DR. KALLIWODA | RESEARCH

26th February 2007

COMPANY ANALYSIS

Sector: Real Estate
Project Developer

EVENT: FIRST RATING

Rating: BUY

Last Price: € 12.80 (19th February 2007)

Fair Value: € 16.82

Index: Prime Standard Deutsche Börse AG

Chart

Source: Deutsche Börse AG

Leading real estate incorporated in niche market

- Specialist for retail properties and retail centers in Germany
- Complete coverage widens the margings
- Brilliant perspectives for growth in coming years say sector experts

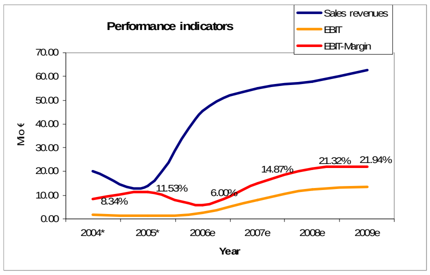
SWOT

- + Long-term experiences of management
- + Network of core rentors with good credit + investors
- + Profitable niche
- + Strong focus on shopping malls
- + Wise concept for locations to be acquired
- - Dependent on sector performance in retail

COMPANY DESCRIPTION

The company's objective is to develop, realize, rent and administer commercial real estate and retail centers. The company is seated in Siek near Hamburg and currently employs 19 employees meanwhile the company has been active in the market since 1992.

HISTORY & ESTIMATES



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Kalliwoda Recommendations
on Terminal: Bloomberg
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GWB Immobilien AG

Figures in EUR		2004*	2005*	2006e	2007e	2008e	2009e
EPS Dr. Kalliwoda	*	-0.01	0.15	0.08	1.09	1.33	1.39
Revenues		20.18	13.80	45.50	55.00	58.00	62.50
EBIT		1.68	1.59	2.73	8.18	12.37	13.71
P/E ratio		k.a.	86.49	168.85	11.73	9.65	9.18
EBIT-Margin		8.34	11.53	6.00	14.87	21.32	21.94

Price (curr)	12.80	Shares out (mln)	4.90
52W high	13.00	First Trading:	04.10.2006
52w low	9.70	Free Float (in %)	10.9%
Market Cap (mln)	62.7	Transp. Level	Prime Standard
Last Dividend	0	Reuters code	G7BG.DE
No. Employees	16	Code	G7B
Web Page	www.gwb-immobilien.de	WKN	A0JKHG

*Pro-Forma EPS/PE ratio DATA 02-0 DATA 02-05

Source: DR.KALLIWODA | RESEARCH © 2007

Contents

1 Company Profile

GWB with its seat in Siek near Hamburg has been developing and managing successfully commercial real estate since 1992 and is specialized in the sector retail and retail centers. The company utilizes the entire chain of operations for its business that includes location analysis and reports, construction planning, construction work, renting and administration of commercial properties. GWB predominately operates in the segment retail centers in medium sized metropolitan areas with 10,000 to 200,000 inhabitants. This niche market is not being served by big players in the market (Metro Group, ECE, Euroshop) so far. Within the last 15 years more than 40 properties were successfully realized. At the time of going public, the company employed 16 personnel.

With its IPO in October 2006 the company is listed in the Prime Standard of Frankfurt Stock Exchange. Additionally the company is listed in the real estate indexes E&G DIMAX and GEX (German Entrepreneurial Index). The number of shares through the IPO has increased to 4.9m. Due to the increase of shares the company has added EUR 17.6m. Underwriters were mostly institutionals, reputable companies such as Fortis Investments (9.9% of all shares) and Deutsche Land plc (11.9% of all shares). Shareholders agreed to hold at least 50% of shares until at lease September 30, 2008 and to hold the other 50% until at least September 30, 2009.

The company's strategic planning is focused mostly on the German market that is lagging behind in development of median sized towns and greater metropolitan areas compared to other regions in Europe. This is why there are no plans for expanding Europe-wide for now. The company's commercial portfolio will add value with lucrative sales after revitalizing held objects via bank securitizations with reliable and continuous profits from lease agreements.

GWB Holding includes the real estate incorporated as well as further subsidiaries such as GWB MAFO GmbH & Co. KG, GWB OBJEKT GmbH as well as 50% of shares of GWB PLAN GmbH that is part of the holding all in shares.

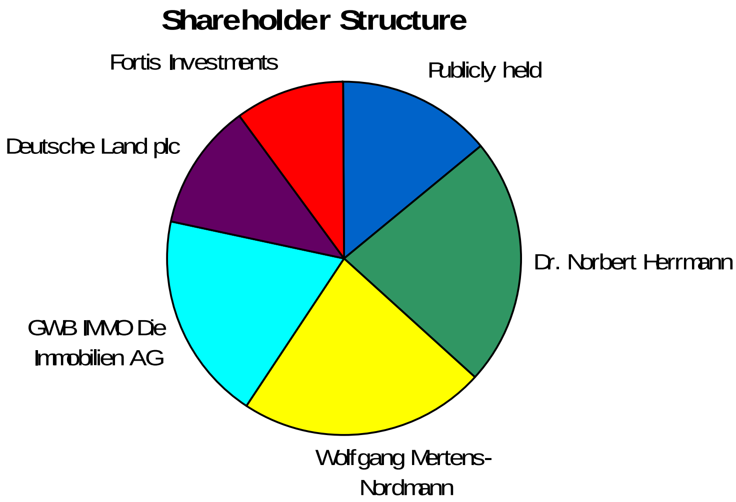
The company's leaders are the founders Dr. Norbert Herrmann, who is Chairman of the Board of Directors and Wolfgang Mertens-Nordmann, who is CTO, and Jörg Utermark, who is the COO of the company.

2 Shareholder Structure

The largest stake of shares belongs to the Members of the Board and founders Dr. Norbert Herrmann and Wolfgang Mertens-Nordmann, who also hold the shares in consolidated ownership through GWB IMMO. This way, the members of the board are in position to make crucial decisions on their own.

