



# Deutsche Wohnen AG

» **Full year results 2013**

**Conference Call, 28 March 2014**

## » Management board and areas of responsibilities



Michael Zahn

*Chief Executive Officer  
(CEO)*

**Areas of responsibility:**

- Strategy
- Property Management
- Nursing and Assisted Living
- HR
- Communication



Andreas Segal

*Chief Financial Officer  
(CFO)*

**Areas of responsibility:**

- Equity Financing
- Debt Financing
- Treasury
- Investor Relations
- Legal/Compliance



Lars Wittan

*Chief Investment Officer  
(CIO)*

**Areas of responsibility:**

- Accounting/Tax/Controlling
- Asset Management
- Risk Management
- Corporate Planning
- IT/Organisation

## » Agenda

1

**Operational Development and Capital Market**

2

**Financials**

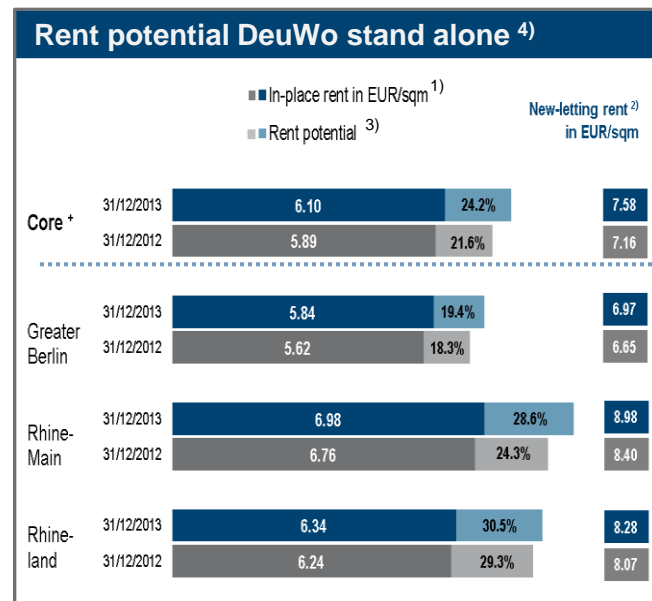
3

**Guidance 2014 & Strategic outlook**

## » Operational Development and Capital Market

## » Strong operational performance sets benchmark

In-place rent and vacancy DeuWo stand alone						
(like-for-like)	Residential units	In-place rent <sup>1)</sup> EUR/sqm		Δ in % y-o-y	Vacancy in %	
		31/12/2013	31/12/2012		31/12/2013	31/12/2012
<b>Strategic core and growth regions (letting portfolio)</b>	<b>61,941</b>	<b>5.84</b>	<b>5.65</b>	<b>3.3%</b>	<b>1.9%</b>	<b>1.7%</b>
<b>Core<sup>+</sup></b>	<b>42,626</b>	<b>6.12</b>	<b>5.87</b>	<b>4.2%</b>	<b>1.2%</b>	<b>1.5%</b>
Greater Berlin	33,079	5.89	5.64	4.6%	1.0%	1.1%
Rhine-Main	8,097	6.99	6.78	3.2%	1.9%	2.6%
Rhineland	1,450	6.42	6.25	2.7%	2.6%	2.5%
<b>Core</b>	<b>19,315</b>	<b>5.25</b>	<b>5.20</b>	<b>0.9%</b>	<b>3.4%</b>	<b>2.3%</b>
Hanover/Brunswick/Magdeburg	8,104	5.24	5.22	0.3%	4.8%	3.3%
Rhine Valley South	4,648	5.49	5.39	2.0%	1.2%	1.3%
Rhine Valley North	2,798	5.13	5.09	0.9%	1.1%	0.8%
Central Germany	2,003	5.02	5.00	0.3%	3.5%	1.7%
Others	1,762	5.07	5.05	0.5%	6.3%	3.2%
Privatisation	4,398	5.62	5.55	1.4%	6.8%	2.6%
Non-core	2,672	4.86	4.84	0.5%	10.8%	7.0%
<b>Total</b>	<b>69,011</b>	<b>5.79</b>	<b>5.62</b>	<b>3.1%</b>	<b>2.5%</b>	<b>2.0%</b>



### L-f-I Rental Growth

- 3.1% rental growth for the total portfolio
- Strong rental growth in our Core+-regions: 4.2%
- **3.4% pro-forma l-f-l growth** for the total portfolio (including 56,900 units of GSW )

### Annualised Rental Growth

- **EUR 17.9m of rent increases** (incl. GSW pro-forma) realised; *thereof EUR 9.1m from Mietspiegel/ EUR 6m Re-letting*
- DeuWo stand-alone: EUR 9.6m total; thereof EUR 5m from Mietspiegel/ EUR 4m from Re-letting

### Rent potential

- The increase in our achieved new-letting rent (rent potential) clearly demonstrates the accelerating demand-based dynamic in our Core<sup>+</sup> regions.

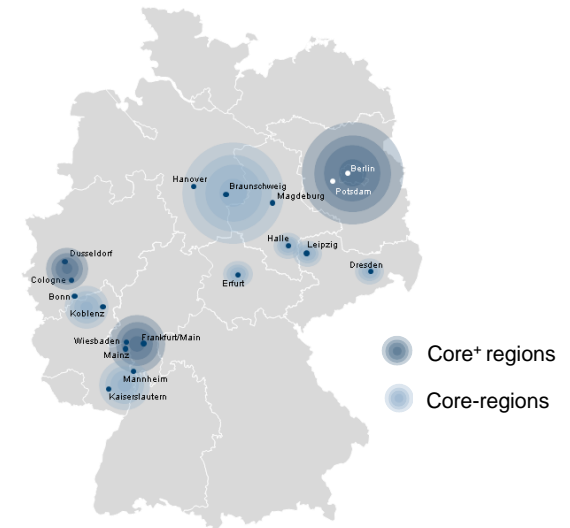
## » Overview of portfolio changes in 2013

End of year:	2013		2012 <sup>1</sup>		Δ Delta		
	Residential Units	Fair Value (EUR m)	Residential Units	Fair Value (EUR m)	Residential Units	Fair Value (EUR m)	FV in %
<b>Total</b>	<b>150,219</b>	<b>8,881</b>	<b>82,738</b>	<b>4,794</b>	<b>+67,481</b>	<b>+4,087</b>	<b>+85.3%</b>
<b>Strategic core and growth regions</b>	<b>146,675</b>	<b>8,743</b>	<b>77,007</b>	<b>4,586</b>	<b>+69,668</b>	<b>+4,157</b>	<b>+90.6%</b>
<b>Core+</b>	<b>119,317</b>	<b>7,362</b>	<b>51,587</b>	<b>3,300</b>	<b>+67,730</b>	<b>+4,062</b>	<b>+123.1%</b>
<b>Core</b>	<b>27,358</b>	<b>1,381</b>	<b>25,420</b>	<b>1,286</b>	<b>+1,938</b>	<b>+95</b>	<b>+7.4%</b>
<b>Non-core</b>	<b>3,544</b>	<b>137</b>	<b>5,731</b>	<b>208</b>	<b>-2,187</b>	<b>-71</b>	<b>-34.1%</b>

### Portfolio development underlines shift to growth regions with significant upside potential

Total residential holdings: > 150,000 units

- Thereof ~ 79% in dynamic Core+-regions (> 119,300 units)
- Thereof ~ 72% in Greater Berlin (> 108,400 units)
  - Largest private landlord of Berlin
- Successful disposal of Non-core assets



<sup>1)</sup> Incl. acquisitions with transfer of risk and rewards as of 1 Jan/1 Feb 2013

