



Deutsche Wohnen AG

» **H1 2015 results**

Conference Call, 13 August 2015

» Agenda

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» Highlights H1 2015

Financials		
In EUR	H1 2015	yoy
FFO I (after minorities) ¹⁾	142.7m	(+25%)
FFO I/share ²⁾	0.47	(+21%)
FFO II (incl. disposals)	188.9m	(+35%)
FFO II/share ²⁾	0.62	(+29%)
	H1 2015	ytd
EPRA NAV per share ³⁾ (diluted)	20.69	(+11%)
LTV	40.9%	(-9.1pp)

Corporate development		
In EUR	H1 2015	FY 2014
Corporate expenses Total personnel, general and administrative expenses	36.8m	90.5m
Cost ratio Corporate expenses/gross rental income	11.7%	14.4%
Costs per unit p.a. Corporate expenses/avg. units in period	502	604

Operational development		
In EUR	H1 2015	yoy
NOI letting	236.8m	(-0.8%)
L-f-I rental growth (Letting portfolio)	2.5%	(-1.1pp)
Rent increase potential (Letting portfolio)	21.4%	(+1.4pp)
Vacancy rate	2.1%	(-0.4pp)
NOI nursing	7.9m	(-5%)
Occupancy nursing	96.5%	+0.4pp
NOI disposals⁴⁾	45.0m	(+86%)
Gross margin	13%	(-17pp)
Disposal cost ratio	2.4%	(-1.9pp)
Free cash flow impact	362.5m	(+407%)

¹⁾ Considering mainly guarantee dividend of EUR 1.40 p.a. per outstanding GSW shares at accounting date

²⁾ Based on weighted average shares outstanding (H1 15: 304.05m)

³⁾ Based on 369.5m shares

⁴⁾ Earnings from disposals less related personnel and administrative expenses

» Portfolio

» Disposal business remains strong

Signed with expected closing in FY ¹⁾	Privatization		Institutional sales	
	H1 2015	H1 2014	H1 2015	H1 2014
No. of units	1,688	1,664	7,400	1,798
Volume	162,982	132,722	478,406	67,908
Price per sqm	1,381	1,221	950	607
Gross margin	40%	45%	8%	8%

- **Privatization business** sales-wise ~40%²⁾ above the previous year
- Average selling price per sqm increased by EUR 160 to EUR 1.381 per sqm
- Block sales at comparable conditions like condo sales are becoming more important
 - In Berlin Wilmersdorf a medium quality 52 unit block was sold at a rent multiple of 28.7x or EUR 2,492 per sqm

- Disposal segment remains highly profitable and generated cash flows of EUR 362.5m in H1 2015

» Comparison of rental growth - 2013 vs 2015

Berlin Mietspiegel contribution	2013	2015e
Berlin Mietspiegel growth	+6.3%	+5.4%
Total residential units in Berlin	c.102,600	c.98,000
Thereof unrestricted units (subject to rent table)	c. 86,200	c. 84,700 ¹⁾
No. of units with rent increase	c. 37,500	c. 38,300
Share of Berlin units which are subject to rent table	c. 44%	c. 45%
Rent increases from Mietspiegel in Berlin portfolio	5.4%	5.5%

Berlin remains a significant driver for the above average rental growth driven by high demand and shortage in supply

Total rent growth of Berlin portfolio >4% as in 2013 but based on higher in-place rent and a lower Mietspiegel outcome

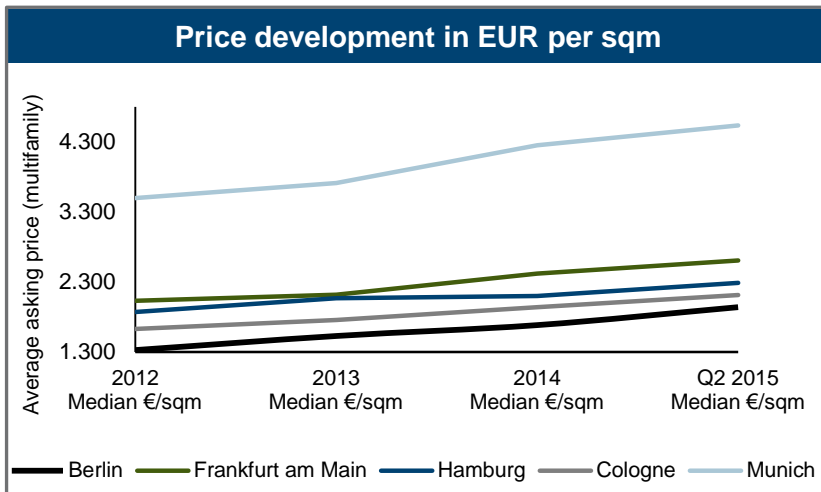
Some Core markets show also a decent rent development ~3% p.a. (Hanover, Brunswick)

Rent increases are ahead of budget in the first 6 months of 2015

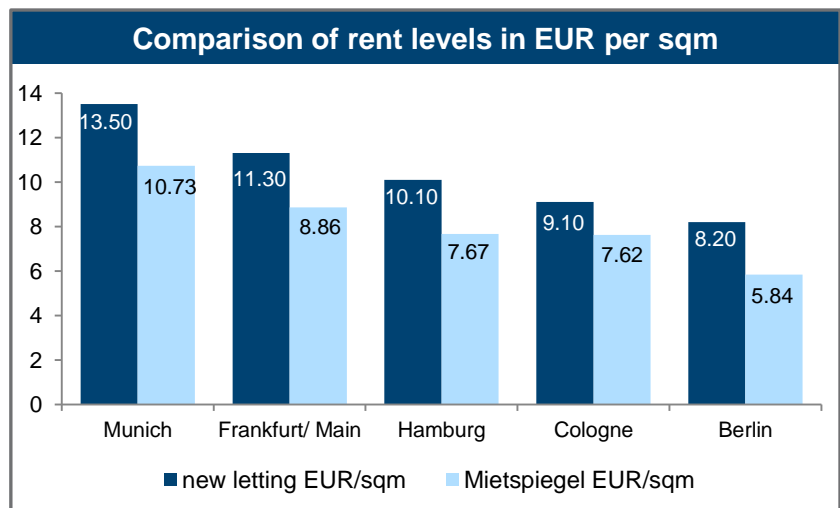
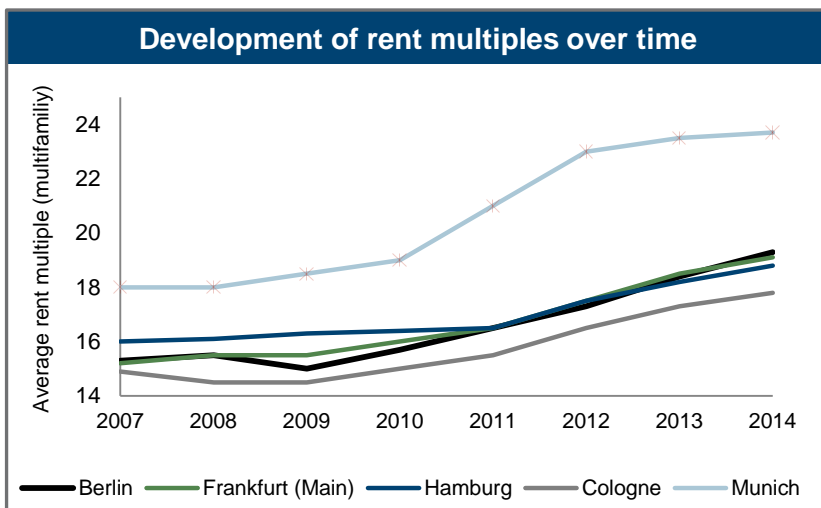
>3% like for like rental growth for total portfolio in 2015 expected

