



Deutsche Wohnen AG

Investor Presentation

December 2011

» Summary of investment highlights

- **German residential: a resilient investment class**
- **Quality portfolio focused on attractive German Metropolitan Areas**
- **Management team with track record of disciplined acquisitions and successful integrations**
- **Solid balance sheet and proven ability to access financing to support future growth**
- **Continue growth strategy through realizing accretive acquisition opportunities**

» Investment summary

Compelling portfolio strategy in dynamic markets

- Strategy since 2007: Focus on top German Metropolitan Areas
 - » December 2008A: 50,489 residential units; thereof 86% in the core regions of Deutsche Wohnen
 - » December 2011E: Approx. 50,600 residential units; thereof approx. 93% in the core regions
- ⇒ Successful disposals of units in non-core regions and accretive acquisitions of units in core regions strengthen the overall quality of the Deutsche Wohnen portfolio

Strong organic growth and further upside potential

Core letting portfolio

- In-place rent: +3.4% like-for-like growth y-o-y ⁽¹⁾
 - » Berlin: +4.2% like-for-like growth y-o-y ⁽¹⁾
- Vacancy rate: 1.7% (-31% y-o-y ⁽¹⁾)
- Rent potential: approx. 20%⁽²⁾
- ⇒ We observe ongoing strong positive momentum in core letting markets

Realized economies of scale through accretive acquisitions

Track record

- 7,988 units in core regions
- GAV⁽³⁾: approx. EUR 407 million (EUR 870 per sqm)
- Incremental FFO yield contribution (pre tax): 8.0%
- ⇒ Realising economies of scale through leveraging the existing platform in the core regions

Further acquisitions will enhance economies of scale leading to an increase of profitability, particularly in terms of FFO profile and dividend potential

(1) y-o-y with basis 30/09/2010
(2) New letting rent in the letting portfolio in our core regions compared to in-place rent (letting portfolio in core regions)
(3) Gross Asset Value ("GAV")

» Well managed portfolio with organic growth potential

As per 30/09/2011

Residential	Units	Share of total portfolio	Area	In-place rent ¹⁾	Vacancy
	Number	%	k sqm	EUR/sqm	%
Total	49,664	100%	3,015	5.51	2.9%
Core regions	45,451	92%	2,756	5.59	2.3%
Letting portfolio	40,382	82%	2,430	5.59	1.7%
Privatisation	5,069	10%	326	5.58	6.8%
Regions in detail					
Greater Berlin	27,817	56%	1,661	5.42	1.8%
Letting portfolio	24,564	49%	1,456	5.44	1.3%
Privatisation	3,253	7%	205	5.26	5.7%
Frankfurt/Main	4,158	8%	252	6.96	2.0%
Letting portfolio	3,544	7%	208	7.07	0.9%
Privatisation	614	1%	44	6.37	7.6%
Rhine-Main	4,676	9%	282	6.16	4.6%
Letting portfolio	4,169	8%	249	6.10	4.2%
Privatisation	507	1%	33	6.64	7.0%
Rhine Valley South	4,837	10%	304	5.31	2.9%
Letting portfolio	4,408	9%	276	5.30	2.0%
Privatisation	429	1%	27	5.45	11.3%
Rhine Valley North	3,217	6%	207	5.08	2.5%
Letting portfolio	2,951	6%	190	5.04	1.8%
Privatisation	266	1%	17	5.52	10.4%
Others (only letting portfolio)	746	2%	51	5.03	4.3%
Disposal regions	4,213	8%	259	4.62	10.8%
Adjustment portfolio	1,990	4%	121	4.36	17.2%
Other disposal holdings	2,223	4%	138	4.81	5.8%

¹⁾ Contractually owed rent from rented apartments divided by rented area

» Management team with track record of disciplined acquisitions and successful integration

Management has delivered on its promises: Shaping Deutsche Wohnen after the GEHAG transaction and the capital increase in 2009

