



Deutsche Wohnen AG

» **9M-2014 results**

Conference Call, 12 November 2014

» Agenda

- 1 **Highlights 9M-2014**
- 2 **Portfolio & investment strategy**
- 3 **Integration & restructuring power**
- 4 **Outlook & future growth**
- 5 **Q & A**
- 6 **Appendix**

» Highlights 9M-2014

» Highlights 9M-2014

Financials		
EUR	9M-2014	Change
FFO I (before minorities)	172.8m	(+100.2%)
FFO I (after minorities) ¹⁾	166.3m	(+92.7%)
FFO I /share ²⁾	0.58	(+9.4%)
FFO II (incl. disposals)	205.1m	(+96.9%)
FFO II /share ²⁾	0.72	(+12.5%)
EPRA NAV per share ³⁾	14.34	(+2.5%)
Premium to EPRA NAV (10 Nov. 2014)	26.0%	(+23.4pp)
Corporate development		
EUR	9M-2014	FY 2013 Pro forma
Corporate expenses		
Total personnel, general and administrative expenses	66.8m	102.2m
Cost ratio		
Corporate expenses / gross rental income	14.2%	17.3%
Costs per unit		
Corporate expenses / avg. units in period; 9M annualized	592	697

Operational development		
EUR	9M-2014	Change
NOI letting	354.5m	(+87.6%)
L-f-I rental growth (entire portfolio)	2.8%	(+0.5pp)
Rent increase potential (entire portfolio)	19.6%	(+3.1pp)
Rent increase potential (Core+)	23.5%	(+1.7pp)
Vacancy rate	2.4%	(-0.6pp)
NOI nursing	12.4m	(+25.3%)
Occupancy nursing	96.0%	(-0.7pp)
NOI disposals ⁴⁾	36.9m	(+130.6%)
Gross margin	31%	(+3pp)
Disposal cost ratio	4.4%	(-2.0pp)
Cash flow impact	101.4m	(+14.6%)

1) Considering guarantee dividend of EUR 1.40 per outstanding GSW shares at accounting date

2) Based on weighted average shares outstanding (9M-14: 286.35m)

3) Based on total shares outstanding (9M-14: 289.2m)

4) Earnings from disposals less related personnel and administrative expenses

» Portfolio & investment strategy

» New scoring model to characterize and rate housing market in Core⁺, Core and Non-Core

Main criteria of the portfolio scoring model

Historic real estate specific data

- Change in households (2008-2014)
- Change in-place rent (2008-2014)
- Population growth (2008-2014)

Prognostic real estate specific data

- Population and household prognoses (2015-2030)

Macro economic data

- Unemployment rate (2014)
- Change in unemployment rate (2008-2014)
- Purchase power per capita (2014)
- Change in purchase power (2008-2014)

Infrastructure

- Students per 1,000 inhabitants (2011)
- Change students per 1,000 inhabitants (2008-2011)
- High qualified employees per 100 inhabitants (2011)

Each criteria and sub-criteria with individual weighting

Scoring from 0 – 5 for each sub-criteria

Core⁺
„growth“

Core
„yield“

Non-Core
„risk“

» Update of regional clustering based on scoring model

Regional Cluster	Residential units #	% of total units	In-place rent ¹⁾ 30/09/2014 EUR/sqm	Rent Potential ²⁾ in %	Vacancy 30/09/2014 in %	Multiple in-place rent	Multiple market rent
Total	146,822	100.0	5.65	19.2	2.4	14.1	12.8
Core+	127,228	86.7	5.72	22.9	2.1	14.3	13.0
Greater Berlin	106,780	72.7	5.63	↗ 22.1	2.1	14.3	13.0
Rhine-Main	8,814	6.0	7.12	↗ 20.9	2.1	15.1	13.3
Mannheim / Ludwigshafen	4,838	3.3	5.58	→ 17.6	1.3	13.1	12.3
Rhineland	4,628	3.2	5.78	↗ 14.7	2.6	13.5	12.1
Dresden	2,168	1.5	4.92	↗ 21.8	2.2	14.1	13.2
Core	15,880	10.8	5.31	8.5	3.6	12.3	11.6
Hanover / Brunswick	8,886	6.1	5.39	↗ 11.8	3.4	12.2	11.6
Magdeburg	2,100	1.4	5.22	→ 3.1	4.0	12.5	11.6
Kiel / Luebeck	2,062	1.4	5.09	→ 12.0	4.4	12.2	11.2
Halle / Leipzig	1,684	1.1	5.16	→ 2.5	4.0	12.5	11.8
Erfurt	619	0.4	5.86	↗ 2.5	2.0	13.4	13.3
Others	529	0.4	4.97	→ 10.8	3.8	11.9	10.5
Non-core	3,714	2.5	4.87	5.3	8.6	12.0	10.5

Re-classification of **9,700** units from Core to Core+ (mainly Dresden and Mannheim/Ludwigshafen)

Shift of **1,500** units from Core to Non-core

Update of regional clustering basis for long term investment decisions

» Microanalysis shows opportunities in Core⁺

Operate

- Attractive and dynamic micro locations with promising fundamental outlook
 - Shortage of supply
 - High rent potential and dynamic development of market rents
 - Key driver: In-place rents with high **upside to market rents**
- ➔ **Value potential due to re-letting**

Develop

- Attractive and dynamic micro locations with promising fundamental outlook
 - Shortage of supply
 - High rent potential and dynamic development of market rents
 - In-place rents with high **upside to rent tables**
- ➔ **Value potential due to accretive capex/ modernization**

Dispose

- Strong demand in a low interest rate environment, shortage of supply and rising prices
 - 1. Privatization: realizing high margins (>30% above book values)
 - 2. Block sales: opportunistic realization of market prices
- ➔ **Opportunistic disposals**