## » Overview of portfolio valuation as at 31 December 2013

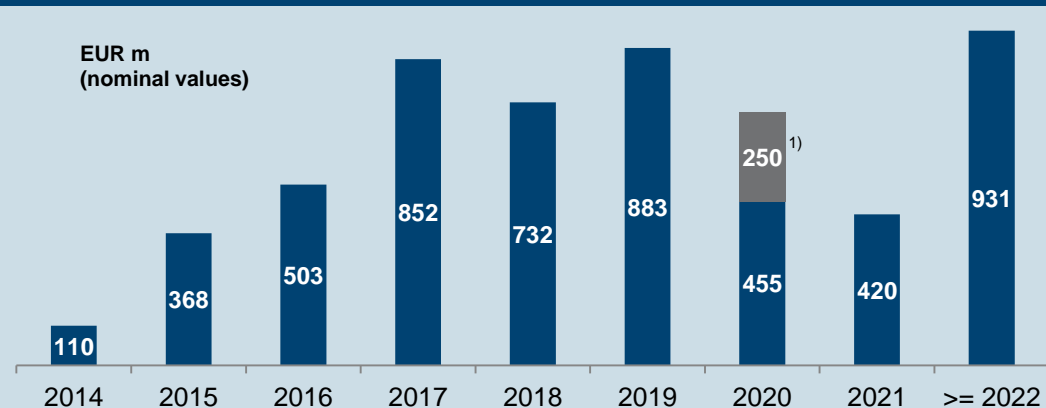
31/12/2013	Residential units	Share in terms of units	Area <sup>1)</sup>	In-place rent <sup>2)</sup>	Vacancy	Fair Value <sup>3)</sup>	Share in terms of Fair Value	Fair Value <sup>4)</sup>	Multiple in-place rent	Yield %	Multiple market rent	Yield %
	#	%	k sqm	EUR/sqm	%	EUR m	%	EUR/sqm				
<b>Total</b>	<b>150,219</b>	<b>100%</b>	<b>9,131</b>	<b>5.54</b>	<b>2.4%</b>	<b>8,881</b>	<b>100%</b>	<b>944</b>	<b>14.2</b>	<b>7.1%</b>	<b>12.8</b>	<b>7.8%</b>
<b>Strategic core and growth regions</b>	<b>146,675</b>	<b>98%</b>	<b>8,902</b>	<b>5.56</b>	<b>2.2%</b>	<b>8,743</b>	<b>98%</b>	<b>953</b>	<b>14.2</b>	<b>7.0%</b>	<b>12.9</b>	<b>7.7%</b>
Letting portfolio	139,236	93%	8,411	5.56	2.0%							
Privatisation	7,439	5%	492	5.48	5.7%							
<b>Core+</b>	<b>119,317</b>	<b>79%</b>	<b>7,177</b>	<b>5.65</b>	<b>1.9%</b>	<b>7,362</b>	<b>83%</b>	<b>994</b>	<b>14.5</b>	<b>6.9%</b>	<b>13.1</b>	<b>7.6%</b>
Letting portfolio	114,047	76%	6,830	5.65	1.8%							
Privatisation	5,270	3%	347	5.52	5.1%							
<b>Core</b>	<b>27,358</b>	<b>19%</b>	<b>1,726</b>	<b>5.20</b>	<b>3.6%</b>	<b>1,381</b>	<b>15%</b>	<b>784</b>	<b>12.9</b>	<b>7.8%</b>	<b>11.8</b>	<b>8.5%</b>
Letting portfolio	25,189	17%	1,581	5.18	3.2%							
Privatisation	2,169	2%	145	5.38	7.1%							
<b>Non-core</b>	<b>3,544</b>	<b>2%</b>	<b>228</b>	<b>4.82</b>	<b>10.1%</b>	<b>137</b>	<b>2%</b>	<b>576</b>	<b>11.1</b>	<b>9.0%</b>	<b>9.6</b>	<b>10.4%</b>
Disposal	1,119	1%	72	4.72	12.9%							
Other	2,425	1%	156	4.86	8.9%							

- Dynamic Core+ regions comprise 79% 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

## » Attractive financing structure with further upside potential

### Long-term maturities profile

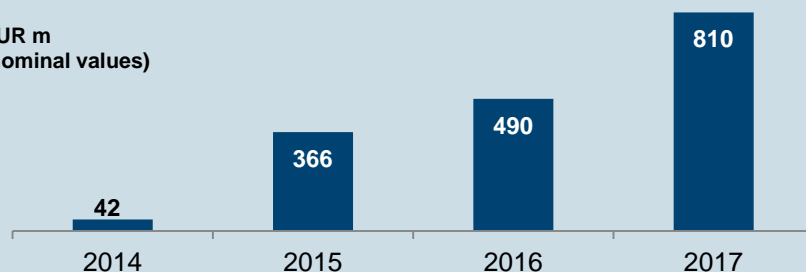


### Attractive financing structure

- Ø interest rate: ~ 3.3%
- Ø mandatory redemptions p.a.: 1.55%
- Ø weighted maturity: 8.1 years
- Interest rate fixed or hedged: 88.7%

### Significant refinancing potential

EUR m  
(nominal values)



- Average volume weighted interest rate of 4.3%
- Expected increase in profitability / FFO in case of refinancing based on actual interest level of more than EUR 25m p.a.

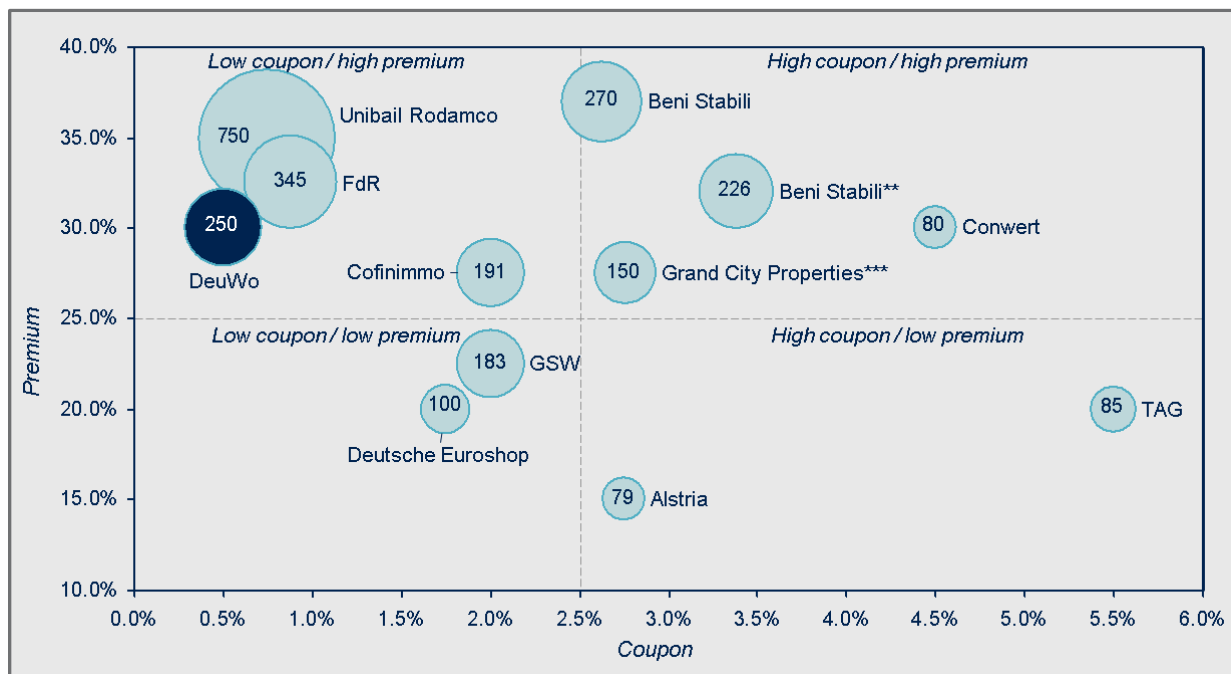
### Target

- Further optimisation of interest expenses
- Reduction of mandatory redemptions to enhance cashflow
- Use of currently low interest environment for loan extensions

