



JANUARY 1 TO SEPTEMBER 30, 2003 INTERIM REPORT

Deutsche Wohnen AG







| Interim results

| In the first nine months of financial year 2003, Deutsche Wohnen recorded an operating result of EUR 18.1 million. With profits on ordinary activities of EUR 9.8 million, the result for the Group stood at EUR 3.4 million mainly due to income and earnings tax expenses of EUR 6.3 million. In addition to these expenditure items, lower segment results were a crucial factor behind the significantly lower interim results for the Group as compared with previous years.

| Property management

| For the period up to September 30, 2003, the Deutsche Wohnen Group recorded rental income (less operating costs) of EUR 64.9 million. The decrease of EUR 2.8 million compared with September 30, 2002 results from the rise in the vacancy rate to 7.4% due in particular to maintenance measures, and the loss of rental income through vacancies rose to EUR 5.7 million. In addition, the portfolio was reduced through the sale of units.

| The level of maintenance costs for the period up to September 30, 2003 amounted to EUR 9.32 per m², approx. the same as that for financial year 2001 and approx. EUR 3.00 below the level for financial year 2002.

| The result recorded by the segment property management was EUR 22.2 million (first nine months of 2002: EUR 23.5 million).

| Housing privatisation

| Sales revenue as at September 30, 2003 was EUR 12.7 million, a reduction of EUR 3.7 million compared to the previous year.

| Between January 1 and September 30, 2003 655 housing units were sold as part of housing privatisation, an increase of approx. 10% compared with September 30, 2002 (594). Of these notarised and therefore legally binding transactions, 211 or approx. 32% were not reported in the consolidated accounts as at September 30, 2003 because ownership, benefit and liability had not yet been transferred. Assuming an average selling price of EUR 1,147 per m² and an average unit size of approx. 65 m², total sales revenue of approx. EUR 15.7 million has not yet been reported in the consolidated accounts as at September 30, 2003. Ownership, benefit and liability is likely to be transferred in all 211 cases by the end of 2003, which will impact positively on sales and the Group's result for the year 2003.

| Pre-sales and marketing costs amounted to EUR 4.1 million and were therefore approx. EUR 0.3 million lower than for the same period in the previous year (EUR 4.4 million).



**| Tax situation**

| The Group's result as at September 30, 2003 is burdened by income and earnings tax expenses of EUR 6.3 million compared with approx. EUR 3.9 million for the first nine months of 2002.

| Share price performance

| Throughout the year 2003, with the exception of a rise prior to the dividend payment, the Deutsche Wohnen share price remained at its average level for the last few years.

| Compared with the DAX, as well as sector indices of Ellwanger & Geiger and the European Public Real Estate Association (EPRA), the volatility of the share price is still extremely low.

| Trading turnover in 2003 clearly exceeds that of the previous years. Following the introduction of the share to the OTC market on the Frankfurt am Main and Stuttgart stock exchanges, it has been possible to concentrate trading activities almost completely at Frankfurt am Main. The 30-day average in OTC trading at Frankfurt am Main is currently approx. EUR 290,000 or approx. 2,000 sold shares per trading day.

| Outlook 2003

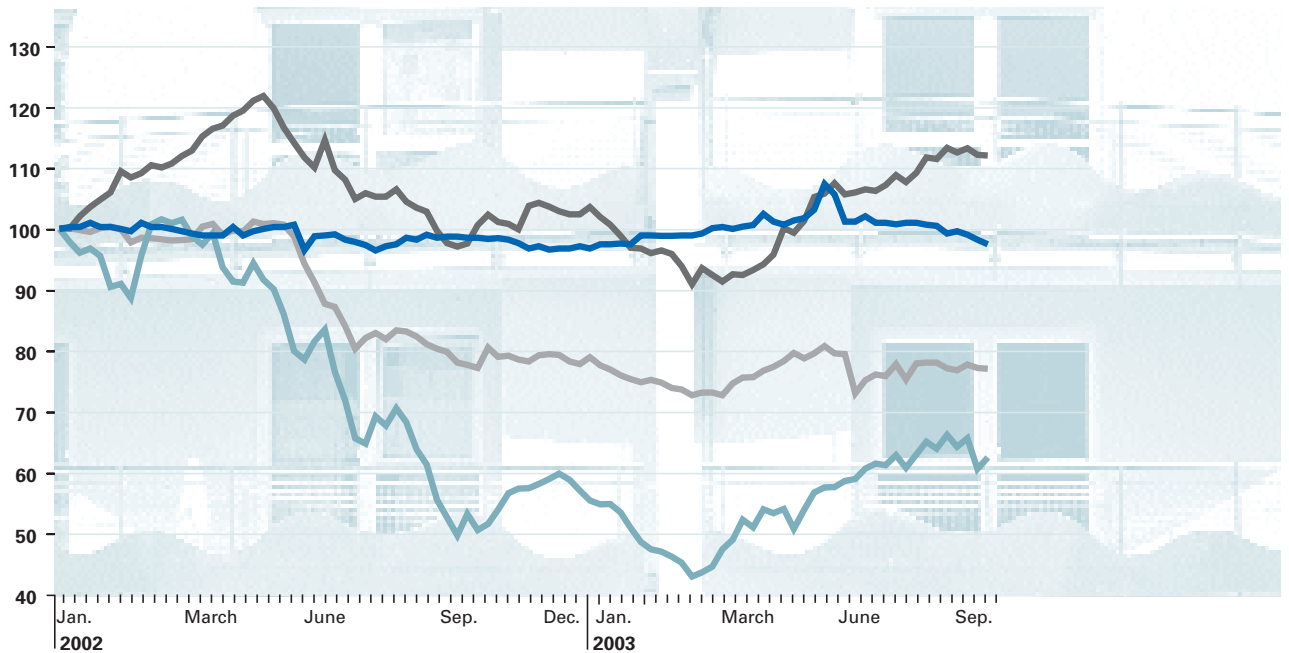
| Despite the low result as at September 30, 2003, the Management Board still expects the Group's result to reach the double-digit million mark for the full financial year.