		FY 2008	9m/2011	+/-	Acquisitions to be closed after 30/09/2011
Key operating metrics					
Residential units	(# of units)	50,489	49,664	- 2%	2,364
Residential lettable space	(000's sqm)	3,101	3,015	- 3%	142
In-place rent (Letting portfolio in core regions)	(EUR/sqm/month)	5.21	5.59	7%	
New letting rent of letting portfolio in core regions ⁽¹⁾	(EUR/sqm/month)	5.96	6.73	13%	
Rent potential of letting portfolio in core regions ⁽²⁾	(%)	14%	20%	13%	
Vacancy rate (Letting portfolio in core regions)	(%)	4.0%	1.7%	- 58%	
Vacancy rate in entire portfolio	(%)	5.9%	2.9%	- 51%	
Corporate expenses	(EURm)	- 38.9	- 23.0	n/a	
Key financial metrics					
NOI Residential Property Management	(EURm)	126.9	106.2	n/a	
NOI per sqm and month	(EUR)	3.25	3.94	21%	
NOI margin	(%)	65%	73%	12%	
EPRA NAV per share	(EUR)	11.19 ⁽³⁾	12.04	8%	
LTV	(%)	70.6%	62.1%	- 12%	
Interest ratio ⁽⁴⁾	(x)	1.22	1.84	51%	
FFO (without disposals, full year)	(EURm)	12.9	45.0 ⁽⁵⁾	249%	
FFO per sqm (without disposals, full year) ⁽⁶⁾	(EUR)	3.97	15.02 ⁽⁵⁾	279%	
FFO per share (without disposals, full year)	(EUR)	0.49 ⁽⁷⁾	0.55 ⁽⁵⁾	12%	
FFO yield (FFO per share without disposals / EPRA NAV)	(%)	1.4%	4.6%	229%	

(1) Average rent for new contracts in the letting portfolio in our core regions effective in the respective year for units not subject to rent control
(2) New letting rent in the letting portfolio in our core regions (see (1) compared to in-place rent (letting portfolio in core regions))
(3) EPRA NAV 2008 adjusted for capital increase 2009 less corresponding costs divided by 81.84m shares
(4) Interest ratio = NOI from Residential Property Management divided by current interest expense (without Nursing and Assisted Living)
(5) Management guidance for FY 2011
(6) Based on average floor space on a quarterly basis in the period under review
(7) Based on 26.40m shares

» Successful execution of growth strategy

Accretive acquisitions and realisation of economies of scale

Region	Acquisitions 2010 and 2011					
	Berlin Letting	Berlin Privatisation	Rhine-Main	Rhine Valley South	Rhine Valley North	Total
Portfolio						
Total units	4,145	1,867	466	350	1,160	7,988
<i>thereof residential units</i>	4,128	1,858	457	334	1,160	7,937
Total area (sqm)	236,592	110,825	24,713	23,557	72,423	468,110
GAV (in EUR m)	204.8	75.5	25.8	18.7	82.6	407.4
GAV (in EUR per sqm)	866	681	1,044	794	1,141	870
Actual vacancy (%)	2.4%	5.9%	2.5%	4.1%	1.3%	3.1%
Rent						
Actual in-place rent (EUR per sqm and month)	4.98	5.15	6.66	4.96	5.89	5.25
Estimated Potential rent (EUR per sqm and month) ⁽¹⁾	6.22	5.16	7.86	5.76	6.87	6.13
<i>Rent potential (%)</i>	25%	0%	18%	16%	17%	17%
Average price of units sold (in EUR per sqm)		974				974
Gross margin (%) ⁽²⁾		43%				43%
KPIs						
Net initial yield ⁽³⁾ (%)	6.9%	8.6%	7.8%	7.5%	6.3%	7.2%
FFO without disposals pre tax (in EUR m)	6.6	2.9	0.9	0.6	2.0	13.0
<i>per sqm (in EUR)</i>	27.9	26.2	36.4	25.5	27.6	27.8
<i>Pre-tax FFO incremental contribution yield ⁽⁴⁾ (%)</i>	8.1%	9.6%	8.7%	8.0%	6.1%	8.0%
FFO from disposal pre tax (in EUR m)		2.0				2.0
Total FFO pre tax (in EUR m)	6.6	4.9	0.9	0.6	2.0	15.0
<i>per share (in EUR, based on 81.84 million shares)</i>	0.08	0.06	0.01	0.01	0.02	0.18

