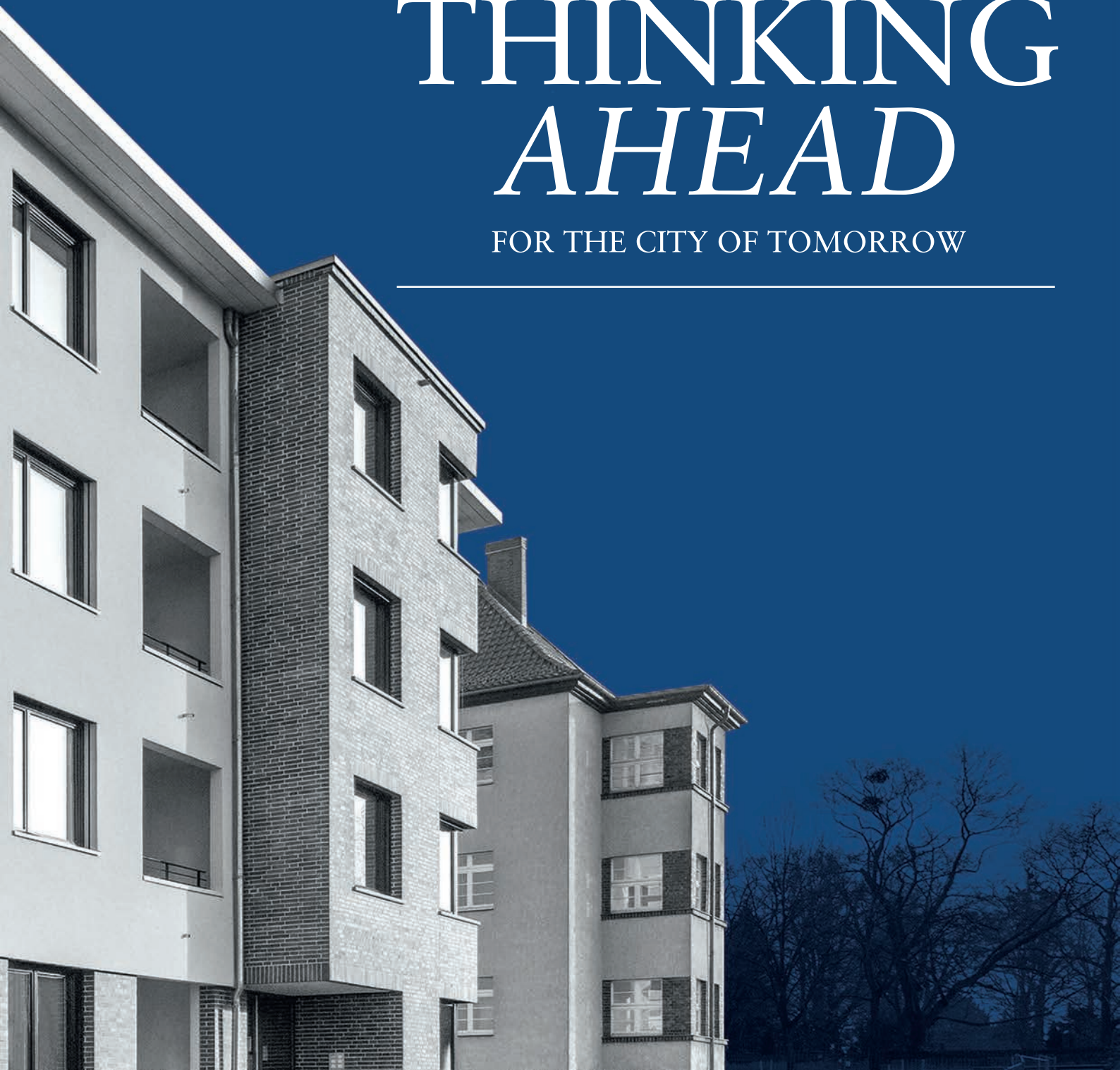




INTERIM STATEMENT
AS AT 30 SEPTEMBER 2017

THINKING *AHEAD*

FOR THE CITY OF TOMORROW



THINKING *AHEAD*

FOR THE CITY OF TOMORROW

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Group interim statement as at 30 September 2017

GROUP KEY FIGURES

Profit and loss statement		9m/2017	9m/2016	Change
Contracted rental income	in EUR m	553.4	526.1	5.2%
Earnings from Residential Property Management	in EUR m	461.6	444.7	3.8%
Earnings from Disposals	in EUR m	28.5	46.4	-38.6%
Earnings from Nursing and Assisted Living	in EUR m	36.9	13.7	169.3%
Corporate expenses	in EUR m	-58.1	-52.4	10.9%
EBITDA	in EUR m	463.6	451.4	2.7%
EBT (adjusted)	in EUR m	368.5	359.8	2.4%
EBT (as reported)	in EUR m	1,043.8	929.5	12.3%
Earnings after taxes	EUR per share	706.0	662.6 ³⁾	6.5%
Earnings after taxes ¹⁾	in EUR m	1.93	1.90 ³⁾	1.6%
FFO I	EUR per share	330.0	303.0 ³⁾	8.9%
FFO I (undiluted) ¹⁾	EUR per share	0.94	0.90 ³⁾	4.4%
FFO I (diluted) ²⁾	in EUR m	0.89	0.82 ³⁾	8.5%
FFO II	EUR per share	358.5	349.4 ³⁾	2.6%
FFO II (undiluted) ¹⁾	EUR per share	1.02	1.04 ³⁾	-1.9%
FFO II (diluted) ²⁾	EUR per share	0.97	0.94 ³⁾	3.2%

Balance sheet		30/9/2017	31/12/2016	Change
Investment properties	in EUR m	17,941.0	16,005.1	1,935.9
Current assets	in EUR m	868.2	669.2	199.0
Equity	in EUR m	9,146.6	8,234.0	912.6
Net financial liabilities	in EUR m	6,785.3	6,185.2	600.1
Loan-to-value ratio (LTV)	in %	37.0	37.7	-0.7
Total assets	in EUR m	18,942.1	16,783.6	2,158.5

Share		30/9/2017	31/12/2016	Change
Share price (closing price)	EUR per share	35.92	29.84	20.4%
Number of shares	m	354.67	337.48	17.19
Market capitalisation	in EUR billion	12.7	10.1	25.7%

Net Asset Value (NAV)		30/9/2017	31/12/2016	Change
EPRA NAV (undiluted)	in EUR m	11,190.9	10,017.0	1,173.9
EPRA NAV (undiluted)	EUR per share	31.55	29.68	6.3%
EPRA NAV (diluted)	EUR per share	31.72	29.69	6.9%

Fair values		30/9/2017	31/12/2016	Change
Fair value of real estate properties ⁴⁾	in EUR m	17,207	15,465	1,742
Fair value per sqm of residential and commercial areas ⁴⁾	EUR per sqm	1,718	1,580	8.7%

¹⁾ Based on an average number of around 351.26 million issued shares in 2017 or of around 337.44 million issued shares in 2016

²⁾ Based on an average number of around 370.71 million issued shares in 2017 or of around 370.81 million issued shares in 2016, assuming in each case a conversion of the convertible bonds in the money

³⁾ Figure for previous year changed

⁴⁾ Takes only residential and commercial properties into account – without Nursing and Assisted Living

GROUP INTERIM MANAGEMENT REPORT

Deutsche Wohnen SE with its subsidiaries (hereinafter referred to as "Deutsche Wohnen" or "Group") is, measured by its market capitalisation, currently the third largest publicly listed property company in Europe, and is listed in the MDAX of the German stock exchange.

