GSW IMMOBILIEN AG
INTERIM REPORT Q1-2012

MY BERLIN. MY HOME.

HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

	31.03.2012	31.03.2011
Vacancy rate (residential)	3.3 %	3.7 %
In-place rent (residential)	5.12 EUR/sqm	4.92 EUR/sqm

INCOME STATEMENT HIGHLIGHTS

EUR mn	1.1.-31.03.2012	1.1.-31.03.2011
Net rental income	39.7	34.8
Result on disposal of investment property	2.1	1.3
EBITDA	31.9	48.6
Adjusted EBITDA	33.3	28.8
Net operating profit (EBIT)	31.7	48.3
Consolidated net income for the period	8.7	33.2
FFO I (excl. sales result)	15.0	13.2
AFFO[1]	11.4	11.6
FFO II (incl. sales result)	17.1	14.5

[1] FFO I less capitalised expenses for modernisation and maintenance

BALANCE SHEET HIGHLIGHTS

EUR mn	31.03.2012	31.12.2011
Investment property	2,918.7	2,930.2
Cash and cash equivalents	70.5	62.6
Shareholders' equity	1,168.6	1,166.4
Financial liabilities	1,756.4	1,770.9
Total assets	3,038.3	3,039.7
EPRA NAV	1,230.1	1,219.9
Loan-to-Value	57.4 %	58.0 %
Equity ratio	38.5 %	38.4 %

KEY FINANCIALS PER SHARE

EUR	1.1.-31.03.2012	1.1.-31.03.2011
FFO I per share[2]	0.37	0.32
AFFO per share[2]	0.28	0.28

EUR	31.03.2012	31.12.2011
EPRA NAV per share[2]	29.96	29.72

[2] In deviation from the EPS calculation in line with IAS 33.19, this key ratio is calculated on the basis of the 41,052,630 shares outstanding as of 31 March 2012

MY BERLIN. MY HOME.

The listed company GSW has been letting, administering and managing one of the largest property portfolios in Berlin for more than 85 years. Its name is synonymous with experience, stability and economic soundness.

In order to maintain and expand our market position, we permanently strive to take new paths that bridge the gap between innovation and tradition.

We continue to develop without abandoning the tried and trusted. Our strategy focuses on the long-term management of rental property using a systematic approach aimed at enhancing both customer satisfaction and operational efficiency.

We manage a real estate portfolio of around 53,000 residential units that was valued at EUR 2.9 billion as of 31 December 2011. In addition, a subsidiary of GSW manages approximately 17,400 residential and commercial units for third parties.

With a firm customer focus, we use all of our experience and industry expertise to conserve and increase the value of our properties.

At the same time, we are aware of our social responsibility for Berlin and are involved in social, cultural and sports projects and for the people who live here, our tenants and employees.

As a capital market-oriented housing company, we are bound to the interests and needs of all our stakeholders. Our duty is to identify and target shared objectives and find an appropriate and fair balance in the event of conflicting interests.

CONTENTS

LETTER FROM THE MANAGEMENT BOARD

Andreas Segal	**Thomas Zinnöcker**	**Jörg Schwagenscheidt**
Chief Financial Officer	**Chief Executive Officer**	**Chief Operating Officer**

DEAR SHAREHOLDERS,
DEAR LADIES AND GENTLEMEN,

We are proud to look back on a successful first quarter of 2012. In the first three months of the current year, GSW continued on its successful path. This is mainly due to our long-term financing structure and our sustainable and stable business model, which is focused on the booming Berlin housing market.

In November 2011, GSW added around 4,800 residential and commercial units in attractive Berlin locations to its portfolio. Over the past months we have worked hard to successfully integrate the new portfolio into the existing housing stock. This process has now been completed, and the above-average rents and relatively low vacancy rate in this portfolio will therefore increase the Company's profitability this year.

In comparison to the first quarter of 2011, adjusted EBITDA was up 15.8% at EUR 33.3 million and was thus within our expectations. This increase is primarily due to improved net rental income as a result of higher rents, a lower vacancy rate and reduced administrative expenses. Overall, net rental income rose by around 14% year-on-year to EUR 39.7 million. At the same time, we were able to reduce the vacancy rate by approximately 11% to 3.3%, while in the same period in-place rent increased by 4.1% to EUR 5.12 per sqm per month. FFO I rose by 13.6% to EUR 15.0 million as a result of the operating performance and the larger portfolio as compared to the same quarter of the previous year.

Net asset value (EPRA NAV), i.e. the economic equity of the Group, also increased to EUR 1,230 million as at the end of the first quarter. The loan-to-value ratio accordingly decreased to 57.4%.

With a portfolio of around 53,000 residential units and 17,400 residential units managed for third parties, GSW is the leading listed residential real estate company operating in Berlin. We intend to expand this position further. At the end of April/beginning of May, we carried out a capital increase with net issue proceeds of approximately EUR 190.3 million to finance further growth, for future purchases and for optimising our strategic and financial flexibility. More than 90% of our existing shareholders exercised their subscription rights and participated in the capital increase. The successful placement and the high level of acceptance among our shareholders showed us that the capital market is rewarding the stability and continuity of GSW's business model, which combines sustainable growth with an attractive dividend policy. The additional equity will enable us to continue pushing ahead with this strategy and allow our shareholders to participate in the Company's success.

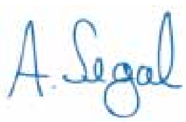
These positive prospects underpin our forecast of generating FFO I of around EUR 59 million to EUR 63 million in the 2012 financial year, not including any acquisitions made.

We would like to thank our shareholders and tenants for the trust they have placed in us. We would also like to express our particular gratitude to our employees for their great commitment, since it was their tireless efforts that made it possible for us to pursue the growth strategy further while also successfully continuing operating business in the first few months of this year. The social and societal responsibility for our tenants and for the city of Berlin as well as taking economic and ecological responsibility as part of our sustainability-based business model remain a key criterion in this.

