



Deutsche Wohnen » Standards for tomorrow

Magazine 09

Editorial



Dear Reader,

the financial year 2009 has been completed. You hold in hands the report on an eventful and special year. Competence, transparency, sustainability – these values determine our daily actions. They are what makes us successful and were the driving force for the positive developments of the last few months.

With knowledge, market expertise and foresight – shortly: through competence –, we grew. This competence is concentrated in our operating companies and becomes visible in our value chain: It allows the long-term development of real property by way of efficient investments in the areas of modernisation and restoration according to accepted conservation practices possible. We want our decisions to be comprehensible. Transparency on all levels is a prerequisite for this. We count on proactive communication with our investors as well as the general public; but also the exchange with partners, employees, and not least our tenants is decisive for us.

Especially in the past year defined by the economic crisis, our company strategy designed for the long term has paid off. Our business model and the sound financing of our group build a consistent foundation for our business activity. This guarantees extensive independence from the volatile market situation. However, sustainability not only means responsibility for solid finances, but also towards society and the environment.

In addition, we would like to introduce our most important success factor to you – our employees! Our basic values are concentrated in them: their competence, our transparent cooperation, and the long-term working relationships are our assets – lastingly.

We are on the right path to becoming the innovation leaders on the German housing market. We can look back on a successful year and optimistically forward, for our motto is: Setting standards for tomorrow.

Your sincerely

A handwritten signature in blue ink, appearing to read 'M Zahn', written in a cursive style.

Michael Zahn
Chief Executive Officer

71 new hires,
of which 9 trainees

05/01/2009:
Introduction of the new service structure

August 2009:
Start of the rehabilitation
in the estate Hufeisensiedlung Britz

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Sustainability as model for success

Long-term value creation and the generation of growth prospects are at the centre of our corporate strategy. Competence, transparency, and sustainability warrant the successful realisation of our business model.



Deutsche Wohnen AG Management and Central Units					
RESIDENTIAL PROPERTY			NURSING AND RESIDENTIAL CARE HOMES		
Deutsche Wohnen Management GmbH		Deutsche Wohnen Corporate Real Estate GmbH		KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH	
Operational figures ¹		Operational figures ¹		Operational figures ¹	
Gross rental income	190.6 EUR m	Revenue from sales	85.7 EUR m	Sales turnover	38.7 EUR m
Residential	49,026	Sales volume	1,573 units	Capacity	1,350 units
Staff	226	Staff	29	Staff	935
ASSET COMPANIES					

¹ as of 12/31/2009

49,496 property units, 355 employees, 81.8 million shares (without KATHARINENHOF®)

October 2009:
Issue of 55.44 million new shares

Gross issue proceeds from capital increase 2009:
EUR 249.5 million

Deutsche Wohnen is one of the leading listed housing companies in Germany. The operative focus is on the administration and development of residential property. Our company, which is based in Frankfurt/Main with its principal place of business in Berlin, was established more than ten years ago and has operated as an independent stock corporation for four years now.

We are positioned nationwide with 49,496 units, of which 49,026 are residential and 470 commercial units. The emphasis of our corporate strategy is on attractive residential property in the economically important markets Berlin, Frankfurt/Main and Rhine Main.

Our operative business activity is organised in three companies. Deutsche Wohnen Management GmbH and Deutsche Wohnen Corporate Real Estate GmbH are the pillars of the housing business segment. They concentrate the process of the professional administration and development of the holdings on the one hand, and the disposals and portfolio management on the other hand. The nursing business segment is operated by KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH. It offers high-value retirement housing estates for self-determined living in an environment appropriate for the elderly. Deutsche

Wohnen AG acts as finance and management holding for the companies within the Deutsche Wohnen Group. Its responsibilities include all central business functions such as the strategic business development, as well as the human resources, communication, IT, organisation, legal, and financing/accounting/controlling departments.

The Executive Committee of Deutsche Wohnen acts as extended management to the Management Board. The team represents the competences of the finance, legal, administration, portfolio management, and disposals departments in order to comprehensively advise the Management Board in questions of strategy and management planning.

All business activities are aimed at the continuous optimisation of the value of our portfolio. The development of the core portfolio as well as strategically opportune acquisitions and disposals are essential fine-tuning instruments. Our operations are defined by the commitment to quality and the increase in value of the property, as well as to efficiency of the operating processes. The sustainable management of our residential property is based on economical and ecological factors, for example the examination of the energy efficiency

of our estates and the investment into its improvement. Transparency and fairness in dealing with our partners are also a decisive part of the success of our strategy. Together, we work on achieving an effective service level that increases the satisfaction of our tenants in the long term.

With strategic foresight towards demographic developments and energetic requirements, we utilise the enormous growth potential of the housing economy. We have the best prerequisites to actively accompany the consolidation process of the German housing market and to successfully design growth processes.

Our value on the example of Zehlendorf



We count on extensive measures for the development of the individual property holdings for the optimisation of our portfolio. The example of the housing estate Waldsiedlung in Berlin-Zehlendorf clearly shows how we have built up our value chain in order to lastingly raise the potential of our property.



Construction costs: EUR 7.1 million

70% of the rental units are between EUR 6.00 and EUR 8.00 per m²

Our business segments

Deutsche Wohnen Management GmbH



> Property management first of all means increase in value. <

Dr. Kathrin Wolff
Executive Committee and Chairperson
of the Management Board
Deutsche Wohnen
Management GmbH

All our activities – the monitoring of the structural and infrastructural quality of our properties, modernisation, decisions on transactions within the holdings, as well as acquisitions and disposals – are geared to the long-term development of the entire portfolio.

> The areas development and service form the core of our value chain. <

Our core business, the management and development of the real property, is the responsibility of Deutsche Wohnen Management GmbH. It combines leasing and rent management, central purchasing, maintenance and modernisation of the housing property – all activities in the context of the administration of the housing property as well as the tenant liaison and support.

> 226 employees are responsible for the satisfaction of our tenants. <

In this process, all measures go hand in hand: In order to be able to correspond to the needs of our tenants even better, we optimised our service structure in the past year. The care of the tenants now takes place through a service centre and service points on site. The service centre is the central starting point for all inquiries regarding housing. The service

points are located directly at our locations in Wilmersdorf, Reinickendorf, and Britz in Berlin, as well as in Frankfurt/Main, Mainz, Koblenz, and Neustadt an der Weinstraße. There, our employees are available for personal consultation.

In addition to the provision of service, the rent management is an essential area of responsibility of Deutsche Wohnen Management GmbH. The current market situation is regularly reviewed and the locations are adjusted accordingly. The central service management, together with the two teams for facility management and central technology, determines the optimisation potential of the real property and carries out the corresponding construction measures.

