GSW Immobilien AG
Berlin

Annual Financial Statements

as of December 31, 2011

and

the Management Report for the Financial Year 2011

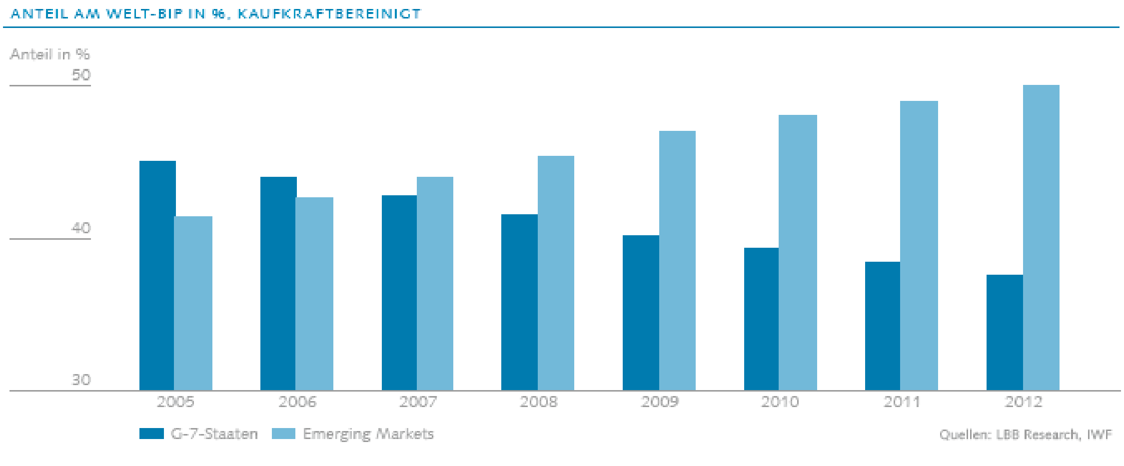
CONTENTS

Management Report of GSW Immobilien AG, Berlin

1. Market Environment and General Economic Conditions

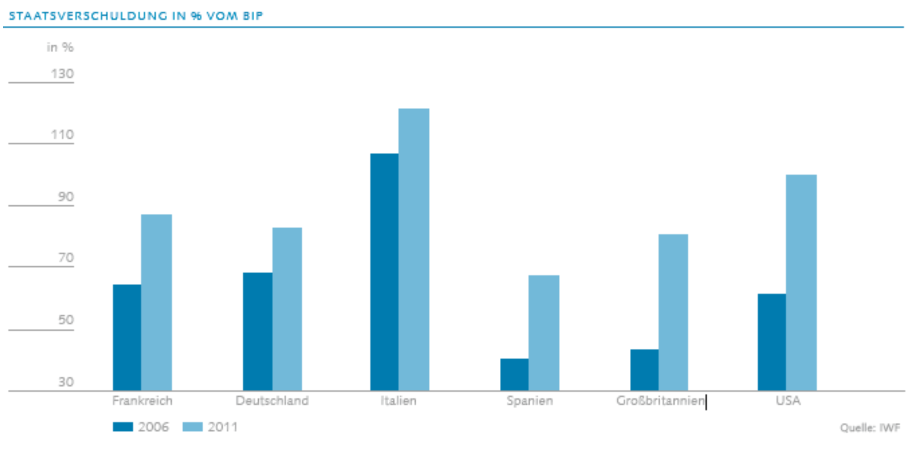
1.1 Economic Development

After a good start into the year the world economy weakened perceptibly in the course of 2011. The mood had already dampened in the first half through the political unrest in North Africa and the Middle East, the nuclear reactor disaster in Fukushima (Japan) and the discussion concerning the government deficit in the USA – however, a sustained deterioration of the economic situation was not expected at the time. The world economy was increasingly supported by the threshold countries, primarily from the strong growth in the BRIC states:



Under the impression of the European debt crisis, the economic recovery lost significant momentum worldwide in the second half of the year. The Kiel Institute for Economic Research (Kieler Institut für Wirtschaftsforschung (IfW)) projects growth of 3.8% for the world economy in 2011, after 5.1 % growth in 2010. At the upper end are China and India (9.5 % and 6.7 %), while growth in Japan and Great Britain is at the lower end (-0.7 % and 0.8 %).[1]

For 2012 the World Bank expects a further decline in growth decline to 2.5 % and a mild recession for the Euro zone (-0.3 %).[2] In Europe the debt crisis impacted on economic development in Greece, Italy, Spain and Portugal from July 2011onwards. The focus of the discussion was on the uncontrolled government deficits and their impacts on the payment ability of individual states.



1 Kiel Institute for Economic Research, media information “World economy - low economic dynamics“, 20 December 2011

2 Weltbank, Press release 2012/236/DEC of 18 January 2012

The cost saving efforts of public budgets and the uncertainty concerning the future of the monetary union were disturbance factors for the European economy. The Institute for the World Economy expects economic growth of only 1.5% for the European zone in 2011 and, as World Bank, expects a slight recession for 2012. Europe itself developed very heterogeneously in 2011: While growth in the crisis countries of the South either stagnated or shrank, the central European countries proved to be growth drivers.[3]

The German economy, in particular, benefitted from its strong orientation to exports since foreign demand continued to rise. Domestic consumption also reached new heights.[4] However, after the strong start into the year, the German economy also began to slow down somewhat in the course of 2011: The growth rates of 0.3% and 0.5% in the second and third quarters were lower than in the respective quarter in the previous year; GDP in the last three months of the year declined by 0,2 %.[5] The European debt crisis, in particular, impacted negatively on the German economy. Nevertheless, price adjusted GDP for the full year 2011 grew by 3.0 %[6] - as forecast by the Expert Council of the Federal Government – and was thus significantly above the European average.[7] More pronounced effects of the debt crisis are expected for the year 2012, and the Federal Government projects a decline in economic growth to 0.7% in its current forecast.[8]

The average inflation rate in Germany was 2.3 %, or 1.2 points above the low level of the previous year[9]. Inflation in the Euro zone also rose in the course of the year, reaching 3.0% in the fall, and significantly exceeding the medium term level of about 2% projected by the ECB[10]. However, ECB monetary policy was quite strongly dominated by the reaction to the European debt crisis. In November and December the interest rate increases introduced in the spring were again scaled back and the prime rate shrank by two points to the starting level of 1.0 %.[11]

The positive trend on the German labor market continued. Unemployment figures showed a further decline to a new record low of just above 2.7 million unemployed persons in November. At an average of 7.1% the unemployment rate was at the lowest level since reunification[12] and, according to government estimates, will continue to fall to 6.8% in the year 2012.[13]

1.2 General Economic Situation in Berlin

Berlin has been characterized by extensive structural changes since the German Reunification. Currently, the main focus of economic activity is on research, biotechnology, media, information and communication technology and tourism. Deutsche Bahn and Deutsche Post, the Charité medical clinics, Siemens and the public sector are among the major employers in the city.

The general economic environment in Berlin has improved steadily in recent years. In 2010 the Berlin economy grew by about 2.7 %[14]; and the city saw 1.9% growth in the first half of 2011.[15] The job market in the capital city also showed positive development. The unemployment rate of 12.3 % as of 31 December 2011 was significantly below the previous year's level of 12.8 %.[16]

3 Kiel Institute for Economic Research, Media information „World economy - low economic dynamics“, 20 December 2011

4 Federal Statistical Office, Press release No.435 of 24 November 2011

5 Federal Statistical Office, Press release No.421 of 15 November 2011 and press release No. 53 of 15 February 2012

6 Expert Council for Appraisal of Macroeconomic Development, Annual expert opinion 2011/12

7 Federal Statistical Office, Press release No. 010 of 11 January 2012

8 Press handout for annual economic report 2012 of the Federal Government, 18 January 2012

9 Federal Statistical Office, Press release No. 011 of 12 January 2012

10 Federal Statistical Office, Press release No. 011 of 12 January 2012; ECB Annual Report 2010

11 Internet presence of the ECB, 13 January 2012

12 Statistical data of the Federal Employment Office, Development of Unemployment Over Time, Status: December 2011

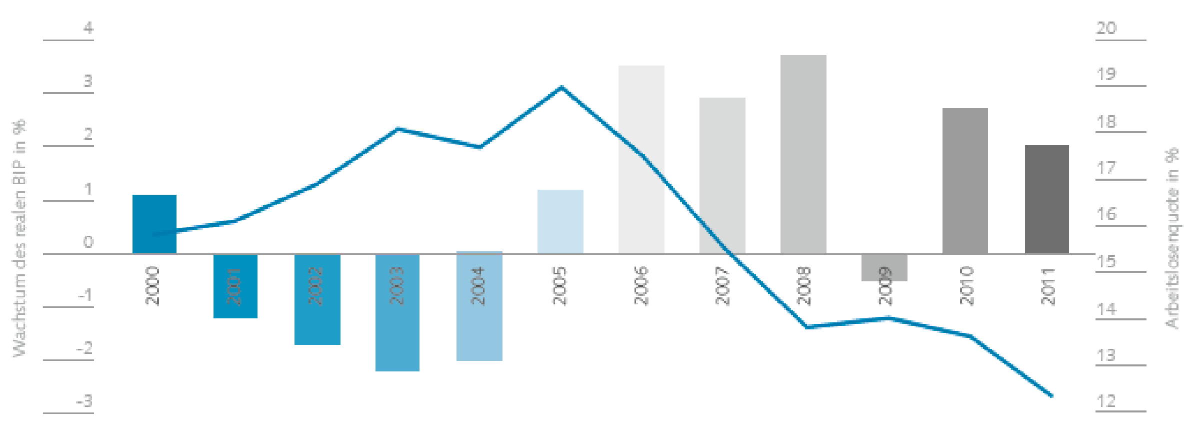
13 Press handout for the annual economic report 2012 of the Federal Government, 18 January 2012

14 Statistical Office Berlin-Brandenburg, Press release No. 95 of 30 March 2011

15 Statistical Office Berlin-Brandenburg, Press release No. 308 of 28 September 2011

16 Federal Employment Office, Monthly report December 2011

WIRTSCHAFTSWACHSTUM UND ARBEITSLOSENQUOTE IN BERLIN



Source: Data of the Statistical Office Berlin-Brandenburg and the Federal Unemployment Office; Prognosis Economic Growth 2011 by Berlin Economic Senate, Status 08.12.2011

The economic recovery is already being reflected in the growth of real income of persons employed in Berlin. The average monthly gross wage per household, including special payments, rose to € 2,774 in Berlin in the third quarter of 2011, or by 4.2% compared to the same period in the previous year. In the same period, consumer prices in the capital city increased by 2.5 % or were 1.7 percentage points below wages, respectively. Since the change rate in the first quarter of 2011 was at 3.3 % and at 3.5% in the second quarter, this indicated that the wage increase and purchasing power were still on the rise in the third quarter.[17]

1.3 Berlin Housing Market

Macroeconomic key figures for Berlin		Period/Cut-off date
Population[1]	3,490,445	30.09.2011
Population growth 2000 - 2010[1] (%)	2.3	2000 – 2010
Number of residential units[1]	1,898,807	31.12.2010
Growth of number of households 2000 - 2010 (%)[1]	9.1	2000 – 2010
Unemployment rate (%)[2]	12.3	12/2011
Gross monthly wage with special payments (EUR)[1]	2,774	Q3/2011

[1] Source: Federal Statistical Office Berlin-Brandenburg (Amt für Statistik Berlin-Brandenburg) ; [2] Source:Federal Unemployment Office (Bundesagentur für Arbeit)

Contrary to the trend in many other locations in Germany, Berlin‘s population has been growing steadily since 2005. According to information provided by the Federal Statistical Office in Berlin-Brandenburg the city’s population grew by 0.9% to 3,490,445 residents by September 2011, thus reaching the highest level since the reunification of Berlin on 3 October 1990.[18] This demographic trend, together with the good economic development and rising income, ensures favorable conditions on the Berlin housing market. According to a study conducted by Investitionsbank Berlin (IBB) the housing demand is further stimulated by the rising number of households, which however are smaller on average due to the increasing share of younger households and older people living alone.[19] The growing demand has not been matched by a corresponding increase in the housing offering. Thus, the

17 Statistical Office Berlin-Brandenburg, Press release No. 4 of 4 January 2012

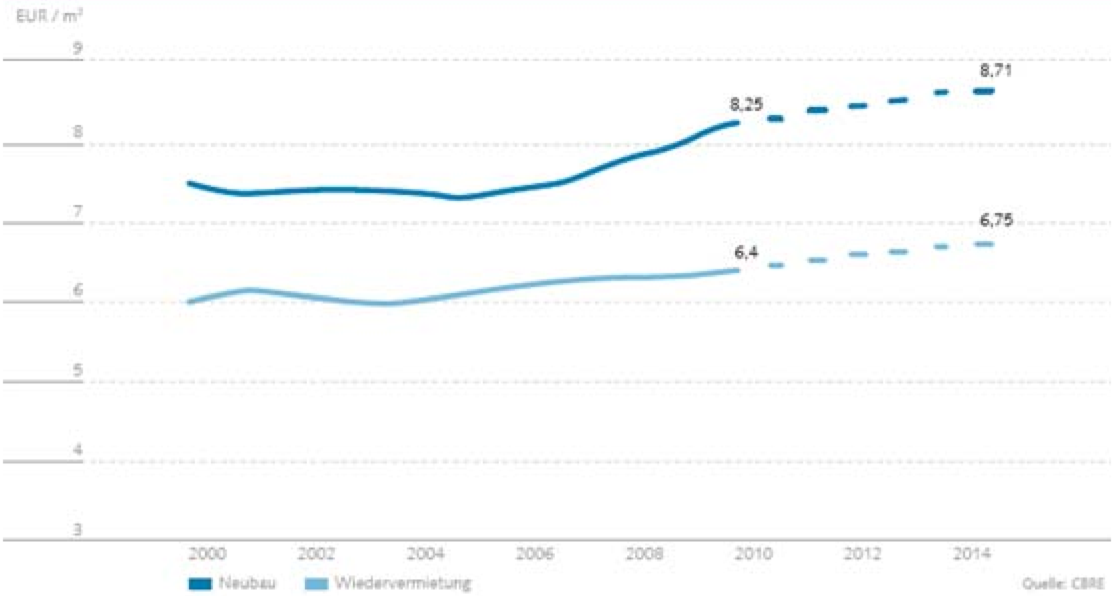
18 Statistical Office Berlin-Brandenburg, Press release No. 18 of 20 January 2012

19 IBB Housing Market Report 2011

housing portfolio in Berlin at the end of 2010 was only 4,243 units or 0.2 % higher compared to the previous year-end while new construction activity has remained below the level of other comparable cities for years.[20]

The discrepancy between demand and supply has led to a continued reduction in the vacancy rate to 5.0 % (at the end of 2010) in recent years.[21] According to the 2011 Housing Market Report of IBB real property experts also expect further tightening of the supply on the housing market in coming years. Therefore, an increase in demand is likely, primarily in the lower price segment. Accordingly, rent increases are to be expected:[22]

NEW AND RE-LETTING RENTS



Residential rents in Berlin since 2000, Source: CBRE

The Berlin rent index for 2011 shows average annual increases of app. 4.0% compared to 2009. However, the rent level in Berlin with an average monthly rent of € 5.21/m² (not including ancillary costs) is still low compared to other large cities. In contrast, according to the 2011 rent index, a household in Hamburg must pay an average rent of € 7.15/m², while the Munich rent index shows a monthly average rent of € 9.79 /m² or nearly 88 % more than Berlin. Berlin thus continues to be the least expensive metropolitan city in Germany.

