



January 1 to June 30, 2004 Interim Report

Key figures

Group key figures						
in € m.	Jan 1 to June 30, 2004	Jan 1 to June 30, 2003	Jan 1 to June 30, 2002	Jan 1 to June 30, 2001	Jan 1 to June 30, 2000	Jan 1 to Dec 31, 2003
Gross profit of property management	17.35	16.22	15.12	19.16	14.68	30.33
Gross profit of privatisation	6.51	7.81	11.18	9.37	4.72	32.46
Profit on ordinary business activities	6.35	6.69	9.86	10.70	3.27	19.94
Group net profit	2.98	2.84	9.00	10.63	3.21	10.67
Group net profit according to DVFA/SG	2.69	0.90	7.67	8.61	0.18	8.07
Cashflow according to DVFA/SG	10.74	10.71	18.07	19.03	12.55	29.05
EBIT	21.82	20.63	25.96	28.10	20.65	48.38
EBITDA	29.55	28.64	35.03	36.48	30.78	66.64
Fixed assets	943.63	985.84	1,036.93	1,094.58	1,137.40	958.53
Current assets	150.97	122.39	137.72	129.72	103.26	150.86
Equity	430.82	412.28	445.05	471.19	488.23	427.97
Liabilities	632.78	672.17	714.58	735.36	736.19	650.78
– Liabilities to banks	505.35	528.90	553.98	574.45	564.22	527.55
Total assets	1,094.60	1,108.28	1,174.97	1,224.78	1,241.84	1,109.44
Return on equity	0.70%	0.69%	2.02%	2.26%	0.66%	2.49%
Equity-to-assets ratio	39.36%	37.20%	37.88%	38.47%	39.32%	38.58%
Equity-to-fixed-assets ratio 1	45.66%	41.82%	42.92%	43.05%	42.93%	44.65%
Equity-to-fixed-assets ratio 2	105.77%	102.92%	104.31%	102.59%	101.60%	106.11%
Cash ratio	149.49%	107.14%	131.30%	109.79%	119.62%	159.68%

Key figures to the share						
in €	June 30, 2004	June 30, 2003	June 30, 2002	June 30, 2001	June 30, 2000	Dec 31, 2003
Share price	139.80	150.55	146.80	145.00	144.00	136.20
Market capitalisation (in € m.)	559	602	587	580	576	545
Free Float	84%	79%	72%	71%	71%	84%
Profit according to DVFA/SG	0.67	0.23	1.92	2.15	0.05	2.02
Cashflow according to DVFA/SG	2.69	2.68	4.52	4.76	3.14	7.26
Net Asset Value*	Mar 31, 2003	Mar 31, 2002				
Net Asset Value per share	230.00	227.91				
Share price	148.70	148.00				
Dividend	2003	2002	2001	2000	1999	
Dividend per share	8.75**	10.00	10.00	10.00	9.12	
Dividend yield***	6.42%**	6.94%	6.76%	7.04%	6.33%	

* Publication of the Net Asset Values per December 31, 2004 in the Annual Report 2004.

** Subject to the agreement of the Annual General Meeting on August 30, 2004.

*** Based on the share price on year-end.



BUSINESS DEVELOPMENT IN THE FIRST SIX MONTHS OF 2004



| The first half of the financial year 2004 ended with results on the level of the reference period 2003: the result on ordinary activities amounted to € 6.4 million and the Group net profit accounted for € 3.0 million (January 1 to June 30, 2003: € 6.7 million resp. € 2.8 million).

| It is essential, that the business plan of Deutsche Wohnen AG is adjusted exclusively on results of the full business year. This is based on the course of the privatisation of residential units. Emphasis of these transactions is the second half of the business year.

| In analysing results of Deutsche Wohnen AG it should be avoided to project the Group net profit of € 3.0 up to year-end 2004 and as a result to assume that Deutsche Wohnen AG has a lower ability in dividend payment. On the one hand periodic and key date based results are able to indicate important references to negative tendencies in the business development, but on the other hand plays not a decisive role for the appreciation of the operational

situation and the amount of dividends, because dividends are assessed on basis of the Group cash-flow of the full financial year.

