



# Deutsche Wohnen AG

- » **Company presentation**  
**August 2014**

## » Key investment highlights of Deutsche Wohnen

1

**Diversified business model with focus on metropolitan growth regions**

2

**Best in class portfolio quality with highest rental growth of Peer Group**

3

**Leadership in cost efficiency due to asset concentration**

4

**Proven track record of accretive portfolio acquisitions and capital market transactions**

5

**With ~EUR 4.5bn free float market cap one of the most liquid stocks in german real estate**

6

**Well positioned to achieve further internal and external growth**

## » Deutsche Wohnen business model “Made in Germany”

**Strong CF for Shareholder Return  
Dividends + NAV growth**

**Nursing &  
assisted living**

Backed by  
demographic  
trends

**Residential letting business**

>EUR 600m p.a. gross rents  
from high-quality portfolio<sup>1)</sup>

>EUR 9bn portfolio value

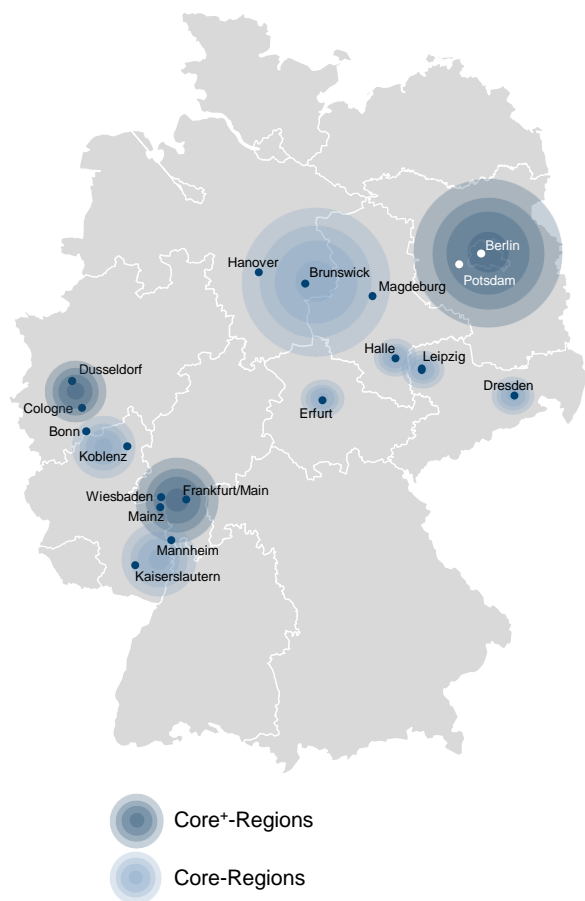
**Privatization &  
institutional  
sales**

Additional cash  
and NAV  
contribution

**Sustainable Financing (LTV, Maturities, Sources)**

<sup>1)</sup> current gross rental income

## » Deutsche Wohnen portfolio focussed and concentrated



### Portfolio development underlines shift to growth regions with significant upside potential

Total residential holdings: ~150,000 units

- Thereof ~80% in dynamic Core+-regions (~118,000 units)
- Thereof ~73% in Greater Berlin (~107,000 units)
  - Largest private landlord of Berlin
- Successful disposal of Non-core assets

30/06/2014	Residential units #	Share in terms of units %	Area <sup>1)</sup> K sqm	In-place rent <sup>2)</sup> EUR/sqm	Vacancy %	Fair Value <sup>3)</sup> EUR m	Fair Value <sup>4)</sup> EUR/sqm
<b>Total</b>	<b>148,035</b>	<b>100%</b>	<b>8,992</b>	<b>5.62</b>	<b>2.5</b>	<b>8,792</b>	<b>949</b>
<b>Strategic core and growth regions</b>	<b>145,367</b>	<b>98%</b>	<b>8,822</b>	<b>5.63</b>	<b>2.3</b>	<b>8,689</b>	<b>956</b>
<b>Core+</b>	<b>118,142</b>	<b>80%</b>	<b>7,106</b>	<b>5.72</b>	<b>2.1</b>	<b>7,313</b>	<b>997</b>
<b>Core</b>	<b>27,225</b>	<b>18%</b>	<b>1,717</b>	<b>5.26</b>	<b>3.2</b>	<b>1,374</b>	<b>783</b>
<b>Non-core</b>	<b>2,668</b>	<b>2%</b>	<b>170</b>	<b>4.93</b>	<b>11.2</b>	<b>106</b>	<b>594</b>

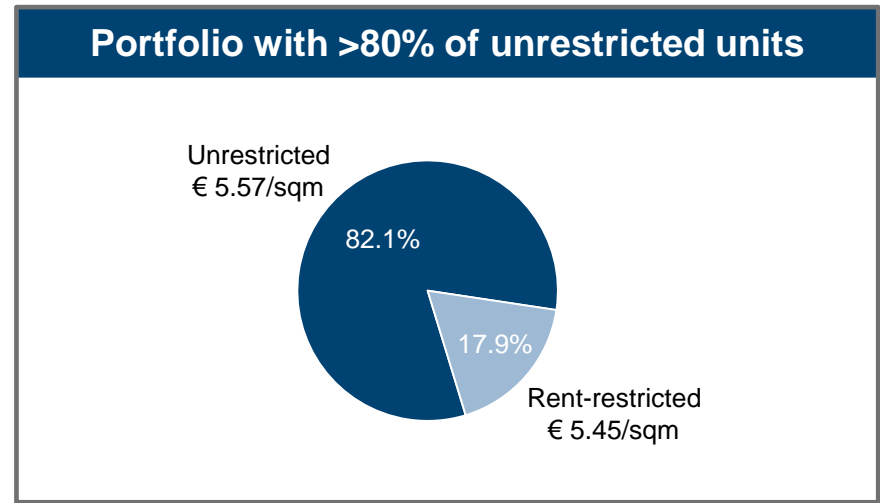
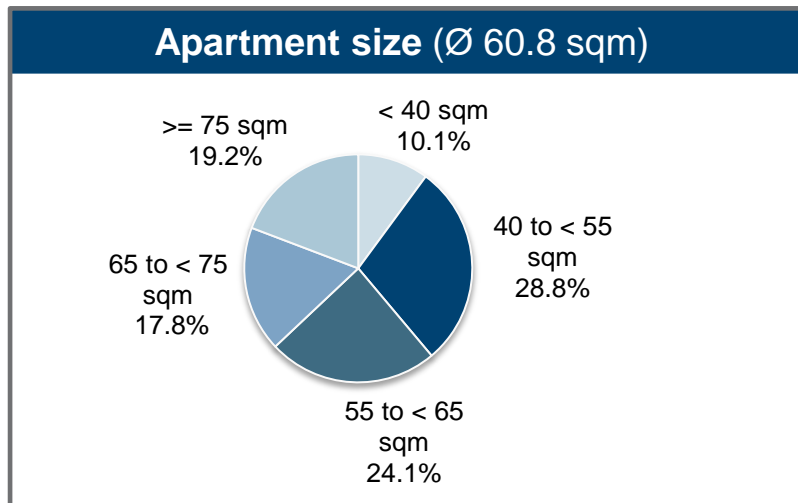
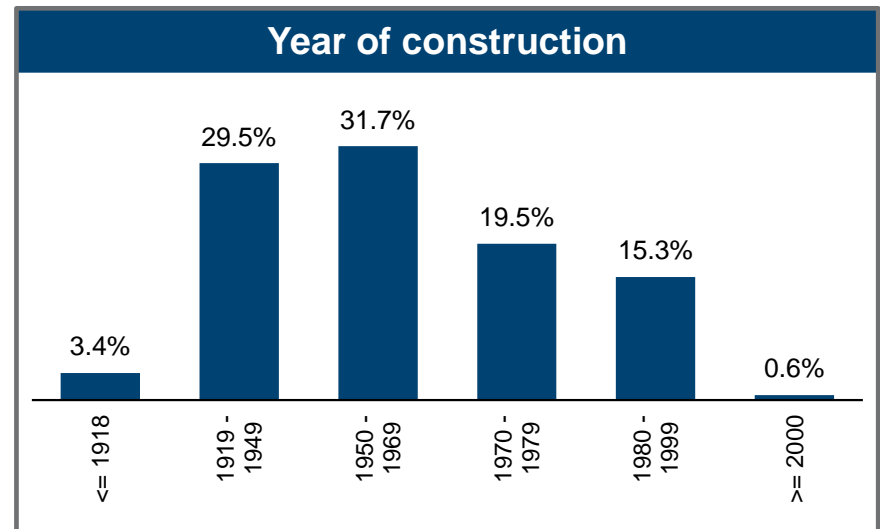
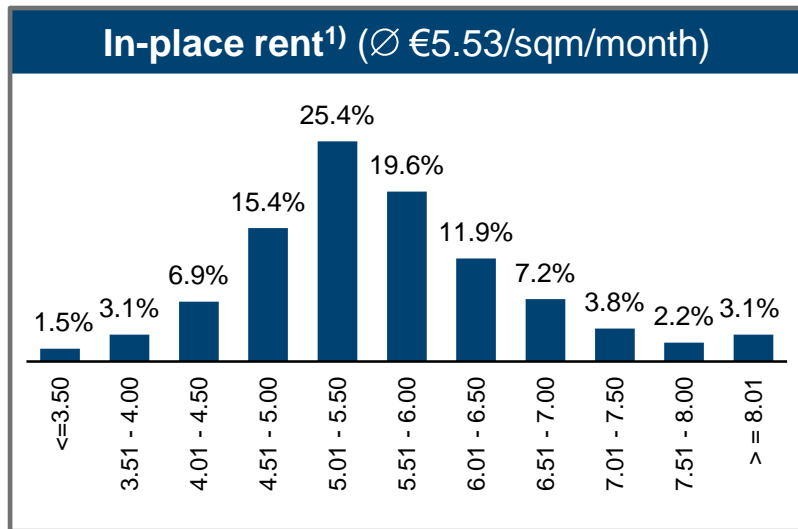
<sup>1)</sup> Only residential area