(1) Company estimate

(2) Average sales price (in EUR per square meters) divided by GAV (in EUR per square meters)

(3) Current gross rental income divided by GAV

(4) FFO without disposals pre tax divided by assumed equity portion based on a LTV of 60%

» Continue growth strategy through realising attractive acquisition opportunities

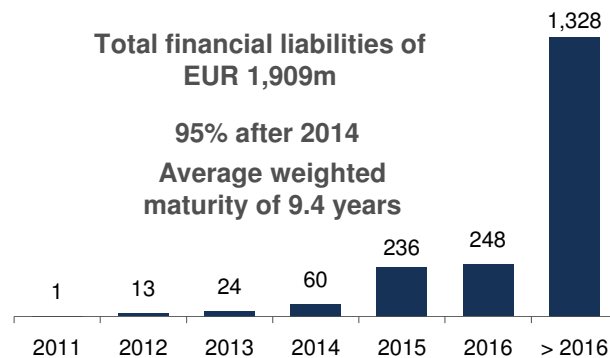
Selected portfolios of the current Deutsche Wohnen pipeline for further acquisitions

- Envisaged acquisitions of further portfolios with approx. 16,000 residential units
 - Thereof 5,000 of such units we completed the due diligence to our satisfaction and started initial negotiations
 - For the residual approx. 11,000 units we are in preliminary discussions and/or currently conducting due diligence

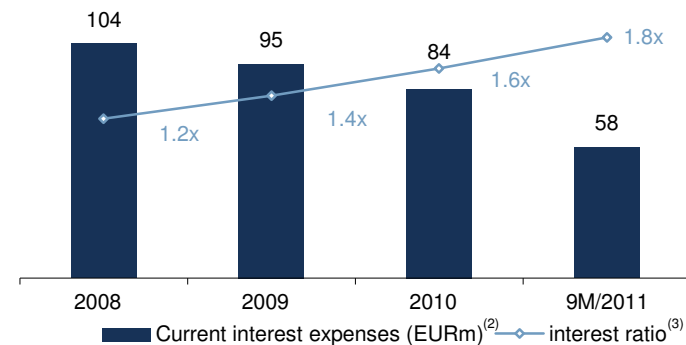
» Solid balance sheet and proven access to financing to support future growth

Comprehensive debt and equity refinancing in 2009 and 2010 has resulted in a solid debt maturity profile as well as substantial reductions in financing expenses

Debt maturity profile (30/09/2011) ⁽¹⁾
EURm



Interest expense development
EURm



- Deutsche Wohnen benefits from its access to a broad range of financing sources
- Deutsche Wohnen currently holds credit lines of up to EUR 130m at relationship banks with spreads in the range of approx. 100-300 bps, which will become free after the rights issue
 - » These credit lines enable Deutsche Wohnen to fund potential transactions with high flexibility and constitute a significant competitive advantage in acquisition processes

(1) Nominal amounts shown

(2) Current interest expense without Nursing and Assisted Living

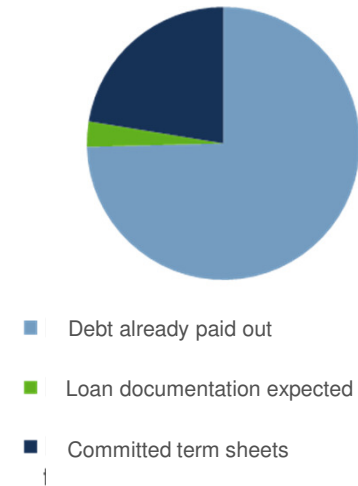
(3) Interest ratio = NOI from Residential Property Management divided by current interest expense (without Nursing and Assisted Living)