Its property holdings, which have a fair value of approximately EUR 17.9 billion, consist of around 163,000 residential and commercial units as well as nursing homes with around 6,700 nursing places and apartments for assisted living. Our investment activities focus on residential properties in dynamic conurbations and metropolitan regions of Germany. The fundamental economic growth in Germany, the population influx into German metropolitan regions and the shortage of new building activity in these regions provide a very good basis for further rises in rents and increases in the value of our portfolio. We see the expansion of our nursing and commercial properties as a further area of growth, particularly in view of demographic trends.

Deutsche Wohnen in the capital market

German economy remains on course for growth

The economy in Germany continues to grow strongly. Due to a strong first half-year in 2017, the German Institute for Economic Research [Deutsches Institut für Wirtschaftsforschung – DIW], has corrected its forecast for GDP growth for the entire financial year upwards to 1.9%. These developments are supported by good conditions in the global economy. Accordingly, global economic growth of 3.8% is forecast for the current financial year, with the eurozone achieving growth of 2.1%.

Because of fluctuations in energy prices last year, the DIW is forecasting an increase in the rate of inflation from 0.5% in 2016 to 1.7% for 2017. Core inflation, which does not take energy components into account, will probably only rise to just under 1.5%.

As at the end of the first half-year of 2017, almost all sectors of the economy recorded a growth in jobs. At the same time, disposable incomes rose markedly. For the current year and the following year, the DIW expects an unemployment rate of 5.7% (2016: 6.1%)¹⁾.

Early indicators of multi-year high lead to rising share prices

Consistently good economic figures in the eurozone – with the ifo-index (the barometer of business confidence) at an all-time high –, improving economic trends, rising oil prices and positive company reports all combined to generate rising share prices on the stock markets in the third quarter of 2017.

In the same period, the DAX rose by 4.1% after it had slipped back below 12,000 points, its lowest level for five months, because of pressures from the strong euro. Overall, the DAX rose from the start of the year to the end of Q3 by 11.7%. Over the same period, the MDAX increased by 17.1% and closed at 25,994 points.

ECB president, Mario Draghi, stressed at the central bank's meeting in September that the recent strength of the euro could lead to a decline in inflation. There has been no tightening of the ECB's expansive monetary policy to date.

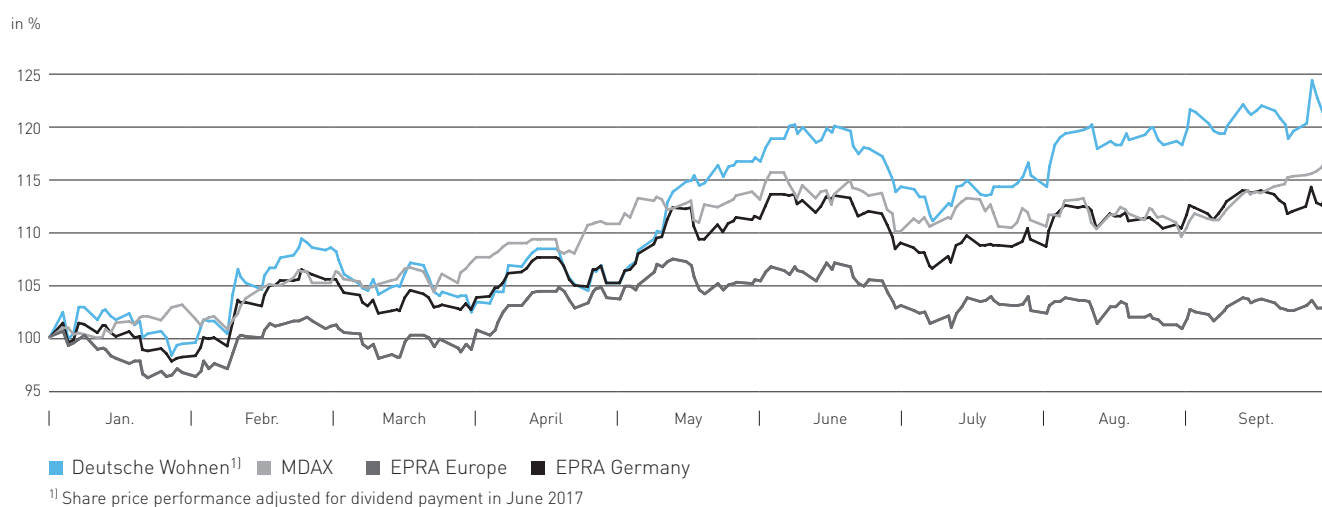
¹⁾ DIW: Economic Outlook in autumn 2017 (Grundlinien der Wirtschaftsentwicklung im Herbst 2017)

Deutsche Wohnen share outperforms benchmark indices

The Deutsche Wohnen share ended the first nine months of 2017 with a closing price of EUR 35.92. In so doing, it achieved a share price increase of approximately 20%²⁾ in comparison to the start of the year and performed significantly better than the German share indices DAX and MDAX. In the first nine months of the year, the real estate index EPRA Germany rose by approximately 14% whilst EPRA Europe only achieved an increase of approximately 3.5% during the same period.

As at the end of the third quarter of 2017, the market capitalisation of Deutsche Wohnen SE had risen by just under 17% to EUR 12.7 billion in comparison to the previous year. The average Xetra daily trading turnover increased further by approximately 13% from EUR 23.8 million in the first nine months of 2016 to EUR 26.9 million in the equivalent period of 2017. The average number of Deutsche Wohnen shares traded per day via the Xetra platform was 814,365 in the first nine months of 2017. In addition, 790,016 shares a day were traded via alternative platforms.