Berlin, May 2012

THOMAS ZINNÖCKER
(CEO)
GSW Immobilien AG

JÖRG SCHWAGENSCHEIDT
(COO)
GSW Immobilien AG

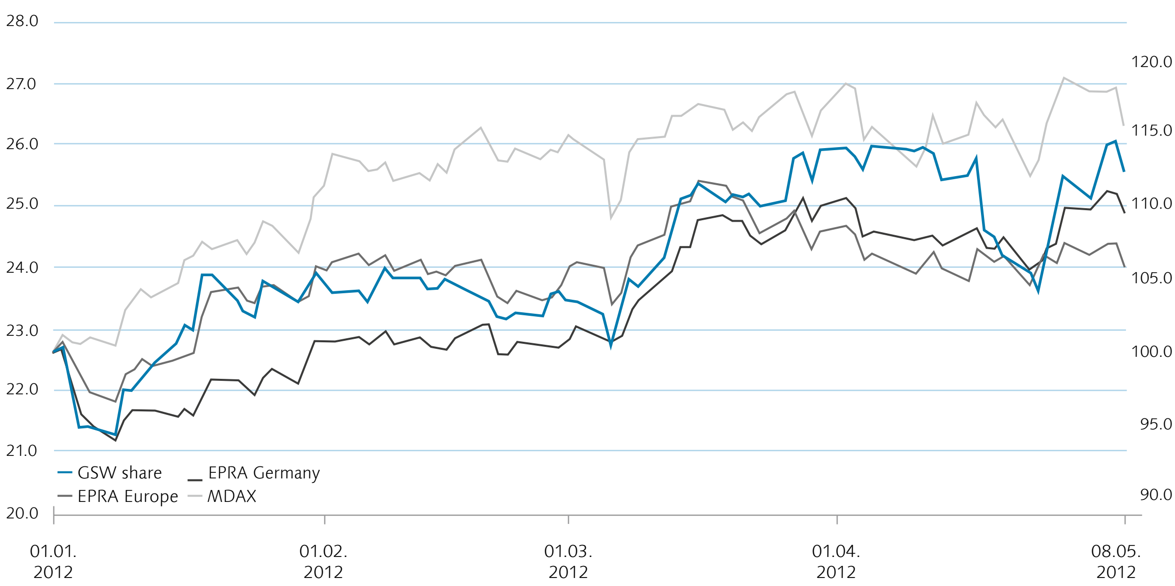


ANDREAS SEGAL
(CFO)
GSW Immobilien AG

SHARE

OVERVIEW

SHARE PRICE DEVELOPMENT



KEY DATA PER SHARE

Sector	**Real estate**
German securities identification number / ISIN	**GSW111 / DE000GSW1111**
Stock exchange abbreviation	**GIB**
Bloomberg	**GIB:GR**
Reuters	**GIBG.DE**
Share capital before capital increase	**EUR 41,052,630**
No. of shares before capital increase	**41,052,630 no-par-value individual shares**
Initial listing	**15 April 2011**
Market capitalisation (as of: 30 March 2012)	**EUR 1,064 mn**
Market segment	**Prime Standard**
Trading centres	**Frankfurt Stock Exchange, XETRA, Regulated Market (Regulierter Markt) of the Berlin Stock Exchange**
Designated sponsors	**Deutsche Bank, Goldman Sachs International and DZ Bank**
Indices	**MDAX FTSE EPRA / NAREIT Global Real Estate Index Serie**

SHARE PRICE PERFORMANCE

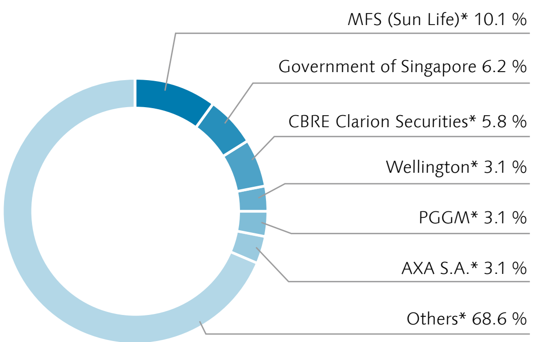
GSW's share price developed positively in line with the market as a whole in the first quarter, climbing by approximately 15.7 % as against the price at the end of 2011 to reach a closing price of EUR 25.92 per share on 30 March.

As at the reporting date 13 January 2012, Cerberus and Whitehall – formerly the biggest shareholders – each successfully placed around 4 million GSW shares on the capital market. As a result, the free float rose significantly from 74 % to 94 % and the share's weighting in the relevant indices increased accordingly.

As at 13 April, the GSW share's weighting in the MDAX amounted to 1.21 %. In the EPRA Germany Index, the share represented approximately 16 % of the shares included here as at 31 March 2012.

SHAREHOLDER STRUCTURE

SHAREHOLDERS WITH SIGNIFICANT HOLDINGS



As of March 30, 2012
(on the basis of voting right notifications pursuant to WpHG of which we are aware)

* The free float as defined by Deutsche Börse AG accounts to roughly 94%.

CAPITAL INCREASE

With effect from 27 April 2012, GSW successfully carried out a capital increase with indirect subscription rights for the shareholders. The company's share capital was increased by EUR 9,473,684, using part of the authorised capital, by issuing new shares. These new shares are already fully entitled to participate in dividends for the 2011 financial year. The total number of bearer shares thus increased to 50,526,314.

The new shares were offered to the existing shareholders at a subscription ratio of 13:3 and a subscription price of EUR 21.30 per new share. Overall, 99.72% of the new shares were subscribed to by exercising subscription rights, with only around 9% of the subscription rights being traded. The remainder of the new shares, for which subscription rights were not exercised, were sold on the stock exchange. On 3 May 2012 the share quoted at EUR 26.05, already considerably higher than the level before the capital increase was announced. This shows the high level of interest in GSW's business model and the confidence that many investors have in the company after just one year on the capital market.

FINANCIAL CALENDAR

31 May 2012	**Kempen Conference (Amsterdam)**
21 June 2012	**Morgan Stanley Conference (London)**
28 June 2012	**Annual General Meeting (Berlin)**
20 August 2012	**Interim Report H1-2012**
12/13 September 2012	**Bank of America Global Real Estate Conference (New York)**

INTERIM CONSOLIDATED MANAGEMENT REPORT

ECONOMIC REPORT

DEVELOPMENT OF THE HOUSING PORTFOLIO

Overview

GSW's business model is focused on managing residential property in Berlin so as to generate stable cash surpluses that grow steadily over time. As one of Germany's most attractive residential real estate markets, which has also been characterised for a number of years by positive demographic trends in contrast to the national average, Greater Berlin offers excellent background conditions.

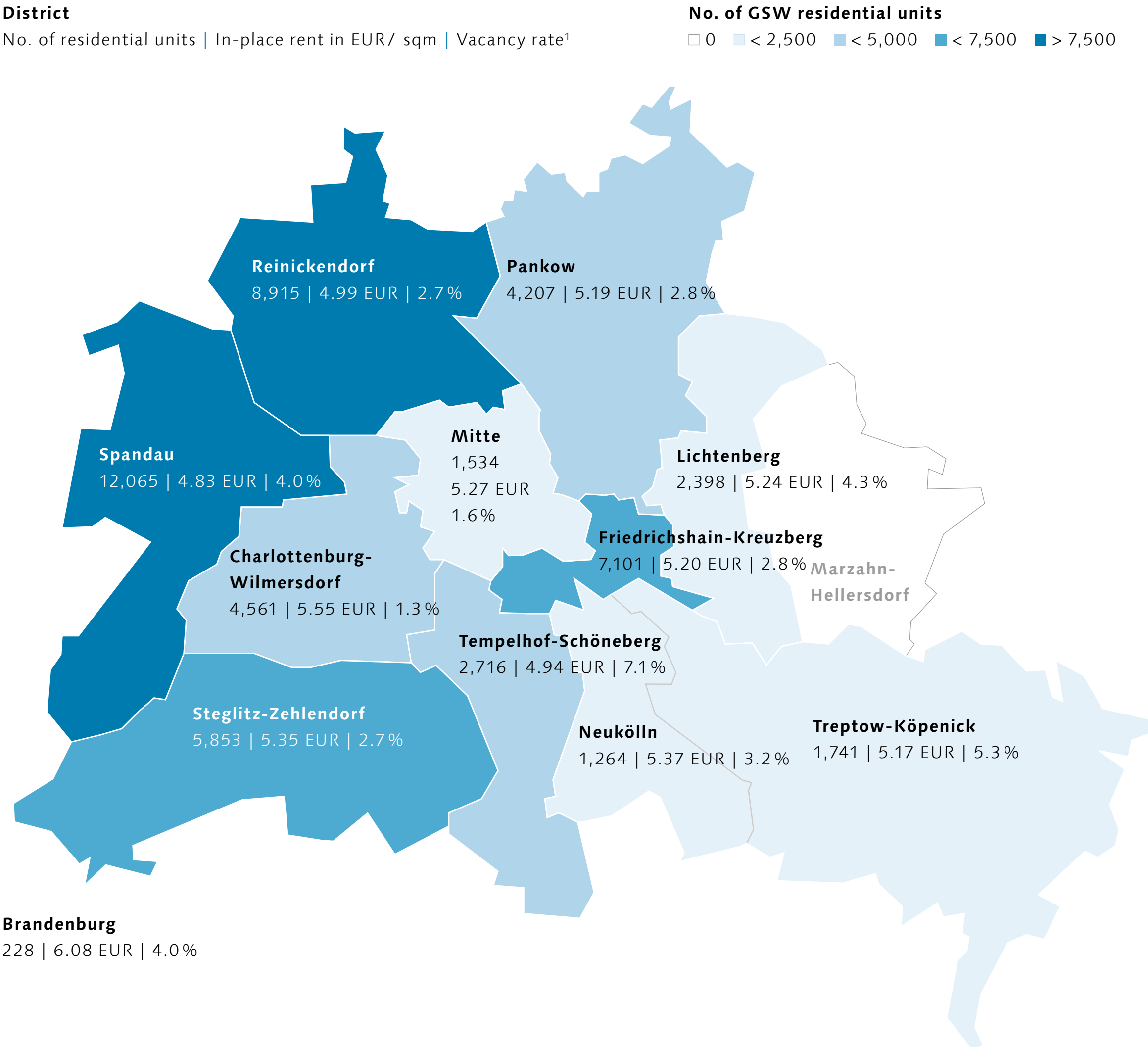
One key strategic component is active, value-oriented portfolio management with the objective of generating sustainable returns and increasing these, as well as ensuring the value retention of the portfolio and the competitiveness of GSW in the long term. This includes, among other aspects, the continuous development of the company's own housing stock by means of maintenance and modernisation measures that add value and continuous efficiency improvements while maintaining a clear customer focus in property management.