» Portfolio split and strategic focus for investment decisions

Strategy Cluster	Residential units	% of total units	In-place rent ¹⁾ 30/09/2014 EUR/sqm	Rent Potential ²⁾ in %	Vacancy 30/09/2014 in %	Multiple in-place rent	Multiple market rent
Total Results	146,822	100.0	5.65	19.2	2.4	14.1	12.8
Core⁺	127,228	86.7	5.72	22.9	2.1	14.3	13.0
• Operate	97,121	66.1	5.82	22.4	1.6	14.4	13.0
• Develop	17,115	11.7	5.42	27.5	3.0	14.7	12.8
• Dispose	12,992	8.8	5.42	15.9	5.0	13.5	12.7
Core	15,880	10.8	5.31	8.5	3.6	12.3	11.6
• Operate	13,919	9.5	5.32	8.6	3.3	12.3	11.7
• Dispose	1,961	1.3	5.27	7.7	5.5	12.5	11.4
Non-core	3,714	2.5	4.87	5.3	8.6	12.0	10.5
<i>Thereof Clean-up</i>	<i>509</i>	<i>0.3</i>	<i>5.22</i>	<i>7.6</i>	<i>14.6</i>	<i>11.3</i>	<i>9.3</i>

Only in strong Core⁺ markets we see good investment opportunities from developing

In Core⁺ markets we have earmarked a part of the portfolio for opportunistic block sales

Clean-up: poor market in combination with below average quality

Strategic clustering ensuring investment allocation towards the right assets with highest return expectations

1) Contractually owed rent from rented apartments divided by rented area
2) Unrestricted residential units

» Investment target of EUR 280m within 4 years in Core⁺

Develop cluster approach

- c. 17,000 units identified (almost entirely in Core⁺) mainly in dynamic micro locations
- Earnings and value accretion:
 - Focus on portfolios with the highest rent potential (c. 27%)
 - NAV-growth due to overproportional expected valuation impact of the investment
- Creating potential for privatization
- Financed by cash on hands and operating cashflow

Examples for targeted investments:

Kreuzberg built 1950ies

- 1,254 units
- Investment volume: EUR ~45m
- Current in-place rent: EUR 5.42 / sqm
- After mod.: EUR 7.35 / sqm → market rent: EUR 8.74 / sqm
- Multiple before mod.: 14.0



Prenzlauer Berg built 1920ies – 30ies

- 1,433 units partly oven-heated
- Investment volume: EUR ~53m
- Current in-place rent: EUR 4.72 / sqm
- After mod.: EUR 7.23 / sqm → market rent: EUR 9.05 / sqm
- Multiple before mod.: 14.9



» Operate: small single-investments targeted

Operate cluster approach

- **Focus on re-letting**
- 80% of re-lettings in 2014 took place in Core+
- Re-letting spendings lead to double digit returns
- 70% of re-lettings EUR <3,000 investment per unit (ROI >65%)
- Re-lettings with EUR >10,000 investment per unit (share 15%) have a ROI of 6.7% and realize a rent potential of ~27%

	Tenant turnover current year (9M)	Avg. investment per unit in EUR	ROI	Realized rent increase
Core+ / Core	7,816	3,788	16.1%	15.1%
• Core+	6,456	4,223	15.3%	15.8%
• Core	1,360	1,724	25.4%	11.6%

» Focused and sustainable investments into the portfolio

	9M-2014	9M-2013 ¹⁾
	EUR m	EUR m
Maintenance	61.4	38.9
<i>Thereof repairs & maintenance</i>	45.0	25.0
<i>Thereof re-letting</i>	16.5	13.9
Modernization	36.4	14.3
<i>T/o re-letting</i>	16.8	0.1
<i>T/o complex measures</i>	19.6	14.2
Total	97.8	53.2
Total EUR/ sqm²⁾	14.06	13.29
Capitalization rate	37.2%	26.9%

9M-2014: total spendings for re-letting of EUR 33.3m to realize annual rental uplifts of EUR >5m (~16%)

9M-2013: EUR 14.0m leading to EUR 3.2m rent increases (~23%)

Capitalization rate

- ~50% of investments for re-letting are capitalized

We continue targeting a sustainable level for maintenance and modernization on the basis of portfolio analysis to ensure our targeted quality standards and value creation

» Integration & restructuring power

» GSW integration almost completed – track record expanded

Achievements

- Successful implementation of domination agreement
- Joined investment strategy
- To date more than EUR 20m p.a. synergy realization achieved
 - Negotiation with workers council and execution of „social plan“
 - Consolidation of purchasing and insurance procurement
 - Insourcing of sales force, opex billing and rent collection
 - Outsourcing of facility management