<sup>2)</sup> Contractually owed rents from rented apartments divided by rented area

<sup>3)</sup> Fair Value including residential, commercial and parking spaces

<sup>4)</sup> Fair Value divided by residential and commercial area

## » Portfolio structure – characteristics meeting strong demand

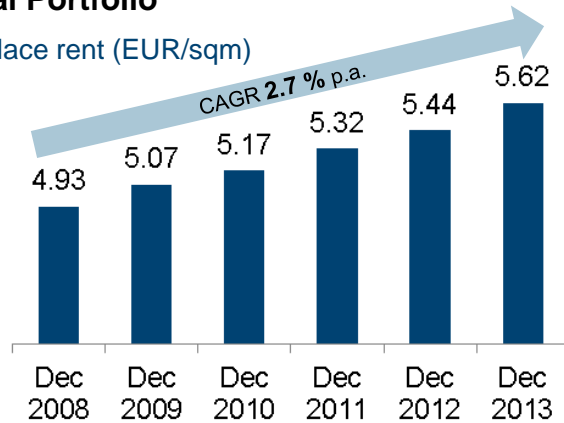


Note: Figures as of 31-Dec-2013 / Based on residential units  
<sup>1)</sup> excl. vacant apartments

## » Strong like-for-like development <sup>1)</sup>

### Total Portfolio

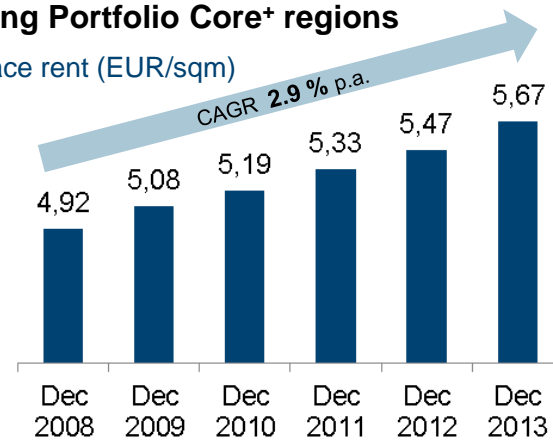
In-place rent (EUR/sqm)



- Comprises ~ 84,700 units under management since Dec 2008

### Letting Portfolio Core+ regions

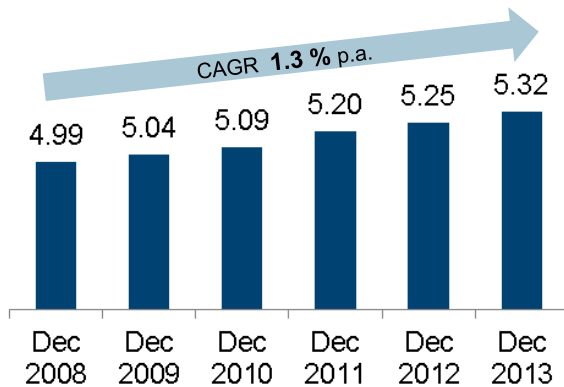
In-place rent (EUR/sqm)



- Comprises ~ 72,000 units under management since Dec 2008

### Letting Portfolio Core regions

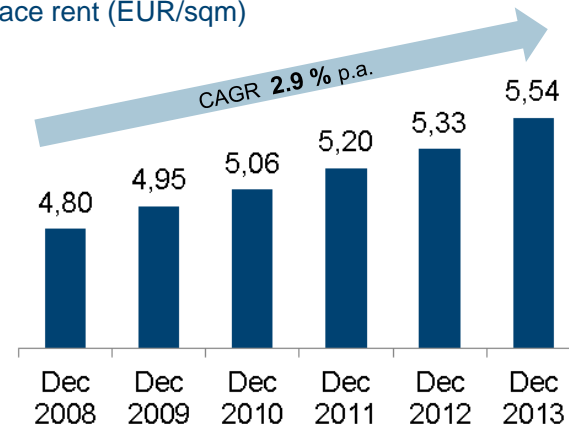
In-place rent (EUR/sqm)



- Comprises ~ 7,800 units under management since Dec 2008

### Letting Portfolio Greater Berlin

In-place rent (EUR/sqm)

