Deutsche Wohnen AG

Frankfurt/Main, Germany

ISIN DE0006283302

WKN 628330

ISIN DE000A0HN5C6

WKN A0HN5C

Invitation to the Annual General Meeting 2012

The shareholders of our company are hereby invited to attend on
Wednesday, 6 June 2012
at 10.30 a.m. (CEST)
in the

Japan Center, Taunustor Conference Center, Taunustor 2,
60311 Frankfurt/Main, Germany

the

Annual General Meeting 2012.

I. Agenda

1. Presentation of the annual financial statement and the consolidated financial statement approved by the Supervisory Board on 31 December 2011, the Management Reports for the company and the Group including the report of the Supervisory Board for the financial year 2011 as well as the explanatory report of the Management Board to the information specified in accordance with sections 289 paragraphs 4 and 5, section 315 Paragraph 4 of the German Commercial Code as of 31 December 2011.

The Supervisory Board has approved the annual financial statement and consolidated financial statement produced by the Management Board, the annual financial statement is thereby adopted. A resolution of the Annual General Meeting on this first agenda item is therefore not planned and not necessary. The above-mentioned documents are on the contrary only to be made available to the Annual General Meeting and to be clarified by the Management Board or - in the event of a report from the Supervisory Board - the Chairman of the Supervisory Board. The shareholders have the opportunity to pose questions relating to the documents in accordance with their information rights.

2. Resolution on the utilisation of net profits of Deutsche Wohnen AG for the financial year 2011

The Management Board and Supervisory Board propose using the net profits indicated in the approved annual financial statement of 31 December 2011 amounting to EUR 23,529,000.00 as follows:

Distribution to the shareholders:

Distribution of a dividend of EUR 0.23 per registered or bearer share, to 102,300,000 registered and bearer share that amounts to	EUR	23,529,000.00
Net profit	EUR	23,529,000.00

3. Resolution on the ratification of the Management Board for the financial year 2011

The Management Board and Supervisory Board propose that the serving members of the Management Board in 2011 be granted a discharge for this financial year.

4. Resolution on the ratification of the Supervisory Board for the financial year 2011

The Management Board and Supervisory Board propose that the serving members of the Supervisory Board in 2011 be granted a discharge for this financial year.

5. The appointment of the auditors and the Group auditors as well as the auditors for any audit review of the half-year financial report for the financial year 2012

The Supervisory Board proposes the following resolution, on the recommendation of its Audit Committee:

The Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, is appointed auditor and Group auditor, as well as auditor of any audit review of the interim financial report for the financial year 2012.

6. Appointments to the Supervisory Board

Pursuant to sections 95 and 96, paragraph 1, and 101 paragraph 1 of the German Stock Corporation Act (AktG) and section 6 paragraph 1 clause 1 of the company's articles of association, the Supervisory Board is made up of six members which are to be elected by the shareholders. The Annual General Meeting is not bound by nominations.

Hermann T. Dambach has resigned as a member of the Supervisory Board of Deutsche Wohnen AG with effect from midnight on 30 June 2011 in accordance with section 6 paragraph 3 of the articles of association. At the request of the Management Report at the District Court of Frankfurt/Main, Dr. h.c. Wolfgang Clement, Bonn, was appointed to the Supervisory Board with immediate effect from 6 July 2011 in accordance with sections 104 paragraph 1, paragraph 2, clauses 2 and 3 of the German Stock Corporation Act (AktG), whose term shall terminate at the end of the Annual General Meeting for the financial year 2011 at the latest.

Consequently, a member of the Supervisory Board is to be elected.

In accordance with Items 5.4.3. of the German Corporate Governance Code, the elections to the Supervisory Board are to be carried out by way of an individual vote.

Against this background, the Supervisory Board proposes the following resolution:

The following person will be appointed to the Supervisory Board of Deutsche Wohnen AG for a term until completion of the Annual General Meeting, where the decision regarding the discharge for the fourth financial year since the beginning of the term is made, exclusive of the financial year in which the term begins:

Dr. h.c. Wolfgang Clement

Bonn
Retired Federal Minister of Economics, publicist and company consultant

Mandate:
Daldrup & Söhne Aktiengesellschaft, Grünwald (Deputy Chairman of the Supervisory Board)
DIS Deutscher Industrie Service Aktiengesellschaft, Dusseldorf (member of the Supervisory Board)
Dussmann Stiftung & Co. KGaA, Berlin (Chairman of the Supervisory Board)
Karl-Spiehs-Stiftung, Vienna (member of the Management Board)
Landau Media Monitoring AG & Co. KG, Berlin (member of the Supervisory Board)
Peter Dussmann-Stiftung, Berlin (Deputy Chairman of the Board of Trustees)
RWE Power Aktiengesellschaft, Essen (member of the Supervisory Board)

7. Creation of a authorised capital 2012 with the possibility of excluding the subscription rights and abolition of the existing authorised share capital and an amendment to section 4 of the articles of association

The authorisation granted to increase the share capital by up to EUR 40,920,000 by 30 May 2016 (authorised capital 2011) granted by the Annual General Meeting on 31 May 2011 was partially utilised to the amount of 20,460,000 as part of the cash capital increase carried out in November 2011. The articles of association therefore now contain an authorised capital in section 4 a, which entitles the Management Board, under agreement of the Supervisory Board, to increase the share capital of the company once or multiple times by up to EUR 20,460,000 through the issue of 20,460,000 new ordinary bearer shares in exchange for cash or non-cash contributions. In order that the company is also sufficiently flexible to extensively strengthen its own funds, if required, in the coming years, the existing authorised capital 2011 should be revoked, and a new authorised capital (authorised capital 2012) should be adopted and the articles of association amended accordingly.

The Management Board and Supervisory Board therefore propose the following resolution:

a) **With the consent of the Supervisory Board, the Management Board will be authorised to increase the share capital on one or more occasions up to 5 June 2017 by up to EUR 51,150,000.00 by issuing up to 51,150,000 new ordinary bearer shares in exchange for cash or non-cash contributions (authorised capital 2012).**

The shareholders must always be granted subscription rights. The shares can also be taken over by one or more banks with the obligation to offer these to shareholders of the company for subscription (known as "indirect subscription rights"), in accordance with section 186 paragraph 5 of the German Stock Corporation Act (AktG). However, the Management Board is entitled to exclude shareholders' subscription rights with the agreement of the Supervisory Board for one or more capital increases as part of the authorised capital increase,

(i) in order to exclude fractional amounts from subscription rights;

(ii) insofar as it is required, to grant holders of conversion or option rights, or creditors with conversion obligations on convertible bonds, which have been or are to be issued by the company or a wholly-owned direct or indirect subsidiary, a subscription right to new no-par value bearer shares in the company and to the extent that it would entitle them to exercise the option or conversion rights, or after fulfilling conversion obligations as a shareholder.

(iii) in the case of capital increases against cash investments, if the issue price of new shares is not, within the meaning of sections 203 paragraphs 1 and 2, 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG), substantially below the market price of shares already listed with the same class and features at the time of the final determination of the issue price and the pro rata amount of the share capital attributable to the new shares issued with the exclusion of subscription rights does not exceed a total of 10% of the share capital, neither at the date of entry nor at the time of its exercise. This figure should include shares that have been issued during the term of this authorisation up to the time of their utilisation for the operation of option or conversion rights, or convertible bonds with option or conversion rights, provided these bonds were issued in analogous application of section 186 paragraph 3 clause 3 of the German Stock Corporation Act (AktG) with exclusion of subscription rights. The limit of 10% of the share capital should further include the own shares of the company which were issued

during the term of the authorised capital under exclusion of subscription rights to shareholders in accordance with section 71 paragraph 1 no. 8 clause 5 sub-clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG);

(iv) to the extent necessary to be able to issue shares to persons in an employment relationship with the company and/or its associated companies;

(v) to issue shares against contributions in kind - but not limited to this - for the purpose of (also indirectly) acquiring companies, parts of companies, investments in companies or other assets intended for acquisition (especially property portfolios or shares in property companies) or for the operation of conversion and option bonds, as well as participation rights with conversion or option rights, or a combination of these instruments which are issued against contributions in kind.

The authorisations to exclude subscription rights in the event of capital increase in exchange for cash and/or non-cash contributions contained in the previous paragraphs are limited to a total amount that does not exceed 20% of the share capital and this neither at the effective date of this authorisation nor at the time of exercise. The aforementioned 20% limit should also include own shares that are sold during the term of this authorisation with exclusion of subscription rights, as well as all shares issued for the servicing of bonds (including participation rights) with conversion or option rights and/or conversion obligations (or a combination of these instruments), if it is the case that the bonds or participation rights were issued pursuant to the authorisation under agenda item 8 of the Annual General Meeting of 6 June 2012 or the authorisation under agenda item 9 of the Annual General Meeting of 31 May 2011 (until its revocation) with exclusion of subscription rights to the shareholders.

The Management Board is further authorised, with the agreement of the Supervisory Board, to determine the other content of the shares and the terms for the issue of shares.

b) For the authorised capital 2012, section 4 a of the articles of association will be restated as follows:

"Section 4 a

(1) With the consent of the Supervisory Board, the Management Board is authorised to increase the share capital on one or more occasions up to 5 June 2017 by up to EUR 51,150,000.00 by issuing

up to 51,150,000 new ordinary bearer shares in exchange for cash or non-cash contributions (authorised capital 2012).

