



Deutsche Wohnen AG
Annual Financial Statement
and Management Report
for the Financial Year 2009
» Standards for tomorrow





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BALANCE SHEET OF DEUTSCHE WOHNEN AG

Deutsche Wohnen AG, Frankfurt/Main		
Balance sheet as of 31 December 2009		
	12/31/2009	12/31/2008
	EUR	EUR
Assets		
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights, as well as licenses to such rights and values	4,214,150.05	477,873.47
2. Payments on account	273,728.81	3,995,058.71
	4,487,878.86	4,472,932.18
II. Property, plant and equipment		
Other installations, tools and equipment	831,021.79	510,439.98
III. Financial assets		
Shares in affiliated companies	286,337,676.03	286,312,676.03
	291,656,576.68	291,296,048.19
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	59,955.50	0.00
2. Receivables from affiliated companies	341,088,277.93	422,866,922.23
3. Other assets	1,713,741.22	238,495.85
	342,861,974.65	423,105,418.08
II. Cash on hand, bank balances		
	34,414,850.92	161,816.50
	377,276,825.57	423,267,234.58
C. Prepayments and accrued income		
	72,309.70	0.00
	669,005,711.95	714,563,282.77

BALANCE SHEET OF DEUTSCHE WOHNEN AG

Deutsche Wohnen AG, Frankfurt / Main		
Balance sheet as of 31 December 2009		
	12/31/2009	12/31/2008
	EUR	EUR
Liabilities		
A. Equity		
I. Subscribed capital	81,840,000.00	26,400,000.00
II. Capital reserves	463,118,575.95	269,078,575.95
III. Revenue reserves		
Legal reserve	1,022,583.76	1,022,583.76
IV. Balance sheet profit / loss	-45,638,908.35	0.00
	500,342,251.36	296,501,159.71
B. Provisions		
1. Provisions for pensions and similar obligations	58,482.00	22,557.00
2. Other provisions	4,117,331.60	3,008,817.00
	4,175,813.60	3,031,374.00
C. Liabilities		
1. Liabilities to banks	109,693,531.63	331,362,212.44
2. Trade payables	974,556.74	0.00
3. Liabilities to affiliated companies	53,684,860.87	79,876,665.82
4. Other liabilities	134,697.75	3,791,870.80
including tax EUR 126,966.04 (previous year: EUR 34,089.19)		
including social security EUR 7,731.71 (previous year: EUR 0.00)		
	164,487,646.99	415,030,749.06
	669,005,711.95	714,563,282.77

PROFIT AND LOSS STATEMENT

Deutsche Wohnen AG, Frankfurt/Main		
Profit and Loss Statement for 2009		
	2009	2008
	EUR	EUR
1. Revenue	12,436,541.91	11,752,619.69
2. Other operating income	1,195,954.38	1,152,891.53
3. Personnel expenses		
a) Wages and salaries	-5,846,466.04	-4,482,959.42
b) Social security and pension expenses including pensions EUR 82,464.46 (previous year: EUR 196,101.28)	-1,040,152.25	-611,297.22
	-6,886,618.29	-5,094,256.64
4. Depreciation, amortisation and impairment losses on intangible assets of the fixed assets and property, plant and equipment	-1,340,384.30	-104,508.67
5. Other operating expenses	-28,849,743.76	-15,716,252.01
6. Income from shareholdings including from affiliated companies EUR 10,647,301.80 (previous year: EUR 8,602,004.91)	10,647,301.80	8,602,004.91
7. Income from profit and loss transfer agreements	2,029,880.45	616,293.83
8. Other interest and similar income including from affiliated companies EUR 380,543.44 (previous year: EUR 7,594,535.21)	748,755.19	7,733,747.00
9. Expenses for assumption of loss	-11,985,006.66	-68,687,477.54
10. Interest and similar expenses including to affiliated companies EUR 1,200,024.20 (previous year: EUR 82,791.72)	-23,632,260.24	-20,532,219.07
11. Results from ordinary activities	-45,635,579.52	-80,277,156.97
12. Other taxes	-3,328.83	-257.00
13. Net loss for the year	-45,638,908.35	-80,277,413.97
14. Profit carried forward	0.00	433,019.55
15. Withdrawals from capital reserves	0.00	79,844,394.42
16. Balance sheet profit/loss	-45,638,908.35	0.00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS 2009

DEUTSCHE WOHNEN AG, FRANKFURT/MAIN

I. GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS

Deutsche Wohnen AG is a listed corporation whose registered office is in Germany.

The annual financial statements were prepared in accordance with §§ 242 ff. and §§ 264 ff. of the German Commercial Code and the supplementary provisions of the German Stock Corporation Act. The company is a large limited company in terms of § 267 paragraph 3 of the German Commercial Code.

The profit and loss statement has been prepared using the total cost (nature of expense) method. The financial year corresponds to the calendar year.

II. ACCOUNTING POLICIES

The accounting policies were retained fundamentally unchanged compared to the previous year.

Fixed assets

Acquired intangible assets are reported in the balance sheet at cost and are devalued according to their useful life through scheduled depreciation (three to five years; linear method).

The property, plant and equipment are recorded at acquisition or production cost - less scheduled depreciation.

Low-value assets up to a value of EUR 150.00 are fully depreciated in the year of acquisition. Since the beginning of the financial year 2008, low-value assets with a value from EUR 150.00 to EUR 1,000.00 are depreciated over a period of five years.

Shares in affiliated companies are generally recorded at acquisition or production cost or, in the event of permanent impairment, at the lower fair value.

Current assets

Current assets are recorded at acquisition or production cost - less depreciation to the lower fair value as of the reporting date.

Receivables and other assets are valued at nominal value.

The cash on hand and bank balances are recognised with their nominal value.

Prepayments and accrued income

Expenses as of the balance sheet date are reported as prepayments and accrued income, as far as they concern expenditures for a certain time after the reporting date.

Provisions for pensions

All provisions for pensions of the company were determined according to the fiscal partial amount method based on an actuarial expert assessment in accordance with the "Generational Actuarial Tables 2005G" by Professor Dr. Klaus Heubeck. An interest rate of 6% (according to § 6a of the German Income Tax Act) was taken as a basis.

Other provisions

Other provisions are recorded at a level based on reasonable commercial assessment. They take into account all identifiable impending losses from pending transactions and contingent liabilities.

The provisions for partial retirement are based on the biometrics of the actuarial tables 2005G by Professor Dr. Klaus Heubeck. The interest rate amounts to 5.5%.

Liabilities

Liabilities are recognised at the amount repayable.

III. BALANCE SHEET DISCLOSURES

(1) Fixed assets

The organisation and development of the fixed assets can be seen in the attached assets analysis (Appendix 1 to the Note).

The company directly or indirectly holds participations in the following companies according to § 285 No. 11 of the German Commercial Code. Equity and results are based on accounting processes according to German commercial law.

Company and headquarters	Share of capital	Equity	Result	Reporting date
	%	k EUR	k EUR	
Aufbau-Gesellschaft of GEHAG mbH, Berlin	100.00 ¹	1,528.0	589.6	2009
AVUS Immobilien Treuhand GmbH & Co. KG, Berlin	100.00 ¹	426.7	428.6	2008
DB Immobilienfonds 14 Rhein-Pfalz Wohnen GmbH & Co. KG, Eschborn	34.03 ¹	30,739.9	-601.2	2008
Deutsche Wohnen Asset Immobilien GmbH, Frankfurt/Main	100.00 ¹	25.0	1.1	2009
Deutsche Wohnen Beteiligungen Immobilien GmbH, Frankfurt/Main	100.00 ¹	-904.6	0.0	2009
Deutsche Wohnen Real Estate GmbH, Frankfurt/Main	100.00	25.0	7.5	2009
Deutsche Wohnen Direkt Immobilien GmbH, Frankfurt/Main	100.00 ¹	-99,956.0	-397.6	2009
Deutsche Wohnen Kundenbetreuung GmbH, Berlin	100.00 ¹	25.0	0.0	2009
Deutsche Wohnen Management GmbH, Frankfurt/Main	100.00	25.0	0.0	2009
Deutsche Wohnen Management- und Servicegesellschaft mbH, Frankfurt/Main	100.00	25.6	0.0	2009
Deutsche Wohnen Service GmbH, Berlin	100.00	25.0	0.0	2009
Deutsche Wohnen Technik GmbH, Berlin	100.00 ¹	25.0	0.0	2009
Deutsche Wohnen Vertrieb GmbH, Berlin	100.00 ¹	17.7	0.0	2009
Eisenbahn-Siedlungs-Gesellschaft Berlin mit beschränkter Haftung, Berlin	94.90 ¹	10,332.9	9,313.5	2009
ESG Grundwert Beteiligungs GmbH, Berlin	94.90 ¹	14.3	-4.1	2009
Fortimo GmbH, Berlin	100.00 ¹	6,127.2	0.0	2009
GbR Fernheizung Gropiusstadt, Berlin	44.26 ¹	568.6	-87.0	2009
GEHAG Akquisition Co. GmbH, Berlin	100.00 ¹	1,153.9	-155.1	2009
GEHAG Erste Beteiligungs GmbH, Berlin	100.00 ¹	13.6	-3.6	2009
GEHAG Erwerbs GmbH & Co. KG, Berlin	99.99 ¹	20,387.6	-6.4	2009

¹ Indirect shareholding.