In addition to optimising the current portfolio, GSW also still plans to carry out targeted and appropriately priced acquisitions of new stock with good development and yield prospects with only a slight increase in administrative expenses and to sustainably strengthen the local market position in Greater Berlin.

Selective opportunistic sales of residential units and portfolios round off the options. Such sales are made in particular from the portfolio of owner-occupied apartments and are used to further optimise income from management. Additional cash flows are also generated for the company in this way.

With 52,583 company-owned residential units, 913 commercial units, 8,767 garages / car spaces and 17,383 residential and commercial units for third parties, GSW manages and leases one of the largest property portfolios in the German capital. As of the reporting date, the vacancy rate for the residential units was 3.3 % (31 March 2011: 3.7 %) and was reduced by 0.1 percentage points in the first quarter of 2012. The average residential in-place rent in the portfolio was EUR 5.12 / sqm on 31 March 2012, up EUR 0.04 / sqm as against the end of 2011. This increase was attributable both to rent increases for existing tenants – for example, due to the expiry of rent restrictions for around 500 units in Berlin-Reinickendorf with an increase in the in-place rent of approximately 15 % – and also new rentals of units which were considerably higher than the existing rents on average.

HOUSING PORTFOLIO 31.03.2012



[1] The vacancy rate corresponds to the number of residential units not leased divided by the number of residential units available for leasing.

Effective 1 November 2011, GSW acquired a subsidiary of GAGFAH S.A. with 4,857 residential and commercial units with total space of around 296,400 sqm as part of a share deal. The purchase price was EUR 330 million or around EUR 1,113/sqm.

Following a transitional period, the portfolio has been managed by GSW since 1 February 2012. The economic data relevant to the portfolio have developed in line with expectations. This includes a steady development in rents: since the acquisition in November 2011, the residential in-place rent has increased from EUR 5.61/sqm to EUR 5.69/sqm (as at 31 March 2012).

Maintenance and modernisation

Through continuous investments in both the fabric of the buildings and the standard of the residential units, GSW ensures the basis for its housing stock's long-term rentability and for the appeal of its residential units. For instance, modernisation measures are carried out as part of the new rental of residential units in order to put them in a modern condition and thus to achieve an adjustment to the current market rent. Alongside general maintenance and individual value-enhancement measures, in future GSW will also undertake modernisation projects involving comprehensive packages of measures. In this way, the overall solid positioning of the GSW portfolio on the Berlin market will be further strengthened and expanded.

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

RESULTS OF OPERATIONS

Net rental income (EUR mn)	01.01.-31.03.2012	01.01.-31.03.2011
Income from rents	50.4	45.0
Income from management activities and other income	2.7	2.6
Gross rental income	**53.1**	**47.7**
Income from direct government grants	2.1	2.7
Total rental income	**55.2**	**50.4**
Cost of materials	(9.3)	(8.9)
Personnel expenses	(4.6)	(4.0)
Other property operating expenses/income	(1.6)	(2.6)
Net rental income	**39.7**	**34.8**

Net rental income was increased by EUR 4.9 million year-on-year. The main factors influencing this rise in income were the acquisition of a property portfolio with more than 4,800 units in the fourth quarter of 2011, rent increases, and the reduction in the vacancy rate.

Overall, the average rent for the leased residential units increased by 4.1 % year-on-year to EUR 5.12 / sqm as at 31 March 2012 (31 March 2011: EUR 4.92 / sqm). In addition, GSW reduced the vacancy rate in its portfolio to 3.3 % (31 March 2011: 3.7 %).

The higher income from current rental business is countered by a reduction in government grants as planned.

The slight increase in the cost of materials chiefly results from the larger real estate portfolio.

There was a rise in expenses for modernisation and maintenance in the period under review. At the same time, the capitalisation rate increased as a result of increased implementation of value-enhancement measures.

Result on disposals (EUR mn)	01.01.-31.03.2012	01.01.-31.03.2011
Investment property disposal proceeds	16.0	9.8
Carrying value of investment property disposals	(11.8)	(6.6)
Operating expenses for investment property disposed	(2.1)	(1.9)
Result on disposal of investment property	**2.1**	**1.3**

Thanks to the favourable demand situation in Berlin, GSW sold 208 residential and commercial units with transfer of benefits and burdens in the first quarter of 2012 (2011: 122). This resulted in income of EUR 2.1 million.

Administrative expenses (adjusted) (EUR mn)	**01.01.-31.03.2012**	**01.01.-31.03.2011**
General administrative expenses	(10.1)	(13.2)
Expenses for capital measure	1.2	2.5
Long term incentive plan (LTIP)	0.9	2.9
Project costs (pro rata)	0.2	0.8
Acquisition costs	1.1	0.0
Administrative expenses (adjusted)	**(6.7)**	**(7.1)**

Administrative expenses fell by EUR 3.1 million year-on-year to a total of EUR 10.1 million in the first three months of 2012. The decrease was primarily due to one-off effects such as costs for implementing the IPO and costs relating to the refinancing concluded for the CMBS loan in the previous year. This effect was reinforced by the higher long term incentive plan (LTIP) in the previous year.

This is countered in 2012 by costs for implementing the capital increase and for acquisition projects.

Adjusted for one-off influences, administrative expenses amounted to EUR 6.7 million and were thus slightly below the previous year's level (2011: EUR 7.1 million).

Interest result (EUR mn)	**01.01.-31.03.2012**	**01.01.-31.03.2011**
Interest income from valuation of derivatives and loan amortisation	3.4	6.5
Interest income from derivatives	3.8	1.5
Other interest income	0.1	0.1
Interest income	**7.3**	**8.1**
Interest expenses from valuation of derivatives and loan amortisation	(7.1)	(9.0)
Interest expenses from interest derivatives	(8.3)	(5.0)
Interest expenses from financing of investment property	(13.2)	(10.2)
Other interest expenses/finance lease	(0.4)	(0.6)
Interest expenses	**(29.1)**	**(24.8)**
Interest result	**(21.8)**	**(16.7)**

The company's interest income decreased by EUR 0.8 million year-on-year to EUR 7.3 million. This was due to lower income from the valuation of financial instruments, which was only partially offset by higher interest income from interest rate hedges.