(2) The shareholders must always be granted subscription rights. The shares can also be taken over by one or more banks with the obligation to offer these to shareholders of the company for subscription (known as "indirect subscription rights"), in accordance with section 186 paragraph 5 of the German Stock Corporation Act (AktG). However, the Management Board is entitled to exclude shareholders' subscription rights with the agreement of the Supervisory Board for one or more capital increases as part of the authorised capital increase,

(i) in order to exclude fractional amounts from subscription rights;

(ii) insofar as it is required, to grant holders of conversion or option rights, or creditors with conversion obligations on convertible bonds, which have been or are to be issued by the company or a wholly-owned direct or indirect subsidiary, a subscription right to new no-par value bearer shares in the company and to the extent that it would entitle them to exercise the option or conversion rights, or after fulfilling conversion obligations as a shareholder;

(iii) in the case of issue of shares against cash investments, if the issue price of new shares is not, within the meaning of sections 203 paragraphs 1 and 2, 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG), substantially below the market price of shares already listed with the same class and features at the time of the final determination of the issue price and the pro rata amount of the share capital attributable to the new shares issued with the exclusion of subscription rights does not exceed a total of 10% of the share capital, neither at the date of entry nor at the time of its exercise. This figure should include shares that have been issued during the term of this authorisation up to the time of their utilisation for the operation of option or conversion rights, or convertible bonds with option or conversion rights, provided these bonds were issued in analogous application of section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG) with exclusion of subscription rights. The limit of 10% of the share capital should further include the own shares of the company which were issued during the term of the authorised capital under exclusion of subscription rights to shareholders in accordance with section 71 paragraph 1 no. 8 clause 5 sub-clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG);

(iv) to the extent necessary to be able to issue shares to persons in an employment relationship with the company and/or its associated companies;

(v) to issue shares against contributions in kind - but not limited to this - for the purpose of (also indirectly) acquiring companies, parts of companies, investments in companies or other assets intended for acquisition (especially property portfolios or shares in property companies) or for the operation of conversion and option bonds, as well as participation rights with conversion or option rights, or a combination of these instruments which are issued against contributions in kind.

(3) The authorisations to exclude subscription rights in the event of capital increase in exchange for cash and/or non-cash contributions contained in the previous paragraphs are limited to a total amount that does not exceed 20% of the share capital and this neither at the effective date of this authorisation nor at the time of exercise. The aforementioned 20% limit should also include own shares that are sold during the term of this authorisation with exclusion of subscription rights, as well as all shares issued for the operation of bonds (including participation rights) with conversion or option rights and/or conversion obligations (e.g. a combination of these instruments), if it is the case that the bonds or participation rights were issued pursuant to the authorisation under agenda item 8 of the Annual General Meeting of 6 June 2012 and agenda item 9 of the Annual General Meeting of 31 May 2011 (until its revocation) with exclusion of subscription rights to the shareholders.

(4) The Management Board is further authorised, with the agreement of the Supervisory Board, to determine the other content of the shares and the terms for the issue of shares."

c) The currently existing authorisation to increase share capital in accordance with section 4 a of the articles of association, that was created on 31 May 2011 and is limited until 30 May 2016, will be revoked as of the effective date of the new authorised capital 2012.

d) The Management Board is instructed to file the adopted revocation under section c) of the authorised capital under section 4 a of the articles of association and the approved new authorised capital under sections a) and b), provided these are entered in the commercial register, this however only if the new authorised capital 2012 is entered immediately after.

The Management Board is authorised, subject to the preceding paragraph, to enter the authorised capital 2012 in the commercial register, independently of the other resolutions of the Annual General Meeting.

8. Granting a new authorisation to issue convertible bonds and/or option bonds and/or dividend rights with conversion or option rights (or a combination of these instruments) with the possibility of excluding the subscription rights, the creation of a contingent capital 2012, revocation of existing authorisations to issue convertible bonds and bonds with warrants, revocation of the contingent capital 2011 (section 4 b of the articles of association) and corresponding amendment to the articles of association

The Annual General Meeting on 31 May 2011 authorised the Management Board, with the consent of the Supervisory Board, to issue, on one or more occasions, option or convertible bonds as well as profit participation rights with option and conversion rights by 30 May 2016, with a total nominal value of up to EUR 500,000,000 with or without a term restriction. A contingent capital 2011 amounting to EUR 20,460,000 was created for the servicing of conversion and option rights (section 4 b paragraph 1 of the articles of association) effective until the invitation to the Annual General Meeting is published.

The existing authorisation and existing contingent capital 2011 are to be revoked and replaced by a new authorisation and a new contingent capital (contingent capital 2012).

The Management Board and Supervisory Board therefore propose the following resolution:

a) Authorisation to issue convertible bonds and/or option bonds and/or dividend rights with conversion or option rights (or a combination of these instruments)

aa) Nominal value, authorisation period, number of shares

The Management Board is authorised, with the consent of the Supervisory Board, up until 5 June 2017 to issue in ordinary bearer shares and/or convertible and/or option bonds and/or dividend rights with option or conversion rights (or a combination of these instruments) in the nominal value of up to EUR 500,000,000 with or without a time limit (hereinafter referred to jointly as "bonds") and to grant the creditors of bonds conversion or option rights to shares in the company representing a proportionate amount of the share capital of up to EUR 25,575,000, subject to the conditions of the respective options or convertible bonds and participation rights conditions (hereinafter both referred to as simply, "conditions"). The respective conditions may also provide mandatory conversions at the end of the term or at other times, including the obligation to exercise the conversion/option right. Bonds can also be issued in exchange for contributions in kind.

The bonds can, aside from Euro – but limited to the appropriate Euro value – be issued in the legal currency of an OECD country. The bonds may be issued by companies controlled or majority-owned by the company, in which case the Management Board is authorised to assume the guarantee for the bond for the company and to grant the holders of such bonds conversion or option rights to shares in the company. In the event such bonds are issued, these can or will by way of a rule be subdivided into equivalent bonds (partial debentures).

bb) Granting and exclusion of subscription rights

The shareholders must always be granted subscription rights for bonds. The bonds can also be taken over by one or more banks with the obligation to offer these to shareholders for subscription (known as "indirect subscription rights"), in accordance with section 186 paragraph 5 of the German Stock Corporation Act (AktG). The Board is, however, authorised to exclude the subscription rights of shareholders, with the consent of the Supervisory Board,

(i) in order to exclude fractional amounts from subscription rights;

(ii) insofar as it is required, to grant holders of conversion or option rights, or creditors with conversion obligations on convertible bonds, which have been or are to be issued by the

company or a wholly-owned direct or indirect subsidiary, a subscription right to the extent that it would entitle them to exercise the option or conversion rights, or after fulfilling conversion obligations as a shareholder.

(iii) insofar as they are issued in exchange for cash and the issue price is not significantly below the theoretical value of the bonds according to recognised mathematical valuation methods within the meaning of sections 221 paragraph 4 clause 2, 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG). The authorisation to exclude subscription rights is however only valid for bonds with rights to shares, to which no more than 10% of the share capital is attributable either at the time of this authorisation taking effect or at the time of this authorisation being exercised. The sale of own shares must be taken into account when calculating the limit, provided that such a sale takes place during the term of this authorisation under the exclusion of subscription rights in accordance with section 71 paragraph 1 no. 8 clause 5 sub-clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG). Further to be taken into account when calculating this limit are those shares that are issued from the authorised capital under exclusion of subscription rights during the term of this authorisation in accordance with section 203 paragraph 2 clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG);

(iv) insofar as they are issued against contribution in kind, insofar as the value of the contribution in kind is in proportion according to the market value of the bond determined according to the foregoing paragraph (sections a), bb), (iii)).

The aforementioned authorisations pertaining to the exclusion of subscription rights are limited to an amount that does not exceed 20% of share capital, either at the time of this authorisation taking effect or at the time of this authorisation being exercised. During the term of this authorisation, own shares that are sold and transferred where the subscription right is excluded, as well as those shares that are issued from the authorised capital 2012 or from the authorised capital 2011 (up until its revocation) with the exclusion of shareholder subscription rights, are to be included in this 20% limit.

cc) Conversion rights, conversion obligations

In the case of the issue of bonds with conversion rights, the creditors can convert their bonds according to the lending conditions for shares of the company. The proportionate

amount of share capital in the shares issued upon conversion may not exceed the nominal amount of the convertible bond or conversion right. The exchange ratio is calculated by dividing the principal amount of a bond by the conversion price for one share in the company. The exchange ratio can also be calculated by division of the nominal amount of a bond by the conversion price for one share in the company. The exchange ratio may be rounded up or down to the nearest whole figure, and a cash premium can also be arranged. Moreover, it can be ensured that fractional amounts and/or are compensated in cash. The loan terms may also provide a variable conversion ratio.

In the case of a conversion obligation, the company may be entitled under the bond conditions to offset any difference between the nominal amount and the convertible bonds or participation rights with options or conversion rights and the product of the exchange ratio and a market price defined more precisely in the bond conditions of the shares at the time of the mandatory exchange either fully or partly in cash. For the calculation of the market price within the meaning of the preceding sentence, at least 80% of the relevant market rate of the share is to be used as the lower limit of the conversion price in accordance with section ee).

dd) Option rights

In the case of the issue of option bonds, each bond will be accompanied by one or more warrants, which entitle the holder under the conditions set by the Management Board to subscription rights to shares in the company. The proportionate amount of share capital in the shares available for purchase may not exceed the nominal amount or the convertible bond.

ee) Conversion/Option price

The conversion or option price per share to be set in each case must be either at least 80% of the average closing price of the shares of Deutsche Wohnen AG in XETRA trading (or a corresponding succession system) on the ten trading days in Frankfurt/Main before the date of the resolution of the Management Board to issue the bonds or at least 80% of the average closing price of the shares of Deutsche Wohnen AG in XETRA trading (or a corresponding succession system) on (i) the days on which subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days of subscription rights

trading, or (ii) the days from the commencement of the subscription period to the time of the final determination of the subscription price.

