



January 1 to March 31, 2004 Interim Report

Key figures

Group key figures						
in € m.	Jan 1 to Mar 31, 2004	Jan 1 to Mar 31, 2003	Jan 1 to Mar 31, 2002	Jan 1 to Mar 31, 2001	Jan 1 to Mar 31, 2000	Jan 1 to Dec 31, 2003
Gross profit from property management	8.52	8.61	7.83	9.16	7.62	30.33
Gross profit from housing privatisation	2.59	3.00	6.23	3.27	1.26	32.46
Result from ordinary activities	2.46	2.24	5.16	3.27	-0.24	19.94
Net income	1.15	0.69	5.14	3.25	-0.25	10.67
Result according to DVFA/SG	0.98	-0.28	5.15	2.72	-3.11	8.07
Cashflow according to DVFA/SG	5.16	4.98	9.90	7.88	4.31	29.05
EBIT	10.35	9.26	13.09	10.80	8.20	48.38
EBITDA	14.36	13.57	17.85	15.09	12.80	66.64
Fixed assets	926.63	994.38	1,051.43	1,108.12	1,140.85	958.53
Current assets	167.43	162.15	162.98	151.55	134.80	150.86
Equity	429.11	450.13	481.20	503.81	521.25	427.97
Liabilities	660.56	681.45	710.99	737.16	738.04	650.78
– to banks	528.36	542.34	551.74	568.53	568.00	527.55
Total assets	1,119.28	1,156.57	1,214.73	1,260.39	1,276.98	1,109.44
Return on equity	0.27 %	0.15 %	1.07 %	0.65 %	-0.05 %	2.49 %
Equity ratio	38.34 %	38.92 %	39.61 %	39.97 %	40.82 %	38.58 %
Equity to fixed assets ratio I	45.08 %	45.27 %	45.77 %	45.47 %	45.69 %	44.65 %
Equity to fixed assets ratio II	106.56 %	106.12 %	105.33 %	104.12 %	104.33 %	106.11 %
Liquidity ratio	159.42 %	149.15 %	144.21 %	128.75 %	136.90 %	159.68 %
Share key figures						
in €	Mar 31, 2004	Mar 31, 2003	Mar 31, 2002	Mar 31, 2001	Mar 31, 2000	Dec 31, 2003
Share price	138.80	148.70	148.00	142.00	144.00	136.20
Market capitalisation (in m.)	555	595	592	568	576	545
Free Float	84 %	79 %	70 %	70 %	70 %	84 %
Result according to DVFA/SG	0.25	-0.07	1.29	0.68	-0.78	2.02
Cashflow according to DVFA/SG	1.29	1.25	2.48	1.97	1.08	7.26
Net Asset Value *	Mar 31, 2003	Mar 31, 2002				
Net Asset Value	230.00	227.91				
Share price	148.70	148.00				
Dividend	2003	2002	2001	2000	1999	
Net Asset Value	8.75**	10.00	10.00	10.00	9.12	
Share price ***	6.42%**	6.94 %	6.76 %	7.04 %	6.33 %	

* Publication of the Net Asset Values as at March 31, 2004 in the interim report as at June 30, 2004 (will be published on August 9, 2004).

** Subject to the agreement of the Annual General Meeting on July 15, 2004.

*** Based on the closing price at year-end.



BUSINESS DEVELOPMENT IN THE FIRST QUARTER OF 2004



| In the first quarter of 2004, the net income of the Deutsche Wohnen Group increased by about 67 % to € 1.2 million compared to the first quarter of last year.

| The improvement is essentially the result of the Group's strategic portfolio management. This means that expenditure on modernisation is being targeted at selected locations and buildings (a € 0.6 million reduction compared to the same period last year). In addition, the increase in the Group net income resulted from the omission of unscheduled depreciation (€ 0.3 million for the same period last year) and an approximately € 0.3 million reduction in tax on income and profits.

| As a result of controlling steps in letting and modernisation, the housing management result remained fairly constant compared to last year in spite of stock disposal.

| Because of this company policy, the essential company indicators EBIT (+12 %), EBITDA (+6 %) and cashflow (+4 %) improved over the reporting period compared to the first quarter of 2003.

| Since the beginning of 2004 the focus in real estate management has also been on the successive reduction in vacancies which are due to market factors. In the first three months of 2004, the vacancy rate of the company's own residential stock decreased by about 0.5 percentage points to 7.4 %. As a result, the loss of rents has been reduced by more than € 0.4 million. The proportion of the reduced vacancy rate, which is market related, amounts to about 0.4 percentage points.

| A further focus in real estate management is the reduction of payments in arrears by more intensive tenancy support. Compared to the same period last year and contrary to the trend in the industry, these have been reduced – even with considerably lower depreciation requirements.