Company and headquarters	Share of capital	Equity	Result	Reporting date
	%	k EUR	k EUR	
GEHAG GmbH, Berlin	100.00 ¹	84,919.4	12,543.8	2009
GEHAG Immobilien Management GmbH, Berlin	100.00 ¹	19.2	0.0	2009
GEHAG Zweite Beteiligungs GmbH, Berlin	100.00 ¹	4,262.4	3,768.4	2009
Haus und Heim Wohnungsbau-AG, Berlin	92.45 ¹	2,798.7	1,910.5	2009
HESIONE Vermögensverwaltungsgesellschaft mbH, Frankfurt/Main	100.00 ¹	23.4	0.6	2009
KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH, Berlin	100.00 ¹	1,950.0	0.0	2009
KATHARINENHOF® Service GmbH, Berlin	100.00 ¹	25.0	0.0	2009
Main-Taunus Wohnen GmbH & Co. KG, Eschborn	99.99 ²	9,588.8	5,242.7	2009
Rhein-Main Wohnen GmbH, Frankfurt/Main	100.00 ¹	181,499.3	1,194.3	2009
Rhein-Mosel Wohnen GmbH, Mainz	100.00 ¹	110,996.7	13,080.6	2009
Rhein-Pfalz Wohnen GmbH, Mainz	100.00	31,017.0	0.0	2009
RMW Projekt GmbH, Frankfurt/Main	100.00 ¹	16,230.6	0.0	2009
Sanierungs- und Gewerbebau-AG, Aachen	100.00 ¹	2,193.0	0.0	2009
Sanierungs- und Gewerbebau-AG & Co. KG, Aachen	100.00 ¹	1,405.0	256.7	2009
Seniorenstift Zeuthen GmbH, Berlin	100.00 ¹	25.0	0.0	2009
Stadtentwicklungsgesellschaft Eldenaer Straße mbH i. L., Berlin	50.00 ¹	711.6	60.0	2008
Wohn- und Pflegewelt Lahnblick GmbH, Bad Ems	100.00 ¹	237.2	61.7	2009

¹ Indirect shareholding.

² Direct and indirect shareholding.

³ In addition, the company is indirectly involved in working groups.

(2) Receivables and other assets

The receivables from affiliated companies have a residual term of more than one year amounting to EUR 82.5 million. The remaining receivables and other assets have a residual term of less than one year.

Receivables from affiliated companies principally comprise receivables from cash management agreements, loans, and other performance relationships with subsidiaries within the Deutsche Wohnen Group totalling EUR 341.1 million (previous year: EUR 422.9 million). As in the previous year, other assets mainly comprise claims for tax refunds.

(3) Equity

Subscribed capital

In the financial year 2009 the registered capital was increased by EUR 55.4 million from EUR 26.4 million through the issue of 55.4 million bearer shares.

The registered capital of Deutsche Wohnen AG amounts to EUR 81.8 million and is divided into 81.8 no-par value shares with a notional share of the registered capital of EUR 1.00 per share. As of 31 December 2009, about 99.75% of the shares are bearer shares (81,631,350 shares), while the remaining 0.25% of the shares are registered shares (208,650 shares). The same rights and duties apply to all shares. Each share grants one vote in the General Meeting and is normative for the interest of the shareholders in the profit of the company. The rights and duties of the shareholders are governed by the regulations of the German Stock Corporation Act, especially §§ 12, 53a and the following, 118 and the following, and 186 of said Act.

No restrictions regarding the voting rights or the transfer of the shares are known to the Management Board of Deutsche Wohnen AG.

In capital increases, the new shares are issued as bearer shares.

The Management Board is authorised, with the consent of the Supervisory Board, to increase the registered capital of the company on one or several occasions until 9 August 2011, by up to an aggregate of EUR 3.6 million by issuing up to 3.6 million new ordinary bearer shares against cash or non-cash contributions (authorised capital). The originally authorised capital amounted to EUR 10.0 million.

The registered capital is conditionally increased by up to further EUR 10.0 million through issue of no-par value bearer shares carrying dividend rights from the beginning of the financial year in which they were issued (contingent capital I).

The contingent capital increase serves to grant shares to creditors or holders of bonds with option rights or convertible bonds, or profit participation rights with conversion or subscription rights, which in accordance with the authorisation of the General Meeting on 10 August 2006 will be issued by the company or by a company which is 100% directly or indirectly affiliated with the

company during the period until 9 August 2011, provided that the issue is against cash. The capital increase will only be carried out if rights related to the previously mentioned bonds with option rights or convertible bonds, or to convertible bonds or profit participation rights are exercised or the conversion rights from such debt securities are met, and insofar as own shares are not used for this purpose.

The registered capital is conditionally increased by up to further EUR 2.7 million through issue of 2.7 million no-par value bearer shares carrying dividend rights from the beginning of the financial year in which they were issued (contingent capital II).

The contingent capital increase in capital serves to grant shares to the creditors or holders of bonds with rights or convertible bonds, or profit participation rights with conversion or subscription rights, which in accordance with the authorisation of the General Meeting on 17 June 2008 will be issued by the company or a controlled or majority-owned company of the Group during the period until 16 June 2013, provided that the issue is against cash. The capital increase will only be carried out if rights related to the previously mentioned bonds with option rights or convertible bonds and/or profit participation rights with option or conversion rights are exercised or conversion obligations from such bonds are fulfilled, and insofar as own shares are not used for this purpose.

The registered capital is conditionally increased by up to EUR 100,000 with the issue of up to 100,000 no-par value bearer shares (contingent capital III). The contingent capital increase will be only implemented to the extent as the holders of the subscription rights exercise these rights, which are granted on the authority of the resolution on point 12 of the agenda of the Annual General Meeting on 17 June 2008. The new shares participate in profit sharing from the beginning of the financial year in which they originate through the exercising of the subscription rights.

Shares with special rights that grant controlling authority do not exist.

If employees of Deutsche Wohnen AG should hold an interest in Deutsche Wohnen AG, they will have no controlling authority towards the Management Board.

Capital reserves

The creation of the capital reserves was resolved by the Extraordinary General Meeting in 1999. The increase in capital reserves compared to 2008 is due to the premium from the capital increase of EUR 194.0 million. As of the balance sheet date, the reserve amounts to EUR 463.1 million.

Revenue reserves

A legal reserve is mandatory for corporations. According to § 150 para. (2) of the German Stock Corporation Act, an amount of 5% of the net income for the year is to be retained. The legal reserve has an upper limit of 10% of the registered capital.

In this process, existing capital reserves are to be considered in accordance with § 272 para. (2) no. 1-3 of the German Commercial Code in a manner which reduces the required provision for the

legal reserve correspondingly. This is measured on the basis of the subscribed capital existing is legally effective on the reporting date and which is to be reported in this amount in the respective annual accounts. The legal reserve remains unchanged at EUR 1.0 million.

(4) Other provisions

Other provisions include mainly personnel-related provisions in the amount of EUR 2,499 million and provisions for invoices not yet received amounting to EUR 1,033 million.

(5) Convertible bonds

Convertible bonds were issued as part of the purchase price in the context of the acquisition of GEHAG GmbH, Berlin ("GEHAG transaction"). The nominal value is at EUR 25.0 million. Deutsche Wohnen AG has issued in total 500 convertible bonds with a nominal value of EUR 50,000 each. Their term is three years. Repayment is at 109 % of the nominal value at the end of the term. The initial conversion price is EUR 45.00 per share. For accounting purposes, the convertible bonds are to be split into components of equity and debt capital. The equity component is reported in the capital reserves.

In the financial year 2008, the debt capital component of the convertible bond was transferred to a wholly-owned subsidiary of Deutsche Wohnen AG. Consideration was given in form of a receivables settlement.

(6) Liabilities

For the liabilities to banks of Deutsche Wohnen AG, the subsidiaries are jointly and severally liable in the amount of k EUR 109,694.

	Balance Sheet	Of which residual term of		
		up to one year	one to five years	more than five years
	k EUR	k EUR	k EUR	k EUR
1. Liabilities to banks	109,694	5,000	104,694	0
2. Trade payables	974	974	0	0
3. Liabilities to affiliated companies	53,685	23,685	0	30,000
4. Other liabilities	135	135	0	0
	164,488	29,794	104,694	30,000

IV. NOTES ON THE PROFIT AND LOSS STATEMENT

(7) Other operating income

Other operating income essentially includes income from third-party reimbursements (k EUR 750) and the liquidation of provisions (k EUR 150).

(8) Other operating expenses

Other operating expenses essentially comprise the following:

	2009
	k EUR
Advisory services and audit of capital increase	11,699
EDP expenses	6,577
Administration expenses	2,756
Services received from other Group companies	2,442
Communication/Investor Relations	1,219
Rents	1,014
Advisory services and audit	910
Travel expenses	664
Others	1,569
	28,850

V. CONTINGENT LIABILITIES

As of the reporting date, two corporate guarantees totalling k EUR 1,210 had been issued for two affiliated companies in favour of R+V Versicherungs AG, Wiesbaden.

Deutsche Wohnen AG is liable for a loan of k EUR 15,296 that has not yet been disbursed to an affiliated company as of the balance sheet date. Deutsche Wohnen AG is also liable for guarantees for rent deposits at affiliated companies amounting to k EUR 6,622.

Deutsche Wohnen AG is jointly and severally liable with affiliated companies for liabilities to banks of these affiliated companies in the amount of k EUR 353,093.

A control agreement exists between Deutsche Wohnen AG as controlling company and Rhein-Pfalz Wohnen GmbH as controlled company.

Control agreements and profit and loss transfer agreements exist between Deutsche Wohnen AG (controlling company) and Deutsche Wohnen Corporate Real Estate GmbH, Deutsche Wohnen Management GmbH, Deutsche Wohnen Management- und Servicegesellschaft mbH, and Deutsche Wohnen Service GmbH, each a controlled company.

VI. OTHER FINANCIAL OBLIGATIONS

	up to one year	one to five years	more than five years	Total
	k EUR	k EUR	k EUR	k EUR
Leases and rental agreements	1,217	2,639	0	3,856
Long-term contracts	3,461	8,415	2,515	14,391
Total	4,678	11,054	2,515	18,247

VII. OTHER INFORMATION

Management Board

In the financial year 2009, the Management Board comprised the following members:

Name	Memberships in supervisory boards and other supervisory committees in terms of § 285 No. 10 of the German Commercial Code in connection with § 125 paragraph 1 sentence 5 of the German Stock Corporation Act
Michael Zahn, Economist, Chief Executive Officer	Eisenbahn-Siedlungs-Gesellschaft Berlin mbH, Berlin (Chairman of the Supervisory Board) Sanierungs- und Gewerbebau-AG, Aachen (Chairman of the Supervisory Board) Haus und Heim Wohnungsbau-AG, Berlin (Member of the Supervisory Board)
Helmut Ullrich, Assessor, Chief Financial Officer	Eisenbahn-Siedlungs-Gesellschaft Berlin mbH, Berlin (Member of the Supervisory Board)

The total compensation of the Management Board of Deutsche Wohnen AG comprised the following for the financial year from 1 January to 31 December 2009:

	Fixed compensation	Incidental benefits	Variable compensation	Total compensation
	k EUR	k EUR	k EUR	k EUR
Michael Zahn	300	12	250	562
Helmut Ullrich	300	15	150	465
	600	27	400	1,027

The compensation of the Management Board is performance-related; it consists of success-independent and success-related components as well as of components with long-term incentive and risk character. Success-independent components are the fixed allowance (basic salary) and fringe benefits. The basic salary is paid monthly as a salary.