Notwithstanding section 9 paragraph 1 of the German Stock Companies Act (AktG), the terms and conditions of the bonds can provide anti-dilution clauses in the event that the company increases the share capital during the term of the conversion or option through the granting of participation rights to its shareholders, or further conversion bonds, option bonds or participation rights with option or conversion rights are formed or other option rights are granted or guaranteed and the holders of conversion or option rights are not granted participation rights to the same extent, as they would be entitled to following the exercise of a conversion or option right or fulfilment of conversion obligations. For other activities of the company, which could lead to a dilution of the value of conversion or option rights, the terms may also provide a value-preserving adjustment of the conversion and option price. In any case, the proportionate amount of share capital in the shares available for purchase may not exceed the nominal amount or the bond.

ff) Other possible arrangements

The loan conditions can in each case determine that own shares, shares from the company's authorised capital or other services can be provided in the event of a conversion or exercise of options. It can also be arranged so that the company will not grant shares in the company to those with conversion or option rights, but will instead pay out the equivalent value in cash. The terms and conditions of the bonds can also determine that the number of shares to be purchased in the exercise of options or conversion rights or after fulfilment of conversion obligations or a corresponding right of exchange are made variable, and/or the option or conversion price within one of the bands determined by the Management Board can be changed as things go on depending on the development of the share price or as a result of anti-dilution provisions.

gg) Authorisation to determine further terms and conditions of bonds

The Management Board is authorised to determine the further details of the issue and features of the bonds, in particular the interest rate, the issue price, maturity and denomination, conversion and option prices and determining the conversion and option periods either personally or in consultation with the companies of the Group.

b) Contingent capital increase

The share capital is contingently increased by up to EUR 25,575,000 by the issuing of up to 25,575,000 new no-par value bearer shares with dividend rights (contingent capital 2012). The contingent capital increase serves the issue of shares to holders of bonds that were issued in accordance with the above authorisation.

The issue of new shares will be in accordance with the aforementioned authorisation on the conversion or option price, to be determined in each case. The contingent capital increase is only to be implemented as use is made of conversion or option rights from issued bonds or conversion obligations from such bonds are fulfilled insofar as the conversion or option rights or conversion obligations are not serviced by own shares, shares from authorised capital or through other services.

The new shares from the beginning of the financial year in which they are created through the exercise of conversion or option rights or the fulfilment of conversion obligations are included in the profits; notwithstanding the preceding paragraph, the Management Board may, if permitted by law and with the approval of the Supervisory Board, establish that the new shares from the beginning of the financial year, for which at the time of exercise of conversion or option rights or the fulfilment of conversion obligations there has not yet been a resolution by the Annual General Meeting on regarding the use of retained earnings, should be included in the profits.

The Management Board will be authorised to determine the further details of the implementation of the increase in contingent capital."

c) Revocation of any unused authorisation from 31 May 2011 and the corresponding revocation of the contingent capital 2011

The currently existing authorisation for the issue of conversion and option bonds approved at the Annual General Meeting of 31 May 2011 and the corresponding contingent capital 2011 in accordance with section 4 b of the articles of association will be revoked with the coming into effect of the new authorisation for the issue of conversion and/or option bonds and/or participation rights with option or conversion rights (or a combination of these instruments) and the coming into effect of the new contingent capital 2012.

d) Amendment to the articles of association

aa) Section 4 b of the articles of association (contingent capital 2011) will be overruled as a result of the revocation of the contingent capital 2011.

bb) For the contigent capital 2012, section 4 a of the articles of association will be restated as follows:

"Section 4 b

(1) The share capital is contingently increased by up to EUR 25,575,000.00 by the issuing of up to 25,575,000 new bearer shares with dividend rights (contingent capital 2012).

(2) The conditional capital increase will only be implemented if the holders of conversion or option rights from bonds or dividend rights with conversion or option rights (or a combination of these instruments), which Deutsche Wohnen AG or dependent companies or companies majority-owned by the company have issued pursuant to the resolution of the Annual General Meeting on 6 June 2012, exercise their conversion or option rights or conversion obligations are fulfilled under such bonds and to the extent the conversion or option rights or conversion obligations are not serviced by own shares of shares from authorised capital or other services.

(3) The new shares from the beginning of the financial year in which they are created through the exercise of conversion or option rights or the fulfilment of conversion obligations are included in the profits; notwithstanding the preceding paragraph, the Management Board may, if permitted by law and with the approval of the Supervisory Board, establish that the new shares from the beginning of the financial year, for which at the time of exercise of conversion or option rights or the fulfilment of conversion obligations there has not yet been a resolution by the Annual General Meeting on regarding the use of retained earnings, should be included in the profits.

(4) The Management Board is authorised to determine the further details of the implementation of the increase in contingent capital."

e) Entry in the commercial register, authorisation to change the articles of association

The Management Board is instructed to file the revocation adopted under section c) of the contingent capital 2011 under section 4 b of the articles of association and the approved new contingent capital 2012 under section b), provided these are entered in the commercial register, this however only if the new contingent capital 2012 is entered immediately after.

The Management Board is authorised, subject to the preceding paragraph, to enter the contingent capital 2012 in the commercial register, independently of the other resolutions of the Annual General Meeting.

9. Resolution on the adjustment of remuneration of the Supervisory Board and the corresponding changes to the articles of association

It is intended that the remuneration of members of the Supervisory Board will be adjusted and the increase work effort of members of the Supervisory Board and in their committees will be fairly remunerated also through the introduction of committee and meeting fees. In line with the current corporate governance debate, members of the Supervisory Board should also continue to receive no performance-based remuneration alongside the fixed remuneration. The volume of work and liability risk for members of the Supervisory Board often do not develop in parallel to business success or the company's revenue. Rather, especially in difficult times in which a variable remuneration would under some circumstances decrease, a particularly intensive exercise of the oversight and advisory roles of members of the Supervisory Board is required. The adjustment also reflects the remuneration regulations of other MDAX companies.

The articles of association currently regulate the remuneration of the Supervisory Board in section 6 paragraphs 6 and 7, as follows:

> (6) Each proper member of the Supervisory Board receives fixed remuneration of EUR 20,000. The Chairman of the Supervisory Board receives double that amount, and the Deputy Chairman of the Supervisory Board receives one and a half times that amount as remuneration. In the event that a financial year is less than 12 months, then the fee shall be paid pro rata. The remuneration should always be paid following the Annual General Meeting.
>
> (7) The company shall reimburse any cash expenses to the members of the Supervisory Board. Sales tax will be reimbursed by the company, provided the members of the Supervisory Board are entitled to charge the company separately for sales tax, and exercise this right.

The Management Board and Supervisory Board propose the following resolution:

- **Section 6 paragraph 6 of the articles of association will be stated as follows:**

"Each proper member of the Supervisory Board receives fixed remuneration of EUR 30,000. The Chairman of the Supervisory Board receives double that amount, and the Deputy Chairman of the Supervisory Board receives one and a half times that amount as remuneration. In addition, each member of the Supervisory Board receives a lump-sum remuneration of EUR 5,000 per financial year for their membership of the Audit Committee. Furthermore, every member of the Executive and Acquisition Committee will receive a meeting fee of EUR 1,000 for every personal participation in a meeting. If the financial year is less than 12 months, then the remuneration shall be paid pro rata. The remuneration and meeting fees should always be paid following the Annual General Meeting."

- **The aforementioned amendment to the articles of association replaces the current system of remuneration of the Supervisory Board and will be first applied in the business year that began on 1 January 2012.**

10. Acceptance of external shareholders in accordance with section 302 paragraph 3 clause 3 of the German Stock Corporation Act (AktG) to an agreement between the company and RREEF Management GmbH.

With its official claim as at 22 April 2010, the company made a claim against RREEF Management GmbH (hereinafter referred to as "**RREEF**") with claims under paragraph 302 paragraph 1 of the German Stock Corporation Act (AktG) relating to the compensation for net losses in the financial years 1999 to 2001 and 2004 to 2006 (1st half-year). In these financial years there was a control agreement between the company and RREEF (at the time of the control agreement, the RREEF was trading as "Deutsche Grundbesitz Management GmbH" and later as "DB Real Estate Management GmbH"). The losses in these years amounted to approximately EUR 63.136 million. In the preparation of the annual financial statements in these financial years, amounts were deducted from the other capital reserves of the company in order to offset the annual deficit. There was no compensation in cash or through withdrawals from other revenue reserves. The company believes the offsetting of losses through withdrawals from capital reserves to be unreliable, RREEF to be reliable. The District Court Frankfurt/Main (Landgericht) that was responsible in the first instance, has joined the legal opinion of RREEF.

The company and RREEF have now agreed on a settlement for the disputed claims of losses in an appeal on 28 December 2011, to now resolve the pending litigation before the Higher Regional Court of Frankfurt/Main (5 U 99/11) (Oberlandesgericht). Through a resolution of the Higher Regional Court of Frankfurt/Main on 30 December 2011 in accordance with section 278 paragraph 6 of the German Code of Civil Procedure ("Zivilprozessordnung"), the agreement will be recognised as a legal settlement. Following the agreement, RREEF will pay the company with its coming into effect and the notice from the court regarding the withdrawal of the claim a cash sum of EUR 20 million.

The agreement has the following major content:

- The company commits itself, following the approval of external shareholders by special resolution and the absence of a collection of oppositions to the transcript by a minority whose shares together make up one tenth of the share capital represented at the resolution (section 302 paragraph 3 clause 3 of the German Stock Corporation Act (AktG)), to withdraw its appeal against the judgement of the District Court of Frankfurt/Main (3-15 O 32/10) of 8 August 2011. With the withdrawal of the appeal, all counter-claims asserted by RREEF in the process before the District Court of Frankfurt/Main (3-15 O 32/10) are also considered dealt with. If the withdrawal of the appeal is not made by 31 December 2013 at the latest, the agreement is considered invalid.

- RREEF will pay the company - without an admission of liability and without prejudice in the case of a continuation of the dispute - an amount of EUR 20 million (in words: EUR twenty million) within seven working days after receipt of notification by the Higher Regional Court of Frankfurt/Main, that the appeal has been withdrawn. The company will receive the payment in this amount without prejudice in the event of a continuation of the dispute.

- Each party shall bear their own non-legal expenses; all legal costs (first and second instance) will be shared equally ("Kostenaufhebung": equal distribution of costs in event of a mutual settlement). The parties irrevocably waive the right to claim costs.

