

Real Estate Share Initiative 6th Annual Conference



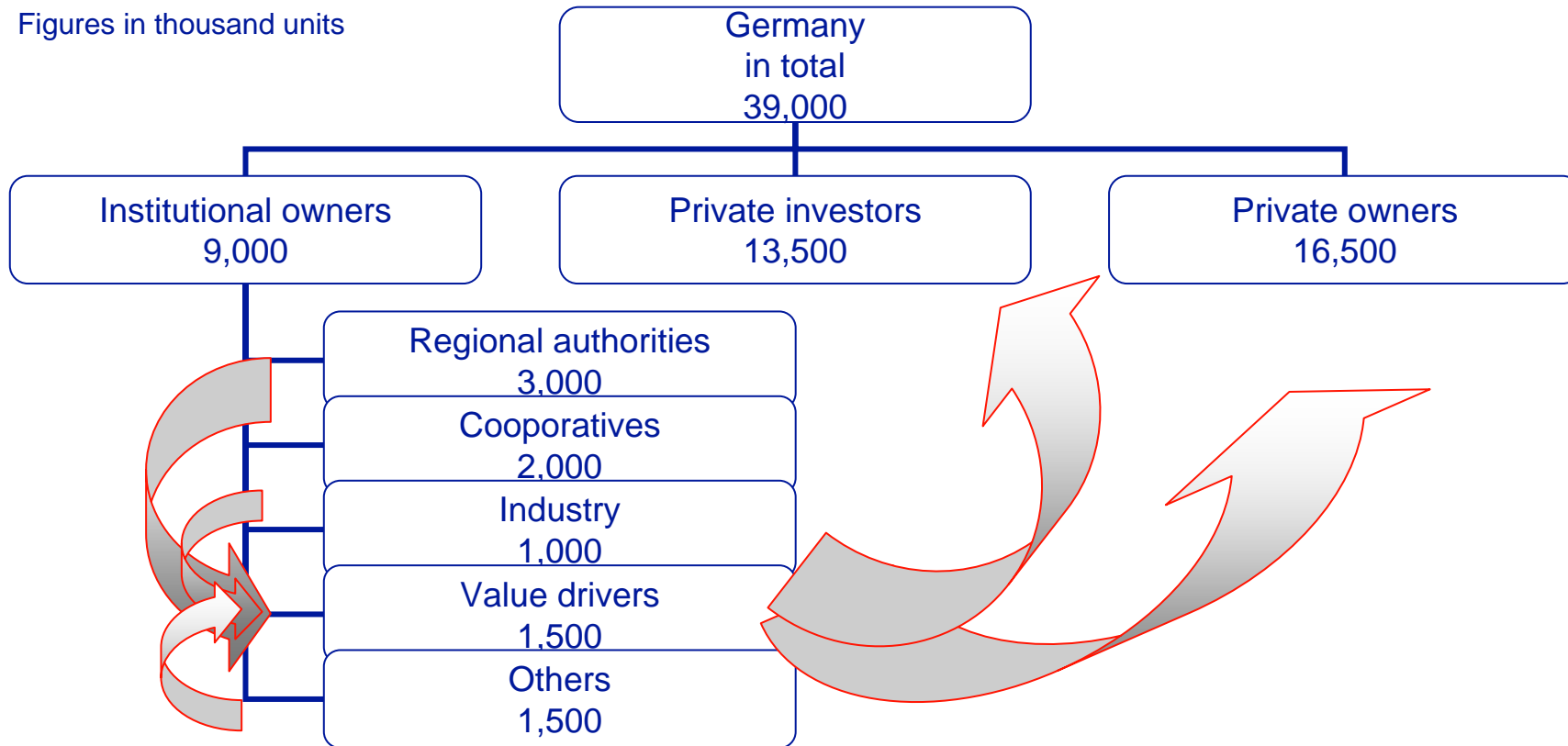
Frankfurt, 12 October 2006

Deutsche Wohnen AG 

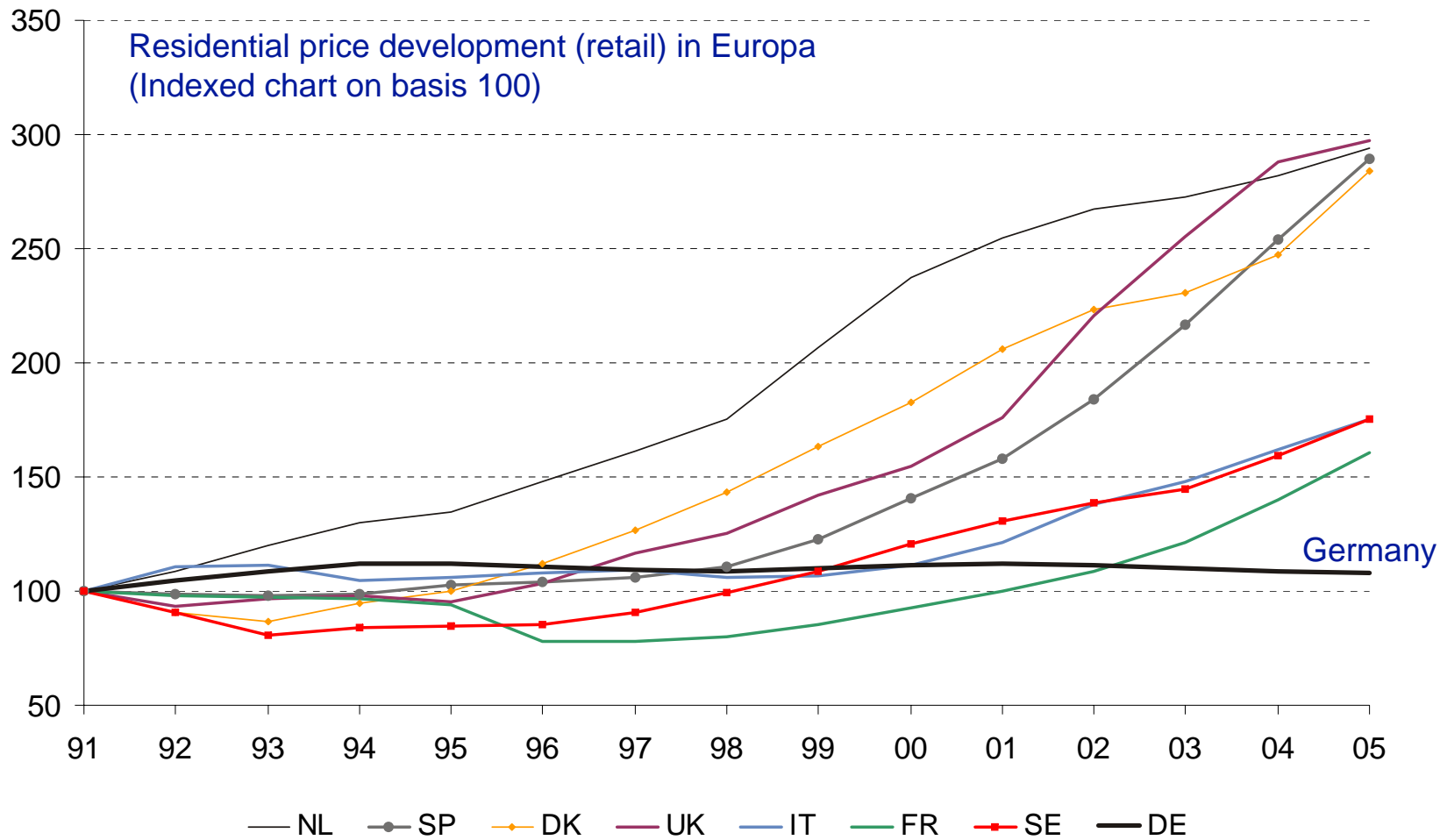
- **What's happening on the German residential market ?**
- **Who and what is Deutsche Wohnen ?**
- **What's about the future of Deutsche Wohnen ?**