¹⁾ Excl. recent acquisitions

» Development of rents and prices in German top cities



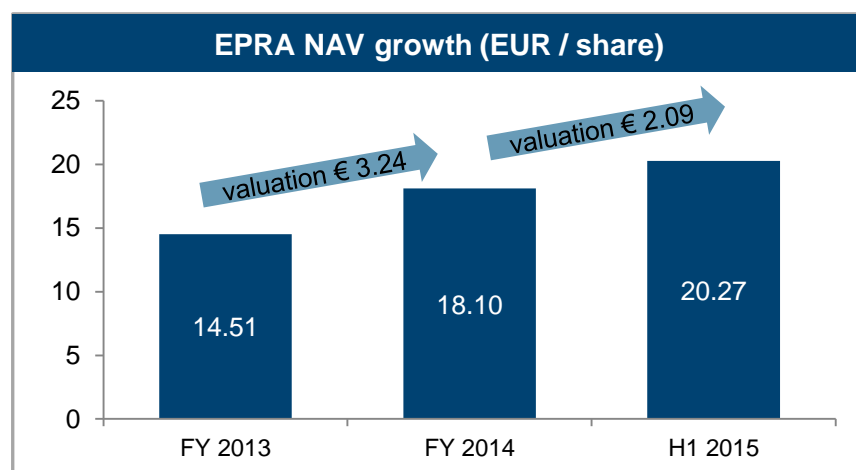
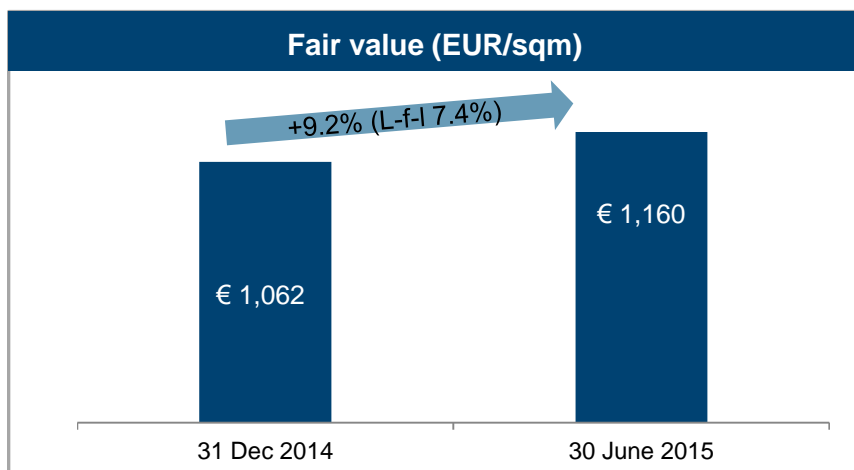
- ### Highlights
- **Positive price development in all top 5 cities**
 - **However Berlin with EUR 1,940 per sqm still at a quite low level in comparison to the other cities**
 - **Rent multiples in Berlin, Frankfurt and Cologne are similar but rents per sqm are in Berlin by far the lowest**



» Valuation Overview as of 30 June 2015

- Revaluation of EUR ~0.7bn or EUR 80¹⁾ per sqm leading to a multiple expansion by 1.2x to 16.7x
- Uplift in Greater Berlin by EUR 103¹⁾ per sqm to EUR 1,223 per sqm
- Also positive development in Core regions by EUR 50¹⁾ per sqm to EUR 852 per sqm (+6%)
- Yield compression underpinned by portfolio transactions particularly in Berlin at rent multiples of >18x (increase at our Berlin portfolio by 1.5x to 17.6x)

Key figures	H1 2015	FY 2014
Total fair value in EUR	10.3bn	9.8bn
Area (sqm) in m	8.9	9.2
Multiple (current rent)	16.7x	15.5x
Yield (current rent)	6.0%	6.5%
Annualized in-place rent in EUR	616m	629m



¹⁾ Like for like

» Portfolio revaluation by cluster

Regions	Residential units #	FV (30/06/2015) EUR m	FV (30/06/2015) EUR/sqm	Multiple in-place rent (30/06/2015)	Multiple market rent (30/06/2015)	Multiple in-place rent (31/12/2014)	Fair Value (31/12/2014) EUR/sqm
Core⁺	123,135	9,291	1,216	17.2	14.4	16.0	1,108
Greater Berlin	101,959	7,665	1,223	17.6	14.6	16.1	1,101
Rhine-Main	9,173	857	1,454	16.7	14.4	16.5	1,405
Mannheim / Ludwigshafen	4,772	280	904	13.3	12.6	13.4	904
Rhineland	4,577	296	990	14.0	12.5	14.1	983
Dresden	2,654	194	1,089	17.8	14.7	14.8	872
Core	15,689	860	852	13.4	12.0	12.7	803
Hanover / Brunswick	8,792	517	879	13.4	12.0	12.9	828
Magdeburg	2,101	107	848	14.0	12.8	12.5	768
Kiel / Lübeck	1,975	93	730	12.1	10.6	12.3	729
Halle / Leipzig	1,684	83	832	13.5	12.8	12.6	765
Erfurt	618	36	1,042	14.6	13.9	14.0	990
Others	519	23	715	12.1	10.2	11.9	692
Non-Core	3,119	136	635	11.9	10.7	11.6	621
Total	141,943	10,287	1,160	16.7	14.1	15.5	1,062

» **Financing**

» Background refinancing and implications

Bank debt

- Intensive competition amongst banks to finance particularly Core+ portfolios
- Collateral values of banks went significantly up, more headroom in terms of covenants
- Great willingness to provide long term financing, EUR 650m with 10y maturity at 1.57% refinanced
- Deutsche Wohnen profits from high portfolio quality and low LTV – refinancing at very low bank margins

1.375% 5y debut bond placement (EUR 500m)

- 5 year maturity chosen to optimize cost of debt
- Additional financing instrument usable

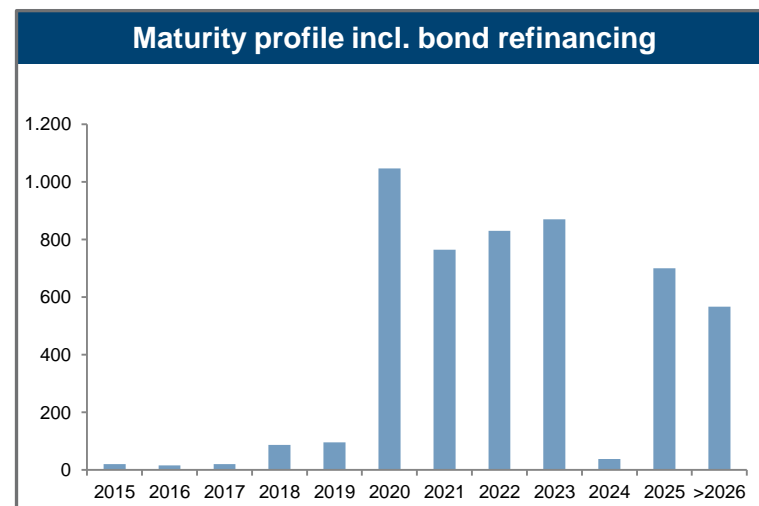
Excellent credit rating achieved

- A- by Standard & Poor's / A3 by Moody's

- Financial flexibility further enhanced
- Long term financing structure
- Lowest cost of debt amongst the peer group (1.85%)
- Hedging ratio of c. 85% accepting 15% floating to remain flexible