Broader ownership of shares is slightly above 10%. This is the reason why daily trading volume averaging EUR 7,111 is rather low. Overall there are only 2% of the shares that were placed with private investors. In December the company announced that two institutional investors entered shareholders (Fortis Investments and the London listed Deutsche Land plc).

Shareholding of the AG is structured with its interest groups as follows:



Shareholder Structure - GWB Immobilien AG		
Overall	4,900,000	100.00 %
Public	691,880	14.12 %
Dr. Norbert Herrmann	1,102,010	22.49 %
Wolfgang Mertens-Nordmann	1,102,010	22.49 %
GWB IMMO Die Immobilien AG	935,900	19.10 %
Deutsche Land plc	583,100	11.90 %
Fortis Investments	485,100	9.90 %

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3 Management

The Board of Directors of the company consists of the following members:

Dr. Norbert Herrmann (63 years of age)

The founder and a PhD of economics Dr. Norbert Herrmann leads GWB Immobilien AG. Dr. Norbert Herrmann as Chairman of the Board of Directors is responsible for acquisitions, locations, project planning, finance and controlling, legal, real estate sales and human resource management. Before founding GWB, Dr. Norbert Herrmann was President of DIVI-Basar SB Warenhaus KG, today known as SB Warenhaus (EUR 1.5bn in sales and 7.000 employees), which is part of the reason why he has unique expertise in retail for GWB's business.

Wolfgang Mertens-Nordmann (54 years of age)

Another founder is Wolfgang Mertens-Nordmann. He is an engineer for construction and Vice Chairman of the Board of Directors at GWB Immobilien AG, responsible for project operations, construction operations and facility management. Before co-founding GWB he was responsible for the construction of retail centers for ECE Projektmanagement GmbH where he gained many years of experience in operations.

Jörg Utermark (41 years of age)

Jörg Utermark has been with GWB since 1994 and was named Member of the Board of Directors at GWB Immobilien AG in 2006. His responsibilities include development of locations and leasing.

In order to cover all risks and liabilities the company has taken out insurance for Directors and Officers (D&O).

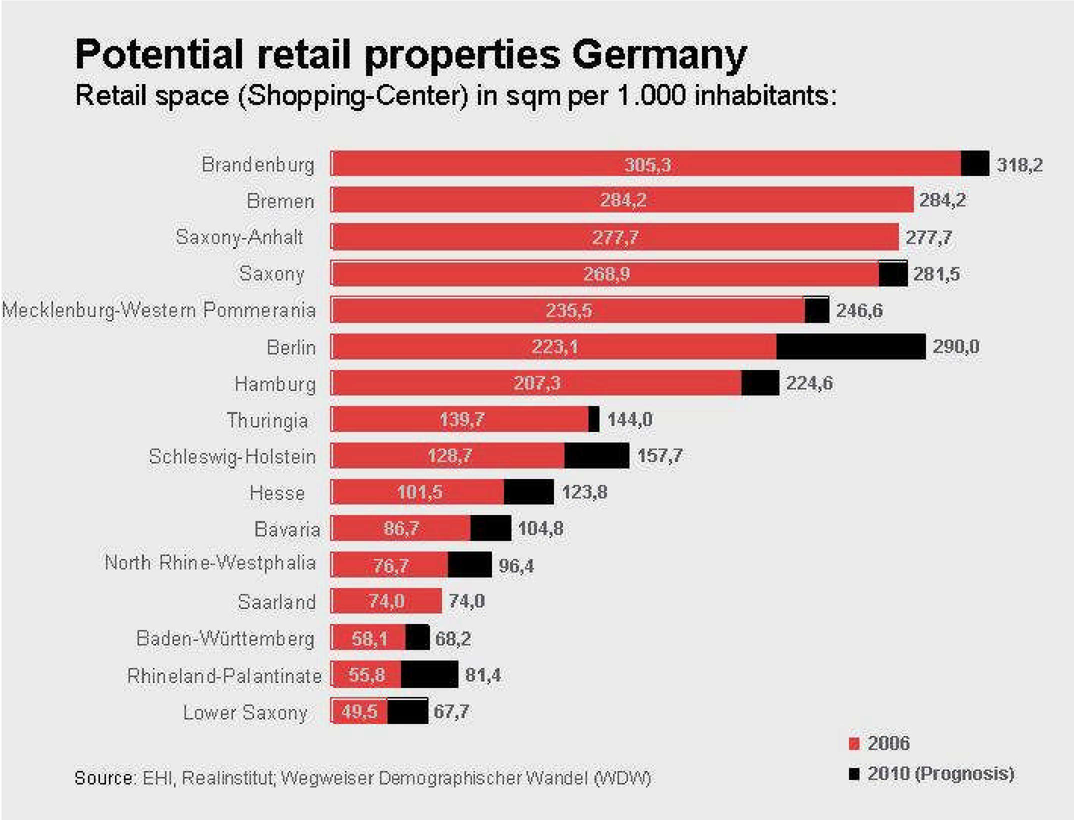
In order to realize transparency for shareholders and corporate governance, the commission of German Corporate Governance Codex has recommended that the company discloses individual members' compensation.

An extraordinary compensation report or individual disclosures of compensation has not yet been published. When publishing a report on compensation of the Board of Directors, the company will attain the option that it may not be required by the general assembly to disclose compensation individually, if the report is part of the annual report or the planning report.

4 Markets, Sector, Competition and Growth Indicators

With diligent planning, shopping malls can increase a metropolitan area's quality of life. The phenomenon shopping mall has become an institution in Germany's retail world. A concentration of consumer goods save customers time and travel. At the same time, outlets profit from centralizing effects and increased customer frequency at retail centers. One important criterium for designing and planning shopping malls is the choice of the right mix of stores and sector representation, for its synergetic bundling. Currently, there are 563 shopping malls with a total of 8,000 sqm commercial space in Germany (source: Institute for commercial centers in Starnberg). The entire property size for these centers amounts to some 13.7m sqm. Into the entire property size figures space for retail, services, food industries and entertainment. Most shopping malls are located in Northern Westphalia (94) followed by Bavaria (66) and Saxonia.