The positive development on the Berlin housing market has contributed to making the Berlin residential properties investment market significantly more attractive. In a study conducted by the accounting firm of Ernst & Young in January 2012, 69 % of surveyed investors found German residential properties to be significantly more interesting than commercial retail properties (51 %) and commercial office space (14 %). With respect to their location preferences, 42% of surveyed investors opted for Berlin residential properties, by far outpacing all other large German cities; Hamburg takes the second place with 24 %.[23]

The experts questioned in the framework of the IBB Housing Market Barometer for 2011 likewise forecast an overall positive investment climate for Berlin in the coming years.[24]

20 Statistical Office Berlin-Brandenburg, Press release No. 198 of 5. Juli 2011

21 IBB Housing Market Report 2011

22 IBB Housing Market Barometer 2011 und IBB Housing Market Report 2011

23 „Berlin is the darling of real estate investors“, under WELT Online, 11 January 2012

24 IBB Housing Market Barometer 2011

1.4 General Statement on Underlying Economic Conditions

Berlin continues to be in demand among prospective tenants – and rents are also on the increase outside trendy locations such as “Berlin Mitte”, Prenzlauer Berg or Friedrichshain-Kreuzberg. GSW is profiting from these developments with its broadly diversified portfolio of real properties and is therefore well positioned for the coming financial years.

2. Employees

GSW Immobilien AG employed an average of 318 employees (including the Board of Management) in the 2011 financial year (2010: 322 employees).

Expert know-how: Professional competence and training
GSW's success is determined by the performance of each individual employee. The foundation for success is provided by the Company's professional expertise and market knowledge, acquired in over 85 years of experience in the Berlin real estate business. GSW addresses talented secondary and higher education students and graduates who are interested in a career at GSW Immobilien AG through the career pages on its homepage.
The Company's management places great emphasis on the qualification of employees and continually works to secure know-how for the Company. Each employee is encouraged to develop their personal capabilities through individual measures included in a broad-based training offering. GWS honors excellent performance with profit sharing premiums and bonuses.

One example of GSW training and qualification measures are the cooperation with BBA Akademie der Immobilienwirtschaft e.V. Berlin.

Junior staff development and promotion: internships, training/qualification and dual study programs
GSW traditionally places high value on training and qualifying junior staff. In 2011 eight students had an opportunity to learn about GSW's operational practices through internships or work-study programs. As of December 31, 2011, 27 employees completed their apprenticeship as real estate agent or a dual program of study in business administration with an emphasis on real estate management in the Company. Furthermore, GSW's programs are designed to include mentoring for graduate diplomas, in-house instruction, project work and study trips with a view to providing the needed variety and practice orientation during the study period.

TRAINEES

	Number
Real estate agents	15
Students (dual educational programs)	12
Total	**27**

GSW engages in active health management
GSW places high value on the wellbeing and safety of its employees. Consequently, health promotion is an official management task. Every employee can choose among different health promotion offers in a program offering that ranges from events such as the Annual Health Day to quit-smoking programs and active participation in group sports.

Fluctuation
At 2.5%, employee fluctuation decreased slightly in 2011, by 1.9% compared to the previous year.

3. Development of Current Activity

GSW Immobilien AG had a portfolio of rental properties comprised of 12,889 residential units and 536 commercial units, as well as over 3,500 garages/parking spaces as of December 31, 2011.

Our total real estate portfolio developed as follows:

	Type of Use	31.12.2011	31.12.2010	Change
Number of rental units	Residential	12.889	13.142	-253
	Commercial	536	545	-9
	Total residential and commercial	**13.425**	**13.687**	**-262**
	Parking	3.508	3.525	-17
	Total	**16.933**	**17.212**	**-279**
Rent space (in m²)	Residential	859.767	877.210	-17.443
	Commercial	78.098	78.889	-791
	Total residential and commercial	**937.865**	**956.099**	**18.234**
Actual net rent (w/out utilities) (EUR/m²)	Residential	5,27 €	5,19 €	1,5%
	Commercial	9,49 €	9,32 €	1,8%
	Total residential and commercial	**5,61 €**	**5,53 €**	**1,5%**
Vacancy rate (units)	Residential (Number)	516	677	-161
	Residential (%)	4,00	5,15	-22,3
	Commercial (Number)	44	52	-8
	Commercial (%)	8,21	9,54	-13,9
	Total residential and commercial (Number)	**560**	**729**	**169**
	Total residential and commercial (%)	**4,16**	**5,33**	**-22,0**

As a result of further rental efforts the vacancy rate was reduced to 4.0% as of December 31, 2011.

Year-to-year, the average net rent per month (without ancillary costs) increased from € 5.19/m² of residential space by 1.5 % to € 5.27/m² residential space as of December 31, 2011. The Company uses systematic rental increase leeway without ignoring the payment ability of tenants in the respective buildings and neighborhoods.

The general conditions of the real estate business in Berlin and the immediate vicinity are under intense observation by GSW. The data surveys on the Berlin housing market carried out jointly with CBRE enable early recognition of trends and developments and consequently of the opportunities and risks associated with the Company's real estate portfolio. This, for example, has led to a projection of an increase in the number of households due to changed lifestyles, which – in consideration of the sustained low level of new construction activity over the years – will lead to a tightening of the supply on the housing market and thus presents an opportunity for the GSW real estate portfolio.

The real estate portfolio of the Group as a whole is located in all districts of Berlin with the exception of Marzahn-Hellersdorf and risks are therefore broadly diversified. The main emphasis of the real estate portfolio as of December 31, 2011 was on the Spandau district with a portfolio share of app. 22.9%, and the Reinickendorf and Friedrichshain-Kreuzberg districts at 16.9% and 13.5%, respectively.

The new 2011 rent index for Berlin was published in May 2011. Compared to the last rent index the average rent increased by 7.9% to € 5.21 /m² (2009: € 4.83 /m²). This increase underscores the dynamic development of the Berlin housing market. To that extent GSW expects realizable rent increase potential in the future as well.

The portfolio is well positioned on the Berlin market with about 87% of restructured and partly restructured properties. Targeted investments in the building substance and furnishing standard of the apartments contribute to the increased long-term rent potential of the real estate portfolio and attractiveness of the housing offering.

Moreover GSW works closely with the neighborhood management of the “Social City“ project of the Berlin Senate Office for Urban development ("*Soziale Stadt*") and collaborates with numerous neighborhood centers in different parts of the city.

GSW sees these activities as an opportunity to bolster the Company’s image and continually improve tenants’ satisfaction.

The development of GSW’s real estate inventory in 2011 was clearly positive. Under comparable conditions, the Berlin-Brandenburg real estate market can also look forward to stable to positive market developments in the future.

Within the scope of opportunistic privatizations GSW sold 253 residential units in the 2011 financial year (2010: 182 residential units), primarily to buyers who occupy the housing themselves and capital investors.

4. Corporate Objectives and Strategy

The business strategy of GSW Immobilien AG is based on sustainability. The focus is on long-term relationships and targeted measures for the maintenance of the building stock. Given value-based portfolio management, the central focus is on the long-term orientation of a responsible owner:

1. Development and implementation of portfolio strategies at property level
2. Modernization measures for new rentals in keeping with market requirements
3. Ensuing the social balance of the tenant structure through active neighborhood management
4. High customer proximity for lasting tenant satisfactions and loyalty
5. Investments in new real estate portfolios with development and earnings potential
6. Attractive offers on asset acquisition for tenants, owners and private investors
7. Continuous review and improvement of internal processes

In addition to securing value over the long term GSW Immobilien AG pursues a strategy of steady growth. The stock market flotation in the previous year enables the continued expansion of the real estate portfolio and realization of new earnings potential.

Furthermore, GSW continually evaluates the existing portfolios and examines optimization measures for the portfolio structure, including selective sales of individual residential units and smaller portfolios.

Through the expansion of the business model GSW aims to achieve stable and continually growing liquidity surpluses in coming years. These surpluses are to be used for payment of appropriate and sustained dividends to the shareholders in line with the corporate strategy and capital market requirements.

5. Corporate Management

The business processes of GSW are initiated and managed centrally by the Board of Management and management staff. Both financial and non-financial targets are used for measuring performance. The financial targets for GSW in 2011 were evaluated in particular on the basis of the indicators "Operative Cash Performance" (OCP) and in the IFRS result without valuation effects. While the OCP (operating earnings less maintenance and current corporate costs) is a liquidity ratio that indicates the capital service capability and the capacity to cover other costs, the IFRS result also includes the performance of the company, in addition to operating earnings.

The performance measurement of non-financial targets is based in particular on customer satisfaction and GSW's social involvement. This includes effective customer orientation and the systematic promotion of selected projects in the areas of art, culture and social affairs.

6. Notes to the Course of Business and Analysis of Results of Operations, Financial Position and Net Assets

6.1 Results of Operations

Selected positions of the income statement:

	2011		2010	
	T€	%	T€	%
Sales revenue and changes in inventories	115,957	96.7	112,670	96.2
Operating income	3,902	3.3	4,399	3.8
	119,859	100.0	117,069	100.0
Cost of materials	73,560	61.4	73,373	62.7
Personnel expenses	21,403	17.9	18,280	15.6
Scheduled amrt./depreciation	13,750	11.5	14,141	12.1
Operating expenses	30,515	25.5	26,320	22.5
Operating result (EBIT)	**-19,369**	-16.2	**-15,044**	-12.9
Financial result	11,003	9.2	21,487	18.4
Income taxes	1	0.0	0	-
Non-operating income	47,332	39.5	10,407	8.9
Net Income for the year	**38,966**	**32.5**	**16,849**	**14.4**

Non-operating income is structured as follows:

	2011	2010
	T€	
Income from release of accruals	6,267	14,290
Income from sale of financial assets	26,271	0
Income from reversals of impairment losses	18,811	8,464
Income from release of valuation adjustments	113	96
Non-scheduled write-downs	-4,131	-12,444
	47,332	**10,407**

Net income for the financial year 2011 amounts to € 39.0 million.

The results of operations of GSW depend, in particular, on the development of the rental housing market, the sales results in line with the portfolio strategy, the development in the value of the real estate portfolio and the interest rate development.

Despite the vacancy rate decrease, revenues from facility management decreased by app. € 3.2 million to € 96.3 million in the 2011 financial year (2010: € 99.5 million).The decrease resulted primarily from the lower average real estate inventory due to sales, which, however, was more than compensated for through higher revenues from the sale of land in the amount of € 18.6 million (2010: € 13.7 million). The inventory change with respect to the allocation of operating costs increased by € 0.1 million compared to the previous year (2010: -€ 3.2 million). This resulted in a total increase in sales revenues plus changes in inventories to app. € 116.0 million (2010: €112.7 million).

The decrease in rental incomes was accompanied by a decrease in the material costs of facility management by app. € 2.7 million to € 61.4 million (2010: € 64.1 million). At the same time, the higher sales revenues were matched by higher asset disposals at book value for the sold properties in the amount of € 8.0 million (2010: € 5.9 million).

Personnel expenses increased in the 2011 financial year, due mainly to the premium payments to employees and the Board of Management resulting from the initial public offering.

The operating expenses in the amount of € 30.5 million (2010: € 26.3 million) were affected mainly by project costs and expenses associated with stock market flotation (€ 12.0 million).

The financial result decreased to € 11.0 million in the 2011 financial year (2010: € 21.5 million). The decline is due mainly to the significantly lower profit contributions of the subsidiaries in the amount of € 42.5 million (2010: € 58.4 million). These are in part compensated for by higher interest income from the increased balance of liquid assets resulting from stock flotation. In addition, compensation effects also arose from the lower expenses for compounding long term accruals.

6.2. FINANCIAL POSITION

Cash Flow Statement:

	2011	**2010**
	T €	**T €**
Cash flow from operating activities	**-1,392**	**-4,866**
Cash flow from investment activities	**-78,706**	**19,974**
Cash flow from financing activities	**98,298**	**-17,096**
Change in cash and cash equivalents	18,200	-1,989
Cash and cash equivalents at start of period	5,710	7,699
Cash and cash equivalents at end of period	**23,910**	**5,710**

The cash flow from operating activities is characterized by the decrease in current rental income caused by the reduced real estate inventory. The decrease is more than compensated for by lower payments for the special project related to the stock market flotation in 2011, compared to the previous year. Overall, the operative cash flow increased by app. € 3.5 million.

The cash flow from investment activity is comprised in particular of cash outflows for lending to other Group companies (€ 60.8 million) and the acquisition of the indirect interest in GSW Pegasus GmbH (€ 62.2 million). The outflows are contrasted by cash inflows from the sale of investments and real estate totaling € 44.9 million.