» Banks show strong interest to finance Deutsche Wohnen's acquisitions

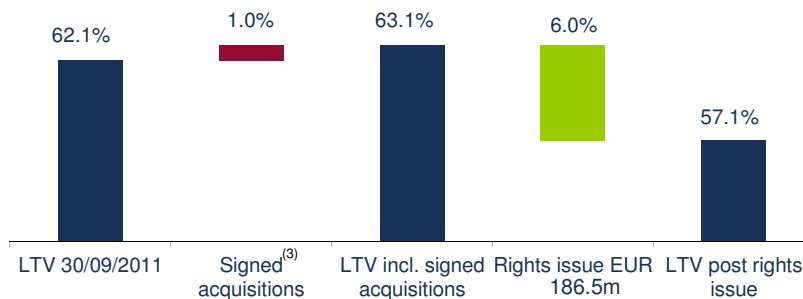
Funding of acquisitions 2010 and 2011

	Letting portfolio	Privatisation portfolio	Total
GAV (EUR m)	331.9	75.5	407.4
Mortgage debt (EUR m) ⁽¹⁾	215.0	50.0	265.0
LTV (%)	65%	66%	65%
Margin (bps)	~ 135	~ 240	~ 150
Interest rate ⁽²⁾ (incl. margin and hedging) (bps)	~ 370	~ 390	~ 370
Hedging ratio (%)	77%	0%	65%
Credit lines utilised/cash (EUR m)	116.9	25.5	142.4

⁽¹⁾ Status of mortgage debt: 100% of debt terms committed



LTV bridge



- Parts of net proceeds from the rights offering will be used temporarily to free-up utilised credit lines
 - » Interest expense savings create FFO accretion from day 1

⁽²⁾ Estimated 3-month Euribor 150 bps
⁽³⁾ Based on financial liabilities of EUR 103m and a GAV of EUR 115m

» Appendix

» Management Board

“We are committed to create value and sustainable growth while moving forward Deutsche Wohnen as one of the leading residential property companies in Germany”



Michael Zahn

Chief Executive Officer

- 19 years of experience in real estate
- Significant experience in structuring and integrating portfolio and corporate acquisitions. Total transaction volume of 120,000 residential units successfully executed in the past 8 years
- Management Board member since 2007 and Chairman since 2008



Helmut Ullrich

Chief Financial Officer

- 23 years of experience in real estate
- Long-standing track record in private and public real estate capital markets. Spent 17 years as Senior Executive with Deutsche Bank Group / RREEF
- Management Board member since 2007



Lars Wittan

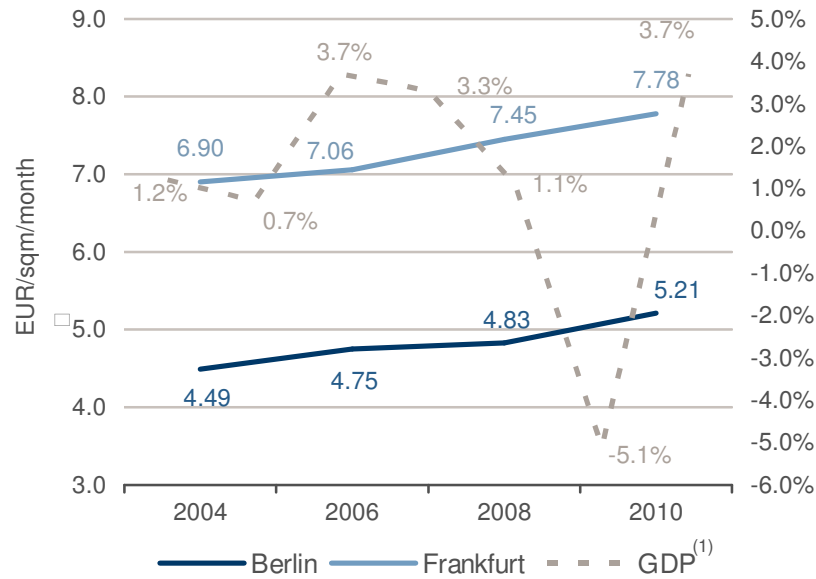
Deputy Chief Financial Officer

- 5 years of experience in real estate
- Expertise in Accounting, Tax, Risk, Controlling and Auditing. Previously, German Certified Public Accountant with Ernst & Young
- Management Board member since October 2011. Joined Deutsche Wohnen in 2007