In relation to inhabitants of Germany there is a spread of some 166 sqm per 1,000 inhabitants. Spread across the states of Germany, significant differences become apparent. First in shopping malls to inhabitants is Berlin with some 390 sqm, second is Brandenburg with 388 sqm per 1,000 inhabitants. Third is Saxonia-Anhalt with 351 sqm per 1,000 inhabitants. High condensation of this ratio signals strong competition among malls (source: Institute for commercial properties). The following chart shows a statistic for each retail branch in the states of Germany.



The institute for commercial properties makes the prognosis that there is going to be further increase with new construction of malls and a return of the inner urban locations away from a trend to moving stores to the outskirts. The most common type of mall is the classic mixed mall leading specialized wholesalers and small specialty malls in the cities. Factory outlets and entertainment malls are so far not particularly well-known and GWB is not realizing such projects so far.

Leader in the market for shopping malls in Germany is ECE Projektmanagement GmbH & Co. KG, Hamburg (71 shopping malls and retail centers, a market share of 17.9%). Second is METRO Group Asset Management GmbH & Co. KG, Düsseldorf (31 centers, a market share of 7.6%).Third is CEV Center Entwicklungs- u. Verwaltungs-GmbH, Bielefeld (a market share of 4.1%) (source: Institute for commercial centers, Starnberg).

Overall, there is a good need of capital for GWB due to the complexity and the offered range of services. Utilization of objects is restricted by factors of locality (smaller metropolitan areas). Considering the market is not being covered by the leading competitors, the company was successful in establishing itself in the niche market for medium sized towns. Perspectives for the future and successful development of business depend on the realization of ongoing projects as well as generation of new business.

In our opinion, the current market has potential for investment in the stabilized retail market. Cushman & Wakefield estimate additional demand for commercial space for 850,000 sqm in Germany in 2007. Being a specialized demand supplier, GWB relies for increases on tenants with very good credit ratings. Some of them are chain stores and outlets such as Aldi, C&A, Edeka, Kaiser's Tengelmann, Rewe, Rossmann, Staples and others. GWB keeps close watch on quality with its clients and number of leased space. Lucrative sales for real estate can be achieved best with tenants in good credit rating and with long-term lease agreements. GWB limits its liabilities by beginning constructions only when at least 70% of leases for the property are signed for newly planned retail centers. GWB Immobilien AG sells its newly constructed properties to holdings, real estate funds or other capital investors.

5 Projects and Services

Operations of the company focus on planning, leasing, construction, sale and administration of commercial properties – in particular shopping malls. Other than new construction part of the company's business is the revitalization of existing commercial entities. Operations of GWB can be described as follows:

Location scouting and analysis

Location scouting and analysis is a division of one of GWB's subsidiaries, GWB MAFO GmbH & Co. KG. The subsidiary has been in business for many years and uses its know-how and expertise for this specialization. GWB MAFO's reports are recognized by the states of Germany, cities and regional administrations. GWB MAFO is scouting for 1720 regions in Germany and does so systematically for locations where there is excess buying power relative to existing retail and commercial space. At this time, GWB has identified some 160 such locations with potential for positive development. At the same time the subsidiary researches crucial issues at the sites, such as metropolitan areas, demography, shopping patterns, competitors etc. Granted positive response, next steps are to find a suitable property. The company has many years of experience and specialized know-how for this part of the business and can service the holding as well as independent others. At the same time, GWB MAFO GmbH & Co. KG is also a well-established partner for communal and regional administrations.

Planning – Development – Constructions

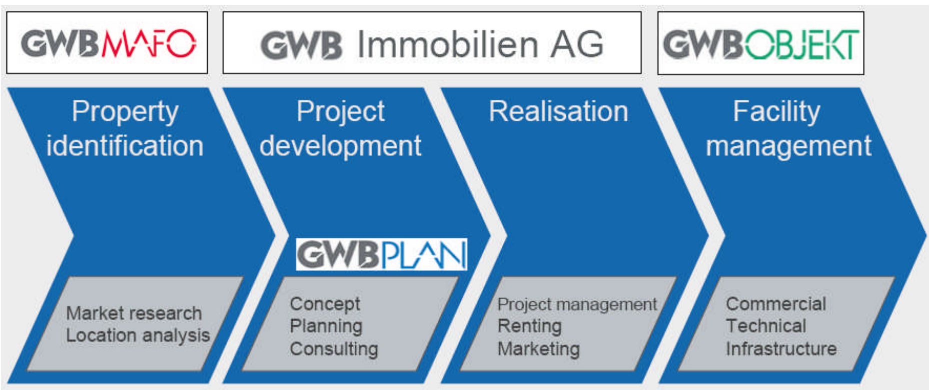
For construction of objects, GWB uses services of experienced construction and engineering entrepreneurs such as STRABAG, Bilfinger & Berger, Wayss & Freytag and Hochtief. Initial planning work is being serviced by GWB PLAN that is a 50% subsidiary of GWB. For project oversight and controlling, GWB applies software. For simplification of oversight and operations as well as future real estate sales, GWB uses project companies for large-scale projects.

Lease and Sale

Core business with a share of profits of some 97% consists of sale and lease of commercial properties. So far, the company has successfully realized construction and sale of new commercial spare in 40 projects. Among its clients in this business are SP Lux Properties S.a.r.l., Luxembourg and Oppenheim Immobilien. Among the lessees in GWB-owned properties are well-known chain stores, discounters, wholesale retailers and supermarkets.

Administration – Facility Management

Within the administration division services being offered are such as maintenance, facility administration and technical servicing of properties. Responsible for the division is GWB OBJEKT GmbH. It generated a share of profits of approx. 1.5% of the overall profits in 2005.



