



Deutsche Wohnen AG

» **Full year results 2016**

Conference Call, 21 March 2017

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» Highlights 2016 & Strategic Priorities

» Highlights FY-2016

Financials		
in EUR m	FY-2016	FY-2015
EPRA NAV	10,017	7,766
<i>in EUR/ share¹⁾</i>	29.68	23.02
FFO I	384	304
<i>in EUR/ share²⁾</i>	1.14	0.95
<i>FFO yield on EPRA NAV</i>	3.8%	4.1%
Dividend in EUR/ share ³⁾	0.74	0.54
<i>Dividend yield on EPRA NAV</i>	2.5%	2.4%
Adj. EBITDA (excl. disposals) ⁴⁾	527	455
<i>Adj. EBITDA yield on EPRA NAV</i>	5.3%	5.9%
<i>Adj. EBITDA margin</i>	74.9%	71.8%
<i>Cost ratio⁵⁾</i>	10.5%	11.8%
Financing		
LTV	37.7%	38.0%
Avg. interest rate	~1.6%	~1.8%

Portfolio & valuation		
Portfolio KPIs	FY-2016	FY-2015
Number of residential units	157,976	146,128
<i>In-place rent in EUR/ sqm</i>	6.10	5.89
<i>Like for like rental growth</i>	2.9%	3.5%
<i>Like for like rental growth Berlin</i>	3.5%	4.1%
<i>Vacancy rate</i>	1.8%	1.8%
Fair value of portfolio ⁶⁾ in EUR m	15,465	11,721
<i>in EUR/ sqm</i>	1,580	1,282
<i>Berlin in EUR/sqm</i>	1,738	1,360
<i>Yield on in-place rent</i>	4.7%	5.5%
<i>Yield on market rent</i>	5.7%	6.5%
<i>Privatization gross margin</i>	39.1%	40.9%
Total shareholder return 2016		
Dividend/ share + NAV growth/ share in EUR		7.40
<i>in % of EPRA NAV 2015</i>		32.2%

1) Based on total undiluted shares outstanding (FY-16: 337.5m; FY-15: 337.4m)

3) 2016 dividend subject to AGM approval

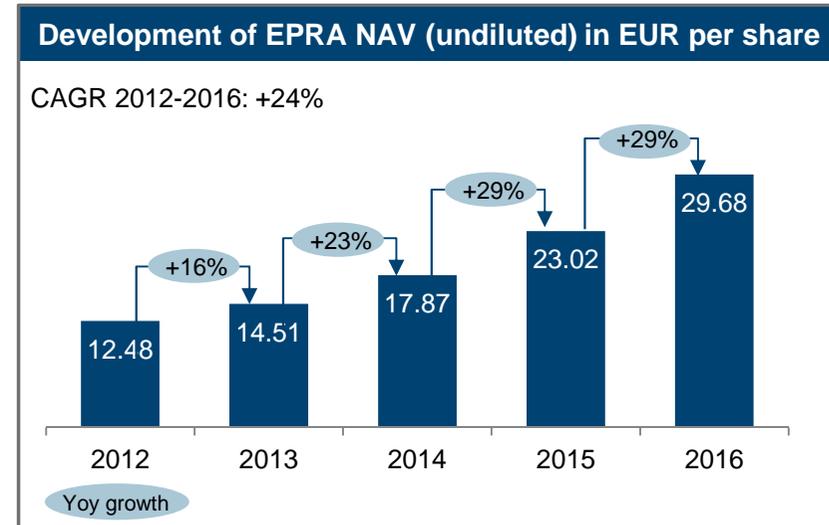
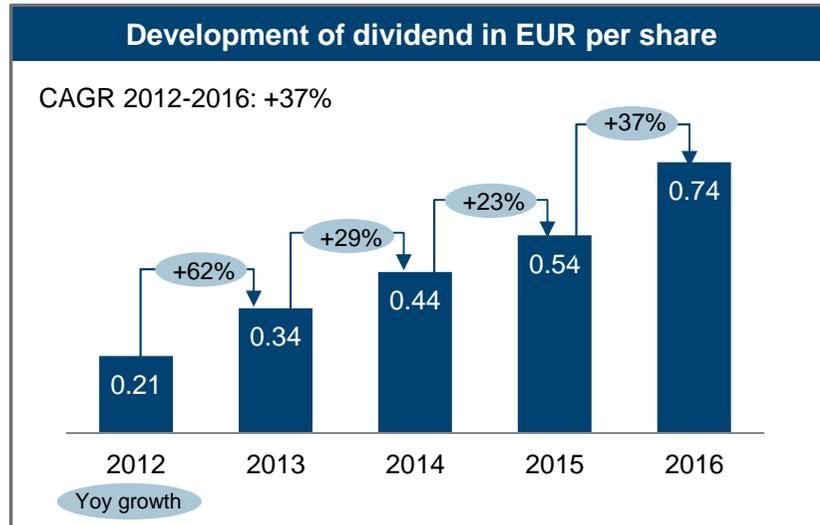
2) Based on undiluted weighted average shares outstanding (FY-16: 337.5m; FY-15: 320.9m)

4) Adjusted for one-off effects excluding disposals

5) Personnel & SG&A to rental income

6) Excluding nursing and undeveloped land

» Strong generation of total shareholder return



- DW consistently generated high shareholder return with an EPRA NAV CAGR of 24% and a dividend CAGR of 37% for 2012-2016 while reducing its risk profile
- Considering suggested dividend of EUR 0.74 per share, DW delivered a shareholder return for 2016 of EUR 7.40 or 32% of 2015 EPRA NAV (undiluted)

» Key strategic priorities to accelerate rental and value growth

1

Investments existing stock

- Capex programme increased to EUR 1bn for 30,000 units by 2021
- Doubling of reversionary potential post capex to 50%
- ➔ Significant fair value uplift margin post capitalized investments expected

2

Investments new construction

- 2,200 units for close to EUR 0.5bn investment volume by 2020
- Monetization of existing land bank through redensification / addition of floors on top of existing buildings
- ➔ ROI of ~60% expected based on construction costs

3

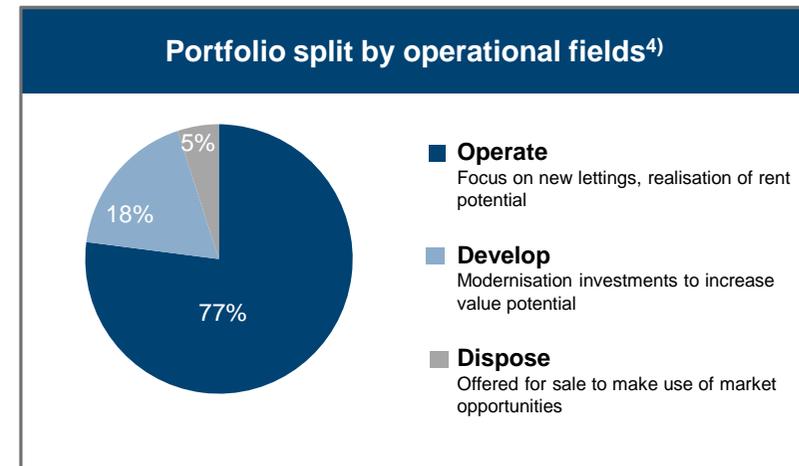
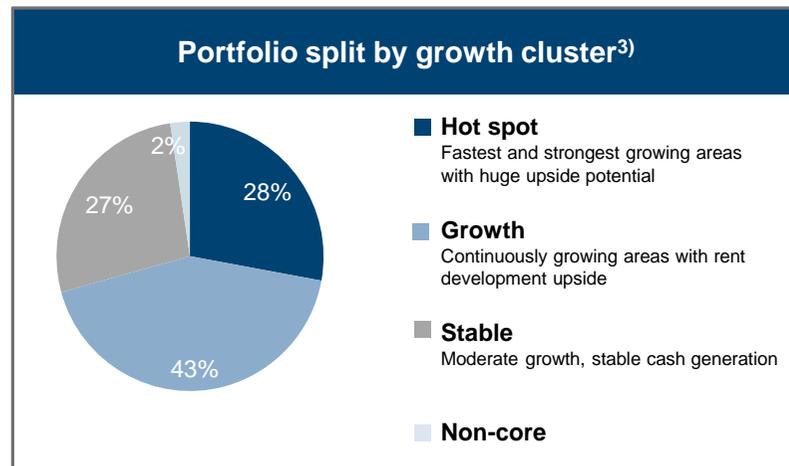
Bolt-on acquisitions

