



Deutsche Wohnen AG

Frankfurt/Main, Germany

ISIN DE0006283302

WKN 628330

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Invitation to the Annual General Meeting 2013

The shareholders of our company are hereby invited to attend on
Tuesday, 28 May 2013
at 10.30 a.m. (CEST)
in the

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

the

Annual General Meeting 2013.

I. Agenda

1. Presentation of the annual financial statement and the consolidated financial statement approved by the Supervisory Board as of 31 December 2012, the Management Reports for the company and the Group including the report of the Supervisory Board for the financial year 2012 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 2012.

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 2012

The Management Board and Supervisory Board propose using the net profits indicated in the approved annual financial statement of 31 December 2012 amounting to EUR 33,759,000.03 as follows:

Distribution to the shareholders:

Distribution of a dividend of EUR 0.21 per registered or bearer share, to 160,757,143 registered and bearer share that amounts to	EUR	33,759,000.03
Net profit	EUR	<u>33,759,000.03</u>

3. Resolution on the ratification of the Management Board for the financial year 2012

The Management Board and Supervisory Board propose that the serving members of the Management Board in 2012 be granted a discharge for this financial year.

4. Resolution on the ratification of the Supervisory Board for the financial year 2012

The Management Board and Supervisory Board propose that the serving members of the Supervisory Board in 2012 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 2013

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 2013.

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.

Mr Uwe E. Flach's appointment will end at the same time as the Annual General Meeting will be concluded on 28 May 2013. Consequently, a member of the Supervisory Board is to be newly elected.

Against this background, the Supervisory Board proposes the following resolution upon recommendation by the Nomination Committee of the Supervisory Board:

Effective as of the end of this Annual General Meeting, 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:

Uwe E. Flach
Frankfurt/Main
Senior Adviser, Oaktree GmbH, Frankfurt/Main

Additional mandates:

DZ Bank, Frankfurt/Main (member of the Advisory Board)

OCM German Real Estate Holding AG, Cologne (Chairman of the Supervisory Board)

CV of Mr Uwe E. Flach:

Mr Uwe E. Flach was born in 1943. Following a banking apprenticeship and a degree in Business Administration he embarked on a career in investment banking. After spending six years abroad with an American investment bank in New York, Paris and London he became senior manager with responsibility for consortium banking, capital markets and corporate finance at the DG Bank AG in Frankfurt in 1977. In 1989 he became a deputy member of the Management Board, and in 1991 a full board member with responsibility for investment banking. At the DG Bank's successor bank, the DZ Bank AG, he was the Deputy Chief Executive Officer from 2001 to 2003. Since 2004 he has been an adviser to Oaktree in Germany.

According to Number 5.4.3 German Corporate Governance Code, the shareholders are hereby notified that the proposed candidate, Mr Uwe E. Flach, is simultaneously also proposed for re-election as Chairman of the Supervisory Board.

In the opinion of the Supervisory Board the proposed candidate is not in any personal or business relationship with Deutsche Wohnen AG or its group companies, the organs of Deutsche Wohnen AG or a shareholder with significant stake in Deutsche Wohnen that would have to be disclosed in accordance with Number 5.4.1 German Corporate Governance Code.

7. Creation of an authorised capital 2013 with the possibility of excluding the subscription rights and abolition of the existing authorised share capital and an amendment to section 4a of the articles of association

The authorisation granted to increase the share capital by up to EUR 73,071,429 by 3 December 2017 (authorised capital 2012/II) granted by the Annual General Meeting on 4 December 2012 was partially utilised to the amount of 14,614,285 as part of the cash capital increase carried out in January 2013. 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 58,457,144 through the issue of 58,457,144 new ordinary bearer shares in exchange for cash or non-cash contributions. In order that the company is also flexible to extensively strengthen its own funds, if required in the future, the existing authorised capital 2012/II should be revoked, and a new authorised capital (authorised capital 2013) 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 27 May 2018 by up to EUR 80,378,000 by issuing up to 80,378,000 new ordinary bearer shares in exchange for cash or non-cash contributions (authorised capital 2013).**

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) for the issuance 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 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 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 (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 28 May 2013 or the authorisation under agenda item 8 of the Annual General Meeting of 16 June 2012 (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 2013, 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 27 May 2018 by up to EUR 80,378,000 by issuing up to 80,378,000 new ordinary bearer shares in exchange for cash or non-cash contributions (authorised capital 2013).
- (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 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 (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 28 May 2013 and agenda item 8 of the Annual General Meeting of 6 June 2012 (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 4 December 2012 and is limited until 3 December 2017, will be revoked as of the effective date of the new authorised capital 2013.
 - 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 2013 under sections a) and b), provided these are entered in the commercial register, this however only if the new authorised capital 2013 is entered immediately after.