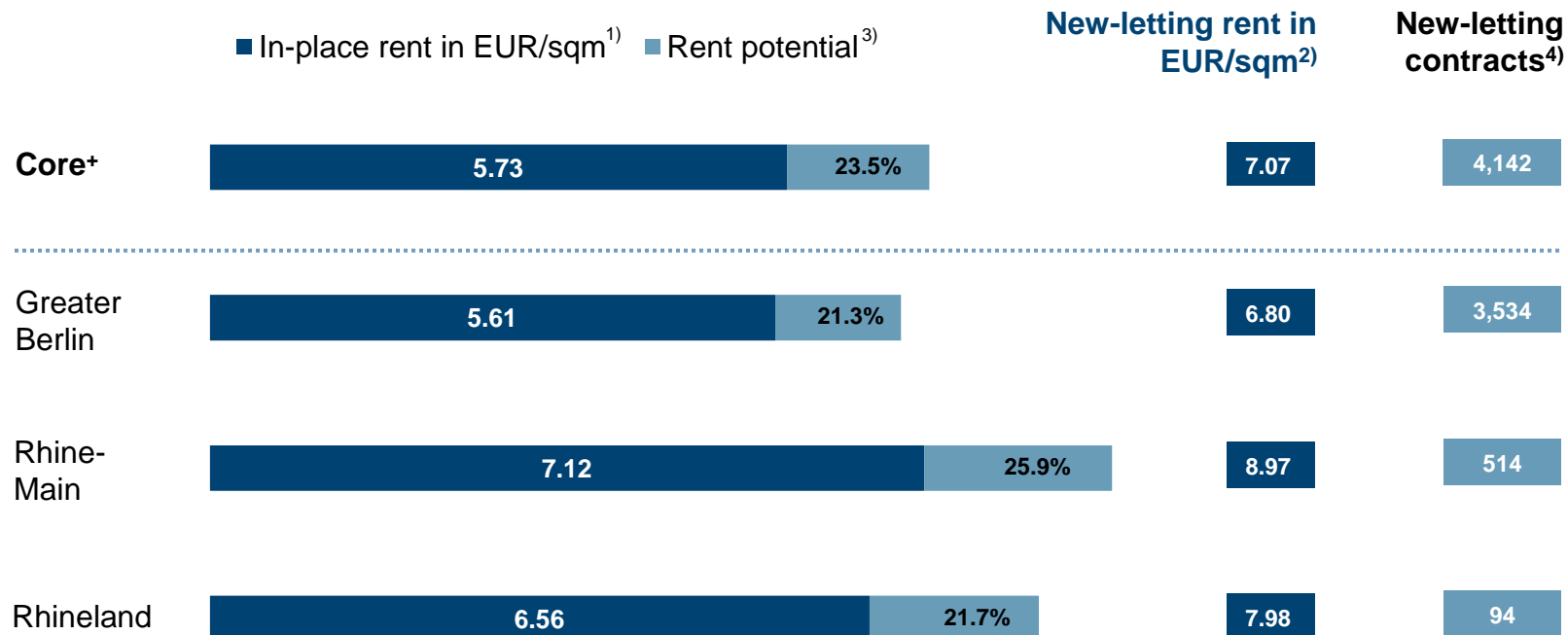


- Comprises ~ 64,800 units under management since Dec 2008

<sup>1)</sup> Pro forma incl. GSW portfolio

Note: Above time series analysis are based on a like-for-like comparison, i.e. only comprises units under management since December 2007 without taking into account any acquisitions/disposals in the period under review.

## » Dynamic rent potential in Core+ regions (letting portfolio)



- **Current tenant turnover: 7% annualized in Core+ Regions**

## » Berlin residential real estate market offering attractive fundamentals

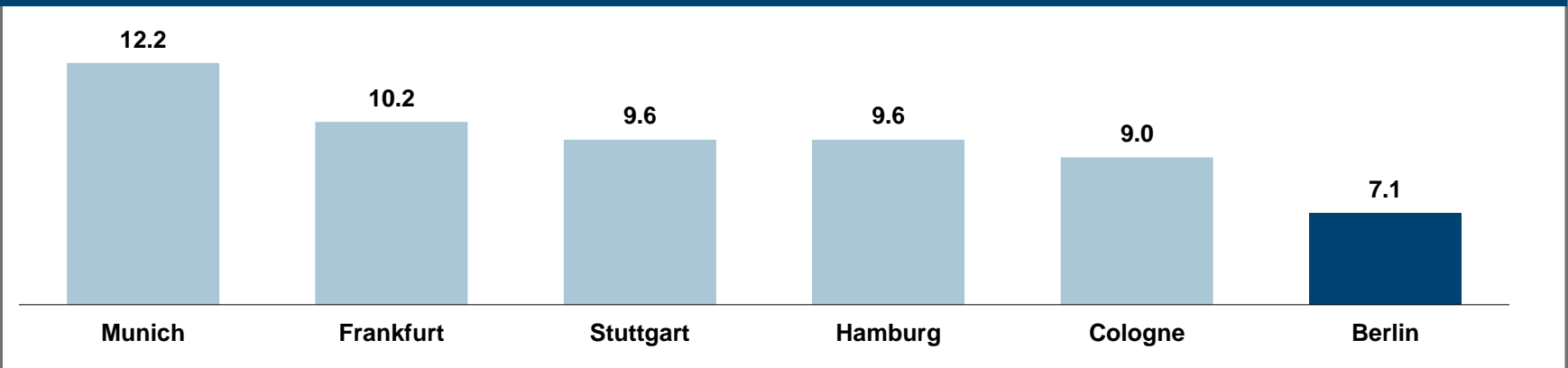
### Demographics

- Number of inhabitants increases consistently (mainly because of net migration gain)
- In 2013 ca. +42,000 inhabitants (+1.2% leading to a total population of ~3.45m)
- Top ranking for greatest average rise in employment figures nationwide in 2012, 2013 and Q1-2014 up to ~1.8m employees
- Household income raised by 3.1% in 2012

### Supply and Demand

- ~2.03m households with 54.3% single-person households (+1.3%pts. since 2007) and Ø 1.73 persons per household
- ~6,600 apartments completed in 2013, equalling only +0.3% of ~1.9m existing apartments
- Building permissions are accelerating (>10k in 2013; > 9k in H1-2014 thereof ~8k new apartments) but still behind demand for new residential units in multi-family homes which is projected to grow further

### Berlins average market rent EUR / sqm <sup>1)</sup>



#### Berlin

- Average market rent still offers headroom to grow



# » Core+ and Core regions showing positive fundamentals<sup>1)</sup>

## Economic location

## Demographic situation

### Rhine-Main region incl. Frankfurt/ Main

- One of the most important regions in Germany with 5.6 m inhabitants and EUR 200 bn GDP
- Internationally outstanding position as financial markets centre, trade fair location, trading centre and central transport hub
- Above avg. purchasing power per inhabitant of ca. EUR 24k<sup>2)</sup>
- With 685,000 inhabitants largest city in Hesse and 5th largest within Germany
- Population increase of 6.6% and +8% no. of households (2007-2012)
- 54.1% single-person households
- New construction projects (2012: 2,144 res. units) unable to meet growing demand for living space
- Residential rents for medium to good quality standard: EUR 7.00/sqm – EUR 16.50/ sqm

### Rhineland region incl. Dusseldorf

#### Focus on Dusseldorf:

- Top location for consultancy firms in Germany with 1,760 consultancy firms based here
- Most important trade centre with 3,800 retailers, 2,000 wholesalers and export trading companies
- Above avg. purchasing power per inhabitant of ca. EUR 25k<sup>1)</sup>
- Ca. 598,000 inhabitants
- Sustained population growth evident since 2000 is set to continue
- Expected Increase of inhabitants up to ca. 600,600 by 2025 resulting in greater demand for living space
- Dynamic development of rental prices: avg. at EUR 9.25/sqm (H1-2013; +3.6% on y-o-y basis)