- High-quality residential portfolios with strong anchor in Core+
- ➔ Recent acquisition of 4,200 units in Berlin at c. 5% gross yield on market rent
- Nursing assets, ideally in combination with operations to enhance yields
- ➔ Acquisitions of 31 facilities in two transactions (~EUR 490m), thereof 3 nursing homes in Hamburg incl. operations (~500 beds) acquired end of 2016

» Portfolio

» Portfolio update 31/12/2016 – attractive reversionary potential

Strategic cluster	Residential units	% of total measured by fair value	In-place rent ¹⁾ EUR/sqm/month	Re-letting rent EUR/sqm/month	Rent potential ²⁾ in %	Vacancy in %
Strategic core and growth regions	154,144	98.8	6.12	7.48	22.1	1.7
Core+	134,820	90.9	6.20	7.75	24.9	1.7
Core	19,324	7.9	5.58	6.27	12.5	1.8
Non-core	3,832	1.2	5.23	5.39	3.1	5.1
Total	157,976	100	6.10	7.44	21.9	1.8
Thereof Greater Berlin	110,673	75.9	6.10	7.60	24.4	1.6



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

3) Portfolio split based on fair value

2) Unrestricted residential units (letting portfolio); rent potential = new-letting rent compared to in-place rent (letting portfolio)

4) Portfolio split based on sqm

» Strong like-for-like development in particular in Berlin

Like-for-like 31/12/2016	Residential units	In-place rent ¹⁾ 2016 EUR/sqm/month	In-place rent ¹⁾ 2015 EUR/sqm/month	Lfl rental growth In %	Lfl Vacancy ²⁾ 2016 In %	Lfl Vacancy ²⁾ 2015 In %
Strategic core and growth regions						
Core+	123,353	6.17	5.98	3.2	1.4	1.4
Core	13,832	5.57	5.50	1.4	1.7	1.9
Letting portfolio	137,185	6.11	5.93	3.0	1.5	1.4
Total	142,034	6.09	5.91	2.9	1.7	1.6
Thereof Greater Berlin	103,011	6.11	5.90	3.5	1.5	1.5

- Strong like-for-like rental growth in Berlin of 3.5% (with no revised rent table) and 2.9% for entire portfolio
- Like-for-like vacancy in Core+ letting portfolio stable at 1.4% (thereof c. 0.4% capex driven)
- Like-for-like vacancy reduction by another 20bps in Core regions to 1.7%

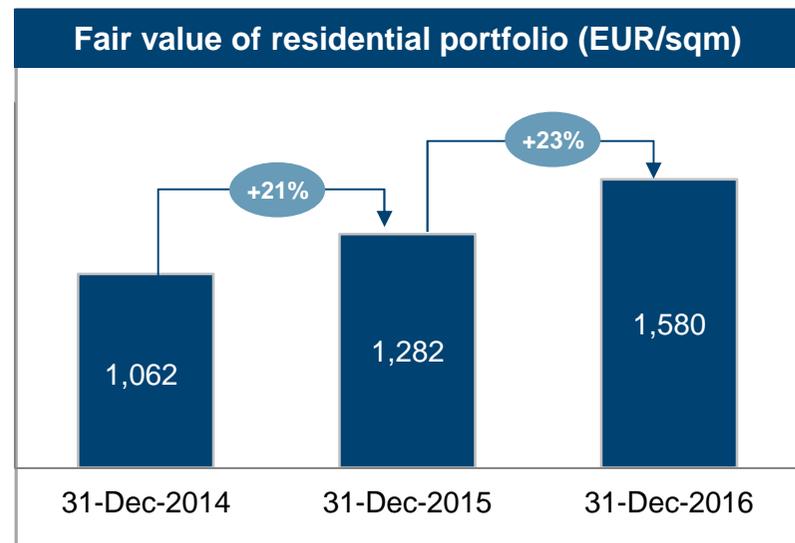
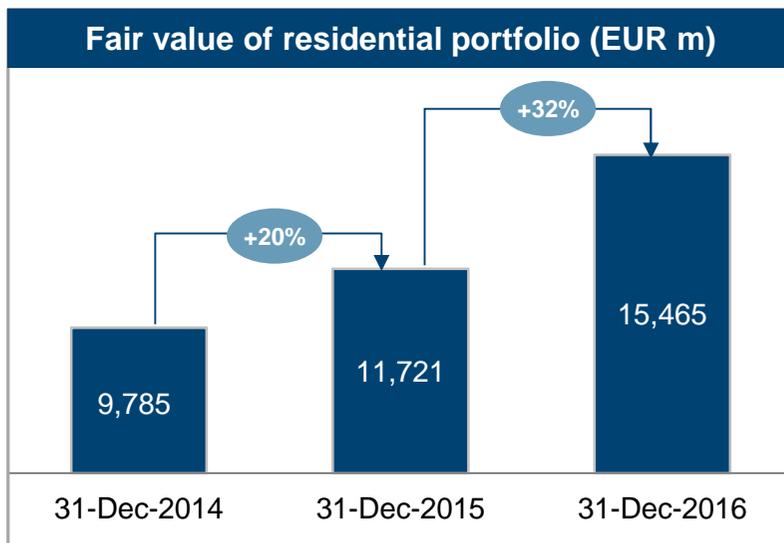
1) Contractually owed rent from rented apartments divided by rented area

2) Excluding non-core and properties held for sale/ privatization

» Strong dynamics in Core+ leading to EUR 2.7bn value uplift

Summary
<ul style="list-style-type: none"> Revaluation of EUR ~2.7 bn or EUR 298 per sqm, leading to a multiple expansion by 3.4x to 21.5x Yield compression is underpinned by portfolio transactions in Berlin <ul style="list-style-type: none"> Rent multiples of 25x-30x and above Pricing highly dependant on quality Current FV per sqm represents c. 50-60% of replacement costs (incl. land) in Berlin

Key figures	2014	2015	2016
Total fair value (EUR)	9.8bn	11.7bn	15.5bn
Area (in m sqm)	9.22	9.15	9.79
Multiple (current rent)	15.5x	18.1x	21.5x
Annualised in-place rent (EUR)	629m	648m	718m



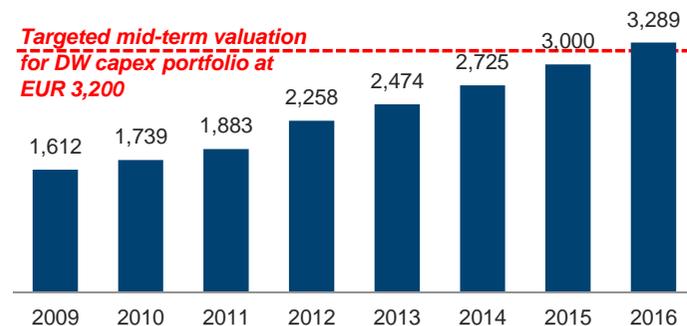
» Significant capital growth driven by yield compression in Berlin

Regions	FV (2015) EUR m	FV (2016) EUR m	FV (2015) EUR/sqm	FV (2016) EUR/sqm	YoY change in %	Multiple in-place rent (2015)	Multiple in-place rent (2016)	Multiple market rent (2016)
Strategic Core and growth regions	11,591	15,280	1,296	1,603	24%	18.2	21.7	17.8
Core ⁺	10,697	14,054	1,347	1,693	26%	18.7	22.7	18.3
<i>Thereof Greater Berlin</i>	<i>8,950</i>	<i>11,738</i>	<i>1,360</i>	<i>1,738</i>	<i>28%</i>	<i>19.2</i>	<i>23.7</i>	<i>18.9</i>
Core	894	1,226	894	996	11%	13.6	14.9	13.4
Non-Core	130	186	641	716	12%	12.0	11.8	10.1
Total	11,721	15,465	1,282	1,580	23%	18.1	21.5	17.6

Berlin multifamily buildings in EUR/ sqm¹⁾



Berlin condominium prices in EUR/ sqm¹⁾



- Despite significant valuation gains, development of market prices for condominiums and multi-family buildings provide significant upside relative to current portfolio valuation based on current market prices

1) Source: CBRE Housing Market Report (includes new construction)

» Focused and increasing investments into the portfolio

	FY-2016		FY-2015		
	EUR m	EUR/ sqm	EUR m	EUR/ sqm	
Maintenance (expensed through p&l)	94.5	9.63	86.1	9.45	Maintenance stable at EUR 9-10 per sqm
Modernization (capitalized on balance sheet)	150.0	15.29	96.0	10.53	Total maintenance and capex will increase in the course of the year 2017 to EUR ~30 per sqm
Total	244.5	24.92	182.1	19.98	