The Management Board is authorised, subject to the preceding paragraph, to enter the authorised capital 2013 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 2013, revocation of existing authorisations to issue convertible bonds and bonds with warrants, revocation of the contingent capital 2012 (section 4 b of the articles of association) and corresponding amendment to the articles of association

The Annual General Meeting on 6 June 2012 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 5 June 2017, with a total nominal value of up to EUR 500,000,000 with or without a term restriction. A contingent capital 2012 amounting to EUR 25,575,000 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 2012 are to be revoked and replaced by a new authorisation and a new contingent capital (contingent capital 2013).

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 27 May 2018 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 850,000,000 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 40,189,000, 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 on basis of the authorisation in agenda item 7 of the Annual General Meeting of 28 May 2013 or based on the authorisation in agenda item 7 of the Annual General Meeting on 6 June 2012 (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 40,189,000 by the issuing of up to 40,189,000 new no-par value bearer shares with dividend rights (contingent capital 2013). 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 6 June 2012 and the corresponding revocation of the contingent capital 2012

The currently existing authorisation for the issue of conversion and option bonds approved at the Annual General Meeting of 6 June 2012 and the corresponding contingent capital 2012 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 2013.

d) Amendment to the articles of association

aa) Section 4 b of the articles of association (contingent capital 2012) will be overruled as a result of the revocation of the contingent capital 2012.

bb) For the contingent capital 2013, section 4 b of the articles of association will be restated as follows:

"Section 4 b

(1) The share capital is contingently increased by up to EUR 40,189,000 by the issuing of up to 40,189,000 new bearer shares with dividend rights (contingent capital 2013).

- (2) The contingent 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 28 May 2013, 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 2012 under section 4 b of the articles of association and the approved new contingent capital 2013 under section b), provided these are entered in the commercial register, this however only if the new contingent capital 2013 is entered immediately after.

The Management Board is authorised, subject to the preceding paragraph, to enter the contingent capital 2013 in the commercial register, independently of the other resolutions of the Annual General Meeting.

II. Reports from the Management Board

Report from the Management Board on agenda item 7 (Creation of an authorised capital 2013 with the possibility to exclude subscription rights)

Regarding item 7 of the Annual General Meeting on 28 May 2013, the Management Board and Supervisory Board propose that the existing authorised capital is cancelled and replaced

by a new authorised capital (authorised capital 2013). 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 73,071,429 by 3 December 2017 (authorised capital 2012/II) granted by the Annual General Meeting on 4 December 2012 was partially utilised to the amount of 14,614,285 as part of the cash capital increase carried out in January 2013. 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 58,457,144 through the issue of 58,457,144 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 future, the existing authorised capital 2012/II should be revoked, and a new authorised capital (authorised capital 2013) should be adopted and the articles of association amended accordingly.

The new authorised capital (authorised capital 2013) suggested under agenda point 7 a) of the Annual General Meeting on the 28 May 2013 should authorise the Management Board, with the consent of the Supervisory Board, to increase the share capital on one or more occasions up to 27 May 2018 by up to EUR 80,378,000 by issuing up to 80,378,000 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 future 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 2013 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 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) 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 (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 or other assets pursuant to the authorisation under agenda point 8 of the Annual General Meeting on 28 May 2013 or the authorisation under agenda point 8 of the Annual General Meeting on 6 June 2012 (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 offer of bonds instead of or alongside the issuance of shares or cash contributions may constitute an attractive alternative that increases the company's competitive opportunities for its additional flexibility. 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. If an opportunity presents itself for a merger with another company or the acquisition of companies, company units or participations in companies or other assets, 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 participation or other assets 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 utilise the authorised capital only if it is convinced that the merger or acquisition of a company, part of a company or company participation 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 28 May 2013 or the authorisation under agenda item 8 of the Annual General Meeting of 6 June 2012 (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 2013)

Regarding item 8 at the Annual General Meeting on 28 May 2013, 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 2012 be revoked and replaced by a new authorisation and a new contingent capital 2013. 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 6 June 2012 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 5 June

2017, with a total nominal value of up to EUR 500,000,000 with or without a term restriction. A contingent capital 2012 amounting to EUR 25,575,000 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 2012 are to be revoked and replaced by a new authorisation and a new contingent capital (contingent capital 2013).