| The business plan 2004 contains a Group net profit in the double-digit million mark. The dividend could range on the level of the financial year 2003 (dividend yield of 6.4 % after tax).

| Segment results of the reporting period in detail:

| Rental income (without operating costs) of the first half 2004 came up to € 41.9 million (planned average rent per month of € 4.86 per sqm), compared to the reference period 2003 a decrease of 4.3 % resp. € 1.9 million, arising from the increased vacancy rate (+0.6 %) and the smaller residential portfolio (as a reason of sales of units).



| Gross earnings from property management aggregated to € 17.4 million, compared to the reference period 2003 an increase of € 1.1 million resp. 7 %. In this division structural measures have been applied, which lead to more efficient workflows and a medium-termed positive affected vacancy situation, particularly because of putting more effort into the vacancy in Rheinland-Pfalz. The controlled vacancy caused by privatisation, development and modernisation of units amounted to 5.4 % resp. 70 % of the whole vacancy.

| In the first six months 2004 a total of 331 residential units have been sold (January 1 to June 30, 2003: 393 units), thereof the purchase prices of 226 transactions had an effect in the Group accounts; the average purchase price amounted to € 1,131 per sqm (comparison period: € 1,137 per sqm). Gross earnings from privatisation amounted to € 8.9 million (–€ 1.7 million compared to the first half of 2003). The quote of sales to tenants arised obviously and came up to 51 %.

| Up to the end of 2004 it is planned to sell about 1,100 residential units.

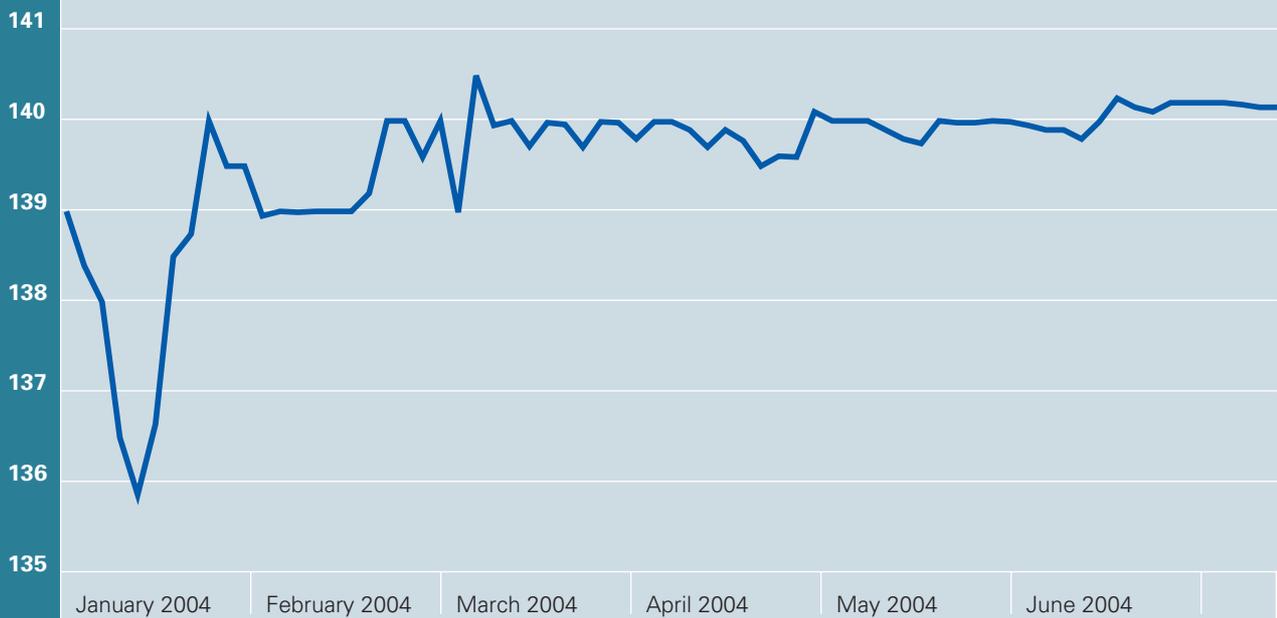
| In the pipeline of IFRS-accounting portfolios value potentials have been calculated for the first time by a scoring method and under inclusion of location and building attributes, which are relevant for validation. The result approved the previous portfolio policy. Till this day half of the residential stock disposes of a high steadiness in value and efficiency. One fourth of the stock, particularly units with surpassing location attributes, will be modernised in the next years. Free float and condominiums with substandard sustainability will be privatised. Both refurbishments and privatisations geared to potentials in profits and value enhancement.

