



H1 Results 2009

Conference Call
August 27, 2009

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Rental business on track

Core Portfolio

- Rents up by 10 Cents from 5.19 €/sqm to 5.29 €/sqm H-o-H
- Vacancy reduction by 26.7% from 4.5% to 3.3% H-o-H

Sales (notarised)

Total units sold: 739 (notarized)

- Sales proceeds: €41.1m

Single Privatisation

- Units sold: 403 (500 units stated annual privatisation target)
- Sales margin: 34%

Cost savings initiated in 2008 showing effects

- Personnel costs reduced by 23% H-o-H
- General and administration costs down by 4% H-o-H

Cash flow situation improved

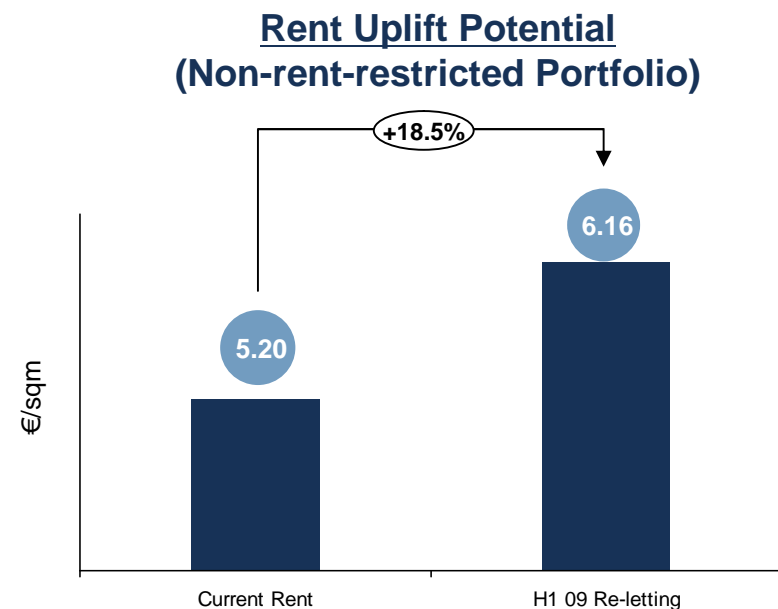
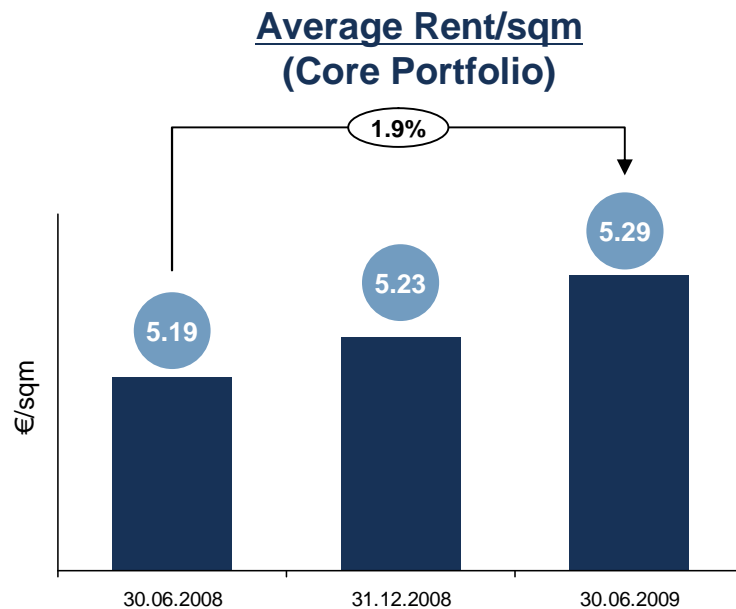
- FFO increased by 63% H-o-H to €0.67 per share (H1 2008: €0.41 per share)
- Interest expenses (net) down by 11% H-o-H

Ongoing improvement of business processes

- Increased service quality as a result of SAP implementation and new corporate structure of property management business