Next steps

- Further process consolidation / harmonization
- IT Integration

Strong in-house know how has led to efficient results

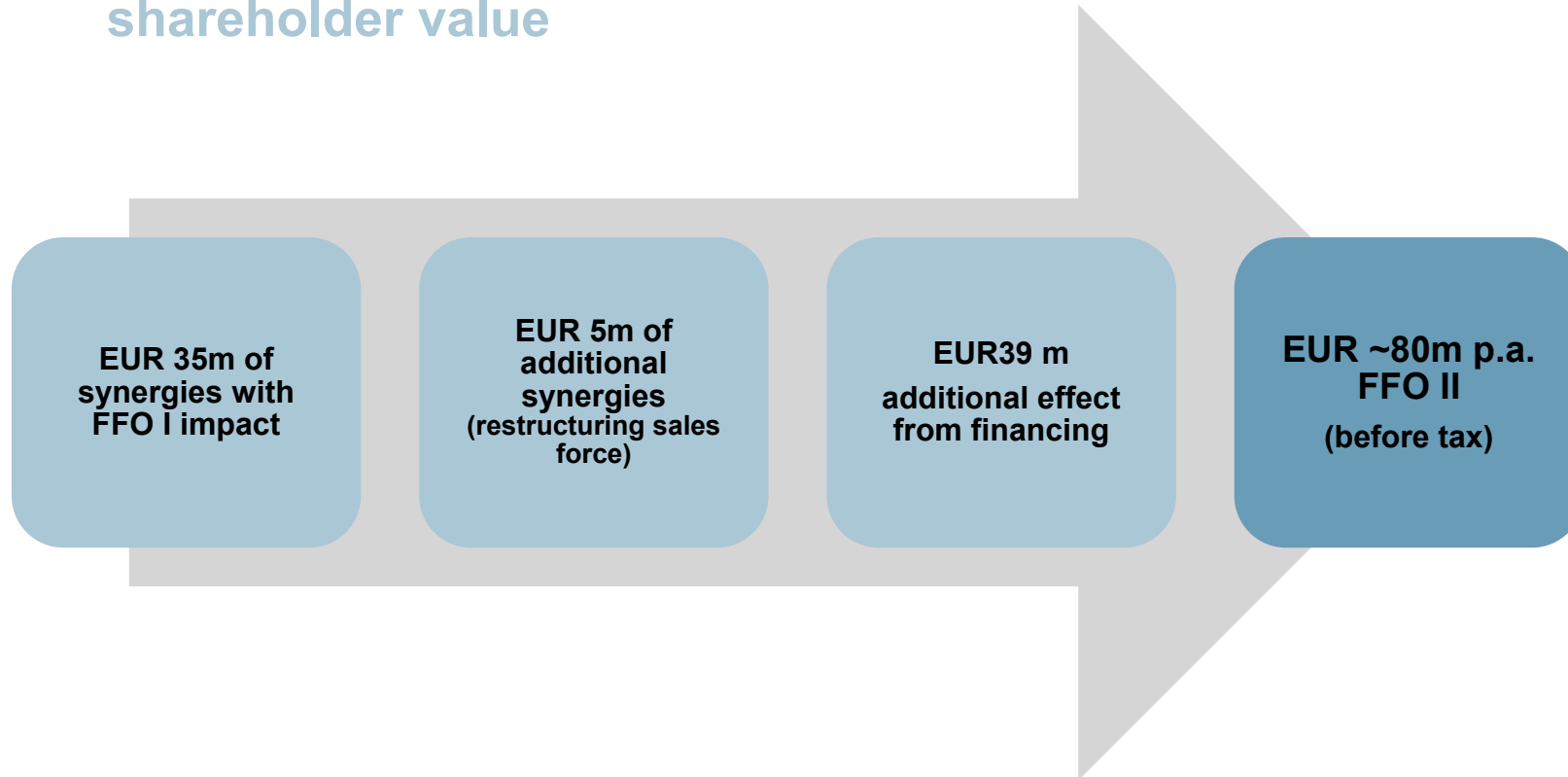
» Long term integration track record

	DW before GSW			DW incl. GSW	
	2011	2012	2013	2013 pro forma	Outlook
No. of units (avg.)	48,699	57,914	86,999	149,979	146,000
Gross rental income ¹⁾	196.4	240.0	353.5	589.7	620.0
Corporate expenses	(32.9)	(40.4)	(48.1)	(102.2)	(75.0)
Cost per unit	(676)	(698)	(553)	(681)	(514)
in % of Gross rental income	16.8%	16.8%	13.6%	17.3%	12.1%
Efficiency benefit					~29m

New cost ratio target of 12%

¹⁾ Contractual rents w/o utility charges

» Group restructuring & refinancing created significant shareholder value



- **Over-achievement of originally targeted synergies of EUR 25m**
- **Actual integration costs in-line with target**

» Financing strategy of the future – what comes next...

Optimized debt book to balance stability and profitability:

- Resilience optimized (avg. debt maturity of ~9 years after refinancing)
- Strong position for external growth in times of „market crises“
- Above avg. ISCR of >3x provides the group with significant headroom for future interest rate increases

Financial flexibility further enhanced:

- Broad range of financing instruments available

Expected LTV at year end 2015 without equity issuance:

- Regular annual amortization
- Sales related debt repayments
- Potential future value uplifts

≤50%

- **Deutsche Wohnen group now ideally positioned for future interest rate cycles and further external growth**

» Cash flow creation and dividend coverage

EURm	2011	2012	2013	2014e
FFO I ¹⁾	47.5	68.2	114.5	212.2
FFO disposals	10.6	19.9	23.0	50.0
FFO II	58.1	88.1	137.5	262.2
+ Δ CF disposals ²⁾	54.0	51.2	49.9	85.0
- Regular amortization	-30.2	-36.0	-51.5	-81.5
- Capex	-24.7	-33.2	-26.8	-50.0
Corporate Free Cash Flow	57.2	70.1	109.1	215.7
<i>Per share</i>	<i>0.64</i>	<i>0.56</i>	<i>0.62</i>	<i>0.75</i>

2014 refinancing and further synergies will improve cash flow by EUR >80m

Payout ratio in % of FFO I	50%	50%	50%	60%
- Dividend payments	-23.5	-33.8	-57.4	-127.3
<i>Dividend per share (EUR)</i>	<i>0.23</i>	<i>0.21</i>	<i>0.34</i>	<i>0.44</i>
Dividend coverage	243%	207%	191%	169%