Fringe benefits consist of company car usage, travel allowances, and reimbursements and subsidies for insurance policies. No benefits were promised to the members of the Management Board in the case of premature or regular termination of their activities. A compensation agreement exists between a member of the Management Board and two shareholders for the case that such shareholders sell their shares wholly or in part.

The Management Board is entitled to an annual bonus and a share-based compensation component as performance-related components that can be formulated on assessment basis over several years. The annual bonus is decided upon by the Supervisory Board in due discretion on the basis of the business development of the company. The amount is determined by the degree to which previously specified targets have been met or exceeded.

In view of the share-based compensation component, the Annual General Meeting 2008 resolved on a Performance Share Program under which members of the Management Board and other executive officers can be granted subscription rights to shares. Subscription rights under the Performance Share Program have so far not been granted, however, and share-based compensation components have yet to be implemented.

Supervisory Board

The Supervisory Board is composed as follows:

Name	Profession	Memberships in supervisory boards and other supervisory committees in terms of § 285 No. 10 of the German Commercial Code in connection with § 125 paragraph 1 sentence 5 of the German Stock Corporation Act
Hermann T. Dambach, Chairman	Managing Director, Oaktree GmbH, Frankfurt/Main	GEHAG GmbH, Berlin (Member of the Supervisory Board) Nordenia International AG, Greven (Deputy Chairman of the Supervisory Board) Sanierungs- und Gewerbebau-AG, Aachen (Member of the Supervisory Board) R&R Ice Cream Ltd., North Yorkshire, Great Britain (Board Member) OCM German Real Estate Holding AG, Hamburg (Deputy Chairman of the Supervisory Board)
Dr. rer. pol. Andreas Kretschmer, Deputy Chairman	General Manager of Ärzteversorgung Westfalen-Lippe Institution of the Ärztekammer Westfalen-Lippe – KöR, Münster	BIOCEUTICALS Arzneimittel AG, Bad Vilbel (Chairman of the Supervisory Board) IVG Institutional Funds GmbH, Wiesbaden (Member of the Supervisory Board) Private Life Biomed AG, Hamburg (Chairman of the Supervisory Board) Biofrontera AG, Leverkusen (Deputy Chairman of the Supervisory Board) TRITON, St. Helier, Jersey (Advisory Committee) GEHAG GmbH, Berlin (Member of the Supervisory Board)
Dr. Jens Bernhardt	Managing Partner, Bernhardt Advisory GmbH, Bad Homburg	GEHAG GmbH, Berlin (Member of the Supervisory Board)
Matthias Hünlein	Managing Director, Tishman Speyer Properties Deutschland GmbH, Frankfurt/Main	A.A.A. Aktiengesellschaft Allgemeine Anlagenverwaltung, Frankfurt/Main (Member of the Supervisory Board)
Dr. Florian Stetter	Managing Director, STRABAG Property and Facility Services GmbH, Frankfurt/Main	GEHAG GmbH, Berlin (Member of the Supervisory Board)
Uwe E. Flach	Senior Advisor, Oaktree GmbH, Frankfurt/Main	Nordenia International AG, Greven (Chairman of the Supervisory Board) STADA Arzneimittel AG, Bad Vilbel (Member of the Supervisory Board until 09/24/2009) Haus und Heim Wohnungsbau-AG, Berlin (Chairman of the Supervisory Board) GEHAG GmbH, Berlin (Chairman of the Supervisory Board) OCM German Real Estate Holding AG, Hamburg (Chairman of the Supervisory Board) Versatel AG, Düsseldorf (Member of the Supervisory Board since 02/11/2009)

The Supervisory Board compensation was amended in the Annual General Meeting on 17 June 2008. Accordingly, each Member of the Supervisory Board receives a fixed compensation of EUR 20,000.00, the Chairman of the Supervisory Board double that amount, and a Deputy Chairman one and a half times the amount of compensation. The compensation granted to the Supervisory Board in the financial year amounts to EUR k 150, i.e. EUR k 174 incl. value added tax. Furthermore, expenses in the amount of EUR k 32 were reimbursed to the members of the Supervisory Board.

In the financial year, no advances, loans, or guarantees were granted to members of the Management or the Supervisory Board.

Shareholdings with duty of disclosure (§ 160 of the German Stock Corporation Act)

The Akelius University Foundation, Nassau, Bahamas, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 01/07/2009, that its share of voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 12/08/2008, and on that day amounted to 3.83% (which corresponds to 1,010,561 voting rights). 3.83% of the voting rights (which corresponds to 1,010,564 voting rights) are to be assigned to the company from Akelius Apartments Ltd in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act.

Akelius Apartments Ltd, Nicosia, Cyprus, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 01/23/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the voting rights on 01/21/2009, and on that day amounted to 5.09% (which corresponds to 1,344,265 voting rights).

The Akelius University Foundation, Nassau, Bahamas, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 01/23/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the voting rights on 01/21/2009, and on that day amounted to 5.09% (which corresponds to 1,344,265 voting rights). 5.09% of the voting rights (which corresponds to 1,344,265 voting rights) are to be assigned to the company from Akelius Apartments Ltd in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act.

The Akelius University Foundation, Nassau, Bahamas, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 05/19/2009, that its share of the voting rights in Deutsche Wohnen AG, Berlin, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the voting rights on 05/18/2009, and on that day amounted to 4.87% (which corresponds to 1,285,509 voting rights). 4.87% of the voting rights (which corresponds to 1,285,509 voting rights) are to be assigned to the company from Akelius Apartments Ltd in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act.

Akelius Apartment Ltd, Nicosia, Cyprus, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 05/19/2009, that its share of the voting rights in Deutsche Wohnen AG, Berlin, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the vot-

ing rights on 05/18/2009, and on that day amounted to 4.87% (which corresponds to 1,285,509 voting rights).

The Akelius University Foundation, Nassau, Bahamas, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 06/09/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 06/05/2009, and on that day amounted to 2.62% (which corresponds to 692,162 voting rights). 2.62% of the voting rights (which corresponds to 692,162 voting rights) are to be assigned to the company from Akelius Apartments Ltd in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act.

Akelius Apartments Ltd, Nicosia, Cyprus, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 06/09/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 06/05/2009, and on that day amounted to 2.62% (which corresponds to 692,162 voting rights).

The Goldman Sachs Group, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.78% (which corresponds to 997,757 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK),
- » Goldman Sachs (UK) L.L.C.

Goldman Sachs (UK) L.L.C., Wilmington, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK).

Goldman Sachs Group Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK).

Goldman Sachs Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International.

Goldman Sachs International, London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights).

The Goldman Sachs Group, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.50% (which corresponds to 131,952 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK),
- » Goldman Sachs (UK) L.L.C.

Goldman Sachs (UK) L.L.C., Wilmington, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK).

Goldman Sachs Group Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK).

Goldman Sachs Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International.

Goldman Sachs International, London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights).

Adjustment of the voting notifications from 10/02/2009

The Goldman Sachs Group, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.78% (which corresponds to 997,757 voting rights). Of these, 3.78% of the voting rights (which corresponds to 997,757 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK),
- » Goldman Sachs (UK) L.L.C.

Goldman Sachs (UK) L.L.C., Wilmington, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK).

Goldman Sachs Group Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK).

Goldman Sachs Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights). Of these, 3.76% of the voting rights (which corresponds to 992,657 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act. Voting rights from the following subsidiaries, whose share of the voting rights in Deutsche Wohnen AG is 3% or more, are assigned to it:

- » Goldman Sachs International.

Goldman Sachs International, London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 09/30/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 09/24/2009, and on that day amounted to 3.76% (which corresponds to 992,657 voting rights).

Correction of the voting notifications from 10/06/2009

The Goldman Sachs Group, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.50% (which corresponds to 131,952 voting rights). 0.50% of the voting rights (which corresponds to 131,952 voting rights) are to be assigned to it in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act; of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) from the following subsidiaries:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK),
- » Goldman Sachs (UK) L.L.C.

Goldman Sachs (UK) L.L.C., Wilmington, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK),
- » Goldman Sachs Group Holdings (UK).

Goldman Sachs Group Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International,
- » Goldman Sachs Holdings (UK).

Goldman Sachs Holdings (UK), London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights). Of these, 0.34% of the voting rights (which corresponds to 89,146 voting rights) are to be assigned to it from the following subsidiaries in accordance with § 22 paragraph 1, sentence 1, no. 1 of the Securities Trading Act:

- » Goldman Sachs International.

Goldman Sachs International, London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/01/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the threshold of 3% of the voting rights on 09/25/2009, and on that day amounted to 0.34% (which corresponds to 89,146 voting rights).

DZ Bank AG, Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main, Germany, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act (WpHG) on 10/07/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, and 50% of the voting rights on 10/07/2009, and on that day amounted to 67.74% (which corresponds to 55,440,000 voting rights).

DZ Bank AG, Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main, Germany, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act (WpHG) on 10/09/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C fell below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, and 50% of the voting rights on 10/09/2009, and on that day amounted to 0.00% (which corresponds to 0 voting rights).

Cohen & Steers, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/14/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 10/05/2009, and on that day amounted to 3.03% (which corresponds to 799,377 voting rights). 3.03% of the voting rights (which corresponds to 799,377 voting rights) are

to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act in connection with § 22 paragraph 1, sentence 2 of the Securities Trading Act.