Together with our external partners, we professionally manage our properties. In order to achieve constructive cooperation on equal footing, we re-organised our service provider structure in the past year. We now closely collaborate with approxi-

mately twelve of originally over 300 system suppliers. We include our partners early in the strategic portfolio planning in order to profit from their know-how and experience. Via an innovative IT interface system, we are able to organise the business processes transparently and efficiently.

With the new structure, we have saved approximately EUR 2.5 million, which is reflected in the operating expenses of our tenants.

All activities, from modernisation to process optimisation, to the collaboration with partners, are oriented on our company strategy and aim at the sustainable optimisation of our portfolio.

Living quality, safe and guaranteed

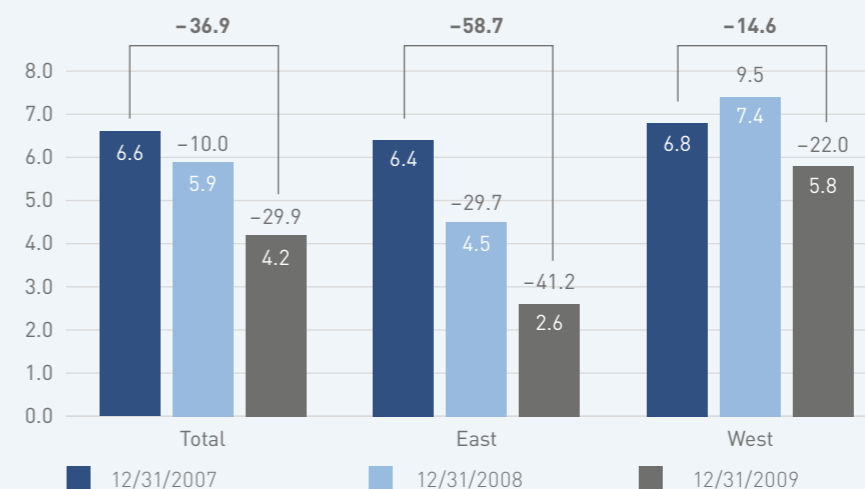


Deutsche Wohnen Management GmbH has further optimised the requirements for a professional and efficient portfolio management through the reorganisation of the service provider structure. For example, infrastructural services are carried out in an integrated way by established facility management partners.

We introduced a customised quality management programme in order to record and evaluate the quality of our properties nationwide. This way, we can review the compliance by way of customised performance standards and secure the value of the portfolio.

Weekly representative sample inspections in our properties are carried out for ongoing quality control. The efficient organisation of these inspections is guaranteed by the close collaboration among the departments. The new programme allows an expert evaluation of the real property through transparent and complete documentation. Necessary measures are recognised early and carried out to the benefit of a sustainable building management.

Vacancy rate development in percentage



49,026 housing units, 226 employees,
gross rental income 2009: EUR 190.6 million

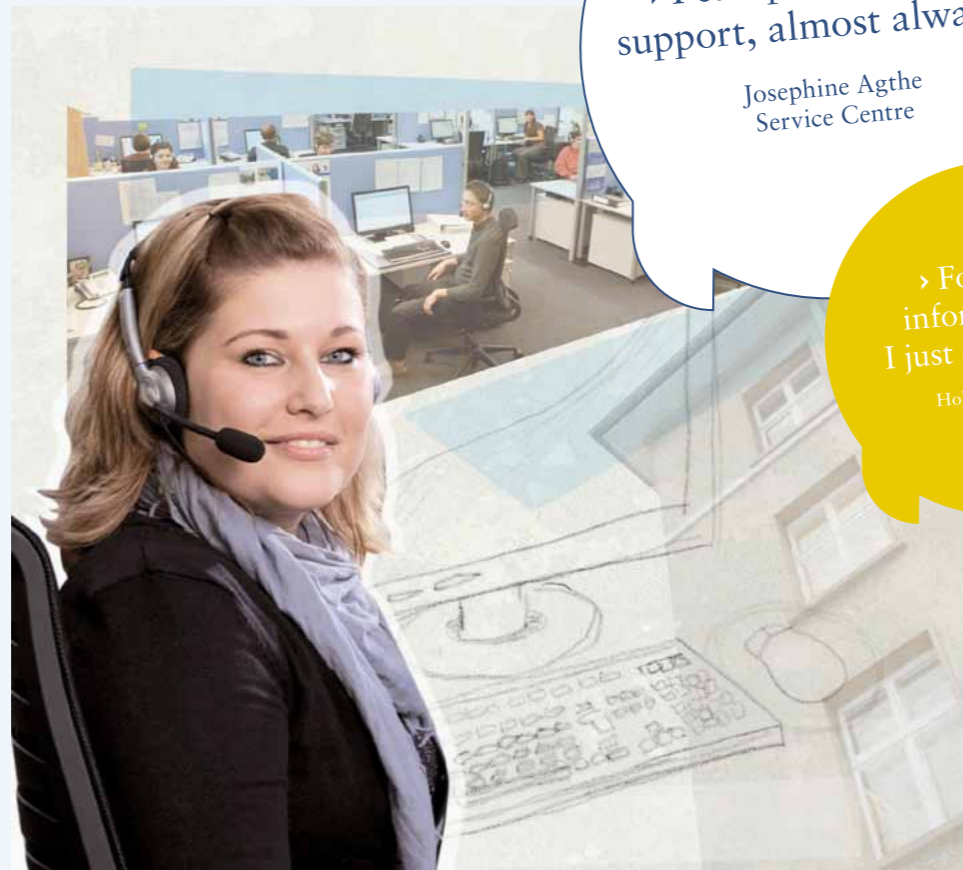
Increase of the current gross rent
2009 by 5,0% to EUR 5,04 per m²

January 2009: Implementation of
the new service provider structure

September 2009: Start of the test
of the quality assurance programme

Our business segments

Deutsche Wohnen Management GmbH | Service



› I can provide direct support, almost always. ‹

Josephine Agthe
Service Centre

› For quick information – I just call them. ‹

Holger Baumann
Tenant

Our service centre: always the right connection

Since 1 May 2009, we have operated the service center and thereby created a central platform for our tenants. 20 employees are available for addressing the different concerns via telephone or e-mail: standardised processes such as rent certification and permits, as well as tenant information are handled directly. In addition, matters that

require detailed examination are sorted and forwarded to the responsible departments or the services points on-site. Through the improved availability and shorter response times, the service centre contributes substantially to the satisfaction of our tenants.

Improved availability for our tenants

Our service points: customer service in the neighbourhood

With our eight services points, we offer tenants and interested parties a contact point in their vicinity. The employees on-site provide information about leasing; interested parties can look through housing offers and make viewing appointments. The service points also answer

contract questions and inquiries regarding a change of residence. In addition, commercial and technical service staff coordinates all concerns regarding living in our real property. Many tenants are already making use of the new service.