Share price performance 9m/2017 (indexed)



Key share figures

	9m/2017	9m/2016
No. of shares in m	approx. 354.67	approx. 337.47
Closing share price at end of 9m ¹⁾ in EUR	35.92	32.36
Market capitalisation in EUR bi.	approx. 12.7	approx. 10.9
Highest share price ¹⁾ during nine-month period in EUR	36.50	34.83
Lowest share price ¹⁾ during nine-month period in EUR	28.71	22.00 [21.60] ³⁾
Average daily trading volume on Xetra ²⁾	814,365	854,940

¹⁾ XETRA closing price

²⁾ Traded shares

³⁾ Prices in brackets adjusted for capital increases and dividend payments

Source: Bloomberg, as at 29/09/2017

²⁾ Adjusted for dividend payment in 2017

Broad analyst coverage

The development of the Deutsche Wohnen SE share is currently³⁾ being monitored by a total of 30 analysts. The current³⁾ target prices range from EUR 31.20 to EUR 45.00 per share, with 21 analysts assuming a target price of EUR 36.00 per share or higher. At EUR 37.93, the average or consensus of all the analysts' evaluations is currently around 6% higher than the closing price at the end of the third quarter of 2017.

Rating	Number
Add/Buy/Outperform/Overweight	18
Hold/Neutral/Equal-weight	9
Reduce/Sell/Underperform	2
Not specified	1

Intensive dialogue with analysts and investors

Deutsche Wohnen conducts an intensive dialogue with its shareholders and investors. For this purpose, we make use of national and international conferences and roadshows. Accordingly, during the first nine months of 2017 Deutsche Wohnen presented its business model on roadshows and at investors' conferences in, amongst other places, New York, London, Paris, Amsterdam and Brussels. We are planning to take part in further conferences and roadshows in the fourth quarter of 2017.

The financial calendar on [D25](#) provides an overview of important dates. This calendar is updated regularly on our Investor Relations homepage.

³⁾ As at 30 September 2017

Property portfolio

As at 30 September 2017, the property portfolio of Deutsche Wohnen comprised approximately 161,000 residential units and around 2,500 commercial units. 99% of our holdings are located in strategic core and growth regions. The largest single location is Greater Berlin, which accounts for 71% of the apartments in our entire portfolio.

The average in-place rent for residential accommodation across all our holdings as at 30 September 2017 was EUR 6.33 per sqm (previous year: EUR 6.05 per sqm), with an average vacancy rate of 2.1% (previous year: 1.8%).

30/9/2017						
	Residential units	Area	Share of total portfolio	In-place rent ¹⁾	Vacancy	Commercial units
Property portfolio	Number	sqm k	in %	EUR/sqm	in %	Number
Strategic core and growth regions	159,496	9,586	99.1	6.35	2.1	2,470
Core+	140,601	8,420	87.4	6.44	2.0	2,266
Greater Berlin	114,314	6,796	71.0	6.37	2.0	1,787
Rhine-Main	9,839	593	6.1	7.54	2.4	132
Dresden/Leipzig	5,136	337	3.2	5.65	3.9	225
Rhineland	5,008	312	3.1	6.23	0.7	27
Mannheim/Ludwigshafen	4,923	303	3.1	5.98	2.0	43
Other Core+	1,381	79	0.9	9.89	0.5	52
Core	18,895	1,166	11.7	5.65	2.2	204
Hanover/Brunswick	9,127	589	5.7	5.75	1.9	91
Kiel/Lübeck	4,955	294	3.1	5.59	2.3	21
Core cities Eastern Germany	4,813	283	3.0	5.50	2.8	92
Non-Core	1,429	92	0.9	4.91	5.7	19
Total	160,925	9,678	100.0	6.33	2.1	2,489

¹⁾ Contractually owed rent for rented residential units divided by rental area

Portfolio development

Acquisitions

In the first nine months of 2017, we acquired approximately 5,800 residential and commercial units exclusively in Core+ markets at a purchase price of approximately EUR 920 million. Of these units, approximately 4,400 are located in Berlin and 1,300 in Leipzig and Dresden.

Disposals

We make use of the continuing high demand, particularly in the residential property market, to streamline our portfolio. Therefore, we concluded contracts for the sale of about 2,300 residential units for approximately EUR 200 million and with a gross margin of 20% within the reporting period. These were essentially portfolios located in Non-Core markets such as Oberhausen, Kaiserslautern or Saarbrücken.

For further information about our disposals, we refer you to the Earnings from Disposals section on [p. 10](#).

Operational developments

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.

Like-for-like	Residential units Number	30/9/2017	30/9/2016	Development in %	30/9/2017	30/9/2016
		In-place rent ¹⁾ EUR/sqm			Vacancy in %	
Total	155,238	6.31	6.05	4.1	1.9	1.6
Letting portfolio²⁾	150,302	6.32	6.07	4.2	1.7	1.5
Core ⁺	131,620	6.42	6.14	4.5	1.6	1.5
Greater Berlin	108,114	6.35	6.04	5.0	1.7	1.5
Rhine-Main	8,821	7.64	7.42	2.9	1.8	1.4
Rhineland	4,913	6.22	6.12	1.6	0.6	1.2
Mannheim/Ludwigshafen	4,418	5.96	5.70	4.5	0.7	0.6
Dresden/Leipzig	3,973	5.41	5.33	1.6	2.2	2.4
Other Core ⁺	1,381	9.89	9.78	1.1	0.5	1.3
Core	18,682	5.65	5.56	1.7	2.2	1.8
Hanover/Brunswick	9,089	5.74	5.64	1.9	1.9	1.9
Kiel/Lübeck	4,945	5.59	5.52	1.4	2.3	1.6
Core cities Eastern Germany	4,648	5.51	5.43	1.5	2.7	2.0

¹⁾ Contractually owed rent for residential units divided by rental area

²⁾ Excluding holdings for disposal and Non-Core

The like-for-like rental growth in the letting portfolio was 4.2%, whilst in Berlin it was as high as 5.0%. This rental growth was also influenced by rent adjustments on the basis of the new Berlin rent index, which was published in May of this year.

At 1.7%, the vacancy rate in the letting portfolio remained at a very low level (previous year: 1.5%). The slight increase was due to vacancies occasioned by modernisation work as part of our capital expenditure projects.

Investments in portfolio

In the first nine months of 2017, a sum of EUR 216.2 million or EUR 29.03 per sqm (previous year: EUR 147.9 million or EUR 20.08 per sqm) was invested in the maintenance and modernisation of the property portfolio. Against the background of our

extensive modernisation programme, we will further increase our investment in the modernisation of our properties in future.

The following table shows expenditure on maintenance and modernisation for this reporting period in comparison to the corresponding period of the previous year.