- Significant investments totalling c. EUR 245m or EUR 25 per sqm in 2016
 - Maintenance expenses remained stable on a per sqm basis
 - Significant increase of modernization expenses by more than 50%
- Investment related rent increases of EUR 10.6m in 2016 resulted in an attractive yield on cost of 7.1%
- Our increased EUR 1bn modernization programme is on track, total investment (incl. maintenance) will increase to EUR ~30 per sqm with focus on value enhancing modernizations
 - Currently c. 10,000 units are under development
- Main objectives:
 - Holistic investment approach to upgrade the product quality
 - Use of sustainable, long-lived materials
 - High share of energy efficiency measures

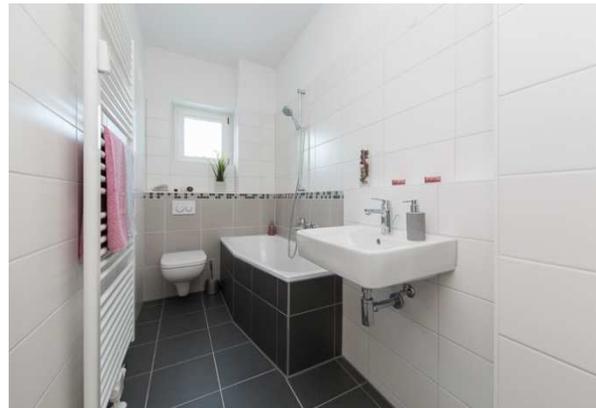
» Example Siemensstadt (growth cluster)

District	Charlottenburg-Wilmersdorf	Residential units	3,565
Rent before mod. (in-place)	EUR 5.70 per sqm	# of modernized units	360
Reversionary potential	c. 60%	Project period	2015/2016



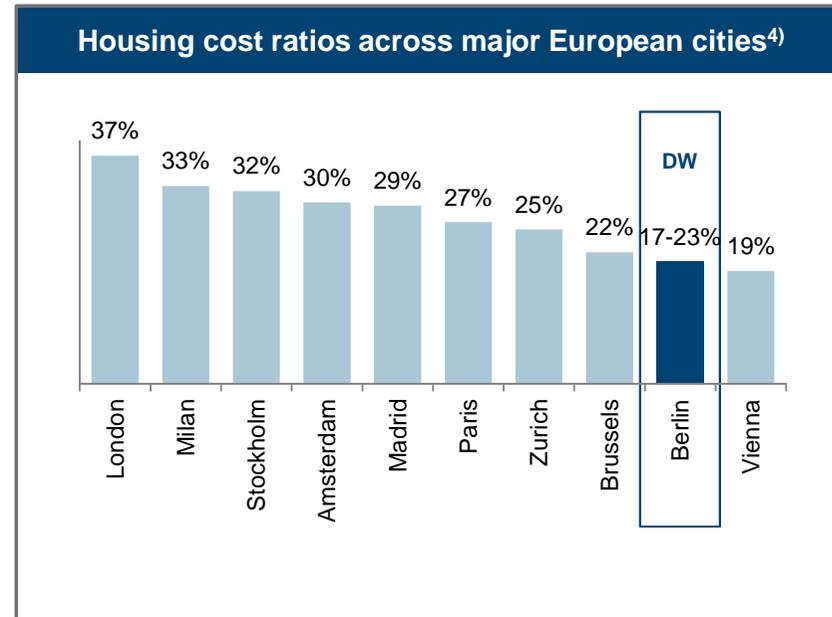
» Example Spanische Allee (hot spot cluster)

District	Steglitz-Zehlendorf	Residential units	177
Rent before mod. (in-place)	EUR 5.15 per sqm	# of modernized units	177
Reversionary potential	c. 80%	Project period	2015/2016



» Valuation in perspective of rent potential and affordability

Affordability of average Deutsche Wohnen flat in Berlin		DW in-place	Market rent
Rent (EUR/sqm)		6.10	9.00 ¹⁾
Average ancillary cost (EUR/sqm)		2.50	
Average DW apartment size		60 sqm	
Average rent per month ²⁾		EUR 516	EUR 690
Average net household income ¹⁾		EUR 2,990	
Housing cost ratio ³⁾		17%	23%
Gross initial yield (%)	DW in-place valuation (EUR 1,738 / sqm)	4.2%	6.2%



Source: CBRE EMEA Residential Market Report 2016

- More than 80% of DW portfolio consists of apartment sizes of less than 75sqm, average apartment size of only 60 sqm leads to advantage in terms of affordability
- Based on DW in-place rent, 17% of household income is spent for housing
- Assuming CBRE market rents, the housing cost ratio amounts to 23%, which is still far below the usually applied 30% affordability hurdle
- Huge gap between in-place rent and market rent multiples offers further upside

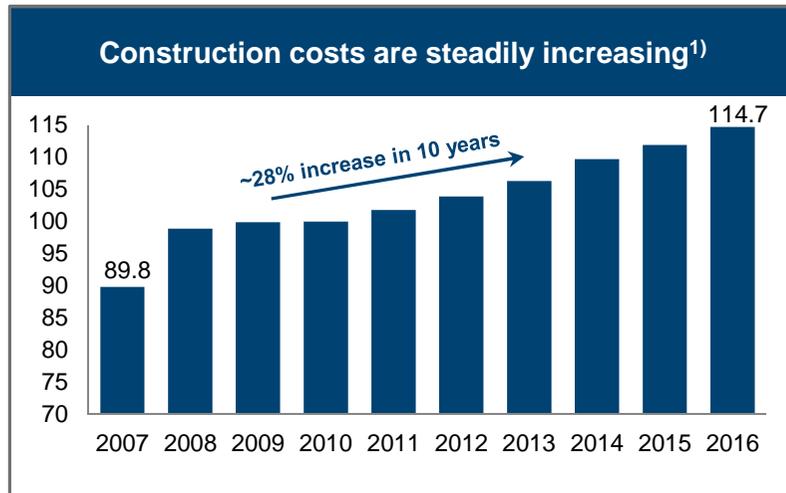
1) CBRE Berlin housing market report 2017

2) Including ancillary costs

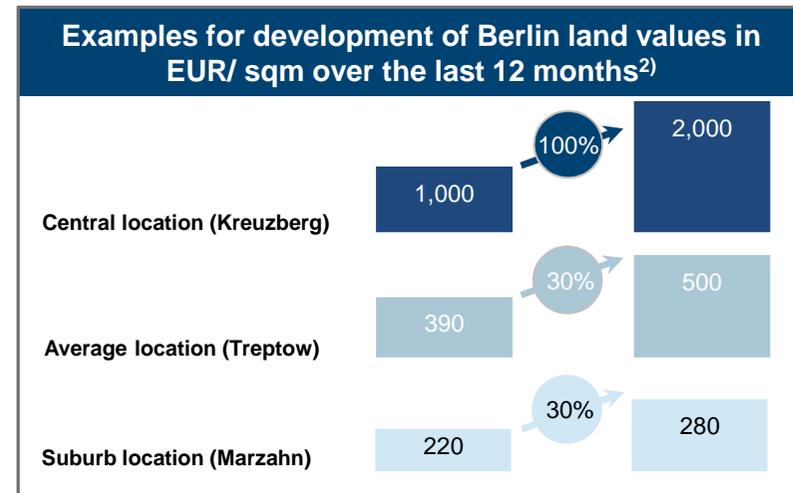
3) $(\text{Average size} \times \text{gross rent (net rent + ancillary cost)}) / \text{average household income}$

4) $\text{Average asking rent for a 70 sqm apartment} / \text{average purchasing power per household}$

» Replacement costs continue to increase



+



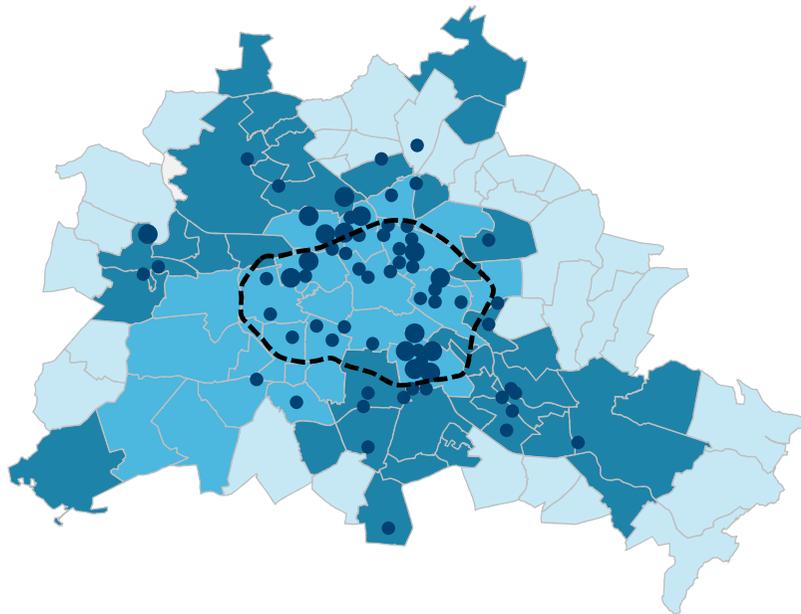
- Construction costs are steadily rising – partially as a result of high regulatory requirements (e.g. energy efficiency)
- Land values increased significantly as a result of the dynamic demand situation and little availability of land reserves
- Current average replacement costs of 3,200 EUR/sqm (including land) are significantly above current asset valuation of Deutsche Wohnen (1,738 EUR/sqm) in Berlin
- New construction provides little relief to tenant market
 - Comparatively low rent levels result in new construction activity predominantly in luxury segment or as condominiums
 - Additional regulatory hurdle as greenfield projects have to provide for 30% of residential area at subsidized rent level of EUR 6.50 per sqm per month