The German residential market is still in a changing process

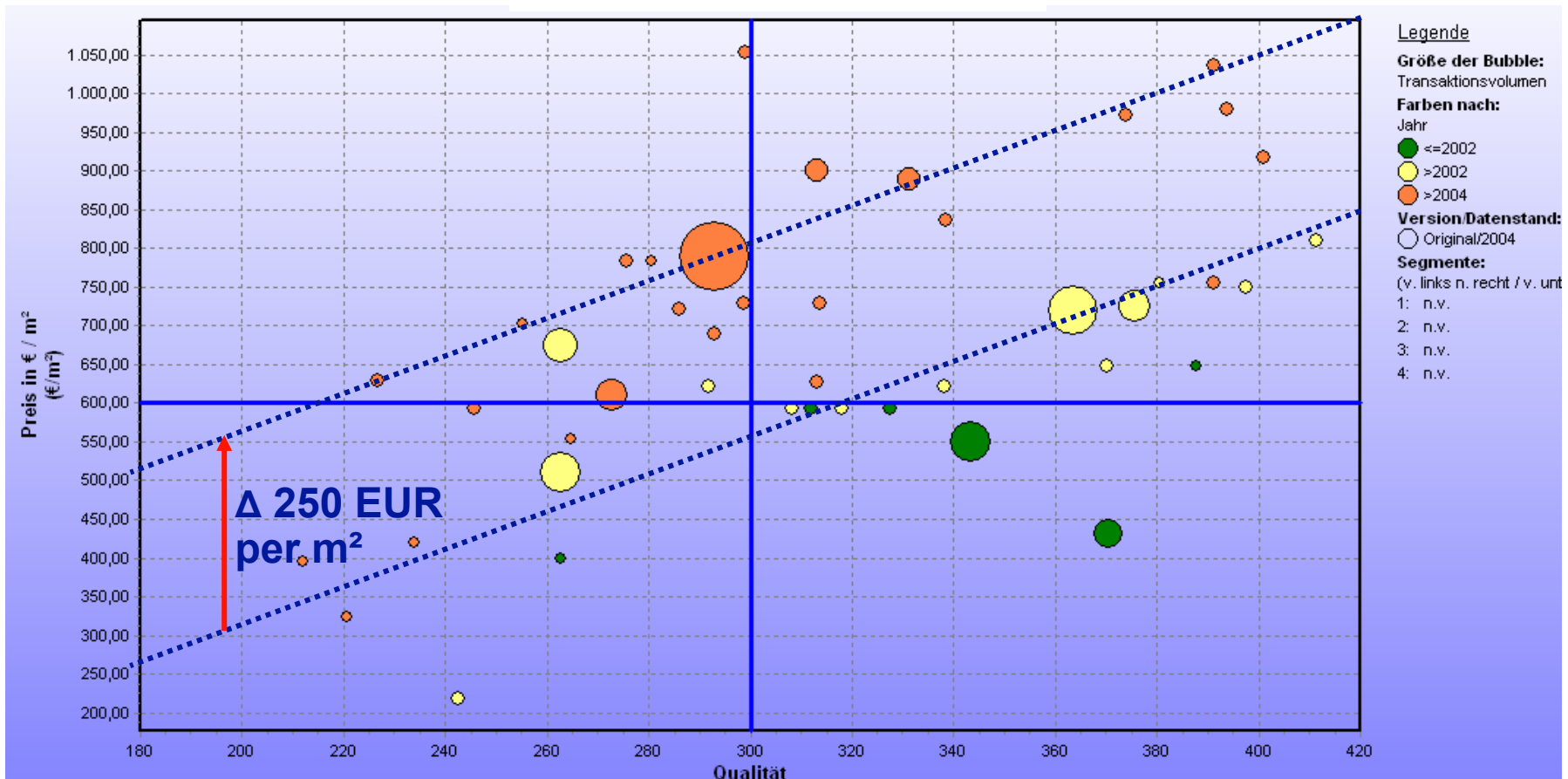
Figures in thousand units



The residential price development in Germany is cause of speculations









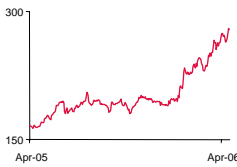
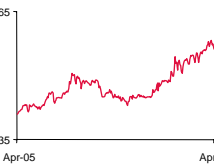
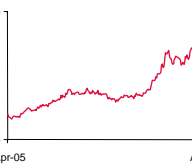
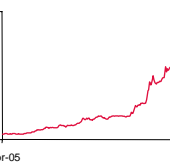
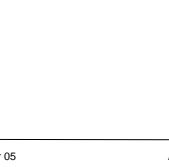
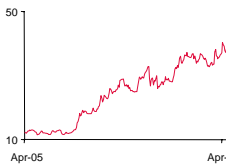