6 SWOT-Analysis

Strengths

- Management can offer many years of experience and several successes in its business
- The point-of-service mentality generates trust on site since there are individual responsibles
- The company's history of success attracts key clients with high loyalty
- GWB can rely on a large network of financially secure renters that attract further renters and investors.
- GWB operates in a profitable niche market
- Clear priority in shopping malls
- Well thought-out concepts for scouting

Weaknesses

- Capital structure relies on debt

Potential

- A carefully designed mix of retailers in the shopping malls creates synergy effects
- A carefully mixed renter structure increases attraction of the mall for low rate of turn-over
- Renters profit in local restriction of the market to competitors within the mall

Risks

- There are several liquid and well-capitalized competitors in the German market that have so far not covered the median sized towns (Metro Group, Deutsche Euroshop AG).

7 Annual Report Analysis

Our annual report analysis includes financials, profits and capital analysis. Core to the analysis is the company's annual report that was reported according to International Financial Reporting Standards (IFRS). The profit-and-loss report in the annual report is based on overall cost.

No adjustments were made in the approach to the company's capital change and/or the principle of congruency and accordingly, only clean surplus accounting applied to transactions between subsidiaries and shareholders.

Political impact of accounting methods for the company's report as well as capital, finance and profitability was examined in exercising freedom of choice for downward adjustment of the company's value and the company's businesses value. In context of the company's capital, the company's value is rather irrelevant.

Estimates and choices for adjustments that were made in connection with latent taxes or changes of parameters that may have consequences in increased reserves for pensions, were not neutralized for analytical purposes.

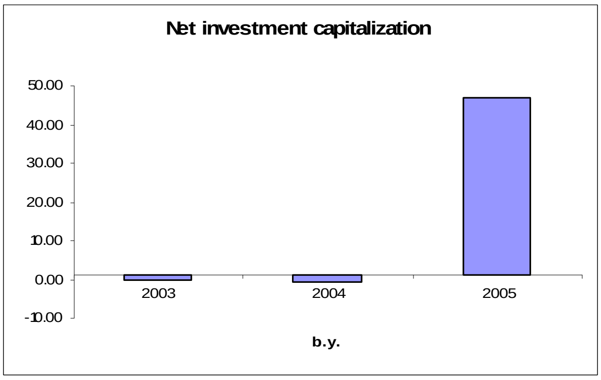
Latent results were not published by the company.

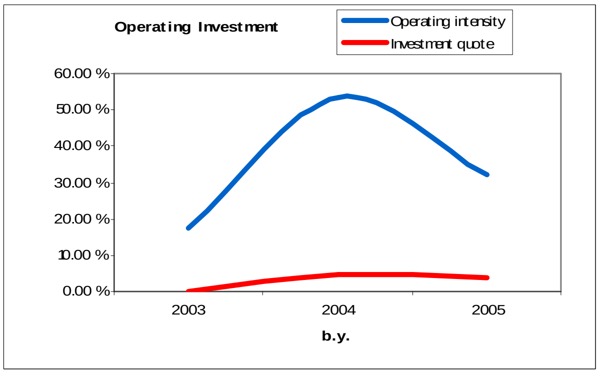
7.1 Analysis of capital

Subject to the examination of the capital structure were positive values in the balance sheet considering long-term capital, mid-term use as well as liquidity potential.

Intensity of investment has continuously increased over the past three years of business. With the planned expansion of the real estate portfolio it can be surmized that investment will continue to increase. Premise for the company being added to some established indexes is that the company holds a portfolio of real estate ownership of 75% of the company's overall capital.

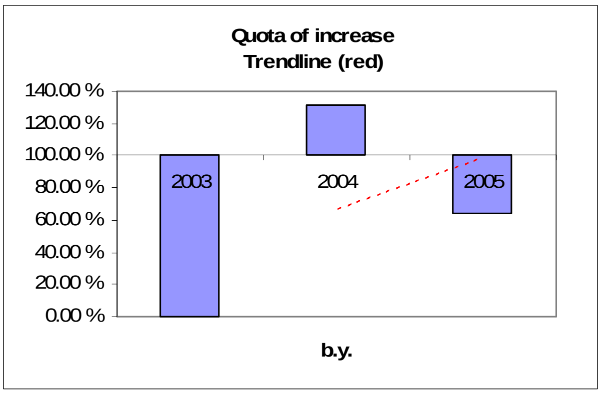
Key numbers are subject to rather high volatility due to the business model. Netto investment securitization as is shown in the appendix should not be considered for forecasting in our opinion, because it only shows irrelevant parts of the capital and securities.

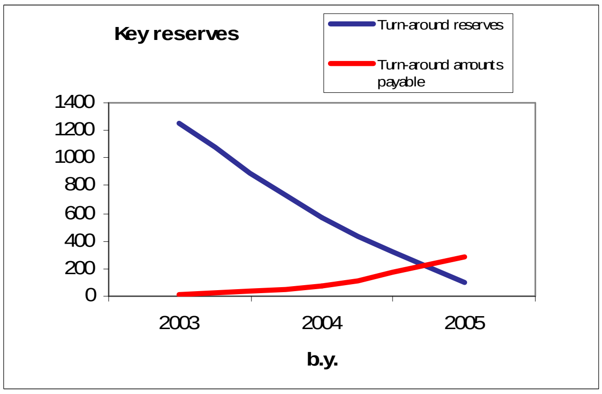




Investments made in the past business year were financed completely from cash-flow. The investment quota is rather low at 4%. The quota for tax deductions has had relatively small effect on the capital structure.

Due to the nature of project business there is significant volatility in outstanding payments and stock. Some consistency is promised from new orders that has however not realized yet.