» German residential: a resilient investment class (I)

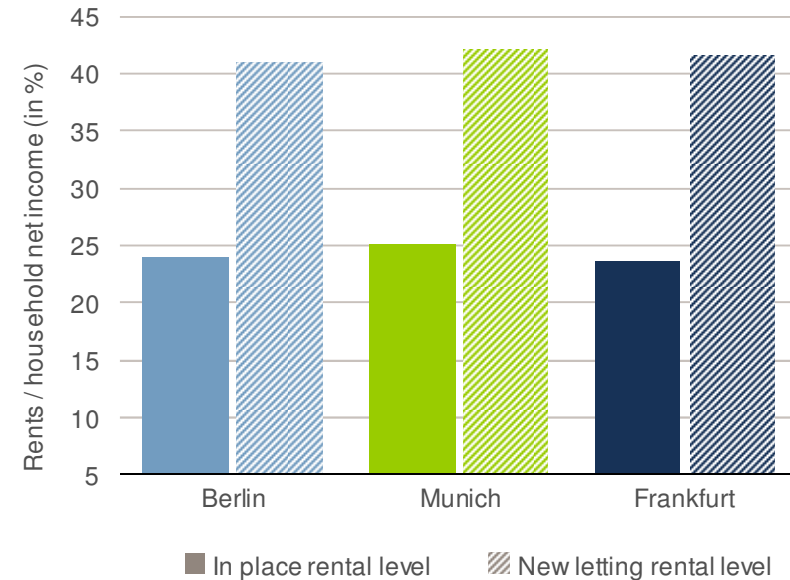
Continuing rent increase since 2004 despite the financial crisis and the corresponding decrease in GDP

Rent development in German cities



Source: Based on local rent indices as published by statistical offices
 Note: Reference period is t - 1 year.

Rental spending in German cities



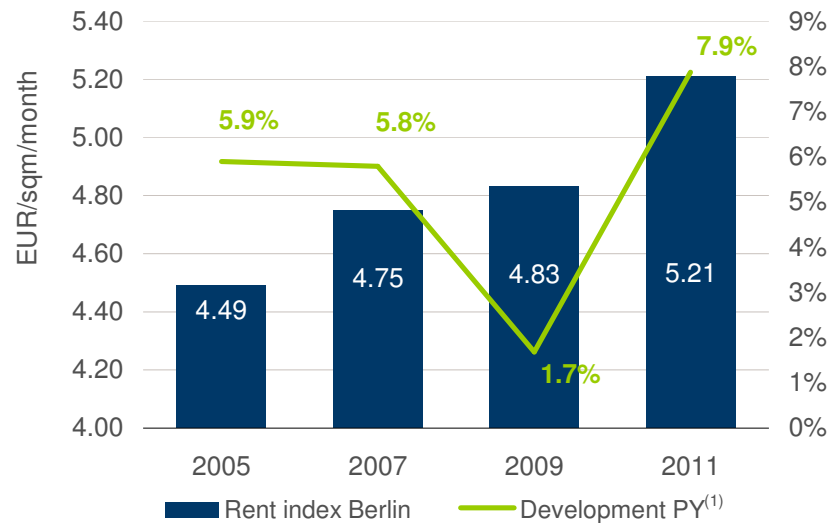
Source: Microcensus and IVD market observation

- Management expects continued rental growth in Metropolitan Areas due to movement from rural to urban areas and an increased number of households
- Development of residential rents in Metropolitan Areas decoupled from pace of economic growth
- Share of rents in household net income allows for further rental growth

