



# CON SIS TEN CY

**Positioned perfectly.**

Interim report as at 30 June 2015



|  |           |
|--|-----------|
| <b>GROUP KEY FIGURES</b>                         | <b>2</b>  |
| <b>CONSOLIDATED INTERIM MANAGEMENT REPORT</b>    | <b>3</b>  |
| <b>CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b> | <b>19</b> |
| <b>RESPONSIBILITY STATEMENT</b>                  | <b>32</b> |
| <b>FINANCIAL CALENDAR</b>                        | <b>33</b> |
| <b>CONTACT AND IMPRINT</b>                       | <b>33</b> |

**CON  
SIS  
TEN  
CY**

Positioned perfectly.

## GROUP KEY FIGURES

| Profit and loss statement                     |               | H1/2015 | H1/2014             |
|---|---------------|---------|---------------------|
| Earnings from Residential Property Management | EUR m         | 259.1   | 259.7               |
| Earnings from Disposals                       | EUR m         | 46.2    | 25.6                |
| Earnings from Nursing and Assisted Living     | EUR m         | 7.9     | 8.3                 |
| Corporate expenses                            | EUR m         | -36.8   | -45.8               |
| EBITDA  | EUR m         | 260.1   | 240.3               |
| EBT (adjusted)                                | EUR m         | 202.7   | 141.2               |
| EBT (as reported)                             | EUR m         | 806.5   | 113.5               |
| Group profit after taxes                      | EUR m         | 542.8   | 94.6                |
| Group profit after taxes <sup>1)</sup>        | EUR per share | 1.72    | 0.32 <sup>3)</sup>  |
| FFO I   | EUR m         | 142.7   | 114.2               |
| FFO I <sup>1)</sup>                           | EUR per share | 0.47    | 0.39 <sup>3)</sup>  |
| FFO II  | EUR m         | 188.9   | 139.8 <sup>2)</sup> |
| FFO II <sup>1)</sup>                          | EUR per share | 0.62    | 0.48 <sup>3)</sup>  |

| Balance sheet             |       | 30/6/2015 | 31/12/2014 |
|---------------------------|-------|-----------|------------|
| Investment properties     | EUR m | 10,740.3  | 9,611.0    |
| Current assets            | EUR m | 867.6     | 882.9      |
| Equity                    | EUR m | 6,231.2   | 4,876.1    |
| Net financial liabilities | EUR m | 4,455.0   | 5,131.3    |
| Loan-to-Value Ratio (LTV) | in %  | 40.9      | 51.0       |
| Total assets              | EUR m | 12,527.7  | 11,446.2   |

| Share                       |               | 30/6/2015 | 31/12/2014 |
|-----------------------------|---------------|-----------|------------|
| Share price (closing price) | EUR per share | 20.56     | 19.58      |
| Number of shares            | m             | 337.35    | 294.26     |
| Market capitalisation       | EUR bn        | 6.9       | 5.8        |

| Net Asset Value (NAV) |               | 30/6/2015 | 31/12/2014 |
|-----------------------|---------------|-----------|------------|
| EPRA NAV (undiluted)  | EUR m         | 6,839.3   | 5,326.0    |
| EPRA NAV (undiluted)  | EUR per share | 20.27     | 18.10      |
| EPRA NAV (diluted)    | EUR per share | 20.69     | 18.62      |

| Fair values   |             | 30/6/2015 | 31/12/2014 |
|---|-------------|-----------|------------|
| Fair value of real estate properties <sup>4)</sup>                  | EUR m       | 10,287    | 9,785      |
| Fair value per sqm of residential and commercial area <sup>4)</sup> | EUR per sqm | 1,160     | 1,062      |

<sup>1)</sup> Based on an average number of around 304.05 million issued shares in 2015 or of around 289.99 million issued shares in 2014

<sup>2)</sup> Change of method of calculation for previous year

<sup>3)</sup> Takes into consideration the effects of the capital increase of June 2015 (so-called Scrip-Adjustment of around 1.01)

<sup>4)</sup> Takes into consideration only residential and commercial properties

# CONSOLIDATED INTERIM MANAGEMENT REPORT

Deutsche Wohnen AG with its subsidiaries (hereinafter referred to as "Deutsche Wohnen" or "Group") is, measured by its market capitalisation, currently one of the largest publicly listed real estate companies in Europe. The company is listed in the MDAX of the German Stock Exchange. Our holdings consist of around 144,000 residential and commercial units as well as nursing homes with around 2,000 nursing places with a fair value of around EUR 10.4 billion in total. Consistent with our business strategy the focus is on residential and nursing properties in both fast-growing conurbations and metropolitan areas of Germany. The fundamental economic growth, the population influx into German metropolitan areas and their demographic development provide a very good basis for achieving strong and stable cash flows from letting and leasing and for making use of opportunities to create value.

## STOCK MARKET AND THE DEUTSCHE WOHNEN SHARE

### Economy

In its summer guidelines this year the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung – DIW) is predicting that the German economy will achieve average growth of 1.8% in 2015. This forecast is lower than originally assumed because the development of manufacturing was unexpectedly weak in the first quarter of the year. For 2016, Gross Domestic Product is expected to achieve slightly stronger growth of 1.9%. It is also expected that the global economy will gain momentum again in the course of 2015 following a fairly weak start to the year. Therefore, growth will, in accordance with the experts, reach 3.5% in 2015 and 4.0% in the following year.

The German economy has continued its upswing up to now, although it is private consumption that has contributed significantly to this growth. This trend is substantially attributable to the favourable development of the job market and is expected to continue because of the sustained growth in the number of jobs and positive developments in wages. The anticipated growth of 2.6% this year and 2.4% next year in the nominal, disposable income of private households will be much higher than the rate of inflation. The forecast inflation rate of 0.6% in 2015 and 1.2% in 2016 continues to be low.

In the first quarter of 2015, imports rose strongly and will probably continue to benefit from strong domestic demand. Moreover, as price competitiveness improves significantly and as the global economy picks up, it is likely that exports will increase again as well. However, as the year progresses, growth in exports will probably be offset by rather more dynamic imports with the result that exports will only make a very slight net contribution to the growth of the economy.

### Financial markets

In the second quarter of 2015, the German stock markets featured a volatile and, in the end, negative development. On 10 April 2015 the DAX reached a new all-time high of 12,375 points. At the end of June, amongst others as a result of the Greek debt crisis, it closed at 10,945 points – around 12% below this all-time high. However, from the beginning of the year through to the end of the second quarter, the DAX was able to increase by 11.6% and the MDAX by 15.9% to 19,622 points.

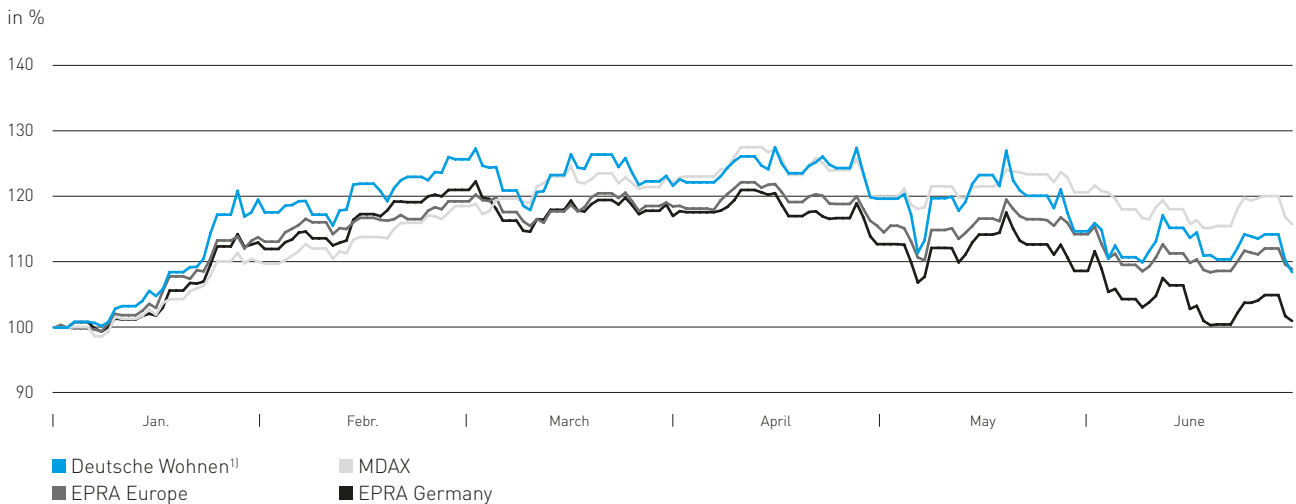
The Greek debt crisis remained the greatest risk factor in the second quarter of 2015. Furthermore, sell-offs on the European bond market, continuing discussions about the first interest rate rise by the US Federal Reserve and modest economic growth figures from China all resulted in a weak capital market environment in Germany. By contrast, the recovery of the US economy, improved economic figures for the Eurozone and the dynamics in mergers and acquisitions only had a beneficial impact for fairly short periods during the second quarter.

### The Deutsche Wohnen AG share

After reaching an all-time high of EUR 24.99 on 15 April 2015, the Deutsche Wohnen share completed the first half-year of 2015 with a closing price of EUR 20.56, thus achieving an increase of approximately 5% in comparison to the start of the year. The Deutsche Wohnen share consolidated its position within the MDAX due to the successful placement of the capital increase with a higher free float market capitalisation and a significantly increased trading volume.



## Share price performance in H1/2015 (indexed)



<sup>1)</sup> Share price performance adjusted for capital increase and dividend payment in June 2015

## Key share figures

|   | H1/2015                     | H1/2014                     |
|---|-----------------------------|-----------------------------|
| Number of issued shares in m                              | approx. 337.35              | approx. 286.13              |
| Price at end of H1 <sup>1)</sup> in EUR                   | 20.56                       | 15.75 (15.24) <sup>3)</sup> |
| Market capitalisation in EUR bn                           | approx. 6.9                 | approx. 4.5                 |
| Highest share price <sup>1)</sup> during half-year in EUR | 24.99 (24.18) <sup>3)</sup> | 16.30 (15.64) <sup>3)</sup> |
| Lowest share price <sup>1)</sup> during half-year in EUR  | 19.58 (18.94) <sup>3)</sup> | 13.81 (13.08) <sup>3)</sup> |
| Average daily traded volume <sup>2)</sup> – Xetra         | 953,178                     | 534,508                     |

Source: Bloomberg, as at 6/7/2015

<sup>1)</sup> Closing price – Xetra trading

<sup>2)</sup> Traded shares

<sup>3)</sup> Prices in parentheses adjusted for capital increases and dividend payments

The real estate indices EPRA Europe and EPRA Germany developed positively for the most part in the first six months of the year. EPRA Europe closed the first half-year at 2,108 points, which represents an increase of 9%. EPRA Germany closed the first six months at 761 points – a gain of approximately 1%. The Deutsche Wohnen share performed more strongly in comparison to EPRA Germany and less well in comparison to the MDAX.