Source: All charts DR.KALLIWODA | RESEARCH © 2007

Analysis of capital	2003	2004	2005
Ratio of operating capital	17.41 %	53.19 %	32.15 %
Ratio of investment	0.00 %	4.65 %	3.82 %
Net investment securitization		-0.86	46.93
Ratio of tax deductables	-8.54 %	5.84 %	5.75 %
Ratio of increase	0.00 %	131.58 %	64.00 %
Ratio of turn-around materials etc.	0.29	0.63	3.80
Ratio of turn-around materials (days)	1252	569	95
Ratio of reserves	8.99 %	9.15 %	8.35 %
Ratio of turn-around outstanding accounts	34.59	5.17	1.26
Turn-around payables (days)	10	70	286

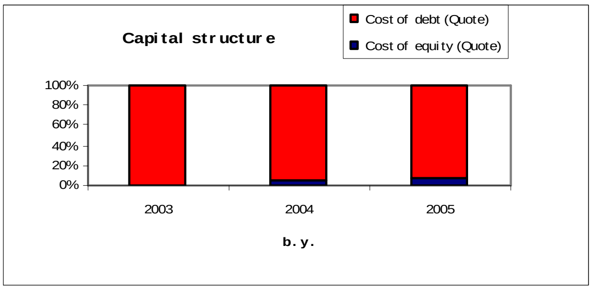
Source: Dr. KALLIWODA | RESEARCH © Copyright 2007

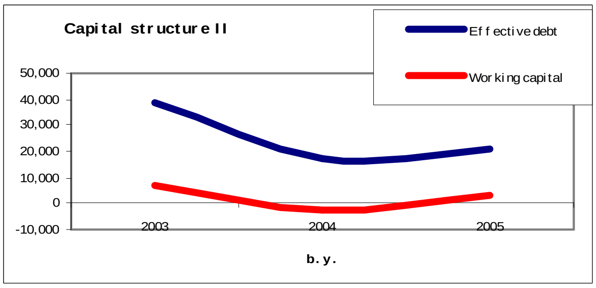
7.2 Financial analysis

For our financial analysis we applied methods of balance structure analysis. Aim of the analysis is the identification of the structure and maturity of used capital.

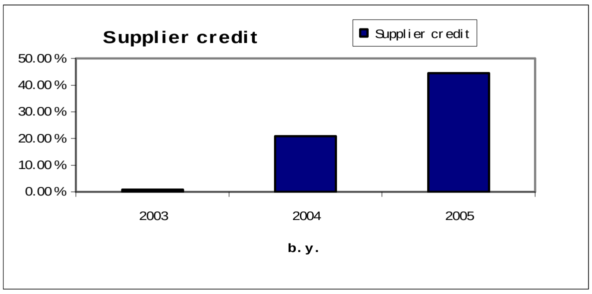
The ratio of own capital and borrowed capital has remained relatively constant within the timeframe. The company shows a relatively low quota for own capital meanwhile added liquid means from its IPO provided a slight increase of the quota. The working capital quota has recently improved so that short-term liquid means were paid back.

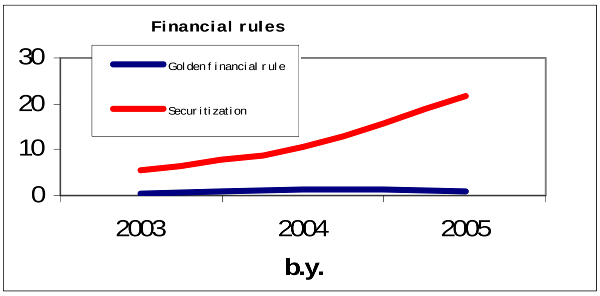
It is positive that the debt of the company was secured to great extent with short-term available liquid means as well as stocks and cash. Securitization shows effective indebtedness. As seen in the chart on the right, the development of effective indeptedness has positive aspects.





The debt structure is characterized by long-term means (2019) of capital from derivatives as well as bank and supplier indebtedness. The principle of maturity is mostly met.



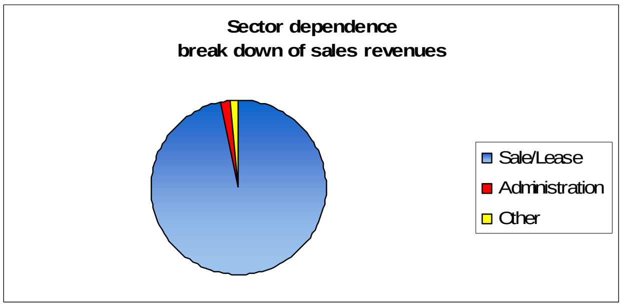


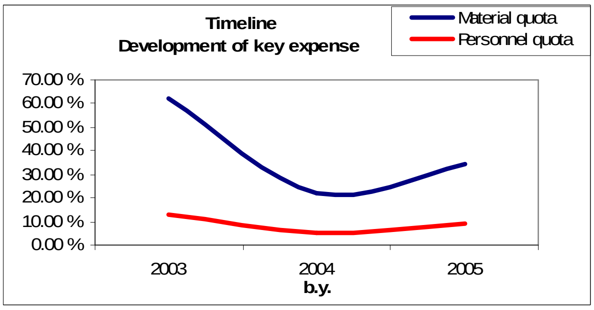
Financial Analysis	2003	2004	2005
Capital ratio	0.94 %	5.54 %	6.98 %
Debt factor	99.06 %	94.46 %	93.02 %
Effectiv debt	39,082	17,164	21,077
Dynamic debt factor	-190.0	-1053.0	28.1
Finance capital	56.59 %	27.73 %	14.57 %
Capital reserves	56.59 %	27.73 %	14.57 %
Overall result	1.46	1.42	1.19
Supply credit	0.67 %	20.68 %	44.93 %
Golden financial rule (short-term)	1.26	0.77	1.23
Golden financial rule (long-term)	0.50	1.35	0.71
Golden report rules	1.99	0.74	1.40
Securitization	5.42	10.42	21.73
Working capital	6,798	-2,609	3,134

7.3 Profit Analysis

The profit analysis includes division of profits and valuation of profits to be made.