1) DW Convertible bond



## » Convertible bond 2013 – Benchmark transaction



**Attractive terms demonstrate financing potential of Deutsche Wohnen**

### Terms and conditions of DeuWo convertible bond

- EUR 250m issue size
- Coupon of 0.5% p.a. significantly below average interest rate
- Premium of 30% at issuance date
- 7Y maturity (22 Nov. 2020)
- No scheduled amortisation
- Unsecured and unsubordinated debt
- Enhanced flexibility by repayment in cash **or** shares

**Diversification of corporate financing structure**

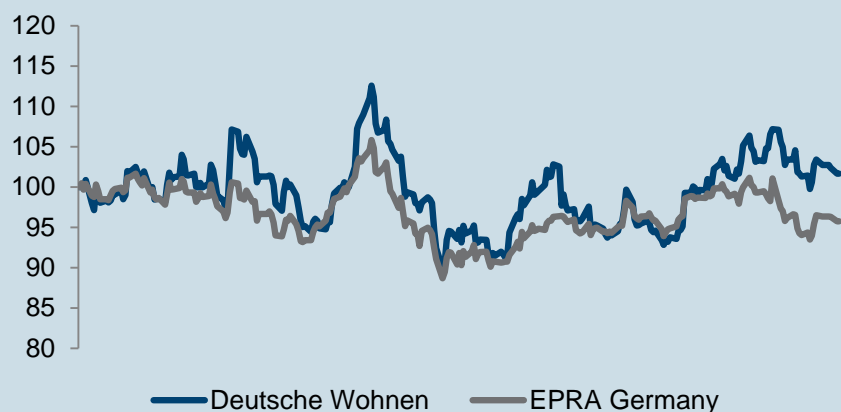
## » Strong position in the capital markets

### Most investable German listed real estate company

- Free float market cap increased by ~ 85% from EUR 2,0bn (Dec. 2012) to EUR 3,7bn (Dec. 2013)
- Largest free float of all residential peers
- Ø daily trading volume increased by 56.2% to ca. 519`sh

MDAX Ranking	Jan. 2013	Dec. 2013	EPRA Weighting	Jan. 2013	Dec. 2013
Market cap	12	6	German	22.3%	36.6%
Turnover	34	24	European	2.0%	3.5%
Weight (%)	2.3	2.8	Global	0.3%	0.5%

### Outperforming EPRA Germany by 6% in 2013



### Impressive track record of placements

- **3 structured equity transactions in 2013**
- **EUR 195m ABB for acquisitions (fully invested)**
  - 14.6m shares January 2013
  - Value accretive as placed above NAV
  - Discount below 3% of share price
- **Successful use of shares as acquisition currency to accelerate growth and drive consolidation**
  - Blackstone portfolio: 8.2m shares
  - GSW transaction: 117.3m shares

**Flexible use of equity instruments to create shareholder value**

## » Financials

## » All major P&L key performance indicators increased y-o-y

### Key lines from P&L statement

in EUR m	2013	2012	Δ in %
Earnings from Residential Property Management	292.3	194.4	50%
Earnings from Disposals	23.0	19.9	16%
Earnings from Nursing and Assisted Living	13.2	9.9	33%
Corporate expenses	-52.9	-40.4	31%
<b>EBITDA (adjusted)</b>	<b>270.2</b>	<b>180.6</b>	<b>50%</b>
Fair Value adjustments investment properties (IAS40)	101.3	119.2	-15%
Financial result (net, as reported)	-130.8	-107.0	22%
<b>EBT (as reported)</b>	<b>217.9</b>	<b>205.6</b>	<b>6%</b>
One-offs (excl. valuation properties, SWAP & CB)	25.5	-8.1	>100%
<b>EBT (adjusted)</b>	<b>131.9</b>	<b>78.5</b>	<b>68%</b>
Current and Deferred taxes	-5.2	-60.1	-91%
<b>Profit (as reported)</b>	<b>212.7</b>	<b>145.5</b>	<b>46%</b>
<b>Earnings per share <sup>1)</sup></b>	<b>1.21</b>	<b>1.15</b>	<b>5%</b>

#### Adjusted EBITDA

- increased by ~ EUR 90m / + 50% (y-o-y)

#### Adjusted EBT

- increased by ~ EUR 53m / + 68% (y-o-y)

1) Based on weighted average shares outstanding (2013: 175.27m; 2012: 126.09m)

## » Increasing FFO-yields despite substantial EPRA NAV growth

### FFO (w/o disposals) and -yields

	2013 (pro forma) <sup>1)</sup>	2013	2012
FFO (w/o disposals) in EUR m	178.8 <sup>2)</sup>	114.5	68.2
FFO (w/o disposals) per share in EUR	0.62 <sup>3)</sup>	0.65 <sup>4)</sup>	0.54 <sup>5)</sup>
EPRA NAV in EUR m as of 31/12	4,004.7	4,004.7	1,824.4
EPRA NAV per share in EUR as of 31/12	13.99 <sup>6)</sup>	13.99 <sup>6)</sup>	12.48 <sup>7)</sup>
Adjusted NAV in EUR m as of 31/12	3,513.1	3,513.1	1,824.4
Adjusted NAV per share in EUR as of 31/12	12.27 <sup>6)</sup>	12.27 <sup>6)</sup>	12.48 <sup>7)</sup>
<b>FFO (w/o disposals) yield<sup>8)</sup></b>			
on EPRA NAV per share	<b>4.5%</b>	<b>4.6%</b>	<b>4.3%</b>

#### FFO (w/o disposals)

- FFO (w/o disposals) per share increased by 20% (y-o-y)

#### EPRA NAV

- EPRA NAV per share increased from EUR 12.48 to EUR13.99 / + 12% (y-o-y)

#### FFO yield

- FFO (w/o disposals) yield on EPRA NAV increased from 4.3% to 4.6% (y-o-y)

1) 2013 pro forma includes 12 months GSW-figures

2) After 8% minority adjustment on GSW-FFO (w/o disposals)

3) Based on 286.2m shares outstanding (pro forma)

4) Based on weighted average shares outstanding in 2013: 175.3m

5) Based on weighted average shares outstanding in 2012: 126.1m

6) Based on 286.2m shares outstanding as of 31/12/2013

7) Based on 146.14m shares outstanding as of 31/12/2012

8) Based on FFO (w/o disposals) per share

## » Pro forma P&L 2013

	Deutsche Wohnen Group stand-alone in EUR m	GSW Group stand-alone in EUR m	Deutsche Wohnen Group pro forma in EUR m
Current Gross Rental Income	353,5	236,1	589,7
Rental loss	-4,0	-5,2	-9,2
Non-recoverable expenses	-8,9	-7,9	-16,8
Maintenance Costs	-58,1	-21,3	-79,4
Others	-6,2	-0,5	-6,7
<b>Earnings from Residential Property Management</b>	<b>276,4</b>	<b>201,3</b>	<b>477,6</b>
<b>Earnings from Disposals</b>	<b>22,9</b>	<b>4,5</b>	<b>27,5</b>
Earnings from Nursing and Assisted Living	13,2	0,0	13,2
Corporate expenses	-48,1	-54,1	-102,2
Other expenses/income	-5,3	-1,2	-6,6
One-off costs	-17,2	-20,6	-37,8
<b>EBITDA</b>	<b>241,9</b>	<b>129,8</b>	<b>371,6</b>
Depreciation and amortisation	-5,5	-0,5	-6,0
Valuation investment properties	100,7	20,6	121,2
<b>EBIT</b>	<b>337,0</b>	<b>149,8</b>	<b>486,9</b>
Financial result	-133,2	-76,6	-209,8
<b>EBT</b>	<b>203,9</b>	<b>73,2</b>	<b>277,0</b>
Income taxes	-5,3	-13,2	-18,5
<b>Profit</b>	<b>198,5</b>	<b>60,0</b>	<b>258,5</b>
<b>FFO (w/o disposals)</b>	<b>109,7</b>	<b>75,1</b>	<b>184,8</b>