(1) Change to previous year in %, adjusted for price impacts

» German residential: a resilient investment class (II)

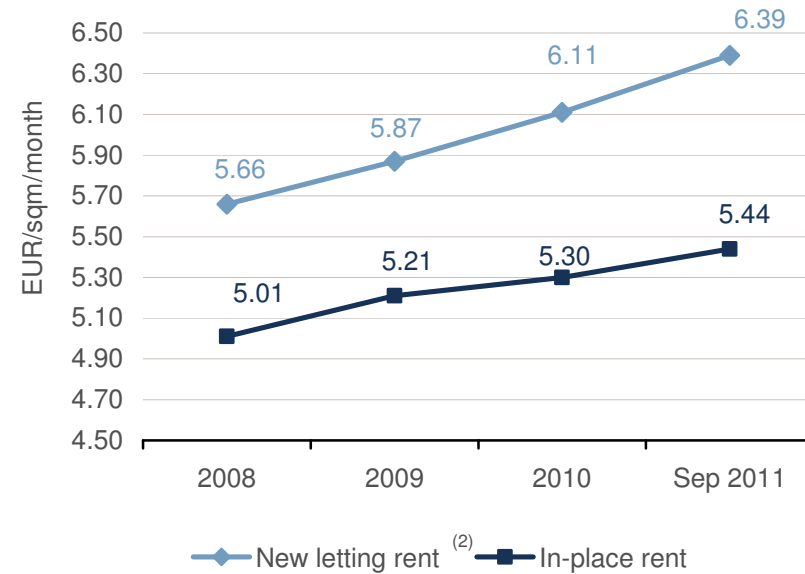
Rent index Berlin



Source: Rent index Berlin published by Senate Department for Urban Development

- » Rent index in 2009 politically influenced, but in 2011 the low level of 2009 was compensated
- » Average increase was 2.6% p.a. in previous years

Deutsche Wohnen's Berlin letting portfolio



- » Dynamic growth of new-letting rent in Deutsche Wohnen's unrestricted letting portfolio in Berlin due to the quality of locations and buildings
- » Further rent potential through increasing new-letting rent

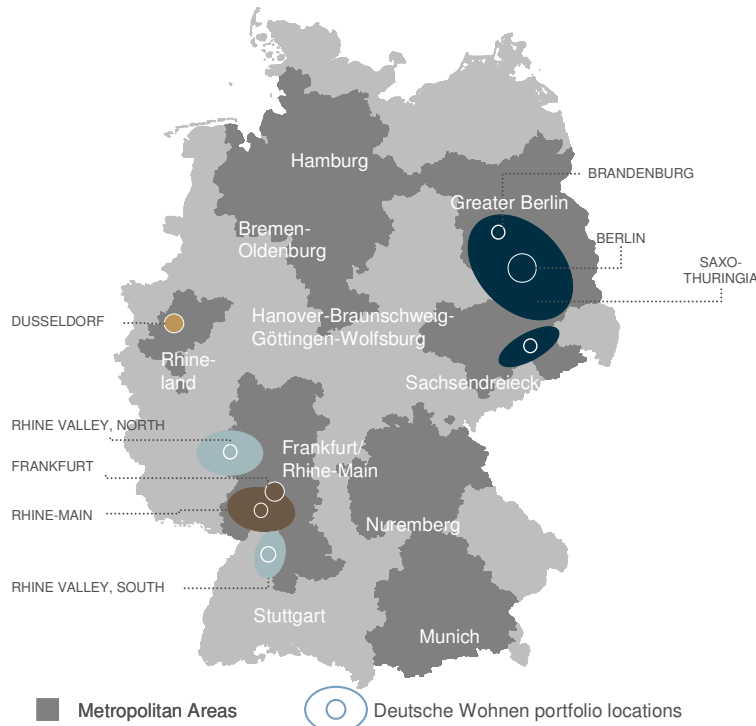
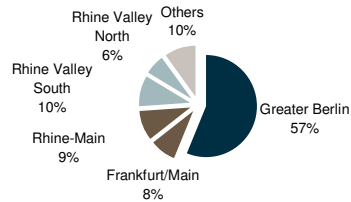
(1) Previous year