8 service points as direct contact points in Berlin, Frankfurt/Main and Rhine Main



› Searched for and found: without the service point, this would not have happened so quickly. ‹

Maria Weber
Tenant



› With more than one hundred employees we provide short ways to our customers. ‹

Jacqueline Stoldt
Commercial
Estate Service



Our business segments

Deutsche Wohnen Corporate Real Estate GmbH



› Our steps are strategically motivated and serve for the sustainable increase in value of our property portfolio. ‹

Gerald Klinck
Executive Committee and
Managing Director
Deutsche Wohnen
Corporate Real Estate GmbH

Deutsche Wohnen Corporate Real Estate GmbH combines the responsibilities for portfolio management, acquisition, and disposals. Our value chain begins and ends there. The portfolio management includes detailed market and property analyses. This review forms the basis for a competent evaluation of the residential property portfolio as well as for potential acquisitions and disposals.

› With our local market knowledge and a detailed analysis of all factors relevant to operating profit, we create the basis for the continuous optimisation of our core portfolio. ‹

Our portfolio planning covers all 174 locations in which we are represented. The majority is located in our core markets Berlin, Frankfurt/Main and the Rhine Main area. We plan to acquire further holdings here according to our portfolio strategy, in

order to integrate them into our portfolio or to sell them as condominium units, the so-called privatisation. In addition to operative growth, mergers, acquisitions, and large portfolio acquisitions are at the centre of the long-term planning. These acquisitions are the responsibility of the Management Board and are carried out in close cooperation with the portfolio management. Against the backdrop of additional, sustainable growth, we plan to also use market opportunities in other metropolitan areas in addition to our core regions, if the property corresponds to our portfolio strategy.

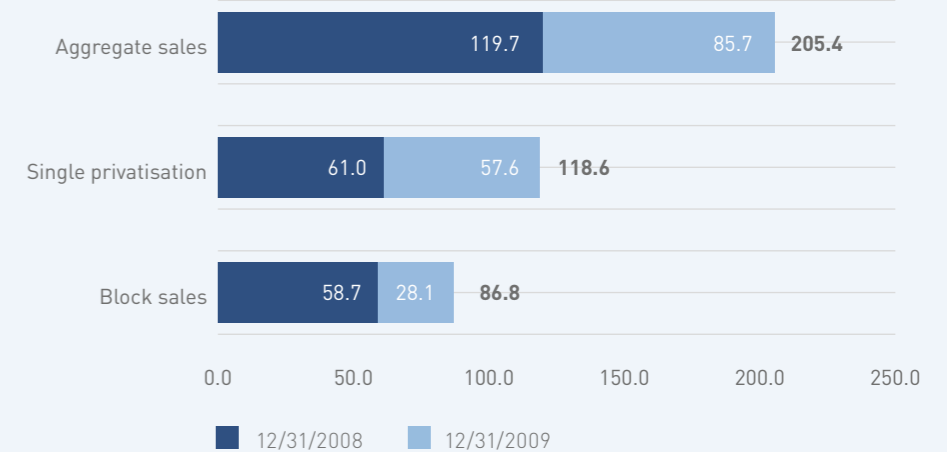
› In 2010 we will buy up additional property which ensures economies of scale in the asset management and opens up new potentials for single privatisation. ‹

Divestitures are made on the basis of detailed sales plans with a largely independent and highly qualified sales team. We have clearly defined the property to be disposed according to the portfolio analysis. Block sales primarily serve the portfolio adjustment and will be enhanced in the coming year, as well. We were able to sell the majority of these holdings at fair value in 2009. In single privatisation, we already exceeded our target value for 2009 in October.

› In the single privatisation alone, we were able to increase the number of sold units by 17.8 % to an aggregate of 675 units compared to 2008 through successful marketing in 2009. ‹

Through the continuous examination of the holdings and the careful selection of new property, we are in a continuous process of change, reorganisation, and optimisation. Strategic acquisitions make a significant contribution to the increase of our portfolio value which we determine via internal expert assessments. For the validation of these expert assessments, we have our entire holdings evaluated externally once a year.

Disposals in EUR m



Transaction volume 2009
EUR 85.7 million

Fair Value: EUR 2.8 billion

Our business segments

KATHARINENHOF®

Comfortable without barriers



Living and care in retirement – those are the core competences of KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH. The wide range offers convincing answers to the individual needs and wishes of senior citizens.

By 2050, the number of people over 65-year-olds in the general population will have risen from currently 19.3% to 36%. In the course of this demographic tendency, we have an offer that specifically addresses the growing demand: KATHARINENHOF® offers comfortable living in an environment appropriate for the elderly and care facilities and service oriented care. The company is represented in the five federal states Berlin, Brandenburg, Saxony, Lower Saxony, and Rhineland-Palatinate with 935 employees.

In good hands with self-determination

The care facilities are specialised in the protection and promotion of the individual needs of each individual in need of care. High-standard living quality according to state-of-the-art standards and innovative care offers characterise the special living environment. A multitude of activity options as well as scientifically backed-up therapy and communication processes help to stay fit in the old age.

The medical service of German health insurance companies (Medizinischer Dienst der Krankenkassen, MDK) confirms the high quality of our facilities. Seven of our facilities were already graded and received consistently good to excellent care grades.

In addition, we offer private living with comprehensive service in our retirement residences. The surroundings of the facilities are selected especially carefully. Attractive opportunities for hiking and walking, good traffic connections, and interesting leisure activity offers make a mobile life in an intact infrastructure possible.

With KATHARINENHOF®, we offer the elderly persons a constructive option for shaping their life and show that joy and vitality are the focus at every age and also for those needing help.

1,350 retirement units
in 5 federal states

Turnover 2009: approximately
EUR 38.7 million

With long-term increase in value on the market

With 49,026 units, our residential property portfolio represents the core of our business activity. With an area of approximately 3 million m², the majority of our holdings is located in the growth regions Berlin, Frankfurt/Main and Rhine Main. In our portfolio strategy, we count on growth and the continuous optimisation of the core portfolio.

The starting point of our portfolio strategy is the segmentation of the property portfolio into core and disposal portfolio.

The core portfolio is our most important portfolio and includes property that shows further potential for increase in value and is therefore managed long-term by Deutsche Wohnen. It is subdivided in two clusters for optimal strategic control: cluster A contains properties that gain in value through increases in rent and reduction of vacancy. The above-average current gross rent potential in the housing units in cluster B is raised through additional investments in the medium-term.

The disposal property consists of two areas: the single privatisation, predominantly in Berlin, Frankfurt/Main and Rhine Main, includes property that is sold in the context of single privatisation. Block sales are targeted to

dispose of property in the course of a portfolio adjustment, especially where location and characteristics no longer correspond to our portfolio strategy. They are predominantly located in the key regions Brandenburg and Rhineland-Palatinate.