At the same time, interest expenses increased by EUR 4.3 million to EUR 29.1 million. This was chiefly due to higher current interest as a result of financing the acquisition and refinancing the CMBS loan in the previous year.

Overall, this resulted in a EUR 5.1 million decline in the interest result to EUR -21.8 million.

Income statement (EUR mn)	01.01.-31.03.2012	01.01.-31.03.2011
Net rental income	39.7	34.8
Result on disposal of investment property	2.1	1.3
Net valuation gains on investment property	- *)	- *)
Administrative expenses	(10.1)	(13.2)
Other income, net	0.0	25.4
Net operating profit (EBIT)	**31.7**	**48.3**
Net result of investments	0.1	0.1
Interest result	(21.8)	(16.7)
Profit before income taxes (EBT)	**10.0**	**31.7**
Income taxes	(1.3)	1.5
Consolidated net income for the period	**8.7**	**33.2**

*External valuation of property generally once a year, as of 31 December.

In the first quarter of 2012, GSW generated consolidated net income of EUR 8.7 million. This represents a year-on-year decrease of EUR 24.5 million, although this is chiefly due to the sale of BMH Berlin Mediahaus GmbH in January 2011.

Adjusted for the one-off effect of the BMH sale (EUR 25.4 million), there was a significant increase in EBIT of EUR 8.8 million. This is attributable to the rise in net rental income, sales result and the decline in administrative expenses.

FFO I, a key performance indicator for GSW, is determined by adjusting EBIT for write-downs, the remeasurement result, IPO, LTIP, restructuring, project and acquisition costs, the sales result and net interest and tax payments as follows:

Adjusted EBITDA/FFO (EUR mn)	01.01.-31.03.2012	01.01.-31.03.2011
EBIT	**31.7**	**48.3**
Depreciation	0.2	0.3
Fair value adjustment of investment property	0.0	0.0
EBITDA	**31.9**	**48.6**
IPO costs	1.2	2.5
Restructuring expenses	0.1	0.1
Project costs	0.2	1.4
Acquisition costs	1.1	0.0
Long term incentive plan (LTIP)	0.9	2.9
Gains/losses on disposal of property, plant and equipment and financial investments	0.0	(25.4)
Result on disposal of investment property	(2.1)	(1.3)
Adjusted EBITDA	**33.3**	**28.8**
Cash flow net interest	(18.4)	(15.6)
Results of associates, joint ventures and other investments consolidated using the equity method	0.1	0.1
Cash flow net taxes	(0.0)	(0.1)
FFO I (excl. sales result)	**15.0**	**13.2**
Capitalised expenses for modernisation and maintenance work	(3.6)	(1.6)
AFFO (FFO I less capitalised expenses for modernisation and maintenance)	**11.4**	**11.6**
FFO II (incl. sales result)	**17.1**	**14.5**

EBITDA developed in step with EBIT in the first quarter of 2012. Adjusted for one-off effects, there was a EUR 4.5 million increase in adjusted EBITDA to EUR 33.3 million.

In line with planning, the net cash flow from interest paid and received decreased as against the same period of the previous year as a result of the acquisition financing and the CMBS refinancing.
In the first three months of 2012, it amounted to EUR -18.4 million as was thus considerably lower than in the same period of the previous year (2011: EUR -15.6 million).

As a result, FFO I amounted to EUR 15.0 million in the first quarter of 2012 (2011: EUR 13.2 million), while AFFO (adjusted FFO) amounted to EUR 11.4 million. Despite the rise in FFO I, AFFO remained virtually constant (2011: EUR 11.6 million) due to the higher capitalised expenses for modernisation and maintenance work.

NET ASSETS

Balance sheet (EUR mn)	31.03.2012	31.12.2011
Non-current assets	**2,935.8**	**2,947.6**
Investment property	2,918.7	2,930.2
Other non-current assets	17.1	17.3
Current assets	**102.4**	**92.1**
Assets held for sale	19.7	17.1
Cash and cash equivalents	70.5	62.6
Receivables and other current assets	12.2	12.4
Total assets	**3,038.3**	**3,039.7**
Equity	**1,168.6**	**1,166.4**
Financial liabilities	1,756.4	1,770.9
Other liabilities	113.4	102.4
Total equity and liabilities	**3,038.3**	**3,039.7**

Equity rose by EUR 2.2 million to EUR 1,168.6 million as of the reporting date and was mainly influenced by the current consolidated net income and by negative measurement effects in relation to derivative financial instruments, which are accounted for in other comprehensive income.

Adjusted for the fair values of the financial instruments, there was a slight increase of EUR 10.2 million in EPRA NAV (net asset value) as against 31 December 2011, which was chiefly due to the positive net profit for the quarter:

NAV (EUR mn)	31.03.2012	31.12.2011
Equity	1,168.6	1,166.4
Effect of exercise of options, convertibles and other equity interests	0.0	0.0
NAV	**1,168.6**	**1,166.4**
Fair value of financial instruments (net)*	61.6	53.6
Deferred tax**	0.0	0.0
EPRA NAV	**1,230.1**	**1,219.9**
Number of shares (mn)* **	**41.05**	**41.05**
NAV per share (EUR)	**28.47**	**28.41**
EPRA NAV per share (EUR)	**29.96**	**29.72**

* Netting financial assets and liabilities.
** Not including deferred taxes (related to losses from the valuation of financial instruments) of EUR 3.2 million (previous year: EUR -1.4 million) accounted for in other comprehensive income.
*** In order to ensure comparability, prior-year figures are calculated on the basis of the shares outstanding as of 31 March 2012.

LTV (EUR mn)	31.03.2012	31.12.2011
Financial liabilities	1,756.4	1,770.9
Cash and cash equivalents	(70.5)	(62.6)
Net debt	**1,685.8**	**1,708.3**
Investment property	2,918.7	2,930.2
Assets held for sale	19.7	17.1
Loan-to-Value ratio	**57.4 %**	**58.0 %**

As a result of the higher level of cash and cash equivalents and the decrease in financial liabilities, net debt was reduced to EUR 1,685.8 million as at 31 March 2012. The resulting improved LTV (loan-to-value) of 57.4 % continues to be evidence of the company's solid financing structure.

FINANCIAL POSITION

Cash flow statement (EUR mn)	01.01.- 31.03.2012	01.01.- 31.03.2011
Cash flow from operating activities	9.9	(2.0)
Cash flow from investing activities	13.4	29.9
Cash flow from financing activities	(15.4)	(23.3)
Changes in cash and cash equivalents	**7.9**	**4.6**
Cash and cash equivalents at the beginning of the period	62.6	70.8
Cash and cash equivalents at the end of the period	**70.5**	**75.4**

Cash flow from operating activities increased by EUR 11.9 million year-on-year to EUR 9.9 million as a result of the higher rental income. In addition, disbursements were made in the previous year for preparing and implementing the refinancing and the IPO.

Cash flow from investing activities fell from EUR 29.9 million to EUR 13.4 million due to the sale of BMH Berlin Mediahaus GmbH in the first quarter of 2011.