Cohen & Steers, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/14/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 10/09/2009, and on that day amounted to 2.26% (which corresponds to 1,851,434 voting rights due to the capital increase). 2.26% of the voting rights (which corresponds to 1,851,434 voting rights) are to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act in connection with § 22 paragraph 1, sentence 2 of the Securities Trading Act.

Deutsche Bank AG, London, Great Britain, notified us in accordance with § 21 paragraph 1, 24 of the Securities Trading Act on 10/19/2009, that its share of the voting rights of DWS Investment GmbH, Frankfurt/Main, Germany, in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 10/14/2009, and on that day amounted to 3.70% (which corresponds to 3,031,619 voting rights).

Cohen & Steers, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/20/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 10/19/2009, and on that day amounted to 3.12% (which corresponds to 2,551,892 voting rights). 3.12% of the voting rights (which corresponds to 2,551,892 voting rights) are to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act in connection with § 22 paragraph 1, sentence 2 of the Securities Trading Act.

Cohen & Steers Capital Management, Inc., New York, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 11/02/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 3% of the voting rights on 11/02/2009, and on that day amounted to 3.02% (which corresponds to 2,468,742 voting rights). 3.02% of the voting rights (which corresponds to 2,468,742 voting rights) are to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act.

Sun Life Financial Inc., Toronto, Canada, Sun Life Global Investments Inc., Toronto, Canada, Sun Life Assurance Company of Canada - U.S. Operations Holdings Inc., Wellesly Hills, USA, Sun Life Financial (U.S.) Holdings, Inc., Welleseley Hills, USA, Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA, and Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 10/12/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the voting rights on 12/09/2009, and on that day amounted to 5.03% (which corresponds to 4,118,361 voting rights). 5.03% of the voting rights (which corresponds to 4,118,361 voting rights) are to be assigned to the companies in accordance

with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act in connection with § 1 paragraph 1, sentence 2 of the Securities Trading Act. respectively.

Massachusetts Financial Services Company (MFS), Boston, USA, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 12/10/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 5% of the voting rights on 12/09/2009, and on that day amounted to 5.03% (which corresponds to 4,118,361 voting rights). 5.03% of the voting rights (which corresponds to 4,118,361 voting rights) are to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act.

ASSET VALUE INVESTORS LIMITED, London, Great Britain, notified us in accordance with § 21 paragraph 1 of the Securities Trading Act on 01/05/2009, that its share of the voting rights in Deutsche Wohnen AG, Frankfurt/Main, Germany, ISIN: DE000A0HN5C6, WKN: A0HN5C exceeded the threshold of 10% of the voting rights on 12/30/2009, and on that day amounted to 9.99% (which corresponds to 8,178,290 voting rights). 9.99% of the voting rights (which corresponds to 8,178,290 voting rights) are to be assigned to the company in accordance with § 22 paragraph 1, sentence 1, no. 6 of the Securities Trading Act.

Auditor's fee

The fees for the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft recorded as expense in the reporting year amounted to:

	2009
	k EUR
Final audit 2009	221
Other confirmation services within the context of the capital increase	1,291
Tax consultancy services	9
Other services	955
	2,476

The other confirmation services within the context of the capital increase include insurance fees of k EUR 531. Other services include mainly the prospectus-related review of the introduction of SAP.

Employees

The average number of employees in the reporting year was 83 (previous year: 55).

Transactions with related persons

A consultancy agreement exists between Oaktree GmbH and Deutsche Wohnen AG. The agreement can be cancelled with a notice period of one month to the end of the month. Compensation is dependent upon the services performed and is limited to k EUR 300 p.a. plus value added tax. Any travel expenses are reimbursed separately. In 2009, k EUR 0 (previous year: k EUR 0) were billed for services rendered.

Consolidated financial statements

The Company is the Group parent and prepares consolidated financial statements which are published in the electronic Federal Bulletin.

Corporate governance

The Management Board and the Supervisory Board have issued the declaration of conformity with the German Corporate Governance Code required in accordance with § 161 of the German Corporations Act, which has been made permanently available to shareholders online (www.deutsche-wohnen.com).

Frankfurt/Main, 3 March 2010

Deutsche Wohnen AG



Michael Zahn
Chief Executive Officer



Helmut Ullrich
Chief Financial Officer

FIXED ASSETS

APPENDIX 1

Development of the fixed assets 2009					
A. Fixed assets					
		Costs of acquisition and production			
	01/01/2009	Additions	Disposals	Transfers	12/31/2009
	EUR	EUR	EUR	EUR	EUR
I. Intangible assets					
1. Concessions, industrial property rights and similar rights as well as licenses to such rights and values	518,488.39	874,478.64	0.00	3,995,058.71	5,388,025.74
2. Payments on account	3,995,058.71	273,728.81	0.00	-3,995,058.71	273,728.81
	4,513,547.10	1,148,207.45	0.00	0.00	5,661,754.55
II. Property, plant and equipment					
Other installations, tools and equipment	574,333.73	527,706.28	1.01	0.00	1,102,039.00
III. Financial assets					
Shares in affiliated companies	286,312,676.03	25,000.00	0.00	0.00	286,337,676.03
	291,400,556.86	1,700,913.73	1.01	0.00	293,101,469.58

FIXED ASSETS

APPENDIX 1

Development of the fixed assets 2009							
A. Fixed assets							
Accumulated depreciation, amortisation and impairment losses					Book values		
	01/01/2009	Additions	Disposals	12/31/2009	12/31/2009	12/31/2008	
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets							
1. Concessions, industrial property rights and similar rights as well as licenses to such rights and values	40,614.92	1,133,260.77	0.00	1,173,875.69	4,214,150.05	477,873.47	
2. Payments on account	0.00	0.00	0.00	0.00	273,728.81	3,995,058.71	
	40,614.92	1,133,260.77	0.00	1,173,875.69	4,487,878.86	4,472,932.18	
II. Property, plant and equipment							
Other installations, tools and equipment	63,893.75	207,123.53	0.07	271,017.21	831,021.79	510,439.98	
III. Financial assets							
Shares in affiliated companies	0.00	0.00	0.00	0.00	286,337,676.03	286,312,676.03	
	104,508.67	1,340,384.30	0.07	1,444,892.90	291,656,576.68	291,296,048.19	

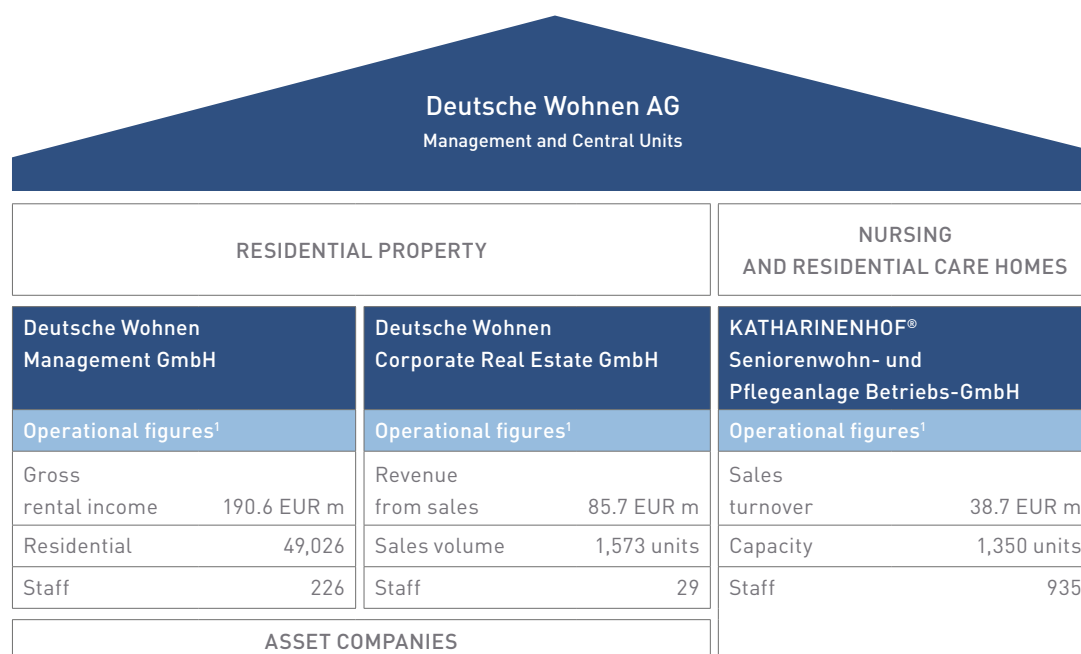
MANAGEMENT REPORT

1 BUSINESS AND GENERAL CONDITIONS

1.1 ORGANISATION AND CORPORATE STRUCTURE

Deutsche Wohnen AG and its subsidiaries (hereinafter referred to as "Deutsche Wohnen" or "Group") is currently the second largest listed German residential property corporation, measured by market capitalisation and its property portfolio of 49,496 units, of which 49,026 are housing units. Within the business strategy, our focus is on attractive residential property in the economically significant core regions Berlin and Frankfurt/Rhine-Main.

With the finalisation of the restructuring measures, we were able to achieve a clear separation between management and asset companies, along with cost savings. The management companies can be clearly assigned to the respective segments, as the graphic below shows. Deutsche Wohnen AG is assigned all classic functions of a holding company with the areas communication, legal, personnel, financing/accounting/controlling. In addition, the processes and IT of Deutsche Wohnen and the GEHAG Group have been standardised. This allows for the transparent and efficient management of our business processes - from accounting and management of master data to rent management and the cooperation with our system providers.



¹ as of 12/31/2009

Deutsche Wohnen Management GmbH

Deutsche Wohnen Management GmbH is responsible for the development and management of the property portfolio, the core business of Deutsche Wohnen. The company combines all activities in the context of the management and administration of residential property, the management of rental agreements, and the care of the tenants. The strategic goal of Deutsche Wohnen in this business segment is the preservation and optimisation of the rental revenues. Through the gradual development of our holdings, we can utilise existing rent increase potential and reduce the vacancy rate. We moreover ensure efficient management of residential property in cooperation with qualified system providers. With the introduction of a quality management specially designed for the facility management, we are able to check the specifically defined performance standards and ensure the value of our core portfolio.