The market capitalisation of Deutsche Wohnen was around EUR 6.9 billion at the end of the first half-year. The average daily Xetra trading volume rose significantly by around 170% from approximately EUR 8 million in the first half-year of 2014 to approximately EUR 22 million in the first half-year of 2015. There was a consistent increase in trading on the alternative trading platforms as well. This means that the liquidity of the Deutsche Wohnen share has increased significantly.



## Analyst coverage

The development of the Deutsche Wohnen share is currently<sup>1)</sup> being evaluated by a total of 24 analysts. The current<sup>1)</sup> target prices range from EUR 20.50 to EUR 33.00 per share. Moreover, of these analysts 20 are assuming a target price of EUR 22.00 per share or higher. The consensus of all the analysts' estimates is a price of EUR 24.90 – which is currently<sup>1)</sup> approximately 21% higher than the closing price at the end of the first half-year.

The majority of analysts value the Deutsche Wohnen share as positive or neutral. The following table summarises the current<sup>1)</sup> ratings:

| Rating                           | Number |
|----------------------------------|--------|
| Buy/Kaufen/Overweight            | 11     |
| Equal Weight/Halten/Hold/Neutral | 7      |
| Reduce/Sell/Underperform         | 5      |
| Not specified                    | 1      |

## Annual General Meeting and dividend

The 2015 Annual General Meeting of Deutsche Wohnen took place on 12 June 2015 in Frankfurt/Main with approximately 62.5% of the share capital of the company represented. The shareholders voted for all of the resolutions presented to them with the required majorities. The Annual General Meeting voted almost unanimously in favour of the payment of a dividend of EUR 0.44 for each bearer share with ISIN DE000A0HN5C6 that is entitled to a dividend payment for the financial year 2014. This payment corresponds to a total sum of approximately EUR 129.9 million and a share of around 60% of the FFO I that was achieved in 2014. In relation to the volume-weighted average share price in 2014 of EUR 16.34, this means a dividend yield of 2.7%.

In addition, a new Authorised Capital 2015 was created, and thus the option of increasing – in a single issue or in more than one issue – the share capital of the company by up to EUR 100 million by issuing up to 100 million new, no-par value bearer shares against cash contributions and/or contributions in kind – with each share representing a nominal amount of the share capital of EUR 1.00. The Authorised Capital 2015 is intended to enable the company to continue to be in a position to raise at short notice on the capital markets the capital necessary for the further development of the company by issuing new shares and to make flexible use of a favourable market environment in order to cover a possible future financing need.

The shareholders were also very much in favour of the re-election of the supervisory board members Dr. Andreas Kretschmer and Matthias Hünlein. Furthermore, the Annual General Meeting gave new authorisation for the issue of convertible bonds, warrant bonds, profit participation rights and/or profit participation bonds with a volume of up to EUR 1.5 billion and for the corresponding creation of a Conditional Capital 2015 in an amount of EUR 50 million.

## convert offer does not achieve the minimum acceptance rate

On 15 April 2015 Deutsche Wohnen AG announced that the minimum acceptance threshold of 50% + 1 share with regard to the voluntary public takeover offer of 15 February 2015 for all the shares in convert Immobilien Invest SE which were the object of purchase had not been reached. The failure to reach the minimum acceptance threshold for the takeover offer for the convert shares meant that the offers for the convertible bonds of convert and the anticipatory mandatory offer for the shares of ECO Business-Immobilien AG had become void as well.

<sup>1)</sup> As at 10/8/2015



## Capital increase 2015

The capital increase against cash contributions from the authorised capital of Deutsche Wohnen AG, which granted subscription rights to shareholders of Deutsche Wohnen AG and which had been resolved upon on 20 May 2015 was successfully completed on 4 June 2015. All the 42,166,532 new shares on offer were placed at EUR 21.50 per share. This means that the gross proceeds from the capital increase amount to around EUR 907 million.

Following the registration of the implementation of the capital increase in the commercial register, the registered share capital of the company rose correspondingly by EUR 42,166,532.00 from EUR 294,259,979.00 to EUR 336,426,511.00 through the issuance of 42,166,532 new no-par value bearer shares (ordinary shares), each with a notional share of EUR 1.00 in the company's issued capital. The new shares carry full dividend rights from the financial year beginning 1 January 2015. Trading in the new shares began on the Frankfurt Stock Exchange on 8 June 2015. On 15 June 2015, after the dividend for the financial year 2014 had been paid, the new shares were included in the existing quotation of the company's bearer shares on the Frankfurt Stock Exchange.

## Long-term company ratings for Deutsche Wohnen AG improved

On 17 and 18 June 2015 Moody's and Standard & Poor's (S&P) raised their long-term company ratings for Deutsche Wohnen AG from Baa1 to A3 and from BBB+ to A- respectively. The rating upgrades confirm Deutsche Wohnen's strategy of continuing to optimise the capital structure of the company and also underline the high quality of its business model. Thereby Deutsche Wohnen AG is one of the highest-rated companies in the European property sector.

## Investor Relations activities

Deutsche Wohnen conducts an open and regular dialogue with its shareholders and investors. We make use of national and international conferences and roadshows to report on the development of Deutsche Wohnen AG. Following the publication of our Q1 report 2015, Deutsche Wohnen was represented at roadshows in Paris, Brussels and London. In addition, Deutsche Wohnen attended the Kempen & Co. European Property Seminar in Amsterdam and the Deutsche Bank Conference in Berlin. It is planned to take part in further bank conferences and roadshows during the second half-year.

For further details, please see the financial calendar on page 33. This calendar is updated regularly on our Investor Relations homepage.

We intend to maintain and develop our national and international contacts and our ongoing dialogue with our investors and analysts in future as well.

## PORTFOLIO

As at 30 June 2015 the property portfolio of Deutsche Wohnen consisted of approximately 144,000 residential and commercial units. 98% of our holdings are located in strategic core and growth regions. The largest single location is Greater Berlin, which accounts for 72% of our entire portfolio. The average in-place rent (residential) was EUR 5.78 per sqm as at 30 June 2015 (previous year: EUR 5.62 per sqm), with an average vacancy rate of 2.1% (previous year: 2.5%).

|  | 30/6/2015                   |               |                                  |  |                 |                                      |                            |
|--|-----------------------------|---------------|----------------------------------|--|-----------------|--------------------------------------|----------------------------|
| Property portfolio                       | Residential units<br>number | Area<br>sqm k | Share of total portfolio<br>in % | In-place rent <sup>1)</sup><br>EUR/sqm | Vacancy<br>in % | Rent potential <sup>2)</sup><br>in % | Commercial units<br>number |
| <b>Strategic core and growth regions</b> | <b>138,824</b>              | <b>8,390</b>  | <b>98</b>                        | <b>5.80</b>                            | <b>2.0</b>      | <b>21.4</b>                          | <b>2,033</b>               |
| Core <sup>+</sup>                        | 123,135                     | 7,401         | 87                               | 5.86                                   | 1.9             | 23.9                                 | 1,894                      |
| Greater Berlin                           | 101,959                     | 6,089         | 72                               | 5.76                                   | 1.9             | 22.4                                 | 1,566                      |
| Rhine-Main                               | 9,173                       | 553           | 6                                | 7.24                                   | 2.0             | 27.4                                 | 180                        |
| Mannheim/Ludwigshafen                    | 4,772                       | 298           | 3                                | 5.65                                   | 1.3             | 18.7                                 | 42                         |
| Rhineland                                | 4,577                       | 293           | 3                                | 5.90                                   | 2.6             | 21.7                                 | 42                         |
| Dresden                                  | 2,654                       | 168           | 2                                | 5.12                                   | 3.5             | 22.6                                 | 64                         |
| Core                                     | 15,689                      | 989           | 11                               | 5.37                                   | 2.7             | 10.9                                 | 139                        |
| Hanover/Brunswick                        | 8,792                       | 574           | 6                                | 5.47                                   | 2.2             | 17.4                                 | 83                         |
| Magdeburg                                | 2,101                       | 124           | 1                                | 5.24                                   | 4.7             | 2.6                                  | 25                         |
| Kiel/Lübeck                              | 1,975                       | 126           | 1                                | 5.13                                   | 3.5             | 13.6                                 | 7                          |
| Halle/Leipzig                            | 1,684                       | 98            | 1                                | 5.18                                   | 2.6             | 1.6                                  | 12                         |
| Erfurt                                   | 618                         | 34            | 0                                | 5.88                                   | 2.3             | 0.2                                  | 12                         |
| Other                                    | 519                         | 32            | 0                                | 5.06                                   | 3.6             | 20.3                                 | 0                          |
| <b>Non-Core</b>                          | <b>3,119</b>                | <b>207</b>    | <b>2</b>                         | <b>4.80</b>                            | <b>7.5</b>      | <b>-0.1</b>                          | <b>39</b>                  |
| <b>Total</b>                             | <b>141,943</b>              | <b>8,598</b>  | <b>100</b>                       | <b>5.78</b>                            | <b>2.1</b>      | <b>21.0</b>                          | <b>2,072</b>               |

<sup>1)</sup> Contractually owed rent for rented residential units divided by rental area

<sup>2)</sup> New letting rent for properties in the letting portfolio in comparison to the in-place rent for properties in the letting portfolio



## Operational development

The following table shows the development of the in-place rents and of the vacancy rate in a like-for-like comparison, i. e. only for residential holdings which were managed by the company throughout the last twelve months.

|   | Residential units | In-place rent <sup>1)</sup> |             | Develop-ment | Vacancy    |            | Develop-ment  |
|---|-------------------|-----------------------------|-------------|--------------|------------|------------|---------------|
|   | number            | EUR/sqm                     |             | in %         | in %       |            | in %          |
|   |                   | 30/6/2015                   | 30/6/2014   |              | 30/6/2015  | 30/6/2014  |               |
| <b>Like-for-like</b>                                  |                   |                             |             |              |            |            |               |
| <b>Strategic core and growth regions<sup>2)</sup></b> | <b>129,420</b>    | <b>5.82</b>                 | <b>5.68</b> | <b>2.5</b>   | <b>1.7</b> | <b>2.0</b> | <b>- 13.7</b> |
| Core <sup>+</sup>                                     | 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           |
| Other   | 408               | 5.35                        | 5.27        | 1.4          | 4.1        | 4.8        | - 13.9        |

<sup>1)</sup> Contractually owed rent for rented residential units divided by rental area

<sup>2)</sup> Without privatisation

The like-for-like rental growth in the letting portfolio of the strategic core and growth regions was 2.5%. This figure does not yet cover the positive effects arising from the Berlin rent index that has been published in May 2015. These effects will be reflected in the coming months in a further increase in average rents.