### Pro forma P&L

- includes 12 month GSW-figures (without taking a minority interest of 8% in GSW into account)

## » **Guidance 2014 & Strategic outlook**

## » Guidance 2014

1

**FFO (w/o disposals): min. EUR 210m FFO expected**

- **EUR 203m considering 8% minority share = EUR 0.71 per share (+9.2% growth)**

2

**Dividend policy: 60% of FFO (w/o disposals) = EUR 0.42 per share (+23.5% growth)**

3

**Synergies: EUR 15m generated in 2014, thereof EUR 10m effective/ realised in 2014**  
**- Mid term target: overall cost ratio of 12% from 2016 onwards**

4

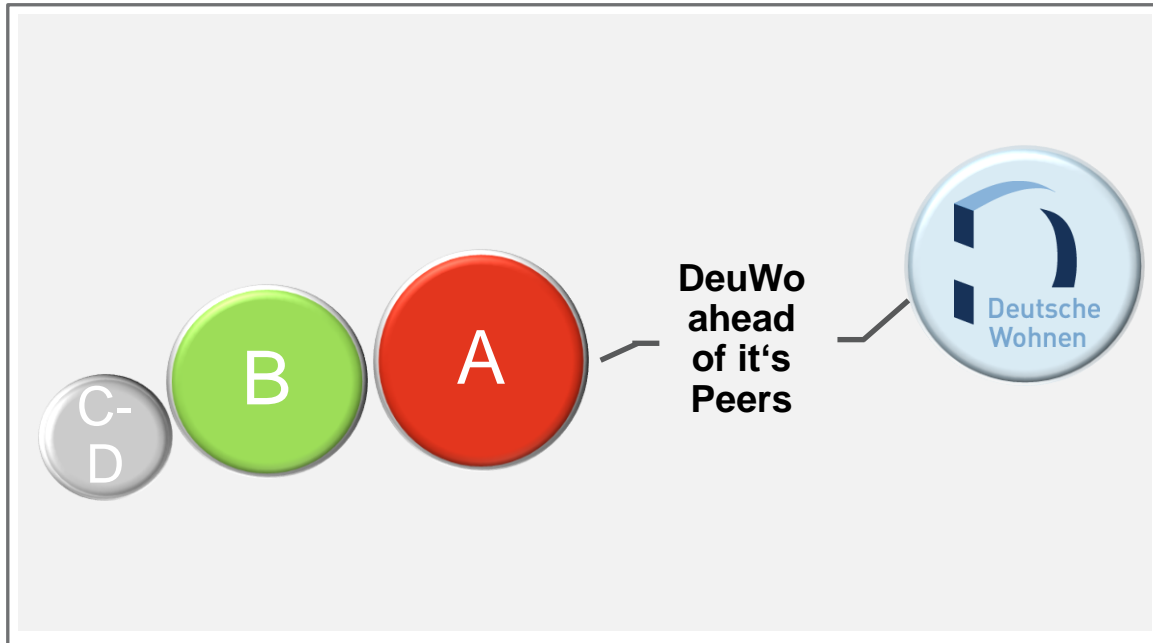
**LTV: ~ 55% targeted**

5

**Opportunistic portfolio strategy: accretive acquisitions and disposals will continue**



## » Positioning of DeuWo in listed residential landscape



### Strengths/ Weaknesses

#### Like for like rental growth

#### Portfolio quality

- Locations
- technical

#### Sustainable business model

- Areas/ diversification
- CF generation
- Dividend policy

#### Efficiency/ Cost ratio

#### Total capex/ maintenance

#### Track record

### Highlights

- Clearly outperforming peer group in lfl rental growth
- Diversified business model with proven track record
- High quality portfolio with >75% in growth regions
- Current valuation multiples imply upside potential vs peers
- Strong efficiency ratio (admin costs vs. EBITDA)
- Free float market cap. and trading volume significantly above peer group

### Opportunities/ Risks

#### External growth/ consolidation

#### Market capitalisation/ trading volume

#### Shareholder structure/ no overhang

#### Asset valuation

#### Capitalisation policy

#### Financing structure

## » Q & A

## » Appendix

## **Segment – Residential Property Management**

## » Overview of portfolio as at 31 December 2013

31/12/2013	Residential units	Share in terms of units	Area <sup>1)</sup>	In-place rent <sup>2)</sup>	Vacancy	Fair Value <sup>3)</sup>	Share in terms of Fair Value	Fair Value <sup>4)</sup>	Multiple in-place rent	Multiple market rent
	#	%	k sqm	EUR/sqm	%	EUR m	%	EUR/sqm		
<b>Total</b>	<b>150,219</b>	<b>100%</b>	<b>9,131</b>	<b>5.54</b>	<b>2.4%</b>	<b>8,881</b>	<b>100%</b>	<b>944</b>	<b>14.2</b>	<b>12.8</b>
<b>Strategic core and growth regions</b>	<b>146,675</b>	<b>98%</b>	<b>8,902</b>	<b>5.56</b>	<b>2.2%</b>	<b>8,743</b>	<b>98%</b>	<b>953</b>	<b>14.2</b>	<b>12.9</b>
Letting portfolio	139,236	93%	8,411	5.56	2.0%					
Privatisation	7,439	5%	492	5.48	5.7%					
<b>Core+</b>	<b>119,317</b>	<b>79%</b>	<b>7,177</b>	<b>5.65</b>	<b>1.9%</b>	<b>7,362</b>	<b>83%</b>	<b>994</b>	<b>14.5</b>	<b>13.1</b>
Letting portfolio	114,047	76%	6,830	5.65	1.8%					
Privatisation	5,270	3%	347	5.52	5.1%					
<b>Core</b>	<b>27,358</b>	<b>19%</b>	<b>1,726</b>	<b>5.20</b>	<b>3.6%</b>	<b>1,381</b>	<b>15%</b>	<b>784</b>	<b>12.9</b>	<b>11.8</b>
Letting portfolio	25,189	17%	1,581	5.18	3.2%					
Privatisation	2,169	2%	145	5.38	7.1%					
<b>Non-core</b>	<b>3,544</b>	<b>2%</b>	<b>228</b>	<b>4.82</b>	<b>10.1%</b>	<b>137</b>	<b>2%</b>	<b>576</b>	<b>11.1</b>	<b>9.6</b>
Disposal	1,119	1%	72	4.72	12.9%					
Other	2,425	1%	156	4.86	8.9%					

- Dynamic Core+ regions comprise 79% of total units and 83% of total fair value

- For detailed information on the regions please refer to next page

- 1) Only residential area
- 2) Contractually owed rents from rented apartments divided by rented area
- 3) Fair Value including residential, commercial and parking spaces
- 4) Fair Value divided by residential and commercial area