Cash flow from financing activities was up year-on-year at EUR -15.4 million (2011: EUR -23.3 million). This increase was also due to the one-off effect of refinancing the CMBS loan in the previous year, which was carried out using cash funds of approximately EUR 15 million.

REPORT ON POST-BALANCE SHEET DATE EVENTS

With the resolution on 17 April 2012 and entry in the commercial register on 27 April 2012, GSW Immobilien AG increased its share capital by EUR 9,473,684 to EUR 50,526,314. The capital increase was implemented against cash contributions with indirect subscription rights for the existing shareholders at an issue price of EUR 21.30 per share. This resulted in net issue proceeds of approximately EUR 190 million for the company.

Following the exit resolution of its limited partner on 17 April 2012, GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG, Berlin, together with all its assets and liabilities, was merged with GSW Immobilien AG as of the end of 30 April 2012.

RISKS AND OPPORTUNITIES

GSW Immobilien AG is subject to various risks in its day-to-day business activities. The most significant risks, apart from general economic risk, are vacancy risk, rental default risk, and interest rate and liquidity risk. These risks may arise even if not caused or precipitated by the company's actions. Rental defaults, for instance, could increase as the result of amendments to laws and regulations, or interest rate and liquidity risks could be exacerbated by changes in key interest rates.

The potential risks and the corresponding valuation processes for these risks are described in detail on pages 79 to 84 of the consolidated financial statements for 2011 of GSW Immobilien AG, as well as on pages 43 to 58 of the current securities prospectus. No additional risks have arisen for the company since the reporting date.

For the current financial year 2012, the Management Board does not expect any risks to arise that could jeopardise the existence of GSW Immobilien AG and its subsidiaries.

OUTLOOK

The following factors significantly determine the trends in Berlin's residential property market, thus underpinning GSW's success: First, construction activity is generally low, while demand for housing space is rising, driven on by growing numbers of residents in the city. At the same time, the number of households is increasing, as there is a trend towards single-occupant apartments. As a result, the company expects rents to increase further and vacancy rates to fall in the German capital. Given these circumstances, the company can look forward with optimism and confidence that rental income will be on a growth trend which will positively affect the company's revenue and earnings. The Management Board of GSW is therefore confirming the forecast already published for the 2012 financial year of FFO I between EUR 59 million and EUR 63 million.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET – ASSETS

EUR thousand	Note	31.03.2012	31.12.2011
Non-current assets		**2,935,834**	**2,947,551**
Investment property	(8)	2,918,729	2,930,249
Property, plant and equipment		2,262	2,365
Goodwill		1,125	1,125
Other intangible assets		310	396
Other investments		6,171	6,171
Receivables and other non-current assets		7,195	7,203
Trade receivables		503	502
Receivables from rental, leasing and asset management		165	163
Receivables from sales		338	339
Derivatives		0	1
Other financial assets		6,692	6,700
Deferred tax assets		42	42
Current assets		**102,442**	**92,124**
Development of properties and inventories		2	2
Receivables and other current assets		12,220	12,444
Trade receivables		3,761	4,825
Receivables from property management		2,006	1,218
Receivables from sales		1,407	2,404
Other trade receivables		348	1,203
Receivables due from related parties		1	1
Income tax receivables		3,091	3,043
Other current assets		5,366	4,575
Other financial assets		2,898	1,508
Other miscellaneous assets		2,468	3,067
Cash and cash equivalents	(8)	70,512	62,618
Assets held for sale		19,708	17,060
Investment property held for sale	(8)	18,929	15,592
Other assets held for sale		779	1,468
Total assets		**3,038,276**	**3,039,675**

BALANCE SHEET – EQUITY AND LIABILITIES

EUR thousand	Note	31.03.2012	31.12.2011
Equity	(8)	**1,168,570**	**1,166,417**
Total shareholders' equity		1,168,319	1,166,160
Subscribed capital		41,053	41,053
Additional paid-in capital		129,690	128,800
Consolidated retained earnings		1,051,151	1,042,428
Accumulated other comprehensive income		(53,575)	(46,121)
Non controlling interest		251	257
Non-current liabilities		**1,748,339**	**1,797,277**
Financial liabilities	(8)	1,674,880	1,733,821
Liabilities from financing investment property		1,673,280	1,732,172
Liabilities from finance leases		1,600	1,649
Employee benefits		1,855	1,893
Provisions		4,112	4,148
Trade payables		540	662
Other non-current liabilities		66,952	56,753
Derivatives		61,533	52,373
Other financial liabilities		505	505
Other miscellaneous liabilities		4,914	3,875
Current liabilities		**121,367**	**75,981**
Financial liabilities	(8)	81,472	37,069
Liabilities from financing investment property		81,259	36,849
Liabilities from finance leases		213	220
Provisions		2,494	1,492
Trade payables		26,346	24,307
Property management liabilities		23,595	19,844
Other trade payables		2,751	4,463
Payables due to related parties		20	20
Income taxes payable		1,203	376
Other current liabilities		9,294	12,053
Deferred grants		159	110
Derivatives		47	1,195
Other financial liabilities		2,895	3,719
Other miscellaneous liabilities		6,193	7,029
Liabilities associated with assets held for sale		538	664
Total equity and liabilities		**3,038,276**	**3,039,675**

INCOME STATEMENT

EUR thousand	Note	01.01.– 31.03.2012	01.01.– 31.03.2011
Net rental income	(7)	**39,684**	**34,784**
Gross rental income		53,112	47,671
Income from direct government grants		2,076	2,715
Property operating expenses		(15,503)	(15,601)
Result on disposal of investment property		2,090	1,291
Investment property disposal proceeds		15,999	9,786
Carrying value of investment property disposals		(11,828)	(6,596)
Operating expenses for investment property disposed		(2,081)	(1,899)
Net valuation gains on investment property		**0**	**0**
Valuation gains on investment property		0	0
Valuation losses on investment property		0	0
Administrative expenses	(7)	(10,070)	(13,240)
Other income and expense		0	25,440
Net operating profit (EBIT)		**31,704**	**48,276**
Net result of investments		99	71
Interest income	(7)	7,341	8,094
Interest expenses	(7)	(29,094)	(24,787)
Profit before income taxes (EBT)		**10,050**	**31,654**
Income taxes	(7)	(1,324)	1,501
Consolidated net income for the period		**8,726**	**33,155**

Thereof attributable to:			
Shareholders of GSW Immobilien AG		8,723	33,155
Non-controlling interest		3	0
Earnings per share (basic and diluted), EUR		**0.21**	**0.95**

Calculation of earnings per share (EPS) has been conducted in accordance with IAS 33.19 on the basis of a weighted average number of shares within every reporting period.

STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Note	01.01.–31.03.2012	01.01.–31.03.2011
Consolidated net income for the period		8,726	33,155
Accumulative other comprehensive income			
Revaluation surplus resulting from the fair market valuation of AfS securities and other investments		0	(6)
Cumulative fair value changes of derivative interest rate contract constituting in cash flow hedges			
Fair value adjustment of derivatives in cash flow hedges		(8,048)	9,947
Reclassification of interest derivatives affecting income		99	(1,296)
Deferred taxes	(7)	488	(1,505)
Total comprehensive income for the period		**1,264**	**40,294**
Thereof attributable to:			
Shareholders of GSW Immobilien AG		1,269	40,294
Non-controlling interest		(5)	0

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

				Accumulative other comprehensive income						
EUR thousand	Subscribed capital	Additional paid-in capital	Consolidated retained earnings	Revaluation surplus resulting from the fair market valuation of AfS securities and other investments	Revaluation surplus resulting from the fair market valuation of owner-occupied property	Cumulative fair value changes of derivative interest rate contract constituting in cash flow hedges	Total	Total shareholders' equity	Minority interest	Consolidated equity
December 31, 2010	**35,000**	**15,136**	**937,301**	**7**	**205**	**(11,280)**	**(11,068)**	**976,369**	**0**	**976,369**
Total result for the period	0	0	33,155	(5)	0	7,143	7,139	40,294	0	40,294
Conversion of paid-in capital to shareholder's capital	0	(371)	0	0	0	0	0	(371)	0	(371)
Additional paid-in capital regarding to board compensations	0	2,894	0	0	0	0	0	2,894	0	2,894
March 31, 2011	**35,000**	**17,659**	**970,456**	**2**	**205**	**(4,136)**	**(3,929)**	**1,019,186**	**0**	**1,019,186**
December 31, 2011	**41,053**	**128,800**	**1,042,429**	**0**	**252**	**(46,374)**	**(46,121)**	**1,166,160**	**257**	**1,166,417**
Total result for the period	0	0	8,723	0	0	(7,454)	(7,454)	1,269	(5)	1,264
Additional paid-in capital regarding to board compensations	0	890	0	0	0	0	0	890	0	890
March 31, 2012	**41,053**	**129,690**	**1,051,152**	**0**	**252**	**(53,828)**	**(53,575)**	**1,168,319**	**251**	**1,168,570**

CASH FLOW STATEMENT

EUR thousand	01.01.– 31.03.2012	01.01.– 31.03.2011
Consolidated net income for the period	**8,726**	**33,155**
Depreciation, amortisation and impairment/write-ups of non-current assets	225	275
Gains (-)/ losses (+) of fair value measurement of investment property	0	0
Gains (-)/ losses (+) from the disposal of intangible assets and property, plant and equipment	0	0
Gains (-)/ losses (+) from the disposal of consolidated companies	0	(25,440)
Gains (-)/ losses (+) from the disposal of assets held for sale and investment property	(4,171)	(3,190)
Decrease (-)/ increase (+) in pension provisions and other long-term provisions	(75)	513
Changes in deferred taxes	487	(1,505)
Elimination of current income taxes	837	4
Elimination of financial results	21,654	16,621
Other significant non-cash expenses and income	890	2,894
Increase / decrease in working capital		
Increase (-)/ decrease (+) in inventories	0	0
Increase (-)/ decrease (+) in receivables from property management	(1,421)	581
Increase (-)/ decrease (+) in other assets	(487)	(5,886)
Increase (+)/ decrease (-) in current provisions	978	140
Increase (+)/ decrease (-) in trade payables	3,279	3,941
Changes in receivables due from related parties and payables due to related parties	0	(431)
Increase (+)/ decrease (-) in other liabilities	(867)	615
Other changes in operating activities	240	(764)
Income tax paid	(798)	(71)
Income tax received	0	0
Interest paid net of interest received	(18,385)	(15,559)
Disbursements for breakage costs from financing activities	(74)	0
Distributions received	99	71
Disbursements for processing fees from financing activities	(1,209)	(7,956)
Cash flow from operating activities	**9,928**	**(1,992)**

CASH FLOW STATEMENT

EUR thousand	01.01.– 31.03.2012	01.01.– 31.03.2011
Cash flow from operating activities	**9,928**	**(1,992)**
Proceeds on disposals of intangible assets and property, plant and equipment	0	0
Proceeds on disposals of assets held for sale and investment property	16,997	11,508
Proceeds from disposals of previously consolidated companies net of cash acquired	0	19,989
Proceeds from the disposal of other investments	0	0
Disbursements for investments in investment property	(3,621)	(1,609)
Disbursements for investments in intangible assets and in property, plant and equipment	(7)	(15)
Expenditures for acquisitions of consolidated companies net of cash acquired	0	0
Disbursements for the acquisition of other investments	0	0
Cash flow from investing activities	**13,369**	**29,873**
Proceeds from the issuance of equity instruments	0	0
Transaction costs of issuing new shares	0	0
Dividends paid	0	0
Repayments (-) from liabilities from financing investment property and other loans	(15,419)	(900,316)
Proceeds (+) from liabilities from financing investment property and other loans	117	877,149
Repayments of liabilities from financing leases	(101)	(105)
Cash flow from financing activities	**(15,403)**	**(23,272)**
Changes in cash and cash equivalents	**7,894**	**4,609**
Cash and cash equivalents at the beginning of the period	62,618	70,781
Cash and cash equivalents at the end of the period	**70,512**	**75,390**

CONSOLIDATED NOTES

SELECTED NOTES

TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2012

GENERAL INFORMATION

1) Business activities

GSW Immobilien AG, Berlin (hereinafter "GSW") and its subsidiaries (hereinafter jointly referred to as "GSW Group") is one of the biggest housing companies in Berlin. As of 31 March 2012, the portfolio consisted of 53,496 units, of which 52,583 were own residential units and 913 own commercial units. In addition, around 17,400 residential and commercial units are managed for third parties.

GSW was founded in 1924 and has its offices at Charlottenstrasse 4, 10969 Berlin. GSW is registered in the commercial register of the Charlottenburg local court with the registration number HRB 125788 B.

GSW is a capital market-oriented company and has been listed in the MDAX since September 2011.

2) Principles of the interim consolidated financial statements

As a listed enterprise, GSW has prepared its condensed interim consolidated financial statements for the period from 1 January 2012 to 31 March 2012 in accordance with International Financial Reporting Standards (IFRS), as applicable in the EU, and the supplementary provisions of commercial law applicable in accordance with section 315a (1) of the German Commercial Code (HGB). IAS 34 (Interim Financial Reporting) was complied with. According to the accounting option offered by IAS 34.10, the notes to the interim consolidated financial statements are published in condensed form.

The currency for the consolidated financial statements is the euro (EUR). Unless indicated otherwise, all figures are rounded to the nearest thousand EUR (EUR thousand) or million EUR (EUR million). Since rounded figures are used in the calculations for presentation reasons, discrepancies between rounded and mathematically precise figures may occur in tables or references in the text.

The rental business of the GSW Group is generally not affected by seasonal and business cycle fluctuations. However, economic effects do exert an influence on sales of residential units.

3) Accounting policies

The accounting policies used in the preparation of the interim consolidated financial statements of the GSW Group are identical to those used in the same period of the previous year and in the IFRS consolidated financial statements of GSW Immobilien AG as of 31 December 2011. The interim consolidated financial statements as of 31 March 2012 should therefore be read in conjunction with the consolidated financial statements as of 31 December 2011.

In accordance with IAS 8.42, adjustments to the interim report as of 31 March 2011 would arise in relation to share-based payment. In this context, please refer to the information under note 36 (b) to the consolidated financial statements as of 31 December 2011.

For the interim consolidated financial statements as of 31 March 2012, the GSW Group has fully applied the newly introduced standards and interpretations which are obligatory for financial years starting after 1 January 2012. This has not led to any significant changes to the Group's net assets, financial position and results of operations.

4) Changes in the scope of consolidation

As of 31 March 2012, the scope of consolidation of the GSW Group including GSW as the parent company comprised 17 fully consolidated companies.

Following the exit resolution of its limited partner, GSW Grundbesitz GmbH & Co. KG, Berlin, was merged with GSW Immobilien AG, Berlin, effective 1 January 2012. No companies were acquired or sold.