The cash provided by financing activities of € 98.3 million resulted primarily from the equity injection through stock flotation in the amount of € 114.4 million. This compares to current loan payments of app. € 16.1 million.

6.3. *NET ASSETS*

	12/31/2011		12/31/2010	
	T€	%	T€	%
Assets				
Long-term assets				
Fixed assets	1,193,188	88.2%	1,076,788	90.5%
	1,193,188	**88.2%**	**1,076,788**	**90.5%**
Current assets				
Inventories	37,481	2.8%	37,357	3.1%
Receivables from rentals and other assets	98,089	7.3%	70,226	5.9%
Liquid assets	23,910	1.8%	5,710	0.5%
	159,480	**11.8%**	**113,293**	**9.5%**
	1,352,668	**100.0%**	**1,190,081**	**100.0%**
Shareholder's equity and liabilities				
Long term liabilities				
Shareholders' Equity	298,029	22.0%	144,063	12.1%
Pension obligations	1,838	0.1%	1,912	0.2%
Loan liabilities	455,356	33.7%	469,885	39.5%
Other long term liabilities	25,274	1.9%	29,859	2.5%
	780,497	**57.7%**	**645,718**	**54.3%**
Short term liabilities				
Other accruals	9,765	0.7%	17,869	1.5%
Loan liabilities	124,164	9.2%	123,938	10.4%
Other liabilities	438,242	32.4%	402,555	33.8%
	572,171	**42.3%**	**544,363**	**45.7%**
	1,352,668	**100.0%**	**1,190,081**	**100.0%**

The long term items include all positions with a remaining term of more than five years.

The balance sheet total increased by app. 13.7% to € 1,352.7 million compared to the previous year. The increase was mainly attributable to the increase in non-term assets and in particular to the increase in financial assets after the addition of loans to subsidiaries (€ 60.8 million) and acquisition of equity investments (€ 62.2 million).

In addition, short- and medium term assets increased significantly by app. 40.8% due mainly to the increase in liquid assets (+€ 18.2 million.) generated due to stock flotation. In addition, an increase in receivables from subsidiaries associated with profit/loss transfer agreements or profits recognized by partnerships (+€ 26.5 million) was reported.

The initial public offering of GSW Immobilien AG took place in the 2011 financial year. In this connection a capital increase of € 6.1 million to the current amount of € 41.1 million was carried out. The premium of € 108.9 million resulting from the public offering was added to the capital reserves. A part of the app. 29,500 shares of stock issued for the capital increase was purchased by GSW itself and made available to employees gratuitously as a premium bonus. In addition, the positive result for the year of € 39.0 million led to an increase in shareholders 'equity to € 298.0 million. Thus, the equity ratio increased from 12.1% to 22.0%.

The loan liabilities were reduced through the contractually agreed normal redemption payments, special redemption payments and non-scheduled repayments.

The decrease in other accruals was due mainly to the release of accruals for general lease agreements concluded with GSW Verwaltungs-und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG and lower accruals for outstanding invoices.

Other liabilities increased by a total of € 35.6 million to € 438.2 million, due to two opposing effects: On the one hand, the existing EK-02 commitment was redeemed (-€ 40.1 million), on the other hand, liabilities to affiliated companies arising from cash transfers (+66.0 million).

GSW met its contractual loan obligations at all times during the 2011 financial year.

As of the December 31, 2011 balance sheet date, the Company was not exposed to any risks that could jeopardize its net assets, financial position and results of operations. Likewise, risks that endanger the going concern assumption in the future were not recognizable.

7. Supplementary Disclosures pursuant to Section 289 (4) HGB

GSW Immobilien AG, Berlin, is a capital market-oriented company within the meaning of Section 264d HGB. Consequently, according to Section 289 (4) HGB, the Company is required to provide disclosures concerning shareholders 'equity, the structure of shares of stock and voting rights. The disclosures required under Section 289 (4) No. 1 HGB are provided in the section on shareholders' equity in the Notes to the financial statements of GSW. The disclosure according to Section 289 (4) No. 9 HGB is provided in the Remuneration Report.

Reportable conditions required to be disclosed in the management report pursuant to Sections 289 (4) Nos. 4, 5, 8 HGB were not in existence.

Furthermore, the following applies:

Limitations concerning the transfer of shares result from the conditions stipulated in the current employee profit-sharing scheme. Employees may not dispose of their shares prior to June 30, 2012, (blocking period).

The share in voting rights of Lekkum Holding B.V. (Baarn, Netherlands), of Cerberus Global Investments B.V. (Baarn, Netherlands) and other Cerberus companies came to 10.02% as of December 31, 2011 and dropped to below 3% in January 2012.

The Supervisory Board appoints the members of the Management Board, determines their number and dismisses them. The Annual General Meeting is responsible for amending the Articles of Incorporation. Amendments to the Articles of Incorporation require simple majority of votes present upon adoption of the resolution unless otherwise prescribed by law. The Supervisory Board is authorized to resolve on amendments to the Articles of Incorporation to the extent these relate only to structural form. A resolution concerning relocation of the Company requires the consent of all votes present when the resolution is taken.

The nominal capital of the Company can be increased by a total of € 17.5 million through issuing 17,500,000 shares (authorized capital) by a resolution of the Annual General Meeting. The authorization is limited until March 17, 2016.

The Company is authorized to purchase own shares up to 10% of the share capital through March 17, 2016.

8. Ecological Responsibility

In its modernization and maintenance activities GSW observes the legal environmental protection requirements and works towards energy-related improvements of the plants and equipment.

In addition, since 2010 GSW has supplied the generally accessible areas of its residential properties with electricity from renewable energy, thereby significantly reducing CO_2 –emissions of the properties. Due to an advantageous contract arrangement with the electricity provider the tenants also profit from lower electricity prices.

9. Report on Subsequent Events

As a result of the departure of the limited partner, the total assets and liabilities of GSW Grundbesitz GmbH & Co. KG, Berlin, were transferred through merger.

As of January 1, 2012 a control and profit/loss transfer agreement was concluded with GSW Acquisition 3 GmbH, Essen. The agreement is valid pending the approval of the Annual General Meeting.

In the framework of strategic considerations, the Company is currently examining the possible sale of its subsidiary, BWG.

In January 2012 the formerly largest shareholders Whitehall and Cerberus sold their remaining shares in GSW Immobilien AG. The remaining participating interest is less than 3%.

10. Report of Opportunities and Risks for 2011

GSW continually identifies opportunities aimed at securing and improving the business development of the GSW Group. The use of opportunities, however, necessitates risk-taking, which in turn creates a requirement for the operation of a Group-wide risk management system, which also covers GSW Immobilien AG. GSW Immobilien AG is generally exposed to the same risks as the Group as a whole.

10.1 Risk Management

The establishment of an adequate risk management system (RMS) is an important element of responsible corporate management for the Management Board of GSW.

The RMS should ensure that all existing corporate risks are recognized, analyzed early, prioritized and communicated to the competent decision makers for implementation of risk control measures. This is intended as a means of avoiding or minimizing damage to the GSW Group and for securing continuation of the Group as a going concern over the long-term.

The following risk policy principles apply to GSW:

- Risk management is an element of daily business operations and is communicated throughout the Company.
- The sensitization of employees concerning risk awareness is a management task. Each GSW employee is obliged to report any new or changed potential risks to the responsible manager or other officially designated risk officers.
- Risk management is a permanent process for identification, assessment, controlling, reporting and monitoring of all material risks.
- Information on material risks must be available for decision making promptly and completely.

The aim is not the prevention of all potential risks but the creation of action parameters which enable a conscientious and responsible response to risks based on extensive knowledge of the risks and risk interrelationships. The aim is to recognize potential threats from risks in due time and to take appropriate measures for controlling the risks identified.

The RMS of GSW facilitates the identification and active prevention of developments that could jeopardize the GSW inventory. It ensures that the business divisions of GSW are reviewed and organized in consideration of the risks. Risk management is integrated into the existing workflows and processes in order to enable continuous identification and assessment of risks.

The overall risks are evaluated annually within the scope of risk inventory with a view to recording and updating all risks and risk controlling measures. The risk inventory is used as the basis for the quarterly risk update.

The actualized risks are reported to the risk manager after a plausibility check by the division manager. In addition to the quarterly risk reporting, the risk officers and risk managers are required to promptly report any changes in the risk situation to the Management Board. Based on the risk reports, the risk manager prepares a report on the current risks for presentation to the Management Board. The Supervisory Board is provided with comprehensive information on all relevant developments of the Group on the occasion of Supervisory Board meetings.

In this process, individual risks presented in the risk report are subjected to continuous controls.

As a capital market-oriented stock corporation, GSW is subject to legally required audits of the risk management system.

10.2 Internal Control System and Risk Management System in the Accounting Process

GSW Immobilien AG and its affiliated companies have established a Group-wide internal control system (ICS), which includes a risk management system relating to accounting processes.

The aim and purpose of the ICS is to ensure correct and complete accounting treatment, recording and presentation of all business transactions in the GSW accounting system. This applies to both the consolidated financial statements and the individual financial statements of all affiliated companies. The accounting function is carried out on the basis of the legal regulations, the national and international accounting standards and the Group-wide accounting guideline.

The ICS implemented by GSW and the pertaining risk management system for Group-wide accounting processes can be summarized as follows:

- GSW has a straight, clear and unambiguous organization structure; its internal and external processes are secured by control and monitoring mechanisms.
- The control mechanisms in the accounting function are implemented using SAP standard software, largely on the basis of automated procedures.
- The principle of dual control is used for processes relevant to the accounting function.
- Coordinated planning, reporting, controlling and early risk detection systems are in place throughout the Group for comprehensive analysis and management of potential or existing risks.
- Functions of the accounting process are clearly allocated.
- The IT systems deployed in the accounting function are protected against unauthorized access.
- A Group-wide accounting guideline, which is periodically updated as required, is in place.
- The departments involved in the accounting process satisfy the requirements under quantitative and qualitative considerations.
- Completeness and correctness of data in the accounting system are reviewed regularly on the basis of sampling and plausibility controls, as well as through manual controls and the software in use.
- Significant accounting processes are subjected to analytical tests on a regular basis. The existing Group-wide risk management system is continually adapted to current developments and reviewed under the aspect of its functionality on an ongoing basis.
- The Supervisory Board and Audit Committee regularly deal with the relevant issues concerning accounting, risk management and the audit engagements and subject the financial statements to a critical analysis.

10.3 Risk Report

10.3.1 Macroeconomic and Strategic Risks

GSW is exposed to the general economic and macroeconomic influences which also include worldwide crises such as the financial market crisis after 2008 and the current debt crisis in Europe. This may involve risks for GSW that may impact negatively on the GSW Group, depending on the course of such macro-economic crises. Since GSW is almost exclusively active in Berlin, the Management Board does not expect any direct effects on current operating activities from the financial market and debt crisis in 2012 and beyond. Also, due to refinancing of the CMBS loan in 2011, no short-term refinancing risks are presently recognizable.

In addition there is an inherent risk that changed market trends on the real estate market will not be recognized early enough. However, the risk is assessed as being low since GSW is broadly diversified with its portfolio in Berlin.

10.3.2 Liquidity Risk

Rising vacancies, unexpected cost increases and disruptions in sales processes can impact negatively on available liquidity.

However, the risk is estimated as low since GSW generally earns stable income from its business activity which places it in a position to satisfy its financial obligations on a regular basis. This is additionally achieved through coordination of the liquidity flows of all companies within the GSW Group and Group-wide, earnings-optimized management of short-, medium- and long-term liquidity.

A rolling 12-month liquidity planning, which is adapted on the basis of current forecasts during the year provides a detailed forecast respecting expected monthly payment streams in the GSW Group. The plan-actual comparison is presented in the weekly cash management report, which is combined with reporting on the investment activities performed.

Daily liquidity monitoring and cash management are in place. The cash management is supported by an integrated software application. Daily liquidity management is based on the working capital analysis and daily cash flow analysis.

The payment ability of GSW was assured at all times in 2011. Credit lines were not utilized.

10.3.3 Market Risks

Earnings Risk

The earnings of GSW are determined primarily by rental income. Changes in the general economic and business situation can impact negatively on GSW’s earnings. As a result of a deterioration of the economic conditions, prices for new rents could fall, vacancies and rent defaults could rise and sales figures could decline.

Default of Rental Payments

Loss of rental income and rising receivables from contractual rental obligations remained relatively unchanged from previous years and are thus in line with the approaches presented in the business plan.

Vacancy and Rental Risk

The Berlin housing was driven by strong demand in the 2011 financial year and previous years – due to socio-demographic developments and the trend towards single households, inter alia. GSW was able to achieve the goal of reducing vacancies through targeted marketing measures.

Sales Risk

The development of condominium sales is stable. At this time, it is considered unlikely that the market attractiveness of the GSW properties could decline. Furthermore, the sales objectives are protected through a corresponding sales agreement.

Portfolio Risk

Portfolio risks may arise for individual properties as well as for the entire portfolio. GSW is exposed to maintenance and restructuring risks, in particular due to the age of the residential properties. These may also impact on the value stability of the available real estate portfolio.

The real estate portfolio of GSW is spread across all Berlin districts with the exception of Marzahn-Hellersdorf. With over 50,000 residential units in the Group, GSW is broadly diversified in Berlin.

Through its wide-spread involvement, both socially and in collaboration with various organizations and public agencies, GSW sees a possibility to further improve its image as a sponsor of cultural activities. GSW engages in such activities with the aim of holding and acquiring rental customers with a sustained positive effect on the real estate portfolio.

The GSW maintenance strategy is based on a valuation analysis of the condition of all properties, which is subsequently combined with the knowledge derived from reactive maintenance measures. In effect, this approach is to ensure the value and continued development of the portfolio. This was confirmed by the further development in recent years, among other things.

10.3.4 Tax and General Legal Risks

The business activity of GSW is subject to the general tax conditions in Germany, which can change to the disadvantage for the Company. GSW may have to pay additional taxes following external tax audits of the Group companies. As a result of the already completed transfer of more than 95 % of the shares in GSW Immobilien AG, land purchase tax will probably have to be paid for individual immaterial subsidiaries.