1) Source: Amt für Statistik Berlin Brandenburg, construction cost index

2) Source: Gutachterausschuss Berlin (GAA)

» Acquisition of high quality portfolio in Berlin consisting of c. 3,900 residential units with focus on central locations

Majority of portfolio in central Berlin

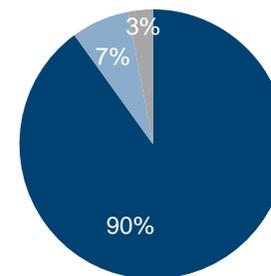


Berlin urban railway circle
■ Hot Spot ■ Growth ■ Stable ● Acquisition portfolio

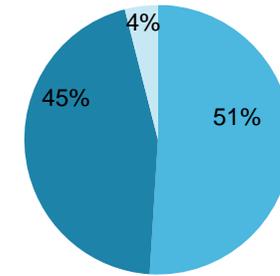
KPIs

Units	4,166
Thereof residential units	3,893
Area (incl. commercial units)	274,000 sqm
Acquisition price	EUR 655m
Implied acquisition price per sqm	EUR 2,390
In-place rent multiple	~30x
Market rent multiple	~20x
Vacancy rate	~7%

Mainly popular "Altbau"⁽¹⁾ located in hot spot and growth areas in Berlin



■ "Altbau"
■ 50's & 60's buildings
■ 90's buildings



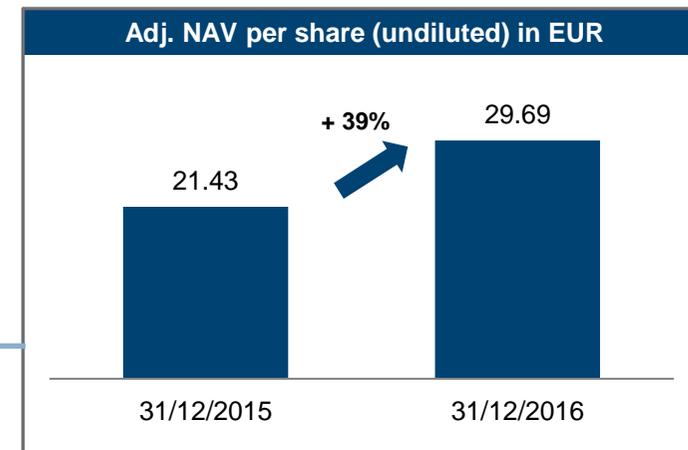
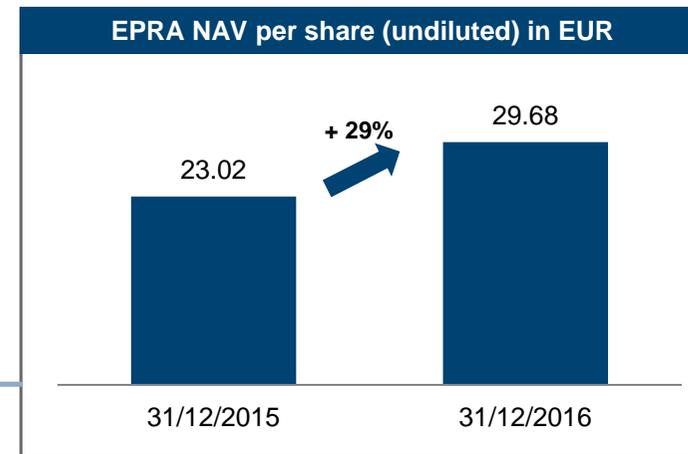
■ Hot Spot
■ Growth
■ Stable

1) "Altbau" consists of pre-war buildings

» Financials & guidance

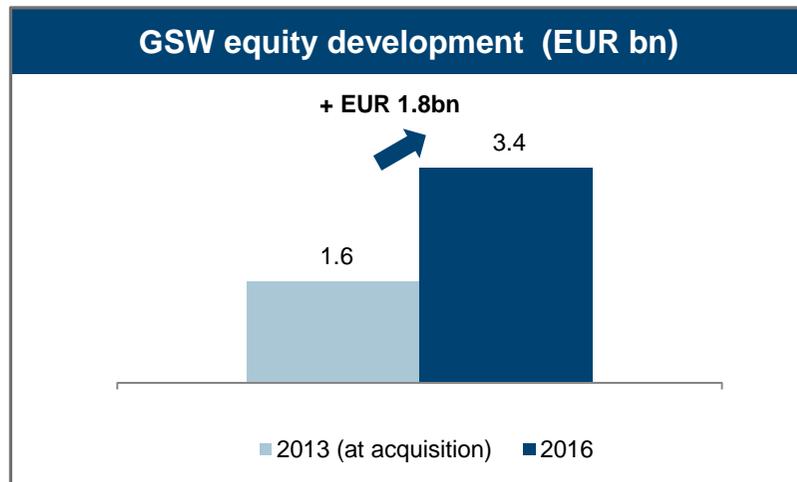
» Significant increase of adjusted NAV per share by 39%

in EUR m	31/12/2016	31/12/2015
Equity (before non-controlling interests)	7,965.6	6,582.7
Fair values of derivative financial instruments	47.0	44.8
Deferred taxes (net)	2,004.4	1,138.1
EPRA NAV (undiluted)	10,017.0	7,765.6
Shares outstanding in m	337.5	337.4
EPRA NAV per share in EUR (undiluted)	29.68	23.02
Effects of exercise of convertibles	992.3 ¹⁾	952.1
EPRA NAV (diluted)	11,009.3	8,717.7
Shares diluted in m	370.8	370.2
EPRA NAV per share in EUR (diluted)	29.69	23.55
Goodwill GSW	(0)	(535.1)
Shares outstanding in m	337.5	337.4
Adj. NAV per share (undiluted)	29.69	21.43

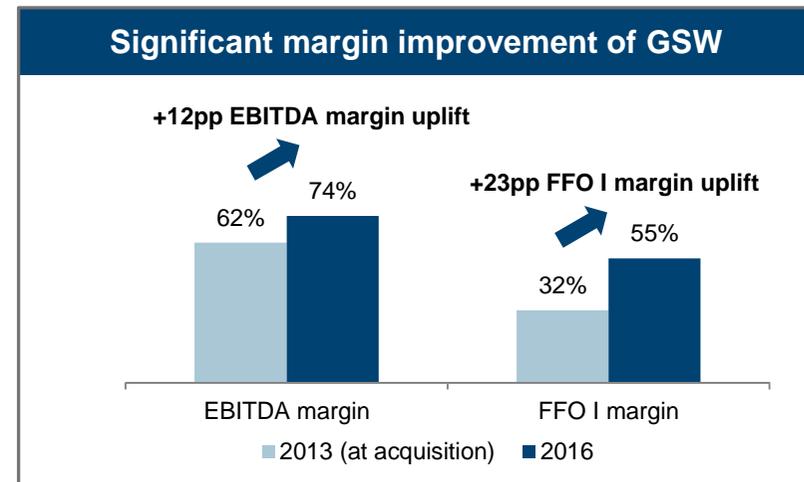


1) Current conversion prices of EUR 17.79 and EUR 21.41 per 31/12/2016 corresponds to ~32.7m shares

» Significant creation of shareholder value from the GSW acquisition



- Portfolio valuation uplift of EUR 2.4bn in aggregate since GSW acquisition in 2013
- Equity more than doubled to EUR 3.4bn