Deutsche Wohnen Corporate Real Estate GmbH

Deutsche Wohnen Corporate Real Estate GmbH combines the responsibilities for disposals and acquisitions, as well as the portfolio management. The housing units, which Deutsche Wohnen has up for sale, are divided into single privatisation, which is geared primarily towards occupants desirous of becoming owners, and bloc sales to institutional investors. All sales activities are aimed specifically at the optimisation and concentration of the core portfolio and take place on a continuous yet successive basis. We plan to acquire additional holdings in the core regions Berlin and Frankfurt/Rhine-Main in the context of our portfolio strategy. Another focus of future acquisitions is on the development of new sites and is being pursued by the Deutsche Wohnen Management Board in close cooperation with the portfolio management. The portfolio management forms the basis for the strategic orientation of the property portfolio with detailed market and holding analyses.

KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH

The segment nursing and residential care homes is covered by the label KATHARINENHOF®. The business philosophy is aimed at activating and supporting those in need of care in the context of in-patient care while maintaining a maximum of independence. In addition, Deutsche Wohnen offers senior citizens residential care homes with an additional offer of extensive services appropriate for the elderly.

1.2 LEGAL CORPORATE STRUCTURE

Registered Capital and Shares

The registered capital of Deutsche Wohnen AG amounts to EUR 81.84 million and is divided into 81.84 no-par value shares with a notional share of the registered capital of EUR 1.00 per share. As of 31 December 2009, about 99.75 % of the shares are bearer shares (81,631,350 shares), while the remaining 0.25 % of the shares are registered shares (208,650 shares). The same rights and duties apply to all shares. Each share grants one vote in the General Meeting and is normative for the interest of the shareholders in the profit of the company. The rights and duties of the shareholders is governed by the regulations of the German Stock Corporation Act, especially by §§ 12, 53a and the following, 118 and the following, and 186 of said Act.

Restructuring results in cost savings
and clear organisational separation of
management and asset companies

No restrictions regarding the voting rights or the transfer of shares are known to the Management Board of Deutsche Wohnen AG.

In capital increases, the new shares are issued as bearer shares.

The Management Board is authorised, with the consent of the Supervisory Board, to increase the registered capital of the company on one or several occasions in the period until 9 August 2011, by up to an aggregate of EUR 3.6 million by issuing up to 3.6 million new ordinary bearer shares against cash or non-cash contributions (authorised capital). The originally authorised capital amounted to EUR 10.0 million.

The registered capital is conditionally increased by up to further EUR 10.0 million through issue of no-par value bearer shares carrying dividend rights from the beginning of the financial year in which they were issued (contingent capital I).

The contingent capital increase serves to grant of shares to the holders or creditors of options or convertible bonds and of profit participation rights with conversion or option rights. These can be issued by the company or by a company which is 100% directly or indirectly affiliated with the company during the period until 9 August 2011, in accordance with the authorisation of the General Meeting on 10 August 2006, provided that the issue is against cash. The contingent capital increase will only be carried out if rights related to the previously mentioned bonds with option rights or convertible bonds, or to convertible bonds or profit participation rights are exercised, or if the conversion rights from such debt securities are met and insofar as own shares are not used for this purpose.

The registered capital is conditionally increased by up to further EUR 2.7 million through issue of 2.7 million no-par value bearer shares carrying dividend rights from the beginning of the financial year in which they were issued (contingent capital II).

The contingent capital increase serves to grant of shares to the holders or creditors of options or convertible bonds and of profit participation rights with conversion or option rights. These can be issued by the company or by a company which is controlled or majority-owned by the company during the period until 16 June 2013, in accordance with the authorisation of the General Meeting on 17 June 2008, provided that the issue is against cash. The contingent capital increase will only be carried out if rights related to the previously mentioned bonds with option rights or convertible bonds or profit participation rights with option or conversion rights are exercised or conversion obligations from such bonds are fulfilled, and insofar as own shares are not used for this purpose.

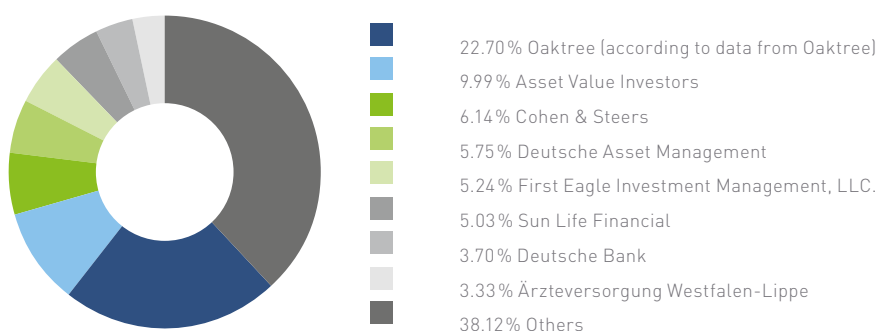
The registered capital is conditionally increased by up to EUR 100,000 with the issue of up to 100,000 no-par value bearer shares (contingent capital III). The contingent capital increase will only be implemented to the extent as the holders of the subscription rights exercise these rights, which are granted on the authority of the resolution on point 12 of the agenda of the Annual General Meeting on 17 June 2008. The new shares participate in profit sharing from the beginning of the financial year in which they originate through the exercising of the subscription rights.

Stocks with special rights that grant controlling authority do not exist.

If employees of Deutsche Wohnen AG should hold an interest in Deutsche Wohnen AG, they will have no controlling authority towards the Management Board.

Major interests

The following graph shows our shareholder structure as of 31 December 2009 (based on WpHG):



Appointment and removal of the members of the Management Board and changes to the articles of incorporation

Members of the Management Board are appointed and dismissed according to § 84 and § 85 of the German Stock Corporation Act. The Supervisory Board appoints members of the Management Board for a maximum period of five years. It is allowed to re-instate an appointee or to prolong the term of office, however, only for a maximum period of five years. The articles of incorporation of Deutsche Wohnen AG add a supplement in this regard in § 5, namely that the Management Board consists of at least two members, but that otherwise the Supervisory Board determines the number of members of the Management Board. The Supervisory Board can appoint deputy members of the Management Board and also nominate a member of the Management Board as Chief Executive Officer or as Speaker of the Management Board.

The General Meeting resolves on changes in the articles of incorporation, according to § 119 para. 1 item 5 of the German Stock Corporation Act. Changes to the articles of incorporation that concern only the wording can be made by the Supervisory Board as per § 11 para. 5 of the articles of incorporation. According to § 11 para. 3 of the articles of incorporation, resolutions of the Annual General Meeting are taken with a simple majority of votes and, in so far as a capital majority is required, by a simple capital majority, except where the law or the articles of incorporation determine otherwise. According to § 4 para. 4 of the articles of incorporation, changes to the articles of incorporation, which result in the immediate conversion of bearer shares into reg-

istered shares, or which can result in this conversion after a previous request by the shareholders in accordance with § 24 of the German Stock Corporation Act, require a resolution by the General Meeting with a majority of 95.0% of the registered capital represented. § 4 para. 4 expired on 1 January 2010.

2 CORPORATE STRATEGY AND GROUP MANAGEMENT

Competitive strengths and corporate strategy


The size and quality of our property portfolio, the concentration on core and growth regions, and the quality of the management and staff ensure a good market position for us. This results on the one hand in a sustained increase in value from the existing property portfolios. On the other hand, we want to increase our holdings through selective acquisitions.

Some of the competitive advantages of Deutsche Wohnen AG are:

- » an attractive property portfolio with strong rental income in two fast-growing core regions in Germany: Berlin and Frankfurt/Rhine-Main,
- » competence, experience, and market knowledge of the management teams and staff,
- » access to the various potential sellers of residential property and new property portfolios,
- » integration competence and scalability of the company platform,
- » realisation of increases in rental income through strategic asset and portfolio management.

A comprehensive restructuring phase followed the acquisition of the GEHAG Group, in the context of which we created a competitive and scalable platform. In addition, we were able to substantially reduce the debt position of the Group.

The focus of the next step will be on growth and increase in value. Deutsche Wohnen sees itself as an active manager of residential units ranging from the middle to the upper price segments, situated at economically attractive locations with above-average rent development potential of the current gross rent. Our business strategy aims to make use of this potential, and thus increase the value of the company. For example, we raise the rent in the context of adjustments to the rent index, new leases at market rents, or through modernisation measures in the core portfolio. The implementation of this strategy is strongly determined by the core portfolio structure (location, condition, share of price-free holdings, year of construction, etc.) and the resulting guiding principles.



Growth and increase in value are
the focus of the company strategy

In this context, we count on:

- » the focus on the residential property management of our own holdings in growth regions in Germany
- » realisation of the rent developmental potential of the current gross rent and vacancy rate reduction in the core portfolio
- » growth through targeted acquisitions
- » single privatisation and core portfolio adjustment geared towards value
- » optimisation of the financing structure specifically by reducing financial liabilities

In addition, we continuously review our process and cost structures in order to increase profitability.

Group Management

It is the top company objective of Deutsche Wohnen to optimise the shareholder value and generate a strong cash flow. The central planning and controlling systems of the company are constructed and aligned accordingly.

Group management takes place taking the respective special characteristics of our segments into account. In the residential property management segment, the key performance indicators for management are the development of the rent per m² and of the vacancy rate, differentiated according to core portfolios and/or regions. This also includes the size and result of the new leases and the development of the expenses related to leasing such as maintenance, marketing and operating costs, and rental shortfall. All parameters are evaluated weekly and/or monthly and compared with detailed budget estimates. This allows the development of measures and/or strategies that increase rental income potentials within controlled expenditure development and thus result in a constant improvement of the operative results. This established system makes it possible to identify property portfolios with less development potential for disposals, but also to determine short-term potentials for the company from core portfolio acquisitions.