The realisation of developments and opportunities on the market does not only impact disposal property. Block sales are also possible in cluster A, if the margin from the disposal is significantly above the value that sustainable management would generate.

The DB 14 portfolio has a special role and is therefore not listed in our own properties.

The division of the property into the described cluster groups has proven itself in the past years and is a dependable basis for the expert evaluation of our properties. However, the analysis of our real property showed that a reorganisation of the properties in the existing clusters is advisable. As the tables show, we strengthened the core portfolio and raised it from 33,507 to 37,546 units. The disposal property decreased by 4,039 units. With the new portfolio profile, we can optimally pursue differentiated developmental strategies for our buildings.



Reorganisation of the portfolio for 2010

New grouping

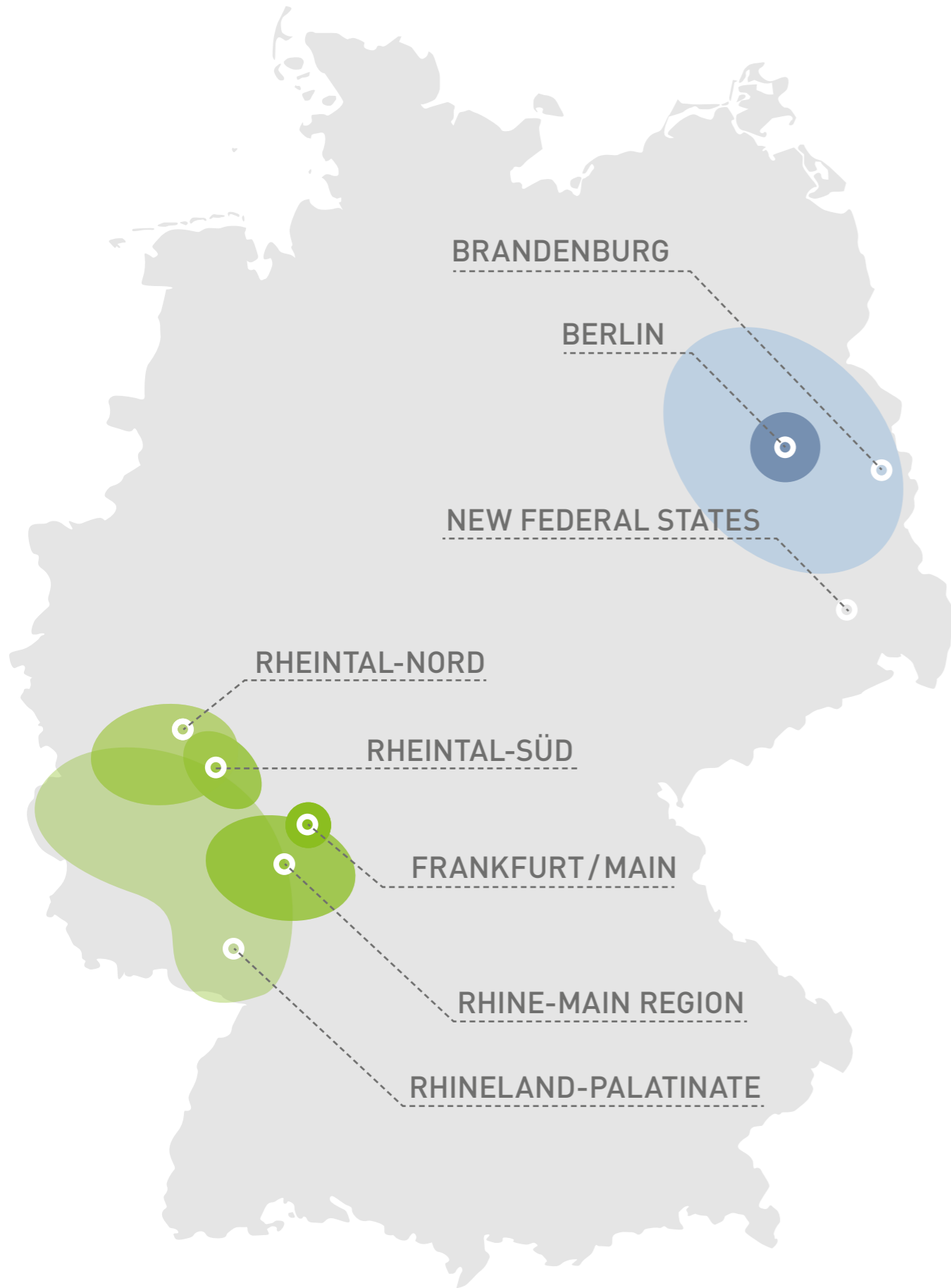
Portfolio overview as of 12/31/2009								
	Residential			Commeical	Parking	Fair Value		Multiple on potential gross rent
	Units	Rent	Vacancy			EUR m	EUR/m ²	
		EUR/m ²	%	Units	Units			EUR m
Core portfolio	37,546	5.33	2.7	380	9,842	2,187	943	14.1
Berlin	21,908	5.23	1.5	250	1,847	1,285	961	14.4
New federal states	1,150	4.93	4.1	28	305	55	696	11.4
Frankfurt/Main	3,658	6.83	2.0	44	1,808	332	1,440	17.2
Old federal states	10,830	5.08	5.4	58	5,882	516	766	12.2
Disposals	8,858	4.89	10.3	61	3,096	392	691	11.5
Single privatisation	4,347	5.43	8.3	16	1,655	263	908	13.5
Adjustment	4,511	4.32	12.9	45	1,441	129	465	8.7
Own properties	46,404	5.24	4.1	441	12,938	2,580	894	13.6
DB 14	2,622	5.51	4.3	29	2,615	170	913	12.9
Own properties incl. DB 14	49,026	5.26	4.2	470	15,553	2,750	895	13.5

Old grouping

Portfolio overview as of 12/31/2009								
	Residential			Commeical	Parking	Fair Value		Multiple on potential gross rent
	Units	Rent	Vacancy			EUR m	EUR/m ²	
		EUR/m ²	%	Units	Units			EUR m
Core portfolio	33,507	5.40	2.3	367	7,988	2,036	981	14.4
Berlin	22,636	5.21	1.5	272	1,856	1,321	951	14.3
Frankfurt/Main	3,658	6.83	2.0	44	1,808	332	1,439	17.2
Rhine-Main	3,157	5.87	4.6	41	1,912	209	1,002	13.8
Rheintal-Süd	4,056	4.79	5.3	10	2,412	174	701	11.9
Disposals	12,897	4.86	9.2	74	4,950	544	671	11.2
Single privatisation	4,386	5.41	8.5	16	1,671	263	903	13.5
Block sales	8,511	4.55	9.7	58	3,279	280	540	9.7
Own properties	46,404	5.24	4.1	441	12,938	2,580	894	13.6
DB 14	2,622	5.51	4.3	29	2,615	170	913	12.9
Own properties incl. DB 14	49,026	5.26	4.2	470	15,553	2,750	895	13.5

¹ not including North Hessen

Our residential property portfolio



	Core portfolio		Disposal property	
	Cluster A	Cluster B	Single privatisation	Block sales
Berlin	19,950	1,958	2,006	614
New federal states	812	338		
Brandenburg				623
Frankfurt/Main	3,658		639	
Rheintal-Nord	2,694		313	
Rhine-Main region	2,599	1,185	378	
Rheintal-Süd	3,548	804	590	323
Others Rhineland-Palatinate			317	2,844
Others			104	107

(without DB14)

Rent-return strength and appeal

The focus of our holdings is on the metropolitan areas Berlin as well as Frankfurt/Main and Rhine-Main. 68% of our core portfolio is concentrated in these growth-strong core regions. The market potential of Berlin and Frankfurt/Main is enhanced by numerous other advantages in addition to the country-city migration.