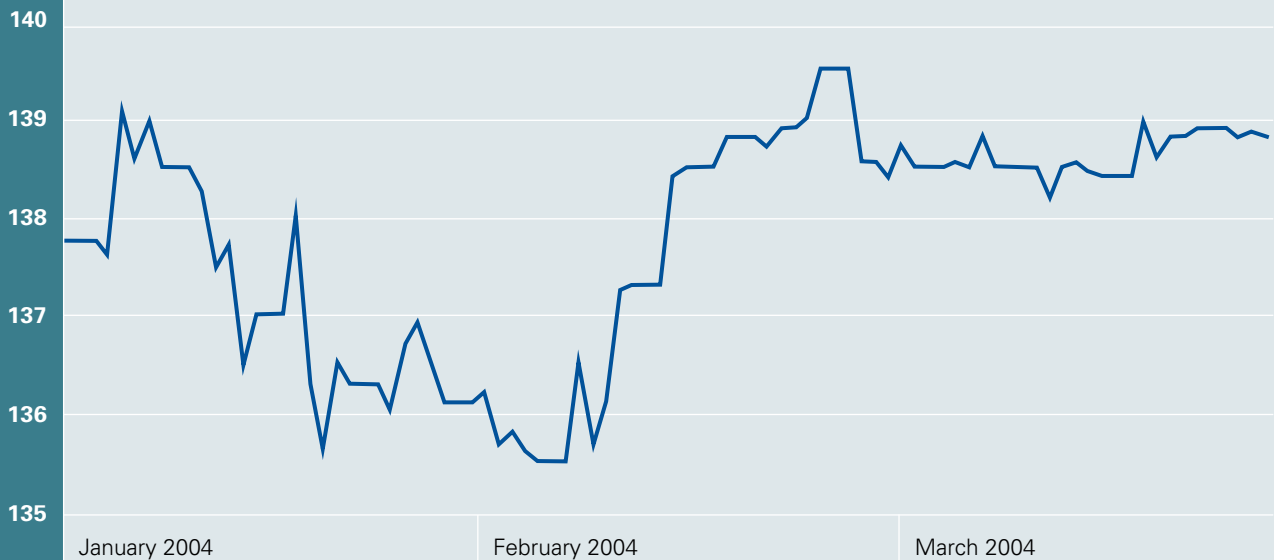
| In the first weeks of 2004 in housing privatisation, the concretion of mid and long term plans for the current financial year (especially the management of external sales and sales preparation) made it possible that again 1,100 to 1,300 residential units can be sold by the end of 2004. The sales proceeds, effective on the balance sheet, have remained practically constant compared to the same period last year.

| The Group was able to counteract the problem of the new Paragraph 8a of the Corporate Tax Law, introduced on January 1 2004, by restructuring its loan situation. By developing various possible solutions for the continued existence of Paragraph 8a of the Corporate Tax Law, its effects on the Group result will be negligible.

Key figures Housing privatisation						
	Jan 1 to Mar 31, 2004	Jan 1 to Mar 31, 2003	Jan 1 to Mar 31, 2002	Jan 1 to Mar 31, 2001	Jan 1 to Mar 31, 2000	Jan 1 to Dec 31, 2003
in € m.						
Gross earnings from the sale of properties of the fixed assets	3.49	4.46	7.27	3.73	0.87	41.30
Gross earnings from sales	2.56	3.00	6.23	3.27	1.26	32.50
Pre-sales costs	-0.64	-1.20	-0.45	-	-	-4.00
Selling costs	-0.29	-0.31	-0.64	-	-	-4.00
Number of housing sales with an effect on the balance sheet	73	92	147	96	30	1,317
Number of housing sales recorded	109	177	219	257	-	1,334
in € per m²						
Average sales price	1,085	1,015	1,193	1,094	1,451	1,015
in %						
Number of housing sales to former tenants	64	23	39	56	59	39