(2) Average rent for new contracts in the Berlin letting portfolio effective in the respective year for units not subject to price control

» Quality portfolio focused on attractive German Metropolitan Areas

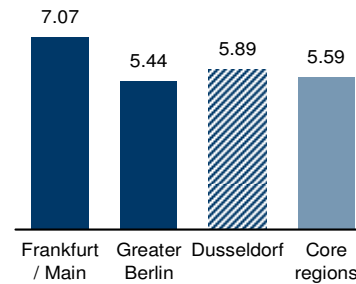
Focus on top German Metropolitan Areas

Residential portfolio split as of 30/09/2011

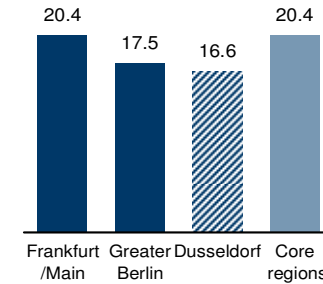


Metrics of core regions of Deutsche Wohnen (1)

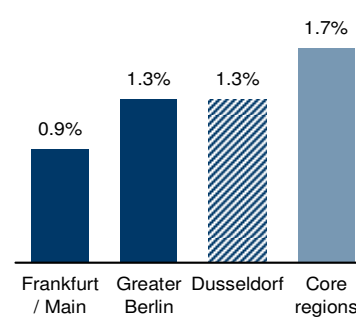
In-place rent
Residential letting portfolio
(EUR/sqm/month)



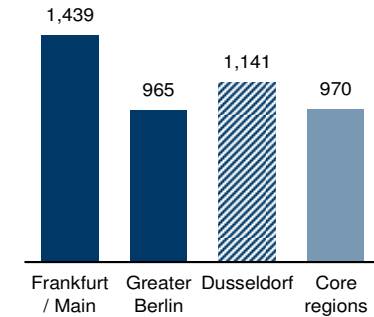
Rent potential (2)
Letting portfolio (%)



Vacancy by regional cluster
Residential letting portfolio (%)



Fair value
Letting portfolio (EUR/sqm)



(1) As of 30/09/2011
 (2) New letting rent in the letting portfolio in our core regions compared to in-place rent (letting portfolio in core regions)

» Valuation of our portfolio as at 30/09/2011

	Fair Value		Multiple	
	EUR m	EUR/sqm	In-place rent	Market rent
Total	2,841	921	14.0 x	12.5 x
Core regions	2,704	958	14.2 x	12.7 x
Greater Berlin	1,590	942	14.2 x	12.6 x
Frankfurt/Main	376	1,411	17.0 x	15.2 x
Rhine-Main	288	974	13.7 x	11.9 x
Rhine Valley South	265	850	13.4 x	12.9 x
Rhine Valley North	152	733	12.0 x	11.7 x
Others	34	645	10.9 x	9.5 x

» Profit and loss statement

EUR m	2008	2009	2010	9m2011
Earnings from Residential Property Management	147.8	151.0	150.9	118.4
Earnings from Disposals	13.2	9.7	12.7	7.2
Earnings from Nursing and Assisted Living	8.7	9.1	8.9	7.3
Segment profit/loss	169.7	169.8	172.5	132.9
Corporate expenses	-38.9	-34.6	-31.8	-23.0
Other operating expenses/income	-0.2	-1.7	-4.6	-1.1
EBITDA adjusted	130.6⁽¹⁾	133.5⁽¹⁾	136.1	108.8
Depreciation	-1.8	-2.8	-3.0	-2.5
Financial result (net)	-119.1	-112.1	-99.4	-68.7
EBT adjusted	9.7	18.6	33.7	37.6
Restructuring	-24.1	-7.8	0.0	0.0
Valuation investment properties	-276.5	0.0	42.7	0.0
Valuation SWAP	-32.2	-1.2	-0.2	-0.2
Prepayment penalty	0.0	-6.2	-23.6	0.0
Special distribution of DB 14	-5.7	0.0	0.0	0.0
EBT as reported	-328.8	3.4	57.1	37.4
Taxes	56.5	-16.6	-33.3	-17.7
Result from discontinued business areas	16.4	0.0	0.0	0.0
Profit/loss	-255.9	-13.3	23.8	19.7