The Weinmeisterhornweg fund, in which GSW held a 44.40% interest as of 31 March 2012 (31 December 2011: 42.73%) was not accounted for at equity due to its immateriality.

5) Significant discretionary decisions and estimates

It is necessary to make assumptions and estimates when drawing up IFRS consolidated financial statements. These influence the reporting of assets and liabilities, the recognition of contingent liabilities as of the balance sheet date, as well as income and expenses. Significant estimates and assumptions have been made particularly in relation to the fair value of properties, the likelihood of certain provisions being utilised, the determination of market interest rates at the time the non-interest-bearing or low-interest loans are granted and as to whether deferred tax assets can be realised.

The actual figures may diverge from the estimated figures and the amounts resulting from assumptions.

6) Segment reporting

IFRS 8 requires the "management approach", which stipulates that external reporting for single segments must be prepared on the same basis that is used for internal reporting.

GSW's business activities are generally focused on renting residential units in the Berlin area. Sales of portfolio properties to tenants, owner-occupiers and private investors are carried out when the market conditions are favourable and are recognised within the internal reporting on renting residential units. GSW did not generate more than 10% of its consolidated revenue with any single customer.

As a result, only one reportable segment according to IFRS 8 was identified. This segment comprises all operating activities of the Group. The reporting of this segment is in line with the internal reporting to the chief operating decision maker. The chief operating decision maker is represented by the Management Board.

7) Selected notes to the consolidated income statement

Net rental income is composed of the following:

EUR thousand	01.01.–31.03.2012	01.01.–31.03.2011
Income from rents	50,431	45,030
Income from management activities	1,101	1,029
Other income	1,579	1,612
Gross rental income	**53,112**	**47,671**
Income from direct government grants	**2,076**	**2,715**
Total rental income	**55,188**	**50,386**
Cost of materials	(9,260)	(8,933)
Personnel expenses	(4,602)	(4,024)
Depreciation and amortisation	(79)	(94)
Other operating expenses	(3,421)	(3,635)
Other cost of sales	**(17,362)**	**(16,686)**
Other operating income	1,858	1,084
Cost of property rental	**(15,503)**	**(15,602)**
Net rental income	**39,684**	**34,784**

General administrative expenses are composed as follows:

EUR thousand	01.01.–31.03.2012	01.01.–31.03.2011
Personnel expenses	(3,146)	(2,918)
Long term incentive plan (LTIP)	(890)	(2,894)
Depreciation and amortisation	(148)	(191)
Legal and consulting expenses	(1,021)	(309)
Costs for annual financial statements, bookkeeping and audit	(326)	(645)
Expenses for postage, telecommunications and IT	(1,195)	(1,154)
Rent and leasing costs	(863)	(807)
Costs for the IPO / capital increase	(1,168)	(2,490)
Other expenses	(1,872)	(2,006)
Other operating income	559	174
General administrative expenses	**(10,070)**	**(13,240)**

General administrative expenses include expenses for the planned capital increase amounting to EUR 1,168 thousand. In the same period of the previous year, costs were incurred in the amount of EUR 2,490 thousand for ensuring the company's capital market viability.

Non-recurring project costs totalling EUR 227 thousand (prior-year period: EUR 1,423 thousand) were also incurred in the reporting period. The non-recurring project costs comprise expenses for third parties, which mainly relate to reorganisation projects and refinancing projects. Project costs amounting to EUR 158 thousand (prior-year period: EUR 822 thousand) relate to general administrative expenses.

In addition to the project costs, costs for acquisitions of EUR 1,121 thousand (prior-year period: EUR 0 thousand) were also incurred.

The **interest result** is composed as follows:

EUR thousand	01.01.–31.03.2012	01.01.–31.03.2011
Interest income from valuation of interest derivates	12	3,546
Interest income from interest derivates	3,829	1,547
Interest income from bank deposit	111	41
Interest income from receivables	2	2
Interest income from amortisation of loan*	3,387	2,938
Other interest income	1	19
Interest income	**7,341**	**8,094**
Interest expenses from financing of investment properties	(13,216)	(10,150)
Interest expenses from amortisation of loan*	(6,539)	(8,867)
Prepayment fees	(3)	0
Expenses from valuation of interest derivates	(604)	(97)
Interest expenses from interest derivates	(8,303)	(5,038)
Interest expenses from finance leases	(46)	(49)
Interest expenses from accumulation of provisions and liabilities	(207)	(550)
Interest expenses for other financial liabilities	(117)	(15)
Other interest expenses	(61)	(21)
Interest expenses	**(29,094)**	**(24,787)**
Interest result	**(21,753)**	**(16,693)**

* These P&L amounts include – besides the loan amortisation effects according to IAS 39.9 – P&L effects from changes in estimated cash flows according to IAS 39 AG 62 due to new conditions which were agreed upon or became evident only after the conclusion of the agreement as well as changes in the fair value affecting the profit and loss statement according to IAS 39 AG 8 due to modified estimates of cash outflow or inflow.

The expenses/income from **income taxes** break down as follows according to their source:

EUR thousand	01.01.–31.03.2012	01.01.–31.03.2011
Current tax expense/income	(837)	(4)
Deferred tax expense/income	(487)	1,505
Income taxes	**(1,324)**	**1,501**

The current tax expense of EUR 837 thousand chiefly results from GSW's provisions for corporation tax and trade tax.

8) Selected notes to the consolidated balance sheet

As of the reporting date for the interim consolidated financial statements, **investment property** in accordance with IAS 40 including **properties held for sale** in accordance with IFRS 5 broke down as follows:

	31.03.2012		31.12.2011	
	Residential property	Commercial property	Residential property	Commercial property
Units	52,583	912	52,790	913
Area (in sqm)	3,230,631	101,515	3,244,039	101,672

In addition, the GSW Group's portfolio includes 8,767 (31 December 2011: 8,943) garages and parking spaces. One commercial unit is reported in accordance with IAS 16.

The fair values of investment property and property held for sale accounted for in accordance with IFRS 5 can be broken down as follows:

EUR thousand	31.03.2012		31.12.2011	
	Investment property	Property held for sale	Investment property	Property held for sale
Built plots	2,896,523	18,571	2,907,699	15,518
Unbuilt plots	22,206	358	22,550	74
Total	**2,918,729**	**18,929**	**2,930,249**	**15,592**

The decrease in property assets as against 31 December 2011 by a total of EUR 8,183 thousand is firstly due to ongoing sales and is offset by capitalised maintenance expenses of EUR 3.6 million.

Actual maintenance expenses and capitalised expenses are shown in the table below:

EUR thousand	01.01.–31.03.2012	01.01.–31.03.2011
Maintenance expenses	4,524	5,076
Capitalisation	3,621	1,614
Total	**8,145**	**6,690**

Cash and cash equivalents comprise cash in bank accounts and cash on hand with an original term of not more than three months and are stated at their nominal value.

The GSW Group deploys **derivative financial instruments** to hedge against interest-rate risk arising from property financing. The derivative financial instruments are recognised at fair value.

The existing swap agreements for two interest rate swaps were terminated early. The term for one further interest rate swap ended as of 30 March 2012.

As of 31 March 2012, the following derivative financial instruments were held:

Number	Nominal values EUR thousand	Strike rates	Values as per 31.03.2012 EUR thousand
12 interest rate swaps	994,493	1.7 % bis 4.80 %	(61,579)

Two of the interest rate swaps held do not meet the IAS 39 criteria for recognition as a hedging instrument. Changes in the fair value of the interest rate swaps that do not meet the criteria of IAS 39 for recognition as a hedging instrument, irrespective of their financial hedging effect, are recognised through profit or loss.