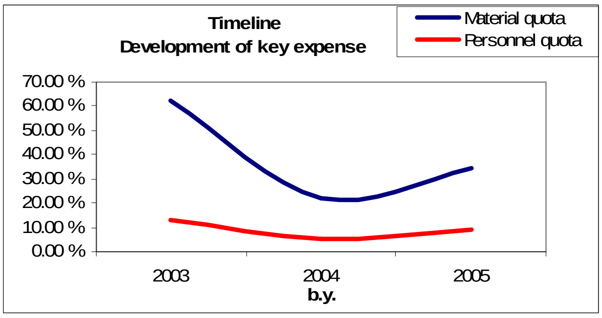
Extraordinary results were not adjusted as discussed above. Results reported by the company, therefore match the results of the balance analysis for the most part. Profits and positive results were almost exclusively achieved in the sales and rentals segment.

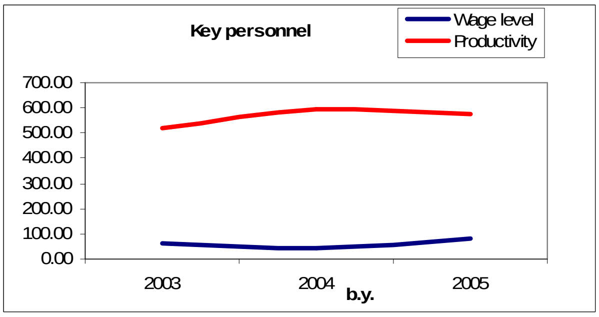




Because the company had positive annual reports, earnings rentability is positive. Although overall capital rentability was between 8% and 6% additional capitalization was not realized.

Salaries average approx. EUR 80,000 per employee and are above the industry average. This is mostly due to the employment structure since salaries of directors figure into the average salaries combined with a low number of personnel so that directors' compensation has a more profound impact at GWB than is the case at GWB's competitors with more employees. Productivity per employee is also above average and amounted to EUR 575,000 in 2005. The overall costs for personnel in a quota of 14% is very low.





Source: All charts DR.KALLIWODA | RESEARCH © 2007

8 Fundamentals in the financial planning: Profits and Losses, Budget

Budgeted - Profit & Loss Accounting

Position/Year	2003		2004		1.1.-30.09.05		2005		1.1.-30.6.06		1.1.-30.9.06		2006e		2007e		2008e		2009e	
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%
Revenues	9,161	100	20,175	100.0	9,531	100.0	13,803	100.0	30,162	100.0	38,255	100.0	45,500	100.0	55,000	100.0	58,000	100.0	62,500	100.0
Rental income															6,000		6,500		7,000	
Changes in inventories	34	0.4	-11,825	58.6	0	0.0	-4,601	33.3	-1,848	6.1	-1,909	5.0	0	0.0	1,000	1.8	1,000	1.7	1,000	1.6
Goods on an own account	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Revenues	**9,195**	100.4	**8,350**	41.4	**9,531**	100.0	**9,203**	66.7	**28,314**	93.9	**36,346**	95.0	**45,500**	100.0	**62,000**	112.7	**65,500**	112.9	**70,500**	112.8
Capitalized service	172	1.9	314	1.6	30	0.3	94	0.7	22	0.1	28	0.1	250	0.5	330	0.6	348	0.6	375	0.6
Material costs	-5,724	62.5	-4,408	21.8	-6,896	72.3	-4,718	34.2	-23,768	78.8	-30,112	78.7	-38,220	84.0	-49,650	90.3	-48,720	84.0	-52,063	83.3
Personal costs	-1,209	13.2	-993	4.9	-714	7.5	-1,268	9.2	-977	3.2	-1,402	3.7	-1,750	3.8	-2,400	4.4	-2,600	4.5	-2,750	4.4
Depreciation	-36	0.4	-25	0.1	-109	1.1	-26	0.2	-14	0.0	-18	0.0	-150	0.3	-600	1.1	-610	1.1	-700	1.1
Other expenses	-1,107	12.1	-1,556	7.7	-1,196	12.6	-1,694	12.3	-1,194	4.0	-1,704	4.5	-2,900	6.4	-1,500	2.7	-1,550	2.7	-1,650	2.6
EBIT	**1,291**	14.1	**1,683**	8.3	**645**	6.8	**1,592**	11.5	**2,383**	7.9	**3,138**	8.2	**2,730** *)	6.0	**8,180**	14.9	**12,368**	21.3	**13,713**	21.9
Financial result	-1,381	15.1	-1,528	7.6	-638	6.7	-824	6.0	-309	1.0	-462	1.2	-500	1.1	-2,250	4.1	-1,800	3.1	-2,600	4.2
EBT (Earnings before tax)	**-89**	1.0	**155**	0.8	**7**	0.1	**768**	5.6	**2,074**	6.9	**2,676**	7.0	**2,230**	4.9	**5,930**	10.8	**10,568**	18.2	**11,113**	17.8
Tax	-153	1.7	-196.3	1.0	-3	0.0	-43	0.3	-950	3.1	-2,137	5.6	-1,859	4.1	-583	1.1	-4,069	7.0	-4,278	6.8
Profit/Loss	**-242**	2.6	**-41**	0.2	**5**	0.0	**725**	5.3	**1,124**	3.7	**539**	1.4	**371**	0.8	**5,347**	9.7	**6,499**	11.2	**6,834**	10.9
Shares third party	0	0.0	-3	0.0			-1	0.0	-21	0.1	0	0.0	0	0.0	**0**	0.0	**0**	0.0	**0**	0.0
Profit/Loss aft. shares 3rd p.	**-242**	2.6	**-44**	0.2	**5**	0.0	**724**	5.2	**1,103**	3.7	**539**	1.4	**371**	0.8	**5,347**	9.7	**6,499**	11.2	**6,834**	10.9

