certain statements, beliefs and opinions in this document are forward-looking, which reflect the Company’s or, as appropriate, senior managers current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document.

This document is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or on an exemption from registration under the U.S. Securities Act of 1933, as amended.

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

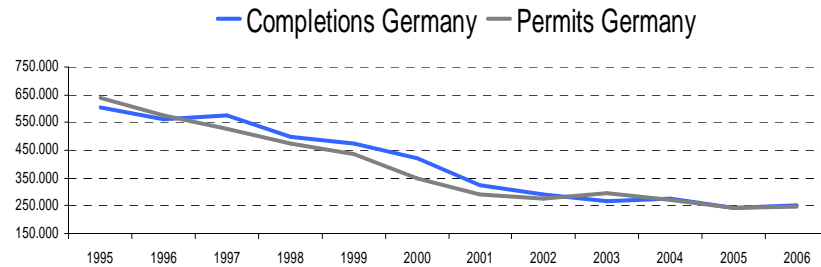


¹⁾ As of June 30, 2007; incl. all owned and managed units and new units we have acquired or agreed to acquire since IPO

Favorable Market Conditions

Supply

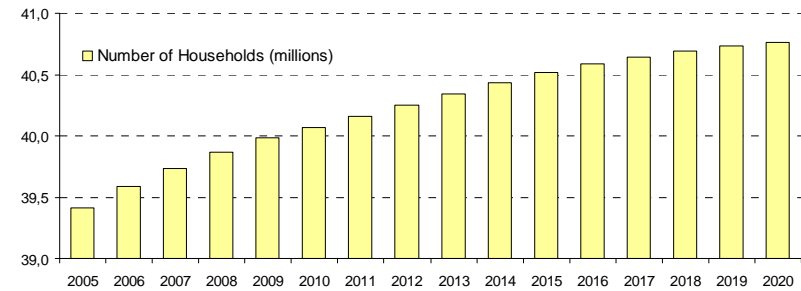
Construction Trends in Units



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%

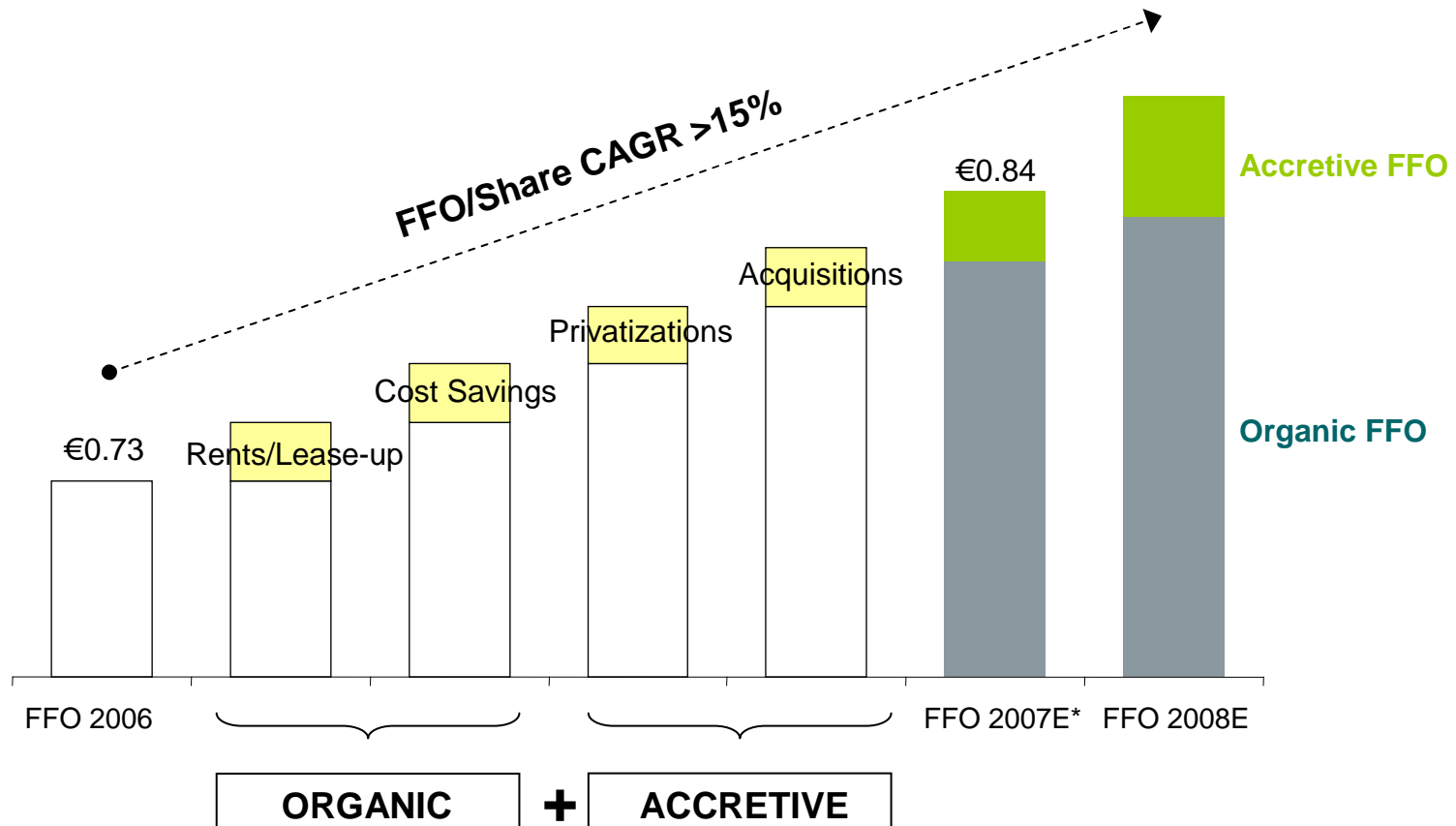
*Avg rent growth due to rent tables Berlin 2005 and 2007 for one year (Berliner Morgenpost as of August 25, 2007)