## » Details on regions of portfolio as at 31 December 2013

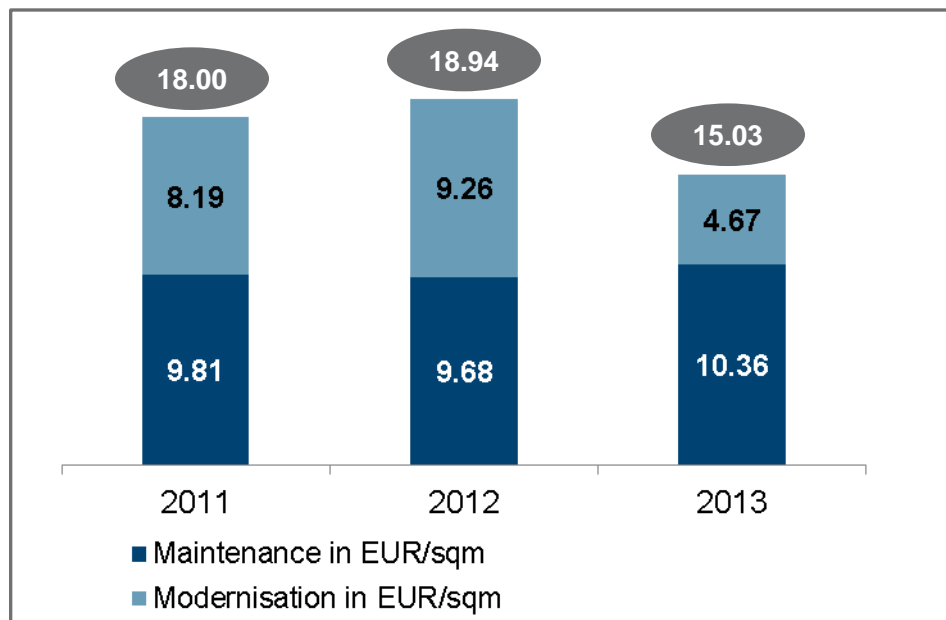
31/12/2013	Residential units	Share in terms of units	Area	In-place rent <sup>1)</sup>	Vacancy	Commercial units	Parking spaces
	#	%	k sqm	EUR/sqm	%	#	#
<b>Total</b>	<b>150,219</b>	<b>100%</b>	<b>9,131</b>	<b>5.54</b>	<b>2.4%</b>	<b>2,146</b>	<b>31,833</b>
<b>Strategic core and growth regions</b>	<b>146,675</b>	<b>98%</b>	<b>8,902</b>	<b>5.56</b>	<b>2.2%</b>	<b>2,096</b>	<b>30,584</b>
<b>Core<sup>+</sup></b>	<b>119,317</b>	<b>79%</b>	<b>7,177</b>	<b>5.65</b>	<b>1.9%</b>	<b>1,877</b>	<b>20,550</b>
Greater Berlin	108,411	72%	6,512	5.53	1.8%	1,660	14,866
Letting portfolio	104,280	69%	6,247	5.54	1.8%	1,607	14,031
Privatisation	4,131	3%	265	5.26	3.6%	53	835
Rhine-Main	9,084	6%	546	6.92	2.7%	180	4,948
Letting portfolio	8,098	5%	479	6.99	1.9%	123	4,023
Privatisation	986	1%	67	6.33	8.9%	57	925
Rhineland	1,822	1%	119	6.41	3.5%	37	736
Letting portfolio	1,669	1%	104	6.35	2.8%	29	366
Privatisation	153	0%	15	6.84	8.4%	8	370
<b>Core</b>	<b>27,358</b>	<b>19%</b>	<b>1,726</b>	<b>5.20</b>	<b>3.6%</b>	<b>219</b>	<b>10,034</b>
Hanover/Brunswick/Magdeburg	11,064	8%	710	5.23	4.6%	109	2,801
Letting portfolio	10,212	7%	654	5.17	4.4%	107	2,499
Privatisation	852	1%	56	5.85	6.8%	2	302
Rhine Valley South	4,871	3%	304	5.50	1.6%	41	3,353
Letting portfolio	4,650	3%	290	5.49	1.2%	41	3,186
Privatisation	221	0%	14	5.62	10.3%		167
Rhine Valley North	2,954	2%	191	5.16	1.7%	3	2,125
Letting portfolio	2,845	2%	184	5.14	1.3%	3	2,001
Privatisation	109	0%	7	5.54	11.4%		124
Central Germany	5,720	4%	343	4.98	2.8%	58	1,196
Letting portfolio	5,720	4%	343	4.98	2.8%	58	1,196
Privatisation							
Others <sup>2)</sup>	2,749	2%	177	5.02	6.2%	8	559
Letting portfolio	1,762	1%	110	5.07	6.3%	7	527
Privatisation	987	1%	68	4.93	6.1%	1	32
<b>Non-core</b>	<b>3,544</b>	<b>2%</b>	<b>228</b>	<b>4.82</b>	<b>10.1%</b>	<b>50</b>	<b>1,249</b>
Disposal	1,119	1%	72	4.72	12.9%	37	377
Other	2,425	1%	156	4.86	8.9%	13	872

- 1) Contractually owed rents from rented apartments divided by rented area  
2) Mainly Kiel/Luebeck

## » Focused and sustainable investments in the portfolio

### Maintenance and modernisation

	2013		2012	
	EUR m	EUR/sqm <sup>1)</sup>	EUR m	EUR/sqm <sup>2)</sup>
Maintenance	59.4	10.36	34.7	9.68
Ongoing & small-scale maintenance	45.5	7.94	23.8	6.66
Reletting	13.9	2.42	10.8	3.02
Modernisation	26.8	4.67	33.2	9.26
<b>In total</b>	<b>86.2</b>	<b>15.03</b>	<b>67.9</b>	<b>18.94</b>



### Deutsche Wohnen stand alone

- Reletting and modernisation led to signed rent increases with a full year effect of EUR 4.3m (all-in signed rent increases EUR 9.6m)
- We continue to target a high level for maintenance and modernisation on the basis of portfolio analysis to ensure our quality standards for a sustainable portfolio.

## » Strong earnings and cash contributions from letting

in EUR m		2013	2012	
<b>Earnings from letting: + EUR 97.9m</b>	<b>Current gross rental income</b>	<b>372.9</b>	<b>240.1</b>	
	Non-recoverable expenses	-9.6	-4.1	
	Rental loss	-4.9	-3	
	Maintenance	-59.4	-34.7	
	Others	-6.7	-3.9	
	<b>Earnings from Residential Property Management</b>	<b>292.3</b>	<b>194.4</b>	
	Personnel, general and administration expenses	-28.3	-22.2	
	<b>Net Operating Income (NOI)</b>	<b>264.0</b>	<b>172.2</b>	
	NOI Margin	70.8%	71.7%	
<b>Cash flow + 70.9%</b>	in EUR m		2013	2012
		Net Operating Income (NOI)	264.0	172.2
		Cash interest expenses	-118.4	-87.0
		<b>Cash flow from portfolio after cash interest expenses</b>	<b>145.6</b>	<b>85.2</b>
		<b>Interest cover ratio</b>	<b>2.23</b>	<b>1.98</b>

**Maintenance**  
in FY13: EUR 10.36 sqm  
(in 2012: EUR 9.68 sqm)  
additional EUR 26.8m  
for modernisation in FY  
2013

**NOI** increased by EUR  
91.8m (53%) due to  
higher current gross  
rental income of EUR  
132.8m (full effect of  
2012 acquisitions plus  
additional acquisitions in  
2013 including 1 month  
GSW) while costs  
increased by only EUR  
41.0m

### NOI-margin

only marginally decreased due to integration of new acquisitions (external management) and higher maintenance expenses per sqm vs. previous year