Payout ratio has been increased after GSW transaction

- Significant increase of dividend payments over the last years with further upside for the future
- Shareholders are participating in higher Corporate Free Cash Flow by higher dividend payments

¹⁾ After minorities (guaranteed dividend x number of outstanding GSW shares)

²⁾ Book value (sold) ./ Sales related debt repayment

» Outlook & future growth

» Outlook and future growth

Guidance

- Unchanged 2014 FFO I target of EUR 220m (before minorities)

External growth

- Strong residential markets currently offer less attractive conditions for acquisitions
- Current market development increases the risk to overpay
- Selective smaller deals expected and partially already realized (YTD 1,250 units in Core⁺)
- Prepared in case that larger package opportunities may arise

Internal growth

- Investments of c. EUR 280m into core⁺ assets over the next 4 years
- Re-letting to catch up potential to market rents
- Further optimization of platform leading to additional synergies

» Q & A

» Appendix

» Strong earnings and cash contributions from letting

	in EUR m	9M-2014	9M-2013	
Earnings from letting: + EUR 178m (+85.4%)	Current gross rental income	469.3	259.5	In-place rent: 9M-14: EUR 5.65 / sqm
	Non-recoverable expenses	(9.9)	(5.7)	
	Rental loss	(5.8)	(2.6)	
	Maintenance	(61.4)	(38.9)	Maintenance¹⁾ 9M-14: EUR 8.83 /sqm (9M-13: EUR 9.72 /sqm) additional EUR 36.4m for modernization (EUR 14.3m in 9M-13)
	Others	(6.3)	(4.1)	
	Earnings from Residential Property Management	385.9	208.2	
	Personnel, general and administrative expenses	(31.4)	(19.2)	
	Net Operating Income (NOI)	354.5	189.0	NOI increased by EUR 165.5m (88%) due to 2013 acquisitions
	NOI margin	75.5%	72.8%	
	NOI in EUR / sqm / month	4.25	3.94	
	in EUR m	9M-2014	9M-2013	
Cash flow + EUR 112m (+ 105%)	Net operating income (NOI)	354.5	189.0	
	Cash interest expenses	(136.0)	(82.3)	w/o EUR 2.9m for nursing and assisted living in 9M-2014
	Cash flow from portfolio after cash interest expenses	218.5	106.7	
	Interest cover ratio	2.61	2.30	

NOI-margin

- Improved mainly due to lower personnel and admin expenses

NOI in EUR / sqm / month

- + 7.9% due to changes in portfolio structure resulting from GSW acquisition among others

¹⁾ extrapolated 12 months

» Overview of portfolio as at 30 September 2014

30/09/2014	Residential units #	Area ¹⁾ K sqm	In-place rent ²⁾ EUR/sqm	New letting rent ³⁾ EUR/sqm	Vacancy %	Fair Value ⁴⁾ (FV) EUR m	Share in terms of FV %	FV ⁵⁾ EUR/sqm	Multiple in-place rent	Yield %	Multiple market rent	Yield %
Strategic core and growth regions	144,672	8,780	5.66	6.79	2.3	8,657	99%	957	14.1	7.1	12.8	7.8
Core ⁺	117,510	7,068	5.75	7.11	2.2	7,286	83%	999	14.4	6.9	13.0	7.7
Core	27,162	1,712	5.29	5.84	3.1	1,370	16%	783	12.6	8.0	11.8	8.5
Non-core	2,150	141	4.98		10.0	94	1%	625	11.7	8.6	10.2	9.8
Disposal	380	25	5.14		16.9							
Other	1,770	117	4.95		8.5							
Total	146,822	8,921	5.65	6.76	2.4	8,750	100%	952	14.1	7.1	12.8	7.8

- Dynamic Core⁺ regions comprise 80% of total units and 83% of total fair value
- Attractive spread between multiples of in-place rent and market rent offering further potential for NAV-growth
- Very successful on-going disposal of non-core portfolio

¹⁾ Only residential area

²⁾ Contractually owed rents from rented apartments divided by rented area

³⁾ Contractually owed rent for newly concluded contracts for units not subject to rent control effective in 2014 respectively

⁴⁾ Fair Value including residential, commercial and parking spaces

⁵⁾ Fair Value divided by residential and commercial area

» Pro forma like for like overview of portfolio as at 30 September 2014

In-place rent (like-for-like) and vacancy (like-for-like)²⁾

Like-for-like 30/09/2014	Residential units #	In-place rent ¹⁾ 30/09/2014 EUR/sqm	In-place rent ¹⁾ 30/09/2013 EUR/sqm	Δ in % y-o-y	Vacancy 30/09/2014 in %	Vacancy 30/09/2013 in %
Total	140,738	5.66	5.50	2.8%	2.4%	2.6%
Strategic core and growth regions (letting portfolio)	132,609	5.68	5.52	3.0%	2.1%	2.5%
Core⁺	109,594	5.76	5.58	3.1%	2.0%	2.2%
Greater Berlin	99,971	5.64	5.46	3.1%	2.0%	2.2%
Rhine-Main	8,082	7.15	6.97	2.6%	1.5%	2.4%
Rhineland	1,541	6.57	6.27	4.7%	2.4%	3.0%
Core	23,015	5.32	5.20	2.2%	2.8%	3.8%
Hanover / Brunswick / Magdeburg	10,029	5.32	5.16	3.0%	3.2%	5.3%
Rhine Valley South	4,650	5.58	5.49	1.7%	1.0%	1.6%
Rhine Valley North	2,798	5.20	5.13	1.3%	1.5%	0.9%
Central Germany	3,776	5.15	5.06	1.7%	3.8%	3.6%
Others	1,762	5.12	5.06	1.1%	5.4%	6.0%