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

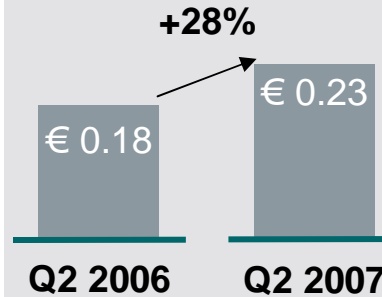
- Current annualized dividend yield: 5.5%*
- FFO up 20% since Q2 2006

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

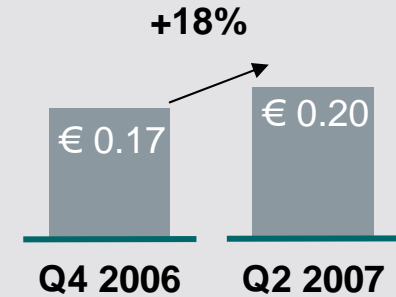
*Based on annualized Q2 07 dividend of €0.20 and a share price of €14.63 as of Aug 31, 07.

FFO and Dividend per Share

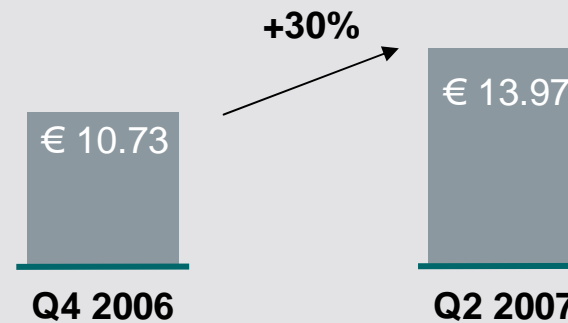
FFO per Share



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%

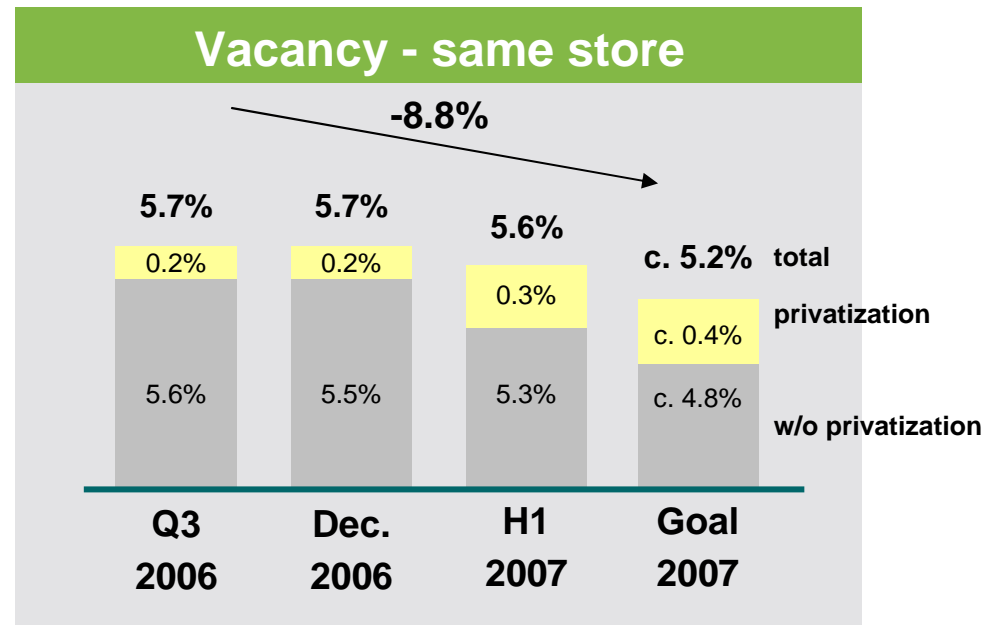