In the interim consolidated financial statements, losses from changes in the fair value of the derivatives totalling EUR 8,048 thousand (previous year: gains of EUR 9,947 thousand) were recognised directly in equity in the reporting period, and a further EUR 493 thousand (previous year: gains of EUR 2,153 thousand) was recognised through profit or loss. In addition, a release from equity of EUR 99 thousand (previous year: EUR 1,296 thousand) was recognised through profit or loss.

In the reporting period, there were no instances of ineffectiveness that were reported in the income statement as part of hedge accounting.

The change in the components of **equity** is shown in the statement of changes in Group equity.

GSW's issued capital amounted to EUR 41,053 thousand (previous year: EUR 35,000 thousand). As of 31 March 2012, the number of ordinary shares issued amounted to 41,052,630 with a nominal proportion of the share capital of EUR 1.00 per share. The shares are fully issued and fully paid.

GSW's capital reserves increased in the reporting period by EUR 890 thousand to EUR 129,690 thousand as of 31 March 2012 as a result of share-based payment for the Management Board members.

Revenue reserves include the earnings of the companies included in the consolidated financial statements in past periods and in the current period in as far as they were not distributed.

Other comprehensive income includes the adjustments in fair value for owner-occupied properties measured according to the revaluation method and adjustments in fair value for derivatives in cash flow hedges and for securities classified as available for sale and other financial investments. The change in other comprehensive income is shown in the statement of changes in Group equity.

The share of comprehensive income attributable to non-controlling interests amounts to EUR 5.1 thousand as of 31 March 2012.

The **financial liabilities** are composed as follows:

EUR thousand	31.03.2012	31.12.2011
Liabilities due to banks from financing investment properties	1,754,539	1,769,020
Liabilities from finance leases	1,813	1,869
Financial liabilities	**1,756,352**	**1,770,889**

The liabilities due to banks are predominantly the result of financing for investment properties. They decreased as against 31 December 2011, due in particular to scheduled and non-scheduled repayments. No new loans were taken on during the reporting period.

This was offset by amortisation effects from the effective interest method in accordance with IAS 39.9 and by present value changes in accordance with IAS 39 AG 62 due to new contractual conditions.

9) Relations with related parties

For the GSW Group, related parties within the meaning of IAS 24 are such persons or companies that control the Group or exercise a significant influence and, conversely, parties that are controlled or significantly influenced by the Group.

Accordingly, the members of the Management Board and Supervisory Board of GSW and the subsidiaries, associates and joint ventures of the GSW Group are defined as related parties.

a) Relations with associates, joint ventures and non-consolidated related companies
With respect to the exchange of goods and services, the Group had no material relations with associates and consolidated companies or non-consolidated related companies.

b) Relations with related persons
The former shareholders W2001 Capitol B.V. and Lekkum Holding B.V. shall bear the costs for a supplementary payment component offering a long term incentive (long term incentive plan, LTIP) within the framework of bilateral agreements with the Management Board members. For details, please refer to the information as of 31 December 2011 under note 36 (b) to the consolidated financial statements. In the first quarter of 2012, the company reported expense and a contribution to the capital reserves of EUR 890 thousand in accordance with IFRS 2. Further expenses are anticipated in subsequent years, which are to be paid by the former shareholders in shares and are linked to the precondition of Management Board members remaining with GSW. These agreements do not give rise to any charge on GSW's liquidity or (re)payment obligations vis-à-vis the former shareholders.

In the first quarter of 2011, Dr. Scharpe reached an agreement in principle with the original shareholders that, in the event of a successful IPO, he would receive 10,000 shares in the company from the original shareholders as consideration for his role as Chairman of the Supervisory Board in the period from 2004 to 2010. As of the date on which these interim financial statements were prepared, however, there had been no contractual implementation of this agreement and no shares had been allocated.

10) Management and Supervisory Board

The members of the Supervisory Board of GSW Immobilien AG are as follows:

Herr Dr. Eckart John von Freyend	Chairman of the Supervisory Board, Management Consultant, Bonn
Herr Dr. Jochen Scharpe	Deputy Chairman of the Supervisory Board, Managing Partner of AMCI GmbH, Munich
Herr Thomas Wiegand	Managing Director at Cerberus Global Investments B.V., Baarn, NL (until March 2012)
Herr Dr. Reinhard Baumgarten	Head of Assets Department in the Berlin Senate Finance Administration, retired
Frau Veronique Frede	Chairperson of the Works Council (exempt) at GSW Immobilien AG, Berlin
Herr Geert-Jan Schipper	Managing Director at Cerberus Global Investments B.V., Baarn, NL (until March 2012)
Herr Claus Wisser	Founder and owner of WISAG Service Holding GmbH & Co. KG, now Chairman of the Supervisory Board of AVECO Holding AG, Frankfurt am Main

No changes have occurred in the composition of the management since 31 December 2011.

11) Events after the balance sheet date

Following the exit resolution of its limited partner, GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG, Berlin, was merged with GSW Immobilien AG, Berlin, as of the end of 30 April 2012, together with all its assets and liabilities.

Effective 17 April 2012, the Management Board of GSW resolved – with the approval of the Supervisory Board – to carry out a capital increase against cash contributions with indirect subscription rights for the shareholders. Using the existing authorised capital, the company's share capital of EUR 41.1 million was increased by EUR 9.5 million to EUR 50.5 million against cash contributions by issuing 9,473,684 new ordinary bearer shares.

RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable accounting principles for interim financial reporting, the interim consolidated financial statements of GSW Immobilien AG for the first quarter of 2012 give a true and fair view of the Group's net assets, financial position and results of operations, and the interim consolidated management report includes a fair view of the business development including the results and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Berlin, 21 May 2012

GSW Immobilien AG
Management Board

Thomas Zinnöcker	Jörg Schwagenscheidt	Andreas Segal
Chief Executive Officer	Member of the Management Board	Chief Financial Officer

DISCLAIMER

This report contains forward-looking statements. These statements are based on current experience, estimates and projections of the management and currently available information. They are not guarantees of future performance, but rather involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not be accurate. Many factors could cause the actual results, performance or achievements to be materially different from those that may be expressed or implied by such statements. Such factors include those discussed in the Risks and Opportunities Report on pages 14 and 15. We do not assume any obligation to update the forward-looking statements contained in this report. This report does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor shall there be any sale, issuance or transfer of the securities referred to in this report in any jurisdiction in contravention of applicable law.

EDITOR'S NOTE

Rounding differences may occur in the tables.

IMPRINT

PUBLISHER

GSW Immobilien AG

Charlottenstraße 4
10969 Berlin
Germany

Phone: +49 (0) 30 68 99 99 – 0
Fax: +49 (0) 30 68 99 99 99 – 9
E-Mail: ir@gsw.de
www.gsw.de

EDITING & TYPESETTING

cometis AG

Unter den Eichen 7
65195 Wiesbaden
Germany

Phone: +49 (0) 611 20 58 55 – 0
Fax: +49 (0) 611 20 58 55 – 66
E-Mail: info@cometis.de
www.cometis.de

IR CONTACT

Sebastian Jacob

Phone: +49 (0) 30 2534 – 1882
Fax: +49 (0) 30 2534 233 – 1960
E-Mail: ir@gsw.de

PR CONTACT

Thomas Rücker

Phone: +49 (0) 30 2534 – 1332
Fax: +49 (0) 30 2534 – 1934
E-Mail: thomas.ruecker@gsw.de

WWW.GSW.DE