GSW is subject to the regulations concerning the “interest barrier.“ Consequently, it cannot be ruled out that tax expenses may result from these regulations in the future. There were no significant recognizable risks from changes in tax legislation and legal practice in 2011. The planned increase in the land purchase tax as of April 1, 2012 in Berlin may impact on the valuation of real estate.

General legal risks can arise from the non-observance of legal requirements, failure to implement new and amended laws, non-compliance with contractual agreements or mismanagement of insurance. Legal risks, including liability risks, can arise in particular in the framework of the acquisition of portfolios.

10.3.5 Financing Risk

In general, interest rate changes, loan-to-value ratio (LTV), commitments from contractual agreements (loan compliance) and interest hedge agreements can affect the operative business to the extent that fixed interest arrangements, which are due to expire, or credit and loan agreements are not extended or cannot be refinanced at adequate conditions (refinancing risk).

GSW is currently not exposed to a refinancing risk arising from interest rate changes, loan-to-value ratio (LTV), commitments from contractual agreements (loan compliance) and interest hedge agreements.

The interest change risk is minor in view of the generally low interest rates, in particular given the 99% quota of fixed interest loans. Open interest rate positions in 2011 and 2012 were closed through forward transactions.

With a view to optimizing the interest strategy, GSW concluded an interest management agreement with an external service provider in accordance with the value-at-risk method. The resulting action recommendations are included in planning.

Financial covenants are agreed in the respective loan agreements for approximately 34 % of the loan portfolio. The reporting obligations related to loan compliance vis-à-vis the banks were fully satisfied in 2011. If the general conditions remain unchanged we do not see any indications to expect non-compliance with the covenants of major loan agreements in the near future.

At present, there are no risks associated with intercompany loans. The borrowers are GSW Group companies, some of which concluded control and profit/loss agreements with GSW. Consequently, GSW is informed about the borrowers‘ economic situation at all times. If necessary, it can compensate for short-term liquidity shortfalls.

For details concerning disclosures pursuant to Section 285 No. 23 HGB please refer to the Notes to the individual financial statements of GSW Immobilien AG.

10.3.6. Operational Risks

Personnel Risks

Professionalism, dynamic performance and employee commitment are required prerequisites for the realization of strategic and operational objectives of GSW. There is a risk of loss of know-how through high fluctuation. GSW attempts to prevent this through a personnel policy which gives employees independent responsibility, development options and job satisfaction. Competence assessments and the pertaining drawing up of personal development plans, capacity planning and joint target agreements are elements of this personnel policy.

Employee fluctuation of 2.5 % in 2011 indicates stable employee retention.

IT Risks

The major risk concerning IT-based processes is system default. For the management and minimization of default risk GSW makes use of the services of external service providers, whose performance as well as IT security and emergency concept were reviewed in an audit in 2011. The identified action requirement has been integrated into an action plan. The most recent software versions increase the security standard and guarantee service maintenance by the manufacturer. In addition, GSW has launched projects aimed at optimizing security standards and has established the relevant processes.

10.4 Opportunities for Future Development

Following successful stock market flotation and acceptance in the MDAX, GSW has established itself on the capital market.

With a broadly diversified real estate portfolio in Berlin, a clear focus on the business division “residential living“ and the corresponding administrative organization and IT landscape, GSW is fundamentally well positioned to use opportunities as they arise.

In particular, such opportunities relate to the scalability of the organization structure and the existing platform, which enables servicing larger real estate inventories with a constant number of employees and thus realizing economies of scale. Due to the access to the capital market resulting from stock market flotation and the newly organized financial structure, GSW has the opportunity to generate further growth on a short-term basis.

11. Remuneration Report

The Annual General Meeting of GSW Immobilien AG held on April 14, 2010 approved a resolution pursuant to Section 286 (5) HGB, not to disclose the information pursuant to Section 285 No. 9 letter a Clause 5 – 8 HGB, in particular, to omit disclosures concerning the total remuneration of each Board of Management member for the years 2010 – 2014, however not beyond April 14, 2015. Therefore, the following disclosure only presents the total remuneration figures for all Board of Management members of GSW Immobilien AG. A distinction between a profit-independent and profit-based compensation component is made on a voluntary basis.

11.1 Board of Management

Remuneration System

The activities of Management Board members for GSW Immobilien AG in the first quarter of 2011 were based management employment agreements that were concluded prior to the Company’s change of legal organization to a stock corporation (Aktiengesellschaft). These management employment agreements were adapted in individual points in September 2010 in order to account for the changed legal conditions following the modifying conversion in March 2010. They provided for a fixed salary and performance-based bonus components, oriented towards objective targets (gross rental income) and personal targets. In addition, these employment agreements provided for long-term incentive components, oriented towards the partial or complete disinvestment of the original shareholders and – for two board members – to dividend distributions.

With a view to the IPO in April these management employment agreements were cancelled effective as of March 31/April 1, 2011 and replaced by new management employment agreements for the Management Board which are described below:

In conformity with the Law on the Appropriateness of Board of Management Remuneration, the new management board agreements provide for fixed remuneration and a variable bonus, comprised of a short term incentive and a long term incentive.

The short term incentive consists of an annual payment, oriented towards the results of current operations, which is measured on the basis of four targets: gross rental income, net rental income, EBITDA (normalized) and funds from operations, whereby the first three targets comprise 20% and the fourth target 40% of the short term incentive. The respective relevant targets are determined each year in connection with the budget process and are subsequently approved by the Supervisory Board.

The long term incentive is conferred each year and consists of three tranches, respectively, which are evenly distributed over a period of three years. A performance period of two or three years is set for each tranche and used for measurement of the target achievement of two relevant targets – total shareholder return and the development of the stock price of the Company compared to the EPRA Germany Index. The entitlement to the long term incentive is determined at the end of the respective performance period. However, advances in the amount of the respective annual tranches can be paid within a period of 1 year before the end of the respective performance period. However, these advances are subject to a full right to retroactive recovery.

Neither the short term incentive nor the long term incentive provide for minimum payments in the event of failure to achieve targets. However, the Supervisory Board can increase or reduce the respective target achievement by up to 20% in extraordinary cases at its own discretion. For the year 2011 both the short term incentive and the long term incentive were respectively granted only on a pro rata temporis basis.

In addition to the above stated remuneration components, Management Board members are granted additional compensation, comprised mainly of the taxable benefits concerning private use of company cars and insurance premiums for death and invalidity insurance.

Details on Management Board Remuneration

Total remuneration paid to the Management Board in 2011 amounted to T€ 1,926 (2010 financial year T€ 2,022). The total included T€ 1,056 of fixed remuneration and T€ 870 of profit-based variable remuneration for the 2010 financial year. The profit-based remuneration for 2010 were still granted on the basis of the cancelled management employment agreements, and were paid out in 2011

For the first quarter of 2011, the Management Board members acquired additional entitlements to profit-based remuneration under the meanwhile cancelled management employment agreements. These remuneration components, which are calculated on a prorated basis, as well as the short term incentive under the new management employment agreements, do not fall due for payment until 2012 and total T€ 703.5.for all Management Board members (under the assumption of a hundred percent target achievement).

In addition, according to their management board employment agreements, effective from April 1, 2011, the Management Board members acquired prorated entitlements to a long term incentive totaling T€ 238 (1st tranche), which are also paid only in the event of 100% target achievement in 2013 and may possibly amount to zero in the event of failure.

Payments in the Event of Termination of the Activity

In the event of revocation of a Board of Management appointment pursuant to Section 84 AktG before December 1, 2013, the respective Management Board member has a special termination right and an associated entitlement to severance payment, to the extent the Board member concerned is not responsible for the circumstances leading to the revocation. The severance pay entitlement is limited to a maximum of 18 months' fixed monthly remuneration and prorated short term incentive payment.

In the event of early termination of the agreement without important cause pursuant to Section 84 AktG, any agreed payment should not exceed two annual salaries and the amount of compensation due for the then relevant remaining term. The measurement base is provided by the respective total remuneration (i.e. including profit-based components and incidental payments).

Other
Board of Management members were not granted fixed pension plans. Moreover, the Company did not grant any loans to Management Board members.

Management Board members do not receive additional compensation for the performance of mandates in Group companies. If Management Board members should be held liable for losses incurred within the scope of their activity, the liability risk is generally covered by the D&O insurance for members of the Company's Management Board. In conformity with the provisions of Section 93 (2) Clause 3 AktG, GSW Immobilien AG provides for a deductible equal to 10 % of the loss up the amount of one and a half times the fixed annual compensation for all cases of damage during the financial year.

11.2 Supervisory Board

Remuneration System
The Supervisory Board members receive fixed annual compensation in the amount of € 30,000, payable after the year-end. The Supervisory Board Chairman receives twice this amount, and the Deputy Chairman receives one and a half times the annual compensation. Supervisory Board members who belong to one or more Supervisory Board committees, which meet at least once in a given financial year, receive additional fixed compensation of € 2,500 per committee or, in the case of the Committee Chairman, € 5,000, respectively payable at the end of the financial year. These amounts are reduced by one half for membership in and the chair of the nomination committee. Supervisory Board members, who were in the Supervisory Board or a Supervisory Board Committee only during a part of a given financial year, receive corresponding pro-rata compensation. Members of the Supervisory Board are not granted any variable, profit-sharing compensation.

Supervisory Board members Thomas Wiegand, Geert-Jan Schipper, Jonathan Lurie and Sven Dahlmeyer waived their compensation claims vis à vis GSW Immobilien AG in connection with their Supervisory Board activities.
The Company reimburses the members of the Supervisory Board for appropriate costs incurred in the exercise of their office. The allocable VAT is refunded by the Company to the extent that the Supervisory Board members are entitled to separate invoicing of VAT and actually exercise this right.
In addition, the Company took out a D&O liability insurance for the members of the Supervisory Board, which did not provide for any deductible in the 2011 financial year, as the Management Board and the Supervisory Board generally maintained that such deductible would not improve the due diligence and commitment of Supervisory Board members in the exercise of their activity. With a view to establishing extensive conformity with the German Corporate Governance Code, however, D&O insurance with an appropriate deductible will be agreed with the members of the Supervisory Board in the future.

Individual Supervisory Board Compensation

Remuneration paid (or to be paid) to Supervisory Board members for the 2011 financial year:

Name of Supervisory Board Member	Current Committee memberships	Compensation in T€ (net)
Dr. Eckart John von Freyend (Chairman)	Chairman of the Presidium, Chairman of the Nomination Committee	65
Dr. Jochen Scharpe (Deputy Chairman)	Chairman of the Audit Committee, Member of the Presidium, Member of the Nomination Committee	52.5
Claus Wisser	-	30
Dr. Reinhard Baumgarten	-	30
Veronique Frede	-	30
Thomas Wiegand	Member of the Presidium, Member of the Nomination Committee	0 (Waiver of Supervisory Board compensation)
Geert-Jan Schipper	Member of the Audit Committee	0 (Waiver of Supervisory Board compensation)
Sven Dahlmeyer Departed as of 12/31/2011	Member of the Audit Committee	0 (Waiver of Supervisory Board compensation)
Jonathan Lurie Departed as of 12/31/2011	-	0 (Waiver of Supervisory Board remuneration)

Other
The contract for advisory services between the Company and AMCI GmbH, whose only partner and Managing Director is the Supervisory Board member Dr. Jochen Scharpe was rescinded with the mutual consent of the parties, effective as of December 31, 2011. In the 2011 financial year, no compensation was paid to AMCI GmbH.

The members of the Supervisory Board were not granted any loans by the Company.

12. Forecast Report

After the restructuring in previous years, GSW Immobilien AG successfully completed the initial public offering in the 2011 financial year. Thus, GSW has a solid and clearly improved financing position, which forms the foundation for further growth in subsequent years. The acquisition of an indirect participating interest in GSW Pegasus GmbH, Berlin, with a portfolio of over 4,800 residential units in the fourth quarter of 2011 had a very positive impact on the results of operations of the entire Group. External growth through acquisitions is planned for the future as well.

The legal integration of GSW Grundbesitz GmbH & Co. KG into GSW Immobilien AG will have a significant impact on the net assets, financial position and results of operation of the Company in 2012.

Rental Income: GSW's success is founded on the following factors, which are decisive for the residential market in the country's capital city: In addition to generally minor new construction activity, the demand for residential space is on the rise, driven by a growing influx of people into the city and the increase in the number of households due to the trend towards single living. Therefore, the Company expects continued rent increases and falling vacancy rates in the German metropolitan city. Against this background, the Company is looking confidently into the future and anticipates potential for rising rental income, which will impact positively on rental results. GSE was able to introduce rent increases in line with the 2011 Rental Index as early as in the fourth quarter of 2011. The Company expects continued increases in existing and new rents in the GSW properties and declining vacancy figures in subsequent years as well.

Real Estate Valuation: If the previous trend towards scarcity of residential space and associated rent increases and falling vacancy rates continues in the years ahead, the Board of Management expects positive effects on real estate valuations.

Interest Result: In coming years only small loan volumes will be available for refinancing and prolongation. More than 99 % of the loan balance is currently hedged by fixed interest rate agreements or interest derivatives. Acquisition financing arrangements could lead to respective changes.

On the basis of these factors and in consideration of the existing refinancing for the coming years, the Board of Management expects a positive result for 2012. The Board of Management also expects a positive annual result for the 2013 financial year.

Acquisitions
The Board of Management expects additional growth impetus to arise from the acquisition of further real estate.

This report contains forward-looking statements and information characterized by formulations such as ”expect“, ”intend“, ”will“ or other similar terms. Such statements about the future are based on our current expectations and on certain assumptions, and as such carry an inherent risk and uncertainties. If it is established that the underlying assumptions were not correct, the actual results could deviate positively or negatively from results, which are described as being expected, anticipated, believed or estimated in the forward looking statement.

13. Management Declaration pursuant to Section 289a HGB

The disclosures according to Section 289a HGB are published on our website www.gsw.de.

14. Responsibility Statement

"To the best of our knowledge and in accordance with the applicable accounting principles for financial reporting, the financial statements of GSW Immobilien AG present a true and fair view of the Group's net assets, financial position and results of operations, and the management report presents a true and fair view of the Company's business development, business results and condition and describes the significant opportunities and risks of the expected development of the Group."