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 850,000,000. The contingent capital, which services the fulfilment of conversion or option rights, should amount to EUR 40,189,000. 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 contingent 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 2013 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 2013, it will report on this in the next Annual General Meeting.

Report on the utilisation of the authorised capital based on the authorisation dated 4 December 2012 in exclusion of the subscription right in January 2013

The increase of the registered share capital of up to EUR 73,071,429 by 3 December 2017 (authorised capital 2012/II) granted by the Annual General Meeting on 4 December 2012 was partly utilised in the scope of the cash capital increase in January 2013 in exclusion of subscription rights.

On 15 January 2013 with the approval from the Supervisory Board, the Management Board decided that to partly utilise the authorised capital 2012/II in an amount of EUR 14,614,285 in the scope of a cash capital increase in exclusion of the subscription rights by issuance of 14,614,285 new bearer shares with profit eligibility as of 1 January 2012 and to increase the company's equity by a corresponding amount. This is equivalent of an increase of the company's equity existing at the time of the taking effect and the simultaneous utilisation of the authorised capital 2012/II by just under 10%. The volume limitation for shares provided by the authorised capital 2012/II for shares that are issued in exclusion of the subscription rights against cash contribution was therefore observed.

The new shares are placed by way of a so-called accelerated bookbuilding with institutional investors nationally and internationally based on the subscription agreement concluded on 15 January 2013 with Merrill Lynch International, London and UBS Limited, London. The new shares are issued for an initial placement price of EUR 13.35 according to the resolution of the Management Board dated 16 January 2013. The Executive Committee of the Supervisory Board, which was assigned by the Supervisory Board with the final approval of the placement price determination approved the resolution of the Management Board for the placement price determination of 16 January 2013 by resolution of 16 January 2013.

The capital increase was entered in the commercial register of the Local Court Frankfurt/Main on 17 January 2013. The new shares were admitted by the Frankfurt Stock Exchange without prospectus for trading in the regulated market and simultaneous admission to the sub-segment of the regulated market with further admission requirements (Prime Standard). The stocks were integrated in the existing listing of the bearer shares of Deutsche Wohnen AG on 18 January 2013. The gross proceeds from the capital increase amounted to around EUR 195.1 million.

The net proceeds were utilised for the financing of transactions in Berlin that were concluded before the end of the year 2012, future acquisitions and general company purposes. By the capital increase, the net financial liabilities and the equity share of Deutsche Wohnen AG could furthermore be kept at an appropriate level and also the conservative debt policy could be continued thereby.

In the price determination, the price requirements of section 186 paragraph 3, sent. 4 German Stock Corporation Act (AktG) were observed, compliance of which is required by the authorised capital 2012/II in that the subscription right is excluded for a capital increase against cash contributions in a volume of up to 10% of the equity. Accordingly, the price for the new shares may not considerably fall short of the publicly listed price of the company's shares.

The determined placement price of EUR 13.35 per share merely includes a negligible packet discount in the amount of less than 3% compared to the pricing of the XETRA rate used at that time as reference price. In XETRA trading generally the highest trading turnover of the company is transacted.

By exclusion of the shareholders' subscription rights, the company has applied an option provided under the law for the exclusion of subscription rights in cash capital increases of stock-exchange listed companies according to section 186 paragraph 3, sent. 4 German Stock Corporation Act (AktG). Such an exclusion of the subscription right was required in the present case in order to promptly take advantage of the market situation that was advantageous in the opinion of the Management Board and Supervisory Board at the time of the partial utilisation of the authorised capital 2012/II and be able to achieve the highest possible issuance proceeds through a price determination that was close to the market. In comparison, the subscription period of at least two weeks, which is required for the grant of a subscription right (section 186 paragraph 1, sent. 2 AktG), would not have permitted a faster reaction to the current market situation.