## Segment – Disposals

## » Very strong privatisation business & successful non-core disposals

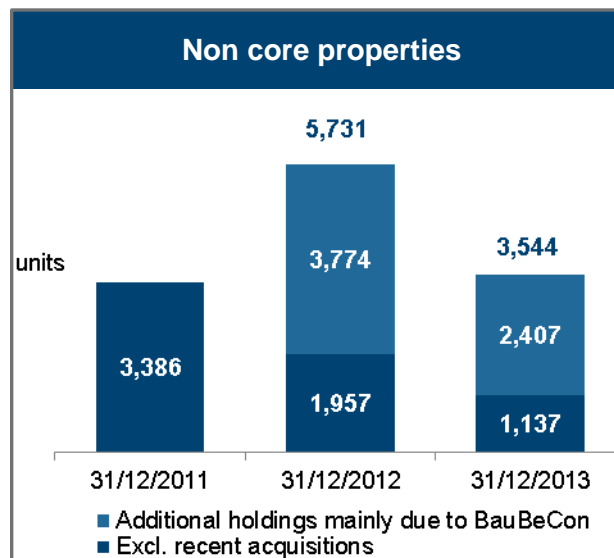
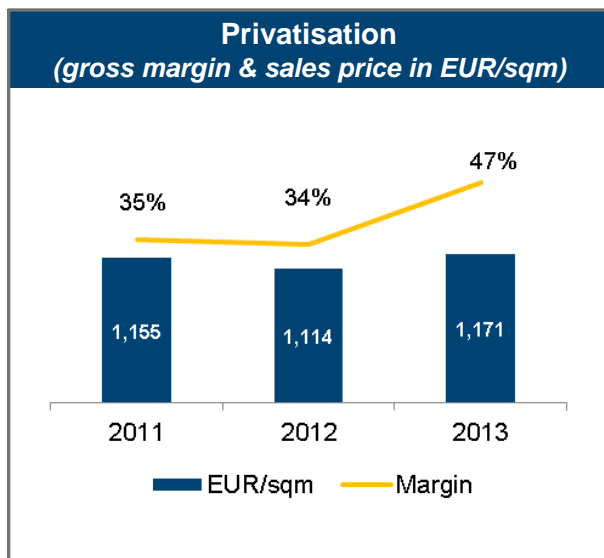
2013	Units	Transaction volume	Fair Value	Gross Margin	
	#	EUR m	EUR m	EUR m	% <sup>1)</sup>
Privatisation	1,342	100.7	68.6	32.1	47%
Institutional sales	2,157	68.9	67.7	1.2	2%
<i>thereof non-core</i>	2,066	59.2	58.8	0.4	1%
Cost of sales				-10.3	
<b>In total</b>	<b>3,499</b>	<b>169.6</b>	<b>136.3</b>	<b>23.0</b>	<b>17%</b>
+ Carrying amounts of assets sold				136.3	
- Loan repayment				-86.4	
<b>Cashflow contribution</b>				<b>72.9</b>	

### Privatisation (i.e. sales of individual apartments)

- In 2013 1,342 units closed.
- Gross margin of ~ 47%

### Institutional sales

- Ongoing and successful focus on disposals in non-core regions in 2013



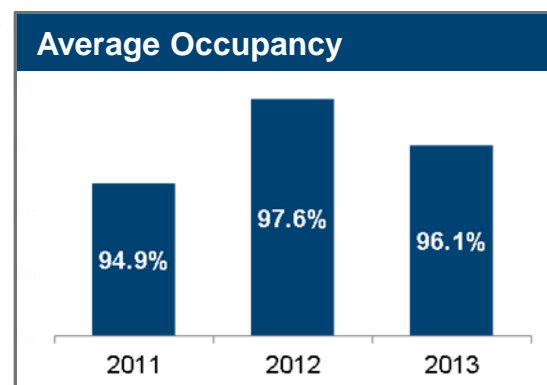
<sup>1)</sup> (Transaction volume divided by Fair Value)-1

## **Segment – Nursing and Assisted Living**

## » Nursing and Assisted Living – increasing EBITDA contribution

in EUR m	2013	2012
<b>Income</b>		
Nursing	52.0	36.4
Living	3.0	2.0
Other	4.9	3.6
<b>Total income</b>	<b>59.9</b>	<b>42.0</b>
<b>Costs</b>		
Nursing and corporate expenses	-16.4	-11.3
Staff expenses	-30.3	-20.8
<b>Total costs</b>	<b>-46.7</b>	<b>-32.1</b>
<b>Earnings from Nursing and Assisted Living</b>	<b>13.2</b>	<b>9.9</b>
Attributable current interest expenses	-3.6	-2.6
<b>Earnings after current interest expenses</b>	<b>9.6</b>	<b>7.3</b>

31/12/2013	Facilities	Places
Greater Berlin	12	1,434
Saxony	7	475
Others	2	257
<b>In total</b>	<b>21</b>	<b>2,166</b>



- 18 of 21 facilities are owned by Deutsche Wohnen with Fair Value of the properties of EUR 144.9m
- Transfer of risks and rewards of five facilities in Berlin took place in 2013:
  - 425 places in Q1/2013
  - 250 places in Q4/2013
- Slight decrease in average occupancy to 96.1% mainly due to recent acquisitions with significant upside potential
- Katharinenhof achieved third place in the overall ranking of MDK (Medizinischer Dienst der Krankenversicherung)<sup>1)</sup>

<sup>1)</sup> Avivre Consult GmbH, Analyse der MDK-Noten nach Betreibern, October 2013

## Derivation of FFO

## » Adjusted EBITDA increased by ~ EUR 90m / + 50% (y-o-y)

in EUR m	2013	2012
Earnings from Residential Property Management	292.3	194.4
Earnings from Disposals	23.0	19.9
Earnings from Nursing and Assisted Living	13.2	9.9
<b>Segment contribution margin</b>	<b>328.5</b>	<b>224.2</b>
Corporate expenses	-52.9	-40.4
Other operating expenses/income	-22.7	12.7
<b>EBITDA</b>	<b>252.9</b>	<b>196.5</b>
Other One-off income	-2.2	-20.3
One-off costs for transactions	19.1	4.4
Other	0.4	0.0
<b>EBITDA (adjusted)</b>	<b>270.2</b>	<b>180.6</b>

Corporate expenses (in EUR m)	2013	2012
Staff expenses	-31.8	-23.6
General and administration expenses	-17.7	-12.7
Third-party Property Management	-3.4	-4.1
<b>In total</b>	<b>-52.9</b>	<b>-40.4</b>

### Corporate Expenses

- Corporate expenses 2013 include 1 month GSW for 12/2013: EUR 4.8m
- Corporate expenses Deutsche Wohnen stand-alone: EUR 48.1m
- This leads to a decreasing cost ratio of 13.6%<sup>1)</sup> (2012: 16.8%) of Deutsche Wohnen stand-alone

Other operating expenses/income	2013	2012
Transaction Costs (excluding one-off financing costs)	-19.1	0.0
Other one-off income	2.2	20.3
Integration Costs BauBeCon	0.0	-4.4
Other	-5.8	-3.2
<b>In total</b>	<b>-22.7</b>	<b>12.7</b>

### Adj. EBITDA

- increased by ~ EUR 90m mainly attributable to an increase of earnings from letting ~ EUR 98m and from disposals ~ EUR 3m

1) Corporate expenses (EUR 48.1m) divided by current gross rental income (EUR 353.5m)

## » Adjusted EBT increased by ~ 68% (y-o-y)

in EUR m	2013	2012
<b>EBITDA (adjusted)</b>	<b>270.2</b> <sup>4)</sup>	<b>180.6</b> <sup>2)</sup>
Depreciation	-5.5	-3.1
Financial result (net)	-132.8 <sup>5)</sup>	-99.0 <sup>3)</sup>
<b>EBT (adjusted)</b>	<b>131.9</b>	<b>78.5</b>
Valuation properties	100.9	119.2
Other One-off income	2.2	20.3
One-off costs for transactions	-27.7	-12.2
Valuation SWAP and Convertible Bond	10.6	-0.2
<b>EBT</b>	<b>217.9</b>	<b>205.6</b>
Current taxes	-13.8	-10.5
Deferred taxes	8.6	-49.6
<b>Profit</b>	<b>212.7</b>	<b>145.5</b>
Earnings per share <sup>1)</sup>	1.21	1.15

in EUR m	2013	2012
Interest expenses	-122.0	-89.6
Non-cash interest expenses	-11.8	-11.4
	<b>-133.8</b>	<b>-101.0</b>
Interest income	1.0	2.0
<b>Financial result (net)</b>	<b>-132.8</b>	<b>-99.0</b>

Non-cash interest expenses in EUR m	2013
Low-interest bearing liabilities	-7.7
Liabilities from EK 02 taxes	-1.9
Employee benefit liability	-1.9
DB 14	-0.2
Other	-0.1
<b>Total</b>	<b>-11.8</b>