Berlin, March 19, 2011

GSW Immobilien AG
The Board of Management

Thomas Zinnöcker Chairman, Board of Management	Jörg Schwagenscheidt Board of Management	Andreas Segal Board of Management Finance

ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2011

GSW Immobilien AG, Berlin
Bilanz zum 31. Dezember 2011

A S S E T S

				As at 12/31/2011	As at 12/31/.2010
			EUR	EUR	TEUR
A. FIXED ASSETS					
I. Intangible assets				395.138,00	702
II. Tangible assets					
1. Land and land rights including buildings			515.498.714,79		522.297
2. Land including business- and other buildings			9.813.440,59		10.202
3. Land and land rights excluding buildings			5.592.292,15		5.083
4. Land including ground leases and similar third party rights			17.016.731,07		17.017
5. Buildings on leasehold land			0,51		-
6. Technical equipment and machinery			3.088,00		3
7. Other equipment, factory and office equipment			100.407,59	548.024.674,70	134
III. Financial assets					
1. Shares in affiliated companies			550.233.718,27		487.950
2. Loans to affiliated companies			87.509.276,31		26.695
3. Long-term equity investments			5.990.664,11		5.658
4. Other loans			1.034.800,07	644.768.458,76	1.047
				1.193.188.271,46	1.076.788
B. CURRENT ASSETS					
I. Land aand other inventories intended for sale					
1. Land and land rights excluding buildings			3.733.761,83		3.713
2. Construction preparation costs			8.706,26		9
3. Land and finished buildings			-		125
4. Work in process			33.674.447,12		33.467
5. Prepayments			64.580,44	37.481.495,65	44
II. Receivables and other assets					
1. Receivables from rental			1.341.348,04		1.462
2. Receivables from the sale of land			1.906.317,16		1.775
of which from affiliated companies	EUR	-			
(2010	EUR	-)			
3. Receivables from support activities			4.888,59		6
4. Trade receivables			830.875,02		690
5. Receivables from affiliated companies			88.925.016,85		62.271
6. Receivables from long-term investees and investors			917,90		0
7. Other assets			4.842.514,87	97.851.878,43	3.826
III. Liquid assets and building society balances					
Cheques, cash on hand, postal giro and bank balances				23.909.913,62	5.710
of which trust balances	EUR	-			
(2010	EUR	-)			
C. PREPAID EXPENSES					
Other prepaid expenses				236.758,00	195
				1.352.668.317,16	1.190.081

GSW Immobilien AG, Berlin
Bilanz zum 31. Dezember 2011

SHAREHOLDERS' EQUITY AND LIABILITIES

					As at 12/31/2011	As at 12/31/2010
				EUR	EUR	TEUR
A. SHAREHOLDERS' EQUITY AND LIABILITIES						
I. Subscribed capital					41.052.630,00	35.000
II. Capital reserves					124.083.712,42	15.136
III. Revenue reserves						
1. Other revenue reserves					6.229.594,77	6.230
IV. Unappropriated retained earnings					126.663.020,14	87.697
Total shareholders' equity					298.028.957,33	144.063
B. ACCRUALS						
1. Accruals for pensions and similar obligations				1.838.386,00		1.912
2. Tax accruals				80.600,00		81
3. Other accruals				19.124.336,41	21.043.322,41	23.458
C. LIABILITIES						
1. Liabilities to banks				578.282.526,59		592.617
2. Liabilities to other lenders				1.238.028,21		1.206
3. Prepayments received				34.120.467,10		33.627
4. Liabilities from rental				1.674.197,97		1.630
5. Trade payables				2.669.252,67		2.329
6. Payables to affiliated companies				397.233.405,83		331.505
7. Other liabilities				2.544.792,88		41.491
of which taxes		EUR	2.159.768,81			
	(2010	EUR	41.224.430,00)			
of which social security payables		EUR	84.847,06			
	(2010	EUR	84.871,43)		1.017.762.671,25	
D. DEFERRED INCOME					15.833.366,17	16.162
					1.352.668.317,16	1.190.081

GSW Immobilien AG, Berlin

Gewinn- und Verlustrechnung
für die Zeit vom 01. Januar bis 31.Dezember 2011

						2011		2010
						EUR	EUR	TEUR
1.	Sales							
	a) from facility management					96.322.739,92		99.507
	b) from the sale of land					18.606.962,19		13.671
	c) from support activity					75.134,09		414
	d) from other services and supplies					848.290,51	115.853.126,71	2.260
2.	Increase or decrease in the real estate portfolio for sale including finished goods and work in process						103.691,95	-3.182
3.	Other operating income						55.365.044,88	28.088
4.	Cost of purchased services and supplies							
	a) Cost of facility management					61.357.449,54		64.133
	b) Cost of land for sale					11.127.881,04		8.020
	c) Cost of other services and supplies					1.074.887,10	73.560.217,68	1.221
5.	Personnel expenses							
	a) Wages and salaries					17.692.328,12		14.825
	b) Social security, pension and other benefits					3.710.701,92		3.455
	of which pension		EUR	2.161.874,45				
		(2010	EUR	2.149.520,74	)		21.403.030,04	
6.	Amortization/depreciation of intangible and tangible assets						17.881.403,21	26.584
7.	Other operating expenses						30.474.947,68	26.320
8.	Income from long-term equity investments						26.854.676,81	40.122
	of which from affiliated companies		EUR	26.760.110,75				
		(2010	EUR	40.024.688,35	)			
9.	Income from profit/loss transfer agreements						15.692.859,13	18.234
10.	Income from other long-term securities and loans						1.130.534,14	1.052
	of which from affiliated companies		EUR	1.123.665,50				
		(2010	EUR	1.047.238,71	)			
	of which from shareholders		EUR	-				
		(2010	EUR	-	)			
11.	Other interest and similar income						3.551.499,74	1.892
	of which from affiliated companies		EUR	-				
		(2010	EUR	-	)			
12.	Write-down of long-term financial assets						92.055,31	1.531
13.	Cost of loss transfer						145.123,22	670
14.	Interest and similar expenses						35.989.710,72	37.612
	of which from affiliated companies		EUR	12.266.064,04				
		(2010	EUR	11.579.852,25	)			
15.	Income from ordinary activities						39.004.945,50	17.687
16.	Extraordinary expenses						-	301
17.	Extraordinary result						-	301
18.	Other taxes						39.679,00	537
19.	Earnings before taxes on income						38.965.266,50	16.849
20.	Income taxes						629,89	-
21.	Net income for the year						38.965.896,39	16.849
22.	Profit carried forward						87.697.123,75	70.848
23.	Dividend paid out to shareholders						-	-
24.	Unappropriated retained earnings						126.663.020,14	87.697

Notes to the Annual Financial Statements of GSW Immobilien AG, Berlin, for the Financial Year from January 1, 2011 through December 31, 2011

1) General Information on the Content and Classification of the Individual Financial Statements

The annual financial statements were prepared in accordance with Section 242 et seqq., and Section264 et seqq., HGB and the relevant provisions of the AktG. The Company is a large corporation within the meaning Section 267 (3) HGB.

The balance sheet and the income statement were prepared using the form sheets for classification of the annual financial statements of housing companies of May 25, 2009.

The balance sheet is supplemented by the liabilities from rental.

The income statement was prepared using the cost of production method. The financial year corresponds to the calendar year.

To the extent that additional disclosures relating to individual balance sheet and income statement items are required in accordance with the legal provisions, these are stated in the notes to the financial statements (“Notes”).

2) Accounting and Valuation Principles

Unless otherwise stated, the accounting and valuation methods have remained unchanged.

a) Intangible assets

The Company does not make use of the capitalization option with respect to internally developed assets.

Intangible assets are reported at acquisition costs net of scheduled straight line amortization. Assets are amortized over a period of three and five years, respectively. The assets’ useful lives are determined in accordance with German tax law. Any deviations relating to useful lives are considered to be insignificant.

b) Tangible assets

Tangible assets are reported at acquisition and manufacturing costs in terms of Section 255 (1, 2) HGB net of scheduled depreciation.

Tangible assets are depreciated in a uniform manner on a straight line basis. In accordance with tax law, buildings are generally written down at an annual rate of 2%. Any deviations relating to useful lives are considered to be insignificant.

Tangible assets with an apparent impairment in value are subject to unscheduled depreciation to the lower fair value as at the balance sheet date, pursuant to Section 253 (3) Clause 3 HGB. Permanent impairment in value is determined in accordance with IDW RS WFA 1. The fair value is determined on the basis of the earnings capacity value which, as one of three methods, stipulates determination of the market value pursuant to Section 194 BauGB.

If the reason for depreciation no longer exists, reinstatement of value up to the depreciated acquisition and manufacturing costs applies in accordance with Section 253 (5) Clause 1 HGB.

Low value items up to € 150.00 are written down in full in the year of acquisition. Low value items between € 150.01 and € 1,000.00 (net) are written down over five years. The useful life is determined in keeping with German tax law.
Any deviations relating to useful lives are considered to be insignificant.

c) Financial assets

Shares in/loans to affiliated companies and equity investments as well as other financial assets are reported at acquisition costs or at the lower fair values, which are determined using valuation models. A value reinstatement requirement is accounted for by recording write-ups.

d) Current assets

Buildings or land with buildings under current assets are reported at acquisition and manufacturing costs or at the lower fair value. Building manufacturing costs under current assets include material and manufacturing direct costs and appropriate portions of material and manufacturing overhead costs as well as value depletion of fixed assets. The lower fair value of completed buildings is the sales proceeds that are expected to be achieved net of costs yet to be incurred within the scope of sale. Interest on borrowings is not included in manufacturing costs.

Undeveloped land included in current assets is disclosed at acquisition cost or at lower fair value. Current standard ground values are used as a benchmark.

In accordance with the Operating Costs Ordinance, work in process includes allocable but not yet invoiced operating costs.

Receivables and other assets are stated at nominal value. Recognizable risks are accounted for by recording adequate value adjustments.

As a general rule, receivables from former tenants are fully value-adjusted 30 days after they mature. Value adjustments concerning existing tenants are recorded depending on the age of the receivables.

Derivatives concluded in order to hedge against interest rate risks are independent valuation units. If the relevant requirements are met, they are combined into a valuation unit with the loan to be hedged in accordance with the option provided for under Section 254 HGB.

Actual suitability of the hedging instrument for hedging the risk from the basic transaction and the notional evidence of effectiveness relative to hedged risk are decisive preconditions for forming a valuation unit. The effective portion of the valuation units is presented in the balance sheet using the net hedge presentation method, i.e., the compensating value changes from the hedged risk are not reported in the balance sheet. An accrual for valuation units to account for any unrealized loss remaining due to partial ineffectiveness of the hedge relationship is disclosed under other accruals. If interest rate risks are hedged, the interest payments resulting from the hedging instrument as well as interest income and interest expenses from the hedged basic transaction as well as period allocation entries are shown in the balance sheet in un-netted form.

If the requirements concerning a valuation unit are not met, the item is reported at acquisition costs or at the lower fair value. In the event of an obligation surplus, an accrual for pending losses is recorded.

Liquid assets are stated at nominal value. Of these, the amount of € 1.1 million is pledged to Landesbank Berlin.

e) Equity capital

The subscribed capital is stated at nominal value.

f) Accruals

Accruals for reconversion obligations, for long-service awards and for semi-retirement schemes as well as accruals for all other contingent liabilities were stated on the basis of sound business judgment at settlement amounts, including price and cost increases. All recognizable risks were taken into account using the projected unit credit method. Accruals with residual terms of more than one year were discounted applying the average market interest rate of the past seven financial years in accordance with the respective residual term. The market interest rates were obtained from the monthly Deutsche Bundesbank statistics.

Accruals for pension obligations are set up to account for pension plans involving commitments for old age, invalidity and surviving dependent pensions. In deviation from the principle of individual valuation applying the average interest rate of the past seven years, in accordance with Section 253 (2) Clauase2 HGB, current pension obligations and pension expectancies are discounted on a lump sum basis at the average market interest rate that arises from an assumed residual term of 15 years.

g) Liabilities

Liabilities are stated at the respective settlement amount. Differences between the nominal amount and the issue amount are immediately treated in full as expense.

Liabilities in the amount of € 578 million are collateralized by way of a property charge. If the collateralization property was transferred to GSW Grundbesitz GmbH & Co. KG, they continue to be liable for the loans retained at GSW.

With respect to the development of liabilities, reference is made to the schedule of liabilities.

h) Prepaid expenses

Prepaid expenses refer to expenses incurred prior to the reporting date that represent expenses for a certain period after that date. The option pursuant to Section 250 (3) HGB is not made use of. A difference between settlement amount and issue amount is posted to profit/loss at the date of origin.

Deferred income includes proceeds obtained after the balance sheet date if it represents income for a certain period after that date.

i) Deferred taxes

Deferred taxes are recorded for temporary differences between the commercial and the tax balance sheet that are expected to reverse in the future, and for tax losses carried forward to the extent required pursuant to Section 274 HGB. Deferred tax assets regarding temporary differences or losses carried forward are reported only if it can be assumed that they can be realized with sufficient certainty in the future.

The resulting deferred tax assets and deferred tax liabilities are disclosed in netted form.

Deferred tax assets that exceed the off-settable amount are not capitalized in accordance with the option provided for under Section 274 (1) Clause 2 HGB.

3) Notes to Individual Balance Sheet Items

a) Fixed assets

Additions to intangible assets, tangible assets and financial assets total € 124.8 million.

Intangible assets declined by € 0.4 million due to ongoing amortization.

The intangible assets only include acquired software. In the previous year, this item also included prepayments amounting to € 0.1 million made on acquired software.

Tangible assets decreased by a total of € 6.7 million. Scheduled depreciation of tangible assets amounted to € 13.4 million. In addition, the amount of € 4.1 million was subject to non-scheduled depreciation due to permanent impairment in value. Moreover, disposals from the sale of real estate at book values were reported in the amount of € 8.0 million. At the same time, a reinstatement in values was recorded in the amount of € 18.8 million.

This was contrasted by a € 123.4 million increase in financial assets.