| The dividend payment for financial year 2003 will once again be based on the Group's cash flow. If this is burdened by higher expense items than in the previous year, a reduction of the dividend is possible.

| We will inform you of the Group's preliminary key figures for 2003 on February 9, 2004.



Deutsche Wohnen AG compared with DAX, DIMAX and EPRA Europe Total Return Index from January 1, 2002 to September 30, 2003 (indexed illustration, basis 100)



Deutsche Wohnen AG

DAX

DIMAX

EPRA Europe Total Return Index



Key figures for the Group		Jan. 1 – Sep. 30, 2003	Jan. 1 – Sep. 30, 2002	Jan. 1 – Sep. 30, 2001	Jan. 1 – Sep. 30, 2000	Jan. 1 – Sep. 31, 2002
Sales	EUR m	85.72	80.61	73.87	93.56	128.39
– from property management	EUR m	83.60	77.38	71.20	88.64	122.26
Results from ordinary activities	EUR m	9.81	14.60	14.29	10.36	19.51
Net income	EUR m	3.44	10.69	14.16	10.15	13.38
Result (DVFA/SG)	EUR m	0.87	8.18	11.78	7.54	10.73
Cash flow (DVFA/SG)	EUR m	15.32	24.25	25.83	24.53	34.42
EBIT	EUR m	31.18	36.10	40.29	35.64	48.92
EBITDA	EUR m	43.09	49.71	51.93	50.06	69.59
Fixed assets	EUR m	977.90	1,029.81	1,086.22	1,132.69	1,001.97
Current assets	EUR m	217.38	142.95	131.49	109.03	150.35
Equity	EUR m	412.89	446.75	474.72	495.17	449.44
Liabilities	EUR m	673.97	708.11	727.44	729.84	677.25
– to banks	EUR m	534.73	549.88	560.08	568.94	545.36
Total assets	EUR m	1,112.00	1,173.00	1,218.19	1,242.53	1,152.36
Return on equity		0.83 %	2.39 %	2.98 %	2.05 %	2.98 %
Equity ratio		37.12 %	38.09 %	38.97 %	39.85 %	39.00 %
Equity/fixed assets ratio I		42.22 %	43.38 %	43.70 %	43.72 %	44.86 %
Equity/fixed assets ratio II		103.97 %	103.76 %	103.32 %	101.35 %	105.98 %
Liquidity ratio		129.15 %	122.93 %	118.82 %	102.37 %	150.53 %
Key figures per share		Sep. 30, 2003	Sep. 30, 2002	Sep. 30, 2001	Sep. 30, 2000	Dec. 31, 2002
Share price	EUR	145.50	146.75	145.00	141.00	144.00
Market capitalisation	EUR m	582	587	580	564	576
Free float		84 %	72 %	71 %	71 %	70 %
Result (DVFA/SG)	EUR	0.22	2.05	2.95	1.89	2.68
Cash flow (DVFA/SG)	EUR	3.83	6.06	6.46	6.13	8.61
Net Asset Value		March 31, 2003	March 31, 2002			
Net Asset Value per share	EUR	230.00	227.91			
Share price	EUR	148.70	148.00			
Dividend		2002	2001	2000	1999	
Dividend per share	EUR	10.00	10.00	10.00	9.12	
Dividend yield*		6.94 %	6.76 %	7.04 %	6.33 %	