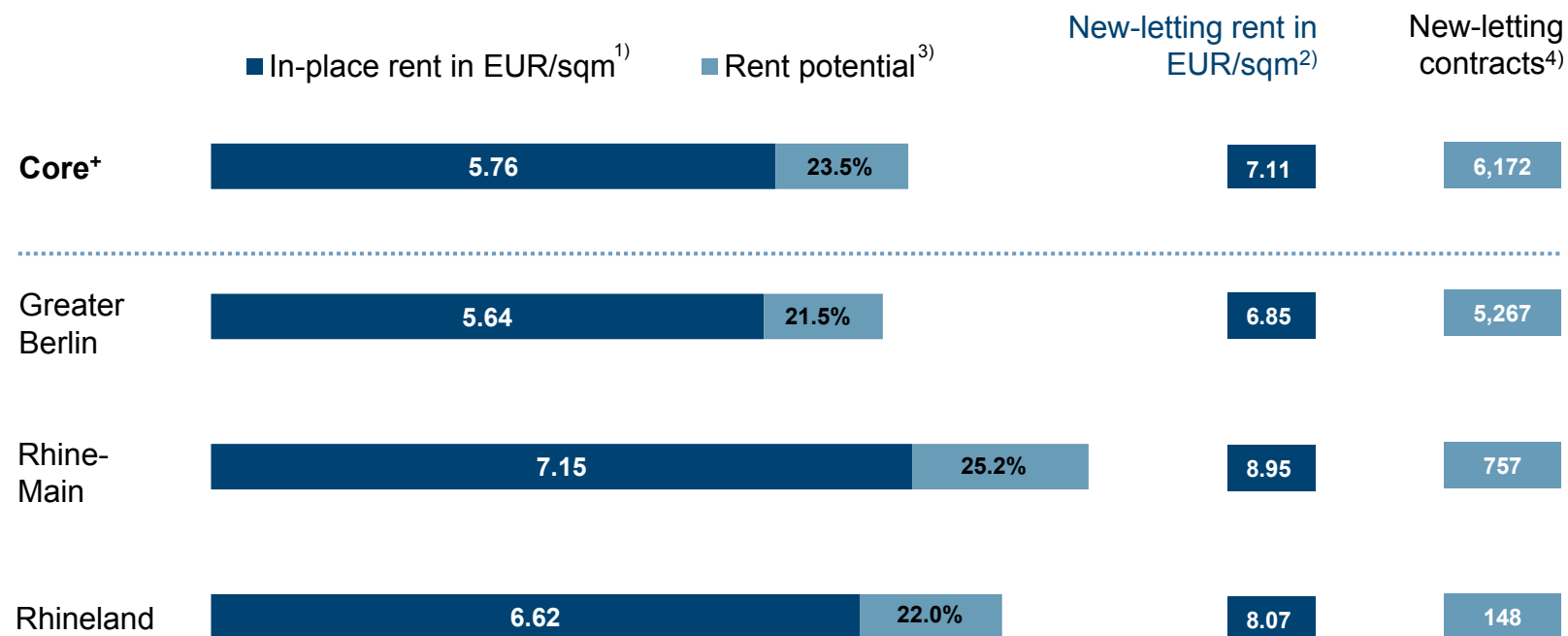
▪ Strong rental growth in our strategic core and growth regions

- Core⁺ regions with compelling rental growth (I-f-I) and a very low vacancy rate → ‘stars’
 - Driven by new-letting rents and execution of Berlin rent index (‘Mietspiegel’)
- Core regions with accelerating rental growth (I-f-I) and a low vacancy rate → ‘cash cows’

¹⁾ Contractually owed rent from rented apartments divided by rented area

²⁾ Including GSW

» Dynamic rent potential in Core+ regions (letting portfolio)

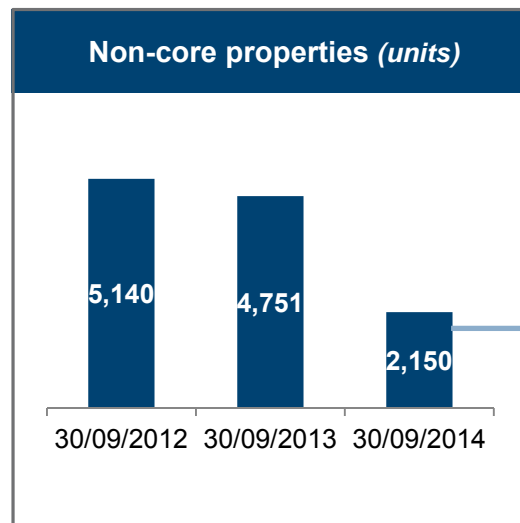
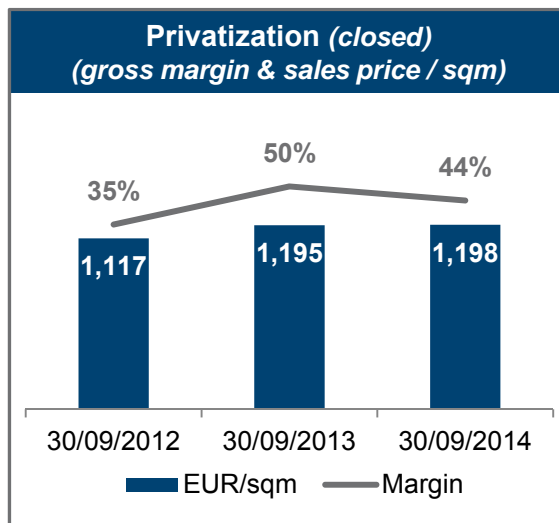