The following table shows the development of new letting rents – and therefore of rent potential – in the non-rent restricted Core+ letting portfolio in the first six months of the financial year.

|                                  | 30/6/2015                                 |  |                                      | 31/12/2014                           |
|----------------------------------|---|--|--------------------------------------|--------------------------------------|
|                                  | New letting rent <sup>1)</sup><br>EUR/sqm | In-place rent <sup>2)</sup><br>EUR/sqm | Rent potential <sup>3)</sup><br>in % | Rent potential <sup>3)</sup><br>in % |
| <b>Residential</b>               |   |  |                                      |                                      |
| <b>Core+ (letting portfolio)</b> | <b>7.26</b>                               | <b>5.86</b>                            | <b>23.9</b>                          | <b>22.7</b>                          |
| Greater Berlin                   | 7.07                                      | 5.77                                   | 22.4                                 | 21.2                                 |
| Rhine-Main                       | 9.25                                      | 7.26                                   | 27.4                                 | 23.5                                 |
| Mannheim/Ludwigshafen            | 6.71                                      | 5.65                                   | 18.7                                 | 21.8                                 |
| Rhineland                        | 7.12                                      | 5.85                                   | 21.7                                 | 25.0                                 |
| Dresden                          | 6.28                                      | 5.12                                   | 22.6                                 | 20.9                                 |

<sup>1)</sup> Contractually owed rent from newly concluded rent agreements in holdings not subject to rent controls which became effective in 2015

<sup>2)</sup> Contractually owed rent for rented residential units divided by rental area

<sup>3)</sup> New letting rent compared to the in-place rent

In the first half-year of 2015, the new letting rent in the Core+ segment (non-rent restricted holdings) was around 24% above the in-place rent as at the reporting date. The impact of the new rules concerning re-letting (rent cap) has been of only marginal significance until now.

## Portfolio valuation

The consistently positive development of the residential property markets in conurbations and metropolitan areas resulted in valuation gains. The increase in value is essentially driven by falling yield expectations on the part of investors (so-called yield compression). We can see rising property values, particularly in the Core+ markets, but also in the Core markets. The result of this valuation was confirmed by an external report by CB Richard Ellis.



The following table shows the changes in comparison to 31 December 2014:

|  | 30/6/2015           |                           | 31/12/2014          |                           |
|--|---------------------|---------------------------|---------------------|---------------------------|
|  | Fair value<br>EUR m | Multiple<br>in-place rent | Fair value<br>EUR m | Multiple<br>in-place rent |
| <b>Fair value</b>                        |                     |                           |                     |                           |
| <b>Strategic core and growth regions</b> | <b>10,151</b>       | <b>16.8</b>               | <b>9,635</b>        | <b>15.6</b>               |
| Core <sup>+</sup>                        | 9,291               | 17.2                      | 8,819               | 16.0                      |
| Core                                     | 860                 | 13.4                      | 817                 | 12.7                      |
| <b>Non-Core</b>                          | <b>136</b>          | <b>11.9</b>               | <b>150</b>          | <b>11.6</b>               |
| <b>Total</b>                             | <b>10,287</b>       | <b>16.7</b>               | <b>9,785</b>        | <b>15.5</b>               |

The divergence to the investment properties as shown in the balance sheet results essentially from advance payments made for acquisitions.

Key valuation figures for the property holdings as at 30 June 2015:

|  | 30/6/2015           |                       |                           |                         |
|--|---------------------|-----------------------|---------------------------|-------------------------|
|  | Fair value<br>EUR m | Fair value<br>EUR/sqm | Multiple<br>in-place rent | Multiple<br>market rent |
| <b>Fair value</b>                        |                     |                       |                           |                         |
| <b>Strategic core and growth regions</b> | <b>10,151</b>       | <b>1,173</b>          | <b>16.8</b>               | <b>14.2</b>             |
| Core <sup>+</sup>                        | 9,291               | 1,216                 | 17.2                      | 14.4                    |
| Greater Berlin                           | 7,665               | 1,223                 | 17.6                      | 14.6                    |
| Rhine-Main                               | 857                 | 1,454                 | 16.7                      | 14.4                    |
| Mannheim/Ludwigshafen                    | 280                 | 904                   | 13.3                      | 12.6                    |
| Rhineland                                | 296                 | 990                   | 14.0                      | 12.5                    |
| Dresden                                  | 194                 | 1,089                 | 17.8                      | 14.7                    |
| Core                                     | 860                 | 852                   | 13.4                      | 12.0                    |
| Hanover/Brunswick                        | 517                 | 879                   | 13.4                      | 12.0                    |
| Magdeburg                                | 107                 | 848                   | 14.0                      | 12.8                    |
| Kiel/Lübeck                              | 93                  | 730                   | 12.1                      | 10.6                    |
| Halle/Leipzig                            | 83                  | 832                   | 13.5                      | 12.8                    |
| Erfurt                                   | 36                  | 1,042                 | 14.6                      | 13.9                    |
| Other                                    | 23                  | 715                   | 12.1                      | 10.2                    |
| <b>Non-Core</b>                          | <b>136</b>          | <b>635</b>            | <b>11.9</b>               | <b>10.7</b>             |
| <b>Total</b>                             | <b>10,287</b>       | <b>1,160</b>          | <b>16.7</b>               | <b>14.1</b>             |

## NOTES ON FINANCIAL PERFORMANCE AND FINANCIAL POSITION

### Financial performance

The following provides an overview of the development of business operations in individual segments as well as of further items in the Group profit and loss statement for the first half of the financial year 2015 in comparison to the corresponding period of the previous year:

| EUR m  | H1/2015      | H1/2014      |
|--|--------------|--------------|
| Earnings from Residential Property Management  | 259.1        | 259.7        |
| Earnings from Disposals                        | 46.2         | 25.6         |
| Earnings from Nursing and Assisted Living      | 7.9          | 8.3          |
| Corporate expenses                             | -36.8        | -45.8        |
| Other operating expenses/income                | -16.3        | -7.5         |
| <b>Operating result (EBITDA)</b>               | <b>260.1</b> | <b>240.3</b> |
| Depreciation and amortisation                  | -2.7         | -3.2         |
| Fair value adjustment of investment properties | 705.0        | 0.0          |
| Gains/losses from companies valued at equity   | 0.9          | 0.0          |
| Financial result                               | -156.8       | -123.6       |
| <b>Earnings before taxes</b>                   | <b>806.5</b> | <b>113.5</b> |
| Current taxes                                  | -18.0        | -8.5         |
| Deferred taxes                                 | -245.7       | -10.4        |
| <b>Profit for the period</b>                   | <b>542.8</b> | <b>94.6</b>  |

In comparison to the equivalent period of the previous year, profit for the period rose by EUR 448.2 million to EUR 542.8 million. This increase is mainly attributable to the profit from the revaluation of the company's investment properties. On the operational side of the business – in the lettings and disposals segments – we are also profiting from the consistently positive market environment.

We were able to complete the integration of GSW in the second quarter.

Earnings before taxes, adjusted for special effects and valuation effects, show the normalised increase in earnings:

| EUR m   | H1/2015      | H1/2014      |
|---|--------------|--------------|
| <b>Earnings before taxes</b>  | <b>806.5</b> | <b>113.5</b> |
| Restructuring and reorganisation expenses   | 8.8          | 3.7          |
| Earnings from the valuation of property   | -705.0       | 0.0          |
| Earnings from fair value adjustment of derivative financial instruments and convertible bonds | 51.2         | 24.0         |
| Transaction and one-off financing costs   | 41.2         | 0.0          |
| <b>Adjusted earnings before taxes</b>   | <b>202.7</b> | <b>141.2</b> |

The adjusted earnings before taxes rose by around EUR 60 million. In particular, improved Earnings from Disposals, lower corporate expenses and lower interest expenses contributed to this result. Essentially, the restructuring and reorganisation expenses concern the redundancy and other payments associated with the social plan and made to employees of GSW.

The transaction and one-off financing costs contain mainly compensation sums for premature repayment arising from the early redemption of bank loans and the cancellation of interest rate swaps and of fixed-interest loans which were incurred in connection with the refinancing of the sum of EUR 1.5 billion. These items also contain expenses which were incurred in the context of the takeover offer for convert Immobilien Invest SE.

### Earnings from Residential Property Management

Despite disposals, earnings from the segment Residential Property Management reached the level of the previous year.

| EUR m  | H1/2015      | H1/2014      |
|--|--------------|--------------|
| <b>Current gross rental income</b>                   | <b>313.3</b> | <b>313.4</b> |
| Non-recoverable expenses                             | -6.9         | -6.8         |
| Rental loss  | -3.5         | -4.1         |
| Maintenance  | -39.2        | -39.6        |
| Other  | -4.6         | -3.2         |
| <b>Earnings from Residential Property Management</b> | <b>259.1</b> | <b>259.7</b> |
| Staff and general and corporate expenses             | -22.3        | -20.9        |
| <b>Operating result (NOI)</b>                        | <b>236.8</b> | <b>238.8</b> |
| NOI-margin in %                                      | 75.6         | 76.2         |
| NOI in EUR per sqm and month <sup>1)</sup>           | 4.36         | 4.28         |
| Change in %  | 1.9          |              |

<sup>1)</sup> Taking into consideration the average area on a quarterly basis in the relevant reporting period; the average area was adjusted in the case of significant acquisitions within a quarter



At EUR 313 million, gross rental income is stable despite the disposal of around 5,700 residential units as at 1 April 2015.