Why Berlin?

The German capital offers great innovative and future viability with creativity, highly qualified employees, and increasing economic importance. Berlin's positive image is confirmed by the population which has been growing for years. The capital benefits from a relatively low level of net

cold rent costs so that the amount of low-priced and attractive housing units is an additional locational advantage. However, the demand above all for small housing units is increasingly rising. A growing number of one-person households due to immi-

gration makes for an increased demand for additional housing units. The positive development of low-priced rents above all of high-value housing units is already becoming apparent now.

Why Frankfurt/Main?

The metropolis and banking city on the Main river is characterised by its enormous economic concentration and the economic growth which has been unceasing for years. The population shows an above-average high income and strong purchasing power –

two factors that additionally support Frankfurt's appeal. The level of net cold rent costs is accordingly relatively high. A growing population with simultaneously sinking construction activity makes for an increasing need for housing units.

Above all the number of one-person and two-person households has significantly increased through the individualisation of living in the last few years.



Our residential property portfolio

BERLIN

Housing units: 24,528
Publicly funded: 12.9%
Rent EUR/m²: 5.20
Rent development 2009: 4.4%
Vacancy rate: 2.2%
Vacancy rate development: -42.3%

PANKOW

Rent development 2009: 2.8% to 5.00 EUR/m²
Vacancy rate development 2009: 6.5% to 3.4%

REINICKENDORF

Rent development 2009: 2.7% to 4.83 EUR/m²
Vacancy rate development 2009: -73.6% to 1.4%

TEGEL

Rent development 2009: 3.8% to 5.03 EUR/m²
Vacancy rate development 2009: -47.4% to 2.1%

CHARLOTTENBURG

Rent development 2009: 5.4% to 5.37 EUR/m²
Vacancy rate development 2009: -80.1% to 1.3%

WILMERSDORF

Rent development 2009: 3.9% to 6.16 EUR/m²
Vacancy rate development 2009: -39.2% to 2.7%

ZEHLENDORF

Rent development 2009: 7.8% to 5.94 EUR/m²
Vacancy rate development 2009: -38.2% to 1.5%

STEGLITZ

Rent development 2009: 4.5% to 4.97 EUR/m²
Vacancy rate development 2009: -28.9% to 2.1%

BRITZ

Rent development 2009: 3.8% to 5.17 EUR/m²
Vacancy rate development 2009: -45.6% to 1.5%

MARIENDORF

Rent development 2009: 3.7% to 4.99 EUR/m²
Vacancy rate development 2009: -63.8% to 0.7%

GROPIUSSTADT

Rent development 2009: 5.1% to 4.33 EUR/m²
Vacancy rate development 2009: -34.0% to 1.9%

TREPTOW

Rent development 2009: 3.3% to 5.04 EUR/m²
Vacancy rate development 2009: -25.9% to 5.9%

OTHERS

Rent development 2009: 3.9% to 5.07 EUR/m²
Vacancy rate development 2009: -43.4% to 3.7%

FRANKFURT

Housing units: 4,302
Publicly funded: 6.5%
Rent EUR/m²: 6.75
Rent development 2009: 2.2%
Vacancy rate: 3.3%
Vacancy rate development: -33.8%



ZEILSHEIM

Rent development 2009: 2.3% to 6.45 EUR/m²
Vacancy rate development 2009: -29.2% to 2.5%

UNTERLIEDERBACH

Rent development 2009: 1.6% to 6.82 EUR/m²
Vacancy rate development 2009: -44.3% to 2.8%

GRIESHEIM

Rent development 2009: 2.3% to 6.48 EUR/m²
Vacancy rate development 2009: -42.7% to 2.5%

FECHENHEIM

Rent development 2009: 2.3% to 6.95 EUR/m²
Vacancy rate development 2009: -25.4% to 5.0%

WESTEND-NORD

Rent development 2009: 3.6% to 6.59 EUR/m²
Vacancy rate development 2009: -71.5% to 0.8%

OTHERS

Rent development 2009: 2.3% to 7.24 EUR/m²
Vacancy rate development 2009: -20.1% to 5.9%

What challenges you in the company?



Rita Schnittger, Staff IT,
Deutsche Wohnen AG

› The challenge for me consists above all in working efficiently by using the newest technologies, in order to get as closely as possible to my goal to achieve the best support possible for the users. ‹



Thorsten Schick, Staff Rental Control and
Development, Deutsche Wohnen Management
GmbH

› The opportunity to be allowed to take on ever new tasks and to thus expand my personal development perspectives. ‹



Nadine Huras, Back Office, Service Point Head
Office, Deutsche Wohnen Management GmbH

› My current challenge in the company is the post-processing and/or creation of documents of the day-to-day operations in the rental area that has become necessary through the conversion to SAP. ‹



Tobias Wriedt, Controlling/Financing, Deutsche
Wohnen AG

› By ensuring the data quality and constant improvement of the credit portfolio analysis, I can contribute to a dynamic company. ‹



Katarzyna Orlik, Housing Area Manager,
KATHARINENHOF®

› Our goal: to always be one of the best in the industry. ‹



Falk Laloi, Section Manager Disposal,
Deutsche Wohnen Corporate Real Estate GmbH

› To reconcile customer needs and company objectives in economically difficult times. ‹

Our commitment

Staff

Professional, fair, motivated

Our successful business development is in no small part attributable to our employees. Their qualification and professionalism also determine the future growth of the company. Our appreciation becomes apparent in the vibrant and open corporate culture. Fairness when working together and reliable cooperation characterise the contact with business partners, customers, and colleagues. The business climate is characterised by dynamism and efficiency through the challenges of the industry. The team is oriented towards success and committed to customer satisfaction and product quality, and thus plays an important role.