Up to now only the residential purchase price increased significantly in the last five years



There are some signals for an increasing disposable income of an average household in Germany to increase retail prices and rents



Share price and market capitalisation of a listed company is depending on the market development and the business model

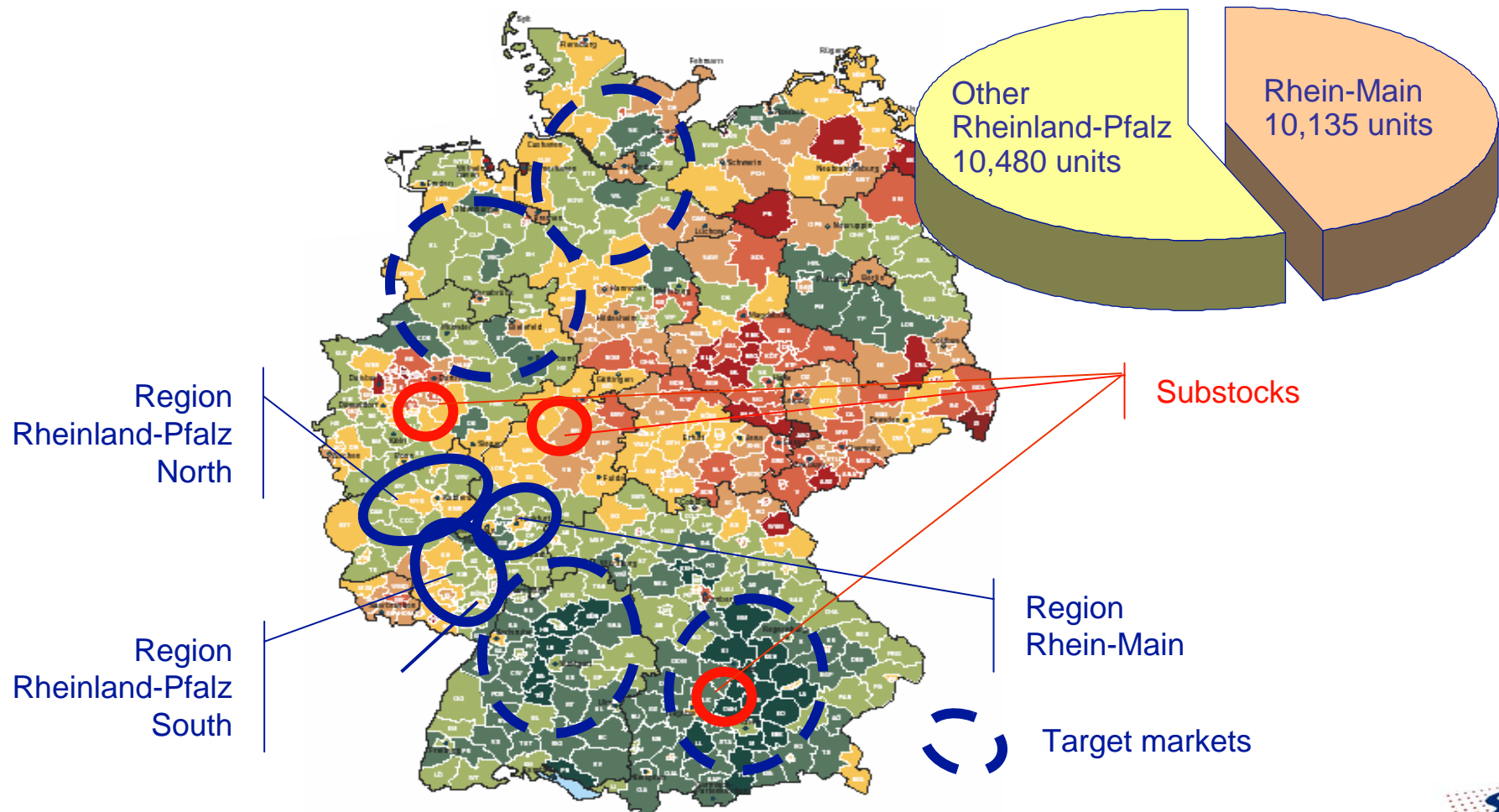
		Buy and Hold			Trade and Service		
		Deutsche Wohnen	Deutsche Euroshop	IVG	Colonia Real Estate	Patrizia	Vivacon
							