EUR m	9m/2017	9m/2016
Maintenance	74.1	64.4
in EUR/sqm p.a.	9.95 ¹⁾	8.75 ¹⁾
Modernisation	142.1	83.5
in EUR/sqm p.a.	19.08 ¹⁾	11.34 ¹⁾
Maintenance and Modernisation	216.2	147.9
 in EUR/sqm p.a.	29.03¹⁾	20.08¹⁾

¹⁾ Taking into consideration average floor space on a quarterly basis in the relevant reporting period

Nursing properties

In addition to residential and commercial properties, Deutsche Wohnen also holds a portfolio of 51 nursing properties with a total of 6,700 places.

Parts of the nursing properties are operated by KATHARINENHOF Seniorenwohn- und Pflegeanlage Betriebs-GmbH, in which we have a 49% interest. As at 30 September 2017, KATHARINENHOF® managed 23 facilities, of which Deutsche Wohnen owns 22 with a fair value of EUR 244 million.

The occupancy rate of the facilities – not including ambulatory care – during the reporting period was approximately 98.2% (equivalent period of previous year: 98.7%) and so continues to be at a high level.

In addition, since 1 January 2017 Deutsche Wohnen has been the owner of 28 nursing homes which are mainly located in Western Germany and are let long-term to reputable operators. As at the reporting date, the fair value of these facilities was EUR 444 million.

Because the German nursing market, which is characterised by rising demand caused by demographic trends, is highly attractive, we intend to further expand this segment.

Nursing properties

Operated by KATHARINENHOF®

30/9/2017

Federal state	Places				Occupancy rate in %
	Facilities Number	Nursing Number	Assisted living Number	Total Number	
Berlin region	12	1,070	371	1,441	98.7
Hamburg	3	335	157	492	94.5
Saxony	7	436	56	492	100.0
Lower Saxony	1	131	–	131	98.9
Total KATHARINENHOF® facilities	23	1,972	584	2,556	98.2

Nursing properties

Other operators

30/9/2017

Federal state	Places				WALT
	Facilities Number	Nursing Number	Assisted living Number	Total Number	
Bavaria	7	999	–	999	11.7
North Rhine-Westphalia	5	721	187	908	13.0
Lower Saxony	4	661	–	661	10.4
Rhineland-Palatinate	4	409	208	617	12.6
Baden-Wuerttemberg	5	557	16	573	13.2
Other	3	374	–	374	9.3
Total other operators	28	3,721	411	4,132	11.9
Total nursing	51	5,693	995	6,688	

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 consolidated profit and loss statement for the first nine months of the financial year 2017 in comparison to the corresponding period of the previous year:

EUR m	9m/2017	9m/2016
Earnings from Residential Property Management	461.6	444.7
Earnings from Disposals	28.5	46.4
Earnings from Nursing and Assisted Living	36.9	13.7
Corporate expenses	-58.1	-52.4
Other expenses/income	-5.3	-1.0
Operating result (EBITDA)	463.6	451.4
Depreciation and amortisation	-5.2	-4.6
Fair-value adjustments of investment properties	885.9	731.3
Gains/losses from companies valued at equity	1.3	1.5
Financial result	-301.8	-250.1
Earnings before taxes (EBT)	1,043.8	929.5
Current taxes	-30.2	-21.3
Deferred taxes	-307.6	-245.6 ¹⁾
Profit for the period	706.0	662.6¹⁾

¹⁾ Figure for previous year amended

In comparison to the equivalent period of the previous year, profit for the period rose by EUR 43.4 million to EUR 706.0 million. This change is attributable, on the one hand, to the higher operating result (EBITDA) and increased earnings from the adjusted fair value of the investment properties. On the other hand, higher expenses were incurred in the financial result and for deferred taxes. These increases resulted primarily from the revaluation of the company's properties.

Earnings before taxes, adjusted for one-off items and valuation effects, show the normalised increase in earnings:

EUR m	9m/2017	9m/2016
Earnings before taxes	1,043.8	929.5
Gains/losses from the valuation of properties	-885.9	-731.3
Gains/losses from fair-value adjustments of derivative financial instruments and convertible bonds	178.3	155.2
One-off expenses and earnings	32.3	6.4
Adjusted earnings before taxes	368.5	359.8

The one-off expenses and earnings of EUR 32.3 million in the first nine months of the financial year 2017 were mainly incurred for the premature redemption of loans and interest hedges, and for the issue of convertible bonds.

Earnings from Residential Property Management

As expected, earnings from Residential Property Management exceeded the level of the previous year.

EUR m	9m/2017	9m/2016
Contracted rental income	553.4	526.1
Non-recoverable operating costs	-8.0	-6.2
Rental loss	-4.3	-4.8
Maintenance	-74.1	-64.4
Other	-5.4	-6.0
Earnings from Residential Property Management	461.6	444.7
Staff, general and administration expenses	-33.0	-30.1
Operating result (NOI)	428.6	414.6
NOI-margin in %	77.4	78.8
NOI in EUR per sqm and month ¹⁾	4.80	4.69
Change in %	2.3	

¹⁾ Taking into consideration the average area on a quarterly basis in the relevant reporting period

Acquisitions and rent increases across the entire portfolio led to an increase in rental income in comparison to the corresponding period of the previous year.

Expenditure on maintenance was EUR 74.1 million (previous year: EUR 64.4 million) or EUR 9.95 per sqm p.a.⁴⁾ (previous year: EUR 8.75 per sqm p.a.⁴⁾). In proportion to rental income, expenditure on maintenance rose from approximately 12.2% to approximately 13.4%.

Earnings from Disposals

Demand for property as a form of investment for owner-occupiers and investors remains high. Up to 30 September 2017, a total of 3,072 units were sold, with the transfer of risks and rewards expected in 2017. 409 of these units were attributable to sales contracts that were concluded in the financial year 2016.

	Units	Transaction volume	IFRS Carrying amount of assets sold	Gross margin	
	Number	EUR m	EUR m	EUR m	in %
Privatisation	734	108.7	84.2	24.5	29
Institutional sales	2,338	208.7	174.2	34.5	20
	3,072	317.4	258.4	59.0	23

The gross margins continue to move on a high level despite the revaluations of the past two years.

