



Initiative Immobilien Aktie 2008

October 20 & 21, 2008

» Agenda

Deutsche Wohnen at a glance

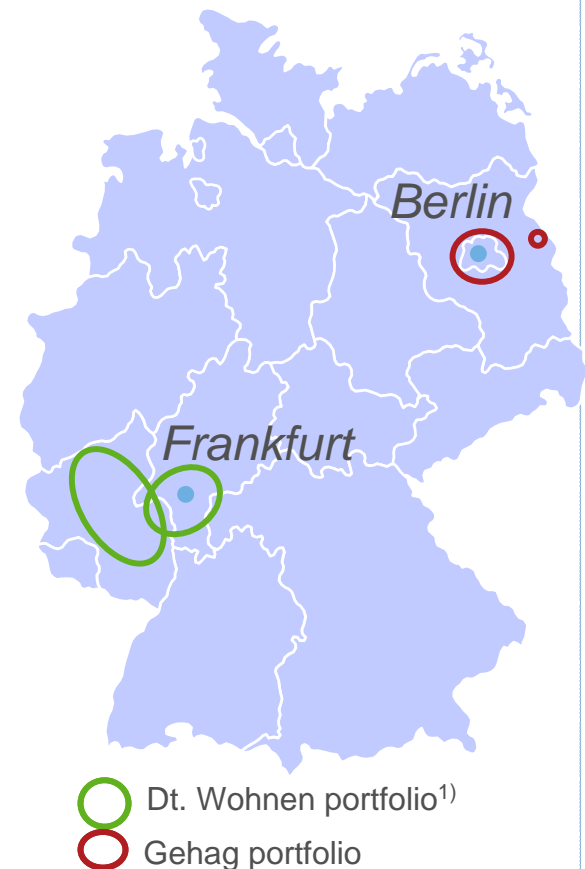
Operational Update

Financial Highlights

Targets and Outlook

» Who we are

- Deutsche Wohnen AG is an active Manager of residential properties in Germany in the medium and upper price segment.
- Our business activities focus on the management of properties and the optimisation of rental contracts as well as the selective portfolio amelioration.
- Actually our regional focus lies on the growth areas Berlin and the Rhine-Main-area.
- After having finished the restructuring following the merger with the Berlin GEHAG optimisation of earnings and reduction of costs as well as continuous growth are our central targets.



» Where we stand

Strengths

- Valuable core portfolio with growth potential
- In two fast-growing metropolises
- New efficient structure and integration experienced management
- Long-term solid financing structure

Opportunities

- Change from seller's market to buyer's market
- Disposal of Non-Core Portfolio and Nursing Homes
- Proceeds to
 - decrease LTV or
 - use investment opportunities