We place special emphasis on the well-balanced ratio of our staff. The high proportion of female employees is an essential part, but the mixture of experienced and learning employees is also important. Many of our employees have been with us for a long time, some of them working

in the company for up to 30 years. Added to this are 71 new hires in the past year. The number of trainees has amounted to approximately 30 for years. We are committed to keep this number in the future. KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH employs another 52 trainees.

Firm components of our business policy are the continued education of the employees and the qualified mentoring of the trainees. We give them the opportunity to work independently and to attain a high qualification with a large number of different training stations. In addition, we are specifically interested in keeping our youngest employees long-term and offering them the prospect of employment. Quite a number of our former trainees work in leading positions today.



Company summer event 2009

Personnel operational figures Housing	
Employees of Deutsche Wohnen	355
thereof men in percent	39
thereof women in percent	61
Proportion of women in leading positions in percent	44.4
Staff turnover ratio at Deutsche Wohnen in percent	3.1
Average age in years	38.6

Personnel operational figures Nursing and residential care homes	
Employees of KATHARINENHOF®	935
thereof men in percent	15
thereof women in percent	85
Proportion of women in leading positions in percent	83.3
Staff turnover ratio at KATHARINENHOF® in percent	2.4
Average age in years	43

76% of the employees
are women

› I always feel that I am making an important contribution to the success of the company with my work. ‹

Lars Urbansky
Department Head
Portfolio Management



What does your career at Deutsche Wohnen look like?

In 1996, I started my training as real estate agent at GEHAG. I then worked for the department management control and planning. While already working, I qualified as a real estate specialist and successfully completed a bachelor degree. In 2008, I took over as head of the portfolio management department.

What do your responsibilities entail?

The portfolio management represents various task fields of the Group. First and foremost, the department is responsible for the strategic orientation of the portfolio which also includes the acquisition of new property. Our activity takes place essentially through the analysis of the existing and/or future real property, market observation, and the close collaboration with the other departments.

In addition, we are responsible for the evaluation of the portfolio as well as internal and external reporting.

What do you appreciate in particular in working for Deutsche Wohnen?

There are several aspects. On the one hand, my professional career already shows that I had the opportunity from the start to continue to earn qualifications according to my interests and consequently also take on leadership positions. On the other hand, I always feel that I am making an important contribution to the success of the company with my work. I can give my thoughts free rein and also take the unorthodox route once in a while.

Our commitment

Youth and social affairs

One city, one home

What does living together mean? With the family centre "Manna", we created a place of vital neighbourhood for the residents of Gropiusstadt in Berlin. Here, living next to one another becomes living and working together.

With our support, the German aid organisation Malteser Hilfsdienst opened a meeting and leisure centre in Berlin Neukölln last year. The centre has something to offer to all generations: approximately 40 children receive a hot meal and help with their homework, and use the varied offers of leisure activities every day. Young people find orientation help in the vocational guidance service. Parents

find support, and our tenants with immigrant background have the opportunity to participate in language courses. Meetings are organised for senior citizens, but also visits and accompanying services are on offer. In addition, the open neighbourhood club brings the residents closer together and contributes to the quality of housing and living of our tenants.



6 November 2009: Inauguration of the family centre "Manna"



Little tenants, large projects

Where do children feel more comfortable than in an environment that does justice to their world? In Zehlendorf, one of the districts of Berlin with the most children, a special place exists with the "Kiddies Daykita".

For the day-care centre "Kiddies", a former commercial property in the housing estate Waldsiedlung that is protected as historic monument was restored in a manner appropriate for children. In close consultation with the founder and through extensive constructional measures, we adapted the premises to the new challenges. The rooms were individually designed on the basis of eco-

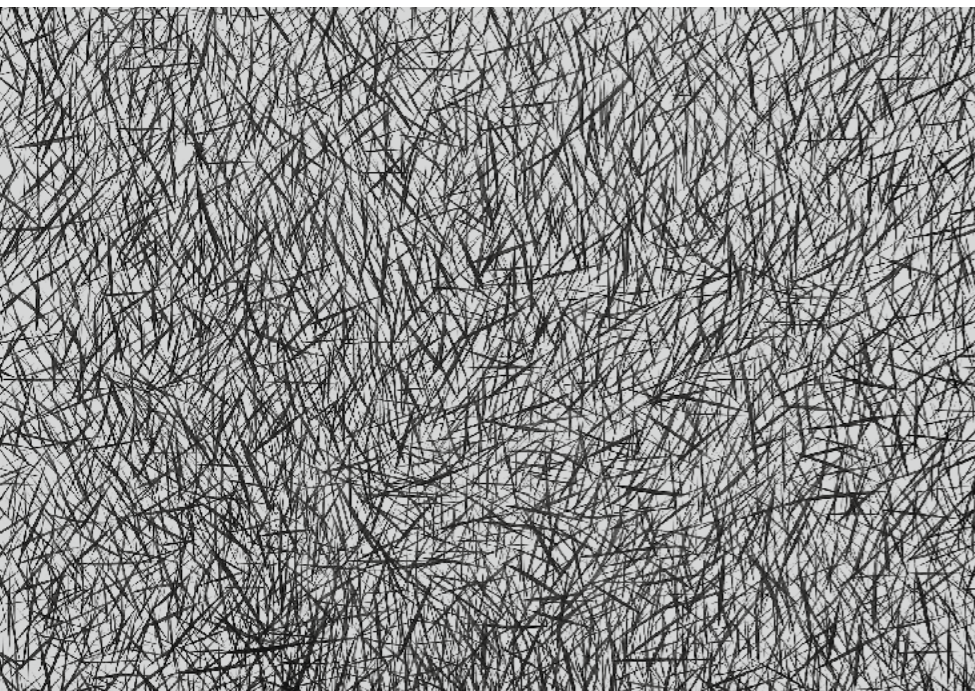
architectural and room-psychological insights. This resulted in an environment that positively affects the children and promotes their joy of discovery. Creative ideas, innovative care, and an environment appropriate for children make the day-care centre popular with little and big tenants in equal measure.