Of the 3,072 residential units sold, the transfer of risks and rewards took place in respect of 2,174 residential units in the first nine months of the financial year 2017 (equivalent period of previous year: 3,605), and so these are included in the sales results:

EUR m	9m/2017	9m/2016
Sales proceeds	199.5	301.0
Cost of sales	-6.2	-8.2
Net proceeds	193.3	292.8
Carrying amount of assets sold	-164.8	-246.4
Earnings from Disposals	28.5	46.4

Earnings from Nursing and Assisted Living

The following overview shows revenues and expenses in the Nursing and Assisted Living segment:

EUR m	9m/2017	9m/2016
Revenues		
Nursing	53.9	41.5
Assisted Living	6.5	4.9
Lease income	20.5	0.0
Lease income KATHARINENHOF®	10.9	8.9 ¹⁾
Other	9.0	6.0
	100.8	61.3
Expenses		
Nursing and corporate expenses	-15.8	-12.0
Staff expenses	-36.9	-26.7
Leased properties	-0.3	0.0
Lease expenses KATHARINENHOF®	-10.9	-8.9 ¹⁾
	-63.9	-47.6
Earnings from Nursing and Assisted Living	36.9	13.7
Attributable current interest expenses	-3.1	-3.3
Earnings from Nursing and Assisted Living after interest	33.8	10.4

¹⁾ Figure for previous year amended

⁴⁾ Taking into consideration the average area on a quarterly basis in the relevant reporting period

The earnings from Nursing and Assisted Living from properties managed by KATHARINENHOF® before lease expenses (EBITDAR) were EUR 17.5 million in the first nine months of the financial year 2017. This corresponds to an EBITDAR margin of 25.2%.

The increase in revenues and expenses in comparison to the equivalent period of the previous year is particularly attributable to acquisitions. As at 31 December 2016, the properties and operations of three nursing facilities in Hamburg were taken over. Furthermore, the properties of 28 nursing facilities, which are leased long-term to other operators, were acquired as at 1 January 2017.

Corporate expenses

Corporate expenses include staff, general and administration expenses without the segment Nursing and Assisted Living.

EUR m	9m/2017	9m/2016
Staff expenses	-37.6	-32.9
Long-term remuneration component (share-based)	-1.2	-1.6
General and administration expenses	-19.3	-17.9
Total corporate expenses	-58.1	-52.4

In relation to rental income, corporate expenses account for approximately 10.5% (equivalent period of previous year: 10.0%).

Financial result

The financial result is made up as follows:

EUR m	9m/2017	9m/2016
Current interest expenses	-74.8	-79.3
Accrued interest on liabilities and pensions	-17.2	-9.9
Interest expenses due to transactions	-32.8	-6.4
Fair value adjustments of derivative financial instruments	3.2	-10.9
Fair value adjustments of convertible bonds	-181.5	-144.3
	-303.1	-250.8
Interest income	1.3	0.7
Financial result	-301.8	-250.1

The reduction in current interest expenses results mainly from the measures to refinance and repay loans which were carried out in the course of the previous financial year. Regarding the part of its loans with a variable interest rate, Deutsche Wohnen continues to profit from the fact that interest rate levels are currently low.

In the first nine months of the financial year 2017, individual loans to finance the portfolio were redeemed or extended under new interest rate and repayment conditions and, in part, increased. For these loans and the associated interest hedges prepayment penalties were incurred, amounting to EUR 18.9 million, which are included in the interest expenses due to transactions.

In addition, interest expenses due to transactions contain EUR 7.4 million arising from the placement of a convertible bond from the first quarter of 2017 in a nominal amount of EUR 800 million and maturing in 2024. As the convertible bond is valued at market value, the issuance costs are not deferred over the full term of the bond but recorded immediately as expenses. Further interest expenses due to transactions were incurred in the amount of EUR 5.7 million by the reporting date relating to the placement of a new convertible bond, which was issued on 4 October 2017 in a total nominal amount of EUR 800 million and maturing in January 2026.

The development of the price for the convertible bonds mirrored that of the Deutsche Wohnen SE share price. The convertible bonds are reported at their fair value on the consolidated balance sheet. The positive performance of the share price resulted in a valuation loss. The current share price is higher than the underlying conversion price of the convertible bond issued in 2014, so that this convertible bond is in the money. This results in positive effects on the key balance sheet figures LTV or EPRA NAV when calculated on an undiluted basis.

Income taxes

The income taxes in the amount of EUR 337.8 million comprise EUR 307.6 million of deferred taxes and EUR 30.2 million of current income taxes. The current income taxes contain the non-cash income tax component of EUR 1.4 million for the costs of the cash capital increase of February 2017. The expenses for deferred taxes are mainly related to the revaluation of investment properties as well as the repayment of the 2013 convertible bond, for the market valuation of which there were deferred tax assets until the bond was repaid.

Financial position

Selected key figures from the consolidated balance sheet:

	30/9/2017		31/12/2016	
	EUR m	%	EUR m	%
Investment properties	17,941.0	95	16,005.1	95
Other non-current assets	132.9	1	109.3	1
Total non-current assets	18,073.9	96	16,114.4	96
Current assets	473.2	2	477.0	3
Cash and cash equivalents	395.0	2	192.2	1
Total current assets	868.2	4	669.2	4
Total assets	18,942.1	100	16,783.6	100
Equity	9,146.6	48	8,234.0	49
Financial liabilities	4,793.6	25	4,600.0	28
Convertible bonds	1,553.5	8	1,045.1	6
Corporate bonds	833.2	4	732.3	4
Tax liabilities	50.6	0	48.3	0
Employee benefit liability	64.9	0	67.6	0
Deferred tax liabilities	1,997.9	11	1,687.1	10
Other liabilities	501.8	4	369.2	3
Total liabilities	9,795.5	52	8,549.6	51
Total equity and liabilities	18,942.1	100	16,783.6	100

Investment properties represent the largest asset position. This figure has risen in comparison to 31 December 2016 mainly because of the valuation increase in the amount of EUR 885.9 million as at 30 June 2017 and acquisitions.

The Group's equity rose in the first nine months of 2017 by EUR 912.6 million in absolute terms, with the equity ratio remaining more or less unchanged at approximately 48%. In February 2017, Deutsche Wohnen issued around 17.2 million new bearer shares by way of a cash capital increase and achieved proceeds of EUR 540.9 million after costs. Furthermore, around 11 thousand bearer shares were issued in the first nine months of the financial year 2017 in exchange for around 5 thousand bearer shares of GSW Immobilien AG. 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 of GSW. In addition, the capital of Deutsche Wohnen increased by the total comprehensive income of EUR 713.5 million for the first nine months of 2017 and decreased by EUR 262.4 million due to the payment of the dividend for the financial year 2016.

In the first half-year of 2017, the convertible bond that was issued in 2013 and that was due to mature in 2020 was refinanced prematurely in the currently favourable market environment. Based on market values including the call premium, a repayment sum of EUR 471.4 million resulted for the nominal sum (EUR 249.4 million out of a total of EUR 250 million), which was repaid in the first quarter of 2017. The outstanding convertible bonds of 2013 were repaid in the second quarter of 2017 in the amount of their nominal value of EUR 0.6 million.

A new convertible bond was issued in February 2017. This convertible bond for a nominal amount of EUR 800 million and maturing in 2024 will accrue interest at 0.325% p.a. and has a conversion price per share of initially EUR 48.58. Due to the dividend payment of 2016, this price has decreased in the meantime to EUR 48.30 per share.