Note: rent per sqm; IPO same store residential
Numbers include rounding effects

*Note that some restriction apply on our ability to increase rents

Organic growth – lease-ups

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

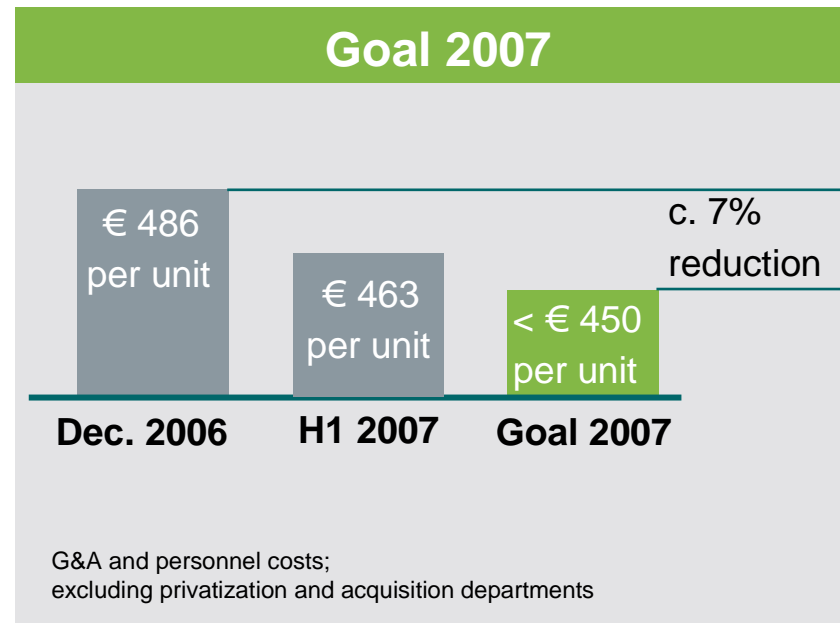


*Excludes units held vacant for privatizations

Note: Same store residential;
Numbers include rounding effects

Organic growth – cost savings

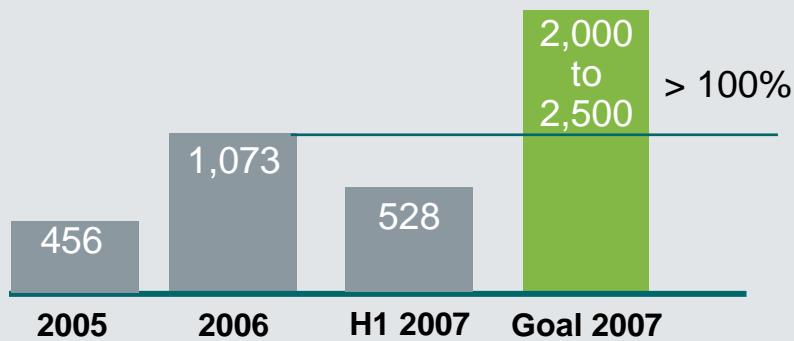
- Cost to manage core units: target < €450/ unit
- Incremental cost to manage: target: < €200/ unit