* In relation to the closing price for the year



Key figures for the Group		Jan. 1 – Sep. 30, 2003	Jan. 1 – Sep. 30, 2002	Jan. 1 – Sep. 30, 2001	Jan. 1 – Sep. 30, 2000	Jan. 1 – Dec. 31, 2002
Housing privatisation						
Book profits from the sale of land held as fixed assets	EUR m	16.82	19.93	17.56	11.83	38.50
Gross result for sales	EUR m	12.68	16.37	9.73	10.29	33.10
Pre-sales costs	EUR m	-2.10	-2.56	-5.62	0	-3.60
Selling costs	EUR m	-2.04	-1.80	-2.37	-2.01	-3.00
Number of housing sales with an effect on the balance sheet		444	449	491	269	1,170
Total number of housing sales recorded		655	594	795	332	1,103
Average selling price	EUR per m ²	1,147	1,268	1,084	1,372	1,066
Tenant privatisation quota		39%	42%	63%	65%	43%
Property management						
Own housing portfolio	Dwellings	24,015	25,307	26,182	27,026	24,466
Rental area	in million m ²	1.55	1.63	1.70	1.75	1.58
Vacancy rate*		7.40%	5.42%	4.25%	3.24%	6.90%
Average monthly rental income	EUR per m ²	4.85	4.75	4.62	4.49	4.85
Investments in maintenance and modernisation	EUR per m ²	9.32	12.36	8.93	14.40	14.51

* Vacancy rate includes all housing units since December 31, 2002 from the first day on which they stand vacant



	Sep. 30, 2003	Sep. 30, 2003	Assets Dec. 31, 2002
	EUR	EUR	EUR
A Fixed assets			
I. Intangible fixed assets			
1. Franchises, trademarks, patents, licences and similar rights		39,655.31	48,501.73
II. Tangible fixed assets			
1. Land and leasehold rights with residential buildings	898,654,858.64		923,652,405.46
2. Land and leasehold rights with business and other premises	22,612,565.53		22,687,798.12
3. Land and leasehold rights without buildings	28,128,372.93		27,994,686.98
4. Land with inheritable building rights of others	501,199.57		501,199.57
5. Buildings on land owned by others	612,716.45		672,664.45
6. Other equipment, fixtures and fittings	215,342.29		295,850.86
7. Assets in the course of construction	949,334.32		0.00
8. Pre-construction costs	663,681.47		459,249.30
		952,338,071.20	
III. Financial assets			
1. Participating interests	4,278,751.03		4,254,251.03
2. Securities held as fixed assets	0.00		0.00
3. Other loans	21,246,182.46		21,405,223.55
		25,524,933.49	
		977,902,660.00	
B Current assets			
I. Land and other stocks intended for sale			
1. Land without buildings	3,455,731.79		3,464,357.80
2. Building preparation costs	0.00		0.00
3. Land and leasehold rights with unfinished buildings	0.00		0.00
4. Land and leasehold rights with finished buildings	7,451,890.53		7,670,402.51
5. Work in progress	35,036,896.51		30,583,748.44
		45,944,518.83	
II. Receivables and other assets			
1. Amounts due from rental	2,214,680.13		2,153,080.89
2. Amounts due from sale of land	2,691,015.78		20,954,866.17
3. Amounts due from management activities	1,909,471.10		1,647,293.58
4. Other trade accounts receivable	44,492.25		50,282.20
5. Amounts owed by affiliated companies	1,046.37		0.00
6. Other assets	16,088,319.89		14,505,142.61
		22,949,025.52	
III. Securities			
Own shares		9,856.56	9,856.56
IV. Cash at bank and in hand			
Cash balance and balances with banks		65,171,248.54	69,312,933.63
		134,074,649.45	
C Prepaid expenses and deferred charges			
1. Discount	16,042.30		16,042.30
2. Other prepaid expenses and deferred charges	201,334.23		21,993.29
		217,376.53	
Total assets		1,112,194,685.98	1,152,361,831.03