Liabilities arising from convertible bonds increased further by EUR 181.5 million because of fluctuations in market value. The nominal amount of the outstanding convertible bonds is EUR 1,200 million in total as at the reporting date.

Liabilities arising from corporate bonds changed due to the issue of long-term registered bonds and due to the issue and repayment of short-term commercial papers.

Deferred tax liabilities rose in comparison to the end of the previous financial year mainly because of the revaluation of the company's investment properties.

Other liabilities increased in comparison to the end of the previous financial year. This increase is mainly due to liabilities towards minority shareholders and to changes in finance leasing.

The EPRA NAV developed as follows:

EUR m	30/9/2017	31/12/2016
Equity (before non-controlling interests)	8,842.2	7,965.6
Fair value of derivative financial instruments	20.0	47.0
Deferred taxes	2,328.7	2,004.4
EPRA NAV (undiluted)	11,190.9	10,017.0
Number of shares (undiluted) in m	354.7	337.5
EPRA NAV (undiluted) in EUR per share	31.55	29.68
Effects arising from the conversion of convertible bonds	678.0	992.3
EPRA NAV (diluted)	11,868.9	11,009.3
Number of shares (diluted) in m	374.1	370.8
EPRA NAV (diluted) in EUR per share	31.72	29.69

The EPRA NAV (undiluted) rose in absolute terms by EUR 1,173.9 million. In particular, the increase in value of EUR 885.9 million of the company's investment properties as at 30 June 2017 and the capital increase of EUR 542.3 million in February 2017 contributed to this. At the same time, the EPRA NAV (undiluted) fell by EUR 262.4 million due to the payment of the dividend for the financial year 2016 in the second quarter of 2017.

As at the reporting date, the EPRA NAV (diluted) took into account the dilutions created by the convertible bond that was issued in 2014 and is very much in the money. As at 31 December 2016, a dilution was also created by the convertible bond issued in 2013 which was also in the money at that time, and which was completely repaid in the first half-year of 2017. The convertible bond issued in 2017 did not lead to any dilution.

The loan-to-value ratio developed in comparison to 31 December 2016 as follows:

EUR m	30/9/2017	31/12/2016
Financial liabilities	4,793.6	4,600.0
Convertible bonds	1,553.5	1,045.1
Corporate bonds	833.2	732.3
	7,180.3	6,377.4
Cash and cash equivalents	-395.0	-192.2
Net financial liabilities	6,785.3	6,185.2
Investment properties	17,941.0	16,005.1
Non-current assets held for sale	30.8	29.2
Land and buildings held for sale	345.1	381.5
	18,316.9	16,415.8
Loan-to-value ratio in %	37.0	37.7

As at the reporting date, the loan-to-value ratio was approximately 37.0%. The average interest rate of the credit portfolio, including the convertible bonds and the corporate bonds, was approximately 1.4% as at 30 September 2017 with a hedging rate of around 86%.

The cash flows of the Group break down as follows:

EUR m	9m/2017	9m/2016
Net cash flows from operating activities before acquisition and disposal of properties held for sale, before payments of income taxes and interest	389.0	303.1
Disposal of properties held for sale	53.5	-277.5
Interest payments	-80.4	-83.4
Income tax payments	-49.9	-37.1
Net cash flows from operating activities	312.2	-94.9
Net cash flows from investment activities	-735.5	-528.6
Net cash flows from financing activities	626.1	239.7
Net change in cash and cash equivalents	202.8	-383.8
Opening balance cash and cash equivalents	192.2	661.6
Closing balance cash and cash equivalents	395.0	277.8

In the first nine months of the financial year 2017, the cash flow from investment activities contained payments for investments in the amount of EUR 889.2 million, of which EUR 735.9 million were payments for acquisitions. Meanwhile, sales proceeds from the disposal of investment properties amounted to EUR 138.4 million.

In the reporting period, cash flow from financing activities contained in particular proceeds arising from the capital increase in February 2017 of EUR 540.9 million after costs, the repayment of the convertible bond issued in 2013 in the amount of EUR 472 million and proceeds from the issue of a new convertible bond in the amount of EUR 800 million. The dividend for the financial year 2016, which was approved by the Annual General Meeting of Deutsche Wohnen SE, resulted in a payout in the amount of EUR 262.4 million.

Our decisive key figure, Funds from Operations (FFO I), rose by approximately 9% in comparison to the corresponding period of the previous year:

EUR m	9m/2017	9m/2016
EBITDA	463.6	451.4
Other non-recurring expenses and revenues	-0.1	0.0
Restructuring and reorganisation expenses	0.3	0.0
EBITDA (adjusted)	463.8	451.4
Earnings from Disposals	-28.5	-46.4
Long-term remuneration component (share-based)	1.2	1.6 ¹⁾
At-equity valuation	1.3	1.5
Interest expenses/revenues	-74.2	-78.6
Income taxes	-28.8	-21.3
Minorities	-4.8	-5.2
FFO I	330.0	303.0¹⁾
Earnings from Disposals	28.5	46.4
FFO II	358.5	349.4¹⁾
FFO I per share in EUR (undiluted) ²⁾	0.94	0.90 ¹⁾
FFO I per share in EUR (diluted) ³⁾	0.89	0.82
FFO II per share in EUR (undiluted) ²⁾	1.02	1.04 ¹⁾
FFO II per share in EUR (diluted) ³⁾	0.97	0.94

¹⁾ Figure for previous year amended

²⁾ Based on the weighted average of approximately 351.26 million issued shares in 2017 or approximately 337.44 million in 2016

³⁾ Based on the weighted average of approximately 370.71 million issued shares in 2017 or approximately 370.81 million in 2016, assuming in each case a conversion of the convertible bonds in the money

Events after the reporting date

At the beginning of October 2017, Deutsche Wohnen issued new convertible bonds with an aggregate nominal value of EUR 800 million and with a final maturity date in 2026.

The new convertible bonds were placed with institutional investors at 100% of their nominal value. They will carry interest at a rate of 0.60% per annum. The initial conversion price is EUR 50.8460 and corresponds to a conversion premium of 40% above the reference price of EUR 36.3186 per share. The convertible bonds are initially convertible to approximately 15.7 million new or existing shares of Deutsche Wohnen or can be repaid in cash.

The proceeds from the issue of the new convertible bonds were used mainly to redeem approximately 99% of the nominal value of the existing convertible bonds from 2014. Based on market values including the call premium, almost EUR 723 million was repaid. The remaining convertible bonds are to be redeemed within the fourth quarter of 2017.

With this capital market transaction, Deutsche Wohnen refinanced bonds with impending maturity dates at an early stage, reduced a possible dilution of shares for the shareholders and made use of favourable interest rate conditions.