Additions to financial assets result from the acquisition of a direct investment in GSW Acquisition 3 GmbH, Essen. Furthermore, GSW acquired direct equity investments in Zisa Grundstücksbeteiligungs GmbH & Co. KG, Berlin, Zisa Verwaltungs GmbH, Berlin, and Zisa Beteiligungs GmbH, Berlin. GSW holds an indirect stake in GSW Pegasus GmbH, Berlin, via these direct investments. GSW Pegasus GmbH is the owner of a property portfolio involving ca. 4,800 apartments in Berlin and Brandenburg. The equity investments were transferred in legal terms as of November 23, 2011. The acquisition costs of these acquired equity investments total € 62.5 million.

In addition, the Company acquired further shares in already existing equity investments in the amount of approximately € 0.3 million.

Moreover, GSW AG has concluded long-term loan agreements covering a total volume of ca. € 61.9 million with the acquired direct and indirect investments, reported as loans in the balance sheet.

This is contrasted by disposal of the equity investments in BMH Berlin Mediahaus GmbH, Berlin (economic transfer January 31, 2011) and Berlin Immobilien Verwaltungs- u. Betriebsgesellschaft von 1996 mbH, Berlin, (economic transfer on September 28, 2011). The disposal of these equity investments in terms of book value totals ca. € 0.1 million.

Non-scheduled write-downs on equity investments amounting to € 0.1 million were recorded in financial year 2011.

b) Other assets

The item: Work in process only incudes operating costs not yet settled.

Receivables with residual terms of more than one year relate to:

Balance sheet item	2011	2010
In € million		
Receivables from rental	0,1	0,1
Receivables from the sale of real estate	0,1	1,1

Receivables from affiliated companies mainly concern receivables from profit/loss transfer agreements as well as profits recognized at GSW KG in the amount of € 85.1 million, and from current liquidity aid amounting to € 0.5 million.

c) Derivatives

Derivative financial instruments are used by the Company for the sole purpose of hedging interest rate risks from real estate financing. Derivative financial instruments accounted for at fair value have not been reported.

The following derivative financial instruments were concluded without payment of a premium (Section 285 No. 19 HGB) in order to hedge the interest rate risks associated with real estate financing:

In € m. Purpose	Type	Book value	Nominal value	Fair value	Valuation method
Interest rate hedge	SWAP	0	182,6	-7.0	Clean price

The requirements of Section 254 HGB are met and the option to set up a valuation unit is made use of. The requirements respecting a valuation unit are not met with respect to a swap and a lower fair value in the amount of T€ -66 is thus reported. Due to the obligation surplus, an accrual for pending losses has been set up.

The effectiveness of hedge relationships as a precondition for setting up valuation units is assessed both prospectively and retrospectively. The prospective assessment relating to interest rate swaps is based on the critical-terms-match method as the nominal amounts, the currencies, the terms, the variable basis (EURIBOR) and the dates of interest and principal payments respecting the debt instruments and the corresponding interest rate swaps are identical. The individual hedge relationships are classified as highly effective over the entire hedging period.

The retrospective effectiveness assessment respecting swaps is carried out on a cumulative basis applying the dollar-offset method supported by the hypothetical derivatives method. Using this approach, the change in fair value of a constructed hypothetical derivative is compared to the changes in the fair value of the hedging instrument using the conditions that correspond to the respective basic transaction.

GSW Immobilien AG made use of the option to set up valuation units pursuant to Section 254 HGB. The requirements of Section 254 HGB regarding the setting up of a valuation unit with the underlying transaction are met with respect to the following hedging instruments:

In € m. Basic transact ion	Hedging instrument	Amount of hedged risk	Hedged risk	Type of valuation unit	Method of effectiveness measurement
Loan	SWAP	182.6	Interest rate risk	Micro hedge	Dollar offset-method

Owing to the fact that the basic and hedging transaction parameters concur to a significant extent, the opposing payment flows for 2011 are almost fully balanced out. A minor degree of ineffectiveness results from deviations of the residual capital and from a deviating redemption interval concerning the basic and the hedge transaction.

The amount of risks hedged with micro valuation units comes to € 6.9 million, i.e., and negative value or payment flow changes were avoided up to the reporting date.

It is also expected that, based on a 3-month Euribor, opposing payment flows will balance out in the future for a period of between 3 to 68 months.

d) Shareholders' equity

Movement of shareholders' equity of GSW :

In T€	**12/31/2011**	**12/31/2010**	**Change**
Subscribed capital	41,053	35,000	6,053
Capital reserves	124,084	15,136	108,948
Revenue reserves	6,230	6,230	0
Profit carried forward	87,697	70,848	16,849
Net income for the year	38,966	16,849	22,117
Sum total	**298,030**	**144,063**	**153,967**

The number of no-par stock issued as of December 31, 2011 was 41.1 million shares of stock (2010: 35.0 million). Notionally, a prorated amount of € 1 of the nominal capital is attributable to each share of stock. No shares with limited voting rights exist.

None of our shareholders was entitled directly or indirectly to more than ten percent of the voting rights as of the balance sheet date.

The Company does not hold own shares of stock. No shares were subscribed to due to a conditional capital increase or authorized capital, respectively, during the financial year.

A capital increase of € 6.1 million was carried out in the financial year. This increase was based on the issuance of new shares of stock within the scope of the initial public offering. Due to a resolution of the general meeting of March 18, 2011, authorized capital can be increased by a total of € 17.5 million. The authorization is limited until March 17, 2016.

Capital reserves amounted to € 124.1 million as of December 31, 2011. In financial year 2011, income from the IPO in the amount of € 108.9 million that exceeds the notional value of the shares issued (premium) was transferred to capital reserves pursuant to Section 272 No. 1 HGB.

GSW acquired some of the ca. 29,500 shares of stock issued within the scope of the capital increase to staff members as a gratuitous bonus.

Other revenue reserves that were disclosed as of December 31, 2010 for the first time result from adjustments to BilMoG, which stipulates the discounting of accruals.

Pursuant to Section 150 (2) AktG, a statutory reserve is legally prescribed for stock corporations. The reserve is to be obtained from 5% of annual net income until the statutory reserve corresponds to 10% of nominal capital. Capital reserves pursuant to Section 272 Nos. 1 to 3 HGB are to be included when determining this threshold. As the threshold at GSW AG (including existing capital reserves pursuant to Section 272 Nos. 1 to 3 HGB) had already been reached at the modifying conversion into a stock corporation in 2010, transfer to the statutory reserves was not necessary. This transfer will only apply if the 10 % threshold is not reached.

Amounts blocked from distribution in terms of Section 268 (8) HGB are not recorded at present.

Unappropriated retained earnings (€ 126.7 million) include net income for the year of € 39.0 million and profit carried forward in the amount of € 87.7 million.

e) Accruals for pensions and similar obligations

Accruals for pensions are recorded for former GSW employees and their surviving dependents.

The accruals were stated at the settlement amount, i.e., taking into account salary and pension trends, and are discounted. The internationally acknowledged projected unit credit method was applied to this end. Pension obligation corresponds to the present value of earned and valued pension claims as of the balance sheet date including probable future pension and salary increases. The scope of the obligation increases annually by compounding and the present value of annualized pension entitlements.

The calculation is based on the following parameters:

Parameter	2011	2010
Interest rate pensioners purs. to Section 253 (2) Cl. 2 HGB	5.1%	5.2%
Wage and salary increases	2.0%	2.0%
Pension trends	2.0%	2.0%

The pension obligation was calculated by a pension expert. With respect to life expectancy, the 2005 G Mortality Tables Dr. Klaus Heubeck were used.

Assets that exclusively serve the purpose of meeting employee pension obligations and which are protected against access by all other creditors (plan assets) are not recorded at the Company.

The increase in accruals resulting from initial application of BilMoG was taken into account in financial year to the full extent. No use was made of the option to spread the additional amount over future periods.

f) Other accruals and liabilities

The item, other accruals, includes the following significant types of accruals:

With respect to property funds initiated by GSW, accruals relate to contractual obligations (mainly rental guaranties and construction obligations of € 1.0 million). In addition there are accruals to cover additional funding commitments of € 7.7 million.

The item also includes accruals for litigation risks (€ 2.8 million) and for profit-sharing bonuses (€ 3.1 million).

Accruals for invoices outstanding were recorded at the amount of € 3.0 million.

Liabilities to affiliated companies mainly include loans amounting to € 272.8 million, current liquidity aid of € 120.6 million, interest deferrals respecting intercompany liabilities of € 2.4 million, and trade payables of € 1.3 million.
Liabilities to affiliated companies increased by ca. € 66 million due to liquid asset transfers of subsidiaries to GSW AG.

The previous year's Other liability from the EK-02 to be taxed retrospectively (€ 40.1 million) was fully repaid in financial year 2011.

g) Deferred income

Deferred income in the amount of € 15.8 million relates to the period allocation of non-recurring remuneration from a building lease agreement concerning the property funds initiated by GSW.

h) Deferred taxes

The determination of deferred taxes is based on the balance sheet-oriented concept. According to this concept, deferred taxes are recognized in relation to the differences between the assets and liabilities shown in the commercial accounts and the tax accounts if such differences will probably be reversed in subsequent financial years.

Deferred tax liabilities from the differences in the value of real estate or participations in commercial partnerships, respectively, were netted with deferred tax assets recognized in relation to the differences between the values shown in the commercial accounts and the tax accounts for real estate and participations in commercial partnerships and corporations.

In all, this results in an asset surplus of deferred taxes that is not capitalized in accordance with the capitalization option.

The assessment is based on a tax rate of 30.175%.

4) Notes to individual income statement items

Sales revenues from property management were almost exclusively generated in Berlin and are mainly broken down as follows: target rent (less revenue deductions) at € 57.4 million; subsidies for rent, expenses and interest amounting to € 6.8 million; and invoiced ancillary charges for operating costs in the amount of € 32.1 million.

Revenues amounting to € 18.6 million were generated from the sale of properties in the financial year under review.

The item “Other operating income” includes income attributable to other periods in the amount of € 6.3 million that arises from the reversal of accruals. This item also includes income from the reversal of impairments previously recognized in relation to property, plant and equipment (€ 18.8 million) as well as profits exceeding € 20 million, which are attributable to the disposal of the equity investment held in BMH Berlin Mediahaus GmbH, Berlin.

Interest expenses from the compounding of accruals in the amount of € 3.0 million are stated under "interest and similar expenses". Income from the discounting of long-term accruals amounts to € 0.1 million and is reported under "Other interest and similar income".

Expenses of € 12.0 million were incurred in the 2011 financial year with regard to the special project "Initial Public Offering IPO".

5) List of Equity Investments

The shareholdings of GSW Immobilien AG, Berlin, pursuant to Section 285 Nos. 11 and 11a HGB include the following companies as of December 31, 2011:

Name and head office of the company	Equity capital in T€	Share in %	Profit/loss in T€
GSW Grundbesitz GmbH & Co. KG, Berlin	460,539	100 %	26,759
GSW Grundvermögens- und Vertriebsgesellschaft mbH, Berlin	90,256	100 %	0)[1]
Stadtentwicklungsgesellschaft Buch mbH, Berlin	2,260	100 %	-39
GSW Acquisition 3 GmbH, Essen	64,980	100 %	-11,305
Facilita Berlin GmbH, Berlin	663	100 %	-113
GSW Gesellschaft für Stadterneuerung mbH, Berlin	389	100 %	190
Grundstücksgesellschaft Karower Damm mbH, Berlin	189	100 %	0)[1]
GSW Betreuungsgesellschaft für Wohnungs- und Gewerbebau mbH, Berlin	107	100 %	0)[1]
Wohnwert Versicherungsagentur GmbH, Berlin	26	100 %	0)[1]
Zweite GSW Verwaltungs- und Betriebsgesellschaft mbH, Berlin	34	100 %	9
GSW Berliner Asset Invest Verwaltungs GmbH, Berlin	25	100 %	0
GSW Berliner Asset Invest GmbH & Co. KG, Berlin	12	100 %	-2
GSW Immobilien Beteiligungs GmbH, Berlin	17	100 %	-2
Wohnanlage Leonberger Ring GmbH, Berlin	-530	94 %	0)[1]
GSW Immobilien GmbH & Co. Leonberger Ring KG, Berlin[3]	362	94 %	73
GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG, Berlin	-38,806	94,9 %	2,710
GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Zweite Beteiligungs KG, Berlin	-28,771	93.1 %	1,359
SIWOGE 1992 Siedlungsplanung und Wohnbauten Gesellschaft mbH, Berlin[4]	4,255	50 %	109
GSZ Gebäudeservice und Sicherheitszentrale GmbH, Berlin [4]	148	33.3 %	66
DCM GmbH & Co. Renditefonds 507 KG, Munich[2]	284	99 %	-
DCM GmbH & Co. Renditefonds 510 KG, Munich[4]	272	99 %	-
GSW Fonds Weinmeisterhornweg 170-178 GbR, Berlin	-7,587	42.73 %	-9
Zisa Grundstücksbeteiligung GmbH & Co. KG, Berlin	-8	94.9 %	-9
Zisa Verwaltungs GmbH, Berlin	24	100 %	-1
Zisa Beteiligungs GmbH, Berlin	25	49 %	-1[5)]

[1] Profit and loss transfer agreement concluded with GSW AG
[2] Values relating to 2009
[3] As general partner, GSW Immobilien AG is subject to unlimited liability

[4] Values relating to 2010
[5] Preliminary result for 2011

6) Group Affiliation

In accordance with Section 315a (3) HGB, GSW Immobilien AG, Berlin prepares exempting consolidated financial statements for the smallest and at the same time largest group of companies as of December 31, 2011. The consolidated financial statements are submitted to the operator of the electronic Federal Gazette.

7) Related Companies and Persons

Related natural persons within the meaning of Section 285 No. 21 HGB are the Management Board and the members of the Supervisory Board. Related legal persons concern joints ventures, associates, and subsidiaries in which shares are held either directly or indirectly, provided that they are not wholly owned subsidiaries - neither directly nor indirectly - and that they are included in the Company's consolidated financial statements. No transactions have been carried out with natural or legal related persons in the financial year under review or in the previous year that are not in line with regular market conditions (arm's length).

8) Other mandatory disclosures, in particular those specific to legal form

a) Contingencies, other financial obligations

Bank guaranties amount to € 1.1 million, of which € 1.1 million concern outstanding obligations.