### Adj. EBITDA

- increased by ~ EUR 90m mainly attributable to an increase of earnings from letting ~ EUR 98m and from disposals ~ EUR 3m

### Current taxes

- affected by non-cash taxes of EUR 2.5m due to capital increases 2013

### One-off costs for transactions

- mainly include expenses for the GSW-takeover (EUR 19.1m) and corresponding financing costs (EUR 8.6m)

<sup>1)</sup> Based on weighted average shares outstanding (2013: 175.27m; 2012: 126,09m)

<sup>2)</sup> Adjusted by one-off income due to settlement with RREEF (EUR 20.3m) and costs for transactions (EUR 4.4m)

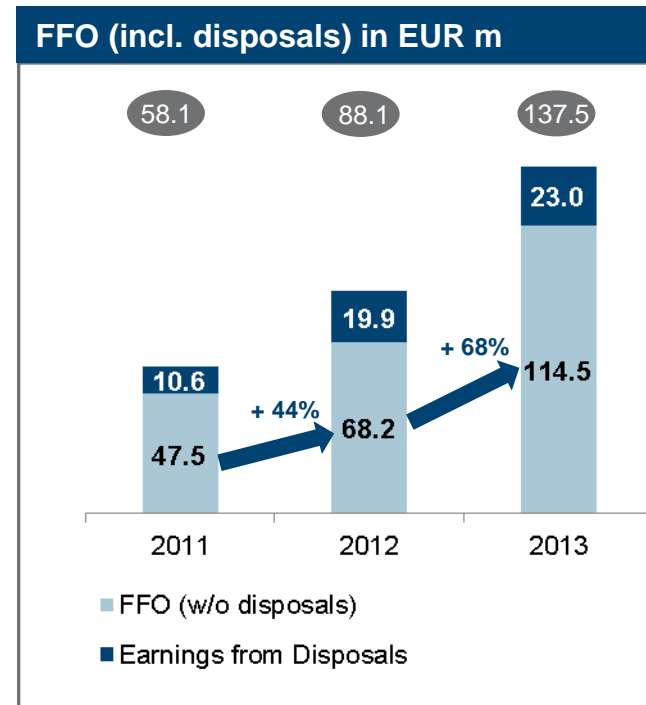
<sup>3)</sup> Adjusted by one off financing costs for BauBeCon transaction (EUR 7.8m) and Valuation SWAP (EUR -0.2m)

<sup>4)</sup> Adjusted by one-off costs for transactions (EUR 19.1m), other one-off income (EUR 2.2m) and other (EUR 0.4m)

<sup>5)</sup> Adjusted by one-off costs for financing (EUR 8.6m) and Valuation SWAP and Convertible Bond (EUR 10.6m)

## » Strong recurring FFO per share performance +20%<sup>2)</sup> (y-o-y)

in EUR m	2013	2012
<b>Profit</b>	<b>212.7</b>	<b>145.5</b>
Earnings from Disposals	-23.0	-19.9
Depreciation	5.5	3.1
Valuation properties	-100.9	-119.2
Valuation SWAP and Convertible Bond	-10.6	0.2
Non-cash financial expenses	11.8	11.4
Deferred taxes	-8.6	49.6
Tax benefit from capital increase	2.5	5.6
One-off costs for transactions	27.7	12.2
Other One-off income	-2.2	-20.3
FFO attributable to non-controlling interest	-0.4	0.0
<b>FFO (w/o disposals)</b>	<b>114.5<sup>3)</sup></b>	<b>68.2</b>
Earnings from Disposals	23.0	19.9
<b>FFO (incl. disposals)</b>	<b>137.5</b>	<b>88.1</b>
<hr/>		
<b>FFO (w/o disposals) per share<sup>1)</sup></b>	<b>0.65</b>	<b>0.54<sup>2)</sup></b>
<b>FFO (incl. disposals) per share<sup>1)</sup></b>	<b>0.78</b>	<b>0.70<sup>2)</sup></b>



- Strong accretive per share development: +20%<sup>2)</sup> (y-o-y)

<sup>1)</sup> Based on weighted average shares outstanding (FY13: 175.3m; FY12: 126.1m)

<sup>2)</sup> Under consideration of scrip adjustment for capital raise in June 2012

<sup>3)</sup> EUR114.5m FFO (w/o disposals) includes 1 month GSW (EUR 4.8m)



## Balance sheet & debt financing

## » Balance sheet – Assets

in EUR m	31/12/2013	31/12/2012
Investment properties	8,937.1	4,614.6
Other non-current assets	552.2	24.1
Derivatives	2.7	0.0
Deferred tax assets	280.5	80.7
<b>Non current assets</b>	<b>9,772.5</b>	<b>4,719.4</b>
Land and buildings held for sale	97.1	39.1
Trade receivables	29.8	20.8
Other current assets	77.3	38.0
Cash and cash equivalents	196.4	90.6
<b>Current assets</b>	<b>400.6</b>	<b>188.5</b>
<b>Total assets</b>	<b>10,173.1</b>	<b>4,907.9</b>

**Other non-current assets** mainly increased to EUR 552.2m due to goodwill of the GSW-transaction (EUR 492m)

**Deferred tax assets** increased mainly due to EUR 212.1m deferred tax assets on loss carry-forwards.

Increase due to acquisitions of partly privatised portfolio; to be sold within privatisation process

Trade receivables in EUR m	31/12/2013
Rental business	21.8
Disposals	5.8
Other	2.2

Other current assets in EUR m	31/12/2013
Non current assets held for sale	57.5
Income tax receivables	2.6
Other inventories	3.3
Other assets	13.9

- Total assets increased due to several acquisitions especially due to the GSW-transaction

- EUR 140m available credit lines in addition to cash on hand

## » Balance sheet – Equity and Liabilities

in EUR m	31/12/2013	31/12/2012
Total equity	3,944.3	1,609.7
Financial liabilities	5,154.6	2,768.6
Convertible	250.2	0.0
Tax liabilities	62.6	63.6
Deferred tax liabilities	353.1	143.3
Derivatives	159.3	152.5
Other liabilities	249.0	170.2
<b>Total equity and liabilities</b>	<b>10,173.1</b>	<b>4,907.9</b>

Equity in EUR m	31/12/2013
+ Profit	212.7
+ Cash flow hedge	36.8
+ Pensions	0.6
+ Capital increase (less costs of capital increase, less tax effects)	1,952.5
+ Non-controlling interests	165.8
- Dividend	-33.8

Other liabilities in EUR m	31/12/2013
Trade liabilities	120.6
Pensions	55.3
Provisions	16.2
Other liabilities	53.0
DB 14	4.0

### Equity ratio

- increased to 39% (31/12/2012: 33%)

### Total equity

- mainly increased due to three capital increases in 2013

## » EPRA NAV per share up by 12%

in EUR m	31/12/2013	31/12/2012
Equity (before non-controlling interests)	3,777.8	1,609.3
Fair value adjustment of convertible bond	-2.2	0.0
Fair values of derivative financial instruments	156.5	152.5
Deferred taxes (net)	72.6	62.6
<b>EPRA NAV (undiluted)</b>	<b>4,004.7</b>	<b>1,824.4</b>
Goodwill GSW	-491.6	0.0
<b>Adjusted NAV (undiluted)</b>	<b>3,513.1</b>	<b>1,824.4</b>

in EUR	31/12/2013	31/12/2012
EPRA NAV per share in EUR (undiluted)	13.99	12.48
Adjusted NAV per share in EUR (undiluted)	12.27	12.48
<i>Shares outstanding in m</i>	286.22	146.14