Key figures Housing management						
	Jan 1 to Mar 31, 2004	Jan 1 to Mar 31, 2003	Jan 1 to Mar 31, 2002	Jan 1 to Mar 31, 2001	Jan 1 to Mar 31, 2000	Jan 1 to Dec 31, 2003
in units						
Own stock	23,059	24,366	25,609	26,515	27,212	23,136
in million m²						
Total living area	1.48	1.57	1.65	1.72	1.86	1.49
in %						
Vacancy rate	7.35	7.01	6.25	4.92	3.00	7.78
in € per m²						
Average monthly rent	4.81	4.81	4.70	4.60	4.40	4.96
in € per m²						
Investments in maintenance and modernisation	2.20	2.45	2.74	3.56	3.79	14.44

Share price Deutsche Wohnen AG (in €)



DEUTSCHE WOHNEN SHARE

The publication on February 9, 2004 of the amount of the dividend for 2003 (€ 8.75 per share, respectively 6.4 % after tax) led to increased demand for the Deutsche Wohnen share (total volume of shares traded was about € 35 million on Germany's highest-trading stock exchange, Frankfurt/Main). This had a positive influence on the share price so that the price level improved to € 139. At the beginning of May 2004, the share was trading at € 140.

VOLUME TRADED ON THE FRANKFURT/MAIN STOCK EXCHANGE FROM JANUARY 1 – MARCH 31, 2004

Number of shares sold per trading day	3,944
Volume traded per trading day	543,543.56 €
Total number of shares sold	252,424
Volume traded in the first quarter of 2004	34,786,788.09 €

Consolidated balance sheet as at March 31, 2004

ASSETS

in €	Mar 31, 2004	Mar 31, 2004	Dec 31, 2003
A. Fixed assets			
I. Intangible fixed assets			
Franchises, trademarks, patents, licences and similar rights		32,401.45	39,870.45
II. Tangible fixed assets			
1. Land, leasehold rights with residential buildings	868,436,883.48		874,703,648.65
2. Land and leasehold rights with business and other premises	26,905,468.70		27,043,729.19
3. Land and leasehold rights without buildings	27,828,771.17		28,106,766.22
4. Land with inheritable building rights of others	501,199.57		501,199.57
5. Buildings on land owned by others	585,014.93		602,544.84
6. Other equipment, fixtures and fittings	177,686.95		188,951.12
7. Assets in the course of construction	1,406,843.32		1,197,270.69
8. Pre-construction costs	787,074.89		671,943.31
		926,628,943.01	
III. Financial assets			
1. Participating interests	3,984,500.51		4,238,750.52
2. Other loans	21,196,210.99		21,234,982.61
		25,180,711.50	
		951,842,055.96	
B. Current assets			
I. Land and other stocks intended for sale			
1. Land and leasehold rights without buildings	3,352,819.16		3,349,310.74
2. Work in progress	34,652,095.86		27,973,743.72
		38,004,915.02	
II. Receivables and other assets			
1. Amounts due from rental	1,996,535.42		2,141,893.51
2. Amounts due from sale of land	8,547,774.93		28,417,515.16
3. Amounts due from management activities	140,293.00		1,669,006.02
4. Trade accounts receivable	0.00		6,744.92
5. Amounts owed by affiliated companies	5,112.91		7,626.37
6. Other assets	14,039,955.64		11,269,666.08
		24,729,671.90	
III. Securities			
Own shares		9,821.92	9,821.92
IV. Cash at bank and in hand			
Cash balance and balances with banks		104,683,489.81	76,019,134.70
		167,427,898.65	
C. Prepaid expenses and deferred charges			
1. Discount	5,411.00		5,411.00
2. Other prepaid expenses and deferred charges	0.00		38,416.00
		5,411.00	
Total assets		1,119,275,365.61	1,109,437,967.91

LIABILITIES

in €	Mar 31, 2004	Mar 31, 2004	Dec 31, 2003
A. Equity			
I. Subscribed capital	10,225,837.62		10,225,837.62
II. Capital reserve	313,436,071.62		313,436,071.62
III. Revenue reserves			
1. Statutory reserve	1,022,583.76		1,022,583.76
2. Reserves for own shares	9,821.92		9,821.92
IV. Consolidated retained earnings	103,828,820.56		102,690,808.59
V. Shares of other partners	588,490.40		581,058.55
		429,111,625.88	
B. Reserves			
1. Provisions for pensions and similar obligations	3,948,916.01		3,945,319.43
2. Provisions for taxes	13,820,261.80		12,804,153.97
3. Provisions for building maintenance	483,184.24		483,184.24
4. Other provisions	11,347,587.39		13,451,574.50
		29,599,949.44	
C. Liabilities			
1. Amounts owed to banks	528,364,806.17		527,547,602.63
2. Amounts owed to other lenders	63,529,107.59		65,482,019.57
3. Payments received on account	43,123,871.61		33,155,039.65
4. Amounts owed from rental	10,128,442.67		10,432,972.55
5. Trade accounts payable	1,075,719.55		1,064,713.04
6. Amounts owed to affiliated companies	210,211.09		69,337.67
7. Other liabilities	14,131,631.61		13,023,413.64
		660,563,790.29	
D. Prepaid income		0.00	12,454.96
Total liabilities		1,119,275,365.61	1,109,437,967.91