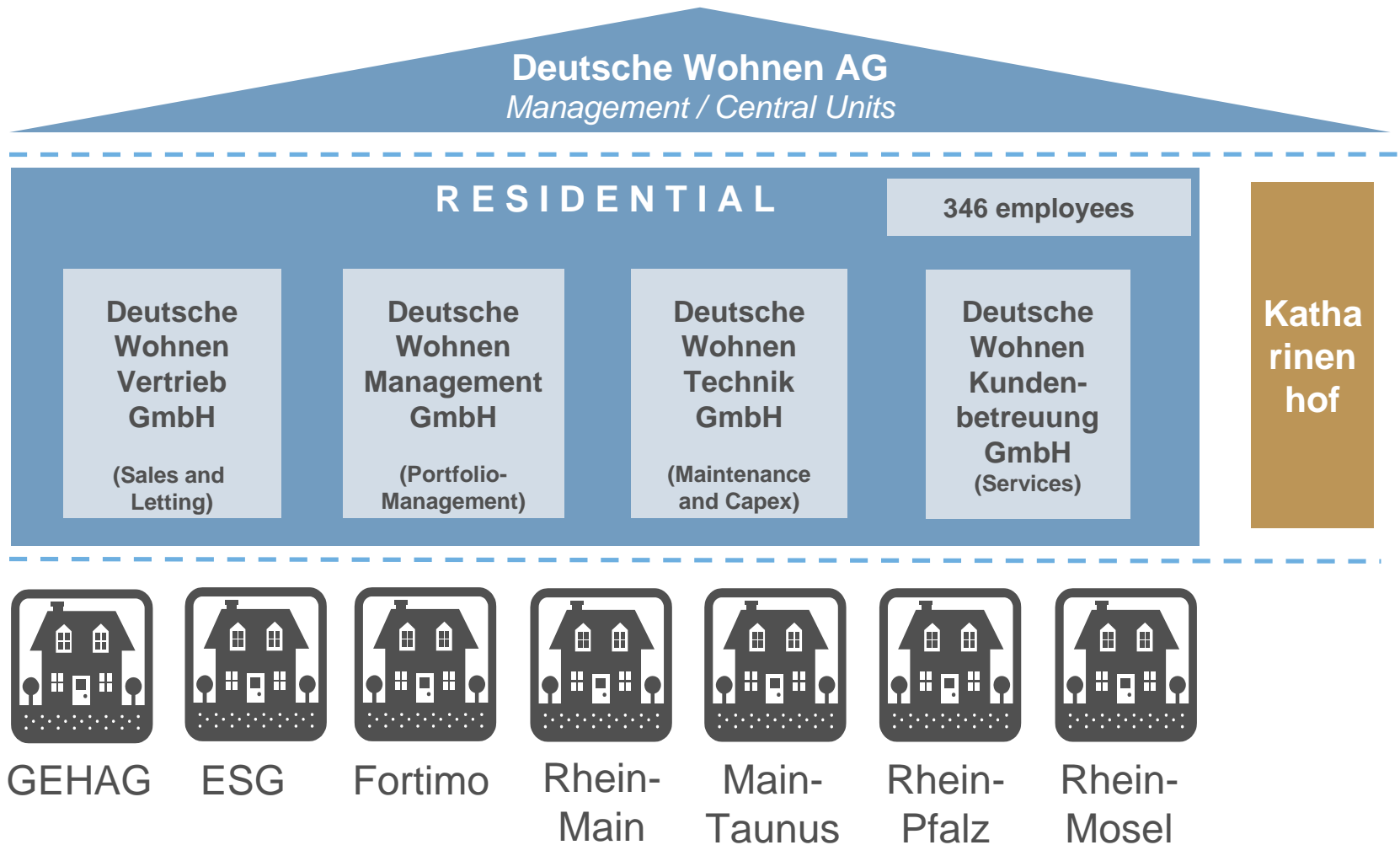
Weaknesses

- Portfolio in rural areas
- Cash generation not yet sufficient
- High loan to value ratio in comparison to sector

Threats

- Deterioration of economy, credit and capital markets, which will impact transactions and values
- Limited refinancing opportunities via the stock exchange

» Company Structure



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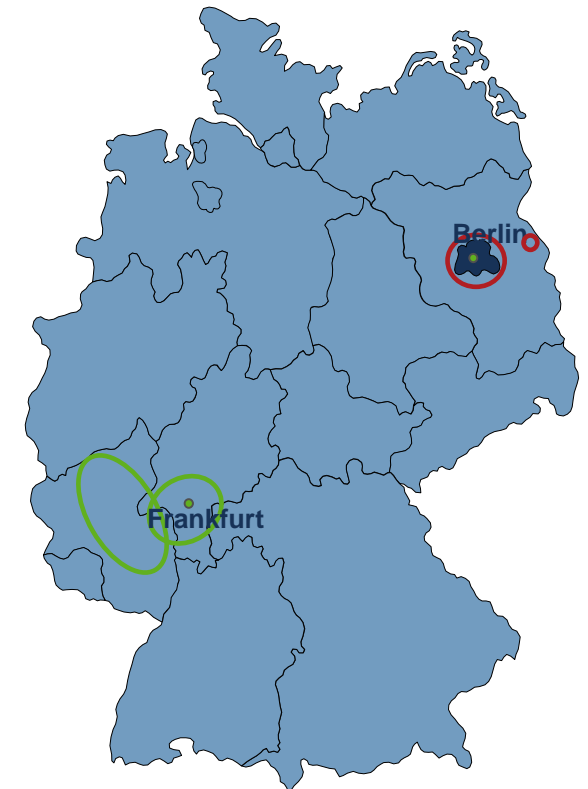
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» Portfolio

	Units	Rental area 1,000 sqm	Rent Q2 €/sqm	Market Rent €/sqm	Potential %	Vacancy Q2 %
Core Portfolio	33,810	2,039	5.19	5.90	13.7%	4.5%
Cluster A	29,219	1,764	5.28	5.80	9.8%	3.9%
Berlin	19,912	1,196	5.02	5.60	11.6%	3.4%
Frankfurt/Main	3,668	217	6.65	7.60	14.3%	3.3%
Rhein-Main	2,809	175	5.74	6.00	4.5%	7.9%
Rheintal-Süd	2,830	176	4.87	5.40	10.9%	3.5%
Cluster B	4,591	275	4.63	6.10	31.6%	8.7%
Berlin	2,845	172	4.61	6.00	30.2%	9.2%
Rhein-Main	488	29	5.68	8.30	46.1%	8.9%
Rheintal-Süd	1,258	73	4.29	5.50	28.2%	7.6%
Disposal portfolio	15,405	977	4.76			11.2%
Single privatisation	5,462	368	5.14			12.6%
Bloc sales	9,943	609	4.53			10.2%
Own properties*	49,215	3,016	5.05			6.5%
DB 14	2,621	179	5.36			3.9%
Own properties incl. DB14	51,836	3,195	5.07			6.4%