» Refinancing leads to optimized financing structure

Conditions before and after refinancing		
	before	after
Total debt volume in EUR bn	5.4	~5.1
Ø cost of debt	2.35%	1.85%
Ø loan amortization	1.09%	<0.8%
Ø weighted maturity in years	8.6	~10
LTV	50.4%	<45%
Hedging ratio	~85%	~85%



Highlights

- Refinancing/repayment of outstanding bank debt of EUR ~1.5bn in total
- Positive free cash flow impact of EUR ~54m p.a. (EUR ~33m interest savings and EUR ~21m regular debt amortization)
- Reduction of LTV to 40.9%
- Diversification of funding sources:
 - c. 70-80% bank debt
 - c. 10-15% corporate bonds
 - c. 10-15% convertible bonds

» Financials

» GSW integration and efficiency

Achievements

- **Full integration almost completed – faster than planned and with higher synergies** (process optimization, restructuring)
- Comparable HR framework for all employees (salary structure, employment agreements)
- One IT system for the entire platform (SAP) for all processes
- Cost ratio reduction from 17.3% to 11.7% also ahead of plan and underpins the success of our scalable platform
- Efficient results based on strong in-house know how

Implications

- **Size matters with considerable efficiency benefits** (would drive cost ratio further down)
- **Critical mass allows more flexibility to achieve optimal portfolio structure**
- **Acquisitions generate opportunities for attractive disposals and add attractive new markets**

» Efficiency leadership

	DW before GSW	DW incl. GSW				H1 2015
	2013	2013 pro forma	2014	H1 2014	H2 2014	
No. of units	90,270	150,219	147,105	148,035	147,105	141,943
Gross rental income ¹⁾ (EUR m)	353.5	589.7	626.3	313.4	312.9	313.3
Corporate expenses (EUR m)	(48.1)	(102.2)	(90.5)	(45.8)	(44.7)	(36.8)
Cost ratio in % of gross rental income	13.6%	17.3%	14.4%	14.6%	14.3%	11.7%

- **Concentrated portfolio key driver for an excellent cost ratio**
- **Positive cost ratio development underpins scalable business model**

¹⁾ Contractual rents w/o utility charges

» EBITDA margin further improved

in EUR m	H1 2015	H1 2014	EBITDA margins	H1 2015	H1 2014
Earnings from Residential Property Management	259.1	259.7	Adj. EBITDA/gross rents	86.6%	77.9%
Earnings from Disposals	46.2	25.6	Adj. EBITDA excl. disposals/gross rents	71.9%	69.7%
Earnings from Nursing and Assisted Living	7.9	8.3			
Segment contribution margin	313.2	293.6			
Corporate expenses	(36.8)	(45.8)			
Other operating expenses/income	(16.3)	(7.5)			
EBITDA	260.1	240.3			
One-offs	11.3	3.7			
EBITDA (adjusted)	271.4	244.0			

Further improvements of EBITDA margins with full realization of takeover synergies

Significant decrease by 20% as synergies strongly kicked in

Mainly redundancy payments and restructuring measures

EBITDA adj.

- Increased by EUR ~27m attributable to higher earnings from disposals and cost savings

Margins

- EBITDA margins underpin the strengths of the portfolio and the operating platform at unchanged maintenance level

» IFRS result

in EUR m	H1 2015	H1 2014
EBITDA (adjusted)	271.4	244.0
Depreciation	(2.7)	(3.2)
At equity valuation	0.9	0.0
Financial result (net) ¹⁾	(66.9)	(99.6)
EBT (adjusted)	202.7	141.2
Valuation properties	705.0	0.0
One-off costs for transactions and financing	(41.2)	0.0
One-off costs for restructuring	(8.8)	(3.7)
Valuation SWAP and convertible bonds	(51.2)	(24.0)
EBT	806.5	113.5
Current taxes	(18.0)	(8.5)
Deferred taxes	(245.7)	(10.4)
IFRS result	542.8	94.6
<i>Profit attributable to the shareholders of the parent company</i>	524.0	91.5
Earnings per share in EUR ²⁾	1.72	0.32

in EUR m	H1 2015	H1 2014
Interest expenses	(69.1)	(92.4)
Non-cash interest expenses	1.7	(7.7)
	(67.4)	(100.1)
Interest income	0.5	0.5
Financial result (net)	(66.9)	(99.6)

Mainly refinancing costs (breakage fees)

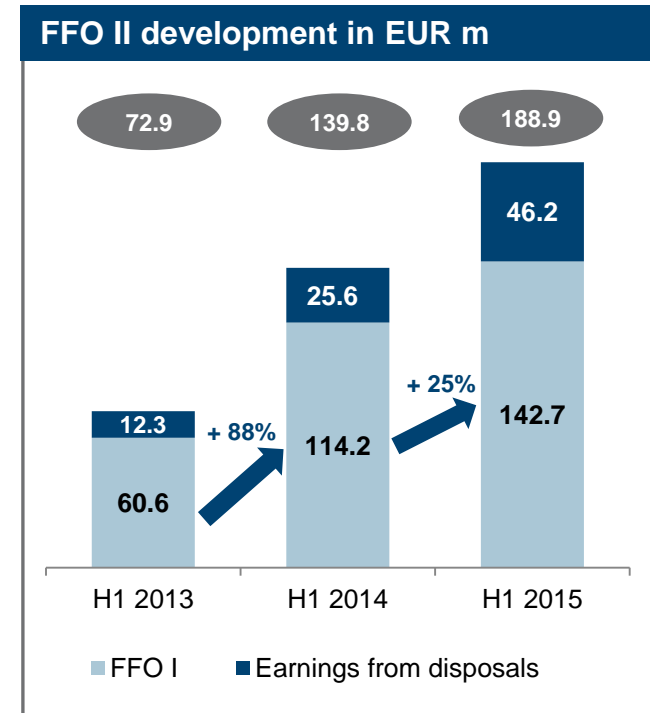
Redundancy payments

Thereof EUR -9.0m from valuation of derivatives and EUR 60.2m from convertible bonds

Market value of convertible bonds EUR 809m as at 30/06/2015

» FFO I per share performance +21% (yoy)

in EUR m	H1 2015	H1 2014
EBITDA (adjusted)	271.4	244.0
Earnings from Disposals	(46.2)	(25.6)
At equity valuation	0.9	0.0
Interest expense/ income	(68.6)	(91.9)
Income taxes	(11.0)	(8.5)
Minorities	(3.8)	(3.8)
FFO I²⁾	142.7	114.2
Earnings from Disposals	46.2	25.6
FFO II²⁾	188.9	139.8
FFO I per share in EUR¹⁾	0.47	0.39
FFO II per share in EUR¹⁾	0.62	0.48



- FFO I per share development: **+21%** (yoy)

- FFO I per unit²⁾ development: **+28%** (yoy)

» Cash flow creation

EUR m	H1 2015	H1 2014	Delta
FFO I ¹⁾	142.7	114.2	28.5
FFO disposals	46.2	25.6	20.6
FFO II	188.9	139.8	49.1
+ Δ CF disposals ²⁾	316.3	45.9	270.4
- Regular amortization	(29.3)	(42.2)	12.9
- Capex	(33.4)	(19.1)	(14.3)
Corporate Free Cash Flow	442.5	124.4	318.1
<i>Per share</i>	<i>1.46</i>	<i>0.43</i>	<i>1.03</i>