DR. KALLIWODA | RESEARCH © 2007 ***) EBIT inclusive extraordinary expenses ot going public in 2006; adjusted EBIT 2006e EUR 4.13 Mio.**
****) EBT adjusted by costs of going public with approximately EUR 1.8 Mio.**

Balance sheet

Position/Year	31.12.2003		31.12.2004		31.12.2005		2006e		2007e		2008e		2009e	
	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%	TEUR	%
Assets														
Current assets														
Cash & cash equivalents	109.9	0.3	662.6	3.5	1652.8	6.8	23,999	39.8	6,037	7.8	24,158	20.8	41,851	30.0
Trade accounts receivable	264.86	0.7	3902.37	20.7	10978.4	44.9	3,000	5.0	30,000	38.6	45,000	38.7	43,000	30.8
Inventories	31,873	80.6	3,633	19.2	2,910	11.9	1,000	1.7	3,000	3.9	3,000	2.6	3,000	2.2
Other current assets	429	1.1	637	3.4	1,040	4.3	3,300	5.5	5,000	6.4	5,000	4.3	5,000	3.6
Sum current assets	**32,677**	**82.6**	**8,835**	**46.8**	**16,581**	**67.9**	**31,299**	**51.8**	**44,037**	**56.7**	**77,158**	**66.3**	**92,851**	**66.6**
Non-current assets														
Intangible assets	2	0.0	0	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Licence & goodwill	81	0.2	96	0.5	92	0.4	117	0.2	117	0.2	117	0.1	117	0.1
Property and equipment	219	0.6	200	1.1	194	0.8	160	0.3	160	0.2	160	0.1	160	0.1
Planned sales of assets	6,419	16.2	9,623	51.0	6,390	26.1	6,390	10.6	6,390	8.2	6,390	5.5	6,390	4.6
Financial assets	126	0.3	78	0.4	1,179	4.8	22,400	37.1	27,000	34.7	32,500	27.9	40,000	28.7
Latent tax	41	0.1	42	0.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Sum non-current assets	**6,888**	**17.4**	**10,039**	**53.2**	**7,855**	**32.1**	**29,067**	**48.2**	**33,667**	**43.3**	**39,167**	**33.7**	**46,667**	**33.4**
Total assets	**39,565**	**100**	**18,873**	**100**	**24,436**	**100**	**60,366**	**100**	**77,704**	**100**	**116,325**	**100**	**139,518**	**100**
Shareholders equity and liabilities														
Short-term liabilities														
Short-term financial liabilities	24,497	61.9	9,659	51.2	9,893	40.5	18,000	30.4	30,000	39.0	55,000	47.4	65,000	46.6
Trade accounts payable	718	1.8	716	3.8	1,344	5.5	4,500	7.6	3,000	3.9	4,000	3.4	4,500	3.2
Tax liabilities	312	0.8	455	2.4	285	1.2	100	0.2	100	0.1	1,000	0.9	1,000	0.7
Other short-term liabilities	353	0.9	613	3.3	1,925	7.9	5,500	9.3	5,000	6.5	5,000	4.3	5,000	3.6
Sum short-term liabilities	**25,879**	**65.4**	**11,444**	**60.6**	**13,448**	**55.0**	**28,100**	**47.4**	**38,100**	**49.5**	**65,000**	**56.0**	**75,500**	**54.1**
Long-term liabilities														
Long-term financial liabilities	13,141	33.2	6,349	33.6	6,349	26.0	3,300	5.6	5,000	6.5	10,000	8.6	15,000	10.8
Latent taxes	172	0.4	34	0.2	33	0.1	2,100	3.5	2,400	3.1	2,500	2.2	3,000	2.2
Capital of profit certificates					2,900	11.9	4,000	6.8	4,400	5.7	5,000	4.3	5,600	4.0
Sum long-term liabilities	**13,312**	**33.6**	**6,383**	**33.8**	**9,282**	**38.0**	**9,400**	**15.9**	**11,800**	**15.3**	**17,500**	**15.1**	**23,600**	**16.9**
Shareholders equity														
Capital stock	256	0.6	739	3.9	1,435	5.9	4,900	8.3	4,900	6.4	4,900	4.2	4,900	3.5
Additional paid-in capital	-109	-0.3	0	0.0		0.0	16,215	27.4	16,215	21.1	16,215	14.0	16,215	11.6
Retained earnings	211	0.5	290	1.5	249	1.0	244	0.4	615	0.8	5,962	5.1	12,462	8.9
Net income/loss	15	0.0	17	0.1	23	0.1	371	0.6	5,347	6.9	6,499	5.6	6,834	4.9
Sum shareholders equity	**373**	**0.9**	**1,046**	**5.5**	**1,707**	**7.0**	**21,730**	**36.7**	**27,077**	**35.2**	**33,577**	**28.9**	**40,411**	**29.0**
Sum liabilities	**39,565**	**100**	**18,873**	**100**	**24,436**	**100**	**59,230**	**100**	**76,977**	**100**	**116,077**	**100**	**139,511**	**100**

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9 Company rating

9.1 Discounted Cashflow Method

Our choice of the discounted-cash-flow approach (entity approach) applies an overall rating approach.

The mid-year due date for the rating was adjusted in adding interest to the operative free cash-flow for the due date. Due date is December 31, 2006. For arriving at a free cash-flow we considered the ordinary result.

In the analysis of the working capital some potentially non-crucial cash and savings as well as non-crucial stock were not removed from the overall ordinary result. Foundation for the rating is a two-phase model. The first phase of detail prognosis lasts from 2006 until 2009.

This phase is followed by a residual value phase, during which we calculated a rate of increase of 2% annually.