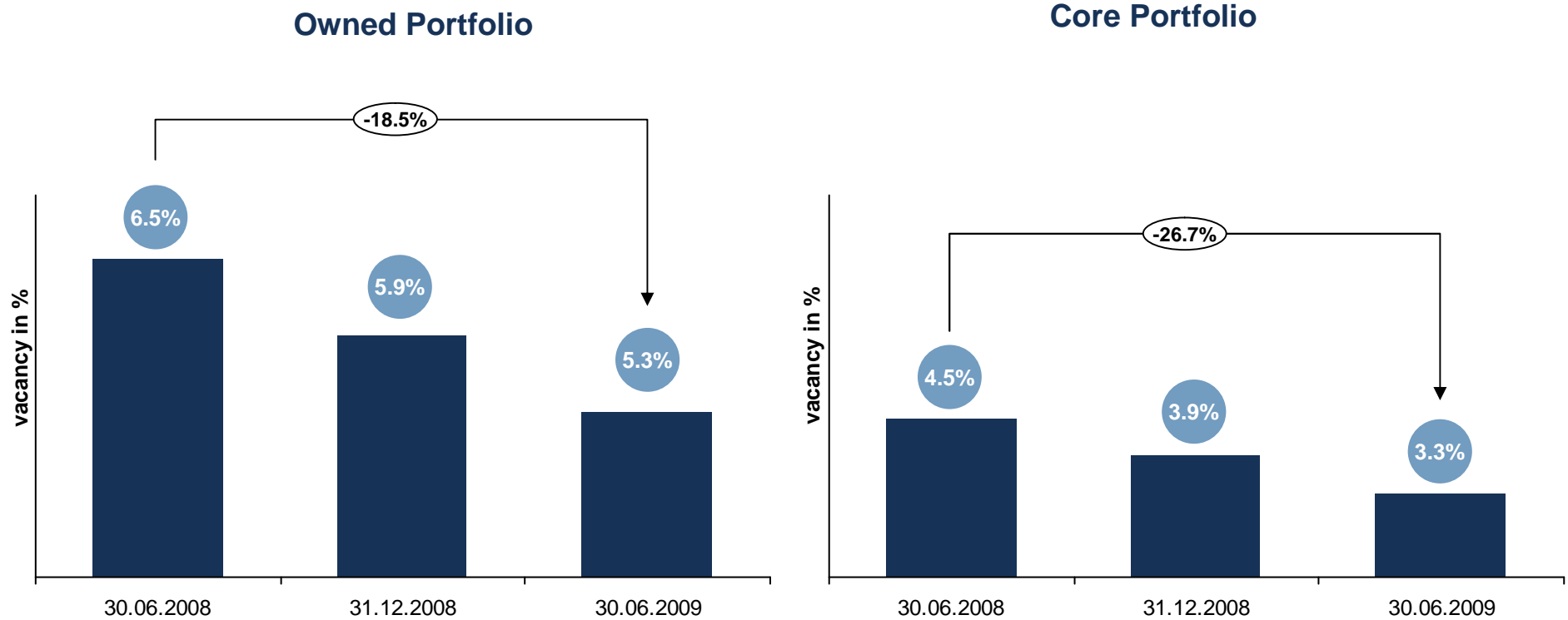
» Rent increases – Growth potential through active portfolio management

- Average rent/sqm of core portfolio increased by 1.9% since June 30, 2008
 - Lease turnover as the key driver of increasing rents to market prices
 - Fluctuation per annum is currently approximately 10% of total portfolio
- 2,300 new rental contracts in the past 6 months for on average 6.16 €/sqm and thus 18.5% above current average rent (5.20 €/sqm) in the non-rent-restricted portfolio



» Vacancy – significant reduction

- Significant reduction in the overall portfolio
- Strong performance in particular in core portfolio



» Sales – sustainable Margin

- Single privatisation program successfully continued in H1 2009
 - Fair value margin of 34% - sustainable margin over last 18 months above 30%
 - 80% of target for full year already achieved