- **Corporate Free Cash Flow adjusted by 5,750 unit disposal in Reinickendorf/Spandau EUR c. 166m**

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

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

» EPRA NAV

in EUR m	30/06/2015	31/12/2014
Equity (before non-controlling interests)	6,034.7	4,692.9
Fair values of derivative financial instruments	52.4	144.9
Deferred taxes (net)	752.2	488.2
EPRA NAV (undiluted)	6,839.3	5,326.0
<i>Shares outstanding in m</i>	337.35	294.26
EPRA NAV per share in EUR (undiluted)	20.27	18.10
Effects from conversion of CB 2013 and 2014	804.1	743.1
EPRA NAV (diluted)	7,643.4	6,069.1
<i>Shares diluted in m</i>	369.5	325.97
EPRA NAV per share in EUR (diluted)	20.69	18.62

in EUR m	30/06/2015	31/12/2014
EPRA NAV (undiluted)	6,839.3	5,326.0
Goodwill GSW	(535.1)	(535.1)
Adjusted NAV (undiluted)	6,304.2	4,790.9
<i>Shares outstanding in m</i>	337.35	294.26
Adjusted NAV per share in EUR (undiluted)	18.69	16.28

Strike prices:

EUR 17.79 per share (CB 2013)

EUR 21.41 per share (CB 2014)

» Guidance & Outlook

» Guidance upgrade and summary

New FFO I target: EUR 285-290m (after minorities)

- Letting business remains strong – lack of supply dominates the growth markets and not the regulation
- Block sales at attractive margins become more important
- Clear commitment to grow further
- Growth potential in Core+ markets limited due to price development
- Good improvements in Core markets realized
- Focus remains on strategic Core and Growth regions
- High efficiency can be improved by scaling up
- Strong balance sheet and rating offer flexibility for growth
- Enhanced cash flow profile base for investments and future dividend payout

» Q & A

» Appendix

» Strong earnings and cash contributions from letting

in EUR m	H1 2015	H1 2014
Current gross rental income	313.3	313.4
Non-recoverable expenses	(6.9)	(6.8)
Rental loss	(3.5)	(4.1)
Maintenance	(39.2)	(39.6)
Others	(4.6)	(3.2)
Earnings from Residential Property Management	259.1	259.7
Personnel, general and administrative expenses	(22.3)	(20.9)
Net Operating Income (NOI)	236.8	238.8
NOI margin	75.6%	76.2%
NOI in EUR/sqm/month	4.36	4.28
in EUR m	H1 2015	H1 2014
Net operating income (NOI)	236.8	238.8
Cash interest expenses	(68.2)	(90.5)
Cash flow from portfolio after cash interest expenses	168.6	148.3
Interest cover ratio	3.47	2.64

In-place rent:

H1 15:
EUR 5.78/sqm/month

Maintenance¹⁾

H1 15: EUR 8.66/sqm
(H1 14:
EUR 8.51/sqm)
additional EUR 33.4m
for modernization
(EUR 19.1m in H1 14)

NOI per sqm

increased by 1.9%

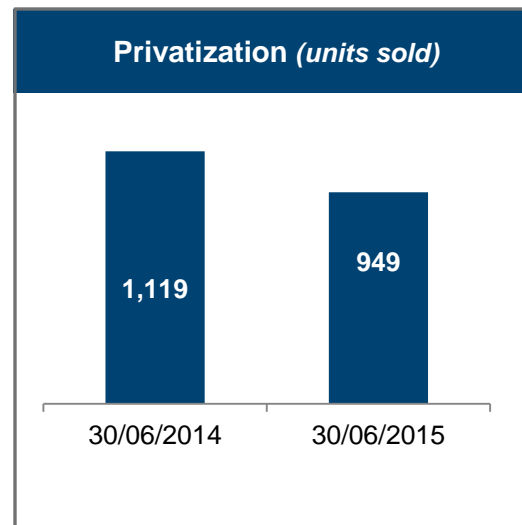
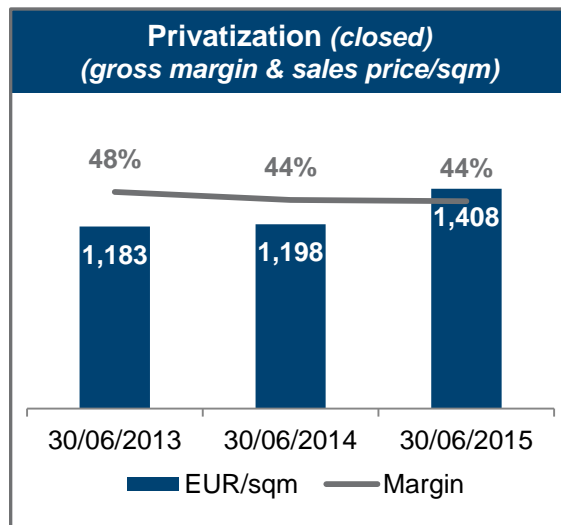
w/o EUR 0.9m for
nursing and assisted
living in H1 2015

Cash flow
+ EUR 20.3m
(+13.7%)

» Strong disposal business

Closed in EUR m	H1 2015	H1 2014
Sales proceeds	507.1	138.4
Cost of sales	(12.1)	(6.0)
Net sales proceeds	495.0	132.4
Carrying amounts of assets sold	(448.8)	(106.8)
Earnings from Disposals	46.2	25.6

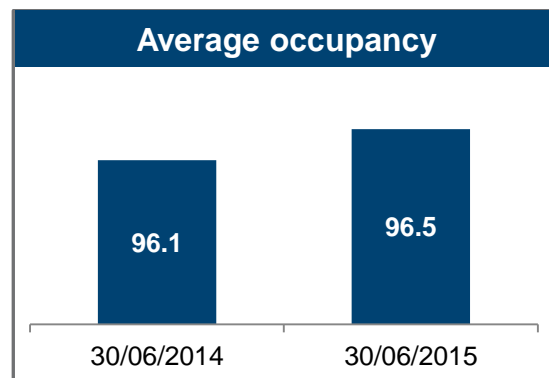
- Free cash flow from sales activities of EUR 362.5m (949 closed privatization units and 6,379 closed units institutional sales)



» Nursing and Assisted Living

in EUR m	H1 2015	H1 2014
Income		
Nursing	26.1	27.6
Living	3.0	3.0
Other	3.8	3.2
Total income	32.9	33.8
Costs		
Nursing and corporate expenses	(8.3)	(8.9)
Staff expenses	(16.7)	(16.6)
Total costs	(25.0)	(25.5)
Earnings from Nursing and Assisted Living (NOI)	7.9	8.3
Cash interest expenses	(0.9)	(1.9)
FFO contribution	7.0	6.4

30/06/2015	Facilities	Places
Greater Berlin	12	1,442
Saxony	7	475
Others	1	131
In total	20	2,048



- 18 of 20 facilities are owned by Deutsche Wohnen with fair value of the properties of EUR 144.8m
- Starting from 2015 Deutsche Wohnen holds 49% of the nursing business (future FFO impact EUR c. -3m)