- **Current tenant turnover: ~8% annualized in Core+ Regions**

» NAV contribution by strong disposal business

Closed in EUR m	9M-2014	9M-2013
Sales proceeds	205.7	101.0
Cost of sales	(9.1)	(6.5)
Net sales proceeds	196.6	94.5
Carrying amounts of assets sold	(157.8)	(76.6)
Earnings from Disposals	38.8	17.9

- Free cash flow from sales activities of EUR 101.4m (1,583 closed privatization units and 1,869 closed units institutional sales)



- Portfolio clean-up almost completed: only 473 units for disposals left in the non-core portfolio (9M-2013: 4,751 units)

» Signed units for privatization business & non-core disposals

Signed with expected closing in 2014 ¹⁾	Units	Transaction volume	Fair value	Gross Margin	
	#	EUR m	EUR m	EUR m	% ²⁾
Privatization	2,037	162.3	112.7	49.6	44%
Institutional sales	2,052	86.1	77.4	8.7	11%
<i>Thereof non-core properties</i>	1,603	56.1	51.3	4.8	9%
In total	4,089	248.4	190.1	58.3	31%

- Ongoing and successful focus on disposals in none-core regions



Berlin: Papageienviertel



Hanover: Bemerode/Kronsberg



Berlin: Hufeisensiedlung



Berlin: Steglitz

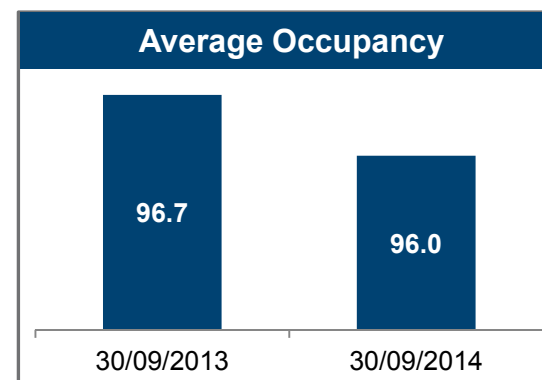
¹⁾ Incl. overhang 2013

²⁾ (Transaction volume divided by Fair Value)-1

» Nursing and Assisted Living – increasing FFO contribution

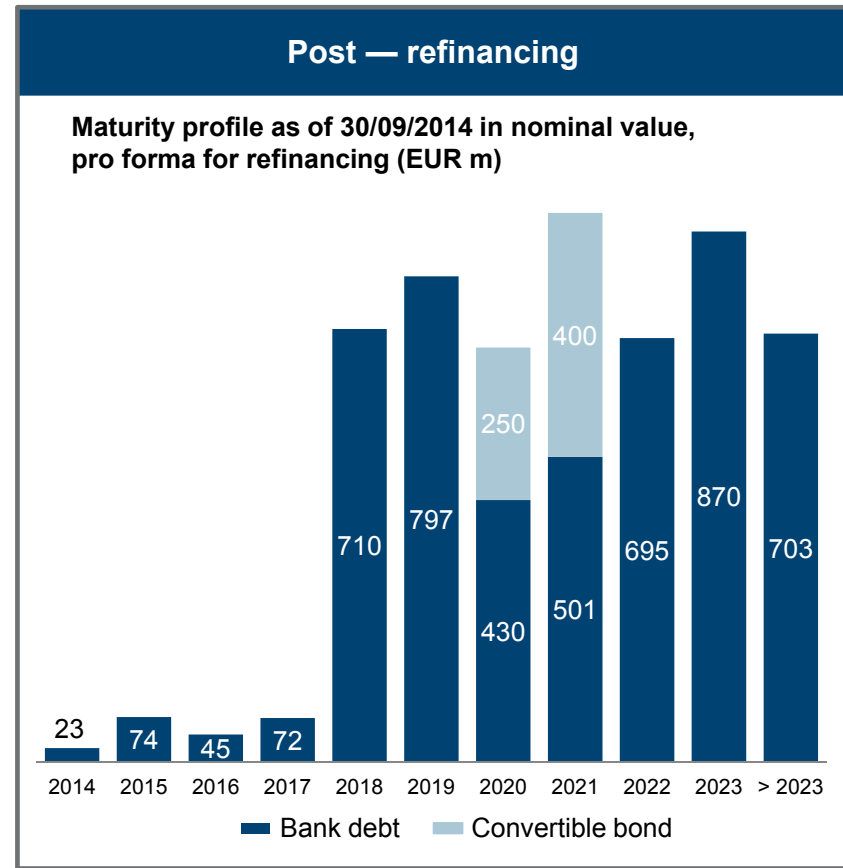
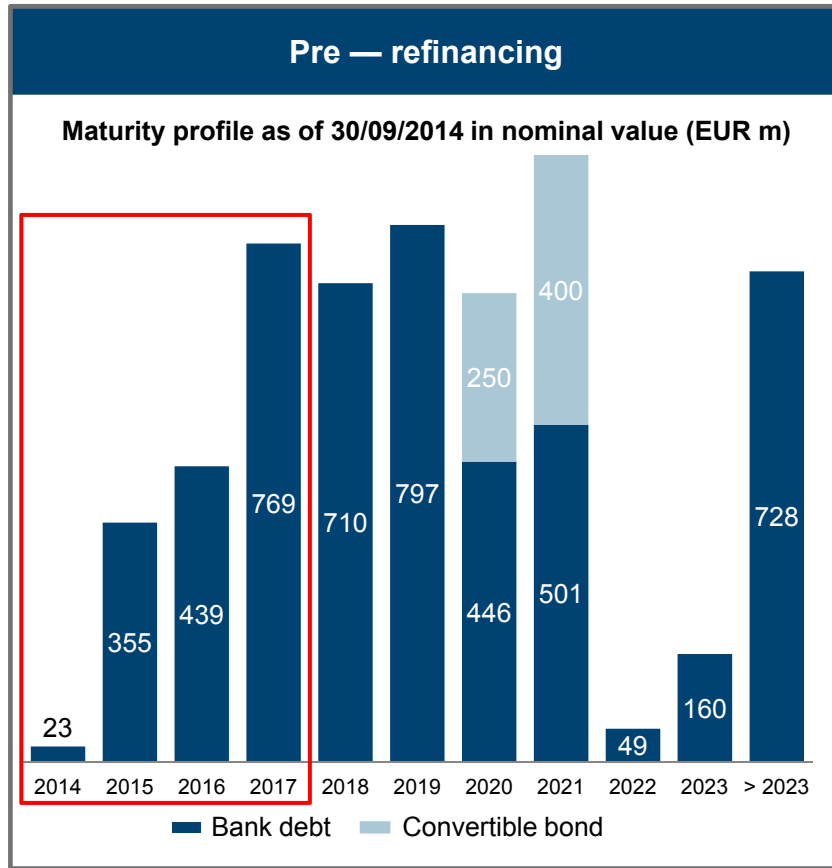
in EUR m	9M-2014	9M-2013
Income		
Nursing	41.5	38.3
Living	4.5	1.5
Other	4.8	3.1
Total income	50.8	42.9
Costs		
Nursing and corporate expenses	(13.4)	(11.0)
Staff expenses	(25.0)	(22.0)
Total costs	(38.4)	(33.0)
Earnings from Nursing and Assisted Living (NOI)	12.4	9.9
Cash interest expenses	(2.9)	(2.6)
FFO contribution	9.5	7.3