In order to meet payment obligations from loans concerning the affiliated companies

- GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG, Berlin,
- GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Zweite Beteiligungs KG, Berlin,
- GSW Pegasus GmbH, Berlin,

GSW Immobilien AG issued guarantee letters in the amount of € 166.5 million. The guarantees amount to € 146.2 million as of the 2011 year-end. The Company will make use of the guarantees issued insofar as the loans granted by banks cannot be serviced.

GSW assumes liability beyond the subscribed capital with respect to both Beteiligungs-KGs for the capital amount of € 32.0 million.

As a general rule, the term of the guarantees is unlimited, while the guarantee letters are returned upon repayment of the loans at the latest. The risk that the guarantees will be utilized is classified as very low since the shareholders of GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Erste Beteiligungs KG and GSW Verwaltungs- und Betriebsgesellschaft mbH & Co. Zweite Beteiligungs KG retained all potential distribution pay-outs with a view to ensuring debt servicing. The risk that the guarantees will be utilized for covering loan defaults at GSW Pegasus is also classified as very low since the company continually generates high rental income from more than 4,800 residential units.

According to a surety agreement, GSW will issue a surety (surety document or mortgage) to end-financing banks in the event that the collateral for the Weinmeisterhornweg 170 – 178 GbR fund should be insufficient. A surety agreement in the amount of € 3.7 million is reported as of December 31, 2011. Moreover, GSW has accepted a notarial acknowledgement of debt (up to a maximum debt acknowledgement of € 4.3 million) vis-à-vis the end-financing banks at the amount of the respective shares of currently 42.73% up to a maximum of 49% of the collateralized loans or loans to be collateralized. The total commitment amounts to € 8.0 million, of which € 6.1 million currently concern outstanding obligations.

The significant guarantee letters (in terms of amounts) were issued by the Company to various banks and mainly serve as collateral for loans that were granted to GSW AG or other companies in the GSW Group. The banks, in whose favor the guarantees were issued, may utilize the guarantees in the event that the loans are not repaid as agreed. The term of the guarantees is generally unlimited, while the guarantees are returned upon repayment of the loan. The risk that the guarantees will be utilized is classified as extraordinarily low, since GSW ensures debt-paying ability within the scope of liquidity planning. Furthermore, agreements have been concluded with respect to most of the funds, which stipulate that all potential distribution pay-outs to shareholders be retained.

Moreover, bank guarantees at subordinate amounts were extended for meeting the obligations from the graded early retirement arrangement, the general lease agreement for the Company's main building and other commitments. The risk that these guarantees will be utilized is classified as very low since the Company constantly monitors whether the obligations are met.

b) Other financial obligations and off-balance-sheet transactions

Off-balance-sheet transactions relate to legal transactions or measures by means of which benefits or risks are assumed without this being recognized as an asset or liability. Apart from the other financial obligations detailed below, there are no other off-balance-sheet transactions which would be significant for assessing the financial position of the Company.

Other financial obligations as of December 31, 2011 mainly concern the Kochstrasse general lease agreement amounting to € 15.1 million (thereof, short-term: € 4.0 million) and the operator contract for SAP R/3 amounting to € 4.0 million (thereof, short-term: € 0.8 million).

GSW AG concluded building lease agreements which result in annual payments of € 0.1 million.

The order commitment stands at € 0.4 million as of December 31, 2011.

GSW Immobilien AG is a member of Versorgungsanstalt des Bundes und der Länder (VBL - German provider of supplementary pensions) in Karlsruhe, which gives rise to financial obligations concerning social security benefits. Payments in the amount of € 1.0 million were made to VBL in the 2011 financial year.

c) Total auditor's fee

With respect to the calculated auditor's fee, we refer to GSW Immobilien AG's consolidated financial statements.

d) Employees

The average number of employees (excluding the Management Board) in the financial year 2011 is as follows:

1	Officer holding general power of attorney (Prokurist)
283	Employees
1	Facility manager, full-time
285	**Employees engaging in operational activities**
25	Trainees and students
5	Student assistants and interns
315	**Employees, total**

e) Disclosure duties pursuant to Section 20 AktG

GSW complied with the disclosure duties pursuant to Section 20 (6) AktG.

Reportable equity investments pursuant to Section 160 AktG:

GSW Immobilien AG received the following voting right notifications pursuant to Section 21 (1) WpHG in 2011:

1. On September 14, 2011, the government of the Republic of Singapore, Singapore, represented by the Minister of Finance notified us pursuant to Section 21 (1) WpHG that its indirect voting share in GSW Immobilien AG, Charlottenstrasse 4, 10969 Berlin, Germany, exceeded the thresholds of 3 % and 5 % on April 15, 2011 and that at that day represents 6.19% (2,542,281 of voting rights). These 6.19% (2,542,281 votes) of voting rights in GSW Immobilien AG are attributable in full to the government of the Republic of Singapore pursuant to Section 22 (1) Clause 1 No. 1 WpHG from the fully state-owned Government of Singapore Investment Corporation Pte Ltd., which holds more than 3% of the voting rights in GSW Immobilien AG.

Furthermore, 5.71% (2,342,152 votes) of the above stated 6.19% (2,542,281 of votes) of the voting rights in GSW Immobilien AG are also attributable to the government of the Republic of Singapore pursuant to Section 22 (1) Clause 1 No. 2 WpHG. The voting rights attributable to the government of the Republic of Singapore pursuant to Section 22 (1) Clause 1 No. 2 WpHG are held for the account of the government of the Republic of Singapore by Government of Singapore Investment Corporation Pte Ltd., which holds more than 3% of the voting rights in GSW Immobilien AG.

2. Massachusetts Financial Services Company (MFS) (Boston, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights) are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG.

3. Sun Life Financial Inc., (Toronto, ON, Canada) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights) are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

4. Sun Life Global Investments Inc., (Toronto, ON, Canada) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights) are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

5. Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc., (Wellesley Hills, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

6. Sun Life Financial (U.S.) Holdings, Inc., (Wellesley Hills, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

7. Sun Life Financial (U.S.) Investments LLC, (Wellesley Hills, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof 5.14 % (2,109,632 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

8. Sun Life of Canada (U.S.) Financial Services Holdings, Inc. (Boston, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof 5.14 % (2,109,632 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

9. Massachusetts Financial Services Company (MFS) (Boston, MA, USA) notified us that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.14% (2,109,632 of voting rights); thereof, 5.14 % (2,109,632 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG.

10. ING Clarion Real Estate Securities LLC, Radnor (Pennsylvania), USA, notified us pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the thresholds of 3 % and 5 % on April 18, 2011 and at that day represents 5.85% (2,400,000 of voting rights); thereof, 5.85 % (2,400,000 of voting rights are attributable to it pursuant to Section 22 (1) Clause 1 No. 6 WpHG.

11. W2001 Capitol B.V. (Amsterdam, Netherlands) notified us that its voting share in GSW Immobilien AG was below the thresholds of 15% and 10% on October 17, 2011 and at that day represents 9.84% (4,041,589 voting rights). 0.41% of the voting rights (168,551 voting rights) are attributable to W2001 Capitol B.V. pursuant to Section 22 (1) Clause 1 No. 2 WpHG.

12. Whitehall Street Global Real Estate Limited Partnership 2001 (New York, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 15% and 10% on October 17, 2011 and at that day represents 9.84% (4,041,589 voting rights). 9.43% of the voting rights (3,873,038 voting rights) are attributable to Whitehall Street Global Real Estate Limited Partnership 2001 pursuant to Section 22 (1) Clause 1 No. 1 WpHG, and 0.41% of voting rights (168,551 voting rights to Whitehall Street Global Real Estate Limited Partnership 2001 pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies that are controlled by Whitehall Street Global Real Estate Limited Partnership 2001 and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- W2001 Capitol B.V. (Amsterdam, Netherlands).

13. WH Advisors, L.L.C. 2001 (New York, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 15% and 10% on October 17, 2011 and at that day represents 9.84% (4,041,589 of voting rights). 9.43% of the voting rights (3,873,038 voting rights) are attributable to WH Advisors, L.L.C. 2001 pursuant to Section 22 (1) Clause 1 No. 1 WpHG, and 0.41% of the voting rights (168,551voting rights) are attributable to WH Advisors, L.L.C. 2001 pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by WH Advisors, L.L.C. 2001 and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- W2001 Capitol B.V. (Amsterdam, Netherlands)
- Whitehall Street Global Real Estate Limited Partnership 2001 (New York, USA).

14. The Goldman Sachs Group, Inc. (New York, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that date represents 10.02% (4,114,540 voting rights). 9.60% of the voting rights (3,942,948 voting rights) are attributable to The Goldman Sachs Group, Inc. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,592 voting rights) are attributable to The Goldman Sachs Group, Inc. pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by The Goldman Sachs Group, Inc. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- W2001 Capitol B.V. (Amsterdam, Netherlands)
- Whitehall Street Global Real Estate Limited Partnership 2001 (New York, USA)
- WH Advisors, L.L.C. 2001 (New York, USA).

On October 19, 2011, GSW Immobilien AG received the following voting right notifications pursuant to Section 21 (1) WpHG in the name and by order of the following companies and persons and with the following content:

15. Lekkum Holding B.V. (Baarn, Netherlands notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% (4,114,540 voting rights). 0.42% of the voting rights (171,594 voting rights) are attributable to Lekkum Holding B.V. pursuant to Section 22 (1) Clause 1 No. 2 WpHG.

16. Cerberus Global Investments B.V. (Baarn, Netherlands) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Global Investments B.V. pursuant to Section 22 (1) Clause 1 No.1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Lekkum Holding B.V pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Global Investments B.V. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands).

17. Sublime Investments S.à r.l. (Luxembourg, Luxembourg) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to S.à r.l. pursuant to Section 22 (1) Clause 1 No.1 WpHG and 0.42% of voting rights (171,594 voting rights) are attributable to Sublime Investments S.à r.l. pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Sublime Investments S.à r.l. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands).

18. Cerberus Series Two Holdings, L.L.C. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Series Two Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No.1 WpHG and 0.42% of voting rights (171,594 voting rights) are attributable to Cerberus Series Two Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Series Two Holdings, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

19. Cerberus Series Three Holdings, L.L.C. (Wilmington, Delaware, USA notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Series Three Holdings, L.L.C pursuant to Section 22 (1) Clause 1 No.1 WpHG and 0.42% of voting rights (171,594 voting rights) are attributable to Cerberus Series Three Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Series Three Holdings, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

20. Cerberus America Series One Holdings, L.L.C. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus America Series One Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus America Series One Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.
The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus America Series One Holdings, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Nederlands).

21. Cerberus America Series Two Holdings, L.L.C. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus America Series Two Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus America Series Two Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus America Series Two Holdings, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

22. Cerberus Institutional Real Estate Series One Holdings, L.L.C. (Dover, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Real Estate Series One Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Real Estate Series One Holdings, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional Real Estate Series One Holdings, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

23. Cerberus International, Ltd. (Freeport GBI, Die Bahamas) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus International, Ltd. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus International, Ltd. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.
The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus International, Ltd. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

24. Cerberus Partners, L.P. (Wilmington, Delaware, USA notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Partners, L.P. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Lekkum Holding B.V. (Baarn, Netherlands).

25. Cerberus Institutional Partners, L.P. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights

(4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional Partners, L.P. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Series Two Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Series Three Holdings, L.L.C. (Wilmington, Delaware, USA).

26. Cerberus Institutional Partners (America), L.P. (Wilmington, Delaware, USA, notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Partners (America), L.P. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0,42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Partners (America), L.P. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional Partners (America), L.P. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus America Series One Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus America Series Two Holdings, L.L.C. (Wilmington, Delaware, USA).

27. Cerberus Institutional Real Estate Partners, L.P. (Dover, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Real Estate Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0,42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Real Estate Partners, L.P. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional Real Estate Partners, L.P. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Institutional Real Estate Series One Holdings, L.L.C. (Dover, Delaware, USA).

28. Cerberus Associates, L.L.C. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Associates, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus Associates, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Associates, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Partners, L.P. (Wilmington, Delaware, USA).

29. Die Cerberus Institutional Associates, L.L.C. (Wilmington, Delaware, USA notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Associates, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG zuzurechnen 0.42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Associates, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional Associates, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Series Two Holdings, L.L.C. (Wilmington, D elaware, USA)
- Cerberus Series Three Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Institutional Partners, L.P. (Wilmington, Delaware, USA).

30. Cerberus Institutional Associates (America), L.L.C. (Wilmington, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Institutional Associates (America), L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 42% of the voting rights (171,594 voting rights) are attributable to Cerberus Institutional Associates (America), L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Institutional

Associates (America), L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxemborg)
- Cerberus America Series One Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus America Series Two Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Institutional Partners (America), L.P. (Wilmington, Delaware, USA).

31. Cerberus Real Estate GP, L.L.C. (Dover, Delaware, USA) notified us that its voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Cerberus Real Estate GP, L.L.C. pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of voting rights (171,594 of voting rights) are attributable to Cerberus Real Estate GP, L.L.C. pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Cerberus Real Estate GP, L.L.C. and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Institutional Real Estate Series One Holdings, L.L.C. (Dover, Delaware, USA)
- Cerberus Institutional Real Estate Partners, L.P. (Dover, Delaware, USA).

32. Stephen Feinberg (USA) notified us that his voting share in GSW Immobilien AG was below the thresholds of 20% and 15% on October 17, 2011 and at that day represents 10.02% of the voting rights (4,114,540 voting rights). 9.60% of the voting rights (3,942,946 voting rights) are attributable to Stephen Feinberg pursuant to Section 22 (1) Clause 1 No. 1 WpHG and 0.42% of the voting rights (171,594 voting rights) are attributable to Stephen Feinberg pursuant to Section 22 (1) Clause 1 No. 2 in conjunction with Section 22 (1) Clause 2 WpHG.