### Hanover / Brunswick / Magdeburg

- Favourable location in the centre of Germany offering logistical advantages
- Automobile industry, machinery & plant engineering are traditionally strong sectors in the region
- Approx. 1 m inhabitants in total (sum of all 3 cities)

#### Hanover and Brunswick

- above average purchasing power of 22.3k<sup>1)</sup> and 22.9k<sup>1)</sup>
- population growth combined with low vacancy rates and low levels of new construction lead to increasing demand

#### Magdeburg

- Stable demographic structure (inhabitants/ households) foreseen for the next years

### Core+ regions

### Core regions

<sup>1)</sup> excl. Berlin

<sup>2)</sup> national average: ca. 21k

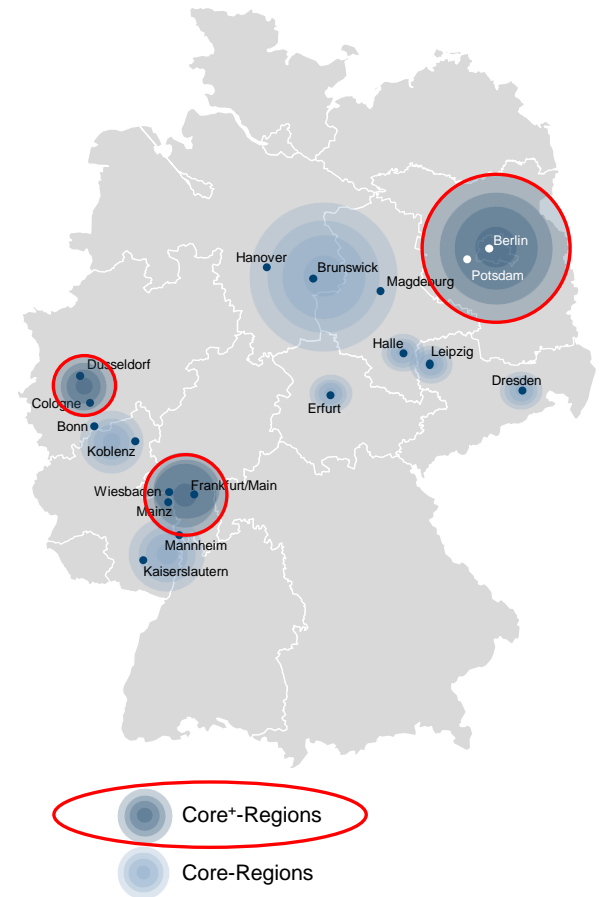
## » “Mietpreisbremse” – new rental cap

### Current situation and time table

- draft bill to enable local governments to cap rental growth for new lettings in areas with “**tight housing markets**” to max. 10% above “**comparable rent**”
- Ongoing discussions:
  - Definition of “**tight housing market**”
  - Definition of “**comparable rent**”
  - Exceptions: **extensively modernized** and **newly built**
- Time table:
  - likely in 2015 during the year
  - with temporal limitation of max. 5 ys. still open

### Potential impact on DeuWo

- ~**6.500 new lettings** p.a. (~4.4%<sup>1)</sup> of total DeuWo portfolio) based on 7% tenant turnover annualized in Core+ regions<sup>2)</sup> leading to:
  - ~**€3.5m** potential lower in-place rents p.a.
- But: with more than **€20m** re-letting expenses p.a. significant cost saving potential to partially compensate negative impacts



<sup>1)</sup> as of 30 June 2014

<sup>2)</sup> for unrestricted units of letting portfolio

## » Financials

## » Highlights H1-2014

### Operational development

- In-place rent                      EUR 5.62 sqm
- Vacancy rate                      2.5%
- NOI / sqm / month              EUR 4.28 sqm (+5.4%)
- NOI margin                        76.2% (+1.2%pts.)
- L-f-I rental growth              3.4%<sup>1)</sup>

### Key financials

- FFO (w/o disposals)            EUR 114.2 (+88%)
- FFO (w/o disposals) per share   EUR 0.40 (+5%)
- FFO margin                        36.4%<sup>2)</sup>
- FFO guidance 2014              EUR 220m<sup>3)</sup> (+5%)
- EBITDA (adjusted)              EUR 244m (+83%)

### Disposal business

- Total sold units                  3,462 units
- *thereof privatizations*          1,664 units
- Gross margin privatization      45% above book value
- Sales proceeds                    EUR 138.4m
- Free Cash Flow                    EUR 71.5m

### Balance sheet and NAV figures

- GAV                                  EUR 9,012m
- EPRA NAV                         EUR 4,063m
- EPRA NAV per share            EUR 14.20
- LTV                                  56.2%

<sup>1)</sup> For entire portfolio; incl. pro forma GSW portfolio last 12 months

<sup>2)</sup> Regarding to gross rental income H1-2014: EUR 313.4m

<sup>3)</sup> Before minorities

## » Strong earnings and cash contributions from letting

	in EUR m	H1-2014	H1-2013
<b>Earnings from letting: + EUR 120.4m (+86.4%)</b>	<b>Current gross rental income</b>	<b>313.4</b>	<b>168.1</b>
	Non-recoverable expenses	(6.8)	(2.8)
	Rental loss	(4.1)	(2.1)
	Maintenance	(39.6)	(21.3)
	Others	(3.2)	(2.6)
	<b>Earnings from Residential Property Management</b>	<b>259.7</b>	<b>139.3</b>
	Personnel, general and administrative expenses	(20.9)	(12.7)
	<b>Net Operating Income (NOI)</b>	<b>238.8</b>	<b>126.6</b>
	NOI margin	76.2%	75.3%
	NOI in EUR / sqm / month	4.28	4.06
	in EUR m	H1-2014	H1-2013
<b>Cash flow + EUR 76m (+ 105.1%)</b>	Net operating income (NOI)	238.8	126.6
	Cash interest expenses	(90.5)	(54.3)
	<b>Cash flow from portfolio after cash interest expenses</b>	<b>148.3</b>	<b>72.3</b>
	<b>Interest cover ratio</b>	<b>2.64</b>	<b>2.33</b>

**In-place rent:**  
H1-14: EUR 5.62 / sqm

**Maintenance<sup>1)</sup>**  
H1-14: EUR 8.51 /sqm  
(H1-13: EUR 8.19 /sqm)  
additional EUR 19.1m  
for modernisation (EUR  
4.11 /sqm in H1-14)

**NOI increased by EUR  
112.2m (89%) due to  
2013 acquisitions**

w/o EUR 1.9m for  
nursing and assisted  
living in H1-2014

### NOI-margin

- Improved mainly due to lower personnel and admin expenses

### NOI in EUR / sqm / month

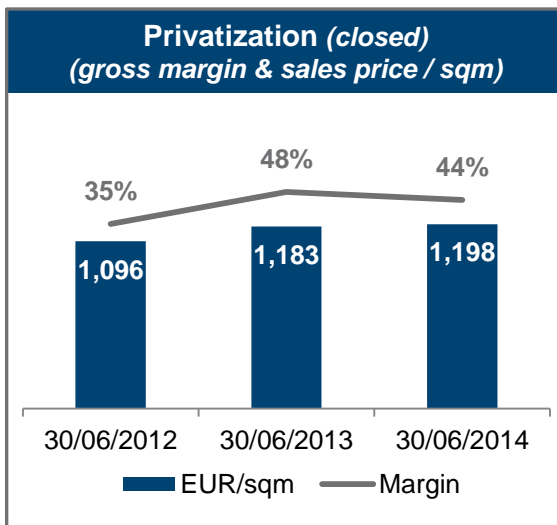
- + 5.4% due to changes in portfolio structure resulting from GSW acquisition among others