We are not aware of any other significant events after the reporting date.

Forecast

In the course of the publication of its half-year report 2017, Deutsche Wohnen had increased its forecast for the expected like-for-like rental growth for 2017 from 3.5% to more than 4% for its entire letting portfolio. Apart from that, we adhere to the forecast we put forward when releasing our business figures for 2016 in March of 2017.

We still anticipate, including the acquisitions already announced, FFO I of at least EUR 425 million in the financial year 2017.

Berlin, 13 November 2017

Deutsche Wohnen SE
Management Board



Michael Zahn
Chief Executive Officer



Lars Wittan
Deputy
Chief Executive Officer



Philip Grosse
Management
Board

GROUP INTERIM FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET

as at 30 September 2017

EUR m	30/9/2017	31/12/2016
ASSETS		
Investment properties	17,941.0	16,005.1
Property, plant and equipment	90.8	55.9
Intangible assets	18.7	20.5
Derivative financial instruments	1.5	0.0
Other non-current assets	21.2	32.2
Deferred tax assets	0.7	0.7
Non-current assets	18,073.9	16,114.4
Land and buildings held for sale	345.1	381.5
Other inventories	3.5	3.4
Trade receivables	19.1	16.4
Income tax receivables	61.9	36.7
Other financial assets	9.3	7.4
Other non-financial assets	3.5	2.4
Cash and cash equivalents	395.0	192.2
Subtotal current assets	837.4	640.0
Non-current assets held for sale	30.8	29.2
Current assets	868.2	669.2
Total assets	18,942.1	16,783.6

EUR m	30/9/2017	31/12/2016
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the parent company		
Issued share capital	354.7	337.5
Capital reserve	3,972.0	3,445.3
Other reserves	-29.4	-36.9
Retained earnings	4,544.9	4,219.7
Total equity attributable to shareholders of the parent company	8,842.2	7,965.6
Non-controlling interests	304.4	268.4
Total equity	9,146.6	8,234.0
Non-current financial liabilities		
Convertible bonds	819.7	1,043.9
Corporate bonds	819.0	496.3
Employee benefit liabilities	64.9	67.6
Derivative financial instruments	14.0	34.8
Other provisions	13.2	15.5
Other financial liabilities	216.8	90.3
Deferred tax liabilities	1,997.9	1,687.1
Total non-current liabilities	8,612.8	7,969.0
Current financial liabilities		
Convertible bonds	733.8	1.2
Corporate bonds	14.2	236.0
Trade payables	195.1	161.6
Other provisions	8.2	8.3
Derivative financial instruments	7.5	12.2
Tax liabilities	50.6	48.3
Other financial liabilities	43.3	41.3
Other non-financial liabilities	3.7	5.2
Total non-current liabilities	1,182.7	580.6
Total equity and liabilities	18,942.1	16,783.6

CONSOLIDATED PROFIT AND LOSS STATEMENT

for the period from 1 January to 30 September 2017

EUR m	9m/2017	9m/2016 adjusted	Q3/2017	Q3/2016 adjusted
Income from Residential Property Management	553.4	526.1	186.9	178.3
Expenses from Residential Property Management	-91.8	-81.4	-31.6	-25.7
Earnings from Residential Property Management	461.6	444.7	155.3	152.6
Sales proceeds	199.5	301.0	48.4	80.1
Thereof revenues	105.6	27.1	6.6	7.2
Cost of sales	-6.2	-8.2	-1.6	-2.2
Carrying amounts of assets sold	-164.8	-246.4	-38.8	-68.2
Thereof revenues	-88.6	-18.9	-5.0	-5.1
Earnings from Disposals	28.5	46.4	8.0	9.7
Income from Nursing and Assisted Living	89.9	52.4	30.4	17.8
Expenses from Nursing and Assisted Living	-53.0	-38.7	-18.2	-12.8
Earnings from Nursing and Assisted Living	36.9	13.7	12.2	5.0
Corporate expenses	-58.1	-52.4	-18.2	-17.8
Other expenses	-10.8	-3.8	-6.5	-1.9
Other income	5.5	2.8	1.7	0.6
Subtotal	463.6	451.4	152.5	148.2
Gains/losses from fair value adjustments of investment properties	885.9	731.3	0.0	0.0
Depreciation and amortisation	-5.2	-4.6	-1.7	-1.6
Earnings before interest and taxes (EBIT)	1,344.3	1,178.1	150.8	146.6
Finance income	1.3	0.7	0.3	0.1
Gains/losses from fair value adjustments of derivative financial instruments and convertible bonds	-178.3	-155.2	-53.6	-60.0
Gains/losses from companies valued at equity	1.3	1.5	0.6	0.6
Finance expenses	-124.8	-95.6	-40.4	-36.9
Earnings before taxes	1,043.8	929.5	57.7	50.4
Income taxes	-337.8	-266.9 ¹⁾	-23.7	-35.0 ¹⁾
Profit for the period	706.0	662.6	34.0	15.4
Thereof attributable to:				
Shareholders of the parent company	679.0	642.2 ¹⁾	31.7	12.9 ¹⁾
Non-controlling interests	27.0	20.4 ¹⁾	2.3	2.5 ¹⁾
	706.0	662.6	34.0	15.4
Earnings per share				
Undiluted in EUR	1.93	1.90 ¹⁾	0.09	0.04 ¹⁾
Diluted in EUR	1.90	1.90 ¹⁾	0.07	0.04 ¹⁾

¹⁾ With regard to the adjustments, we refer to the information under A.3 of the notes to our consolidated financial statements for the financial year 2016.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 January to 30 September 2017

EUR m	9m/2017	9m/2016 adjusted	Q3/2017	Q3/2016 adjusted
Profit for the period	706.0	662.6¹⁾	34.0	15.4¹⁾
Other comprehensive income				
Items reclassified as affecting net income at a later stage				
Net gain/loss from derivative financial instruments	8.9	-3.4	2.6	6.1
Income tax effects	-2.7	1.0	-0.8	-1.9
	6.2	-2.4	1.8	4.2
Items not reclassified as affecting net income at a later stage				
Actuarial gains/losses in pensions and impacts of caps for assets in pension plans	1.8	-9.5	-0.5	-1.5
Income tax effects	-0.5	3.5	0.1	1.4
	1.3	-6.0	-0.4	-0.1
Other comprehensive income after taxes	7.5	-8.4	1.4	4.1
Total comprehensive income after taxes	713.5	654.2¹⁾	35.4	19.5¹⁾
Thereof attributable to:				
Shareholders of the parent company	686.5	633.6 ¹⁾	33.1	17.0 ¹⁾
Non-controlling interests	27.0	20.6 ¹⁾	2.3	2.5 ¹⁾