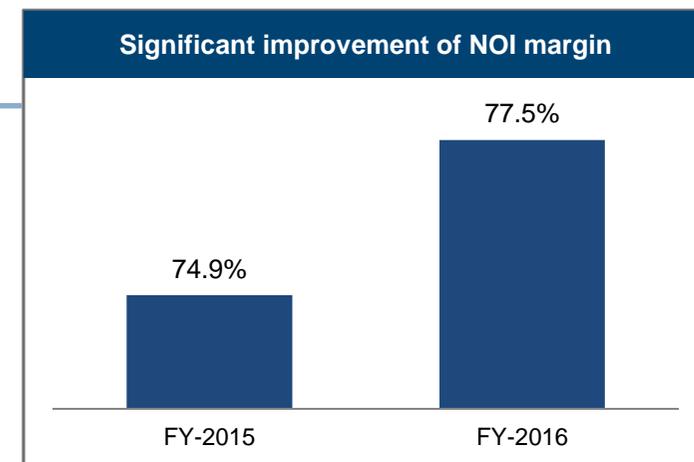
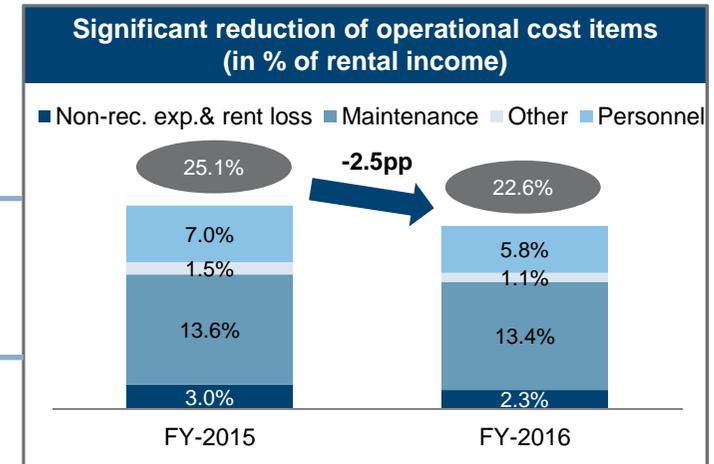
- Strong operating margin improvement since GSW acquisition proves success
- Over-delivered on announced synergies with EBITDA increased by c. EUR 30m and FFO by EUR 55m since GSW acquisition

- **Significant value creation since GSW's takeover from a valuation as well as a cash flow perspective, heavily exceeding impaired GSW goodwill amount of EUR 535m**

» Strong earnings and cash contributions from letting

in EUR m	FY-2016	FY-2015
Rental income	704.5	634.0
Non-recoverable expenses	(9.8)	(12.7)
Rental loss	(6.4)	(6.3)
Maintenance	(94.5)	(86.1)
Others	(7.4)	(9.7)
Earnings from Residential Property Management	586.4	519.2
Personnel, general and administrative expenses	(40.7)	(44.3)
Net Operating Income (NOI)	545.7	474.9
NOI margin	77.5%	74.9%
NOI in EUR / sqm / month	4.63	4.34

in EUR m	FY-2016	FY-2015
Net operating income (NOI)	545.7	474.9
Cash interest expenses	(102.0)	(122.2)
Cash flow from portfolio after cash interest expenses	443.7	352.7



- Improved NOI margin driven by rental growth combined with efficient management of operational costs

» Growing prices as demonstrated by disposal business

Disposals	Privatization		Institutional sales		Total	
	2016	2015	2016	2015	2016	2015
with closing in						
No. of units	1,235	1,908	3,073	7,497	4,308	9,405
Proceeds (EUR m)	146	187	208	487	354	674
Price in EUR per sqm	1,564	1,394	961	952	n/a	n/a
Earnings (EUR m)	32.4	42.7	21.9	26.2	54.3	68.9
Gross margin	39%	41%	13%	8%	22%	16%
Cash flow impact (EUR m)	129	112	171	350	300	462

- Disposal business as a strong contributor to NAV growth contributing cash flows of c. EUR 300m in 2016
- For single unit privatizations EUR 2,000 per sqm in Berlin at in-place rent multiples of > 30x achieved
- Non-core disposals from Olav portfolio almost completed with Q1-2017 disposal of assets for EUR 70m in Duisburg and Oberhausen at attractive gross margin of ~15%
- Streamlining of portfolio successfully executed, further opportunistic institutional sales possible but depending on pricing

1) Incl. investment needs estimated by Deutsche Wohnen

» High profitability from nursing “operations” and “assets”

Operations (in EUR m)	FY-2016	FY-2015
Total income	70.1	67.1
Total expenses	(63.3)	(61.9)
EBITDA operations	6.8	5.3
EBITDA margin	9.7%	7.9%
Lease expenses ¹⁾	13.0	12.8
EBITDAR	19.8	18.1
EBITDAR margin	28.2%	26.9%

Assets (in EUR m)	FY-2016	FY-2015
Lease income ¹⁾	11.9	11.2
Total expenses	(1.8)	(1.0)
EBITDA assets	10.1	10.2

Operations & Assets (in EUR m)	FY-2016	FY-2015
Total EBITDA	16.8	15.6
Interest expenses	(4.2)	(4.8)
FFO I contribution	12.6	10.8

in EUR m	FY-2016	FY-2015
Nursing	55.7	53.3
Living	6.5	6.1
Other	7.9	7.7

in EUR m	FY-2016	FY-2015
Staff	(35.2)	(33.7)
Rent / lease	(13.0)	(12.8)
Other	(15.1)	(15.4)

Set out in the consolidated group financial statements as “Earnings from nursing and assisted living”

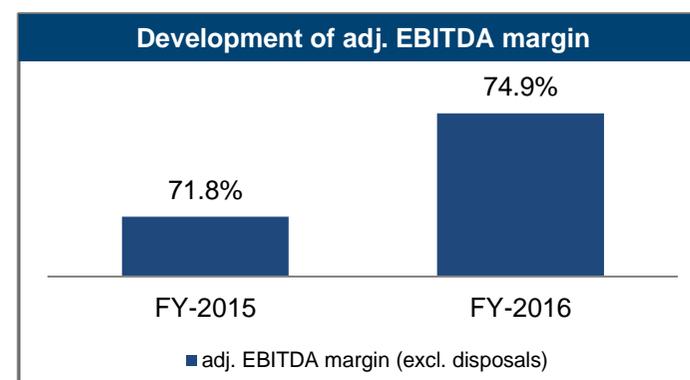
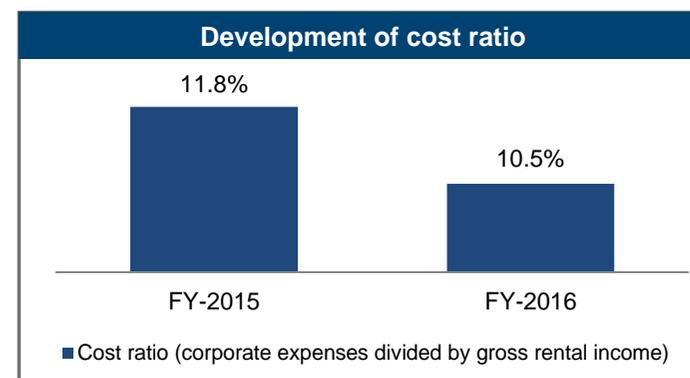
Includes proportional interest rate payable to operational partner of EUR 2.5m for 2016 (EUR 2.0 for 2015)

- EBITDA contribution including contribution of recent acquisitions of > EUR 45m in 2017 expected, translating into RoCE of c. 7% and FFO yield c. 10%

1) The delta between lease expenses (operations) and lease income assets derives from one nursing facility which is only operated but not owned by Deutsche Wohnen group

» Significant step up in EBITDA margin

in EUR m	FY-2016	FY-2015
Earnings from Residential Property Management	586.4	519.2
Earnings from Disposals	54.3	68.9
Earnings from Nursing and Assisted Living	16.8	15.6
Segment contribution margin	657.5	603.7
Corporate expenses	(73.7)	(74.7)
Other operating expenses/income	(8.7)	(64.0)
EBITDA	575.1	465.0
One-offs	6.6	58.9
adj. EBITDA (incl. disposals)	581.7	523.9
Earnings from Disposals	(54.3)	(68.9)
adj. EBITDA (excl. disposals)	527.4	455.0



- Adj. EBITDA margin up by 3.1pp (excl. disposals) driven by improvement of NOI and further reduction of corporate expenses (cost ratio)