Share price							
Portfolio size		€1,226m	€1,138.3m	€3.500.0m	€122.2m	Current assets	Current assets
Market cap		€1,180.0m	€926.4m	€3,072.8m	€660.6m	€1,098.3m	€1,209.2m
NNAV		€787.5m	€794.5m	€2,088.6m	=	=	=
Business model	Utilisation	residential	shopping-centers	70% office, 24% logistics 6% other	71% residential, 19% hotel, 10% office	residential, commercial	residential
	Regional focus	Germany (Rheinland-Pfalz, Hessen)	78% Germany 22% other Europe	55% Germany 45% other Europe	96% West 4% East Germany	Germany	Germany

A predictable steady income stream characterizes Deutsche Wohnen convincingly

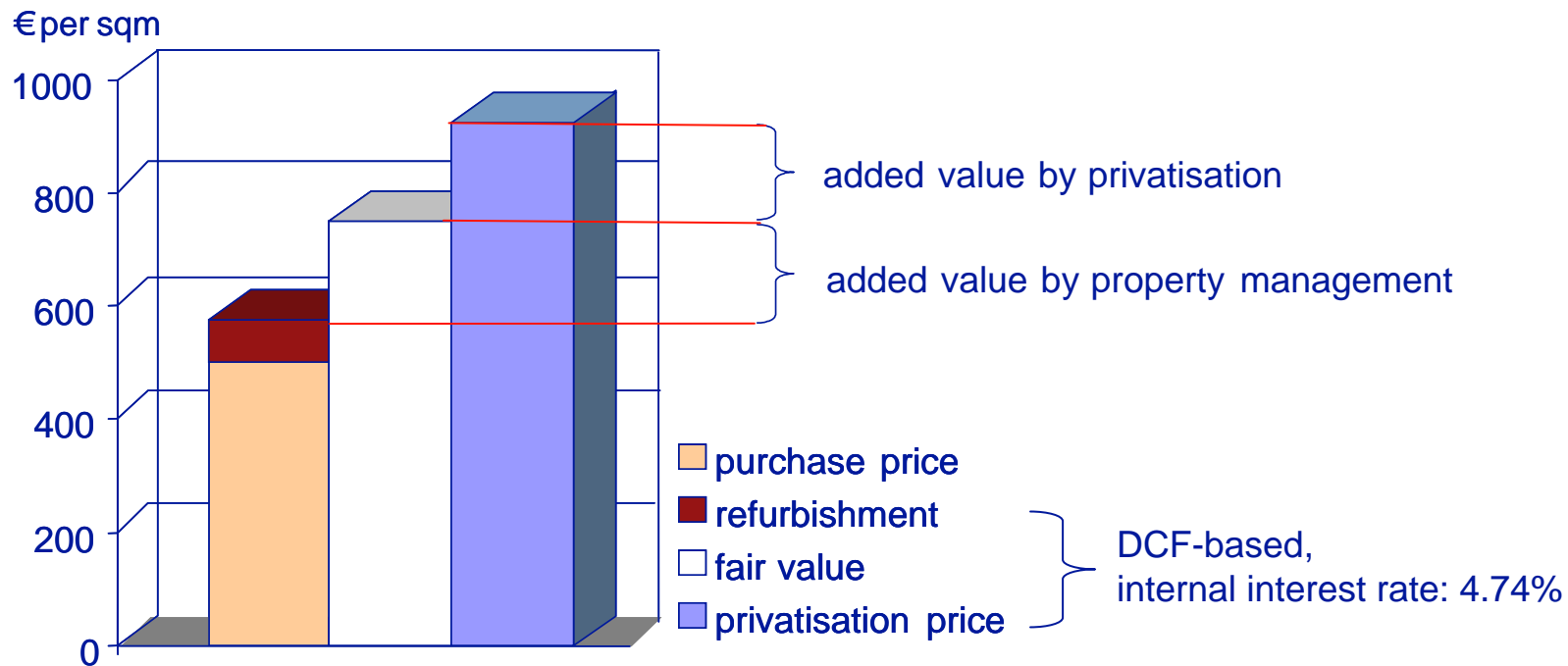
		2005	2004	2003	2002	2001
Number of own residential properties	units	21,780	22,779	23,138	24,466	25,668
EBIT	EUR million	52.9	53.1	47.8	48.3	48.0
Result of ordinary activities	EUR million	26.7	24.7	19.9	19.5	17.4
Net income	EUR million	22.7	16.8	10.7	13.4	15.5
Funds from operations	EUR million	84.9	81.6	81.0	80.3	72.7
Share price on year-end	EUR	195	140	136	144	148
Dividend per share	EUR	8.75	8.75	8.75	10.00	10.00