The Management Board and Supervisory Board consent to the agreement and propose the following resolution:

The agreement between the company and the RREEF Management GmbH of 28 December 2011, which was concluded by the Higher Regional Court of Frankfurt/Main with document number 5 U 99/11 on the 30 December 2011 has been approved.

The agreement takes effect in accordance with section 302 paragraph 3 clause 3 of the German Stock Exchange Act (AktG) if the company's shareholders have approved this by special resolution and a minority that makes up one tenth of the share capital represented upon reporting does not object to the transcript. All external shareholders, i.e. shareholders that were not contractual partners of the aforementioned control agreement, are entitled to participate in this special resolution. These are all shareholders, excluding RREEF as well as its dependent companies. The special resolution requires the agreement of a simple majority of the capital represented at the external shareholders.

II. Reports from the Management Board on agenda items 7, 8 and 10

Report from the Management Board on agenda item 7 (Creation of an authorised capital 2012 with the possibility to exclude subscription rights)

Regarding item 7 of the Annual General Meeting on 6 June 2012, the Management Board and Supervisory Board propose that the existing authorised capital is cancelled and replaced by a new authorised capital (authorised capital 2012). In accordance with section 203 paragraph 2 clause 2 in connection with section 186 paragraph 4 clause 2 of the German Stock Corporation Act (AktG), the Management Board submits the following report for item 7 of the Annual General Meeting agenda concerning the reasons for the authorisation of an exclusion of shareholder subscription rights in the issuing of new shares:

The authorisation granted to increase the share capital by up to EUR 40,920,000 by 30 May 2016 (authorised capital 2011) granted by the Annual General Meeting on 31 May 2011 was partially utilised to the amount of 20,460,000 as part of the cash capital increase carried out in November 2011. The articles of association therefore now contain an authorised capital in section 4 a, which entitles the Management Board, under agreement of the Supervisory Board, to increase the share capital of the company once or multiple times by up to EUR 20,460,000 through the issue of 20,460,000 new ordinary bearer shares in exchange for cash or non-cash contributions. In order that the company is also sufficiently flexible to extensively strengthen its own funds, if required, in the coming years, the

existing authorised capital 2011 should be revoked, and a new authorised capital (authorised capital 2012) should be adopted and the articles of association amended accordingly.

The new authorised capital (authorised capital 2012) suggested under agenda point 7 a) of the Annual General Meeting on the 6 June 2012 should authorise the Management Board, with the consent of the Supervisory Board, to increase the share capital on one or more occasions up to 5 June 2017 by up to EUR 51,150,000 by issuing up to 51,150,000 new ordinary bearer shares in exchange for cash or non-cash contributions.

The authorised capital will allow the company to continue to acquire the capital required for the further development of the company on capital markets through the issuing of new shares at short notice and have the flexibility to quickly take advantage of a favourable market environment in order to meet future financing needs. Since decisions on the covering of a capital requirement must usually be made quickly, it is important that the company is not dependent on the rhythm of the Annual General Meetings or the long time limit on calling an Extraordinary General Meeting. The legislator has taken these circumstances into account with the "authorised capital" instrument.

In the utilisation of the authorised capital 2012 to issue shares for cash investments, the shareholders are always granted subscription rights (section 203 paragraph 1 clause 1 in conjunction with section 186 paragraph 1 of the German Stock Corporation Act (AktG)), whereby an indirect subscription right within the meaning of section 186 paragraph 5 of the German Stock Corporation Act is also sufficient. The issue of shares with the granting of such indirect subscription rights should already not be seen as the exclusion of subscription rights according to the law. Shareholders will be granted the same subscription rights as they would have for a direct subscription. For technical settlement reasons only one or more banks will be involved in the settlement.

However, the Management Board shall, with the consent of the Supervisory Board, be permitted to exclude subscription rights in certain circumstances.

(i) With the consent of the Supervisory Board, the Management Board shall be able to exclude fractional amounts from the subscription right. This exclusion of subscription rights aims to facilitate the handling of issuing with a general subscription right in order to arrive at a technically feasible subscription ratio. Depending on the shareholder, the value of fractional amounts is normally low. Therefore, the possible dilution effect may

also be considered low. On the other hand, the expenditure for issuing without exclusion is considerably higher. The exclusion therefore serves to make issuing more practicable and easily implementable. The new shares excluded as fractions from the shareholders' subscription rights will be used as is best for the company either through sale on the stock market or in some other way. For these reasons, the Management Board and Supervisory Board consider the possible exclusion of the subscription right to be objectively justified and appropriate when the interests of the shareholders are taken into consideration.

(ii) In addition, the Management Board, with the agreement of the Supervisory Board, should be able to able to exclude the subscription right insofar as this is required to give the owners of option and convertible bonds a subscription right on new shares. Options and convertible bonds have a protection against dilution in their issuing conditions, which grants the holders a subscription right to new shares in subsequent issuing of shares. They are set up as if they were already shareholders. The shareholders' subscription rights to these shares must be excluded in order to be able to launch the bonds with such a protection against dilution. This serves to facilitate the placement of bonds and therefore the interests of shareholders in the company's optimal financial structure. In addition, the exclusion of subscription rights in favour of holders of bonds, which grant an option or conversion right or have an option or conversion obligation, has the advantage that in the event the right to the option or conversion price for the holder's existing bonds with an option or conversion right do not need to be reduced according to the particular conditions of the bond. This allows a greater flow of funds and is therefore in the interests of the company and its shareholders.

(iii) The subscription rights may also be excluded from cash capital increases if the shares are issued at an amount that does is substantially below the market price and does not exceed such a capital increase of 10% of the share capital (facilitated exclusion of subscription rights pursuant to section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG)).

The authorisation will enable the company to flexibly react to promising situations on the capital market and also place shares at short notice, i.e. without the need for a subscription offer lasting at least two weeks. The exclusion of subscription rights allows very quick reactions and placings close to the market value, i.e. without the usual

reduction on subscription rights. Thus, the foundation is laid to achieve the highest possible sale amount and a maximum strengthening of capital. The authorisation to facilitate the exclusion of subscription rights can be objectively justified not least in the fact that a greater cash flow can be generated.

Such a capital increase may not exceed 10% of the share capital that exists as of the effective date of the authorisation and also at the time of exercise. The proposed resolution also includes a deduction clause. The maximum 10% of the share capital, which the exclusion of subscription rights relates to, must include shares that were issued or are to be issued to service bonds with conversion and/or option rights or a conversion obligation in accordance with section 221 paragraph 4 clause 2 in conjunction with section 186, paragraph 3 clause 4 of the German Stock Corporation Act (AktG). Further, the sale of own shares must be taken into account provided that such a sale takes place during the term of this authorisation under the exclusion of subscription rights in accordance with section 71 paragraph 1 no. 8 clause 5 sub-clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG).

The facilitated exclusion of subscription rights absolutely requires that the issue price of new shares is not substantially lower than the market price. Any discount on the current market price is expected to be no more than 5% of the market price. This takes the need to protect shareholders from a value-based dilution of their investment into account. Setting the issue price close to the market price ensures that the value of the option rights for new shares will fall to almost zero. The shareholders have the opportunity to keep their relative investment by purchasing more shares via the stock market.

(iv) Furthermore, it is intended that subscription rights for shares be excluded in the issuing of shares to employees of the company and/or its affiliated companies. The issuing of employee shares is intended to facilitate the participation of employees in the company and its success. This will strengthen the connection between the company and its employees.

(v) The subscription right can be excluded in the event of capital increases against contributions in kind. The company shall continue to be able to acquire companies, parts of companies, shareholdings or other assets related to such investments (in particular

real estate portfolios or parts of real estate companies) and to react to offers for acquisitions or mergers in order to strengthen its competitiveness, profitability and corporate value. Furthermore, the exclusion of subscription rights is intended to service the convertible and option bonds as well as the profit participation rights with conversion and option rights that are issued in exchange for contributions in kind. Experience shows that shareholders in attractive acquisition assets often have a strong interest in acquiring the company's ordinary shares with voting rights as compensation, in order for example to maintain some influence over the subject of the contribution in kind. From the perspective of an optimum financing structure, the possibility of providing compensation not just in the form of cash contributions but also or exclusively as shares looks favourable, to the extent that new shares can be used as acquisition currency, the company's liquidity is protected, foreign capital acquisition is avoided and the seller(s) also benefit from the future price potential. This leads to an improvement in the competitive position of the company with regard to acquisitions.

The possibility of using some shares as acquisition currency thereby gives the company the necessary flexibility to quickly and flexibly take advantage of such acquisition opportunities and enables it to acquire even large units in exchange for shares. In some circumstances it might also be possible to acquire assets (particularly real estate portfolios or shares in real estate enterprises) in exchange for shares. In both cases it is necessary to exclude the subscription right of shareholders. Because such acquisitions frequently have to occur at short notice, it is important that they do not need to be decided upon at the Annual General Meeting, which only takes place once a year. There is a necessity for authorised capital that the Management Board can quickly access, subject to consent from the Supervisory Board.

This is also relevant to the servicing of conversion rights or obligations on convertible or option bonds, profit participation rights with conversion or option rights (or a combination of these instruments) (together "bonds"), which are also issued, with the exclusion of shareholder subscription rights, for the purpose of the acquisition of companies, parts of companies or participation in companies pursuant to the authorisation under agenda point 8 of the Annual General Meeting on 6 June 2012 or the authorisation under agenda point 9 of the Annual General Meeting on 31 May 2011 (until its revocation). The issuing of new shares occurs in exchange for contributions in kind, either in the form of a bond to be contributed or in the form of contributions in

kind achieved on a bond. This leads to an increase in the company's flexibility in the servicing of conversion rights and obligations. The shareholders are protected by the subscription right they are granted to them when they are issued with bonds with conversion rights or obligations. The situations under which the subscription right for bonds with conversion rights and obligations can be excluded will be explained in the report under agenda point 8. The offer of bonds or profit participation rights with conversion or option rights instead of or in addition to the granting of shares or cash benefits can be an attractive alternative which, due to its additional flexibility, increases the competitive chances of the company with respect to acquisitions.