Business Development in the first six months of 2004

Key figures privatisation						
in € m.	Jan 1 to June 30, 2004	Jan 1 to June 30, 2003	Jan 1 to June 30, 2002	Jan 1 to June 30, 2001	Jan 1 to June 30, 2000	Jan 1 to Dec 31, 2003
Gross earnings from the sale of properties of the fixed assets	8.91	10.58	14.54	10.81	4.33	41.30
Gross profit from privatisation	6.51	7.81	11.18	9.37	4.72	32.50
Pre-sales costs	-1.94	-1.47	-1.65	-	-	-4.00
Selling costs	-0.45	-1.34	-2.59	-1.57	-	-4.00
Number of housing sales with an effect on the balance sheet	226	265	304	352	113	1,317
Number of housing sales recorded	331	393	417	564	202	1,334
in € per sqm						
Average sales price	1,133	1,137	1,306	1,115	1,396	1,015
in %						
Number of housing sales to former tenants	51	28	17	66	62	39

Key figures property management						
in units	Jan 1 to June 30, 2004	Jan 1 to June 30, 2003	Jan 1 to June 30, 2002	Jan 1 to June 30, 2001	Jan 1 to June 30, 2000	Jan 1 to Dec 31, 2003
Own residential units	22,939	24,193	25,452	25,180	27,154	23,136
in million sqm						
Total living area	1.48	1.59	1.64	1.70	1.76	1.49
in %						
Vacancy rate	7.72	7.09	6.77	5.24	4.30	7.78
in € m.						
Rental income (without operating costs)	41.85	43.72	43.99	47.68	47.98	86.46
in € per sqm						
Average monthly planned rent	4.86	4.81	4.72	4.60	4.45	4.96
in € m.						
Maintenance expense	-7.05	-9.03	-10.89	-8.82	-13.87	-22.89
in € per sqm						
Maintenance expense	4.64	5.61	6.77	5.67	9.39	14.44

Share price Deutsche Wohnen AG from January 1 to July 15, 2004 (XETRA) (in €)



THE SHARE

In 2004 the share of Deutsche Wohnen AG appears with an extremely steady share price. After an upward trend in February the share price is noting on a level of € 140. The exchange transactions advanced further on: between January 1, 2004 and July 15, 2004 about 640,000 shares resp. 4,800 shares per trading day were sold on XETRA and the four curb markets. The number of shareholders increased to 4,310 (+60% since the placement of shares in 1999). The stability in share price clarifies, that the share of Deutsche Wohnen AG is not convenient for speculation. The share of Deutsche Wohnen AG is an investment steady in value with an exceeding high dividend yield.

Consolidated balance sheet as at June 30, 2004

ASSETS

in €	June 30, 2004	June 30, 2004	Dec 31, 2003
A. Fixed assets			
I. Intangible fixed assets			
Franchises, trademarks, patents, licences and similar rights		31,762.00	39,870.45
II. Tangible fixed assets			
1. Land, leasehold rights with residential buildings	859,962,259.52		874,703,648.65
2. Land and leasehold rights with business and other premises	26,757,834.67		27,043,729.19
3. Land and leasehold rights without buildings	27,797,116.87		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	568,290.79		602,544.84
6. Other equipment, fixtures and fittings	159,870.19		188,951.12
7. Assets in the course of construction	1,875,293.93		1,197,270.69
8. Pre-construction costs	896,240.29		671,943.31
		918,518,105.83	
III. Financial assets			
1. Participating interests	3,944,250.51		4,238,750.52
2. Other loans	21,134,840.92		21,234,982.61
		25,079,091.43	
		943,628,959.26	
B. Current assets			
I. Land and other stocks intended for sale			
1. Land and leasehold rights without buildings	3,409,048.34		3,349,310.74
2. Work in progress	33,972,632.33		27,973,743.72
		37,381,680.67	
II. Receivables and other assets			
1. Amounts due from rental	2,083,009.71		2,141,893.51
2. Amounts due from sale of land	6,031,641.65		28,417,515.16
3. Amounts due from management activities	107,037.16		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	16,417,175.83		11,269,686.08
		24,643,977.26	
III. Securities			
Own shares		9,821.92	9,821.92
IV. Cash at bank and in hand			
Cash balance and balances with banks		88,932,026.49	76,019,134.70
		150,967,506.34	
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		1,094,601,876.60	1,109,437,967.91