Accretive growth - privatizations

- Sale of individual residential units – primarily to tenants

Goal 2007 – in units

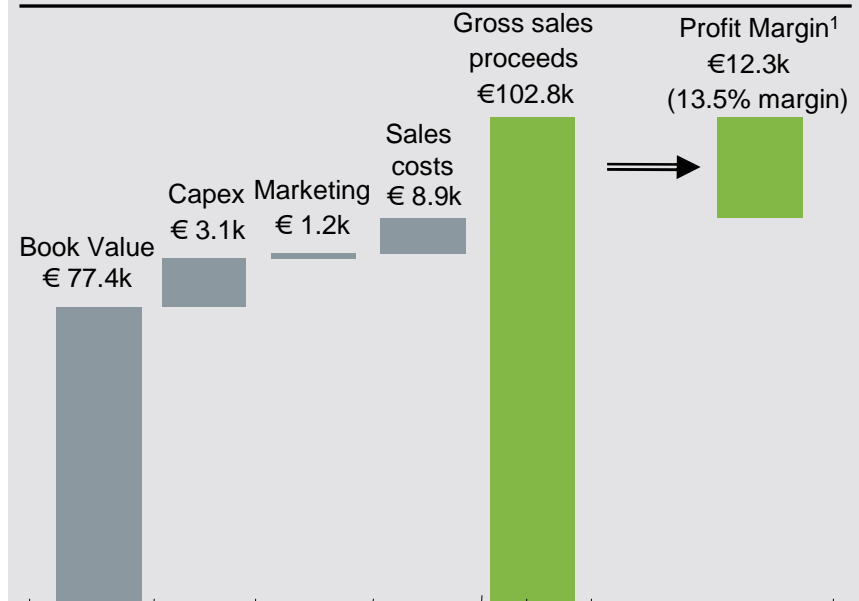


Profit margin



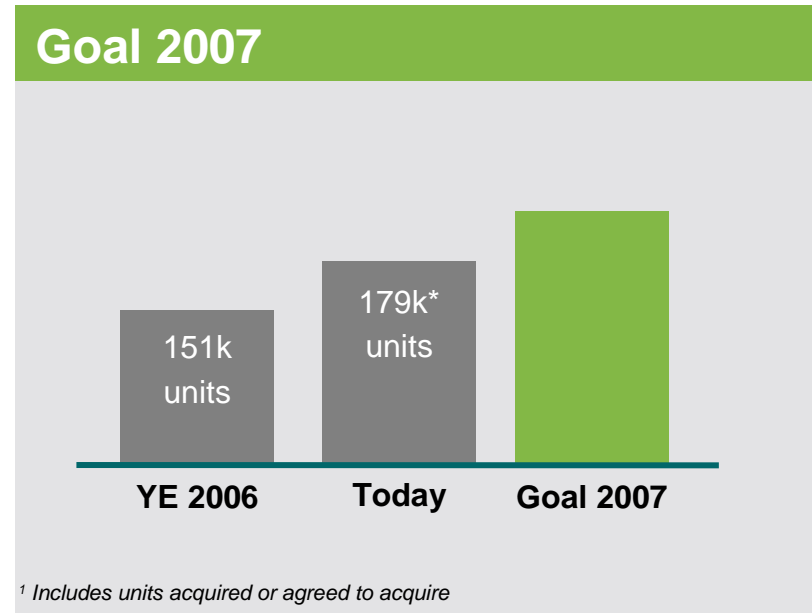
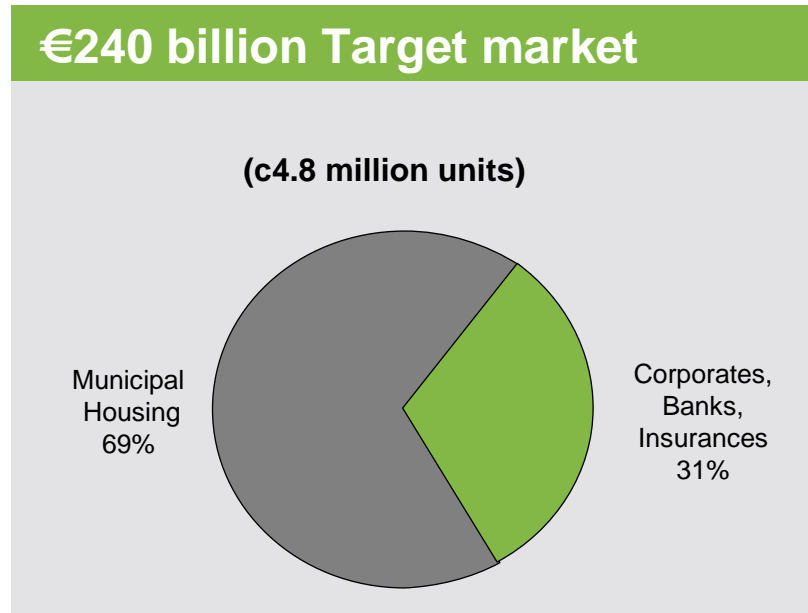
Illustrative Privatization Economics

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



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

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

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!