If an opportunity presents itself for a merger with another company or the acquisition of another company or participation therein, the Management Board will in each case carefully consider whether or not to make use of the authorisation to increase capital through the issue of new shares. This particularly concerns an examination of the valuation ratio between the company and the acquired company or participation therein and the fixing of the issue price of the new shares as well as further conditions relating to the issuing of shares. The Management Board will do this only if it is convinced that the merger or acquisition of a company, part of a company or participation therein in exchange for new shares is in the properly understood interest of the company and its shareholders. The Supervisory Board will only give its necessary consent if it has reached the same conclusion.

The aforementioned authorisations pertaining to the exclusion of subscription rights are limited to an amount that does not exceed 20% of share capital, either at the time of this authorisation taking effect or at the time of this authorisation being exercised. The aforementioned 20% limit should also include own shares that are sold during the term of this authorisation with exclusion of subscription rights, as well as all shares issued for the servicing of bonds (including participation rights) with conversion or option rights and/or conversion obligations (or a combination of these instruments), if it is the case that the bonds or participation rights were issued pursuant to the authorisation under agenda item 8 of the Annual General Meeting of 6 June 2012 or the authorisation under agenda item 9 of the Annual General Meeting of 31 May 2011 (until its revocation) with exclusion of subscription rights to the shareholders. At the same time, this limitation will also restrict a possible dilution of voting rights for shareholders that have been excluded from the subscription right. In light of the above, the authorisation of the exclusion of subscription

rights within the limits previously outlined is affordable, appropriate and in the interests of the company.

If the Management Board uses one of the above authorisations to exclude subscription rights within the framework of a capital increase from the authorised capital 2012, it will report on this in the Annual General Meeting.

Management Board report concerning agenda item 8 (authorisation for the issuing of option and convertible bonds, profit participation rights with conversion and option rights and the creation of a new contingent capital 2012)

Regarding item 8 at the Annual General Meeting on 6 June 2012, the Management and Supervisory Boards propose that existing authorisations for the issuing of convertible and option bonds and profit participation rights with conversion and option rights (or a combination of these instruments) as well as the contingent capital 2011 be revoked and replaced by a new authorisation and a new contingent capital 2012. In accordance with section 221 paragraph 4 clause 2 in connection with section 186 paragraph 4 clause 2 of the German Stock Corporation Act (AktG), the Management Board submits the following report for item 8 of the Annual General Meeting agenda concerning the reasons for the authorisation of an exclusion of shareholder subscription rights in the issuing of new shares:

The Annual General Meeting on 31 May 2011 authorised the Management Board, with the consent of the Supervisory Board, to issue, on one or more occasions, option or convertible bonds as well as profit participation rights with option and conversion rights by 30 May 2016, with a total nominal value of up to EUR 500,000,000 with or without a term restriction. A contingent capital 2011 amounting to EUR 20,460,000 was created for the servicing of conversion and option rights (section 4 b paragraph 1 of the articles of association) effective until the invitation to the Annual General Meeting is published.

The existing authorisation and existing contingent capital 2011 are to be revoked and replaced by a new authorisation and a new contingent capital (contingent capital 2012).

To enable the range of possible capital market instruments with conversion or option rights to be used accordingly, it appears appropriate to set the permissible issue volume in the authorisation at EUR 500,000,000. The contingent capital, which services the fulfilment of conversion or option rights, should amount to EUR 25,575,000. This ensures that the

authorisation framework can be fully exploited. The number of shares that is necessary for the fulfilment of option and conversion rights from a bond with a specific issue volume is normally dependent on the market price of Deutsche Wohnen AG shares at the time the bond is issued. If sufficient contingent capital is available, the potential to fully exploit the authorisation framework for the issuing of convertible and option bonds is secured.

Appropriate capitalisation is an essential basis for the company's development. Depending on the market situation, the company can take advantage of attractive financing opportunities by issuing convertible and option bonds (or a combination of these instruments) to raise capital at a lower current interest rate. The interest rate could also be aligned with the current dividend of the company through the issue of profit participation rights with conversion or option rights. The resulting conversion or option premiums would benefit the company. Experience shows that some financing instruments can only be placed when option or conversion rights have been granted.

When option or convertible bonds or profit participation rights with conversion or option rights are issued, shareholders are entitled to subscription rights (section 221 paragraph 4 in connection with section 186 paragraph 1 of the German Stock Corporation Act (AktG)). The Management Board can make use of the opportunity to issue bonds to one or several banks with the obligation to offer the bonds to shareholders in accordance with their subscription right (the so-called "indirect subscription right" according to section 186 paragraph 5 of the German Stock Corporation Act (AktG)). This does not constitute a limitation of shareholder subscription rights. Shareholders will be granted the same subscription rights as they would have for a direct subscription. For technical settlement reasons only one or more banks will be involved in the settlement.

(i) However, with the consent of the Supervisory Board, the Management Board shall be able to exclude fractional amounts from the subscription right. This exclusion of subscription rights aims to facilitate the handling of issuing with a general subscription right in order to arrive at a technically feasible subscription ratio. Depending on the shareholder, the value of fractional amounts is normally low. Therefore, the possible dilution effect may also be considered low. On the other hand, the expenditure for issuing without exclusion is considerably higher. The exclusion therefore serves to make issuing more practicable and easily implementable. For these reasons, the Management Board and Supervisory Board consider the possible exclusion of the subscription right to be

objectively justified and appropriate when the interests of the shareholders are taken into consideration.

(ii) With the consent of the Supervisory Board, the Management Board shall continue to be authorised to exclude shareholders' subscription rights in order to grant the bearers of conversion or option rights, or the creditors of convertible bonds with conversion obligations (or the creditors of profit participation rights with conversion obligations), a subscription right to the extent to which they would be entitled to this after exercising their conversion or option rights or after a conversion obligation has been satisfied. This creates the possibility of offering the bearers of existing option and conversion rights, or the creditors of convertible bonds with conversion obligations (or the creditors of profit participation rights with conversion obligations), a subscription right as anti-dilution protection, instead of reducing the option or conversion price. It is standard market practice to issue bonds with such protection against dilution.

(iii) The Management Board shall, with the consent of the Supervisory Board, continue to be authorised in accordance with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG) to exclude this subscription right when issuing bonds in exchange for cash contribution, as long as the bond price is not substantially lower than its market value. This can be useful for promptly taking advantage of favourable stock market situations and being able to quickly and flexibly place a bond on the market when conditions are favourable. Since the stock markets have become considerably more volatile, achieving the most beneficial outcome from an issue increasingly depends on the ability to respond to market developments at short notice. Favourable terms that correspond as closely as possible to market conditions can generally only be secured if the company is not tied to them for too long an offer period. In the case of issuing subscription rights, a substantial safety margin discount is usually required to guarantee success over the entire offer period. Section 186 paragraph 2 of the German Stock Corporation Act (AktG) permits the publishing of the subscription price (and therefore the terms and conditions of option and convertible bonds) up until the third day before the end of the subscription period. However, given the volatility of stock markets, there is then also a market risk over several days, which leads to safety margin discounts when determining the conditions of bonds and results in terms that are not close to market conditions. Furthermore, if a subscription right is granted, alternative placement with third parties becomes more difficult or entails more effort because of the uncertainty

surrounding the exercise of subscription rights (subscription behaviour). Finally, if subscription rights are granted, the length of the subscription period prevents the company from reacting at short notice to a change in market circumstances, which may lead to unfavourable capital procurement.

Shareholders' interests are protected because the bonds are issued at rates not substantially lower than their market value. The market value is to be determined in accordance with recognised mathematical valuation methods. When determining the price, the Management Board will take into consideration the conditions then prevailing on the capital market and keep the discount on market value to a minimum. This will result in the nominal value of a subscription right being practically zero, so that shareholders do not suffer any significant economic disadvantage from the exclusion of subscription rights.

Bond conditions can also be set in line with market conditions and a significant dilution in value can be avoided if the Management Board carries out a so-called bookbuilding procedure. In this procedure, investors are asked to submit purchase bids based on preliminary bond terms and conditions and to specify, for example, the interest rate that is considered in line with market conditions and/or other economic components. At the end of the bookbuilding period and on the basis of purchase bids submitted by investors, those still undetermined conditions, such as the interest rate, will be fixed in line with market conditions in accordance with supply and demand. In this way, the total value of the bonds will be determined based on market conditions. With such a bookbuilding procedure the Management Board can ensure that no significant dilution of the value of shares will result from the exclusion of subscription rights.

Shareholders also have the opportunity to maintain their share in the company's share capital with almost identical conditions by purchasing shares on the stock market. Their financial interests are thereby adequately safeguarded. The authorisation to exclude subscription rights in accordance with section 221 paragraph 4 clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG) is only valid for bonds with rights to shares, to which no more than 10% of the share capital is attributable either at the time of this authorisation taking effect or at the time of this authorisation being exercised.

The sale of own shares must be taken into account when calculating the limit, provided that such a sale takes place during the term of this authorisation under the exclusion of subscription rights in accordance with section 71 paragraph 1 no. 8 clause 5 sub-clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG). Further to be taken into account when calculating this limit are those shares that are issued from the authorised capital under exclusion of subscription rights during the term of this authorisation in accordance with section 203 paragraph 2 clause 2 in connection with section 186 paragraph 3 clause 4 of the German Stock Corporation Act (AktG). This inclusion is in the interests of the shareholders, as it serves to minimise the dilution of their shareholdings.