LIABILITIES

in €	June 30, 2004	June 30, 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	105,648,576.03		102,690,808.59
V. Shares of other partners	480,835.93		581,058.55
		430,823,726.88	
B. Reserves			
1. Provisions for pensions and similar obligations	3,972,446.13		3,945,319.43
2. Provisions for taxes	15,665,827.05		12,804,153.97
3. Provisions for building maintenance	483,184.24		483,184.24
4. Other provisions	10,877,973.41		13,451,574.50
		30,999,430.83	
C. Liabilities			
1. Amounts owed to banks	505,353,419.50		527,547,602.63
2. Amounts owed to other lenders	59,596,682.38		65,482,019.57
3. Payments received on account	43,309,380.52		33,155,039.65
4. Amounts owed from rental	10,520,653.39		10,432,972.55
5. Trade accounts payable	672,786.51		1,064,713.04
6. Amounts owed to affiliated companies	515,223.57		69,337.67
7. Other liabilities	12,810,573.02		13,023,413.64
		632,778,718.89	
D. Prepaid income		0.00	12,454.96
Total liabilities		1,094,601,876.60	1,109,437,967.91

Consolidated income statement as at June 30, 2004

in €	June 30, 2004	June 30, 2004	Dec 31, 2003
1. Sales			
a) from property management	50,145,073.16		119,933,858.79
b) from sale of land	0.00		2,523,760.01
c) from management activities	1,031,440.98		2,087,620.07
d) from other goods and services	127,643.75		366,163.59
		51,304,157.89	
2. Decrease of land for sale with finished and unfinished buildings and work in progress		6,430,499.51	./ 4,432,251.32
3. Other operating income		10,143,228.71	46,876,416.63
4. Costs of external expenses			
a) Expenses for housing management	23,592,675.66		57,380,694.58
b) Costs of sale of land	0.00		463,625.94
c) Costs of other goods and services	3,449.10		6,233.61
		23,596,124.76	
5. Staff costs			
a) Wages and salaries	6,892,449.00		13,922,034.75
b) Social security, pension and benefits costs	2,262,415.27		4,043,312.06
		9,154,864.27	
6. Depreciation of intangible fixed assets and tangible assets		7,736,615.91	18,261,772.99
7. Other operating expenses		7,716,640.25	25,562,531.95
8. Income from other loans and securities of financial assets		329,502.04	664,180.93
9. Other interest and similar income		907,306.23	1,590,713.24
10. Depreciation on financial assets		0.00	1,040.14
11. Interest and similar expenses		14,562,250.59	30,032,517.71
12. Result from ordinary activities		6,348,198.60	19,936,698.21
13. Tax on income		3,292,864.05	9,197,793.52
14. Other taxes		78,037.62	67,499.49
15. Results		2,977,296.93	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		19,529.49	79,191.05
21. Consolidated retained earnings		105,648,576.03	102,690,808.59

Management Board, Supervisory Board and important dates

MANAGEMENT BOARD

(Status: July 2004)

Andreas Lehner

– CEO –
(from January 1, 2004)

Michael Neubürger

Bad Homburg

SUPERVISORY BOARD

(Status: July 2004)

Helmut Ullrich

– Chairman –
Königstein
Managing Director
DB Real Estate Management GmbH

Dr. Michael Gellen

– Deputy Chairman –
Cologne

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 –

FINANCIAL CALENDAR

October 21, 2004

Conference "Initiative Real Estate Share" in
Frankfurt am Main

November 8, 2004

Interim Report as at September 30, 2004

November 23, 2004

German Equity Forum in Frankfurt am Main

February 17, 2005

Preliminary Key figures 2004



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