In the disposals segment, we regulate the number of units to be sold via the average sales prices per square meter and the margin as difference between book value and average sales price. In this process, the determined values are matched with the target figures.

Within the framework of regular reporting, the portfolio management reports to the Management Board on the development of the essential parameters in comparison with the targeted figure, according to locations and/or subsidiaries.

The other operative expenditures such as personnel and administration expenses and the non-operative magnitudes such as financial expenses and taxes are also part of the central planning and controlling system together with the monthly report to the Management Board. Here, the current development is drawn up to be compared with the targeted figures, as well.

The financial expenditures have considerable significance, because they have fundamental influence on the Group results as well as on the cash flow development. The control of the financial expenses is the responsibility of the treasury division within the holding. It is directly responsible to the Management Board. An active and up-to-date management of the loan liabilities, together with permanent market monitoring, makes a constant optimisation of the financial earnings possible. The cash is planned in a rolling 18-month cycle and arranged and controlled on a daily basis.

In the segment nursing and residential care homes, we generate internal growth primarily through increases in rent and reductions in vacancy levels and/or new leases (in the residences/residential care business) and through increases in accommodation and treatment charges and in occupancy (in the area of in-patient care facilities). Rents and care payments in all KATHARINENHOF® facilities range in the upper third of the respective regional market average. Reporting to the Management Board also takes place monthly.

In order to measure the cash flow obtained through the operative business activity and to align it with the plan, we use the adjusted profit before tax (EBT) and the funds from operations (FFO) as parameters. In this process, the Group's EBIT presents the initial value for determining the FFO, which is increased or reduced by financial expenses/returns that do not affect liquidity, and tax expenses/returns.

By means of the monthly reporting, the Management Board and the speciality departments can evaluate the economic development of the Group and compare it to the values of the previous month and the previous year and the targeted figures in a timely manner. Furthermore, the expected development is thus determined on the basis of a projected forecast. Opportunities, but also negative developments, can thus be identified in the short term and measures for the utilisation and/or preventative steps can be deduced.

Sustainability

Against the backdrop of a lasting business policy, Deutsche Wohnen is involved on various levels, e.g. in social projects in the estates, in the cultural area for the Bruno Taut heritage, and with ecological measures in the holdings.

In the context of our involvement, we promote social initiatives and projects in our holdings. With our support, the German aid organisation **Malteser Hilfsdienst**, for example, opened a neighbourhood centre in Berlin's Gropiusstadt. For the day-care centre "Kiddies Daycare", we restored a former commercial property in the housing estate Waldsiedlung in a comprehensive manner appropriate for children. With these measures, we want to contribute to making the living environment more attractive for our tenants.

EBT and FFO as central
key performance indicators



We maintain our cultural roots with the traditional GEHAG Forum. Since 1988, 140 artists have already presented their works here. In addition, as owner of three of the UNESCO world heritage estates, we advocate their preservation and modernisation according to standards for the protection and preservation of historic monuments.

Last but not least, we also make an ecological contribution with the energetic rehabilitation of our holdings. In the sense of the long-term value increase of our core portfolio, we check on an ongoing basis which ecological measures can be implemented under the aspects of environmental protection and economic viability.

We continued our efforts to further increase the energy efficiency in the holdings also in 2009. For example, several inefficient heating systems were replaced by modern combined heat and power district heating connections. Through this, we make a sustainable contribution to the protection of the environment. The Federal High Court of Justice also confirms our efforts in a decree. In it, projects that lead to primary energy savings are recognised as modernisation measures. Based on these positive experiences, we will continue our commitment also in the coming years.

3 FUNDAMENTAL LEGAL AND ECONOMIC INDICATORS

3.1 ECONOMIC PARAMETERS AND CONDITIONS

World Economy

In the last months of 2008 and in the beginning of 2009, the world economy faced one of the worst crises of the postwar era. However, through extensive support measures of the central banks and governments worldwide, the foundation for a recovery was laid. In 2009, the global economic output is estimated to have decreased by 0.8%.¹

In spite of the improved expectations, the economic recovery of the global economy will probably only develop slight momentum in 2010. Positive impulses should continue to emerge through the global economic stimulus programmes and the strong development of emerging countries. The IFW assumes global growth of 3.6% for 2010 and of 3.9% for 2011.

Development in Germany

In Germany, the worldwide decline in demand led to a decline in exports and equipment investments at the beginning of 2009. In spite of a slight economic improvement in the second half of the year, the aggregate production dropped by 4.8% in the yearly average. However, the expansive fiscal and monetary measures, together with elements stabilising the labour market, were able to prevent an even greater slump. The stability of the labour market was above all due to the increased use of short-time work and the greater flexibility in the collective agreement provisions compared to earlier cycles.²

¹ World Economic Outlook of the IFW, 26 January 2010

² Council of Experts, Annual Expert Report 2009/2010

Lack of momentum of the world economy in 2010

3.2 GERMAN HOUSING MARKET

Demographic Change and Housing Demand

The Federal Institute for Research on Building, Urban Affairs and Spatial Development estimates the number of persons living in Germany to just under 80.8 million in 2025. The 11th coordinated population estimate of the Federal Office for Statistics assumes that this number will decrease to about 68.7 million persons by 2050. In this process, a regional differentiation between areas with growing and shrinking populations can be observed. Above-average population growth is concentrated above all in Bavaria and Baden-Württemberg, in regions along the Rhine river and in the Northwest of Germany, as well as in the surrounding areas of the metropolises Hamburg and Berlin.

The development of the households is instrumental for the demand for housing units. In 2005, there were 39.7 million households in Germany. For 2025, an increase to 41.6 million is predicted in this area. This growth is essentially due to the increasing number of single and two-person households, while less and less people live in multi-person households.³ In the course of the demographic development, the regionalisation of the housing markets will further increase. For example, Berlin and its direct surrounding areas still report growth.

Of the 39.6 million housing units available in Germany in 2006, 3.1 million were vacant. The structure of the vacancy rate shows clear regional differences. For example, the vacancy rate in the structurally weak areas is considerably higher than in the large metropolitan areas. The magnitude of the new construction activity has currently reached its limits of what is required to balance the lease decreases and the demographic development. The demand for new construction is estimated today at 3.4 million housing units by the year 2020.

The maintenance and modernisation of existing housing units as well as their adapting to modern housing needs, the adjustment of the real property in a manner appropriate for senior citizens, as well as the requirements for saving energy and protecting the climate continue to be the focus of the housing construction activities. Currently, investments into existing structures make up already nearly 75.0% of the investments in housing construction and will also be the focal point of construction activity in the future.

Rent Development

In the period from 2000 to 2009, the net cold rents rose nationwide on average by 11.0% and thus less strongly than the general rate of price increase of 16.0%. In 2008, the average net cold rent amounted to EUR 6.07 per m² on average.⁴

The rents deviate locally from the federal average. Analyses of low-priced rents show a different picture of the regional development of new and renewed leases. For example, the low-priced rents in growing regions of Western part of Germany dropped especially from 2003 to 2005. Strong business locations in the new Länder, on the other hand, reported slight increases in rents.

³ Federal Office for Architecture and Regional Development, Regional Development Forecast 2025.

⁴ GdW, Housing Data and Trends 2009/2010.

Growth in the housing market in Berlin
and surroundings

Formation of Residential Property

The residential property rate was at 43.2% in 2008 (random income and consumption samples). It further increased slightly in the last years; in 1993, it was still at 39.0%. The trend towards residential property is thus continuing in Germany. Since the reunification, a strong process to catch up has taken place above all in the former East Germany. The residential property rate also increases with the age of the main earner. It is becoming apparent in this process that the formation of residential property is strongly increasing in the age group between 30 and 40.

4 NOTES ON THE ASSET, FINANCIAL AND EARNINGS POSITION

4.1 EARNINGS POSITION

	2009	2008	Changes	Changes
	EUR m	EUR m	EUR m	relative
Revenue	12.4	11.8	0.6	5%
Other operating income	1.2	1.2	0.0	0%
Personnel expenses	-6.9	-5.1	-1.8	35%
Other operating expenses	-28.9	-15.7	-13.2	84%
Depreciation, amortisation and impairment losses	-1.3	-0.1	-1.2	1,200%
Operational figures/results	-23.5	-7.9	-15.6	197%
Net interest	-22.9	-12.8	-10.1	79%
Income from shareholdings	0.8	-59.5	60.3	-101%
Annual profits	-45.6	-80.2	34.6	-43%

The revenue includes the business management fee of the companies affiliated with Deutsche Wohnen AG.

In 2008, a large proportion of the employees of Deutsche Wohnen AG did not join the company until March 2008, therefore personnel expenses have risen in 2009 compared to 2008. In 2009, Deutsche Wohnen AG employed on average 83 employees (previous year: 55).

The increase in other operating expenses is essentially due to the expenses for the capital increase (EUR 11.7 million).

The interest includes interest expenses amounting to EUR 23.6 million (previous year: EUR 20.5 million) and interest income amounting to EUR 0.7 million (previous year: EUR 7.7 million). The increase of the interest is essentially due to a prepayment penalty paid (EUR 6.2 million) and a decline in interest income from affiliated companies by EUR 7.2 million.

The income from shareholdings consists of expenses from the profit transfer of subsidiaries from profit and loss transfer agreements and/or control agreements amounting to EUR 11,9 million

(previous year: EUR 68,7 million) and income from shareholdings and from profit and loss transfers amounting to EUR 12.7 million (previous year: EUR 9.2 million).

4.2 FINANCIAL POSITION

	12/31/2009		12/31/2008		Changes
	EUR m	%	EUR m	%	EUR m
Fixed assets	291.7	43.6	291.3	40.8	0.4
Current assets	377.3	56.4	423.3	59.2	-46.0
Total assets	669.0	100.0	714.6	100.0	-45.6
Equity	500.3	74.8	296.5	41.5	203.8
Provisions	4.2	0.6	3.0	0.4	1.2
Liabilities	164.5	24.6	415.1	58.1	-250.6
	669.0	100.0	714.6	100.0	-45.6

The fixed assets of Deutsche Wohnen AG in the amount of EUR 291.7 million (previous year: EUR 291.3 million) essentially consist of shares in affiliated companies in the amount of EUR 286.3 million.