30/09/2014	Facilities	Places
Greater Berlin	12	1,442
Saxony	7	475
Others	2	257
In total	21	2,174



- 18 of 21 facilities are owned by Deutsche Wohnen with Fair Value of the properties of EUR 144.9m

» ...leading to benchmark financing structure



» Successful restructuring of financing...

	Pre-refinancing (30/09/2014)	Pro forma post-refinancing
LTV (%)	54.7	~ 55.8
Ø Interest Rate (%)	~3.2	~ 2.5
Ø Mandatory redemption p.a. (%)	~ 1.6	~ 1.1
Ø Weighted maturity	~ 7.5 years	~ 8.9 years
Interest rate fixed/ hedged (%)	~ 92	~ 86
Unencumbered assets (%)	~2	~4

- Total financing of ca. € 1.76bn (incl. € 400m convertible bond)
- Expected financial impact
 - › FFO enhancement of ca. € 39m p.a. by reduction of interest expenses
 - › Reduction of contractual amortisation by ca. € 23m p.a. driving cash flows by ca. € 62m p.a. in aggregate
 - › ca. € 100m upfront interest payments for unwinding refinanced loans
 - › ca. € 10m transaction costs
- Approx. 70% of refinancing volume hedged
- Further improvement of LTV due to potential valuation uplift for portfolio

» Benchmark EBITDA margin among the Peer Group

in EUR m	9M-2014	9M-2013	EBITDA margins	9M-2014	9M-2013
Earnings from Residential Property Management	385.9	208.2	adj. EBITDA / gross rents	77.6%	75.8%
Earnings from Disposals	38.8	17.9	adj. EBITDA excl. disposals / gross rents	69.4%	68.9%
Earnings from Nursing and Assisted Living	12.4	9.9			
Segment contribution margin	437.1	236.0			
Corporate expenses	(66.8)	(34.4)			
Other operating expenses/income	(18.7)	(8.2)			
EBITDA	351.6	193.4			
One-off costs for transactions	0.0	3.4			
Restructuring & Reorganization expenses	12.7	0.0			
EBITDA (adjusted)	364.3	196.8			

Further improvements of EBITDA margins will occur with full realization of takeover synergies

Cost Ratio¹⁾

- 14.2% in 9M-2014 vs. 17.3% FY-2013 (pro-forma incl. GSW)

Redundancy payments

Adj. EBITDA

- Increased by ~ EUR 168m mainly attributable to an increase of earnings from letting ~ EUR 178m and from disposals ~ EUR 21m

Margins

- EBITDA Margins underline the strengths of the portfolio and the operating platform

¹⁾ Corporate expenses (EUR 66.8m) divided by current gross rental income (EUR 469.3m)

» Adjusted EBT increased by ~ 110% (y-o-y)

in EUR m	9M-2014	9M-2013
EBITDA (adjusted)	364.3	196.8
Depreciation	(4.5)	(4.0)
Financial result (net)	(150.5) ²⁾	(92.9) ²⁾
EBT (adjusted)	209.3	99.9
One-off costs for transactions and financing	(5.1)	(3.4)
Restructuring & Reorganization	(12.7)	0.0
Valuation SWAP and convertible bonds	(22.0)	(0.2)
EBT	169.5	96.7
Current taxes	(14.9)	(9.3)
Deferred taxes	(9.7)	(20.9)
Profit	144.9	66.5
Earnings per share ¹⁾	0.48	0.41

in EUR m	9M-2014	9M-2013
Interest expenses	(138.9)	(84.9)
Non-cash interest expenses	(12.3)	(8.6)
	(151.2)	(93.5)
Interest income	0.7	0.6
Financial result (net)	(150.5)	(92.9)