Furthermore, it had to be taken into consideration that granting a subscription right would have required an announcement of the final subscription price, at the latest three days before the expiration of the subscription period (section 186 paragraph 2, sent. 2 AktG). Due to the longer period between the price determination and the implementation of the capital increase, and the volatility of the stock markets, there is a higher market risk, specifically

also the risk of stock price fluctuations in contrast to a distribution free from subscription rights. A successful placement in the context of a capital increase with a subscription right would have therefore made a corresponding security discount on the current stock price necessary and thus probably have led to conditions not common in the market. For the aforesaid reasons, an exclusion of the subscription right was in the interest of the company. Given the price determination was close to the current stock price and on basis of the volume of the shares issued in exclusion of the subscription rights being limited to 10% of the present equity, the interests of the shareholders were also protected at the same time because the shareholders thereby, with regard to the liquid stock trading, generally have the opportunity to maintain their proportional shareholding in the company by way of an additional buy via the stock exchange to comparable conditions. By issuance of the new shares close to the current stock exchange price it was furthermore ensured that no mentionable economic dilution of the holdings of the shareholders was tied to the capital increase.

By issuance of the new shares with profit entitlement as early as of 1 January 2012, the new shares were equipped with the same profit entitlements as the existing shares at the time of issuance already. This made an attribution of a separate securities registration number dispensable for the new shares in the period until this year's ordinary Annual General Meeting. For this reason a low trading liquidity could be avoided as associated with a separate securities registration number in stock exchange trading. Otherwise, this would have made marketing the new shares more difficult and might have led to price losses. Therefore, the exercised back-reference of the profit entitlement to the beginning of the financial year 2012 was in the interest of the company.

From the foregoing considerations, the subscription rights elimination was overall objectively justified in light of the requirements of the (presently) authorised capital 2012/II.

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 160,757,143 and is divided into 160,757,143 shares. Each ordinary share confers one vote at the Annual General Meeting. The total number of shares entitled to participate and vote was thus 160,757,143. 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 Tuesday, 21 May 2013, 24:00 CEST, at the following address:

Deutsche Wohnen AG
c/o Computershare Operations Center
80249 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 Tuesday, 7 May 2013 (i.e. 00.00 CEST) (record date). 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 Tuesday, 21 May 2013, 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 company's website at <http://www.ir.deutsche-wohnen.com> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013").

Importance of the record date

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 record date. The record date 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 record date 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 record date 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 Tuesday, 21 May 2013, 24:00 CEST at the latest:

Deutsche Wohnen AG
c/o Computershare Operations Center
80249 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 Wednesday, 22 May 2013 up to and including Tuesday 28 May 2013, 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 Tuesday, 21 May 2013, at 24:00 (technical record date)..

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> (and there in the area of “Investor Relations” > “Annual General Meetings” > “Ordinary Annual General Meeting 2013”).

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> (and there in the area of “Investor Relations”> “Annual General Meetings” > “Ordinary Annual General Meeting 2013”).

for download.

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

DWAG-HV2013@computershare.de

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

<http://www.ir.deutsche-wohnen.com> (and there in the area of “Investor Relations”> “Annual General Meetings” > “Ordinary Annual General Meeting 2013”).

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> (and there in the area of “Investor Relations”> “Annual General Meetings” > “Ordinary Annual General Meeting 2013”).

The authorisation of company voting proxies and the issuing of instructions to them is to be submitted preferably by Monday 27 May 2013, 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
80249 Munich
Fax: +49 (0) 89 30903 – 74675
Email: anmeldestelle@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 Saturday, 27 April 2013, 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 Monday, 13 May 2013, 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 company's website at <http://www.ir.deutsche-wohnen.com> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013") (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> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013").

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 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 Monday, 13 May 2013, 24:00 CEST at the latest, will be made available promptly on the company's website at <http://www.ir.deutsche-wohnen.com> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013"). 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> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013").

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> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013").

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 company's website at <http://www.ir.deutsche-wohnen.com> (and there in the area of "Investor Relations"> "Annual General Meetings" > "Ordinary Annual General Meeting 2013"). 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 2012, the management report for the company and the Group inclusive of the Supervisory Board Report for financial year 2012 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 2012.

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)

Report on the partial utilisation of the authorised capital based on of the authorisation dated 4 December 2012 in exclusion of the subscription right in January 2013

The aforementioned documents will also be accessible during the Annual General Meeting on Tuesday, 28 May 2013. The legal obligation is fulfilled by making it accessible on the company's website. Additionally, the documents will be sent once to every shareholder free of charge by regular post 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 2013

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.