- Key figures 2005/2004 according to IFRS; 2001-2003 according to German Commercial Code
- Key figures 2005 adjusted from fiscal one-off effects

The residential stock is located in one of the most attractive areas of Germany with high stability in value



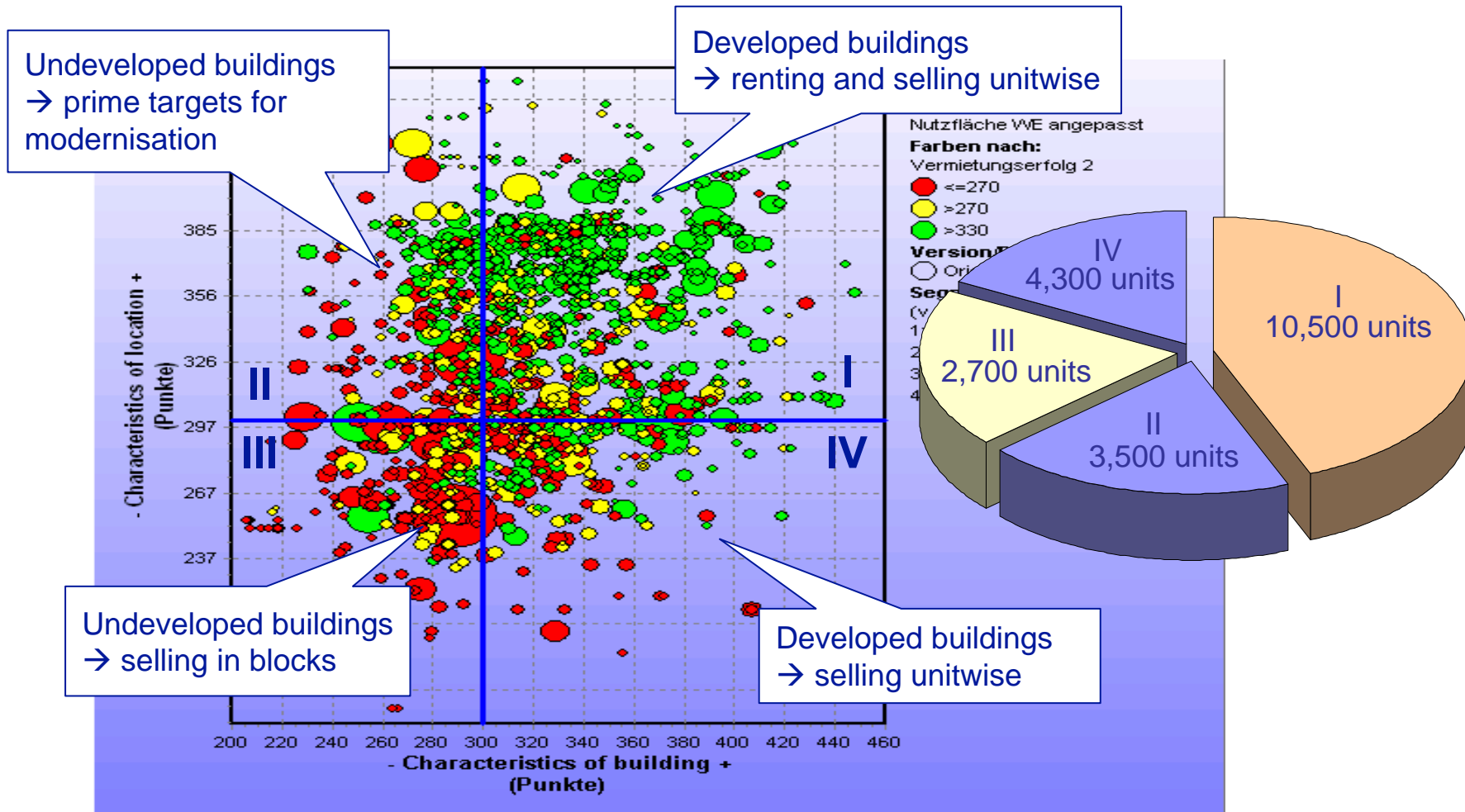
The business model is focused on long-term value development