(iv) Bonds can also be issued in exchange for contributions in kind, insofar as this is in the interests of the company. In this event, and subject to approval from the Supervisory Board, the Management Board is authorised to exclude the shareholders' subscription rights, provided that the value of the contribution in kind is proportional to the theoretical market value of the bonds determined in accordance with recognised mathematical valuation methods. To determine the value, the company will normally call upon the expertise of a recognised investment bank or auditing company to confirm that the issue price is not significantly lower than this value. This opens up the possibility of using bonds as acquisition currency in appropriate situations, for example in connection with the acquisition of companies or interests therein, or the acquisition of other assets. Practical experience has demonstrated that it is frequently necessary in negotiations to offer compensation not only in monetary form but also or exclusively in other forms. The possibility of offering bonds as compensation thereby provides an advantage when competing for interesting acquisition targets as well as the necessary leeway to exploit potential opportunities to acquire companies (including large ones), interests therein or other assets in a manner which preserves liquidity. This may also make sense from the perspective of ensuring an optimum financing structure. For each specific case, the Executive Board will carefully consider whether or not to authorise the issuing of bonds (or profit participation rights) with conversion or option rights in exchange for contributions in kind with exclusion of subscription rights. The Board will do so only if it is in the best interest of the company and its shareholders.

The proposed conditional capital is intended to service the conversion or option rights that are issued with bonds or to fulfil conversion obligations with regard to company shares. The

conversion or option rights, or conversion obligations, could alternatively be serviced through the transfer of own shares or shares from authorised capital or through other forms of fulfilment.

The aforementioned authorisations pertaining to the exclusion of subscription rights are limited to an amount that does not exceed 20% of share capital, either at the time of this authorisation taking effect or at the time of this authorisation being exercised. During the term of this authorisation, own shares that are sold and transferred where the subscription right is excluded, as well as those shares that are issued from the authorised capital 2012 with the exclusion of shareholder subscription rights, are to be included in this 20% limit. At the same time, this limitation will also restrict a possible dilution of voting rights for shareholders that have been excluded from the subscription right. In light of the above, the authorisation of the exclusion of subscription rights within the limits previously outlined is affordable, appropriate and in the interests of the company.

If the Management Board uses one of the above authorisations to exclude subscription rights in the issuing of option or convertible bonds or profit participation rights with option or conversion rights from the contingent capital 2012, it will report on this in the next Annual General Meeting.

Management Board report on agenda item 10 (agreement to settlement by the company with RREEF Management GmbH over claims for the compensation of losses)

The Management Board is reporting on item 10 of the agenda on the conclusion of a settlement between the company and RREEF Management GmbH (henceforth "**RREEF**") on 28 December 2011, in addition to the reasons for this settlement:

The company and RREEF (RREEF was known as "Deutsche Grundbesitz Management GmbH" and later as "DB Real Estate Management GmbH" at the conclusion of the control agreement) had concluded a control agreement on 7 May 1999 - even before the company was first listed on the stock exchange - which was terminated with effect on 30 June 2006. During the lifetime of this agreement, losses were made in 1999 in the sum of EUR 23,865,891.39; in 2000 a loss of EUR 11,953,113.15; in 2002 a loss of EUR 7,935,183.91; in 2004 a loss of EUR 4,101,326.50; in 2005 a loss of EUR 11,211,966.41 and in the first half of 2006, a loss was made of EUR 4,068,291.09; in total, losses reached the sum of EUR 63,135,772.45.

RREEF and the company disagree on whether the losses were effectively compensated for in the aforementioned financial years. The control agreement intended that the capital reserves ("other capital reserves") established in accordance with section 272, paragraph 2, number 4 of the HGB (German Commercial Code) might be utilised for the compensation of losses.

After the conclusion of the control agreement and before the company joined the stock market, RREEF deposited an amount of EUR 522 million in the other capital reserves. The deposit was achieved by contributing their claims from shareholder loans, with which the previous purchase of shareholdings in housing companies had been financed. Pursuant to the terms of the agreement, when the company's annual financial statements for those years (1999 to 2001 and 2004 to 2006 (first half-year)) were compiled, withdrawals were made from the other capital reserves to improve balance sheet profits and thereby to compensate for losses. The corresponding annual financial statements were adopted by the Annual General Meeting.

A core issue in the legal dispute between the company and RREEF is the question of whether this use of the other capital reserves for the compensation of losses complied with section 302, paragraph 1 of the German Stock Corporation Act (AktG). Section 302, paragraph 1 of the German Stock Corporation Act (AktG) states: "If a control or profit transfer agreement exists, the other party to the contract is obliged to compensate all annual net losses occurring during the term of the agreement, insofar as these are not compensated by withdrawal from the other retained earnings of any sums which have been allocated thereto during the term of the agreement."

The company's Management Board and Supervisory Board hold the view that the "other capital reserves" in the context of section 272, paragraph 2, number 4 of the German Commercial Code may not be used for compensation of losses in accordance with section 302, paragraph 1 of the German Stock Corporation Act (AktG), even if the control agreement with RREEF intended such use. In accordance with this, the company filed proceedings on 22 April 2010 against RREEF with the request that they pay the company the following sums: a) EUR 23,865,891.39 in addition to interest amounting to 8 percent above the base interest rate since 31.12.1999, b) EUR 11,953,113.15 in addition to interest amounting to 8 percent above the base interest rate since 31.12.2000, c) EUR 7,935,183.91 in addition to interest amounting to 8 percent above the base interest rate since 31.12.2001,

d) EUR 4,101,326.50 in addition to interest amounting to 8 percent above the base interest rate since 31.12.2004, e) EUR 11,211,966.41 in addition to interest amounting to 8 percent above the base interest rate since 31.12.2005, and f) EUR 4,068,291.09 in addition to interest amounting to 8 percent above the base interest rate since 30.06.2006.

In establishing its claim, the company has drawn greatly on the following: section 302, paragraph 1 of the German Stock Corporation Act (AktG) by its own terms only allows a withdrawal of sums from the "other revenue reserves" for the purpose of compensating losses. The annual net loss to be compensated in accordance with section 302, paragraph 1 of the German Stock Corporation Act (AktG) is, in the strict application of section 158, paragraph 1 of the German Stock Corporation Act (AktG), section 275, paragraph 4 and section 277, paragraph 3 of the German Commercial Code, to be so funded that withdrawals from the other capital reserves could not have compensated for an annual net loss. A corresponding or analogous application of section 302, paragraph 1 of the German Stock Corporation Act (AktG) to other capital reserves is out of the question because of the regulation's function to protect shareholders and creditors, and would never have been possible. This applies in particular when viewed against the background of the fact that RREEF ceased to be a shareholder in the company when it joined the stock exchange in 1999 and was therefore no longer participant in the assets of the company. Further, the loan entitlements in the sum of approx. EUR 522 million invested in the other capital reserves by RREEF in 1999 were, in the context of the ruling by the Bundesgerichtshof (German Federal Supreme Court), not sufficient to answer the question of offsetting claims for the compensation of losses. The requirements compiled by the German Federal Supreme Court for the concretisation of compensation claims could also exclude the other capital reserves if applied.

To justify their standpoint, the company has submitted a relevant judgement by the German Federal Court of Finance (1st senate, judgement of 8 May 2001 – I R 25/00) and current, legal literature pertaining to the legal dispute which was published after this judgement, which do not permit the use of other capital reserves in accordance with section 301 of the German Stock Corporation Act (AktG) or for the compensation of losses in accordance with section 302 of the German Stock Corporation Act (AktG).

RREEF has dismissed the company's claim by drawing in great part on the following argument: the control agreement expressly intended the corresponding use of the other

capital reserves. The Annual General Meeting agreed unanimously. The ruling complies with section 302 of the German Stock Corporation Act (AktG). According to the history of section 302, paragraph 1 of the German Stock Corporation Act (AktG), this allows the compensation of losses with all "free" reserves not bound in accordance with section 150, paragraphs 2 – 4 of the German Stock Corporation Act (AktG). This is because the regulation previously permitted the compensation of losses with all free reserves. Following the amendment of section 302 of the German Stock Corporation Act (AktG) via the Accounting and Reporting Law (Bilanzrichtliniengesetz) of 1985, legislators only wanted to carry out conceptual changes (Bundestag print 10/4268). Prior to the mentioned decision by the German Federal Court of Finance, legal literature therefore demonstrated, largely without contention, that the other capital reserves could be drawn upon for compensation of losses in accordance with the newly compiled text of section 302 of the German Stock Corporation Act (AktG) as well.

This all formed the basis for the investment of the RREEF loans in the capital reserves in the sum of EUR 522 million. Alternative implementation would lead to an unreasonable "duplicated" recourse from RREEF, because the deposit in 1999 was made also taking into account possible, later losses by the company. Insofar as this should not apply, RREEF would, on the grounds of failure of the investment and use of the other capital reserves, be liable because of unjust enrichment and the ceasing to exist of the basis of the transaction for counterclaims of up to EUR 522 million, or at minimum for the amount claimed.

RREEF refers for its legal position to a judgement by the Higher Regional Court of Frankfurt/Main on 29 June 1999 (5 U 251/97), as well as voices in legal literature which place equal weight on other capital reserves and revenue reserves in the context of sections 301 and 302 of the German Stock Corporation Act (AktG). Additionally, the company's claims from the years 1999 to June 2006 are furthermore not statute-barred (section 302, paragraph 4 of the German Stock Corporation Act (AktG)), but are thus forfeited by the fact that during the lifetime of the control agreement, the Management Board and Supervisory Board would have jointly used the other capital reserves in the annual financial statements to compensate for losses and that following the stock listing in 1999, the shareholders were made aware of the content of the control agreement via the sales prospectus at that time. After all this remained uncontested, it is an abuse of law if the company makes claims.