CONSOLIDATED BALANCE SHEET IN ACCORDANCE
WITH THE GERMAN COMMERCIAL CODE AS
AT SEPTEMBER 30, 2003

	Sep. 30, 2003	Sep. 30, 2003	Liabilities Dec. 31, 2002
	EUR	EUR	EUR
A Equity			
I. Subscribed capital	10,225,837.62		10,225,837.62
II. Capital reserve	335,954,172.17		335,954,172.17
III. Revenue reserves			
1. Statutory reserve	771,895.48		771,895.48
2. Reserve for own shares	9,856.56		9,856.56
IV. Consolidated retained earnings	65,410,417.47		101,985,925.83
V. Shares of other partners	504,928.36		492,437.24
		412,877,107.66	449,440,124.90
B Provisions			
1. Provisions for pensions and similar obligations	3,839,804.14		3,868,245.45
2. Provisions for taxes	11,109,376.60		5,016,081.68
3. Provisions for building maintenance	803,709.44		1,003,709.44
4. Other provisions	9,495,381.31		15,778,001.81
		25,248,271.49	
C Liabilities			
1. Amounts owed to banks	534,729,759.17		545,361,883.74
2. Amounts owed to other lenders	69,099,029.85		71,672,424.70
3. Payments received on account	46,249,182.01		36,562,226.83
4. Amounts owed from rental	10,476,380.32		10,506,614.92
5. Trade accounts payable	1,226,348.70		1,055,436.32
6. Amounts owed to affiliated companies	333,618.84		29,369.60
7. Other liabilities	11,859,981.71		12,066,457.03
		673,974,300.60	
D Prepaid income		95,006.23	1,254.61
Total liabilities		1,112,194,685.98	1,152,361,831.03



**Consolidated profit and loss account in accordance with the German Commercial Code
for the period from January 1 to September 30, 2003**

	Jan. 1–June 30, 2003	Jan. 1–June 30, 2003	Jan. 1–Dec. 31, 2002
	EUR	EUR	EUR
1. Sales			
a) from property management	83,603,591.78		122,264,022.02
b) from sale of land	384,803.00		3,786,329.04
c) from management activities	1,316,439.81		1,856,317.58
d) from other goods and services	418,747.69		479,988.05
		85,723,582.28	
2. Change in land for sale with finished and unfinished buildings and work in progress		4,638,036.38	–6,603,327.90
3. Company-produced additions to assets		0.00	100,345.00
4. Other operating income		19,976,841.40	43,505,743.72
5. Costs of external services			
a) Costs of property management	41,855,739.21		56,617,168.36
b) Costs of sale of land	1,216.53		116,697.81
c) Costs of other goods and services	31,194.82		8,853.24
		41,888,150.56	
6. Staff costs			
a) Wages and salaries	10,274,746.53		12,980,332.63
b) Social security, pension and benefits costs	2,621,743.58		4,064,634.15
		12,896,490.11	
7. Depreciation of intangible fixed assets and tangible fixed assets		11,912,895.36	20,672,707.10
8. Other operating expenses		12,978,852.36	22,716,905.47
9. Income from participating interests		40,000.00	50,000.00
10. Income from other loans and securities		479,837.88	658,367.63
11. Other interest and similar income		1,017,566.75	1,884,300.26
12. Depreciation on financial assets		0.00	1,836.83
13. Interest and similar expenses		22,392,045.06	31,291,764.06
14. Income from ordinary activities		9,807,431.24	19,511,185.75
15. Taxes on income		6,310,376.10	6,010,122.53
16. Other taxes		60,072.38	118,460.52
17. Result		3,436,982.76	13,382,602.70
18. Profit carried forward		61,985,925.83	64,086,817.76
19. Withdrawals from capital reserve		0.00	25,333,985.86
20. Transfers to statutory reserve		0.00	771,895.48
21. Transfer to reserve for own shares		0.00	34.64
22. Net income due to other partners		12,491.12	45,550.37
23. Consolidated retained earnings		65,410,417.47	101,985,925.83



Management Board

(As at: October 2003)

Michael A. Neubürger

Bad Homburg v.d. Höhe

Henning Sieh

Frankfurt am Main

Supervisory Board

(As at: October 2003)

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

Sales Manager, Germany

Dr. Andreas Kretschmer

Düsseldorf

Manager of the Ärzteversorgung Westfalen-Lippe

Einrichtung der Ärztekammer Westfalen-Lippe

Körperschaft des öffentlichen Rechts




Key dates

February 19, 2004

Preliminary Key Figures 2003





| Creating living space for people and nature. This is the task which Deutsche Wohnen AG has set itself. To us shaping the future means seeing the whole picture. People and their needs when designing private living space. A pleasant neighbourhood where residents can be good neighbours to one another – and stay that way. And a delicate balance between developed land and a natural environment. The success of this strategy is shown in long-term tenancies as well as in the growing desire on the part of our tenants to take advantage of housing privatisation and become homeowners themselves. In this way, we are steadily increasing the value of our property portfolio for the long term.

DESIGNING LIVING SPACE FOR PEOPLE AND NATURE.

Deutsche Wohnen AG

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