Our commitment

Art and culture



Rachel Kohn



Jürgen Kellig

1988: Foundation of the GEHAG Forum through Heinz-Viktor Simon, Chief Executive Officer GEHAG



Picture on the left:
Angelique van Wesemael



Picture on the right:
Ernst Baumeister

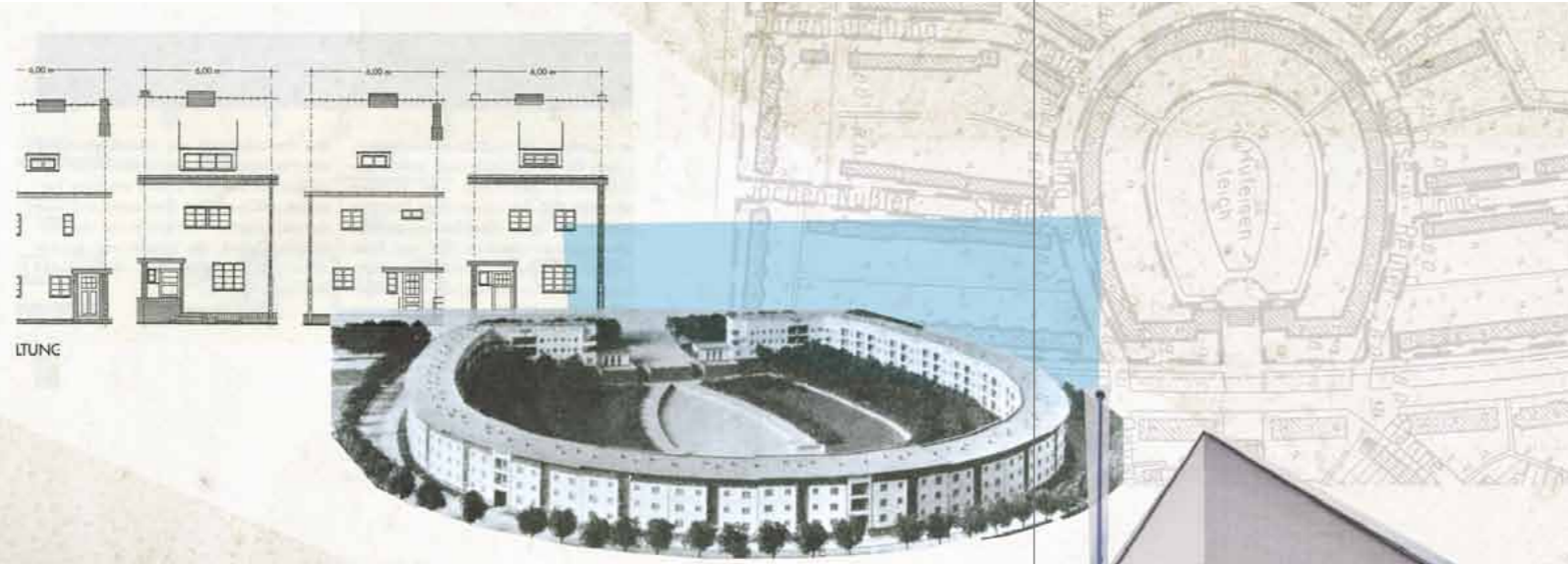
GEHAG Forum In the tradition of modernism

Art has a long history with us. Its roots can be found already in the 1920s: at that time, the Berlin GEHAG worked together with Bruno Taut. As a successful architect, he designed tenements; however, he originally came from painting and was a member of the artist union "Gläserne Kette (glass chain)". In Taut's honour, the first exhibition of the GEHAG Forum, established in 1988, was about a residential home in Dahlewitz which he designed and configured in terms of colour. Since then, more than 140 artists have presented their works. Then as now, it has been our goal to give the manifold positions of modern art a platform and to give employees, customers, and visitors a better understanding of it. In addition to architectural works, we have exhibited paintings, etchings, and drawings, but also sculptures as well as video art. With topical variety and the integration of works away from the main stream, the GEHAG Forum has turned into a recognised place of contemporary art in the last 22 years.

Annually up to 6 exhibitions
of contemporary works

Our commitment

Art and culture



A heritage with a future



Living in distinguished architecture – historical, modern and sustainable, this is what our location Berlin offers: The UNESCO world heritage estates Hufeisensiedlung Britz, Weiße Stadt, and Siemensstadt have in part been in our property already since 1920. They are part of the most important construction and sociological reform contributions in Berlin of the 1920s and 1930s. Especially today, the large landscaped housing estates are sought-after places to live. With their high quality in design and efficient floor plans, they offer what a place needs to live and feel great. In addition, the current tendency to urban infrastructure and away from rural withdrawal make their location attractive to many people looking for a place to live. With their comfortable flats and family-friendly row houses, the estates have something to offer to everyone. The legacy of the architects Bruno Taut, Walter Gropius, Hans Scharoun and many others is a challenge for us: The preservation of the estates and their rehabilitation according to standards of the protection and preservation of historic monuments take place according to strict stipulations. Ms. Eike Petersen, architect of our company, talks about this unique architectural heritage and its challenges for Deutsche Wohnen.

July 2007: Foundation of the "Initiative world heritage" for the sensitisation of the public to the cultural heritage of social housing construction

July 2008: Inclusion of the "Estates of the Berlin Modernism" in the UNESCO world heritage list

Our commitment

Art and culture

Protection and preservation of historic monuments with zeitgeist

What makes the "Estates of the Berlin Modernism" that are part of the holdings of Deutsche Wohnen a UNESCO world heritage?

The style of the "modern architecture" at the beginning of the 20th century finds its most beautiful expression in these estates: light and air for metropolitans, human dimensions and urban vicinity – today, these are inestimable factors for living quality, which at that time determined construction in the estates of the Berliner Modernism for the first time – and sent impulses for modern architecture from Berlin out into the entire world.

What is the condition of the built volumes 80 years after construction?

On principle, the estates are well preserved. However, over the decades, changes were made that were not always according to the standards of the protection and preservation of historic monuments, for example the colouration of the windows and façades, the plaster structure, or installations by tenants like balcony enclosures made of glass.

How does Deutsche Wohnen deal with this?

Our task is the reconstruction and preservation of the valuable built volumes. Through careful building-back to the original appearance, we acknowledge our company history and the visions of social housing construction of those times. The housing estate Hufeisensiedlung is a good example for this.

June 2009: Presentation of the UNESCO certificate for the estates of the Berliner Modernism

› Our task is the reconstruction and preservation of the valuable built volumes. ‹

Eike Petersen
Architect



Which measures were implemented there?

After detailed inventory taking and investigations from a conservation standpoint, we carried out energetic improvements in the context of the protection and preservation of historic monuments: In 2009, during the first building phase, the ceilings of the basements and the top storeys received thermal insulation, single-pane windows in the attic storey were exchanged for wood/insulating glazing, and the glass balcony enclosures were removed. In addition, we repaired the first façades and re-plastered them.

What does Deutsche Wohnen plan for 2010?

On the one hand, we will continue the work already started. On the other hand, we will redesign the front gardens at Lowise-Reuter-Ring according to the historic example. Further goals are the improvement of the living environment as a whole and the development of the tourist appeal of the estate. Longer-term we plan to reconstruct one of the row houses with original furnishings, in order to show visitors and inhabitants of the estate the living and housing conditions of that time.

Where do you personally see the greatest challenge?

The UNESCO estates are a unique cultural heritage. Their architects fulfilled the high standard to create places where people like to live. We want to sensitise the public to the value of the estates and give them an understanding of the special characteristics of these buildings.