Against this background, the NOI (Net Operating Income) fell slightly relative to the gross rental income. However, in relation to the average managed floor space, the NOI in EUR per sqm rose by approximately 1.9%.

## Earnings from Disposals

Demand for property as a form of investment for owner-occupiers and investors continues to be high. Up to 30 June 2015 a total of 9,088 units were sold. The transfer of risks and rewards for these units is expected to take place in 2015, whereby 6,436 of these units were already notarised in the previous financial year. Of these notarised units, 5,749 made up a single institutional sale in Berlin for which the transfer of risks and rewards took place as at 1 April 2015.

|                     | Units        | Transaction volume | Fair value   | Gross margin |           |
|---------------------|--------------|--------------------|--------------|--------------|-----------|
|                     | number       | EUR m              | EUR m        | EUR m        | in %      |
| Privatisation       | 1,688        | 162.9              | 116.8        | 46.1         | 39        |
| Institutional sales | 7,400        | 478.4              | 442.7        | 35.7         | 8         |
|                     | <b>9,088</b> | <b>641.3</b>       | <b>559.5</b> | <b>81.8</b>  | <b>15</b> |

The gross margins continue to be high. In the current market environment, we achieve average margins of 8% in institutional sales.

Of the 9,088 residential units sold, the transfer of risks and rewards took place in respect of 7,329 residential units in the first six months of the financial year, and so these are included in the sales results:

| EUR m                          | H1/2015      | H1/2014      |
|--------------------------------|--------------|--------------|
| Sales proceeds                 | 507.1        | 138.4        |
| Cost of sales                  | -12.1        | -6.0         |
| <b>Net proceeds</b>            | <b>495.0</b> | <b>132.4</b> |
| Carrying amount of assets sold | -448.8       | -106.8       |
| <b>Earnings from Disposals</b> | <b>46.2</b>  | <b>25.6</b>  |



## Earnings from Nursing and Assisted Living

The Nursing and Assisted Living segment is managed by means of a shareholding in KATHARINENHOF® Group. The business model concentrates primarily on the management of residential and nursing facilities in the four federal states of Berlin, Brandenburg, Saxony and Lower Saxony. As at 30 June 2015 the KATHARINENHOF® Group managed 20 facilities, of which Deutsche Wohnen owns 18 with a fair value of EUR 144.8 million.

| EUR m                                  | H1/2015      | H1/2014      |
|--|--------------|--------------|
| <b>Income</b>                          |              |              |
| Nursing                                | 26.1         | 27.6         |
| Living                                 | 3.0          | 3.0          |
| Other                                  | 3.8          | 3.2          |
|  | <b>32.9</b>  | <b>33.8</b>  |
| <b>Costs</b>                           |              |              |
| Nursing and corporate expenses         | -8.3         | -8.9         |
| Staff expenses                         | -16.7        | -16.6        |
|  | <b>-25.0</b> | <b>-25.5</b> |
| <b>Segment earnings</b>                | <b>7.9</b>   | <b>8.3</b>   |
| Attributable current interest expenses | -0.9         | -1.9         |
| <b>Segment earnings after interest</b> | <b>7.0</b>   | <b>6.4</b>   |

With effect from 1 January 2015 the operation of a leased care facility with 126 beds in Rhineland-Palatinate was sold. In the first half-year of 2015 this led in comparison to the same period of the previous year to a fall in turnover of EUR 1.6 million and to a corresponding change in costs.

The average occupancy rate of the facilities during the first six months of the financial year 2015 was 96.5% (equivalent period of previous year: 96.1%) and so continues to be at a high level.

## Corporate expenses

Corporate expenses include staff and general and administration expenses, excluding the segment Nursing and Assisted Living.

| EUR m                               | H1/2015      | H1/2014      |
|-------------------------------------|--------------|--------------|
| Staff expenses                      | -22.0        | -28.4        |
| General and administration expenses | -14.8        | -17.4        |
| <b>Total corporate expenses</b>     | <b>-36.8</b> | <b>-45.8</b> |

The fall in total corporate expenses reflects the outcomes of the integration process arising from the takeover of the GSW holding functions as at 1 January 2015. We expect further effects in the second half-year arising from the concluding takeover of the operational management of the properties of the GSW Group.

The cost ratio of general and administration expenses in relation to the gross rental income fell to 11.7% compared to 14.6% relating to the equivalent six-month period of the financial year 2014.

In the first half-year of 2015, one-off staff expenses in the amount of EUR 8.7 million were incurred for restructuring and integration (previous year: EUR 3.7 million).



## Financial result

The financial result is made up as follows:

| EUR m   | H1/2015       | H1/2014       |
|---|---------------|---------------|
| Current interest expenses                                   | -69.1         | -92.4         |
| Accrued and discounted interest on liabilities and pensions | 1.7           | -7.7          |
| One-off financing costs                                     | -38.7         | 0.0           |
| Fair value adjustment of derivative financial instruments   | 9.0           | -14.3         |
| Fair value adjustment of convertible bonds                  | -60.2         | -9.7          |
|   | <b>-157.3</b> | <b>-124.1</b> |
| Interest income   | 0.5           | 0.5           |
| <b>Financial result</b>                                     | <b>-156.8</b> | <b>-123.6</b> |

The fall in interest expenses results mainly from the refinancing of loans in the amount of EUR 1.4 billion at the end of last year and from further refinancing measures which were carried out in the course of the first half-year of 2015. Regarding the part of our loans with a variable interest rate, we continue to profit from the fact that interest rate levels have fallen further.

The one-off financing costs contain mainly the expenses part of the compensation for the premature repayment of loans and the cancellation of interest hedge transactions.

The development in price of the convertible bonds follows the rise in the share price of Deutsche Wohnen AG. The convertible bonds are recognised in the Group balance sheet at fair value. Because of the positive development of the share price, there was a valuation loss. The current share price is higher than the underlying conversion price, so the convertible bonds are "in the money". When calculated on a diluted basis, this leads to positive effects in the balance sheet figures like LTV (Loan-to-Value Ratio) or EPRA NAV (Net Asset Value).

## Income taxes

The income taxes of EUR 263.7 million comprise EUR 245.7 million of deferred taxes, taxes arising from the valuation of the costs of the capital increase, which do not affect net income and were set off against equity in the amount of EUR 7.0 million and EUR 11.0 million of current income taxes.

The increase in value of the properties by EUR 705.0 million led to an increase in deferred tax liabilities in the first half-year of 2015 and thus to deferred tax expenses.



## Financial position

|                                     | 30/6/2015       |            | 31/12/2014      |            |
|-------------------------------------|-----------------|------------|-----------------|------------|
|                                     | EUR m           | in %       | EUR m           | in %       |
| Investment properties               | 10,740.3        | 86         | 9,611.0         | 84         |
| Other non-current assets            | 919.8           | 7          | 952.3           | 8          |
| <b>Total non-current assets</b>     | <b>11,660.1</b> | <b>93</b>  | <b>10,563.3</b> | <b>92</b>  |
| Current assets                      | 219.2           | 2          | 486.5           | 5          |
| Cash and cash equivalents           | 648.4           | 5          | 396.4           | 3          |
| <b>Total current assets</b>         | <b>867.6</b>    | <b>7</b>   | <b>882.9</b>    | <b>8</b>   |
| <b>Total assets</b>                 | <b>12,527.7</b> | <b>100</b> | <b>11,446.2</b> | <b>100</b> |
| <b>Equity</b>                       | <b>6,231.2</b>  | <b>50</b>  | <b>4,876.1</b>  | <b>43</b>  |
| Financial liabilities               | 4,294.5         | 34         | 4,779.0         | 42         |
| Convertible bonds                   | 808.9           | 6          | 748.7           | 7          |
| Tax liabilities                     | 39.0            | 0          | 46.1            | 0          |
| Employee benefit liabilities        | 62.7            | 1          | 67.7            | 1          |
| Deferred tax liabilities            | 788.5           | 6          | 557.9           | 5          |
| Other liabilities                   | 302.9           | 3          | 370.7           | 2          |
| <b>Total liabilities</b>            | <b>6,296.5</b>  | <b>50</b>  | <b>6,570.1</b>  | <b>57</b>  |
| <b>Total equity and liabilities</b> | <b>12,527.7</b> | <b>100</b> | <b>11,446.2</b> | <b>100</b> |

Investment properties represent the largest asset position. This figure has risen because of advance payments made for acquisitions and the increase in the value of the properties in an amount of EUR 705.0 million.

The other non-current assets include, in particular, the value of the goodwill arising from the takeover of GSW amounting to EUR 535.1 million.

The fall in current assets in comparison to the reporting date in the previous year concerns the non-current assets held for sale. As at the reporting date in the previous year, this figure included 5,749 residential units from an institutional sale, ownership of which was transferred as at 1 April 2015.

Of the cash and cash equivalents in the amount of EUR 648.4 million, a sum of around EUR 28.7 million is not freely available.

The Group's equity ratio improved from around 43% to around 50%. In June 2015 Deutsche Wohnen increased its equity by EUR 891.6 million net by issuing 42.2 million bearer shares as part of a cash capital increase. This sum is made up of EUR 906.6 million capital, minus EUR 15.0 million costs for the capital increase after taxes. In addition, in the first half-year of 2015 Deutsche Wohnen issued 0.9 million bearer shares in exchange for around 0.4 million bearer shares in GSW Immobilien AG. This represents a share of approximately 0.7% in GSW. This exchange of shares went ahead on the basis of the provisions of the Domination Agreement between the two companies regarding the put-option rights of the minority shareholders. Furthermore, in June 2015 the dividend for 2014 was paid in the amount of EUR 129.9 million to the shareholders of Deutsche Wohnen AG and in the amount of EUR 4.9 million to the minority shareholders of GSW.