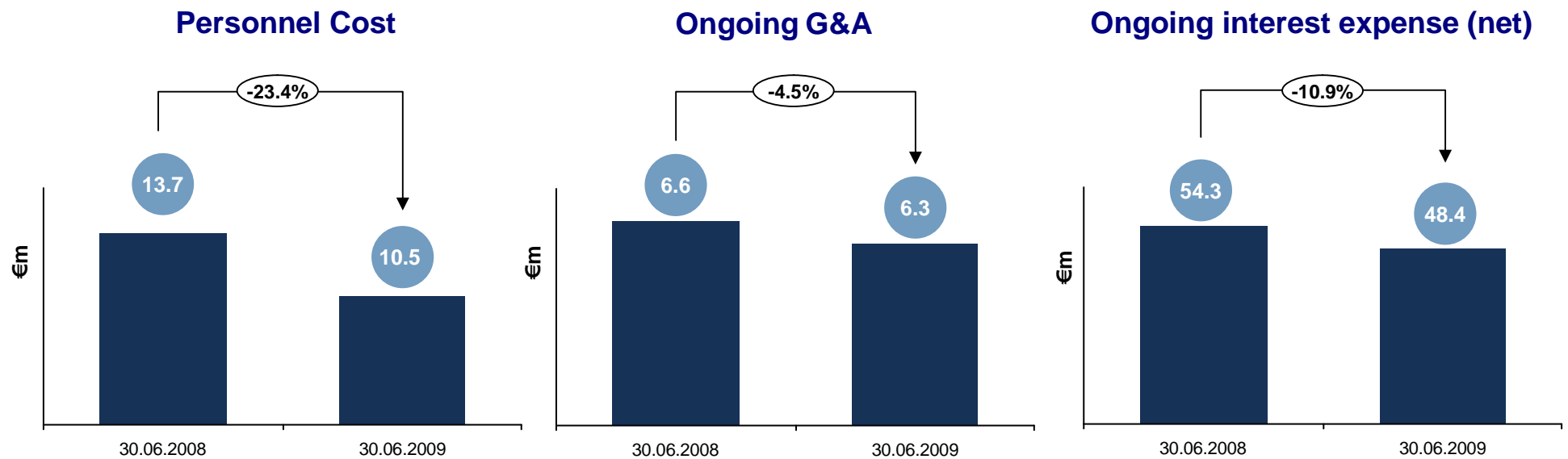
Sales (notarised)	units	Transaction volume €m	Fair value €m	Margin ¹	
				€m	%
Single Privatisation	403	33.4	25.0	8.4	34%
Bloc sales	336	7.7	7.2	0.5	7%
Total	739	41.1	32.2	8.9	28%

Sales in P&L	units	Sales price €m	Fair value €m	Margin ¹	
				€m	%
Single Privatisation	190	15.9	11.5	4.4	38%
Bloc sales	202	2.8	2.6	0.2	8%
Total	392	18.7	14.1	4.6	33%

¹ before costs

» Cost savings – showing effects

- Significant cost reduction as a result of recent restructuring
- Interest expenses (net) dropped by 11% mainly due to repayments



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» Financial Result H1 2009

€ million	2008	H1 2008	H1 2009	Change H-o-H
Result from Rental Business	147.8	75.5	77.3	2.4%
Result from Sales	13.2	4.8	2.5	
Corporate Expenses	-38.9	-20.3	-16.8	-17.2%
Non-core Businesses	8.5	5.7	4.3	
EBITDA	130.6	65.7	67.3	2.4%
EBIT	-147.7	64.4	65.9	
Ongoing Interest (net)	-104.7	-54.3	-48.4	-10.9%
Non cash Interest and other	-20.0	-7.5	-7.5	
EBT before Swap Valuat.	-272.5	2.6	10.0	
SWAP valuation	-32.2	26.1	-0.5 ²	
One-offs	-24.1	-16.8	-5.4	
Taxes	56.5	-11.5	-6.5	
Net Income¹	-255.9	0.5	-2.4	

- Underlying rental business with continuous improvement
- Concluded sales only partly reflected in P&L
- Significant success on the cost side
- Lower non-core business due to AKF disposal