» Overview of portfolio as at 30 June 2015

30/06/2015	Residential units #	Area ¹⁾ K sqm	In-place rent ²⁾ EUR/sqm/month	New letting rent ³⁾ EUR/sqm/month	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	138,824	8,390	5.86	7.06	2.0	10,151	98.7%	1,173	16.8	6.0	14.2	7.0
Core⁺	123,135	7,401	8.86	7.26	1.9	9,291	90.3%	1,216	17.2	5.8	14.4	6.9
Core	15,689	989	5.37	5.97	2.7	860	8.4%	852	13.4	7.5	12.0	8.3
Non-core	3,119	207	4.80	4.82	7.5	136	1.3%	635	11.9	8.4	10.7	9.3
Total	141,943	8,598	5.78	7.03	2.1	10,287	100%	1,160	16.7	6.0	14.1	7.1

- Dynamic Core⁺ regions comprise 87% of total units
- 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 2015 respectively (letting portfolio)

⁴⁾ Fair Value including residential, commercial and parking spaces

⁵⁾ Fair Value divided by residential and commercial area

» Portfolio split and strategic focus for investment decisions

Strategy cluster	Residential units	Area ¹⁾ K sqm	% of total units	In-place rent ²⁾ 30/06/2015 EUR/sqm/month	Rent Potential ³⁾ in %	Vacancy 30/06/2015 In %	Multiple in-place rent	Multiple market rent
Total	141,943	8,598	100%	5.78	21.0%	2.1%	16.7	14.1
Strategic core and growth regions	138,824	8,390	98%	5.80	21.4%	2.0%	16.8	14.2
Core⁺	123,135	7,401	87%	5.86	23.9%	1.9%	17.2	14.4
• Operate	100,161	6,030	71%	5.91	23.1%	1.4%	17.2	14.5
• Develop	17,060	971	12%	5.58	29.4%	2.9%	17.6	13.8
• Dispose	5,914	400	4%	5.78	--	8.0%	17.6	13.9
Core	15,689	989	11%	5.37	10.9%	2.7%	13.4	12.0
• Operate	13,917	870	10%	5.39	10.9%	2.7%	13.5	12.0
• Dispose	1,772	119	1%	5.27	--	2.9%	12.7	11.7
Non-core	3,119	207	2%	4.80	-0.1%	7.5%	11.9	10.7
<i>Thereof Clean-up</i>	258	17	0%	5.27	--	18.5%	11.2	9.2

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

¹⁾ Only residential area

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

³⁾ Unrestricted residential units (letting portfolio); rent potential = New-letting rent compared to in-place rent (letting portfolio)

» Like-for-like overview of portfolio as at 30 June 2015

In-place rent (like-for-like) and vacancy (like-for-like) letting portfolio¹⁾

Like-for-like 30/06/2015	Residential units #	In-place rent ²⁾ 30/06/2015 EUR/sqm/month	In-place rent ²⁾ 30/06/2014 EUR/sqm/month	Δ in % yoy	Vacancy 30/06/2015 in %	Vacancy 30/06/2014 in %	Δ in % yoy
Letting portfolio	129,420	5.82	5.68	2.5%	1.7%	2.0%	-13.7%
Core*	115,424	5.87	5.73	2.5%	1.6%	1.8%	-10.7%
Greater Berlin	96,451	5.78	5.64	2.6%	1.6%	1.8%	-10.8%
Rhine-Main	7,926	7.33	7.14	2.6%	1.7%	2.0%	-15.8%
Mannheim/Ludwigshafen	4,530	5.65	5.57	1.4%	0.9%	1.0%	-10.0%
Rhineland	4,349	5.86	5.71	2.6%	1.7%	1.8%	-4.5%
Dresden	2,168	4.96	4.91	1.1%	2.0%	1.9%	4.8%
Core	13,996	5.39	5.27	2.2%	2.7%	3.7%	-26.3%
Hanover/Brunswick	8,101	5.44	5.28	3.0%	2.1%	3.3%	-38.0%
Magdeburg	2,099	5.24	5.20	0.8%	4.7%	4.9%	-4.7%
Kiel/Lübeck	1,128	5.26	5.19	1.3%	4.1%	4.0%	4.0%
Halle/Leipzig	1,651	5.19	5.15	0.7%	2.6%	4.0%	-34.8%
Erfurt	609	5.89	5.83	1.0%	2.1%	2.1%	0.8%
Others	408	5.35	5.27	1.4%	4.1%	4.8%	-13.9%
Total	138,758	5.78	5.65	2.4%	2.1%	2.2%	-2.3%

¹⁾ Cluster block sale of strategic core and growth regions allocated to letting portfolio

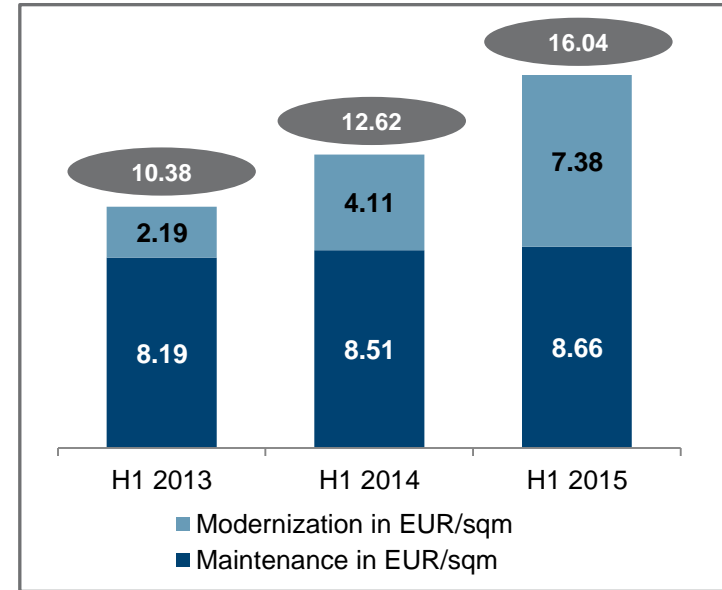
²⁾ Contractually owed rent from rented apartments divided by rented area

» Composition of fair value adjustment

	EUR m	EUR/sqm	Δ EUR/sqm	Δ in %	Multiple	Δ Multiple	
FV (31.12.2014)	9,785	1,062			15.5		
Balance portfolio changes and other	(203)	19					Net of acquisitions / disposals and capitalized investments for modernization
FV (30.06.2015) after portfolio changes and capitalization	9,582	1,081	19	1.8%	15.6	0.1	Like for Like starting base
Impact property management performance	38	4					Outperformance of valuation assumptions
FV after property management performance	9,620	1,085	23	2.2%	15.7	0.2	
Yield compression & market rent increase	667	75					Mainly yield compression (30bps in cap and discount rate)
Result: FV Investment properties (30.06.2015)	10,287	1,160	98	9.2%	16.7	1.2	

» Focused and sustainable investments into the portfolio

EUR m	H1 2015	H1 2014
Maintenance	39.2	39.6
Modernization	33.4	19.1
Total	72.6	58.7
Total EUR/sqm ¹⁾	16.04	12.62
Capitalization rate	46.0%	32.5%



Given our EUR 280m capex program modernization increased by EUR 3.27 per sqm to EUR 7.38 per sqm yoy

¹⁾ Based on the quarterly average area

» Balance sheet

Assets

in EUR m	30/06/2015	31/12/2014
Investment properties	10,740.3	9,611.0
Other non-current assets	600.6	600.6
Derivatives	0.4	0.0
Deferred tax assets	318.8	351.7
Non current assets	11,660.1	10,563.3
Land and buildings held for sale	54.1	58.1
Trade receivables	32.8	17.7
Other current assets	132.3	410.7
Cash and cash equivalents	648.4	396.4
Current assets	867.6	882.9
Total assets	12,527.7	11,446.2