The EPRA NAV has developed as follows:

| EUR m  | 30/6/2015      | 31/12/2014     |
|--|----------------|----------------|
| Equity (before non-controlling interests)                        | 6,034.7        | 4,692.9        |
| Fair value of derivative financial instruments                   | 52.4           | 144.9          |
| Deferred taxes   | 752.2          | 488.2          |
| <b>EPRA NAV I (undiluted)</b>                                    | <b>6,839.3</b> | <b>5,326.0</b> |
| Number of shares (in m)  | 337.35         | 294.26         |
| <b>EPRA NAV I (undiluted) in EUR per share</b>                   | <b>20.27</b>   | <b>18.10</b>   |
| EPRA NAV I (undiluted)   | 6,839.3        | 5,326.0        |
| Effects arising from the conversion of the convertible bond 2013 | 325.0          | 301.4          |
| <b>EPRA NAV II (diluted)</b>                                     | <b>7,164.3</b> | <b>5,627.4</b> |
| Number of shares (in m) diluted                                  | 351.40         | 307.88         |
| <b>EPRA NAV II (diluted) in EUR per share</b>                    | <b>20.39</b>   | <b>18.28</b>   |
| EPRA NAV II (diluted)  | 7,164.3        | 5,627.4        |
| Effects arising from the conversion of the convertible bond 2014 | 479.1          | 441.7          |
| <b>EPRA NAV III (diluted)</b>                                    | <b>7,643.4</b> | <b>6,069.1</b> |
| Number of shares (in m) diluted                                  | 369.50         | 325.97         |
| <b>EPRA NAV III (diluted) in EUR per share</b>                   | <b>20.69</b>   | <b>18.62</b>   |

EPRA NAV I (undiluted) rose in absolute terms by EUR 1.5 billion. The cash capital increase carried out in June 2015 contributed EUR 0.9 billion to this. The revaluation of the investment properties also led to an increase in their value and so to an increase in EPRA NAV I (undiluted) by EUR 0.7 billion.

The EPRA NAV I adjusted for goodwill corresponds to the Adjusted NAV.

| EUR m  | 30/6/2015      | 31/12/2014     |
|--|----------------|----------------|
| EPRA NAV I (undiluted)                             | 6,839.3        | 5,326.0        |
| Goodwill GSW                                       | - 535.1        | - 535.1        |
| <b>Adjusted NAV I (undiluted)</b>                  | <b>6,304.2</b> | <b>4,790.9</b> |
| <b>Adjusted NAV I (undiluted) in EUR per share</b> | <b>18.69</b>   | <b>16.28</b>   |

In comparison to the end of 2014, financial liabilities have fallen. This is substantially due to repayments from liquid assets as well as to scheduled repayments and also to unscheduled repayments occasioned by asset disposals.

The liabilities arising from the issue of convertible bonds increased to EUR 808.9 million due to the effects of variations in market value. In nominal terms, the sum owing is EUR 650.0 million.

The debt ratio (expressed as Loan-to-Value) developed in comparison to 31 December 2014 as follows:

| EUR m                            | 30/6/2015       | 31/12/2014      |
|----------------------------------|-----------------|-----------------|
| Financial liabilities            | 4,294.5         | 4,779.0         |
| Convertible bonds                | 808.9           | 748.7           |
|                                  | <b>5,103.4</b>  | <b>5,527.7</b>  |
| Cash and cash equivalents        | - 648.4         | - 396.4         |
| <b>Net financial liabilities</b> | <b>4,455.0</b>  | <b>5,131.3</b>  |
| Investment properties            | 10,740.3        | 9,611.0         |
| Non-current assets held for sale | 107.3           | 392.9           |
| Land and buildings held for sale | 54.1            | 58.1            |
|                                  | <b>10,901.7</b> | <b>10,062.0</b> |
| <b>Loan-to-Value Ratio in %</b>  | <b>40.9</b>     | <b>51.0</b>     |

As at the reporting date the Loan-to-Value Ratio was around 41.0%. The average interest rate on the credit portfolio, including the convertible bonds, was approximately 2.0% as at 30 June 2015 with a hedging rate of approximately 81%. With the bond placement in July 2015 the average interest rate was lowered to 1.9%. The convertible bonds are currently "in the money". If they were removed from the calculation, this would result in a Loan-to-Value Ratio of 33% in mathematical terms.



The other liabilities cover the following items:

| EUR m                                    | 30/6/2015    | 31/12/2014   |
|--|--------------|--------------|
| Derivative financial instruments         | 52.8         | 145.0        |
| Liabilities to limited partners in funds | 6.4          | 6.3          |
| Trade payables                           | 175.9        | 138.0        |
| Miscellaneous                            | 67.8         | 81.4         |
| <b>Total</b>                             | <b>302.9</b> | <b>370.7</b> |

The cash flow of the Group breaks down as follows:

| EUR m  | H1/2015      | H1/2014      |
|--|--------------|--------------|
| Cash flow from operating activities              | 93.0         | 100.7        |
| Cash flow from investment activity               | -59.0        | 125.4        |
| Cash flow from financing activities              | 218.0        | -239.4       |
| <b>Net change in cash and cash equivalents</b>   | <b>252.0</b> | <b>-13.3</b> |
| Opening balance cash and cash equivalents        | 396.4        | 196.4        |
| <b>Closing balance cash and cash equivalents</b> | <b>648.4</b> | <b>183.1</b> |

The decisive key figure for us, Funds from Operations (FFO I), rose by approximately 25% in comparison to the corresponding period of the previous year:

| EUR m   | H1/2015      | H1/2014                   |
|---|--------------|---------------------------|
| <b>Profit for the period</b>  | <b>542.8</b> | <b>94.6</b>               |
| Earnings from Disposals   | -46.2        | -25.6                     |
| Depreciation and amortisation   | 2.7          | 3.2                       |
| Result of the valuation of properties   | -705.0       | 0.0                       |
| Fair value adjustment of derivative financial instruments and convertible bonds | 51.2         | 24.0                      |
| Non-cash financial expenses   | -1.7         | 7.7                       |
| Deferred taxes  | 245.7        | 10.4                      |
| Tax advantage from capital increase costs                                       | 7.0          | 0.0                       |
| One-off expenses  | 50.0         | 3.7                       |
| <b>Subtotal before FFO I attributable to non-controlling interests</b>          | <b>146.5</b> | <b>118.0</b>              |
| FFO I attributable to non-controlling interests                                 | -3.8         | -3.8                      |
| <b>FFO I</b>  | <b>142.7</b> | <b>114.2</b>              |
| <b>FFO I per share in EUR</b>   | <b>0.47</b>  | <b>0.39<sup>1)</sup></b>  |
| Average number of shares issued in m  | 304.0        | 290.0 <sup>1)</sup>       |
| <b>FFO II</b>   | <b>188.9</b> | <b>139.8<sup>2)</sup></b> |
| <b>FFO II je Aktie in EUR</b>   | <b>0.62</b>  | <b>0.48<sup>1)</sup></b>  |
| Average number of shares issued in m  | 304.0        | 290.0 <sup>1)</sup>       |

<sup>1)</sup> Takes into consideration the effects of the capital increase of June 2015 (so-called Scrip-Adjustment of approximately 1.01)

<sup>2)</sup> Change of calculation method for previous year



## EVENTS AFTER THE REPORTING DATE

As at 1 July 2015 the transfer of risks and rewards took place concerning the acquisition of approximately 5,700 residential units in Berlin.

On 24 July 2015 Deutsche Wohnen AG issued an unsecured corporate bond in a nominal amount of EUR 500.0 million with a five-year term and a fixed rate of interest of 1.375% p. a.

We are not aware of any further key events after the reporting date.

## RISK REPORT

With regard to the risks which exist for future business development we refer you to the information presented in the risk report in the consolidated financial statements as at 31 December 2014.

## FORECAST

The first six months of the financial year 2015 were once again very successful for Deutsche Wohnen. Compared to our full year guidance of at least EUR 250 million in the base case, i. e. without further acquisitions or opportunistic block sales, we are above our expectations.

The acquisition of around 6,500 units will generate an annualised EBITDA contribution of approximately EUR 20 million. The transfer of risks and rewards was completed as at 1 July 2015. We are expecting an FFO I contribution of around EUR 10 million for the second half-year of 2015.

The refinancing of around EUR 1.5 billion has been completed. We are expecting this to generate an FFO I contribution of around EUR 15 million in 2015.

On the basis of the developments described above, we are increasing our FFO I forecast for the financial year 2015 from at least EUR 250 million up to EUR 285 million to EUR 290 million.

Frankfurt/Main, 13 August 2015

Deutsche Wohnen AG  
Management Board

Michael Zahn  
Chief Executive  
Officer

Andreas Segal  
Member of the  
Management Board

Lars Wittan  
Member of the  
Management Board



# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

---

|   |           |
|---|-----------|
| <b>CONSOLIDATED BALANCE SHEET</b>                             | <b>20</b> |
| <b>CONSOLIDATED PROFIT AND LOSS STATEMENT</b>                 | <b>22</b> |
| <b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>         | <b>23</b> |
| <b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>                   | <b>24</b> |
| <b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>            | <b>25</b> |
| <b>NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS</b> | <b>26</b> |