### EPRA NAV per share

- increased by 12% to EUR 13.99 as at 31 December 2013

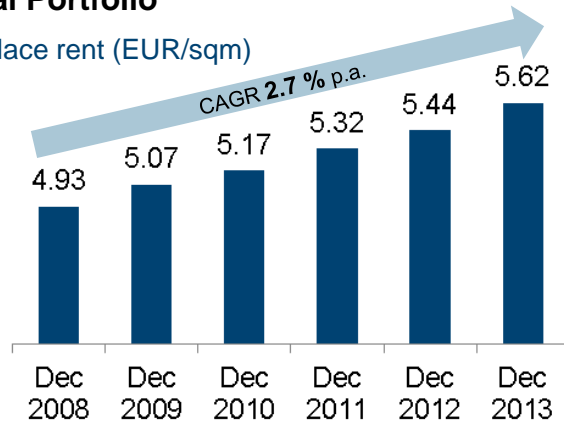
### Adjusted NAV

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

# » Strong like-for-like development including GSW <sup>1)</sup>

## Total Portfolio

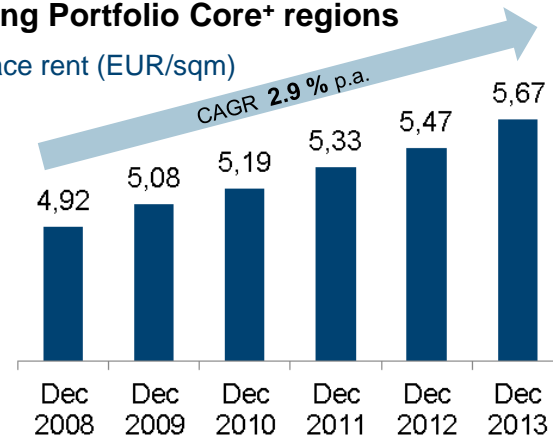
In-place rent (EUR/sqm)



- Comprises ~ 84,700 units under management since Dec 2008

## Letting Portfolio Core+ regions

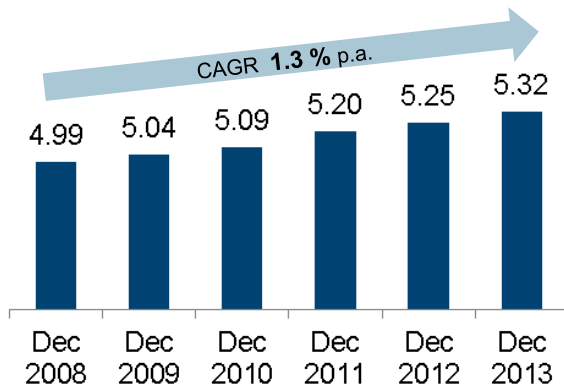
In-place rent (EUR/sqm)



- Comprises ~ 72,000 units under management since Dec 2008

## Letting Portfolio Core regions

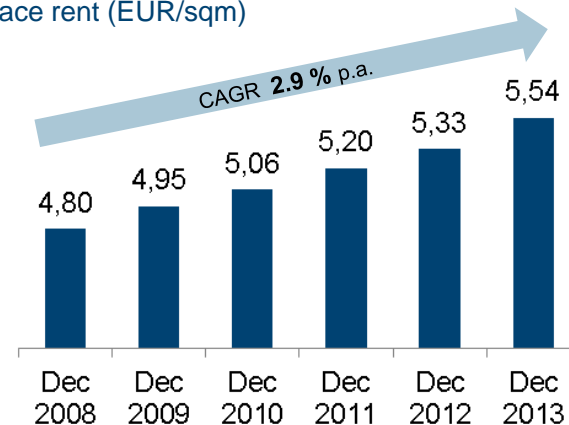
In-place rent (EUR/sqm)



- Comprises ~ 7,800 units under management since Dec 2008

## Letting Portfolio Greater Berlin

In-place rent (EUR/sqm)

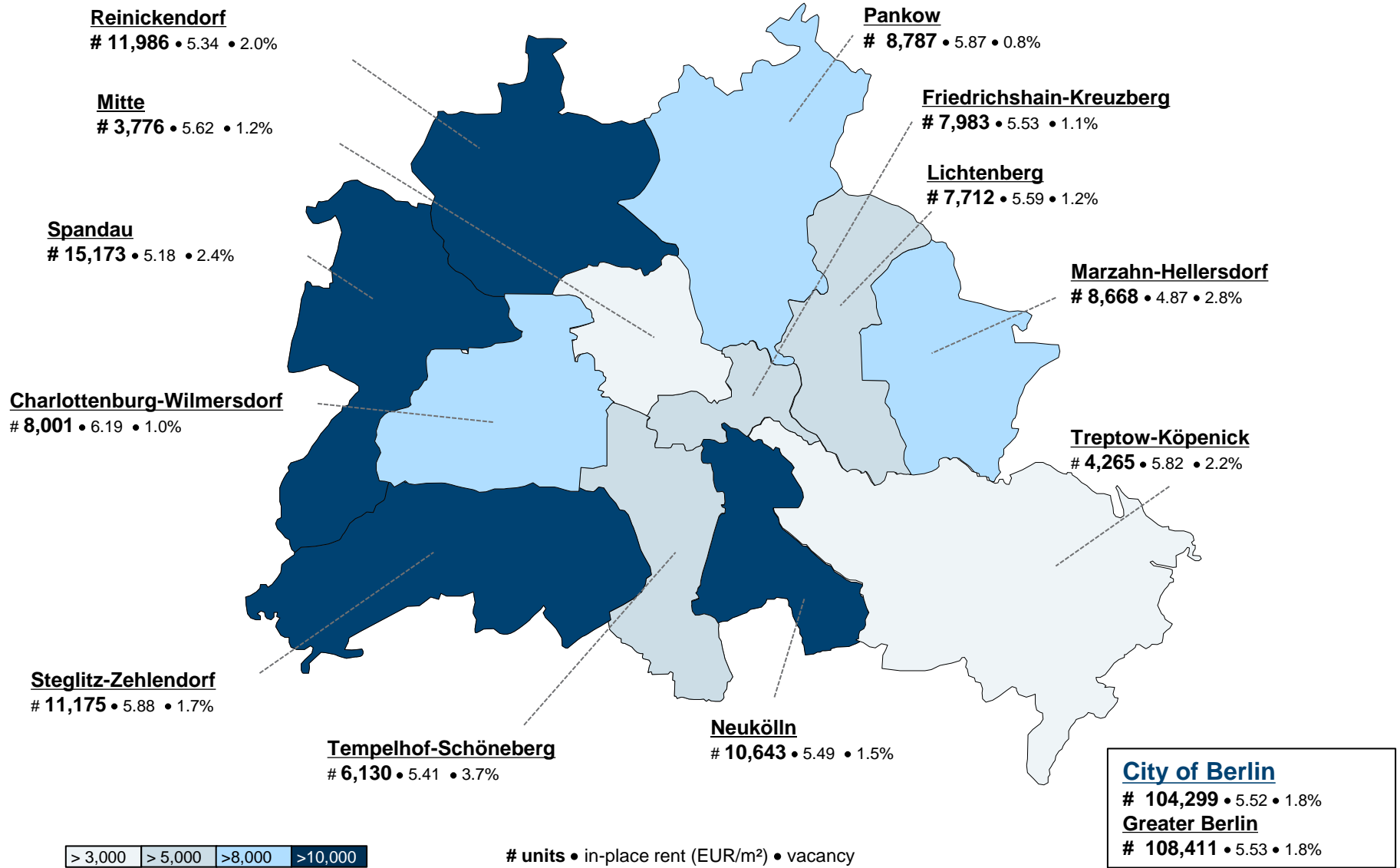


- Comprises ~ 64,800 units under management since Dec 2008

1) Pro forma incl. GSW

Note: Above time series analysis are based on a like-for-like comparison, i.e. only comprises units under management since December 2007 without taking into account any acquisitions/disposals in the period under review.

# » THE BERLIN-PORTFOLIO AT A GLANCE (incl. GSW)



## » 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 86 551  
Fax: +49 30 897 86 507