Equity and Liabilities

in EUR m	30/06/2015	31/12/2014
Total equity	6,231.2	4,876.1
Financial liabilities	4,294.5	4,779.0
Convertibles	808.9	748.7
Tax liabilities	39.0	46.1
Deferred tax liabilities	788.5	557.9
Derivatives	52.8	145.0
Other liabilities	312.8	293.4
Total liabilities	6,296.5	6,570.1
Total equity and liabilities	12,527.7	11,446.2

- Investment properties represent ~ 86% of total assets
- Strong cash position and existing credit rating give comfort for potential acquisition opportunities
- LTV reduced to 40.9% (FY-2014: 51.0%)

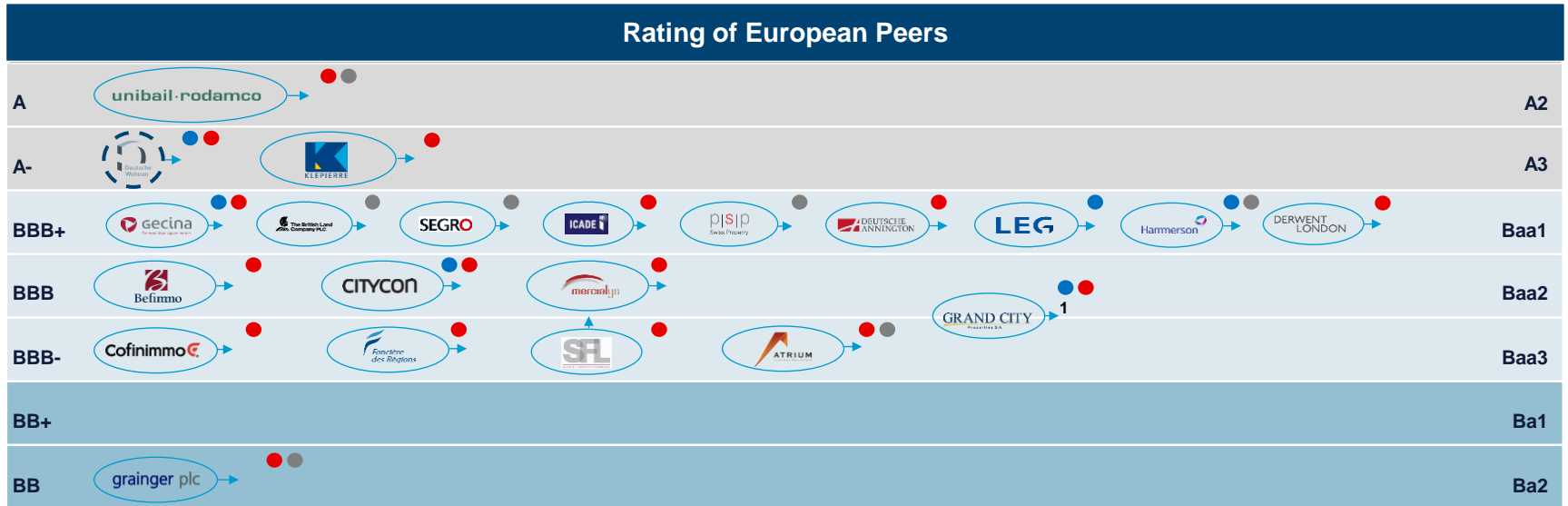
» Deutsche Wohnen – EUR 500m 1.375% 5yr debut bond

Terms & conditions	
Issuer	<ul style="list-style-type: none">Deutsche Wohnen AG
Issuer ratings	<ul style="list-style-type: none">A3/A- (both stable)
Rating of bond	<ul style="list-style-type: none">Moody's: A3S&P: BBB+
Maturity	<ul style="list-style-type: none">24 July 2020
Conditions	<ul style="list-style-type: none">Coupon: 1.375% fixedRe-offer spread: MS+95bp
Key Covenants	<ul style="list-style-type: none">LTV ≤ 60%ICR >1.8xUnencumbered assets / unencumbered debt¹⁾ ≥ 150%
Rationale for transaction	<ul style="list-style-type: none">Diversification of funding sourcesBroadening of investor baseRefinancing of outstanding liabilities

Transaction highlights
<ul style="list-style-type: none">Bond placement marks last key step of the total EUR 3bn refinancing in two steps<ul style="list-style-type: none">Free cash flow increased by EUR ~116m (thereof c. EUR 72m interest savings)Average interest rate decreased from c. 3.4% to below 1.9% p.a. with average maturity of financial liabilities of c.10 yearsFinal terms with the re-offer spread being set at €MS+95bpThe high-quality orderbook amounted to almost EUR 2bn from around 130 different investors

1) Excluding convertibles

» European ratings overview



Source: Bloomberg

Notes:

1 BBB- stable outlook (S&P), Baa2 stable outlook (Moody's)

● S&P ● Moody's ● Fitch
 ↓ Negative Outlook → Stable Outlook ↑ Positive Outlook

MOODY'S

„The upgrade of Deutsche Wohnen's issuer rating to A3 reflects the company's continued robust operating performance, significantly improved financial metrics, strong liquidity profile and excellent access to capital, and the favourable outlook for the German residential property sector.”

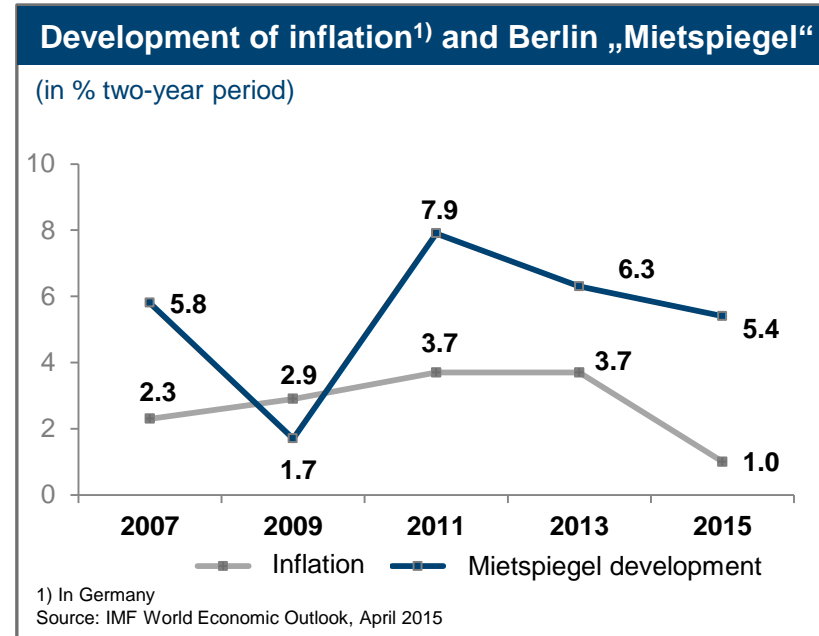
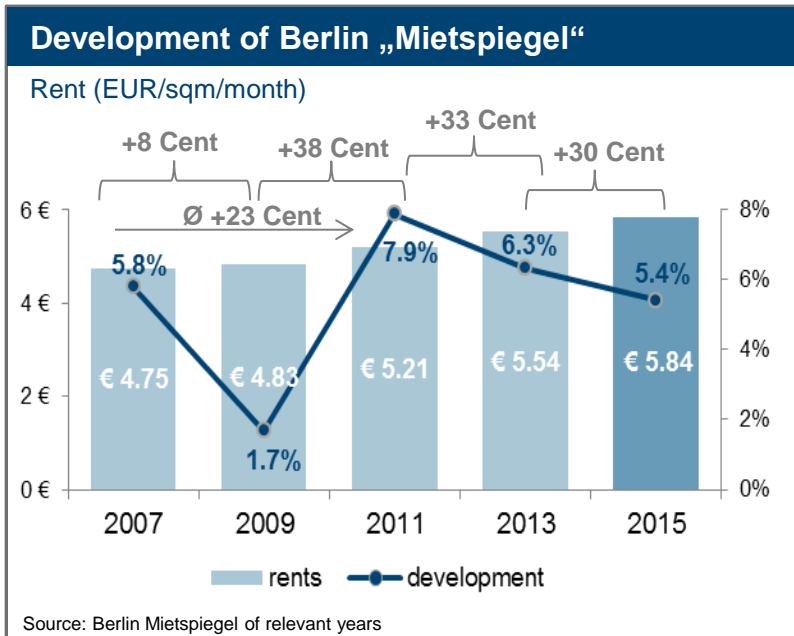
London, 17 June 2015