# CONSOLIDATED BALANCE SHEET

as at 30 June 2013

| EUR k                            | 30/6/2015         | 31/12/2014        |
|----------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                    |                   |                   |
| Investment properties            | 10,740,312        | 9,610,999         |
| Property, plant and equipment    | 25,061            | 25,940            |
| Intangible assets                | 545,662           | 546,074           |
| Derivative financial instruments | 439               | 41                |
| Other non-current assets         | 29,824            | 28,574            |
| Deferred tax assets              | 318,789           | 351,678           |
| <b>Non-current assets</b>        | <b>11,660,087</b> | <b>10,563,306</b> |
| Land and buildings held for sale | 54,127            | 58,055            |
| Other inventories                | 3,344             | 3,481             |
| Trade receivables                | 32,790            | 17,704            |
| Income tax receivables           | 9,677             | 4,032             |
| Derivative financial instruments | 8                 | 13                |
| Other current assets             | 12,074            | 10,316            |
| Cash and cash equivalents        | 648,442           | 396,398           |
| <b>Subtotal current assets</b>   | <b>760,462</b>    | <b>489,999</b>    |
| Non-current assets held for sale | 107,288           | 392,911           |
| <b>Current assets</b>            | <b>867,750</b>    | <b>882,910</b>    |
| <br>                             |                   |                   |
| <b>Total assets</b>              | <b>12,527,837</b> | <b>11,446,216</b> |



| EUR k  | 30/6/2015         | 31/12/2014        |
|--|-------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                                    |                   |                   |
| Equity attributable to shareholders of the parent company        |                   |                   |
| Issued share capital   | 337,350           | 294,260           |
| Capital reserve  | 3,606,669         | 2,735,911         |
| Retained earnings  | 2,090,727         | 1,662,702         |
|  | <b>6,034,746</b>  | <b>4,692,873</b>  |
| Non-controlling interests  | 196,444           | 183,192           |
| <b>Total equity</b>  | <b>6,231,190</b>  | <b>4,876,065</b>  |
| Non-current financial liabilities                                | 4,082,654         | 4,509,319         |
| Convertible bonds  | 807,626           | 747,424           |
| Employee benefit liabilities                                     | 62,655            | 67,655            |
| Derivative financial instruments                                 | 37,491            | 126,418           |
| Other provisions   | 16,611            | 17,209            |
| Deferred tax liabilities   | 788,482           | 557,896           |
| <b>Total non-current liabilities</b>                             | <b>5,795,519</b>  | <b>6,025,921</b>  |
| Current financial liabilities                                    | 211,844           | 263,676           |
| Convertible bonds  | 1,234             | 1,234             |
| Trade payables   | 175,942           | 137,987           |
| Liabilities to limited partners in funds                         | 6,351             | 6,287             |
| Other provisions   | 20,604            | 19,217            |
| Derivative financial instruments                                 | 15,347            | 18,543            |
| Tax liabilities  | 38,966            | 46,120            |
| Other liabilities  | 30,840            | 45,123            |
| <b>Subtotal current liabilities</b>                              | <b>501,128</b>    | <b>538,187</b>    |
| Financial liabilities regarding non-current assets held for sale | 0                 | 6,043             |
| <b>Total current liabilities</b>                                 | <b>501,128</b>    | <b>544,230</b>    |
| <b>Total equity and liabilities</b>                              | <b>12,527,837</b> | <b>11,446,216</b> |



# CONSOLIDATED PROFIT AND LOSS STATEMENT

for the period from 1 January to 30 June 2015

| EUR k   | H1/2015        | H1/2014        | Q2/2015        | Q2/2014        |
|---|----------------|----------------|----------------|----------------|
| Income from Residential Property Management   | 313,348        | 313,369        | 154,423        | 156,329        |
| Expenses from Residential Property Management   | -54,240        | -53,703        | -27,790        | -28,361        |
| <b>Earnings from Residential Property Management</b>  | <b>259,108</b> | <b>259,666</b> | <b>126,633</b> | <b>127,968</b> |
| Sales proceeds  | 507,101        | 138,383        | 457,401        | 52,022         |
| Cost of sales   | -12,106        | -5,997         | -8,674         | -2,999         |
| Carrying amounts of assets sold   | -448,748       | -106,753       | -411,828       | -39,151        |
| <b>Earnings from Disposals</b>  | <b>46,247</b>  | <b>25,633</b>  | <b>36,899</b>  | <b>9,872</b>   |
| Income from Nursing and Assisted Living   | 32,980         | 33,801         | 16,684         | 17,058         |
| Expenses from Nursing and Assisted Living   | -25,043        | -25,542        | -12,538        | -12,951        |
| <b>Earnings from Nursing and Assisted Living</b>  | <b>7,937</b>   | <b>8,259</b>   | <b>4,146</b>   | <b>4,107</b>   |
| Corporate expenses  | -36,829        | -45,845        | -18,109        | -23,011        |
| Other expenses/income   | -16,377        | -7,460         | -8,450         | -3,167         |
| <b>Subtotal</b>   | <b>260,086</b> | <b>240,253</b> | <b>141,119</b> | <b>115,769</b> |
| Gains from the fair value adjustment of investment properties                                     | 705,012        | 0              | 705,012        | 0              |
| Depreciation and amortisation   | -2,677         | -3,169         | -1,416         | -1,606         |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>962,421</b> | <b>237,084</b> | <b>844,715</b> | <b>114,163</b> |
| Finance income  | 461            | 468            | 256            | 144            |
| Gains/losses from fair value adjustment of derivative financial instruments and convertible bonds | -51,173        | -23,997        | 58,679         | -7,342         |
| Gains/losses from companies valuated at equity  | 932            | 0              | 548            | 0              |
| Finance expense   | -106,102       | -100,066       | -70,407        | -47,659        |
| <b>Profit before taxes</b>  | <b>806,539</b> | <b>113,489</b> | <b>833,791</b> | <b>59,306</b>  |
| Income taxes  | -263,700       | -18,888        | -246,720       | -10,254        |
| <b>Profit for the period</b>  | <b>542,839</b> | <b>94,601</b>  | <b>587,071</b> | <b>49,052</b>  |
| Thereof attributable to:  |                |                |                |                |
| Shareholders of the parent company  | 524,045        | 91,533         | 571,119        | 47,241         |
| Non-controlling interests   | 18,794         | 3,068          | 15,952         | 1,811          |
|   | <b>542,839</b> | <b>94,601</b>  | <b>587,071</b> | <b>49,052</b>  |
| <b>Earnings per share</b>   |                |                |                |                |
| Undiluted in EUR  | 1.72           | 0.32           | 1.88           | 0.16           |
| Diluted in EUR  | 1.63           | 0.32           | 1.79           | 0.16           |



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 June 2015

| EUR k   | H1/2015        | H1/2014        | Q2/2015        | Q2/2014        |
|---|----------------|----------------|----------------|----------------|
| Profit/loss for the period  | 542,839        | 94,601         | 587,071        | 49,052         |
| <b>Other comprehensive income</b>                                 |                |                |                |                |
| Items reclassified as expense at a later stage                    |                |                |                |                |
| Net gain/loss from derivative financial instruments               | 50,207         | -33,791        | 52,515         | -17,689        |
| Income tax effects  | -17,304        | 10,511         | -18,011        | 5,694          |
|   | <b>32,903</b>  | <b>-23,280</b> | <b>34,504</b>  | <b>-11,995</b> |
| Items not reclassified as expense at a later stage                |                |                |                |                |
| Actuarial gains/losses in pensions and impacts of caps for assets | 4,763          | -3,903         | 10,528         | -2,809         |
| Income tax effects  | -510           | 1,101          | -3,545         | 761            |
|   | <b>4,253</b>   | <b>-2,802</b>  | <b>6,983</b>   | <b>-2,048</b>  |
| <b>Other comprehensive income after taxes</b>                     | <b>37,156</b>  | <b>-26,082</b> | <b>41,487</b>  | <b>-14,043</b> |
| <b>Total comprehensive income after taxes</b>                     | <b>579,995</b> | <b>68,519</b>  | <b>628,558</b> | <b>35,009</b>  |
| Thereof attributable to:  |                |                |                |                |
| Shareholders of the parent company                                | 561,120        | 65,629         | 612,606        | 33,198         |
| Non-controlling interests   | 18,875         | 2,890          | 15,952         | 1,811          |





# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 June 2015

| EUR k   | H1/2015        | H1/2014         |
|---|----------------|-----------------|
| <b>Operating activities</b>   |                |                 |
| Profit for the period   | 542,839        | 94,601          |
| Finance income  | -461           | -468            |
| Finance expense   | 106,102        | 100,066         |
| Gains/losses from companies valued at equity                                    | -932           | 0               |
| Income taxes  | 263,700        | 18,888          |
| <b>Profit/loss for the period before interest and taxes</b>                     | <b>911,248</b> | <b>213,087</b>  |
| Non-cash expenses/income  |                |                 |
| Fair value adjustment of investment properties                                  | -705,012       | 0               |
| Depreciation and amortisation   | 2,677          | 3,169           |
| Fair value adjustment of derivative financial instruments and convertible bonds | 51,173         | 23,997          |
| Other non-cash expenses/income  | -50,542        | -32,857         |
| Change in net working capital   |                |                 |
| Change in receivables, inventories and other current assets                     | 35,839         | 4,029           |
| Change in operating liabilities   | -58,798        | -14,707         |
| <b>Net operating cash flows</b>   | <b>186,585</b> | <b>196,718</b>  |
| Interest paid   | -74,460        | -93,187         |
| Interest received   | 461            | 468             |
| Taxes paid/received   | -19,566        | -3,290          |
| <b>Net cash flows from operating activities</b>                                 | <b>93,020</b>  | <b>100,709</b>  |
| <b>Investment activities</b>  |                |                 |
| Sales proceeds  | 527,014        | 148,449         |
| Payments for investments  | -585,994       | -22,996         |
| Payments to limited partners in funds   | 0              | -54             |
| <b>Net cash flows from investment activities</b>                                | <b>-58,980</b> | <b>125,399</b>  |
| <b>Financing activities</b>   |                |                 |
| Proceeds from borrowings  | 8,479          | 32,851          |
| Repayment of borrowings   | -488,269       | -212,957        |
| Payments from the repayment of convertible bonds                                | 0              | -1,912          |
| One-off financing costs   | -72,557        | 0               |
| Proceeds from sale of non-controlling interests                                 | 16,750         | 0               |
| Proceeds from the capital increase  | 906,580        | 0               |
| Costs of the capital increase   | -18,162        | 0               |
| Dividend paid to shareholders of Deutsche Wohnen AG                             | -129,873       | -57,428         |
| Dividend paid to shareholders of non-controlling interests                      | -4,944         | 0               |
| <b>Net cash flows from financing activities</b>                                 | <b>218,004</b> | <b>-239,446</b> |
| <b>Net change in cash and cash equivalents</b>                                  | <b>252,044</b> | <b>-13,338</b>  |
| <b>Opening balance of cash and cash equivalents</b>                             | <b>396,398</b> | <b>196,423</b>  |
| <b>Closing balance of cash and cash equivalents</b>                             | <b>648,442</b> | <b>183,085</b>  |