Consolidated balance sheet as at March 31, 2004

CONSOLIDATED INCOME STATEMENT AS AT MARCH 31, 2004

in €	Mar 31, 2004	Mar 31, 2004	Dec 31, 2003
1. Sales			
a) from property management	21,869,372.50		119,933,858.79
b) from sale of land	0.00		2,523,760.01
c) from management activities	528,866.62		2,087,620.07
d) from other goods and services	75,266.17		366,163.59
		22,473,505.29	
2. Decrease of land for sale with finished and unfinished buildings and work in progress		7,100,754.58	./ 4,432,251.32
3. Other operating income		4,158,058.78	46,876,416.63
4. Costs of external expenses			
a) Expenses for housing management	12,314,529.40		57,380,694.58
b) Costs of sale of land	0.00		463,625.94
c) Costs of other goods and services	1,724.55		6,233.61
		12,316,253.95	
5. Staff costs			
a) Wages and salaries	3,659,635.44		13,922,034.75
b) Social security, pension and benefits costs	923,854.10		4,043,312.06
		4,583,489.54	
6. Depreciation of intangible fixed assets and tangible assets		4,006,233.63	18,261,772.99
7. Other operating expenses		3,434,022.66	25,562,531.95
8. Income from other loans and securities of financial assets		157,146.61	664,180.93
9. Other interest and similar income		401,564.55	1,590,713.24
10. Depreciation on financial assets		0.00	1,040.14
11. Interest and similar expenses		7,487,752.98	30,032,517.71
12. Result from ordinary activities		2,463,277.05	19,936,698.21
13. Tax on income		1,258,878.79	9,197,793.52
14. Other taxes		58,954.44	67,499.49
15. Results		1,145,443.82	10,671,405.20
16. Profit carried forward		102,690,808.59	69,831,147.53
17. Withdrawal from the capital reserve		0.00	22,518,100.55
18. Transfer to the statutory reserve		0.00	250,688.28
19. Transfer to the reserve for own shares		0.00	34.64
20. Annual surplus relating to other shareholders		7,431.85	79,191.05
21. Consolidated retained earnings		10,828,820.56	102,690,808.59

Management Board, Supervisory Board and important dates

MANAGEMENT BOARD

(Status: May 2004)

Andreas Lehner

– CEO –
(from January 1, 2004)

Michael Neubürger

Bad Homburg
– CFO –

SUPERVISORY BOARD

(Status: May 2004)

Helmut Ullrich

– Chairman –
Königstein
Managing Director
DB Real Estate Management GmbH

Dr. Michael Gellen

– Deputy Chairman –
Cologne
Managing Director
DB Real Estate Management GmbH

Harry Gutte

Frechen
Managing Director
DB Real Estate Management GmbH

Matthias Hünlein

Oberursel
Managing Director
DB Real Estate Management GmbH

Hans-Werner Jacob

Vaterstetten
Deutsche Bank AG
Geschäftsleitung Vertrieb Deutschland

Dr. Andreas Kretschmer

Düsseldorf
Managing Director of the Ärzteversorgung Westfalen-Lippe
Einrichtung der Ärztekammer Westfalen-Lippe
– Körperschaft des öffentlichen Rechts –

IMPORTANT DATES

July 15, 2004

Annual General Meeting

July 16, 2004

Dividend payment

August 9, 2004

Interim report as at June 30, 2004

November 8, 2004

Interim report as at September 30, 2004



Deutsche Wohnen AG

Investor Relations

Mergenthalerallee 73–75

65760 Eschborn

Phone: +49 69 7 17 04-628

Fax: +49 69 7 17 04-990

deutsche.wohnen@db.com

www.deutsche-wohnen.de