Interest expenses	-107.3	-97.8	-86.3	-59.8
Non-cash interest expenses	-14.3	-15.3	-13.9	-9.3
	-121.6	-113.1	-100.2	-69.1
Interest income	2.5	0.9	0.8	0.4
Financial result (net)	-119.1	-112.1	-99.4	-68.7

Taxes in EUR m	2008	2009	2010	9m/2011
Ongoing taxes	0.3	-5.5	-4.8	-2.1
Deferred taxes	56.2	-11.1	-28.5	-15.6
Total taxes	56.5	-16.6	-33.3	-17.7

Non-cash interest expenses in EUR m	2010	9m/2011
Mainly accruals on:		
Low interest bearing liabilities	-6.7	-5.4
Liabilities from EK 02 taxes	-2.7	-1.8
DB 14	-1.8	-0.4
Pension provisions	-2.1	-1.7
Convertible bond	-0.6	0.0
Total	-13.9	-9.3

(1) Adjusted for restructuring- and reorganisational costs

» Balance sheet

Assets

EUR m	31/12/2009	31/12/2010	30/09/2011
Investment properties	2,835.5	2,821.0	2,895.7
Other non current assets	22.4	29.7	20.4
Deferred tax assets	98.4	78.7	74.1
Non current assets	2,956.3	2,929.4	2,990.2
Land and building held for sale	18.4	15.2	77.9
Trade receivables	14.5	6.7	5.5
Other current assets	33.0	40.9	39.3
Cash and cash equivalents	57.1	46.0	42.1
Current assets	123.0	108.8	164.8
Total assets	3,079.3	3,038.2	3,155.0

Liabilities

EUR m	31/12/2009	31/12/2010	30/09/2011
Total equity	862.0	889.9	878.2
Financial liabilities	1,802.7	1,784.5	1,909.4
Tax liabilities	84.1	63.9	58.6
Deferred tax liabilities	81.4	92.0	96.2
Derivatives	70.5	70.3	85.6
Other liabilities	178.6	137.6	127.0
Total equity and liabilities	3,079.3	3,038.2	3,155.0

» Fund from Operations (FFO)

EUR m, except per share data	2008	2009	2010	9m/2011
Profit / loss	-255.9	-13.3	23.8	19.7
Disposal result	-13.2	-9.7	-12.7	-7.2
Depreciation and amortization	1.8	2.8	3.0	2.5
Valuation SWAP	32.2	1.2	0.2	0.2
Non-cash interest expenses	14.3	15.3	13.9	9.3
Deferred taxes	-56.2	11.1	28.5	15.6
Restructuring	24.1	7.8	0.0	0.0
Result from discontinued business areas	-16.4	0.0	0.0	0.0
Changes in market valuation of investment properties	276.5	0.0	-47.2	0.0
Special distribution of DB 14 fund	5.7	0.0	0.0	0.0
Prepayment penalty	0.0	6.2	23.6	0.0
Tax advantage from capital increase costs	0.0	3.7	0.0	0.0
FFO (w/o disposals)	12.9	25.1	33.1	40.1
FFO (w/o disposals) per share (81.84 m shares) in EUR	0.16	0.31	0.40	0.49
FFO (incl. disposals)	26.1	34.8	45.8	47.3
FFO (incl. disposals) per share (81.84 m shares) in EUR	0.32	0.43	0.56	0.58

» Disclaimer



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