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2015

| EUR k   | Issued share capital | Capital reserves | Retained earnings |                              |                | Subtotal       | Non-controlling interests | Equity         |
|---|----------------------|------------------|-------------------|------------------------------|----------------|----------------|---------------------------|----------------|
|   |                      |                  | Pensions          | Reserves for cash flow hedge | Other reserves |                |                           |                |
| Equity as at 1 January 2014   | 286,217              | 2,601,804        | -6,177            | -64,436                      | 960,375        | 3,777,782      | 166,492                   | 3,944,274      |
| Profit/loss for the period  |                      |                  |                   |                              | 94,601         | 94,601         |                           | 94,601         |
| Thereof non-controlling interests   |                      |                  |                   |                              | -3,068         | -3,068         | 3,068                     | 0              |
| Other comprehensive income after tax                                      |                      |                  | -2,802            | -23,280                      |                | -26,082        |                           | -26,082        |
| Thereof non-controlling interests   |                      |                  | 0                 | 178                          |                | 178            | -178                      | 0              |
| <b>Total comprehensive income, net of taxes</b>                           |                      |                  | <b>-2,802</b>     | <b>-23,102</b>               | <b>91,533</b>  | <b>65,629</b>  | <b>2,890</b>              | <b>68,519</b>  |
| Change in non-controlling interests                                       |                      |                  |                   |                              |                | 0              | 5,446                     | 5,446          |
| Dividend paid   |                      |                  |                   |                              | -57,428        | -57,428        | 0                         | -57,428        |
| Others  |                      |                  |                   |                              | -6,331         | -6,331         |                           | -6,331         |
| Equity as at 30 June 2014   | 286,217              | 2,601,804        | -8,979            | -87,538                      | 988,149        | 3,779,652      | 174,828                   | 3,954,480      |
| Equity as at 1 January 2015   | 294,260              | 2,735,911        | -14,216           | -59,691                      | 1,736,609      | 4,692,872      | 183,193                   | 4,876,065      |
| Profit/loss for the period  |                      |                  |                   |                              | 542,839        | 542,839        |                           | 542,839        |
| Thereof non-controlling interests   |                      |                  |                   |                              | -18,794        | -18,794        | 18,794                    | 0              |
| Other comprehensive income after tax                                      |                      |                  | 4,252             | 32,903                       |                | 37,155         |                           | 37,155         |
| Thereof non-controlling interests   |                      |                  | 8                 | -89                          |                | -81            | 81                        | 0              |
| <b>Total comprehensive income, net of taxes</b>                           |                      |                  | <b>4,260</b>      | <b>32,814</b>                | <b>524,045</b> | <b>561,119</b> | <b>18,875</b>             | <b>579,994</b> |
| Capital increase  | 43,090               | 884,695          |                   |                              |                | 927,785        |                           | 927,785        |
| Costs of capital increase, less tax effect                                |                      | -14,960          |                   |                              |                | -14,960        |                           | -14,960        |
| Capital contribution relating to the remuneration of the Management Board |                      | 1,023            |                   |                              |                | 1,023          |                           | 1,023          |
| Change in non-controlling interests                                       |                      |                  |                   |                              |                | -3,776         | -5,624                    | -9,400         |
| Dividend paid   |                      |                  |                   |                              | -129,873       | -129,873       |                           | -129,873       |
| Others  |                      |                  |                   |                              | 556            | 556            |                           | 556            |
| Equity as at 30 June 2015   | 337,350              | 3,606,669        | -9,956            | -26,877                      | 2,127,561      | 6,034,746      | 196,444                   | 6,231,190      |



# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## General information

Deutsche Wohnen AG is a publicly listed property company. It is based in Germany and operates nationwide. It has its registered office in Frankfurt/Main, Pfaffenwiese 300, and is entered in the commercial register of the District Court of Frankfurt/Main under HRB 42388. The business activities of Deutsche Wohnen AG are limited to its role as the holding company for the companies in the Group. These activities include, in particular, the following functions: Asset Management, Legal, Corporate Finance, Investor Relations, Communication and Human Resources. The operational subsidiaries focus on the areas of Residential Property Management, Disposals and Nursing and Assisted Living. Consistent with its business strategy the company concentrates on residential and nursing properties in dynamic conurbations and metropolitan areas in Germany, for example in Greater Berlin, the Rhine-Main region with Frankfurt/Main and the Rhineland with a focus on Dusseldorf, and in stable conurbations like Hanover/Brunswick/Magdeburg.

The consolidated interim financial statements are presented in euros (EUR). Unless otherwise stated, all figures are rounded to the nearest thousand (EUR k) or the nearest million (EUR m). For arithmetical reasons there may be rounding differences between tables and references and the exact mathematical figures.

## Basic principles and methods applied to the consolidated interim financial statements

The condensed consolidated interim financial statements for the period from 1 January to 30 June 2015 were prepared in accordance with International Accounting Standards (IAS) 34 for interim reporting as applicable in the European Union. The condensed consolidated interim financial statements have neither been audited nor subjected to an audit review.

These interim financial statements do not contain all the information and details required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2014.

The consolidated interim financial statements have been prepared in principle on a historical cost basis with the exception of, in particular, investment properties, the convertible bonds and derivative financial instruments, which are measured at attributable fair value.

The consolidated interim financial statements include the financial statements of Deutsche Wohnen and its subsidiaries as at 30 June 2015. The financial statements of the subsidiaries are prepared using consistent accounting policies and valuation methods as at the same reporting date as the financial statements of the parent company.

The preparation of the consolidated interim financial statements requires the management to make judgements, estimates and assumptions which affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities as at the reporting date. However, the uncertainty connected with these assumptions and estimates could result in outcomes which in future require considerable adjustments to the carrying amounts of the assets or liabilities affected.

The business activities of Deutsche Wohnen are basically unaffected by seasonal influences and economic cycles.

In the first half-year of 2015 the shareholding of Deutsche Wohnen AG in GSW Immobilien AG increased from its original level of 93.085 % as at 31 December 2014 to 93.783 % as at 30 June 2015. This change is due to the acquisition by Deutsche Wohnen AG of 0.698% of the shares of GSW Immobilien AG in exchange for newly issued shares of Deutsche Wohnen AG in the context of the put-option rights arising from the Domination Agreement between GSW Immobilien AG (controlled company) and Deutsche Wohnen AG (controlling company).



## Changes to accounting policies and valuation methods

As a basic principle Deutsche Wohnen has applied the same accounting policies and valuation methods as for the equivalent reporting period in the previous year.

In the first six months of the financial year 2015 the new standards and interpretations which must be applied for financial years commencing after 1 January 2015 were applied in full. This did not have any significant consequences.

Due to the obligation to apply IFRIC 21 ("Levies") for the first time, there were immaterial changes in comparison to 31 December 2014 in the balance sheet statement of receivables from lettings and other liabilities that relate to apportionable land taxes.

## Selected notes on the consolidated balance sheet

Investment properties comprise 86 % of the assets of the Deutsche Wohnen Group. As at 30 June 2015 these investment properties underwent a detailed valuation and were recorded in the balance sheet at attributable fair value. The applied methodology corresponds to the approach in the valuation as at 31 December 2014.

In parallel, the holdings were valued by CB Richard Ellis GmbH, Frankfurt/Main, and their total value confirmed. The deviation in value between internal and external valuation is for an individual property not greater than +/- 10 % insofar as an absolute materiality limit of +/- EURk 250 is exceeded. Overall, CB Richard Ellis deviates from Deutsche Wohnen's internal valuation by around -0.2%.

For the valuation (Level 3 of the fair value hierarchy valuation on the basis of valuation models) as at 30 June 2015 the relevant principles were applied consistently in the same way as they were as at 31 December 2014.

The following table shows the average of the non-observable input factors (Level 3) – for the developed plots – which were included in the internal valuation:

| 30/6/2015                 | Core <sup>+</sup> |       |       | Core  | Non-Core |
|---------------------------|-------------------|-------|-------|-------|----------|
|                           | Berlin            | Other | Total | Total | Total    |
| In-place rent (EUR/sqm)   | 5.75              | 6.20  | 5.84  | 5.36  | 4.80     |
| Rental growth p. a. (%)   | 2.2               | 1.7   | 2.1   | 1.0   | 0.7      |
| Vacancy rate (%)          | 1.7               | 2.3   | 1.8   | 3.3   | 3.8      |
| Multiplier                | 17.8              | 15.6  | 17.3  | 13.4  | 11.9     |
| Discount factor (%)       | 5.8               | 6.4   | 5.9   | 6.5   | 7.1      |
| Capitalisation factor (%) | 4.7               | 5.3   | 4.9   | 5.4   | 6.0      |

An adjustment to the key valuation parameters (rental growth 20 % less than planned; increase of 0.1 % in the discount interest rate; increase of 0.1 % in the capitalisation interest rate) results in the following non-cumulated value adjustments related to the carrying amount of the properties:

| 30/6/2015                 | Core <sup>+</sup> |       |       | Core  | Non-Core |
|---------------------------|-------------------|-------|-------|-------|----------|
|                           | Berlin            | Other | Total | Total | Total    |
| Rental growth (%)         | -3.71             | -2.70 | -3.51 | -2.09 | -1.47    |
| Discount factor (%)       | -0.74             | -0.70 | -0.74 | -0.81 | -0.74    |
| Capitalisation factor (%) | -1.30             | -1.02 | -1.24 | -1.16 | -0.74    |



Subsequently positive effects arise in approximately equivalent extent insofar as valuation parameters develop positively.

As at 31 December 2014 the following input parameters were used:

| 31/12/2014                | Core <sup>+</sup> |       |       | Core  | Non-Core |
|---------------------------|-------------------|-------|-------|-------|----------|
|                           | Berlin            | Other | Total | Total | Total    |
| In-place rent (EUR/sqm)   | 5.66              | 6.14  | 5.75  | 5.32  | 4.82     |
| Rental growth p. a. (%)   | 2.2               | 1.64  | 2.06  | 0.74  | 0.32     |
| Vacancy rate (%)          | 1.7               | 2.3   | 1.9   | 3.7   | 4.4      |
| Multiplier                | 16.2              | 15.3  | 16.0  | 12.8  | 11.6     |
| Discount factor (%)       | 6.2               | 6.4   | 6.2   | 6.6   | 7.2      |
| Capitalisation factor (%) | 5.1               | 5.3   | 5.2   | 5.6   | 6.0      |

An adjustment to the key valuation parameters (rental growth 20% less than planned; increase of 0.1% in the discount interest rate; increase of 0.1% in the capitalisation interest rate), results in the following non-cumulated value adjustments related to the carrying amount of the properties:

| 31/12/2014                | Core <sup>+</sup> |       |       | Core  | Non-Core |
|---------------------------|-------------------|-------|-------|-------|----------|
|                           | Berlin            | Other | Total | Total | Total    |
| Rental growth (%)         | -3.46             | -2.60 | -3.29 | -1.41 | -0.50    |
| Discount factor (%)       | -0.92             | -0.75 | -0.88 | -0.68 | -0.50    |
| Capitalisation factor (%) | -1.42             | -1.09 | -1.35 | -1.05 | -1.16    |

The item "Intangible assets" covers, in addition to software and licences, the goodwill in the amount of EUR 535.1 million which resulted from the GSW transaction (financial year 2013).