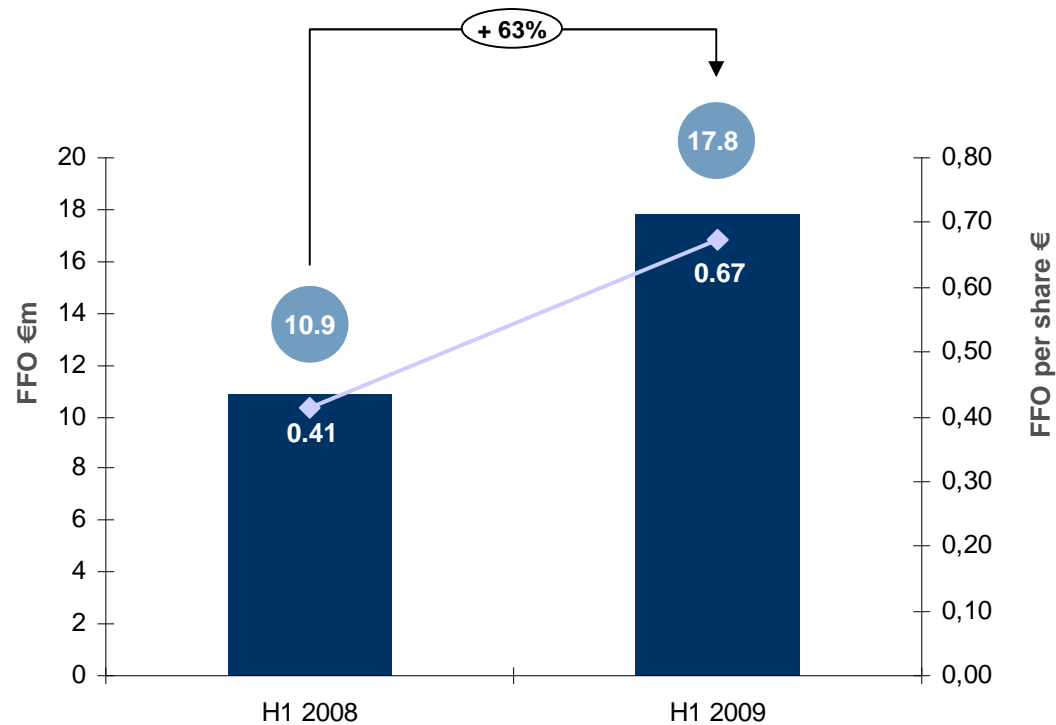
- SWAP effects adjusted earnings before taxes almost quadrupled from €2.6m to €10.0m (H-o-H)

- Net income affected by One-offs and deferred taxes

¹ including income from discontinued operations

² change to hedge accounting, SWAP revaluation reflected directly in equity

» Continued improvement of key financial measures



- Implemented restructuring measures and reduced interest have resulted in a significant FFO improvement

» Solid Financing H1 2009

Debt structure

- Financial liabilities: €2,039.9m
- Loan-to-value ratio (LTV): 69.9%
- Available credit lines: €65.0m

Attractive cost of financial debt

- Average interest rate: ~ 4.3%
- Average redemption p.a.: ~ 2.0%
(excl. sales release payments)
- ~ 93% hedged

Long-term maturities profile

- Average duration: 10 years
- Maturities for fixed and variable interest loans:

2009*	2010	2011	2012	2013	≥ 2014
€74.8m	€63.7m	€5.4m	€430.7m	€25.9m	€1,439.4m

* Without impact of rights issue

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» Strategic Focus of Deutsche Wohnen

Optimisation of capital structure

- Reduction of LTV to 60-65% in the mid-term
- Increase strategic flexibility for external growth
- Further improve cashflow profile

Pursue selective growth opportunities

- Acquisition opportunities in the market combined with strict acquisition criteria enable value and cashflow accretion
- Platform scalability provides for further operative optimisation and thus ensures cashflow effective cost reduction
- Growth required to ensure relative competitive positioning in the mid- to long term