The District Court of Frankfurt/Main, responsible in the first instance, declared the measurable terms of the control agreement to be valid and thoroughly rejected the company's claim. As grounds, it stated in essence that: the other capital reserves could be dissolved at any time and, in accordance with section 57, paragraph 1, clause 3 of the German Stock Corporation Act (AktG), the controlling company could have their deposits reimbursed. The deposits are therefore to be viewed as the funds of the controlling company and to be allotted to them. They could thus be implemented for the compensation of losses in accordance with the letter of section 302 of the German Stock Corporation Act (AktG). With the revision of sections 301 and 302 of the German Stock Corporation Act (AktG) via the Accounting and Reporting Law of 1985, legislators did not want to change the previous legislation, but rather to retain the usability of all free reserves for allocation in the annual results. In any case, if the deposited funds originated exclusively from the controlling company and thus were eligible for withdrawal in accordance with section 57, paragraph 1, clause 3 of the German Stock Corporation Act (AktG), using them to compensate for losses would comply with the sense and purpose of section 302 of the German Stock Corporation Act (AktG). The outside shareholders were informed in the sales prospectus of the possibility of all free reserves being used and were sufficiently and conclusively protected by section 304 of the German Stock Corporation Act (AktG).

The company has appealed against this judgement, which is pending under document number 5 U 99/11 with the Higher Regional Court of Frankfurt/Main. The company is of the view that the District Court of Frankfurt/Main's argument is deficient in many respects, in particular with regard to the allocation of reserves to the controlling company, the appraisal of legislation and legal literature as well as the fundamental interpretation of sections 57 and 301 et seq. of the German Stock Corporation Act (AktG). With the grounds of appeal which were supplied in a timely manner, it maintains its view that section 302, paragraph 1 of the German Stock Corporation Act (AktG) is a definitive and conclusive ruling that may not be overruled by section 304 of the German Stock Corporation Act (AktG) and that cannot likewise be used as a central protection provision in contractual matters for the benefit of the controlling company.

RREEF still has not responded to the company's grounds of appeal. With respect to the negotiated settlement, a suspension of proceedings was called in order to incorporate the decision of the Annual General Meeting.

Upon effectiveness of the settlement, the company received a payment from RREEF in the sum of EUR 20 million to end the legal dispute. In return, they were to be excluded from having to pay the amounts stated in the claim. The essential content of the settlement is as follows:

- The company commits itself to withdrawing the appeal to the judgements by the District Court of Frankfurt/Main (3-15 O 32/10) of 8 August 2011, in accordance with the agreement by outstanding shareholders via special resolution and in the absence of opposition in the minutes by a minority whose shares together amount to the 1/10th of the share capital represented at the time the resolution was voted on (section 302, paragraph 30, clause 3 of the German Stock Corporation Act (AktG)). With the withdrawal of the appeal, all other counterproposals applied by RREEF in the proceedings at the District Court of Frankfurt/Main (3-15 O 32/10) are hereby ended. If the withdrawal of the appeal does not take place by 31 December 2013 at the latest, the settlement shall be regarded as having not been made.

- RREEF will pay the company – without admission of further legal obligations and without prejudice in the event of continuation of the legal dispute - within seven working days after the submission of the decision by the Higher Regional Court of Frankfurt/Main that the appeal has been withdrawn, a sum in the amount of EUR 20 million (in words: Euros twenty million). The company accepts this payment in this amount without prejudice in the event of continuation of the legal dispute.

- Each party will bear their own out-of-court costs; all court costs (first and second instance) will be split equally (cost offsetting). The parties irrevocably waive the right to the submission of cost claims.

With respect to the conclusion of the settlement and in the view of the Management Board and the Supervisory Board, the following legal and economic positions of the company above all must be considered:

After the decision by the District Court of Frankfurt/Main, the company is still of the opinion that there are good reasons which speak for its legal position. For this reason an appeal has been entered. If the claim were successful in the last instance, the company could aim for an amount considerably exceeding the settlement payment, namely approx. EUR 63

million to which would be added interest in the amount of at least 5%, based on the corresponding annual net losses and corresponding balance sheet date.

In contrast to this, there is the recognition that the case was lost in the first instance and the fact that there exists no decision on the matter of law in question by the German Federal Supreme Court, which is responsible in the last instance. The Higher Regional Court of Frankfurt/Main still has not expressed itself on this legislation. There is no certainty of the success of the claim; it is also thinkable and should be considered that there is a possibility that the case will be lost all over again. The outcome of the appeal process with the Higher Regional Court of Frankfurt/Main and an equally conclusive revision process with the German Federal Supreme Court are uncertain events. The trial duration could still stretch over several years and incur further significant court costs. During this time, the company has the chance to comprehensively win the case and also the risk of losing it completely. In light of the matter of law to be decided upon, the company's claim can only either be fully enforced or rejected in its entirety.

In comparison to the continuation of proceedings also taking into consideration good prospects for success with respect to the overall uncertain case result, the Management Board and Supervisory Board believe it is right to conclude the settlement negotiated with RREEF and to set the legal dispute aside. Without further court risks, the company will receive the settlement of EUR 20 million in its entirety. The settlement and in particular, the sum of the settlement amount, is the result of controversial negotiations between the company's Management Board and the management of RREEF.

The Management Board and Supervisory Board therefore recommend that shareholders agree to the conclusion of the settlement. The Management Board and Supervisory Board are convinced that in the face of the very real possibility of the failure of the claim, the flow of cash funds insured by the settlement is more advantageous to the company than continuing proceedings.

The settlement only becomes effective, however, if the company's shareholders agree to it by special resolution and no minority whose shares together reach the 1/10th of the share capital represented at the adoption of the resolution registers an objection in writing.

All outstanding shareholders are eligible to participate in the adoption of this special resolution, i.e. shareholders that were not contractual parties of the aforementioned control

agreement, including all shareholders excepting RREEF as well as those from associated companies. The special resolution necessitated the agreement of a simple majority of outstanding shareholders represented at the adoption of the resolution.

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1. Total number of shares and voting rights at the time of the Annual General Meeting's announcement

At the time of the Annual General Meeting's announcement, the company's share capital amounts to EUR 102,300,000 and is divided into 102,300,000 shares. Each ordinary share confers one vote at the Annual General Meeting. The total number of shares entitled to participate and vote was thus 102,300,000. The company holds no shares of its own at the time of the Annual General Meeting's announcement.

2. Requirements for participating at the Annual General Meeting and the exercising of voting rights

a) Participation of holders of bearer shares

Only those holders of bearer shares may participate in the Annual General Meeting and exercise their voting rights that have registered in a timely manner. The registration must therefore be submitted to the company by Wednesday 30 May 2012, 24:00 CEST, at the following address:

Deutsche Wohnen AG

c/o Computershare Operations Center

Prannerstraße 8

80333 Munich

Fax: +49 (0) 89 30903 – 74675

Email: anmeldestelle@computershare.de

and the holders of bearer shares must have provided verification to the company of special share ownership, that they were shareholders at the beginning of Wednesday 16 May 2012 (i.e. 00.00 CEST) (verification deadline). For verification of the share ownership, a proof of share ownership, issued by the depositary bank will suffice.

Just as with the registration, the evidence of share ownership must also be submitted to the company at the address mentioned above by Wednesday 30 May 2012, 24:00 CEST at the latest. The registration and the verification of share ownership require text form (section 126 b of the German Civil Code (BGB)) and must be made in either German or English.

Further advice on the registration process can be found on the website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html.

Importance of the verification deadline

In relation to the company, the exercising of voting rights as shareholder in their participation at the Annual General Meeting only applies to those who have submitted verification of share ownership. The entitlement to participation and the scope of the voting rights are measured exclusively by the share ownership as at the verification deadline. The verification deadline does not result in a blocking of the potential transfer of shares. Should part of, or the entire share ownership be sold after the verification deadline, only the shareholder's share ownership as of the verification deadline is relevant to the participation and extent of potential voting rights; i.e. the sale of shares after the verification deadline has no effect on the entitlement to participate in the meeting and the extent of the voting rights. The same applies to the acquisition of shares after the verification date. Persons not yet holding shares by the verification deadline and only first becoming shareholders thereafter, are entitled to participate and vote for the shares held by them only to the extent that they are authorised by proxy or otherwise authorised.

b) Participation of registered shareholders

Only those registered shareholders may participate in the Annual General Meeting and exercise their voting rights that have been registered in the shareholders' register in a timely

manner. The registration must therefore be submitted to the company at the following address by Wednesday 30 May 2012, 24:00 CEST at the latest:

Deutsche Wohnen AG

c/o Computershare Operations Center

Prannerstraße 8

80333 Munich

Fax: +49 (0) 89 30903 – 74675

Email: anmeldestelle@computershare.de

in text form (in accordance with section 126 b of the German Civil Code (BGB)) and in either German or English.

In relation to the company, only those persons may be regarded as shareholders who are registered as such in the shareholders' register in accordance with section 67, paragraph 2, clause 1 of the German Stock Corporation Act (AktG). As a result, the status of the entries in the share register on the day of the Annual General Meeting is binding in determining the right to participate as well as the number of votes the authorised participant is entitled to. Deletions, new entries and changes to the shareholders' register do not take place in the last six days before the Annual General Meeting or on the day of the Annual General Meeting itself (section 9, paragraph 5, clause 2 of the articles of association). This means that in the period from Thursday 31 May 2012 up to and including Wednesday 6 June 2012, no re-registration of shares may be made in the share register. Therefore, the status of the entries in the share register on the day of the Annual General Meeting corresponds to the status as of the last re-registration on Wednesday 30 May 2012.

Credit institutes and shareholder associations as well as other persons, institutes, companies and associations given parity of treatment in accordance with section 135, paragraph 8 and section 135, paragraph 10 in conjunction with section 125, paragraph 5 of the German Stock Corporation Act (AktG), may only exercise voting rights for shares which do not belong to them but for which they are registered as owner in the shareholders' register on the grounds of having been authorised to do so. Details of such authorisation can be found in section 135 of the German Stock Corporation Act (AktG).

Further advice on the registration process can be found on the registration and proxy voting form sent to shareholders as well as on the website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html.

Trading in shares is not blocked by registration at the Annual General Meeting. Shareholders can therefore freely access their shares after successful registration too. As in relation to the company only those persons may be regarded as shareholders who are registered as such in the shareholders' register (see above), an order may however have an impact on a shareholder's right to participation and right to vote.