The derivative financial instruments are interest hedges recorded at fair value. These hedges were not concluded for speculative purposes but solely in order to minimise the interest rate risks and consequent cash flow risks of variable-rate loans. The negative market value (net), which was ascertained on the basis of the mark-to-market method, has fallen in comparison to 31 December 2014 from EUR 145.0 million (net) to EUR 52.4 million (net) – mainly because of the cancellation of interest hedges in the context of the refinancing carried out in the first half-year of 2015.



All other financial assets (trade receivables, other current assets, and cash and cash equivalents) as well as the other financial liabilities (current and non-current financial liabilities, trade payables and other liabilities) are valued at amortised cost. The amortised costs of these assets and liabilities also correspond closely to the fair value of these assets and liabilities.

The developments in equity can be found in the consolidated statements of changes in equity on page 25.

Financial liabilities have decreased in comparison to 31 December 2014 particularly because of the repayment of loans.

The convertible bonds are recognised at attributable fair value on the basis of their period-end conversion rate. The carrying amounts have increased in comparison to 31 December 2014 mainly because of the re-evaluation. The current conversion price of the convertible bond issued by Deutsche Wohnen AG in 2013 is EUR 17.7877. The nominal sum owing is EUR 250.0 million. The current conversion price of the convertible bond issued by Deutsche Wohnen AG in September 2014 is EUR 21.412. The nominal sum owing is EUR 400.0 million.

The employee benefit liabilities were valued as at the reporting date with a discount rate of 2.45 % p. a. (31 December 2014: 1.96 % p. a.). This rate derives from the yield of fixed-interest rate corporate bonds.

## Selected notes on the consolidated profit and loss statement

Revenues from Residential Property Management are made up as follows:

| EUR m                         | H1/2015      | H1/2014      |
|-------------------------------|--------------|--------------|
| Potential gross rental income | 320.2        | 320.3        |
| Subsidies                     | 2.9          | 3.6          |
|                               | <b>323.1</b> | <b>323.9</b> |
| Vacancy losses                | -9.8         | -10.5        |
|                               | <b>313.3</b> | <b>313.4</b> |

The expenses for Residential Property Management are made up as follows:

| EUR m                              | H1/2015      | H1/2014      |
|------------------------------------|--------------|--------------|
| Maintenance costs                  | -39.2        | -39.6        |
| Non-recoverable operating expenses | -6.9         | -6.8         |
| Rental loss                        | -3.5         | -4.1         |
| Other income/expenses              | -4.6         | -3.2         |
|                                    | <b>-54.2</b> | <b>-53.7</b> |

The Earnings from Disposals include sales proceeds, cost of sales and carrying amounts of investment properties sold and certain land and buildings held for sale.

Earnings from the segment Nursing and Assisted Living are made up as follows:

| EUR m                                   | H1/2015    | H1/2014    |
|---|------------|------------|
| Income from Nursing and Assisted Living | 33.0       | 33.8       |
| Nursing and corporate costs             | -8.4       | -8.9       |
| Staff expenses                          | -16.7      | -16.6      |
|   | <b>7.9</b> | <b>8.3</b> |

Financial expenses are made up as follows:

| EUR m   | H1/2015       | H1/2014       |
|---|---------------|---------------|
| Current interest expenses                                   | -69.1         | -92.4         |
| Accrued and discounted interest on liabilities and pensions | 1.7           | -7.7          |
| One-off financing costs                                     | -38.7         | 0.0           |
|   | <b>-106.1</b> | <b>-100.1</b> |

## Notes on the consolidated statement of cash flows

Other non-cash expenses/income mainly comprise carrying amount gains from disposals.

The cash fund is made up of cash at hand and bank deposits.



## Notes on segment reporting

The following table shows the segment revenues and the segment results for the Deutsche Wohnen Group:

| EUR m   | External revenue |              | Internal revenue |            | Total revenue |              |
|---|------------------|--------------|------------------|------------|---------------|--------------|
|   | H1/2015          | H1/2014      | H1/2015          | H1/2014    | H1/2015       | H1/2014      |
| <b>Segments</b>   |                  |              |                  |            |               |              |
| Residential Property Management                             | 313.3            | 313.4        | 7.0              | 2.8        | 320.3         | 316.2        |
| Disposals   | 507.1            | 138.4        | 3.5              | 2.2        | 510.6         | 140.6        |
| Nursing and Assisted Living                                 | 33.0             | 33.8         | 0.0              | 0.0        | 33.0          | 33.8         |
| <b>Reconciliation with consolidated financial statement</b> |                  |              |                  |            |               |              |
| Central function and other operating activities             | 1.0              | 4.0          | 34.3             | 23.8       | 35.3          | 27.8         |
| Consolidations and other reconciliations                    | -1.0             | -4.0         | -44.8            | -28.8      | -45.8         | -32.8        |
|   | <b>853.4</b>     | <b>485.6</b> | <b>0.0</b>       | <b>0.0</b> | <b>853.4</b>  | <b>485.6</b> |

| EUR m   | Segment earnings |              | Assets          |                 |
|---|------------------|--------------|-----------------|-----------------|
|   | H1/2015          | H1/2014      | 30/6/2015       | 31/12/2014      |
| <b>Segments</b>   |                  |              |                 |                 |
| Residential Property Management                             | 259.1            | 259.7        | 11,308.2        | 10,167.4        |
| Disposals   | 46.2             | 25.6         | 170.2           | 457.1           |
| Nursing and Assisted Living                                 | 7.9              | 8.3          | 14.0            | 14.3            |
| <b>Reconciliation with consolidated financial statement</b> |                  |              |                 |                 |
| Central function and other operating activities             | -53.1            | -53.3        | 707.0           | 451.7           |
| Consolidations and other reconciliations                    | 0.0              | 0.0          | 0.0             | 0.0             |
|   | <b>260.1</b>     | <b>240.3</b> | <b>12,199.4</b> | <b>11,090.5</b> |



## Other information

### Associated parties and companies

The position of Michael Zahn as Chairman of the Supervisory Board of GEHAG GmbH, Berlin, ended as at 23 March 2015.

On 2 June 2015 Michael Zahn was elected as Chairman of the Supervisory Board and Andreas Segal as the Vice-Chairman of GSW Immobilien AG, Berlin.

Apart from the above, there have been no significant changes to associated parties and/or companies in comparison to the information provided as at 31 December 2014.

## Risk report

With regard to the risks which exist for future business development we refer you to the information presented in the risk report in the consolidated financial statements as at 31 December 2014.

Frankfurt/Main, 13 August 2015

Deutsche Wohnen AG  
Management Board

Michael Zahn  
Chief Executive  
Officer

Andreas Segal  
Member of the  
Management Board

Lars Wittan  
Member of the  
Management Board



## RESPONSIBILITY STATEMENT

"We hereby declare that, to the best of our knowledge, the consolidated interim financial statements as at 30 June 2015 give a true and fair view of the earnings, financial and assets position of the Group in accordance with the applicable accounting standards, and that the interim report presents a true and fair view of the development of the business including the business result and the position of the Group and describes the main opportunities and risks associated with the Group's expected future development."

Frankfurt/Main, 13 August 2015

Deutsche Wohnen AG  
Management Board



Michael Zahn  
Chief Executive  
Officer

Andreas Segal  
Member of the  
Management Board

Lars Wittan  
Member of the  
Management Board

### Disclaimer

This interim report contains statements of a predictive nature, and such statements involve risks and imponderables. In future, the actual development of the business and the results of Deutsche Wohnen AG and of the Group may in certain circumstances deviate substantially from the assumptions made in this interim report. This interim report represents neither an offer to sell nor a request to submit an offer to buy shares in Deutsche Wohnen AG. This interim report does not create an obligation to update the statements it contains. Due to rounding some of the figures shown in the tables of this interim report do not add up exactly to the total figures shown, and some of the percentages do not add up exactly to the subtotals or to 100%.



## FINANCIAL CALENDAR

|                        |   |
|------------------------|---|
| <b>13/8/2015</b>       | Publication of Interim Report as at 30 June 2015/half-year results        |
| <b>3–4/9/2015</b>      | Roadshow, London  |
| <b>8–10/9/2015</b>     | EPRA Annual Conference, Berlin  |
| <b>21–23/9/2015</b>    | Berenberg/Goldman Sachs German Corporate Conference, Munich               |
| <b>22–24/9/2015</b>    | Baader Investment Conference, Munich                                      |
| <b>5–7/10/2015</b>     | Expo Real, Munich   |
| <b>13/11/2015</b>      | Publication of Interim Report as at 30 September 2015/nine-months results |
| <b>20/11/2015</b>      | Deutsche Wohnen Capital Markets Day, Berlin                               |
| <b>30/11–1/12/2015</b> | Berenberg Mid Cap Conference, London                                      |
| <b>1–2/12/2015</b>     | UBS European Real Estate Conference, London                               |

## CONTACT AND IMPRINT

Torsten Klingner  
Director Investor Relations

Phone +49 (0)30 897 86 5413  
Fax +49 (0)30 897 86 5409

Berlin office  
Deutsche Wohnen AG  
Mecklenburgische Straße 57  
14197 Berlin, Germany

**Published by**  
Deutsche Wohnen AG, Frankfurt/Main, Germany

**Concept and design**  
HGB Hamburger Geschäftsberichte GmbH & Co. KG,  
Hamburg, Germany

The Interim Report is available in German and English. Both versions are available for download at [www.deutsche-wohnen.com](http://www.deutsche-wohnen.com).

The German version of this report is legally binding. The company cannot be held responsible for any misunderstanding or misinterpretation arising from this translation.