- Dt. Wohnen portfolio⁽¹⁾
- Gehag portfolio

1) Smaller regional sub-portfolios are not included

» Economic Framework: Berlin and Frankfurt

Berlin

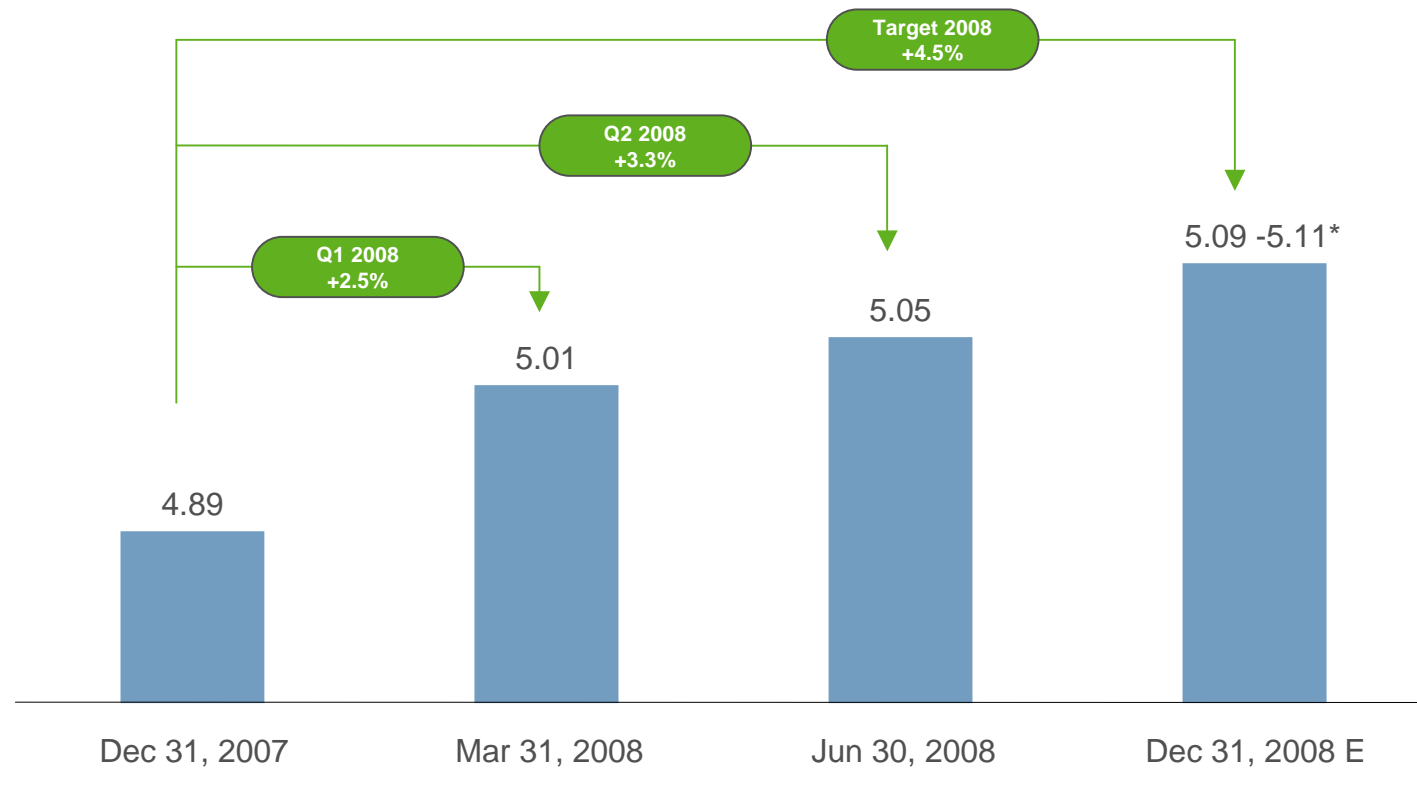
- Most populous city in Germany: 3.4m inhabitants
- Increase in employment: 2.3%
- Employees in service sector: 83%
- Single-person households: 50%
- Increase of Single-person households: 2.1%
- Vacancy rate: 5.2% (2006)
- Range of rents H1 08: 5.90 – 6.20 €/sqm, focus: 6.05 €/sqm
- Rent increase vs. previous half year: 2.5%

Frankfurt am Main

- Fifth largest city in Germany: 1.8m inhabitants
- Increase in employment: 3.2%
- Employees in service sector : 88%
- Single-person households : 44%
- Increase of Single-person households: 3,5%
- Vacancy: 3,0% (2006)
- Range of rents H1 08: 10.15 – 10.70 €/sqm, focus: 10.70 €/sqm
- Rent increase vs. previous half year: 6.5%