The entire current assets amounted to EUR 377.3 million (previous year: EUR 423.3 million) and consisted to a large part of receivables from affiliated companies in the amount of EUR 341.1 million (previous year: EUR 422.9 million).

In the financial year 2009, Deutsche Wohnen AG was always in a position to meet its financial obligations.

The registered capital amounts to EUR 81.8 million (previous year: EUR 26.4 million). The increase is due to the capital increase, during which 55.4 million new bearer shares were issued, i.e. issue proceeds of EUR 249.4 million resulted. The equity ratio amounts to 75% (previous year: 41%).

The total liabilities of Deutsche Wohnen AG amounted to EUR 164.5 million (previous year: EUR 415.1 million). The decline is essentially due to unscheduled repayments of liabilities to banks. As of 31 December 2009, these amounted to EUR 109.7 million (previous year: EUR 331.4 million).

The debt ratio of Deutsche Wohnen AG as of the balance sheet date (ratio of debt capital to total assets) amounts to 25% (previous year: 59%).

We forego the presentation of a cash flow statement based on the limited informative value due to the Group-wide cash management and the impact of profit and loss transfer agreements and control agreements.

5 SUPPLEMENTARY REPORT

Significant occurrences after the deadline are not known to us.

6 RISK AND OPPORTUNITIES REPORT

6.1 RISK MANAGEMENT

Deutsche Wohnen AG is continuously engaged in the identification of opportunities, through which the further development and the growth of the Group can be secured. In order to be able to utilise such opportunities, it is necessary to also take risks. The knowledge of all essential risks, the assessment and ongoing monitoring of such risks are essential in this process in order to manage the risks professionally. For this reason, Deutsche Wohnen implemented a central risk management system with the goal to identify, measure, control, and monitor every part of the Group regarding essential risks. A central component of this system is detailed reporting, which on the basis of relevant operational figures and key financial figures establishes a reference to the identified risk fields and is subject to continuous monitoring and further development. Special attention is thereby placed on the indices for the development of the rental and the residential privatisations, on the cash flow, the liquidity and the balance structure indices.

Through an intensive communication within the management of the Group, all decision makers always have up-to-date information of all relevant developments in the company. Deviating developments or emerging risks that could be potentially dangerous to the holdings, are uncovered at an early stage and corresponding counter measures are initiated.

Information originating from risk management is documented on a quarterly basis and made available to all decision makers. The Supervisory Board receives extensive information on all relevant questions and developments for each of its meetings. In addition, the internal risk management handbook is updated once every year.

The risk management system is part of the internal control system with regard to the accounting process.

The essential characteristics of the internal control system at Deutsche Wohnen and the risk management system with regard to the (Group) accounting process can be described as follows:

- » Deutsche Wohnen is characterised by clear organisational, corporate, control, and monitoring structures.
- » Group-wide harmonised planning, reporting, controlling, and early-warning systems and processes exist for the integrated analysis and control of risk factors relevant to profit and of risks potentially dangerous to the holdings.
- » The functions in all areas of the accounting process (for example financial accounting, controlling) are explicitly assigned.
- » The EDP systems used in accounting are protected against unauthorised access.
- » We use predominantly standard software in the area of the implemented financial systems.
- » Appropriate internal guidelines (among others consisting of a risk management guideline which applies Group-wide) have been set up, which are adapted as required.
- » The departments involved in the accounting process fulfil the quantitative and qualitative requirements.
- » Both completeness and correctness of accounting data are regularly reviewed on the basis of random samples and plausibilities both through manual inspections and through the software in use.
- » Essential processes relevant to accounting are subject to regular analytical reviews. The existing company-wide risk management system is continuously adjusted to current developments and constantly reviewed regarding its efficiency.
- » We consistently use the principle of dual control for all processes relevant to accounting.
- » The Supervisory Board is, among other things, involved in essential questions of accounting, risk management, and the audit assignment and its key aspects.

The internal control and risk management systems ensure with regard to the accounting process, the essential characteristics of which were described above, that corporate data is reported, processed, and acknowledged correctly in terms of the balance-sheet and thus carried over into external accounting.

The clear organisational, corporate, control, and monitoring structures as well as the adequate equipment of accounting regarding personnel and material are the foundation for the efficient work of the departments involved in the accounting process. Clear legal and internal regulations and guidelines provide for a unified and proper accounting process.

The internal control and risk management systems of Deutsche Wohnen ensure that accounting at Deutsche Wohnen AG as well as in all companies included in the Group's consolidated financial statements takes place uniformly and in line with the judicial and legal regulations as well as the internal guidelines.

6.2 RISK REPORT

Risks from the financial crisis

In the financial year 2009, especially the risks which emerged due to the financial crisis were recorded in the context of risk management and appropriate measures initiated. From a financial crisis such as this, Deutsche Wohnen will have to face risks on both corporate level and on individual company core portfolio level.

On Group level, especially the following risks can arise:

Financing risks: Banks could be no longer in a position or have the will to extend expiring credit facilities. It cannot be excluded that refinancing will be more expensive and that future contractual negotiations will take much more time. There is no refinancing volume (maturing loans with their availability date on 12/31/2009) at Deutsche Wohnen AG in the next two financial years. The loans (EUR 109.7 million) have a term until 2014. The credit agreements of the Deutsche Wohnen Group include financial covenants, which could lead to extraordinary terminations by banks due to non-compliance. At Deutsche Wohnen, these are key financial figures that refer to the capacity to meet capital service [Debt Service Cover Ratio (DSCR)/Interest Service Cover Ratio (ISCR)] as well as to the debt-to-equity ratio depending on the rental income (multiplier). From the current point of view, we will be able to comply with these figures.

Shortfalls in rental payments: In the current economic situation, it cannot be ruled out that increasingly jobs will be cut. This may result in the loss of regular income of tenants and consequent failure to pay rents at all or when due. Management has added the tag of medium probability to the manifestation of this specific risk. Seen in advance, this risk can be met by initiating an immediate contact with the tenants as well as an early recognition system concerning lurking financial problems. Tenants could then be offered smaller and more affordable residential units from the diversified portfolio of Deutsche Wohnen.

Downward trend in acquisitions: Both individual privatisations and bloc sales face the risk that the investments of potential buyers could be placed on hold, which would seriously hamper the sales strategy of Deutsche Wohnen.

Strategic Risks

Risk based on trend ignorance: When market developments or trends are not recognised, risks may result that threaten the very existence of the company. In order to decrease these risks, all segments are sensitised on a regular basis to carefully observe developments in their sectors and to bring changes to the attention of the risk management in a timely manner. They then launch further measures.

Legal and Corporate Risks

Legal risks that could lead to losses for the company, occur through non-compliance of legal regulations, failure to implement new or changed laws, lack of comprehensive provisions in signed contracts, or lacking management by the insurance companies.

Building decrees to stop construction work and even inadequate building permits can also have a negative effect because both may lead to unexpected costs and a delay in building construction work. Disposing of contaminates and the implementation of changed legal bases could cause an aftermath of increased expenditures.

Corporate risks: Furthermore, risks may occur due to realised or future business combinations. In order to take action against these risks, the Management Board in certain events orders thorough analyses to gain a comprehensive overview and to receive proper recommendations on how to deal with the identified risks. In addition, the Management Board invites advice from the internal Corporate Law division, as well as from external attorneys from well-known law firms, even before specific negotiations start. The Management Board is aware that strategic external growth is not to be pursued under all circumstances.

IT Risks

On 1 January 2009, Deutsche Wohnen AG introduced SAP as new Group-wide IT application after nearly one year of preparations and tests.

In principle, there is a risk of a total breakdown of the application, which could lead to considerable interruptions to the ordinary course of business of the company. For this reason, Deutsche Wohnen entered into contract with its IT service provider for functional business processes, maintenance processes, and administration processes as well as effective monitoring mechanisms in order to anticipate and to prevent such a risk which could imply loss of data.

Human Resource Risks

A decisive factor for the business success of Deutsche Wohnen AG are the employees with their knowledge and special skills. The risk always remains, however, that Deutsche Wohnen could fail to retain the best-qualified and most suitable employees. We try to address this by securing a motivating working environment and by offering financial and non-financial incentives. We consider Deutsche Wohnen to be one of the most attractive employers in its branch.

Market risks

Market risks in the rental market could emerge if the economic climate in Germany continues its downward trend, which could cause the market gross rental incomes to stagnate or to drop. In addition, it may come to the point in a stagnating or shrinking economy that unemployment increases, which restricts the financial options of the tenants. Moreover, a decline in the available net income of people, be it because of unemployment, tax increases or adaptations, or utility expense increases, means the business development of Deutsche Wohnen will be influenced negatively by a decrease in new rentals, lower new leases, and an increasing vacancy rate.

Property Risks

Property risks may emerge for individual property, the core portfolio, and the location of the property.

On the level of the individual property, property risks have to do especially with maintenance neglect, damages to buildings, insufficient fire protection, or damage to/wear and tear of property by the tenants. Furthermore, risks may occur due to contaminated sites including burdens

of war, soil condition, and pollutant in the building material as well as possible violations of building requirements. On the core portfolio level, risks from a concentration in the structure of the holdings occur, which include e.g. increased maintenance and rehabilitation expenses and the aggravated non-rentability of housing units.

Financial Risks

In the case of a variety of shareholdings and a complex shareholder structure, increased transparency and enhanced control are necessary to prevent negative effects on the business development of the Group. Additionally, there is an increased dependence on commercial and fiscal parameters. Inadequate planning and controlling, as well as insufficient control over equity earnings could cause a decline in revenue.

The fundamental change of fiscal parameters (deduction limitations, EK02) can lead to financial risks.

Part of the financial risks for Deutsche Wohnen can also be a delayed cash flow in revenue and lending, as well as incidentals that lead to liquidity problems. Moreover, fluctuations in the appraising of property (IAS 40) through the negative development of the residential property market and in derivatives can lead to annual corrections affecting net income.