» Bridge from adjusted EBITDA to profit

in EUR m	FY-2016	FY-2015
EBITDA (adjusted)	581.7	523.9
Depreciation	(6.4)	(5.7)
At equity valuation	2.0	1.8
Financial result (net) ¹⁾	(123.6)	(135.6)
EBT (adjusted)	453.7	384.4
Valuation properties	2,667.6	1,734.1
Goodwill impairment	(537.3)	0.0
One-offs	(11.4)	(117.6)
Valuation SWAP and convertible bonds	(83.4)	(213.7)
EBT	2,489.2	1,787.2
Current taxes	(36.5)	(28.0)
Deferred taxes	(829.5)	(559.3)
Profit	1,623.2	1,199.9
<i>Profit attributable to the shareholders of the parent company</i>	1,583.9	1,154.9
Earnings per share ²⁾ in EUR	4.69	3.60

in EUR m	FY-2016	FY-2015
Interest expenses	(106.2)	(127.0)
<i>In % of rents</i>	~15%	~20%
Non-cash interest expenses	(18.7)	(9.5)
Interest income	1.3	0.9
Financial result (net)	(123.6)	(135.6)

2016: Thereof EUR (6.9m) financing, EUR (2.6m) transaction costs and EUR (1.3m) for restructuring

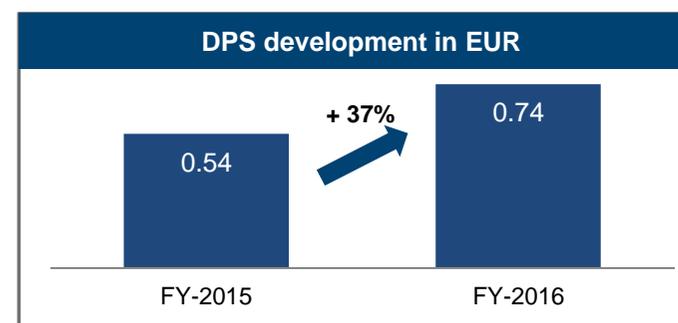
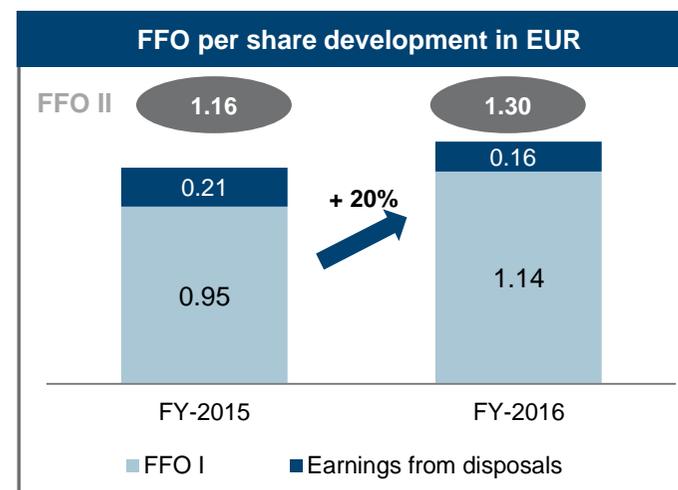
2016: Thereof EUR (3.8m) from valuation of derivatives and EUR (79.6m) m from convertible bonds

1) Adjusted for Valuation of SWAPs and convertible bonds

2) Based on weighted average shares outstanding (FY 2016: 337.45m; FY 2015: 320.85m)

» Operational improvements and acquisitions drive FFO growth

in EUR m	FY-2016	FY-2015
EBITDA (adjusted)	581.7	523.9
Earnings from Disposals	(54.3)	(68.9)
Long-term remuneration component (share-based)	2.2	1.0
At equity valuation	2.0	1.8
Interest expense/ income	(104.9)	(126.1)
Income taxes	(36.5)	(21.5)
Minorities	(6.3)	(6.2)
FFO I	383.9	304.0
Earnings from Disposals	54.3	68.9
FFO II	438.2	372.9
FFO I per share in EUR¹⁾	1.14	0.95
Diluted number of shares ²⁾	370.8	354.2
Diluted FFO I per share²⁾	1.04	0.86
FFO II per share in EUR¹⁾	1.30	1.16



- FFO I per share increased by 20% yoy while dividend per share increased by 37% due to higher pay-out ratio

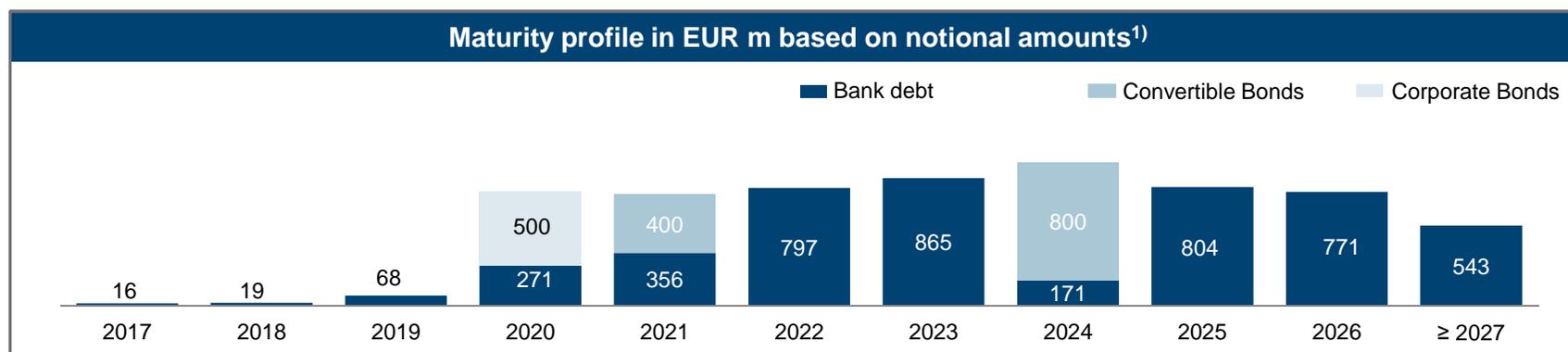
1) Based on weighted average shares outstanding (FY 2016: 337.45m; FY 2015: 320.85m)

2) Based on total shares assuming full conversion of in the money convertible bonds

» Capital structure pro forma recent capital market transactions

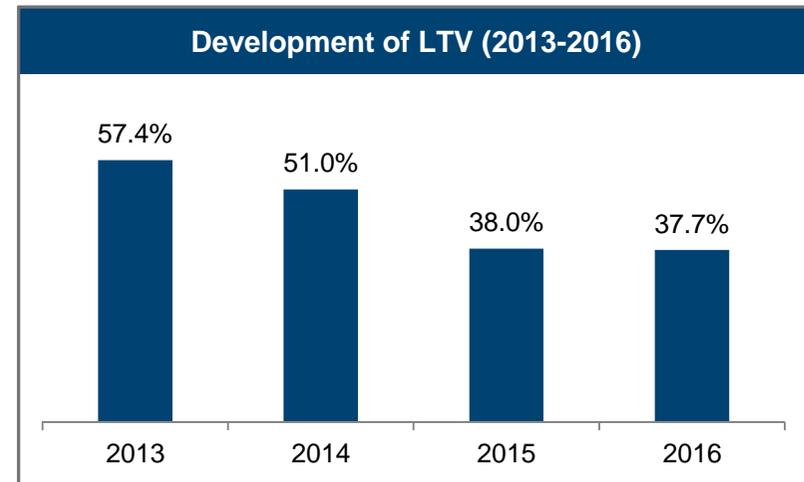
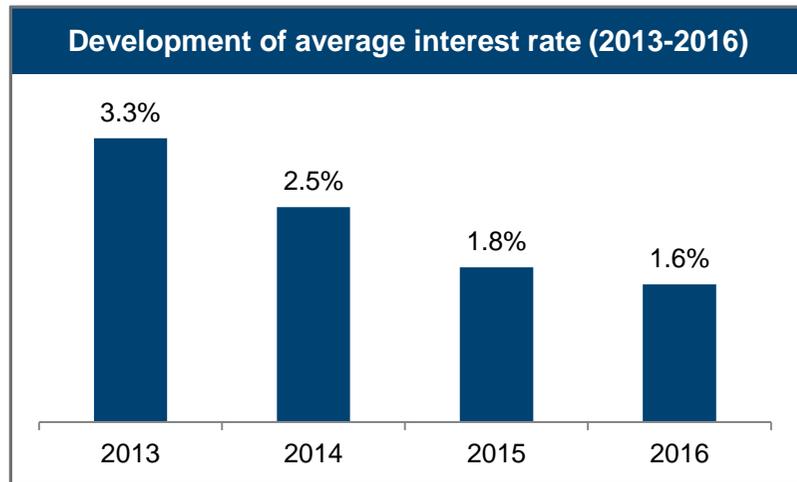
Rating	A- / A3; stable outlook
ICR	~ 5.5x
Ø maturity	~ 8.5 years
% secured bank debt	72%
% unsecured debt	28%
Ø interest cost	1.5% (~85% hedged)
LTV target range	35-40%