<sup>1)</sup> extrapolated 12 months

## » NAV contribution by strong disposal business

Closed in EUR m	H1-2014	H1-2013
Sales proceeds	138.4	62.8
Cost of sales	(6.0)	(3.8)
<b>Net sales proceeds</b>	<b>132.4</b>	<b>59.0</b>
Carrying amounts of assets sold	(106.8)	(46.7)
<b>Earnings from Disposals</b>	<b>25.6</b>	<b>12.3</b>

- Free cash flow from sales activities of EUR 71.5m (1,133 closed privatization units and 1,119 closed units institutional sales)



Berlin: Papageienviertel



Berlin: Steglitz



Hanover: Bemerode/Kronsberg

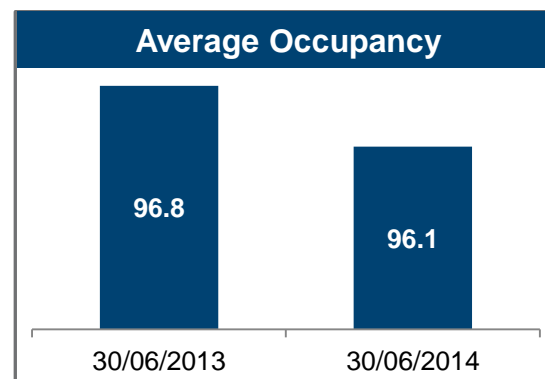


Berlin: Hufeisensiedlung

## » Nursing and Assisted Living – increasing FFO contribution

in EUR m	H1-2014	H1-2013
<b>Income</b>		
Nursing	27.6	25.0
Living	3.0	1.0
Other	3.2	2.0
<b>Total income</b>	<b>33.8</b>	<b>28.0</b>
<b>Costs</b>		
Nursing and corporate expenses	(8.9)	(7.2)
Staff expenses	(16.6)	(14.3)
<b>Total costs</b>	<b>(25.5)</b>	<b>(21.5)</b>
<b>Earnings from Nursing and Assisted Living</b>	<b>8.3</b>	<b>6.5</b>
Cash interest expenses	(1.9)	(1.7)
<b>FFO contribution</b>	<b>6.4</b>	<b>4.8</b>

30/06/2014	Facilities	Places
Greater Berlin	12	1,442
Saxony	7	475
Others	2	257
<b>In total</b>	<b>21</b>	<b>2,174</b>



- 18 of 21 facilities are owned by Deutsche Wohnen with Fair Value of the properties of EUR 144.9m

- More than 50% of targeted earnings achieved in H1-2014

## » Benchmark EBITDA margin among the Peer Group

in EUR m	H1-2014	H1-2013	EBITDA margins	H1-2014	H1-2013
Earnings from Residential Property Management	259.7	139.3	adj. EBITDA / gross rents	77.9%	79.1%
Earnings from Disposals	25.6	12.3	adj. EBITDA excl. disposals / gross rents	69.7%	71.8%
Earnings from Nursing and Assisted Living	8.3	6.5			
<b>Segment contribution margin</b>	<b>293.6</b>	<b>158.1</b>			
Corporate expenses	(45.8)	(22.2)			
Other operating expenses/income	(7.5)	(2.9)			
<b>EBITDA</b>	<b>240.3</b>	<b>133.0</b>			
Restructuring & Reorganization expenses	3.7	0.0			
<b>EBITDA (adjusted)</b>	<b>244.0</b>	<b>133.0</b>			

Further improvements of EBITDA margins will occur with full realization of takeover synergies

**Cost Ratio<sup>1)</sup>**

- 14.6% in H1-2014 vs. 17.3% FY-2013 (pro-forma incl. GSW)

Redundancy payments

### Adj. EBITDA

- Increased by ~ EUR 111m mainly attributable to an increase of earnings from letting ~ EUR 120m and from disposals ~ EUR 13m

### Margins

- EBITDA Margins underline the strengths of the portfolio and the operating platform

<sup>1)</sup> Corporate expenses (EUR 45.8m) divided by current gross rental income (EUR 313.4m)



## » Adjusted EBT increased by ~ 104% (y-o-y)

in EUR m	H1-2014	H1-2013
<b>EBITDA (adjusted)</b>	<b>244.0</b>	<b>133.0</b>
Depreciation	(3.2)	(2.7)
Financial result (net)	(99.6) <sup>2)</sup>	(61.0) <sup>2)</sup>
<b>EBT (adjusted)</b>	<b>141.2</b>	<b>69.3</b>
Restructuring & Reorganization	(3.7)	0.0
Valuation SWAP and Convertible Bond	(24.0)	(0.0)
<b>EBT</b>	<b>113.5</b>	<b>69.3</b>
Current taxes	(8.5)	(5.6)
Deferred taxes	(10.4)	(13.5)
<b>Profit</b>	<b>94.6</b>	<b>50.2</b>
Earnings per share <sup>1)</sup>	0.32	0.31

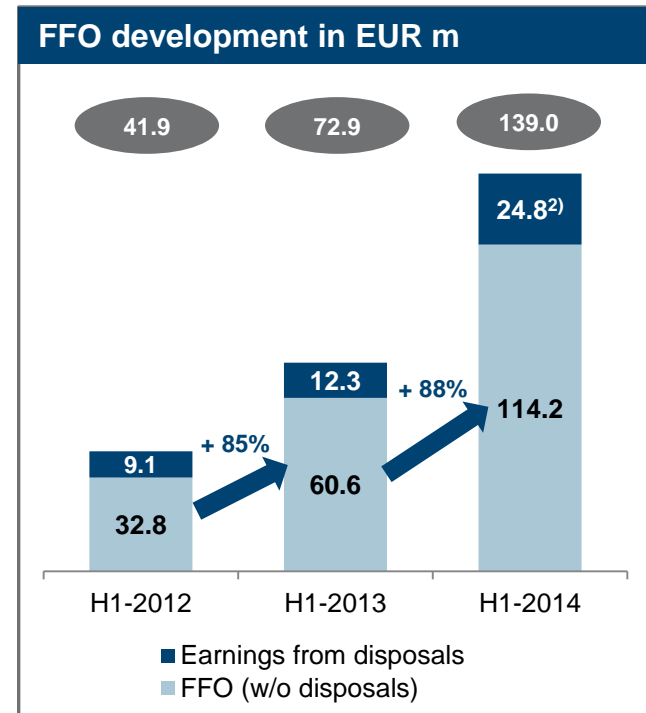
in EUR m	H1-2014	H1-2013
Interest expenses	(92.4)	(56.0)
Non-cash interest expenses	(7.7)	(5.5)
	<b>(100.1)</b>	<b>(61.5)</b>
Interest income	<b>0.5</b>	<b>0.5</b>
<b>Financial result (net)</b>	<b>(99.6)</b>	<b>(61.0)</b>

Thereof EUR (14.3)m from valuation of swaps and EUR (9.7)m from convertible bond  
 MV of convertible bond (30/06/2014): EUR 258.3m

<sup>1)</sup> Based on weighted average shares outstanding (H1-14: 286.22m; H1-13: 159.78m)  
<sup>2)</sup> Adjusted for Valuation of SWAP and Convertible Bond