Book value residential buildings	€ 768.8 m	573 € per sqm
Fiscal book value	€ 1,012.8 m	738 € per sqm
Fair value (according to IFRS 40)	€ 1,227.1 m	861 € per sqm
Average sales price 2005		1,009 € per sqm

Figures according to IFRS and as of 31 December 2005

The portfolio strategy is aiming to use value potentials by regarding a well balanced and risk adjusted residential stock



Due to a tax configuration Deutsche Wohnen can pay tax-exempted dividends since 1999 and for another 4 to 5 years

Total equity	EUR million	416.9
<i>Thereof: Capital reserves</i>	EUR million	228.3
Total liabilities	EUR million	596.7
Total assets	EUR million	1,013.5
Loan to value		~ 42%

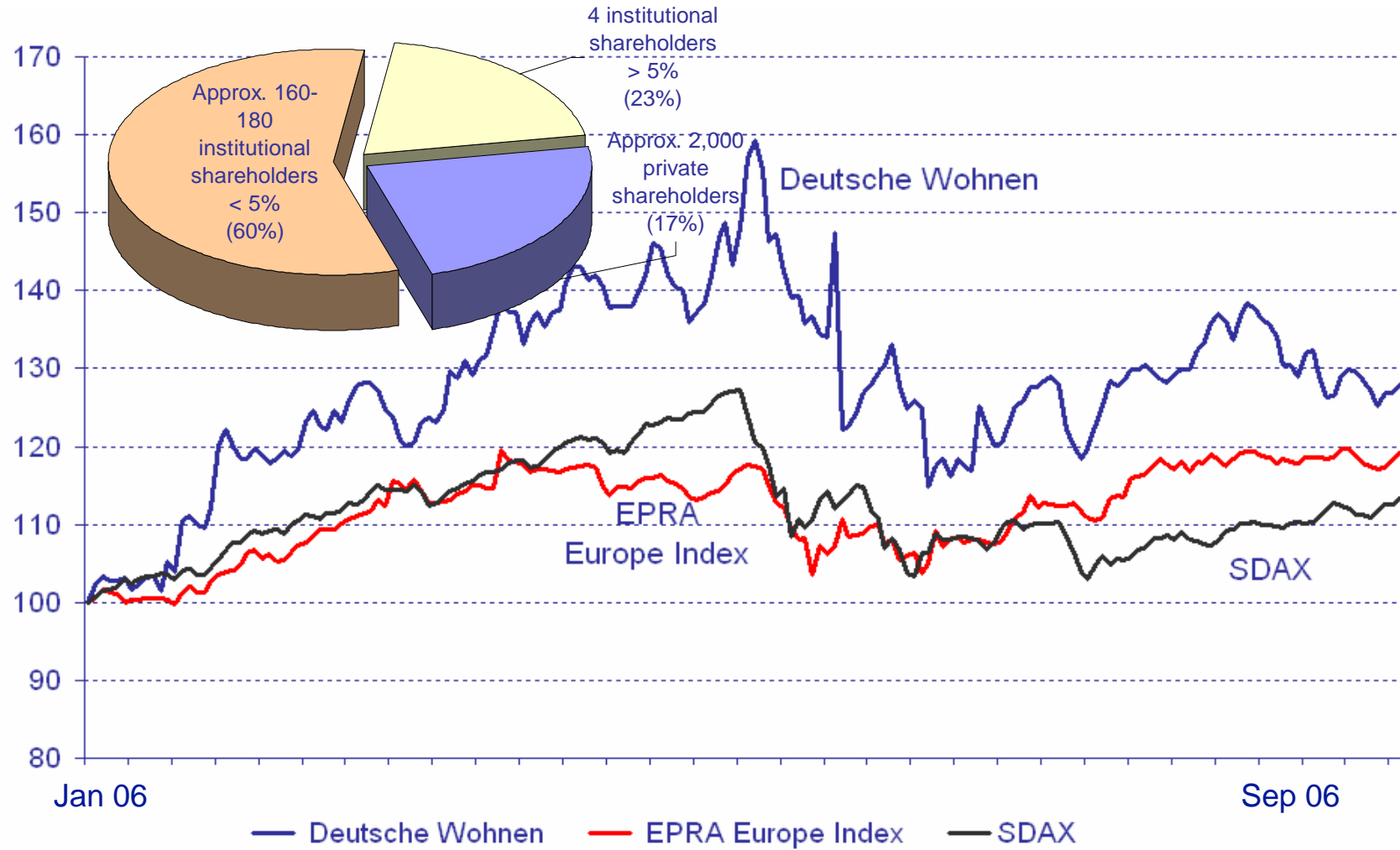
Figures according to IFRS and as of 31 December 2005

The fair value of the property portfolio is calculated conservatively according to IFRS 40 based on rental cashflows

Rentable space	sqm	1,371,600
Fair Value bases on rent surplus	EUR per sqm	860,51
Fair Value	EUR	1,180,282,000
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+ Other fixed and current assets (book value)	EUR	189,946,000
= Total assets	EUR	1,370,228,000
- Liabilities and overhead costs	EUR	612,932,000
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= Net Asset Value	EUR	757,296,000
Net Asset Value per share	EUR per share	189.32

Figures according to IFRS and as of 31 December 2005

Share price development expresses the interest of particularly international investors



However the doubling of the current residential stock is the key aim in the next years

 ... 3 years:

- **Smaller investments in up to medium sized local authorities**
 - Intention: At least keeping the substance
 - Volume: 1,000 to 2,000 residential units p.a.
 - Already done: Acquisitions in Kassel (1,000 units), Hanau (700 units), Landau (200 units), Mannheim (153 units) and Kandel (30 units)
- **Bigger acquisitions inter alia via payment in shares**
 - Intention: Substantial portfolio expansion
 - Volume: > 5,000 residential units per transaction
 - Start: Work already in process

 ... 3 to 5 years:

- Added acquisitions of partially privatised residential property stocks, in which the yield expectations of the institutional investors were not realized.

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Frankfurt, 12 October 2006

Deutsche Wohnen AG