STANDARD & POOR'S

„The upgrade follows Deutsche Wohnen's recent completion of an equity raise of €907 million and simultaneous announcement of its intention to refinance up to €1.5 billion of its financial debt liabilities in the coming weeks. The upgrade also reflects Deutsche Wohnen's new stated financial policy to reduce its reported loan-to-value (LTV) ratio below 45% and maintain it in the range of 40% to 45%. The LTV ratio was 50.7% on March 31, 2015.”

London, 18 June 2015

» Berlin „Mietspiegel“



- Mietspiegel does not reflect the real market development
- Even though Berlin Mietspiegel is above inflation in contrast to the rent development in Germany which is below inflation of on average 1.7% p.a. since 2007
- Absolute rent increase corresponds with average of previous years

» Expected rent increases of ~5.5% from Berlin Mietspiegel

c. 98,000 total residential units in Berlin¹⁾

c. 13,200 restricted units

c. 84,700 unrestricted units (subject to rent index)

c. 46,400 units currently no increase

Leading to ~0.30 EUR/sqm or ~5.5% rent increase (slightly above Mietspiegel average)

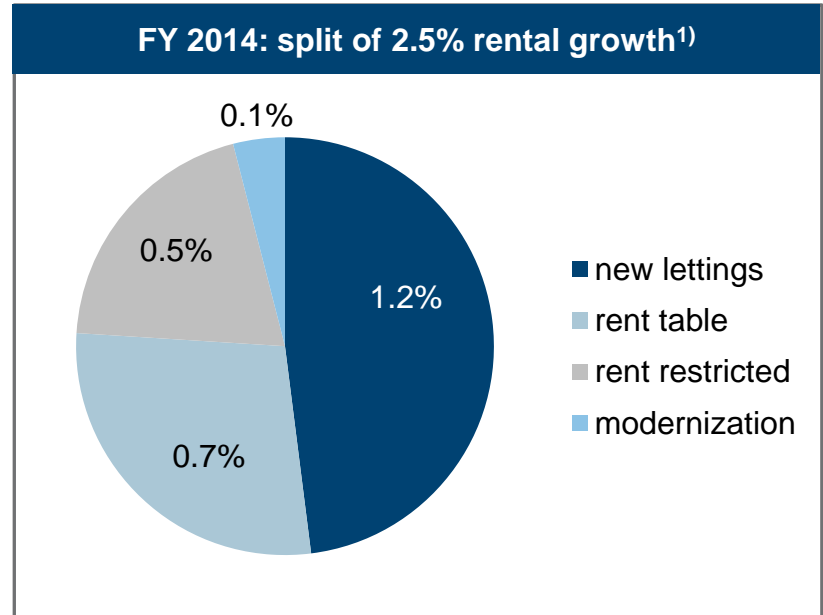
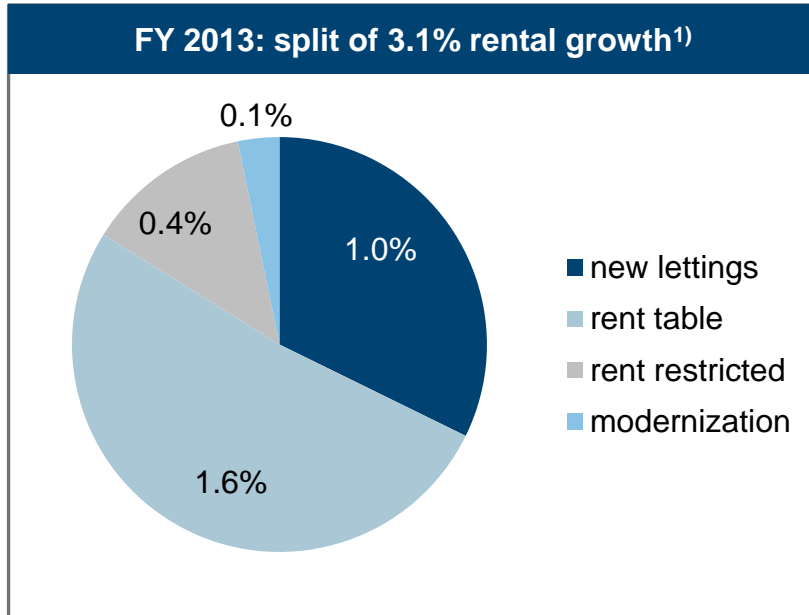
For approx. 38,300 units = 45% of unrestricted residential units

>4% like for like rental growth for Berlin portfolio in 2015

(>3% on total portfolio)

¹⁾ Excluding 5,807 units acquired in H1-2015 with transfer of title in H2-2015

» The drivers of rental growth



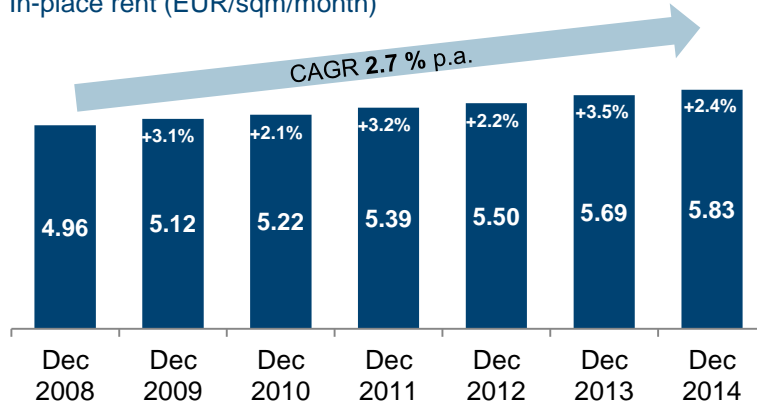
- After adjusting “Berlin Mietspiegel effect” in 2013 stable rental growth in 2014
- In a year without Berlin Mietspiegel, new lettings make up ~50% of rental growth
- Annualized rent increases of EUR 14.8m (2013: EUR 17.5m/~50% from Mietspiegel)
- Attractive ROI of ~17% for re-lettings (capex and maintenance) leading to 1.2% rental growth

¹⁾ Overall rental growth (not like for like)