Source: JLL Residential City Profiles, 1st half year 2008

» Rent Development: 73% of Target already realized

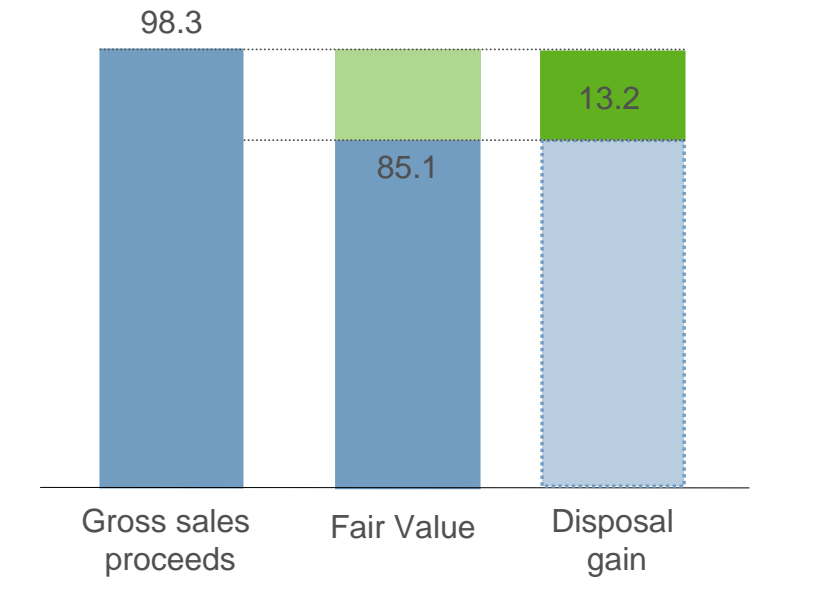


» H1 Letting Performance (excl. DB 14, €/per sqm)

» 2,245 new leases (not rent restricted) signed, average rent 5.74 €/sqm \Rightarrow 14% rent increase compared to previous rent

* Depending on bloc sales

» Disposals H1 2008



» Disposals on average 15% above Fair value

- Single Privatisation
 - Conclusion of 421 disposal contracts
⇒ 85% of sales target 2008 already achieved
 - Average disposal price 1,406 €/sqm, 34% above Fair Value
 - Average rent multiple 20x
- Bloc Sales
 - Conclusion of disposal contracts for 960 properties
 - Average disposal price 834 €/sqm, 2% above Fair Value
 - Average rent multiple 15x

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» Financial Result H1 2008

€ million	H1 2008	Q2 2008	Q1 2008
Result from Rental Business	75.6	36.3	39.3
Result from Privatization Business	4.8	4.0	0.8
Corporate Expenses	-20.3	-9.7	-10.6
Non-core Businesses	5.7	2.4	3.3
EBITDA	65.7	32.9	32.9
EBIT	64.4	32.0	32.5
Financial Result	-35.7	18.8	-54.5
<i>of which: SWAP Revaluation</i>	<i>26.1</i>	<i>50.0</i>	<i>-24.0</i>
One-offs	-16.8	-15.5	-1.3
Taxes	-11.5	-12.1	0.6
Net Income	0.5	23.2	-22.7

» One-off Effects H1 2008

P&L	H1 2008
Total Income	162.1
<i>Personnel Expenses</i>	-22.6
<i>Restructuring and Reorganisation Expenses</i>	-16.8
<i>Other Expenses</i>	-74.0
Total Expenses	-113.4
EBIT	47.9
Result from Derivatives	25.9
Other Financial Result	-61.5
Taxes	-11.5
Net profit	0.5

€8.3 m severance payments,
 €4.7 m employee leave benefits,
 €0.8 m advisory and legal expenses
 €2.9 m reorganisation expenses

Market revaluation of interest rate swaps; swaps are held for hedging purposes only and not speculative

» Solid Financing H1 2008

Debt Structure

- €2.2 bn financial debt, thereof €0.3 bn subsidized (14%)
- Loan to value ratio (LTV): 67.2%

Attractive Cost of Financial Debt

- Average interest rate 4.62% p.a.

Long-term Maturities Profile

- 90% hedged
- Average duration: > 7 years
- Renewals until end of 2009: €76 m, of which majority has already been concluded

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Outlook

» Outlook

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- Integration will be main working item until year end
- Targeted personnel structure already implemented
- Operating business in Western Germany will be put on track
- Rent increases, decrease of vacancy and cost cutting will be main growth drivers
- Focus is to grow earnings and free cash in order to enhance profitability and operational result

German Residential Market

- Germany will show relative strength with regard to rental levels, vacancy and property values
- Stable wages will support possibilities to increase rents in the medium and upper price segment
- Demand will be supported by increasing number of new households
- Property values in metropolitan areas will increase, while properties in rural areas will decrease

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