- Low leverage, long maturities and strong rating
- Flexible financing approach to optimize financing costs
- No significant maturities until and including 2019
- Flexible access to liquidity via EUR 500m commercial paper programme and EUR 440m credit facilities
- Current LTV pro forma recent acquisition of 4,200 units in Berlin at the mid-point of the 35-40% target range



1) Excluding commercial paper

» Continuous and pro-active management of capital structure



- Cash interest cost reduced by EUR 92m to EUR 98m over past 4 years
- Interest cost ratio (measured by in-place rent) reduced from 33% to 13%

- Significant de-risking of capital structure with current LTV within the 35-40% target range
- Convertibles as useful addition to financing mix and a tool to manage the capital structure

▪ **Continuous and pro-active management of liabilities to take advantage of the current attractive financing environment for the long-term**

▪ **Focus on early refinancing of upcoming maturities, including the 2021 convertible bond (issuer call as of Oct 2018)**

» Guidance

	2016	2017e	Main drivers
FFO I (EUR m)	384	~425	Operational performance and recent acquisitions
Dividend per share (EUR)	0.74	~0.78	Based on 65% pay-out ratio from FFO I and current shares outstanding
LTV	37.7%	35-40% (target range)	Aim to keep current rating
Like-for-like rental growth	2.9%	3.5%	New letting, Berlin rent index (Mietspiegel)

» Q & A

» Appendix

» Strong like-for-like development in particular in Berlin

Like-for-like 31/12/2016	Residential units number	In-place rent ¹⁾ 2016 EUR/sqm/month	In-place rent ¹⁾ 2015 EUR/sqm/month	Lfl rental growth In %	Lfl Vacancy 2016 in %	Lfl Vacancy 2015 in %
Core⁺	123,353	6.17	5.98	3.2	1.4	1.4
Greater Berlin	103,011	6.11	5.90	3.5	1.5	1.5
Rhine-Main	8,455	7.51	7.35	2.2	1.9	0.8
Mannheim/Ludwigshafen	4,762	5.74	5.68	1.0	0.9	0.7
Rhineland	4,477	6.02	5.88	2.5	0.8	0.4
Dresden	2,648	5.32	5.18	2.6	1.8	1.9
Core	13,832	5.57	5.50	1.4	1.7	1.9
Hanover / Brunswick	8,100	5.64	5.57	1.3	1.4	1.6
Core cities new federal states	4,604	5.46	5.39	1.3	2.0	2.3
Kiel / Lübeck	1,128	5.48	5.38	2.0	3.0	2.1
Letting portfolio²⁾	137,185	6.11	5.93	3.0	1.5	1.4
Total	142,034	6.09	5.91	2.9	1.7	1.6

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

2) Excluding non-core and properties held for sale/ privatization

» Portfolio valuation changes by cluster

Regions	FV (31/12/2015) EUR m	FV (31/12/2015) EUR/sqm	Multiple in-place rent (31/12/2015)	FV (31/12/2016) EUR m	FV (31/12/2016) EUR/sqm	Multiple in-place rent (31/12/2016)	Multiple market rent (31/12/2016)
Strategic Core and growth regions	11,591	1,296	18.2	15,280	1,603	21.7	17.8
Core⁺	10,697	1,347	18.7	14,054	1,693	22.7	18.3
Greater Berlin	8,950	1,360	19.2	11,738	1,738	23.7	18.9
Rhine-Main	921	1,581	17.7	1,077	1,769	19.9	16.1
Rhineland	314	1,078	15.1	389	1,226	15.8	14.1
Mannheim / Ludwigshafen	302	986	14.3	335	1,051	15.2	13.2
Dresden	210	1,153	18.5	271	1,250	19.1	16.1
Sonstige Core+				244	2,817	23.5	20.4
Core	894	894	13.6	1,226	996	14.9	13.4
Hanover / Brunswick	529	908	13.5	595	983	14.5	12.4
Kiel / Lübeck	74	807	12.7	316	1,066	15.9	14.1
Core cities new federal states				315	957	14.8	14.9
Non-Core	130	641	12.0	186	716	11.8	10.1
Total	11,721	1,282	18.1	15,465	1,580	21.5	17.6

» Nursing homes - portfolio overview

Nursing business: Assets and operating business

Managed by owner			# of places			Occupancy rate	Fair Value (31/12/2016) EUR m
	Region	Facilities #	Nursing #	Assisted living #	Total #		
	Greater Berlin	12	1,072	370	1,442	98.2%	
	Hamburg ¹⁾	3	334	158	492	89.0%	
	Saxony	7	436	39	475	99.8%	
	Lower Saxony	1	131	-	131	98.7%	
	Total in-house operations	23	1,973	567	2,540	96.8%	244.0

Pegasus acquisition: Assets only

Other operators			# of places			WALT	Purchase price EUR m
	Region	Facilities #	Nursing #	Assisted living #	Total #		
	Bavaria	7	999	-	999	12.4	
	North-Rhine Westphalia	5	721	187	908	13.7	
	Lower Saxony	4	661	-	661	11.2	
	Rhineland-Palatinate	4	409	208	617	13.4	
	Baden-Württemberg	5	557	16	573	13.9	
	Other	3	374	-	374	10.1	
	Total other operators	28	3,721	411	4,132	12.7	420.5
	Total nursing	51	5,694	978	6,672	n/a	664.5

1) Acquisition 2016, transfer of titles 31/12/2016

» Summary balance sheet

Assets			Equity and Liabilities		
in EUR m	31/12/2016	31/12/2015	in EUR m	31/12/2016	31/12/2015
Investment properties	16,005.1	11,859.1	Total equity	8,234.0	6,798.1
Other non-current assets	108.6	614.3	Financial liabilities	4,600.0	3,780.4
Deferred tax assets	0.7	2.0	Convertibles	1,045.1	965.4
Non current assets	16,114.4	12,475.4	Bonds	732.3	498.3
Land and buildings held for sale	381.5	66.9	Tax liabilities	48.3	37.5
Trade receivables	16.4	13.4	Deferred tax liabilities	1,687.1	860.6
Other current assets	79.1	159.3	Derivatives	47.0	44.8
Cash and cash equivalents	192.2	661.6	Other liabilities	389.8	391.5
Current assets	669.2	901.2	Total liabilities	8,549.6	6,578.5
Total assets	16,783.6	13,376.6	Total equity and liabilities	16,783.6	13,376.6

- Investment properties represent ~95% of total assets

- Strong balance sheet structure offering comfort throughout market cycles

» Successful completion of EUR 1.3bn multi-tranche capital markets transactions

Issuance of new EUR 800m convertible bonds 2024

- Aggregate principal amount of EUR 800 million, issued at par and maturing in July 2024
- Issued at a coupon of 0.325% and a conversion premium of 53%
- Dividend protection above a EUR 0.54 dividend per share
- Initial conversion price of EUR 48.58, representing a 64% premium vs. EPRA NAV 2016
- Structure allows redemption in cash and/or shares at the option of Deutsche Wohnen, therefore flexible instrument to manage capital structure