In the case of a comprehensive tender of fund interests by the limited partners of DB 14, Deutsche Wohnen would be burdened with an additional liquidity requirement in the amount of EUR 49.0 million. This liquidity would have to be provided through financing or additional disposals. In the past, the limited partners tendered between 2.0% and 6.0% of the entire interests per year. These risks are being met through continuous monitoring and liquidity planning.

The essential risks relating to the financial instruments consist of liquidity risks, and default risks. Management prepares and monitors guidelines for the risk management of each of these risks. Default risks, or the risk that a contractual partner does not meet his payment obligations, are controlled by using borrowing limits and control procedures. There is no significant default risk for Deutsche Wohnen in relation to any individual contractual partner or a group of similar contractual partners. Deutsche Wohnen daily monitors the risk of a liquidity squeeze by employing a liquidity planning tool. Deutsche Wohnen aims to have sufficient liquidity to meet future obligations at all times. There are currently no risks of interest rate changes at the level of Deutsche Wohnen AG.

Investment Risks

The selection and planning of large-scale restoration measures may lead to an incorrect allocation of investment resources. It is also possible that the purchase of additional units does not live up to the return expectations. This could have a negative influence on the business development of the Group. Moreover, incomplete declarations in Due Diligence reports and analyses as well as non-transparent allocation decisions and the non-observance of allocation directives (for example by claiming public subsidies with repayment consequence) can result in risks.

Further risk factors that are directly related to investments by the Group are those where the planned costs are exceeded, where deadlines are not observed, or facility standards are undercut. This can create additional expenditure for the company. Delayed commissioning, rental shortfall (in some case reduced rent), or insufficient defect tracking can also lead to an increase in expenditure. To minimise these risks, Deutsche Wohnen uses external and internal specialists as well as continuous project controlling.

6.3 OPPORTUNITIES FOR FUTURE DEVELOPMENT

Deutsche Wohnen consolidated its position as the second largest German property company listed on the stock market and provided proof of its integration capacity with the take-over of GEHAG. This process led to a gain in experience for employees and management, which can be used to add value to future integrations. Thus Deutsche Wohnen is now set up as a consolidating platform in order to use the market opportunities on offer and to actively contribute to the consolidation of the market.

In the current core portfolio, the main locations Berlin and Frankfurt/Main continue to provide good growth prospects. Compared to other large urban areas, they are in the leading group. A good blend of the core portfolio regarding the residential unit sizes and micro locations within the metropolitan areas and an intensive tenant care service offer the opportunity to generate constant returns from the core portfolio even in a difficult economic environment.

The usage of the IT platform SAP in many ways opened up opportunities for the future: on the one hand, SAP allows an even stricter supervision of all operational figures. Defective development and setbacks can be identified/recognised more quickly and counter measures initialised. On the other hand, work flow routines can become even more efficient, and should lead to further cost savings. Furthermore, SAP offers the possibility to quickly integrate properties that are new additions to the core portfolio - be they acquisitions or mergers - and to manage them efficiently.

7 EMPLOYEES AND ORGANISATION

The business success of Deutsche Wohnen AG and its subsidiaries is greatly influenced by our employees. Only with their motivation, commitment, and expertise is it possible to successfully implement the company strategy and to promote the planned growth of the company.

In addition to the Management Board, the management holding Deutsche Wohnen AG has staff members employed in the central divisions personnel, legal, financing/controlling/accounting, communication, investor relations, and marketing. There are 70 staff members employed in these non-operative divisions.

8 CORPORATE GOVERNANCE

We have published the information according to § 289a of the German Commercial Code on our homepage (www.deutsche-wohnen.com).

9 REPORT ON COMPENSATION

The Supervisory Board determines the total compensation and the compensation structure for members of the Management Board and regularly reviews its appropriateness. In the context of the decision-making process of the Supervisory Board, the General Committee is responsible for the negotiation and content of the service contracts of the members of the Management Board. The compensation of the members of the Management Board is determined by the size, the industry, and the orientation of the company, its economical and financial position, the duties of the respective members of the Management Board, as well as the amount and structure of similar packages of similar companies. The compensation is allocated in such a way that it is competitive both internationally and nationally in order to offer an incentive for committed and successful work.

The compensation of the Management Board is performance-related; it consists of success-independent and success-related components as well as of components with long-term stimulus effect and risk character. Success-independent components are the fixed allowance (basic salary) and fringe benefits. The basic salary is paid monthly as a salary. Fringe benefits consist primarily of company car usage and subsidies for insurance policies.

The Management Board is entitled to an annual bonus and a share-based compensation component as performance-related components that can be formulated on assessment basis over several years.

The annual bonus is decided upon by the Supervisory Board in its reasonable discretion on the basis of the business development of the company. The amount is determined by the degree to which previously specified targets have been met or exceeded.

In view of the share-based compensation component, the Annual General Meeting in 2008 passed a resolution setting up the Performance Share Program under which members of the Management Board and other executive officers can be granted subscription rights to shares. Subscription rights under the Performance Share Program have so far not been granted, however, and share-based compensation components have yet to be implemented.

No benefits were promised to the members of the Management Board in the case of premature or regular termination of their activities. A compensation agreement exists between a member of the Management Board and two shareholders for the case that such shareholders sell their shares wholly or in part.

The following expenses which are due in the short-term were incurred for the compensation of the Management Board:

2009	Fixed compensation	Incidental benefits	Variable compensation	Total
	k EUR	k EUR	k EUR	k EUR
Michael Zahn	300	12	250	562
Helmut Ullrich	300	15	150	465
	600	27	400	1,027

There are no provisions for pensions accruals for active members or members who have left the Management Board or Supervisory Board of Deutsche Wohnen AG. No loans were made to members of the Management Board of Deutsche Wohnen AG in the financial year 2009.

10 FORECAST REPORT

Future Orientation of the Company and the Business Activity

We significantly increased our competitiveness with the successful and speedy integration of Deutsche Wohnen and GEHAG and placed the profitability of the company on a solid foundation. Our managed assets developed very well overall so that further value corrections are not necessary from our current point of view. The debt relief policy initiated in 2008 was accelerated through the income from the capital increase. Today, the debt position is within the margin targeted by us. Loans of overall EUR 900.0 million were renegotiated; the balance-sheet optimisation is thus mostly finalised.

It is now imperative to stabilise the positive developments and to scale the business model. This means on the one hand to systematically utilise the available growth potentials, and on the other hand to generate lasting, external growth in the core regions.

In this respect, there are two goals on which to focus in 2010:

- » We want to continue to improve operationally, leave the years of losses behind, and reinforce the dividend capacity.
- » We want to grow and thus permanently establish ourselves among the large listed companies in Germany.

We have made the following assumptions for the 2010 and 2011 forecasts:

In the 2009 Annual Expert Report of the Council of Experts, an increase of the gross domestic product of 1.6% is expected for 2010⁹, other forecasts mention a margin of 1.2% to 1.9%. For 2011, growth rates of 1.2% to 2.0% are published. On this basis, we expect a further consolidation of the economy. In this context, the interest level will also rise again.

At the level of Deutsche Wohnen AG, we are planning improved earnings before interest and depreciation and amortisation expenses and special items for the next two years.

Frankfurt/Main, 3 March 2010

Deutsche Wohnen AG



Michael Zahn
Chief Executive Officer



Helmut Ullrich
Chief Financial Officer

⁹ Council of Experts, Annual Expert Report 2009/2010.

AUDITOR'S OPINION

We have audited the annual financial statements, consisting of the balance sheet, the profit and loss statement, and the notes, including accounting and the Group management report of Deutsche Wohnen AG, Frankfurt/Main for the financial year from 1 January to 31 December 2009. The bookkeeping and the preparation of the annual financial statements and the Group management report in accordance with the regulations according to German commercial law are the responsibility of the legal representatives of the company. Our task is to evaluate the annual financial statements including accounting and the Group management report based on the audit performed by us.

We have carried out our audit of the annual financial statements in accordance with § 317 of the German Commercial Code, taking into account the established German principles for proper and orderly reporting relating to audits of financial statements of the Institute of German Auditors (Institut der Wirtschaftsprüfer, IDW). Accordingly, the audit is to be planned and realised in such a way that inaccuracies and violations which essentially affect the presentation of the assets, financial and earnings position as stated by the annual financial statements with respect to the generally accepted accounting principles and by the Group management report can be recognised with sufficient reliability. When determining the audit procedures, the knowledge of the business activity and of the economic and legal environment of the Group, as well as the expectations regarding possible errors are taken into account. In the context of the audit, the effectiveness of the internal control system regarding the accounting process, and verification of the data in accounting, the annual financial statements and the Group management report are evaluated mainly on the basis of samples.

The audit includes the assessment of the accounting principles applied and the essential estimations of the legal representatives as well as the evaluation of the overall presentation of the an-

nual financial statements and the Group management report. We are of the view that our audit constitutes a sufficiently firm basis for our assessment.

Our audit has not resulted in any objections.

According to our assessment - based on the knowledge obtained during the audit -, the annual financial statements take into account the statutory regulations and convey a true and fair view of the asset, financial and earnings position of the Group, which corresponds to the actual circumstances, taking into account the principles of proper and orderly bookkeeping. The Group management report is in line with the annual financial statements, gives overall an accurate description of the position of the Group, and accurately presents the opportunities and risks of the future development.

Berlin, 5 March 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Völker
Auditor



Glöckner
Auditor

ASSURANCE OF THE LEGAL REPRESENTATIVES

"We assure to the best of our knowledge that in accordance with the applicable financial accounting principles the annual financial statements convey a true and fair view of the revenue, financial and asset position of the company, which corresponds with the actual circumstances, and that in the financial report the business performance including the financial result and the position of the company is portrayed in such a manner that the significant opportunities and risks of the company's likely development are depicted."

Frankfurt/Main, 3 March 2010

Deutsche Wohnen AG



Michael Zahn
Chief Executive Officer



Helmut Ullrich
Chief Financial Officer

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