Operating Free Cashflows

Figures in TEUR	Published 2003	2004	2005	Planned 2006e	2007e	2008e	2009e
EBIT	1291.2	1682.8	1591.7	2730.0	8180.0	12368.0	13712.5
- adjusted taxes (38,5 %)	497.1	647.9	612.8	1051.1	3149.3	4761.7	5279.3
= NOPLAT	794.1	1034.9	978.9	1679.0	5030.7	7606.3	8433.2
+ Depreciation	36.2	24.7	25.6	150.0	600.0	610.0	700.0
Provisions	*100.0*	*100.0*	*100.0*	*100.0*	*220.0*	*260.0*	*300.0*
- Increase (+ decrease) working capital		0.0	0.0	0.0	120.0	40.0	40.0
= (operative) gross cashflow	830.3	1059.6	1004.5	1829.0	5750.7	8256.3	9173.2
- Investments	20.0	20.0	20.0	160.0	180.0	220.0	240.0
Working capital	*6797.8*	*-2609.1*	*3133.5*	*3199.0*	*5937.2*	*12158.1*	*17351.0*
- Increase (+ decrease) Working capital		9406.9	-5742.6	-65.5	-2738.2	-6220.9	-5193.0
= Operative free cashflow (oFCF)	810.3	10446.5	-4758.1	1603.5	2832.5	1815.5	3740.2

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9.2 Valued cost of capital

The discount ratio was arrived at in valuing the cost of capital. The current capital structure largely meets the planned capital structure and is subject to no significant changes within the detail prognosis phase in our opinion.

Adjustments for debt to current market interest were not made. Risk free interest is based on an average interest for a 30Y federal government bonds (source: Stuttgart Stock Exchange).

The risk prime follows the Capital Asset Pricing Model (CAPM) and covers in particular the systemic risks (market risk prime and/or company specific risk). The market risk prime is based on established studies for our model. The market risk primes that have been figured in university research range between 6 and 9%, depending on market, time and method.

We applied a beta value for approaching company specific risk that is not only fixed on stock price development and a related referential stock price, but also is fixed on key numbers in the annual report (fundamental beta). Our scoring model considers interest, security and growth analogous to the scoring methods of the Institute for Business Administration at University Kiel.

WACC: DCF - Entity approach

Cost of equity		Cost of debt	
I) Interest rate			
Risk-free rate	4.05	**Interest rate**	4.50
		+ Risk premium	3.00
	4.05	**= Cost of debt before tax**	7.50
II) General market risk		- Company tax	-2.89
Beta	1.20	**= Cost of debt after tax**	4.61
* Risk premium	9.00	- half of personnel risk	0.81
= individual risk premium	10.80		3.81
- half of personnel tax	1.89		
	8.91		
III) Company specific risk			
individual risk premium	2.00		
- half of personnel tax	0.35		
	1.65		
Sum of I+II+III	14.61		
Cost of equity (Quote)	40.00	**Cost of debt (Quote)**	60.00
WACC	8.13		

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9.3 Fair Value - Sensitivity analysis

Our identified fair value for the stock is EUR 16.82. It is 31.4% above its price EUR 12.80 (19th February 2007). The modification of action parameters in Terminal Value are illustrated in below sensitivity analysis. It shows volatility in our derived fair value in diverse scenarios. Shown range is between EUR 9.61 and EUR 29.78.

GWB Immobilien AG:	Fair value					
		2006e	2007e	2008e	2009e	TV
Discount rate	8.13					
Multiplier		0.925	0.855	0.791	0.732	15.004
Operative free cashflows		1,603	2,833	1,815	3,740	6,087
Present value of cashflows		1482.9	2422.7	1436.1	2736.3	91323.2
Present value of cashflows	8,078					
Present value of terminal value	91,323		No. of shares:		4,900,000	
Sum of cashflows	**99,401**					
Third parties	0		Fair Value:		**16.82**	
Not necessary operative assets	0					
Entity Value	99,401					
- Liabilities	17,000					
Equity Value per 31.12.2006	**82,401**					

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Sensitivity Analysis									
Growth	6.13	6.63	7.13	7.63	8.13	8.63	9.13	9.63	10.13
1.00%	20.52	18.52	16.85	15.42	14.20	13.13	12.19	11.36	10.63
1.50%	22.92	20.50	18.50	16.83	15.40	14.18	13.11	12.17	11.34
2.00%	25.91	22.90	20.48	18.48	16.82	15.38	14.16	13.09	12.15
2.50%	29.71	25.89	22.88	20.46	18.46	16.79	15.37	14.14	13.07
3.00%	34.74	29.70	25.87	22.86	20.44	18.44	16.77	15.35	14.12

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10 Summary

We are convinced that GWB will be brilliant in the upcoming year and will have above average growth. Furthermore the focus on the core business will result scalable returns. We rated the company using a two-tier discounted cash-flow model. With our premises we calculated a fair value of EUR 16.82 per share. This fair value is met with a market capitalization of EUR 82,42m and a growth potential of 39% within the next 12 months.

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Analyst of this research: Dr. Norbert Kalliwoda, CEFA

12 DISCLAIMER

BUY	On a basis of our prognoses the stock should have a performance of at least 20% in the following 12 months.	
ACCUMULATE	On a basis of our prognoses the stock should have a performance of between 10% and 20% in the following 12 months.	
HOLD	On a basis of our prognoses the stock should have a performance of between minus 10% and plus 10% in the following 12 months.	
REDUCE	On a basis of our prognoses the stock should have an underperformance of between minus 10% and minus 20%.	
SELL	On a basis of our prognoses the stock should have an underperformance of at least minus 20%	

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Abbreviations

AG	-	Aktiengesellschaft (Incorporation)
AktG	-	Aktiengesetz (Companies act)
Art.	-	Artikel (line)
CAPM	-	Capital Asset Pricing Model
EBIT	-	Earnings before interest and taxes
EPS	-	Earnings per share
GmbH	-	Gesellschaft mit beschränkter Haftung (Private limited company)
IR	-	Investor Relations
KGV	-	Kurs-Gewinn-Verhältnis (Price-Earnings-Ratio)
Noplat	-	Net operating profit less adjusted taxes
WACC	-	Weighted Average Cost of Capital
WC	-	Working Capital
WKN	-	Wertpapierkennnummer (ISIN); (Security identification number)