¹⁾ With regard to the adjustments, we refer to the information under A.3 of the notes to our consolidated financial statements for the financial year 2016.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1 January to 30 September 2017

EUR m	9m/2017	9m/2016 adjusted
Operating activities		
Profit for the period	706.0	662.6 ¹⁾
Finance income	-1.3	-0.7
Adjustment of derivative financial instruments and convertible bonds	178.3	155.2
Finance expenses	124.8	95.6
Gains/losses from companies valued at equity	-1.3	-1.5
Income taxes	337.8	266.9 ¹⁾
Profit for the period before interest and taxes	1,344.3	1,178.1
Non-cash expenses/income		
Fair value adjustment of investment properties	-885.9	-731.3
Depreciation and amortisation	5.2	4.6
Other non-cash expenses/income	-29.5	-63.3
Change in net working capital		
Change in receivables, inventories and other current assets	-22.9	-43.2
Change in operating liabilities	-22.2	-41.8
Net operating cash flows	389.0	303.1
Sales proceeds from properties held for sale	105.6	27.1 ²⁾
Investments in properties held for sale	-52.1	-304.6 ²⁾
Interest paid	-81.7	-84.1
Interest received	1.3	0.7
Taxes paid	-53.9	-43.0
Taxes received	4.0	5.9
Net cash flows from operating activities	312.2	-94.9
Investment activities		
Sales proceeds	138.4	263.8
Payments for investments	-889.2	-805.4
Proceeds from dividends from shareholdings and joint ventures	0.1	0.1
Cash and cash equivalents acquired in connections with business combinations	0.0	6.2
Other proceeds from investment activities	15.2	6.7
Net cash flows from investment activities	-735.5	-528.6

¹⁾ With regard to the adjustments, we refer to the information under A.3 of the notes to our consolidated financial statements for the financial year 2016.

²⁾ Balance sheet change in 2016 for IAS 2 properties, which were formerly entered under 'Net cash flow from investment activities'

EUR m	9m/2017	9m/2016 adjusted
Financing activities		
Proceeds from borrowings	377.4	692.2
Repayment of borrowings	-409.0	-257.8
Proceeds from the issuance of convertible bonds	800.0	0.0
Repayment of convertible bonds	-472.0	0.0
Proceeds from the issuance of corporate bonds	520.0	0.0
Repayment of corporate bonds	-418.0	0.0
One-off financing costs	-49.2	-6.3
Proceeds from the sale of non-controlling interests	99.5	0.0
Payments for the purchase of non-controlling interests	-94.8	0.0
Proceeds from the capital increase	545.3	0.0
Other payments from financing activities	-0.6	0.0
Costs of the capital increase	-4.4	0.0
Dividend paid to shareholder of Deutsche Wohnen SE	-262.4	-182.2
Dividends paid to shareholders of non-controlling interests	-5.7	-6.2
Net cash flows from financing activities	626.1	239.7
Net change in cash and cash equivalents	202.8	-383.8
Opening balance cash and cash equivalents	192.2	661.6
Closing balance cash and cash equivalents	395.0	277.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 September 2017

EUR m	Issued share capital	Capital reserves	Pensions	Reserves for cash flow hedge	Total accumulated other consolidated earnings	Consolidated retained earnings	Equity attributable to shareholders of parent company	Non-controlling interests	Total equity
Equity as at 1 January 2016 as reported	337.4	3,558.9	-15.6	-20.9	-36.5	2,793.7	6,653.5	218.5	6,872.0
Corrections						-70.7	-70.7	-3.2	-73.9
Equity as at 1 January 2016 adjusted	337.4	3,558.9	-15.6	-20.9	-36.5	2,723.0	6,582.8	215.3	6,798.1
Profit/loss for the period adjusted						662.6	662.6		662.6
Thereof non-controlling interests adjusted						-20.4	-20.4	20.4	0.0
Other comprehensive income			-6.0	-2.4	-8.4		-8.4		-8.4
Thereof non-controlling interests			0.0	-0.2	-0.2		-0.2	0.2	0.0
Total comprehensive income adjusted			-6.0	-2.6	-8.6	642.2	633.6	20.6	654.2
Capital increase	0.1	1.4					1.5		1.5
Deposit in connection with remuneration of Management Board members		1.6					1.6		1.6
Change in non-controlling interests						-0.2	-0.2	14.0	13.8
Dividends paid						-182.2	-182.2		-182.2
Other						-21.1	-21.1		-21.1
Equity as at 30 September 2016 adjusted	337.5	3,561.9	-21.6	-23.5	-45.1	3,161.7	7,016.0	249.9	7,265.9
Equity as at 1 January 2017	337.5	3,445.3	-17.7	-19.2	-36.9	4,219.7	7,965.6	268.4	8,234.0
Profit/loss for the period						706.0	706.0		706.0
Thereof non-controlling interests						-27.0	-27.0	27.0	0.0
Other comprehensive income			1.3	6.2	7.5		7.5		7.5
Thereof non-controlling interests			0.0	0.0	0.0		0.0	0.0	0.0
Total comprehensive income			1.3	6.2	7.5	679.0	686.5	27.0	713.5
Capital increase	17.2	528.5					545.7		545.7
Costs of capital increase less tax effects		-3.0					-3.0		-3.0
Deposit in connection with remuneration of Management Board members		1.2					1.2		1.2
Change in non-controlling interests						4.7	4.7	9.0	13.7
Dividends paid						-262.4	-262.4		-262.4
Other						-96.1	-96.1		-96.1
Equity as at 30 September 2017	354.7	3,972.0	-16.4	-13.0	-29.4	4,544.9	8,842.2	304.4	9,146.6

With regard to the adjustments, we refer to the information under A.3 of the notes to our consolidated financial statements for the financial year 2016.

Disclaimer

This interim statement 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 SE and of the Group may in certain circumstances deviate substantially from the assumptions made in this interim statement. This interim statement represents neither an offer to sell nor a request to submit an offer to buy shares in Deutsche Wohnen SE. This interim statement 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 statement 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 2017/2018

15/- 16/11/2017	Roadshow, London
28/- 29/11/2017	UBS Global Real Estate Conference, London
05/- 06/12/2017	Berenberg European Conference, London
11/- 12/12/2017	HSBC Global Real Estate Conference, Cape Town
23/03/2018	Publication of consolidated annual statements 2017 – annual report 2017
15/05/2018	Publication of interim statement as at 31 March 2018 /1st quarter 2018
15/06/2018	Annual General Meeting 2018

CONTACT AND IMPRINT

Sebastian Jacob
Head of Investor Relations

Phone +49 (0)30 897 86 5412
Fax +49 (0)30 897 86 5419

Deutsche Wohnen SE
Mecklenburgische Strasse 57
14197 Berlin

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