» Strong like-for-like development

Letting Strategic Core and growth regions

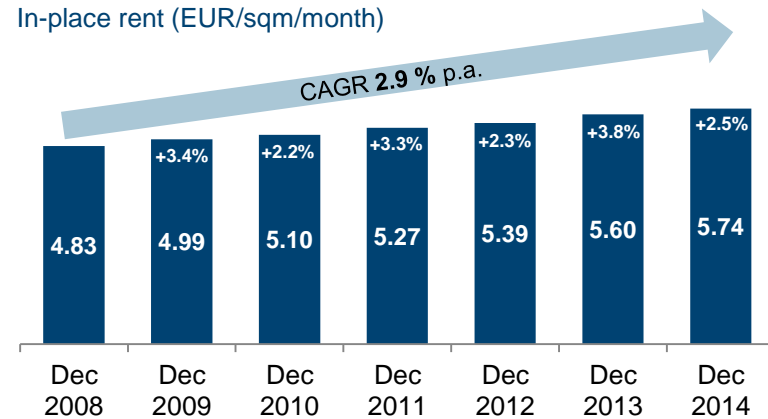
In-place rent (EUR/sqm/month)



- Comprises ~ 71,800 units under management since Dec 2008

Letting Portfolio Greater Berlin

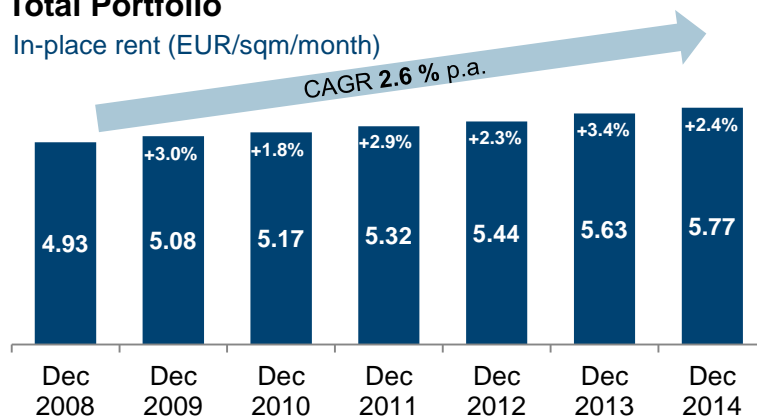
In-place rent (EUR/sqm/month)



- Comprises ~ 57,400 units under management since Dec 2008

Total Portfolio

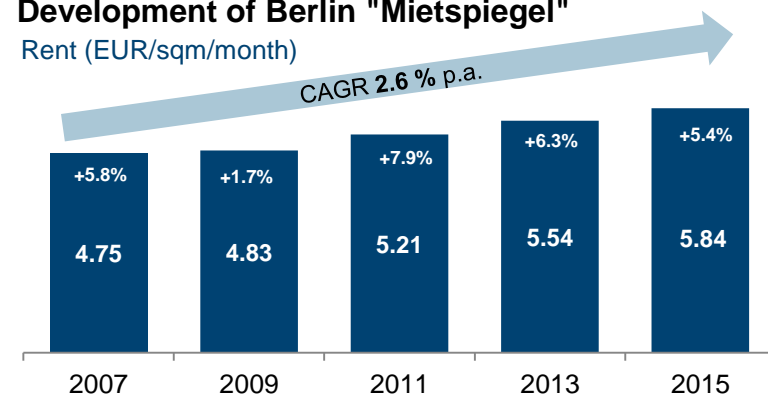
In-place rent (EUR/sqm/month)



- Comprises ~ 82,800 units under management since Dec 2008

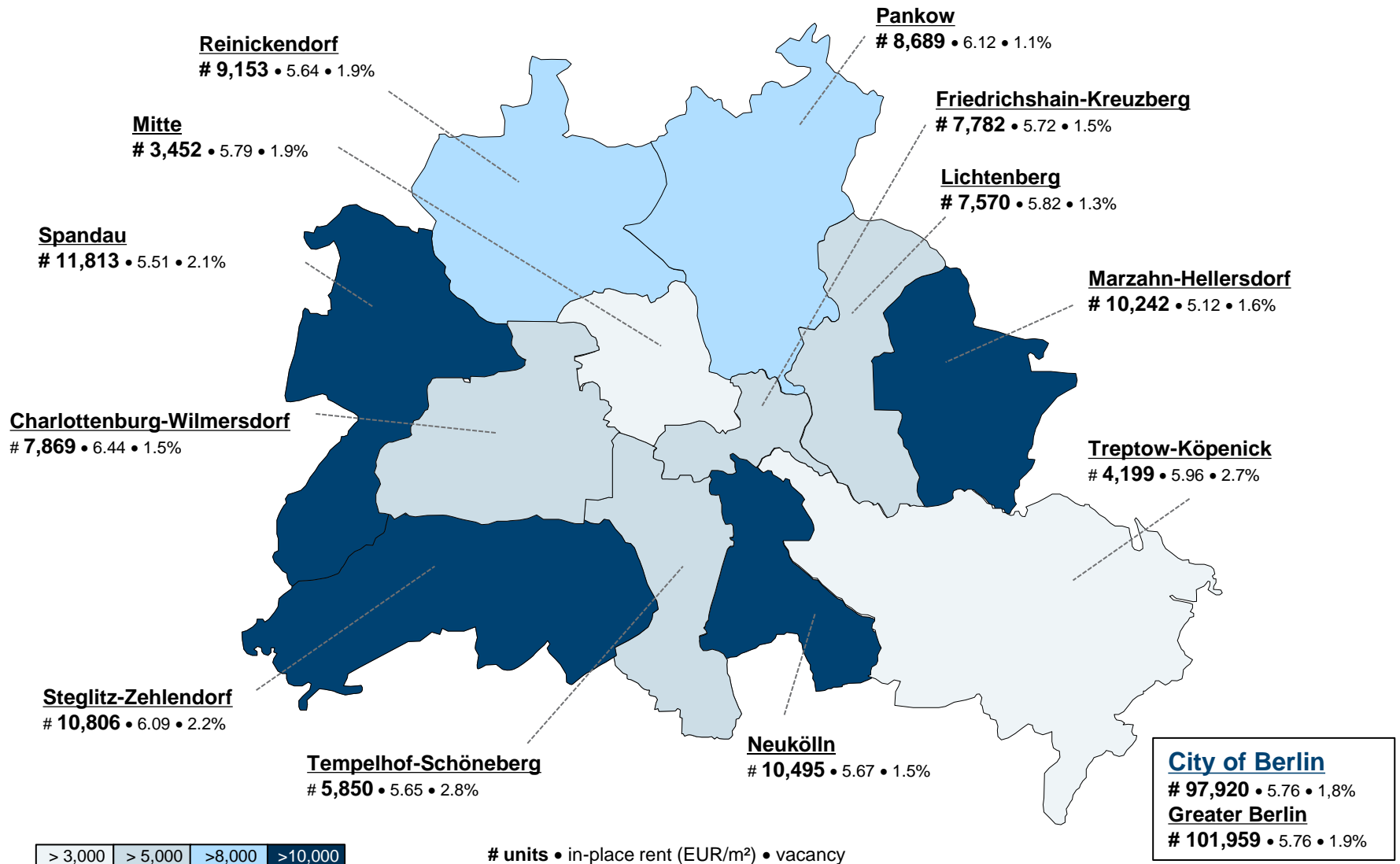
Development of Berlin "Mietspiegel"

Rent (EUR/sqm/month)



Source: Berlin Mietspiegel of relevant years

» The Berlin-Portfolio at a glance as at 30 June 2015



» Disclaimer

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