Improve capital market profile

- Increase in share trading volume / liquidity
- M-DAX inclusion could attract new investor groups

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» Portfolio Overview as of 30 June 2009

	Apartments				Commercial		Parking
	Units	Rental area	Rent	Vacancy	Units	Rental area	Units
	#	'000s sqm	€/sqm	%	#	'000s sqm	#
Core portfolio	33,777	2,037	5.29	3.3%	377	70	8,047
Berlin	22,757	1,369	5.08	2.5%	270	37	1,855
Frankfurt/Main	3,660	217	6,76	2.6%	43	17	1,825
Rhine-Main	3,272	203	5.81	6.9%	54	14	1,960
Lower Rhine-Valley	4,088	249	4.76	5.3%	10	1	2,407
Disposal	13,724	859	4.82	10.6%	81	7	5,181
Single privatisation	4,840	322	5.33	11.3%	20	2	1,820
Bloc sales	8,884	537	4.52	10.1%	61	5	3,361
Own properties ¹	47,501	2,896	5.15	5.3%	458	77	13,228
DB 14	2,621	179	5.47	6.2%	31	8	2,624
Total	50,122	3,075	5.17	5.4%	489	85	15,852

¹ without Northern Hessen

- Core portfolio: sustainable managed stock with rent increase potential in Cluster A from rent adjustments (rent index) and in Cluster B (development) from rent increases after modernisation
- Disposal:
 - Single privatisation ➔ target to privatise 500 units p.a. continuously
 - Bloc sales ➔ portfolio adjustment

» FFO Calculation

€ million	H1 2008	H1 2009
Net profit	0.5	-2.4
+ Depreciation	0.8	1.4
+ Changes in market values of investment properties	-0.5	0.0
- Result from discontinued business segments	0.3	0.0
+ Changes in market values of derivatives	-25.9	0.5
+ Non-cash financial expenses	7.5	7.5
- Deferred taxes	11.3	5.4
+ Restructuring costs	16.8	5.4
= FFO	10.9	17.8
FFO per share €	0.41	0.67

» Balance Sheet – Assets

€ million	31.12.2008	30.06.2009
Investment properties	2,900.7	2,888.9
Other non core assets	23.0	21.8
Deferred tax assets	92.6	96.6
Non current assets	3,016.3	3,007.3
Land and buildings held for sale	19.3	19.2
Receivables from goods and services	21.2	12.9
Other current assets	27.9	26.2
Cash	42.0	19.5
Current assets	110.4	77.8
Total assets	3,126.7	3,085.1

» Balance Sheet – Liabilities

€ million	31.12.2008	30.06.2009
Total equity	649.3	635.5
Financial liabilities	2,089.2	2,039.9
Tax liabilities	82.3	82.6
Deferred tax liabilities	71.7	76.1
Derivatives	49.3	66.3
Other liabilities	184.9	184.7
Total liabilities	3,126.7	3,085.1

	31.12.2008	30.06.2009
NAV (€ million)	646.2	640.7
NAV per share (€)	24.48	24.27

» Shareholder Structure

Shareholder's Name	Attributed to the notifier, shareholder with more than 3%	According to last WpHG notification		Unchanged since
		Shares	%	
Oaktree	OCM Funds	6,400,000	24.24%	15.08.2007
Asset Value Investors Ltd.	British Empire (AVI)	2,643,696	10.01%	17.09.2008
Deutsche Asset Management	Zurich Deutscher Herold Lebensversicherung AG (ZDHL)	1,517,500	5.75%	16.04.2002
Arnhold and S. Bleichroeder Advisers LLC	First Eagle Overseas Fund	1,383,380	5.24%	03.07.2008
Ärzteversorgung Westfalen-Lippe	Feri Finance AG	878,157	3.33%	03.12.2007
Sun Life Financial	MFS Investment Management	794,640	3.01%	16.11.2007
Total		13,617,373	51.58%	
Freefloat		12,782,627	48.42%	

- Stable basis of supportive professional investors

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