## » Recurring FFO per share performance +5.3% (y-o-y)

in EUR m	H1-2014	H1-2013
<b>Profit</b>	<b>94.6</b>	<b>50.2</b>
Earnings from Disposals	(25.6)	(12.3)
Depreciation	3.2	2.7
Valuation SWAP and Convertible Bond	24.0	0.0
Non-cash financial expenses	7.7	5.5
Deferred taxes	10.4	13.5
Tax benefit from capital increase	0.0	1.0
FFO attributable to non-controlling interest	(3.8)	0.0
Restructuring & Reorganization expenses	3.7	0.0
<b>FFO (w/o disposals)</b>	<b>114.2</b>	<b>60.6</b>
Earnings from Disposals	24.8 <sup>2)</sup>	12.3
<b>FFO (incl. disposals)</b>	<b>139.0</b>	<b>72.9</b>
<b>FFO (w/o disposals) per share <sup>1)</sup></b>	<b>0.40</b>	<b>0.38</b>
<b>FFO (incl. disposals) per share <sup>1)</sup></b>	<b>0.49</b>	<b>0.46</b>



- Accretive FFO (w/o disposals) per share development: **+5.3%** (y-o-y)

<sup>1)</sup> Based on weighted average shares outstanding (H1-14: 286.22m; H1-13: 159.78m)

<sup>2)</sup> Adjusted for non-controlling interest

## » Integration of GSW well on track

in EUR m	H1-2014	H1-2013 (pro forma)
Earnings from Residential Property Management	259.7	241.8
Earnings from Disposals	25.6	17.4
Earnings from Nursing and Assisted Living	8.3	6.5
Corporate expenses	(45.8)	(51.9)
Other	(3.8)	(1.1)
<b>EBITDA (adjusted)</b>	<b>244.0</b>	<b>212.7</b>
<b>FFO (w/o disposals)</b>	<b>114.2</b>	<b>97.3</b>
<b>FFO (w/o disposals) per share</b>	<b>0.40</b>	<b>0.34</b>

Savings of EUR 6m in corporate expenses demonstrate the progress achieved in 6 months time

- Successful AGM with vast majority of votes “FOR” the domination agreement
  - As no objections were filed the registration is expected to occur in September
  
- Advanced negotiations with GSW works council
  - Closing of holding functions scheduled for end of 2014

## » Balance sheet

Assets			Equity and Liabilities		
in EUR m	30/06/2014	31/12/2013	in EUR m	30/06/2014	31/12/2013
Investment properties	8,888.1	8,937.1	<b>Total equity</b>	<b>3,954.5</b>	<b>3,944.3</b>
Other non-current assets	550.5	554.9	Financial liabilities	4,985.2	5,154.6
Deferred tax assets	291.8	280.5	Convertible	258.3	250.2
<b>Non current assets</b>	<b>9,730.4</b>	<b>9,772.5</b>	Tax liabilities	69.2	62.6
Land and buildings held for sale	78.1	97.1	Deferred tax liabilities	362.8	353.1
Other current assets	88.9	107.1	Derivatives	204.5	159.3
Cash and cash equivalents	183.1	196.4	Other liabilities	246.0	249.0
<b>Current assets</b>	<b>350.1</b>	<b>400.6</b>	<b>Total liabilities</b>	<b>6,126.0</b>	<b>6,228.8</b>
<b>Total assets</b>	<b>10,080.5</b>	<b>10,173.1</b>	<b>Total equity and liabilities</b>	<b>10,080.5</b>	<b>10,173.1</b>

- Investment properties represent ca. 90% of total assets
- Strong cash position and available credit lines give comfort for potential acquisition opportunities
- LTV reduced to 56.2% (FY-2013: 57.3%)

## » EPRA NAV per share up by 1.5%

in EUR m	30/06/2014	31/12/2013
Equity (before non-controlling interests)	3,779.7	3,777.8
Fair value adjustment of convertible bond	8.2	(2.2)
Fair values of derivative financial instruments	204.4	156.5
Deferred taxes (net)	71.0	72.6
<b>EPRA NAV (undiluted)</b>	<b>4,063.3</b>	<b>4,004.7</b>
Goodwill	(491.6)	(491.6)
<b>Adjusted NAV (undiluted)</b>	<b>3,571.7</b>	<b>3,513.1</b>

in EUR m	30/06/2014	31/12/2013
EPRA NAV per share in EUR (undiluted)	14.20	13.99
Adjusted NAV per share in EUR (undiluted)	12.48	12.27
<i>Shares outstanding in m</i>	286.22	286.22

### EPRA NAV per share

- Increased by 1.5% to EUR 14.20 as at 30 June 2014, despite dividend payment

### Adjusted NAV

- Reflects (i.e. deducts) the goodwill from GSW transaction

## » Guidance 2014 (increase)

1

**FFO (w/o disposals): EUR 220m<sup>1)</sup> FFO expected (increase from EUR 210m<sup>1)</sup>)**

2

**Anticipation of EUR 5m expenses for re-letting in context with the delayed implementation of the expected new rent regulations („Mietpreisbremse“)**

3

**Synergies: >EUR 10m to be realized in 2014**

4

**Dividend policy: 60% of FFO (w/o disposals)**

5

**Opportunistic portfolio strategy: accretive acquisitions and disposals will continue**

<sup>1)</sup> Before minorities

## » Appendix

## » LTV at 56.2%; low average interest rate ~ 3.4%

### Debt structure

#### Financial liabilities in EUR m

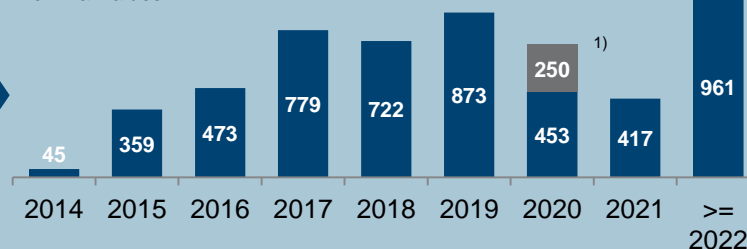
Mark-to-market	5,243.5
LTV (%)	56.2%
Nominal value	5,331.4
LTV (%)	57.1%

### Debt service

- Avg. interest rate incl. Convertible bond: ~ 3.4%
- Avg. mandatory redemptions p.a.: ~ 1.6%
- Avg. weighted maturity: ~ 7.7 years
- Interest rate fixed or hedged: ~ 90%

### Long-term maturities profile

EUR m  
nominal values



- Significant potential from due refinancing available in order to enhance FFO profile through a decrease of existing interest rate levels

1) Convertible Bond



## » Overview of portfolio as at 30 June 2014

30/06/2014	Residential units #	Area <sup>1)</sup> K sqm	In-place rent <sup>2)</sup> EUR/sqm	Vacancy %	Fair Value <sup>3)</sup> (FV) EUR m	Share in terms of FV %	FV <sup>4)</sup> EUR/sqm	Multiple in-place rent	Yield %	Multiple market rent	Yield %
Strategic core and growth regions	145,367	8,822	5.63	2.3	8,686	99%	956	13.9	7.2	12.6	7.9
Core <sup>+</sup>	118,142	7,106	5.72	2.1	7,313	83%	997	14.2	7.0	12.9	7.8
Core	27,225	1,717	5.26	3.2	1,374	16%	783	12.5	8.0	11.6	8.6
Non-core	2,668	170	4.93	11.2	106	1%	594	11.2	8.9	9.6	10.4
Disposal	473	30	5.09	16.9							
Other	2,195	140	4.90	10.0							
<b>Total</b>	<b>148,035</b>	<b>8,992</b>	<b>5.62</b>	<b>2.5</b>	<b>8,792</b>	<b>100%</b>	<b>949</b>	<b>13.9</b>	<b>7.2</b>	<b>12.6</b>	<b>7.9</b>