Buy-back of nominal EUR 250m convertible bonds 2020

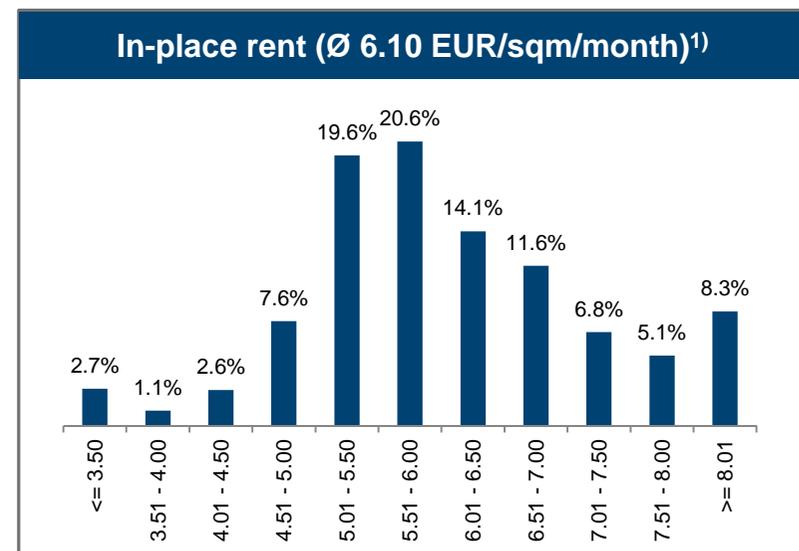
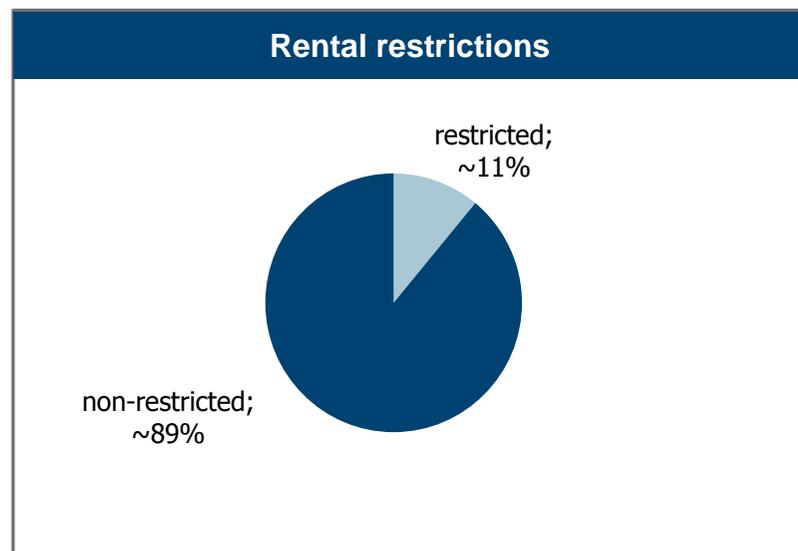
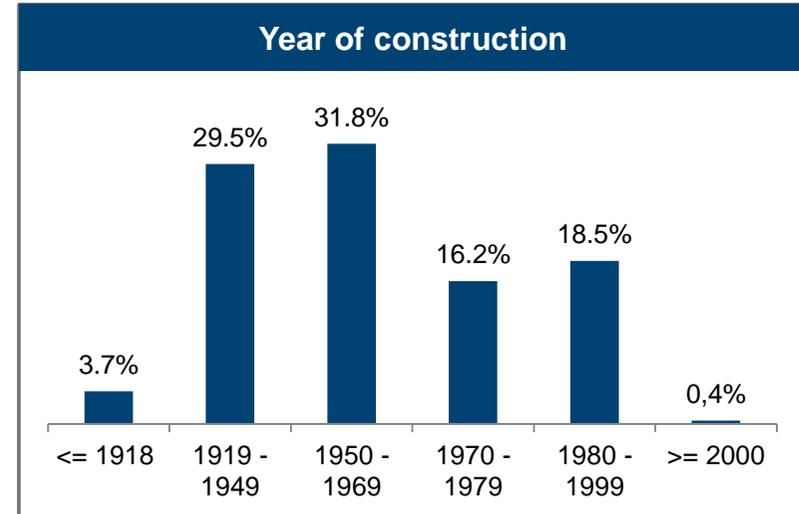
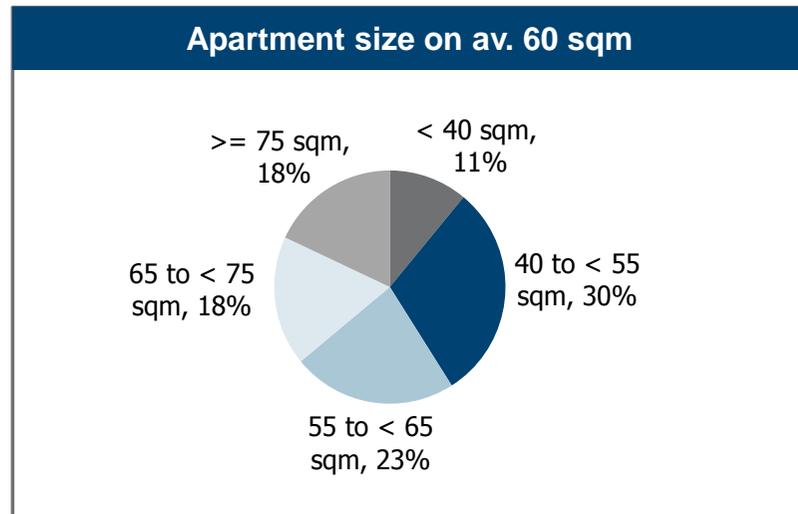
- Early refinancing of the deeply in the money outstanding convertible bond due in 2020 with issuer call option in December 2017
- Total repurchase volume of ~EUR 470 million, i.e. > 99% of the nominal amount

Cash capital increase of EUR 545m

- Placement of 17.2 million new shares (5.1 % of the registered share capital) with institutional investors
- New shares carry full dividend rights as of January 1, 2016
- Tight discount of 2.1% to last closing price and supportive secondary market performance underpin success of transaction

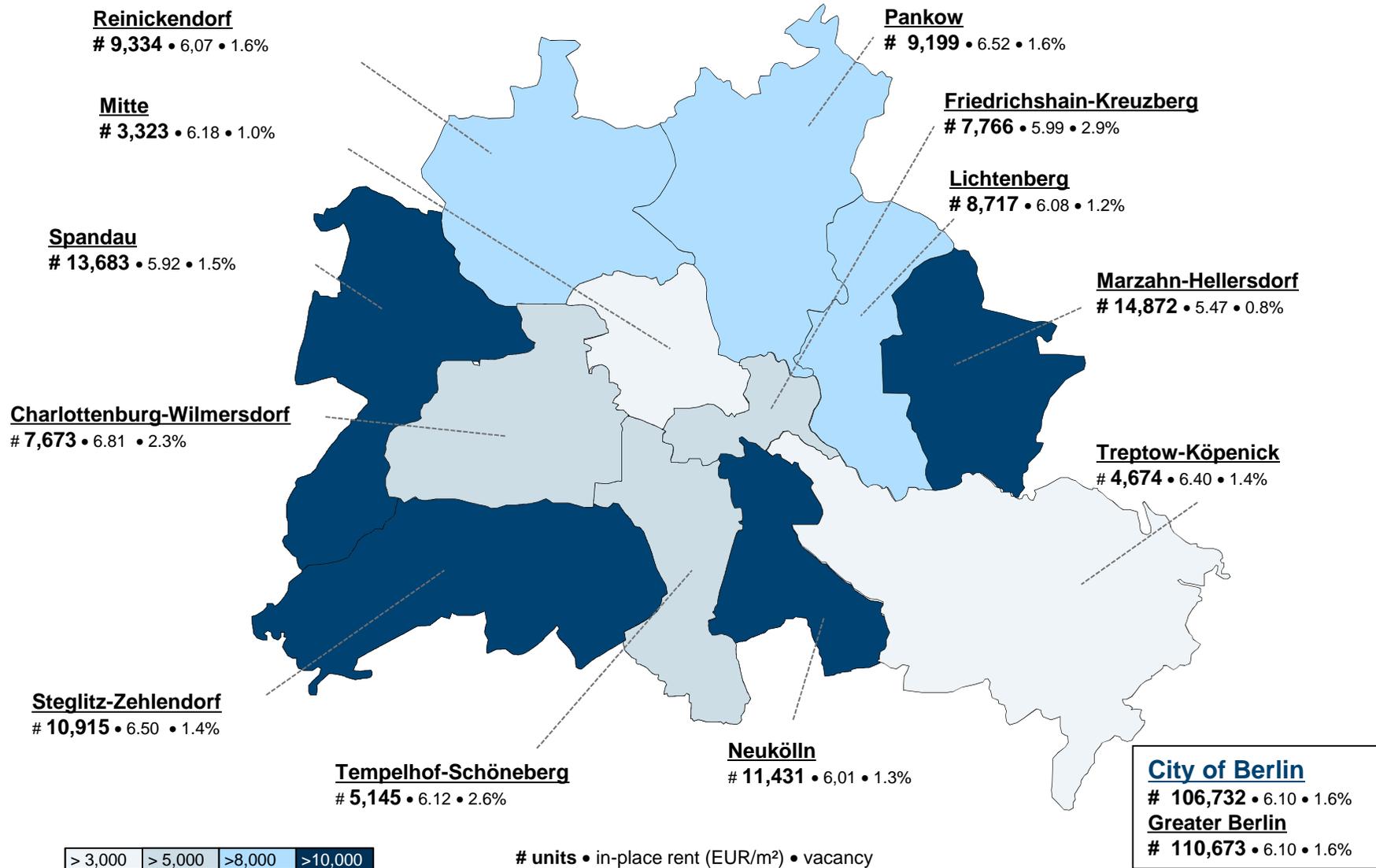
- **Proceeds used to buyback convertible bond 2020, to finance the acquisition pipeline, the nursing home portfolio acquisition as well as other smaller recent acquisitions**

» Portfolio structure – characteristics meeting strong demand



1) Excluding vacant apartments

» THE BERLIN-PORTFOLIO AT A GLANCE



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