



Press Release: March 19, 2008

GAGFAH S.A.
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ISIN: LU0269583422
Frankfurt Stock Exchange, Regulated Market (Prime Standard)

GAGFAH S.A. presents strong financial results for the year 2007

Luxembourg, March 19, 2008 – GAGFAH S.A. (Frankfurt Stock Exchange: GFJ) today announced its financial results for 2007.

Burkhard Ulrich Drescher, CEO of GAGFAH S.A.'s German subsidiaries, emphasizes: "2007 was our first financial year as a public company and one where we made substantial progress on our goals. Our underlying business was strong and we have met or exceeded all operational targets set for 2007. The GAGFAH group has a stable business model and we continued to grow earnings in a challenging environment. We are well positioned to continue to grow and make 2008 a successful year."

Highlights Financial Year 2007

- **Net Profit** of €588.9 million or €2.61 per share in 2007, compared to €159.7 million or €0.71 per share in 2006.
- **FFO** up 19% to €197.4 million or €0.88 per share in 2007 from €165.4 million or €0.73 per share in 2006.
- **NAV** of €14.25 per share and gross asset value of €866 per square meter in 2007.
- **Pre-Tax Earnings** of €1,122.8 million in 2007 as compared to €195.8 million in 2006.
- **Quarterly Dividend** for Q4 2007 of €0.20 per share will be paid on March 27, 2008.

Vacancy

- Overall reduction to a rate of 4.4% (including new acquisitions), down from 5.7% as of December 31, 2006, significantly exceeding our year-end vacancy target of 5.2%.
- On a same-store basis, our vacancy rate decreased to 4.0% in 2007.
- Excluding units held for privatization, our vacancy rate is 3.5% (on a same-store basis).

Privatizations

- Strong privatization volume; up 127% to 2,438 units at a margin of 22% for 2007, compared to 1,073 units in 2006. Thereof 1,281 units sold in Q4 2007, compared to 597 units in Q4 2006.

Rents

- Our rental growth rate was 1.6% (residential rents on a same-store basis) for 2007.
- Portfolio currently under-rented by approximately 10% based on external appraisals.

Costs

- Our average management costs per unit declined to €448 in 2007 from €486 in 2006.

Acquisitions

- Since IPO, we have acquired or committed to acquire 28,000 units for a total consideration of approximately €1.6 billion.

All per-share data is based on the 225.6 million total shares outstanding.

Key Financial Information

FINANCIAL FIGURES

	2007	2006 pro forma ¹	Q4 2007	Q4 2006
Income Statement (€ million)				
Income from the leasing of investment property	927.8	823.2	229.1	216.3
Profit from the leasing of investment property	441.0	386.5	100.8	74.7
Profit from the sale of investment property	56.3	24.5	15.8	12.2
Profit from fair value measurement	984.2	65.5	330.5	12.7
EBITDA	1,434.1	406.1	453.9	81.7
EBIT	1,397.7	359.6	438.9	57.0
EBT	1,122.8	195.8	365.2	21.5
FFO	197.4	165.4	56.7	48.2
FFO per share (225.6m shares outstanding/in €)	0.88	0.73	0.26	0.21

Balance Sheet (€ million)

	12-31-2007	12-31-2006
Investment property ²	9,997.8	7,659.8
Financial liabilities	6,649.1	5,617.5

OPERATIONAL FIGURES

	12-31-2007	12-31-2006
Group residential portfolio^{a)}		
Units	170,316	151,366
sqm	10,252,228	9,072,423
Net cold rent/sqm (in €)	4.85	4.76
Vacancy (in %)	4.4	5.7
Privatized units	2,438	1,073

^{a)} Core units – rental area for total portfolio amounts to 11,304,978 square meters as of December 31, 2007.

FFO is a non-IFRS financial measure used by our Group's management to report the funds generated from operations. FFO is used as a measure of our Group's generation of funds for investment and the payment of dividends to shareholders. The following is a reconciliation of EBIT to FFO for our Group:

FUNDS FROM OPERATIONS – FFO (€ MILLION)

	2007	2006 pro forma ¹	Q4 2007	Q4 2006
EBIT	1,397.7	359.6	438.9	57.0
Reorganization and restructuring expenses	22.4	39.8	5.8	22.8
Depreciation and amortization	14.0	6.7	9.2	1.9
EBITDA	1,434.1	406.1	453.9	81.7
Profit from fair value measurement	-984.2	-65.5	-330.5	-12.7
Realized valuation gains through sales	6.9	1.0	6.2	1.0
Net interest expenses (periodical)	-263.5	-223.4	-70.4	-53.5
Taxes paid	-1.8	2.0	-0.3	0.5
Other financing expenses	2.6	7.2	2.2	0.9
Expenses for share-based remuneration	2.1	20.4	-0.2	20.4
Commercial real estate/ property development	1.2	17.6	-4.2	9.9
FFO	197.4	165.4	56.7	48.2
FFO per share (225.6m shares outstanding/in €)	0.88	0.73	0.26	0.21

- 1) Since our Group is the result of acquisitions and corporate combinations occurring at various times since September 2004, with significant acquisitions in 2005 and 2006, we used pro forma financial figures until 2006. In 2007 we did not use pro forma figures because our asset and share deals were not significant enough.
- 2) Including prepayments.



Conference Call

Management will host an earnings conference call today, March 19, 2008 to review the Company's financial results for 2007. The earnings conference call is scheduled for 1:00 P.M. CET (12:00 P.M. (noon) London time, 8:00 A.M. New York time). All interested parties are welcome to participate in the live call. You can access the conference call by dialing +1-718-354-1389 from within the U.S., or +44 (0) 20 7806 1956 from the U.K., or +352 342 080 8584 from Luxembourg, or +49 (0) 69 5007 1308 from Germany ten minutes prior to the scheduled start of the call; please refer to "4034832".

A webcast of the conference call will be available to the public on a listen-only basis at www.gagfah.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast. A replay of the webcast will be available for three months following the call on www.gagfah.com.

About GAGFAH S.A.

GAGFAH S.A. is a joint stock corporation organized under the laws of the Grand Duchy of Luxembourg qualifying as a securitization company under the Luxembourg law of March 22, 2004 on Securitization. The core business of GAGFAH S.A.'s operating subsidiaries is the ownership, management and acquisition of a geographically diversified and well-maintained residential property portfolio located throughout Germany. With a portfolio of over 170,000 apartments, GAGFAH is the largest German listed residential property company.

The 2007 Annual Report of GAGFAH is available on www.gagfah.com.

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Forward-Looking Statements

This press release contains statements that constitute forward-looking statements. Such forward-looking statements relate to, among other things, future commitments to acquire real estate and achievement of acquisition targets, timing of completion of acquisitions and the operating performance of our investments. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may", "will", "should", "potential", "intend", "expect", "endeavour", "seek", "anticipate", "estimate", "overestimate", "underestimate", "believe", "could", "project", "predict", "continue", "plan", "forecast" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is limited. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance may differ materially from those set forth in the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results or stated expectations, including the risk that GAGFAH S.A. will be unable to reach agreement or suitable final terms with respect to any portion of the real estate acquisition opportunities currently under commitment or consideration, or be able to privatize further units or further reduce management costs.