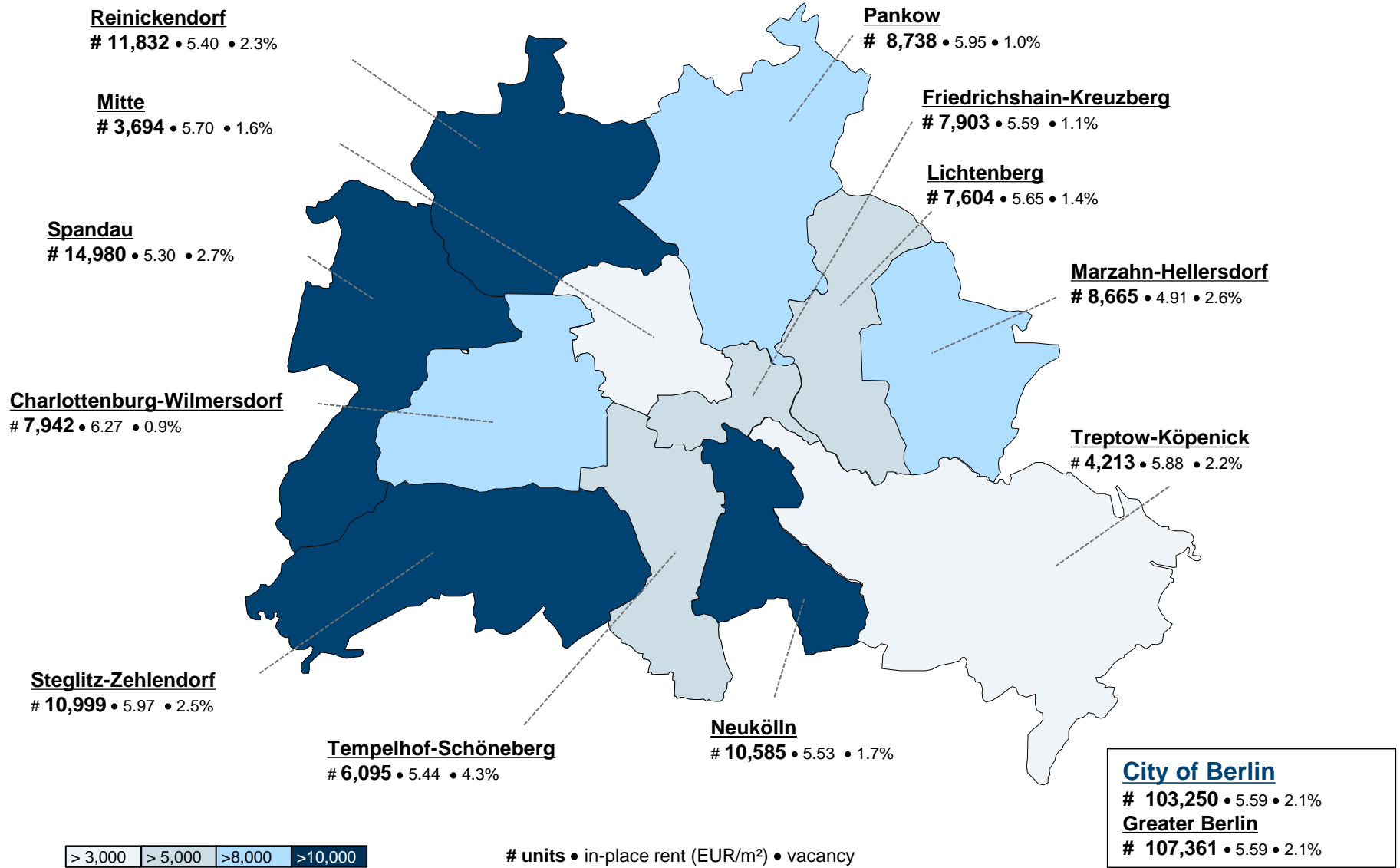
- Dynamic Core<sup>+</sup> regions comprise 80% of total units and 83% of total fair value
- Attractive spread between multiples of in-place rent and market rent offering further potential for NAV-growth
- Very successful ongoing disposal of non-core portfolio

## » Details on regions of portfolio as at 30 June 2014

30/06/2014	Residential Share in terms				In-place rent <sup>1)</sup> EUR/sqm	Vacancy in %	Commercial	Parking
	units #	of units in %	Area k sqm	units #			spaces #	
<b>Total</b>	148,035	100%	8,992	5.62	2.5%	2,101	31,244	
<b>Strategic core and growth regions</b>	145,367	98%	8,822	5.63	2.3%	2,066	30,373	
Letting Portfolio	138,956	94%	8,396	5.64	2.2%	1,954	27,915	
Privatisation	6,411	4%	426	5.49	5.6%	112	2,458	
<b>Core +</b>	118,142	80%	7,106	5.72	2.1%	1,848	20,461	
Letting Portfolio	113,769	77%	6,815	5.73	2.0%	1738	18,541	
Privatisation	4,373	3%	290	5.55	5.3%	110	1920	
<b>Greater Berlin</b>	107,361	73%	6,449	5.59	2.1%	1,635	14,834	
Letting Portfolio	104,016	70%	6,233	5.61	2.0%	1,589	14,168	
Privatisation	3,345	2%	216	5.23	4.4%	46	666	
<b>Rhine-Main</b>	8,966	6%	538	7.05	2.3%	177	4,904	
Letting Portfolio	8,084	5%	478	7.12	1.8%	121	4,007	
Privatisation	882	1%	60	6.39	7.4%	56	897	
<b>Rhineland</b>	1,815	1%	119	6.59	3.6%	36	723	
Letting Portfolio	1,669	1%	104	6.56	3.1%	28	366	
Privatisation	146	0%	14	6.83	7.2%	8	357	
<b>Core</b>	27,225	18%	1,717	5.26	3.2%	218	9,912	
Letting Portfolio	25,187	17%	1,581	5.25	3.0%	216	9,374	
Privatisation	2,038	1%	136	5.38	6.3%	2	538	
<b>Hanover / Brunswick / Magdeburg</b>	11,010	7%	706	5.31	3.9%	111	2,755	
Letting Portfolio	10,210	7%	654	5.27	3.6%	110	2,500	
Privatisation	800	1%	52	5.86	6.7%	1	255	
<b>Rhine Valley South</b>	4,831	3%	302	5.58	1.3%	41	3,330	
Letting Portfolio	4,650	3%	290	5.58	1.1%	41	3,183	
Privatisation	181	0%	12	5.64	7.4%	0	147	
<b>Rhine Valley North</b>	2,947	2%	191	5.22	1.7%	3	2,113	
Letting Portfolio	2,845	2%	184	5.21	1.4%	3	2,007	
Privatisation	102	0%	7	5.53	10.7%	0	106	
<b>Central Germany</b>	5,720	4%	343	5.02	3.2%	55	1,157	
Letting Portfolio	5,720	4%	343	5.02	3.2%	55	1,157	
Privatisation	0	0%	0	0	0.0%	0	0	
<b>Others</b>	2,717	2%	175	5.05	5.7%	8	557	
Letting Portfolio	1,762	1%	110	5.10	6.0%	7	527	
Privatisation	955	1%	66	4.95	5.2%	1	30	
<b>Non-Core</b>	2,668	2%	170	4.93	11.2%	35	871	
Disposals	473	0%	30	5.09	16.9%	22	175	
Other	2,195	1%	140	4.90	10.0%	13	696	