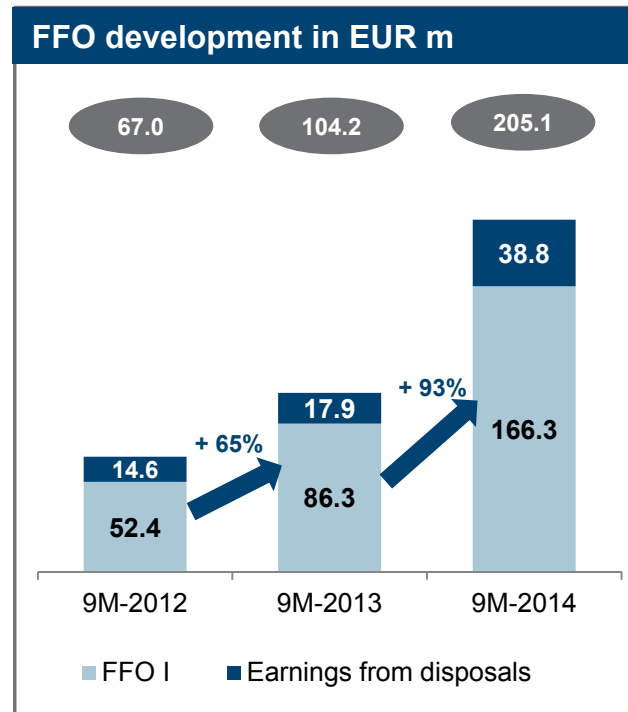
Thereof EUR (16.5)m from valuation of swaps and EUR (5.5)m from convertible bonds
 MV of convertible bonds (30/09/2014): EUR 654.6m

¹⁾ Based on weighted average shares outstanding (9M-14: 286.35m; 9M-13: 162.87m)

²⁾ Adjusted for Valuation of SWAPs and convertible bonds

» Recurring FFO per share performance +9.4% (y-o-y)

in EUR m	9M-2014	9M-2013
Profit	144.9	66.5
Earnings from Disposals	(38.8)	(17.9)
Depreciation	4.5	4.0
Valuation SWAP and convertible bond	22.0	(0.2)
One-off costs for transactions and financing	5.1	3.4
Non-cash financial expenses	12.3	8.6
Deferred taxes	9.7	20.9
Tax benefit from capital increase	0.4	1.0
FFO attributable to non-controlling interest	(6.5)	0.0
Restructuring & Reorganization expenses	12.7	0.0
FFO I	166.3	86.3
Earnings from Disposals	38.8	17.9
FFO II	205.1	104.2
FFO I per share ¹⁾	0.58	0.53
FFO II per share ¹⁾	0.72	0.64



Considering guarantee dividend of EUR 1.40 per outstanding GSW shares at accounting date

- Accretive FFO I per share development: **+9.4%** (y-o-y)

¹⁾ Based on weighted average shares outstanding (9M-14: 286.35m; 9M-13: 162.87m)

» Balance sheet

Assets			Equity and Liabilities		
in EUR m	30/09/2014	31/12/2013	in EUR m	30/09/2014	31/12/2013
Investment properties	8,882.5	8,937.1	Total equity	4,094.2	3,944.3
Other non-current assets	554.4	552.2	Financial liabilities	4,881.9	5,154.6
Derivatives	0.1	2.7	Convertibles	654.6	250.2
Deferred tax assets	297.1	280.5	Tax liabilities	35.8	62.6
Non current assets	9,734.1	9,772.5	Deferred tax liabilities	362.8	353.1
Land and buildings held for sale	70.4	97.1	Derivatives	218.5	159.3
Other current assets	68.8	107.1	Other liabilities	245.8	249.0
Cash and cash equivalents	620.3	196.4	Total liabilities	6,399.4	6,228.8
Current assets	759.5	400.6	Total equity and liabilities	10,493.6	10,173.1
Total assets	10,493.6	10,173.1			

- Investment properties represent ca. 85% of total assets
- Strong cash position and available credit lines give comfort for potential acquisition opportunities
- LTV reduced to 54.7% (FY-2013: 57.3%)

» EPRA NAV per share up by 2.5%

in EUR m	30/09/2014	31/12/2013	in EUR m	30/09/2014	31/12/2013
Equity (before non-controlling interests)	3,858.7	3,777.8	EPRA NAV per share in EUR (undiluted)	14.34	13.99
Fair value adjustment of convertible bonds	4.0	(2.2)	Adjusted NAV per share in EUR (undiluted)	12.64	12.27
Fair values of derivative financial instruments	218.3	156.5	<i>Shares outstanding in m</i>	289.2	286.22
Deferred taxes (net)	65.7	72.6			
EPRA NAV (undiluted)	4,146.7	4,004.7			
Goodwill GSW	(491.6)	(491.6)			
Adjusted NAV (undiluted)	3,655.1	3,513.1			

EPRA NAV per share

- Increased by 2.5% to EUR 14.34 as at 30 Sept 2014

Adjusted NAV

- Reflects (i.e. deducts) the goodwill from GSW transaction

Change of calculation

- Further potential of EUR ~1 per share using calculation methodology of peers

» Disclaimer

This presentation contains forward-looking statements including assumptions, opinions and views of Deutsche Wohnen or quoted from third party sources. Various known and unknown risks, uncertainties and other factors could cause actual results, financial positions, the development or the performance of Deutsche Wohnen to differ materially from the estimations expressed or implied herein. Deutsche Wohnen does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, including projections, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, none of Deutsche Wohnen AG or any of its affiliates (including subsidiary undertakings) or any of such person's officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. Deutsche Wohnen does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.



Deutsche Wohnen AG

Registered Office
Pfaffenwiese 300
65929 Frankfurt/ Main

Berlin Office
Mecklenburgische Straße 57
14197 Berlin
Phone: +49 30 897 86 5413
Fax: +49 30 897 86 5409

© 2014 Deutsche Wohnen AG