3. Process for voting via an authorised representative (proxy)

Shareholders can also exercise their voting rights in the Annual General Meeting via an authorised representative following the corresponding award of proxy voting rights, for example a credit institute, a shareholder's association or another third party. Even in the event of the representation of shareholders, the timely registration of the shareholder and further, the timely verification of the share ownership of holders of bearer shares and for registered shareholders, entry in the shareholders' register, are required as previously described.

The granting of the power of proxy, its withdrawal and verification of the authorisation to the company require text form, if neither a credit institute or a shareholders' association, or persons, institutes, companies and associations given parity of treatment in accordance with section 135, paragraph 8 and section 135, paragraph 10 in conjunction with section 125, paragraph 5 of the German Stock Corporation Act (AktG) are authorised to exercise voting rights by proxy.

If the power of proxy for exercising voting rights is given to credit institutes, shareholders' associations or persons, institutes, companies and associations given parity of treatment in accordance with section 135, paragraph 8 and section 135, paragraph 10 in conjunction with section 125, paragraph 5 of the German Stock Corporation Act (AktG), there is no text form requirement, however the proxy must declare and be able to prove its authorisation. In addition, it must be complete and may only contain declarations relating to the exercise of the voting rights. We therefore request that shareholders who want to grant the power of proxy for exercising voting rights to a credit institute, shareholders' associations or persons, institutes, companies and associations given parity of treatment in accordance with section

135, paragraph 8 and section 135, paragraph 10 in conjunction with section 125, paragraph 5 of the German Stock Corporation Act (AktG) to clarify the form of the authorisation with the intended proxy.

If the shareholder authorises more than one person, the company can reject either one or more of these.

Shareholders who would like to authorise a representative are requested to use the form for granting the power of proxy, which the company provides for this purpose. The proxy voting form is provided by the company together with the registration documents (registered shareholders) and/or together with the entry card (holder of bearer shares and registered shareholders) after successful registration. In addition, a form for granting the power of proxy can be found on the company's website at:

http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html

for download.

Verification of the appointment of a proxy can be submitted to the company electronically at the following email address:

DWAG-HV2012@computershare.de

Further advice on the proxy voting procedure can be found on the website at:

http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html.

Process for voting via company voting proxy

Furthermore, the company further offers shareholders the ability to issue powers of attorney to proxies named by the company who are bound to shareholders' voting instructions. The proxies are obligated to vote according to the instructions; they cannot exercise the voting rights at their own discretion. Please note that the voting proxies can only vote your shares on agenda items on which you have given voting instructions, and that they may not accept instructions on proposals of procedure prior to or during the Annual General Meeting. Equally, the voting proxies may not accept proposals for comments, for filing objections

against Annual General Meeting resolutions or to present questions or claims. The granting of power of proxy with instructions to the voting proxy before the Annual General Meeting is only possible by using the proxy authorisation and instruction form, which the shareholders will receive with the entry card in their invitation to the Annual General Meeting. The corresponding form can be found for download on the company's website at:

http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html

The authorisation of company voting proxies and the issuing of instructions to them is to be submitted preferably by Monday 4 June 2012, 12.00 CEST; they require text form. The authorisation of, and issuing of instructions to the voting proxies named by the company should be addressed by post, fax or electronically (by email) to the following address:

Deutsche Wohnen AG

c/o Computershare Operations Center

Prannerstraße 8

80333 Munich

Fax: +49 (0) 89 30903 – 74675

Email: DWAG-HV2012@computershare.de

4. Further rights of shareholders

a) Proposals from shareholders for addition to the agenda in accordance with section 122, paragraph 2 of the German Stock Corporation Act (AktG)

Shareholders whose total shares reach 1/20th of the share capital or the participant amount of EUR 500,000.00 (this corresponds to 500,000 shares) can request that items be added to the agenda and announced.

Additional requests should be made in writing to the Management Board and must be submitted to the company a minimum of 30 days before the Annual General Meeting; the day of submission and day of the Annual General Meeting are therefore not to be counted. The latest possible deadline for submission is therefore Sunday 6 May 2012, 24:00 CEST. Additional requests submitted later than this will not be considered.

We kindly request that additional requests be sent to the following address:

Deutsche Wohnen AG

Management Board

z. Hd. Mr Dirk Sonnberg

Mecklenburgische Straße 57

14197 Berlin

b) Counterproposals from shareholders in accordance with section 126 of the German Stock Corporation Act (AktG)

Every shareholder has the right to make a counterproposal to specific items on the agenda relating to the suggestions of the Management Board and/or the Supervisory Board during the Annual General Meeting. Counterproposals must include an explanatory statement.

Counterproposals submitted to the company via the address given below at least 14 days prior to the Annual General Meeting, whereby the date of submission and the day of the Annual General Meeting are not to be counted, that is, by Tuesday 22 May 2012, 24:00 CEST at the latest, will be made available promptly and inclusive of the shareholder's name, the explanatory statement and any other comments by the management on the website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html (see section 126, paragraph 1, clause 3 of the German Stock Corporation Act (AktG)).

Section 126, paragraph 2 of the German Stock Corporation Act (AktG) states several reasons, the existence of any of which does not require a counterproposal and the accompanying explanatory statement to be made accessible via the website. These are listed on the company's website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/ hauptversammlung-2012.html.

The following address is exclusively binding for submission of counterproposals and explanatory statements:

Deutsche Wohnen AG

Investor Relations

Mecklenburgische Straße 57

14197 Berlin

Fax: +49 (0) 30 89 786-507

Email: ir@deutsche-wohnen.com

Counterproposals otherwise addressed will not be admissible.

Counterproposals are thus only presented if they are presented verbally during the Annual General Meeting. The right of every shareholder to present counterproposals to the company relating to various agenda items during the Annual General Meeting also without prior and timely submission remains unaffected.

c) Election nominations from shareholders in accordance with section 127 of the German Stock Corporation Act (AktG)

Every shareholder has the right to make nominations for the election of the auditor (agenda item 5) or a member of the Supervisory Board (agenda item 6) at the Annual General Meeting.

Election nominations from shareholders submitted to the company via the address given below at least 14 days prior to the Annual General Meeting, whereby the date of submission and the day of the Annual General Meeting are not to be counted, that is, by Tuesday 22 May 2012, 24:00 CEST at the latest, will be made available promptly on the website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html. Election nominations from shareholders do not have to be made accessible if they do not contain the name, the profession and the address of the nominee. Election nominations do not have to be explained.

Further reasons are named in section 127, clause 1 of the German Stock Corporation Act (AktG) in conjunction with section 126, paragraph 2 and section 127, clause 3 in conjunction with section 124, paragraph 3, clause 4, and section 125, paragraph 1, clause 5 of the German Stock Corporation Act (AktG), the existence of which does not require an election nomination to be made accessible via the website. These are listed on the company's website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html.

The following address is binding for the submission election nominations:

Deutsche Wohnen AG

Investor Relations

Mecklenburgische Straße 57

14197 Berlin

Fax: +49 (0) 30 89 786-507

Email: ir@deutsche-wohnen.com

Election nominations otherwise addressed will not be admissible.

d) Information rights of shareholders

In accordance with section 131 paragraph 1 of the German Stock Corporation Act (AktG), every shareholder is entitled to information on the affairs of the company from the Management Board at the Annual General Meeting upon request, insofar as it is necessary for the sufficient understanding of the matters on the agenda. This obligation providing information extends also to the legal and business relationships between the company and an associated company as well as to the position of the Group and the companies detailed in the Group's consolidated financial statements.

Under certain requirements, as described in more detail in section 131, paragraph 3 of the German Stock Corporation Act (AktG), the Management Board may refuse a request for information. A detailed description of the requirements under which the Management Board may refuse to provide information can be found on the company's website at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html.

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5. Publication on the website / Further information in accordance with section 124a of the German Stock Corporation Act (AktG)

At the convening of the Annual General Meeting, together with this the following documents in particular are available on the internet at http://www.ir.deutsche-wohnen.com/websites/deuwo/German/6000/hauptversammlung-2012.html and are also available in hardcopy at the offices of Deutsche Wohnen AG, Mecklenburgische Straße 57, 14197 Berlin, for examination by the shareholders:

On agenda items 1, 2 and 5:

• The adopted annual financial statements and the consolidated financial statements approved by the Supervisory Board from 31 December 2011, the management report for the company and the Group inclusive of the Supervisory Board Report for financial year 2011 as well as the mentioned Management Board Reports on the statements in accordance with section 289, paragraphs 4 and 5 as well as section 315, paragraph 4 of the German Commercial Code (HGB) from 31 December 2011.

On agenda item 7:

- Management Board Report in accordance with section 203, paragraph 2, clause 2 in conjunction with section 186, paragraph 4, clause 2 of the German Stock Corporation Act (AktG)

On agenda item 8:

- Management Board Report in accordance with section 221, paragraph 4, clause 2 in conjunction with section 186, paragraph 4, clause 2 of the German Stock Corporation Act (AktG)

On agenda item 10:

- Court settlement between the company and RREEF on 28/30 December 2011.
- Management Board Report.

- Control agreement between the company and RREEF (formally known as: "Deutsche Grundbesitz Management GmbH" and later as "DB Real Estate Management GmbH") on 7 May 1999.

- Company profit and loss statements for the financial years 1999 to 2001 and 2004 to 2006 (first half-year).

- Judgement by the District Court of Frankfurt/Main on 8 August 2011.

The aforementioned documents will also be accessible during the Annual General Meeting on Wednesday 6 June 2012. Additionally, these will be sent to every shareholder free of charge upon request, and promptly.

Other counterproposals, election nominations and additional requests from shareholders submitted to the company punctually by the aforementioned deadline and whose publication is mandatory, will also be made available on the above mentioned website.

This invitation was extended for publication via such media that it can be assumed the information will be disseminated throughout the entire European Union.

Frankfurt, April 2012

Deutsche Wohnen AG

The Management Board

Please note that only the German version of this invitation is legally binding. The company cannot be held responsible for any misunderstanding or misinterpretation arising from this translation.