<sup>1)</sup> Contractually owed rents from rented apartments divided by rented area

# » The Berlin-Portfolio at a glance



Note: Figures as of 30 June 2014 / based on residential units

## » Berlin's key facts

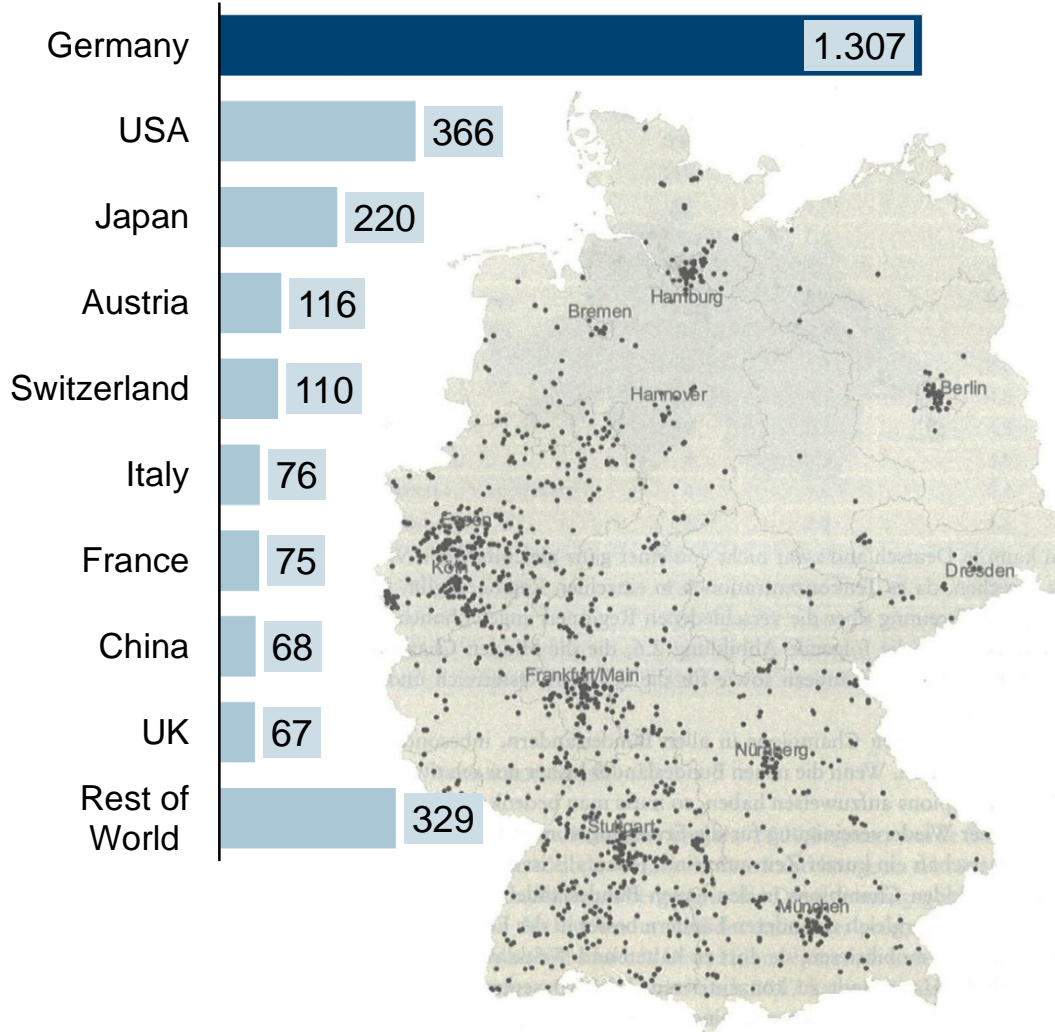


(1) Population		(2) Residential units	
Population Berlin (12/2013) <sup>(1)</sup>	ca. 3.45m	Number of residential units (2012) <sup>(1)</sup>	ca. 1.9m
Population Capital Region Berlin-Brandenburg (12/2013) <sup>(1)</sup>	ca. 4.5m	Number of residential units for letting (2012) <sup>(6)</sup>	ca. 1.6m
		Completed apartments 2013 (2012) <sup>(1)</sup>	6,641 (5,417)
(3) Vacancy and rents		(4) Economic data	
Average vacancy rate (2012) <sup>(5)</sup>	2.3%	Average unemployment rate 2013 (2012) <sup>(2)</sup>	11.7% (12.3%)
Mean monthly net cold rent according to rent table 2013 (2011) <sup>(4)</sup>	€5.54/sqm (€5.21/sqm)	Purchasing power/ household per month 2013 (2012) <sup>(3)</sup>	€2,851 (€2,696)
Monthly median new letting rent analysed by CBRE 2013 (2012) <sup>(3)</sup>	€8.02/sqm/month (€7.50/sqm/month)	Housing cost ratio/ household per month 2013 (2012) <sup>(3)</sup>	26.6% (27.4%)

Source: (1) Statistical Office Berlin-Brandenburg (2) Federal Employment Agency; (3): CBRE /GSW Housing Market Report 2013; (4) Senatsverwaltung für Stadtentwicklung (5) Verband Berlin-Brandenburgischer Wohnungsunternehmen e.V., (BBU), (6) own calculation based on 15% home ownership rate for Berlin

# » Hidden Champions – backbone of German economy

## Number of Hidden Champions



## Hidden Champion =

1. No. 1 on continent and/or Top 3 worldwide in their sector
2. Revenues < 5 bn Euro
3. Mainly family-owned, max 5,000 employees

## Main Reasons:

1. **Historical, scattered regionalism leads to intensive competition**
2. **Strong manufacturing basis**
3. **Power of innovation**
4. **Unit labour costs**
5. **„Made in Germany“**
6. **Dual apprenticeship**
7. **Political stability**

Source: Simon, Herrmann: Hidden Champions (2012); p. 56, 63; Processing CBRE

## » Management board and areas of responsibilities



Michael Zahn

*Chief Executive Officer  
(CEO)*

**Areas of responsibility:**

- Strategy
- Property Management
- Nursing and Assisted Living
- HR
- Communication



Andreas Segal

*Chief Financial Officer  
(CFO)*

**Areas of responsibility:**

- Equity Financing
- Debt Financing
- Treasury
- Investor Relations
- Legal/Compliance



Lars Wittan

*Chief Investment Officer  
(CIO)*

**Areas of responsibility:**

- Accounting/Tax/Controlling
- Asset Management
- Risk Management
- Corporate Planning
- IT/Organisation

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## Deutsche Wohnen AG

Registered Office  
Pfaffenwiese 300  
65929 Frankfurt/ Main

Berlin Office  
Mecklenburgische Straße 57  
14197 Berlin  
Phone: +49 30 897 86 5413  
Fax: +49 30 897 86 5409