August 2009: Sponsorship grant of the Senate Department for Urban Development Berlin for the energetic restructuring

Our commitment

Environment

For tomorrow's challenges

By the year 2020, the German Federal Government wants to have lowered CO₂ emissions by 40%. We are already now contributing to this goal: with energetic rehabilitation measures that protect the environment, increase the property value, and are affordable for our tenants.

Almost 20% of the entire energy consumption in Germany are caused by buildings. Old buildings, which make up for approximately 18 million housing units, offer enormous savings potential in energy consumption. Many of our holdings are also part of this; in addition, a large part of our real property are listed buildings. These buildings are of important historic and cultural value, which is why their energetic rehabilitation and modernisation are subject to restrictions. This is why we focus even more on efficient heating technology and ecological forms of heat supply.

One example for saving valuable primary energy shows Berlin's Gropiusstadt. Here, a new power plant was constructed on the basis of wood with a primary energy factor of 0.0. The wood-fired power station supplies the approximately 50,000 inhabitants of Gropiusstadt safely and environmentally friendly with heat. The use of wood leads to an annual CO₂ reduction of approximately 160,000 t compared to the prior supply on coal basis. In addition, the power plant contributes with 3% to the CO₂ reduction goal of the German capital. The residents also benefit from the plant along with the environment, because heating costs were reduced by 30% on average. The joint project of RWE/HARPEN EKT and GbR Fernheizung Gropiusstadt, a consortium of Deutsche Wohnen and other housing companies in Gropiusstadt, received the 1st price of the Berliner KlimaSchutzPartner (Berlin climate protection partner).

In Berlin-Zehlendorf, we replaced the original decentralised heat supply with district heating connections in com-

ination with combined heat and power and thereby lowered the primary energy demand by more than half.

District heating has many advantages: since no energy processing takes place in the residential areas, waste heat losses through flue gases are avoided. The residential environment also substantially improves because no emissions are generated on-site. There are additional advantages together with the combined heat and power generation: here, the heat generated during the process of power production is used to supply the residential areas. This way, the CO₂ emissions are significantly lowered in comparison with other forms of energy production. In addition to the positive ecological effects, district heating also has financial advantages that benefit our tenants. 40% of our housing units are already connected to district heating. In future, we will set-up additional holdings with this sustainable form of heating. In Berlin-Pankow, for example, the first building phase for the conversion of the heating systems, like gas storey heating, to district heating starts in 2010.

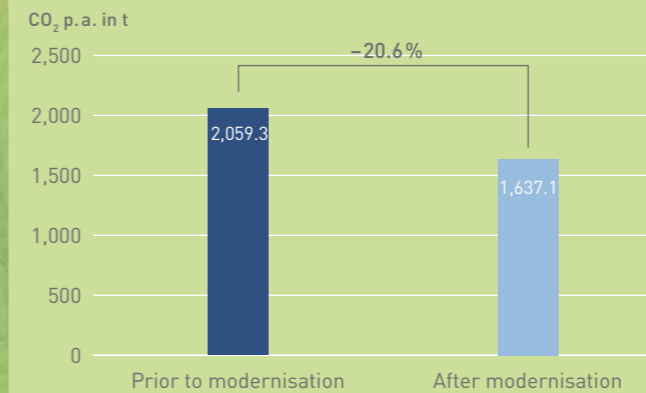
In the UNESCO world heritage estate "Weiße Stadt" in Berlin we showed that energy-efficient modernisation and the protection and preservation of historic monuments are not mutually exclusive: through the conversion of the central energy supply system from oil to gas as well as through measures to improve the automatic control technology, we managed to lower CO₂ emissions by 30% and costs by 15%.

Gropiusstadt:
Reduction of the heating costs
by 30% on average

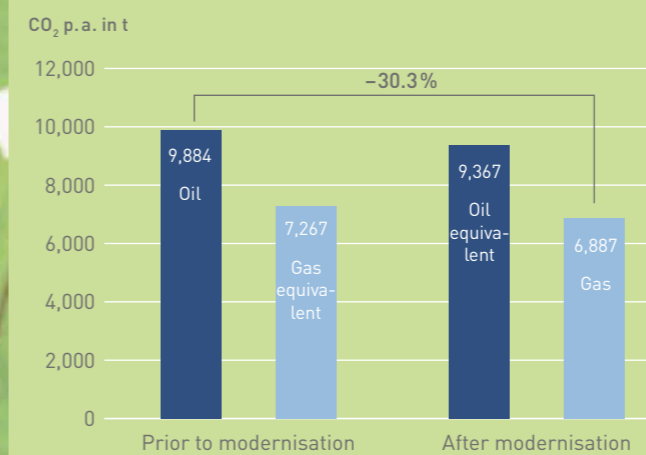
Waldsiedlung:
Reduction of the primary energy demand
by 53.7% after the modernisation

Weiße Stadt:
Lowering of the CO₂ emissions by 3,000 t
after changing the energy source

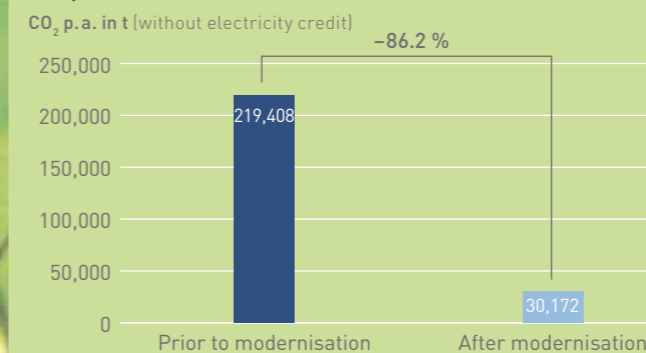
Waldsiedlung Zehlendorf



Weiße Stadt



Gropiusstadt



Schedule 2010

22 February 2010

DVFA Real Estate Conference, Frankfurt/Main

11 – 12 March 2010

Kempen & Co "European Property Seminar", New York

26 March 2010

Conference Call, Results of the Financial Year 2009

15 April 2010

Publication of Annual Report 2009

20 – 21 April 2010

Credit Suisse Global Real Estate Conference, London

27 April 2010

Merrill Lynch Small Mid Cap Conference, London

31 May 2010

Publication of Interim Report as of 31 March 2010/1st quarter

15 June 2010

Annual General Meeting 2010, Frankfurt/Main

30 August 2010

Publication of Interim Report as of 30 June 2010/Half-year results

28 – 29 September 2010

Merrill Lynch Global Real Estate Conference, New York

4 – 6 October 2010

Expo Real, Munich

19 October 2010

IIA – 10th Initiative Immobilien-Aktie, Frankfurt/Main

17 – 18 November 2010

WestLB Germany Conference, Frankfurt/Main

22 – 24 November 2010

Eigenkapitalforum Deutsche Börse, Frankfurt/Main

29 November 2010

Publication of Interim Report as of 30 September 2010/3rd quarter

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