The voting rights attributable pursuant to Section 22 (1) Clause 1 No. 1 WpHG are held by the following companies which are controlled by Stephen Feinberg and whose voting share in GSW Immobilien AG is at least 3% in the individual case:

- Lekkum Holding B.V. (Baarn, Netherlands)
- Sublime Investments S.à r.l. (Luxembourg, Luxembourg)
- Cerberus Partners, L.P. (Wilmington, Delaware, USA)
- Cerberus Series Two Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Series Three Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus America Series One Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus America Series Two Holdings, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Institutional Real Estate Series One Holdings, L.L.C. (Dover, Delaware, USA)
- Cerberus Associates L.L.C. (Wilmington, Delaware, USA)
- Cerberus Institutional Partners, L.P. (Wilmington, Delaware, USA)
- Cerberus Institutional Partners (America), L.P. (Wilmington, Delaware, USA)
- Cerberus Institutional Real Estate Partners, L.P. (Dover, Delaware, USA)

- Cerberus Institutional Associates, L.L.C. (Wilmington, Delaware, USA)
- Cerberus Institutional Associates (America), L.L.C. (Wilmington, Delaware, USA)
- Cerberus Real Estate GP, L.L.C. (Dover Delaware, USA).

33. BlackRock, Inc., New York, USA, notified us on October 20, 2011 pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the threshold of 3 % as of October 18, 2011 and at that date represents 3.70% (1,520,068 voting rights).

Thereof 3.70% (1,520,068 voting rights) are attributable to BlackRock, Inc., New York, USA pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

34. BlackRock Financial Management, Inc., New York, USA, notified us on October 20, 2011 pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the threshold of 3 % as of October 18, 2011 and at that date represents 3.68% (1,509,861 voting rights).

Thereof 3.68% (1,509,861 voting rights) are attributable to BlackRock Financial Management, Inc., New York, USA, pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

35. BlackRock Holdco 2, Inc., Wilmington, Delaware, USA, notified us on October 20, 2011 pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the threshold of 3 % as of October 18, 2011 and at that date represents 3.68% (1,509,861 voting rights).

Thereof, 3.68% (1,509,861 voting rights) are attributable to BlackRock Holdco 2, Inc., Wilmington, Delaware, USA, pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

36. Stichting PGGM Depositary, Zeist, Netherlands, notified us on October 21, 2011 pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the threshold of 3 % as of October 13, 2011 and at that date represents 3.13% (1,285,000 voting rights).

37. AXA S.A., Paris, France, has notified us on October 20, 2011 pursuant to Section 21 (1) WpHG that its voting share in our Company exceeded the threshold of 3 % as of October 17, 2011, and at that date represents 3.12% (1,281,543 of voting rights). Thereof, 3.12% (1,281,543 voting rights) are attributable to AXA S.A., Paris, France, pursuant to Section 22 (1) Clause 1 No. 6 WpHG in conjunction with Section 22 (1) Clause 2 WpHG.

38. CB Richard Ellis Group, Inc ., CB Richard Ellis Services, Inc ., CBITCC LLC, CB Holdco, Inc., CB Richard Ellis, Inc., Los Angeles, USA and CBRE Clarion Securities Holdings, LLC, Radnor, USA notified us pursuant to Section 21 (1) WpHG in conjunction with Section 22 (1) Clause 1 No. 6 WpHG, that they indirectly hold more than 5 % share in voting rights.

The parties now hold a total of 6.80 % (2,792,943 of voting rights). The voting rights of the above stated parties are represented by CBRE Clarion Securities LLC (fka ING Clarion Real Estate Securities, LLC), 201 King of Prussia Road, Radnor, Pennsylvania 19087, USA, pursuant to Section 22 (1) Clause 1 No. 6 Clause 2 WpHG.

f) Total remuneration/compensation for the Management Board, the Supervisory Board and former Managing Directors

Pension accruals for former members of Management and their surviving dependents amounted to € 1.8 million as of December 31, 2011.

Current remuneration from pension commitments for former members of management and their surviving dependents amounted to € 0.2 million.

Total remuneration for GSW Immobilien AG's Management Board members amounted to € 1.8 million in the 2011 financial year, of which € 1.1 million concerns fixed remuneration that was paid in 2011. The entitlement to performance-based remuneration in the amount of € 0.7 million, which was acquired in 2011, will be paid in 2012.
In addition, a remuneration component with long-term incentive effect in the amount of € 0.2 million was acquired in the financial year under review. The performance-based variable remuneration for 2010 in the amount of € 0.9 million was paid in 2011.

The original shareholders, W2001 Capitol B.V. and Lekkum Holding B.V., bear the costs for a supplementary remuneration component with long-term incentive effect (long-term incentive plan, LTIP) in accordance with bilateral agreements concluded with the Management Board members. The additional benefit granted to the beneficiaries as a result of further modifications of the new LTIP amounts to € 12.7 million as of March 2011 (the modification date), of which € 9.3 million relate to 2011. This value was determined on the basis of assumptions expected at the time of the modification with regard to determination of the exit bonus amount.

Furthermore, entitlements amounting to € 0.7 million were acquired for the 2010 financial year, which will be paid out in 2012.

In accordance with the authorization issued at the annual general meeting held on April 14, 2010, individual compensation of Management Board members is not disclosed as permitted under Section 286 (5) HGB. The resolution remains effective until April 14, 2015.

According to the indemnity agreement pursuant to Section 289 (4) No. 9 HGB, Management Board members have a special termination right and - in this context - are entitled to a severance payment in the event of the appointed management board member being dismissed before December 1, 2013, pursuant to Section 84 AktG, provided that the Management Board member concerned is not responsible for the dismissal.

In the first quarter of 2011, Dr. Scharpe generally agreed with the original shareholders on the following: In the event of successful IPO, Dr. Scharpe shall receive 10,000 shares of the Company’s shares of stock as a compensation for his activities as Supervisory Board Chairman in the period 2004 – 2010. However, this general agreement had not been contractually implemented when the annual financial statements were prepared, and the respective Company shares have not yet been allocated.

Compensation for the Supervisory Board amounted to T€ 208.

g) Management Board and Supervisory Board members

The GSW AG Management Board included the following members in financial year 2011:

Thomas Zinnöcker (Management Board Chairman - CEO), Diplom-Kaufmann (Business Administration graduate)
Jörg Schwagenscheidt (Management Board - COO), Real Estate Economist
Andreas Segal (Management Board - CFO), Lawyer

The GSW Immobilien AG Supervisory Board included the following members in financial year 2011:

Dr. Eckart John von Freyend	Chairman, business consultant, Bonn
Dr. Jochen Scharpe	Deputy Chairman, Managing Director of AMCI GmbH, Munich
Thomas Wiegand	Managing Director at Cerberus Global Investments B.V., Baarn NL
Dr. Reinhard Baumgarten	Formerly "Assets" Division Manager at the Senate Department for Finance (retired), Berlin
Veronique Frede	Employee Representative, Chairwoman of the works council (released for full-time works council activity) of GSW Immobilien AG, Berlin
Jonathan Lurie	Director, Special Situations and Strategic Transactions Group Executive, Archon Group Deutschland GmbH, Frankfurt a.M. (until December 31, 2011)
Sven Dahlmeyer	Chief Investment Officer, Archon Group Deutschland GmbH, Frankfurt a.M. (until December 31, 2011)
Geert-Jan Schipper	Managing Director at Cerberus Global Investments B.V., Baarn NL
Claus Wisser	Founder and owner of WISAG Service Holding GmbH & Co. KG. Supervisory Board Chairman of AVECO Holding AG, (retired) Frankfurt a.M.

h) Appropriation of profit/loss

The Management Board proposes that a portion of the net income for the year be paid out as a dividend after the dividend resolution has been passed and that the remaining portion be carried forward to new account.

9) Events after the Balance Sheet Date

Based on a withdrawal resolution passed by the limited partner, GSW Grundbesitz GmbH & Co. KG, Berlin was taken over by GSW Immobilien AG, Berlin, with effect from January 1, 2012.

A control and profit/loss transfer agreement was concluded with GSW Acquisition 3 GmbH, Essen, as of January 1, 2012, which is subject to the approval by the annual general meeting.

Within the scope of further Group development, GSW currently analyzes the possibility of selling its equity investment in GSW BWG.

10) Declaration of Compliance pursuant to Section 161 AktG

The Management Board and Supervisory Board adhere to the regulations of the German Corporate Governance Code (DCGK), with certain exceptions. The declaration of compliance can be found at www.gsw.de.

Berlin, March 26, 2012

GSW Immobilien AG, Berlin

Thomas Zinnöcker (CEO)	Jörg Schwagenscheidt (COO)	Andreas Segal (CFO)

Fixed Assets Movement Schedule

GSW Immobilien AG, Berlin - Fixed Assets Movement Schedule as of 12/31/2011

	Gross values				Amortization/dpreciation					Book values	
	Acquisition-manufacturing costs as of 12/ 31/2010 EUR	Additions 2011 EUR	Disposals 2011 EUR	Acquisition and manufacturing costs as of 12/31/2011 EUR	Accumulated amort./depreciation per 31.12.2010 EUR	Amort./depreciation during the financial year EUR	Amrt./depreciation attributable to disposals EUR	Write-up EUR	Accumulated amort./depreciation as of 12/31/2011 EUR	Book value as of 12/31/2011 EUR	Book value as of 12/31/2010 EUR
Intangible assets	5.363.511,62	81.080,72	-	5.444.592,34	4.661.808,88	387.645,46	-	-	5.049.454,34	395.138,00	701.702,74
II. Tangible assets											
1. Land, land rights including residential buildings	1.035.015.086,77	-	13.157.143,77	1.021.857.943,00	512.718.420,32	16.766.641,80	5.135.587,16	17.990.246,75	506.359.228,21	515.498.714,79	522.296.666,45
2. Land and office- and other buildings	22.567.300,77	-		22.567.300,77	12.364.777,18	389.083,00	-	-	12.753.860,18	9.813.440,59	10.202.523,59
3. Land and land rights excluding buildings	13.000.415,35	-	-	13.000.415,35	7.917.272,87	298.730,33	-	807.880,00	7.408.123,20	5.592.292,15	5.083.142,48
4. Land including ground leases and similar third party rights	17.512.483,56	-	-	17.512.483,56	495.752,49	-	-	-	495.752,49	17.016.731,07	17.016.731,07
Buildings on leasehold land	15.946.405,59	-	-	15.946.405,59	15.946.405,08	-	-	-	15.946.405,08	0,51	0,51
Technical equipment and machinery	5.184.114,80	-	-	5.184.114,80	5.180.656,80	370,00	-	-	5.181.026,80	3.088,00	3.458,00
7. Other equipment, factory and office equipment	1.332.932,05	5.573,62	32.146,24	1.306.359,43	1.199.165,46	38.932,62	32.146,24	-	1.205.951,84	100.407,59	133.766,59
Sub-total	1.110.558.738,89	5.573,62	13.189.290,01	1.097.375.022,50	555.822.450,20	17.493.757,75	5.167.733,40	18.798.126,75	549.350.347,80	548.024.674,70	554.736.288,69
III. Financial assets											
1. Shares in affiliated companies	506.647.180,36	62.493.742,49	129.600,00	569.011.322,85	18.697.581,34	80.023,24	-	-	18.777.604,58	550.233.718,27	487.949.599,02
2. Loans to affiliated companies	26.695.488,79	61.873.000,00	1.059.212,48	87.509.276,31	-	-	-	-	-	87.509.276,31	26.695.488,79
3. Long-term equity investments	8.715.032,34	331.404,63	-	9.046.436,97	3.056.962,91	12.032,07	-	13.222,12	3.055.772,86	5.990.664,11	5.658.069,43
4. Other loans	1.046.968,86	28.000,00	40.168,79	1.034.800,07	-	-	-	-	-	- 1.034.800,07	- 1.046.968,86
Sub-total	543.104.670,35	124.726.147,12	1.228.981,27	666.601.836,20	21.754.544,25	92.055,31	-	13.222,12	21.833.377,44	644.768.458,76	521.350.126,10
T O T A L	1.659.026.920,86	124.812.801,46	14.418.271,28	1.769.421.451,04	582.238.803,33	17.973.458,52	5.167.733,40	18.811.348,87	576.233.179,58	1.193.188.271,46	1.076.788.117,53

Schedule of Liabilities

GSW Immobilien AG, Berlin - Schedule of Liabilities as of 12/31/2011

Collateral for liabilities only in the form of encumbrances on real property

- Figures in EUR -

(previous year's figures second line)

		Amount	of which due in			secured by
		Total	up to 1 year	1 - 5 years	more than 5 years	mortgages
Liabilities to		578.282.526,59	15.409.310,97	108.035.697,60	454.837.518,02	578.262.723,75
banks	V	592.617.074,44	20.563.216,96	102.236.015,70	469.817.841,78	592.587.407,50
Liabilities to other		1.238.028,21	658.586,31	60.705,03	518.736,87	-
lenders	V	1.205.873,96	201.130,51	937.742,82	67.000,63	-
Prepayments		34.120.467,10	34.120.467,10	-	-	-
received	V	33.626.739,61	33.626.739,61	-	-	-
Liabilities from		1.674.197,97	1.674.197,97	-	-	-
rental	V	1.630.036,84	1.630.036,84	-	-	-
Trade		2.669.252,67	2.353.502,58	315.750,09	-	-
payables	V	2.329.344,59	2.329.344,59	-	-	-
Liabilities to		397.233.405,83	334.846.491,27	62.386.914,56	-	-
affiliated companies	V	331.505.196,92	227.618.282,36	103.886.914,56	-	-
Other liabilities		2.544.792,88	2.544.792,88	-	-	-
Liabilities	V	41.490.575,82	8.048.131,65	23.465.133,83	9.977.310,34	-
Total current year		1.017.762.671,25	391.607.349,08	170.799.067,28	455.356.254,89	578.262.723,75
Total previous year	**V**	**1.004.404.842,18**	**294.016.882,52**	**230.525.806,91**	**479.862.152,75**	**592.587.407,50**

Liabilities to affiliated companies in financial year 2011 include the amount of € 303,788,242.42 due to GSW Grundbesitz GmbH & Co. KG, Berlin. These liabilities are due within one year. As a result of the merger of GSW Grundbesitz GmbH & Co. KG, Berlin with GSW Immobilien AG, Berlin as of January 1, 2012 these liabilities cease to exist due to confusion of rights.