



Deutsche Wohnen AG

- » **Company presentation**
September 2012

» Agenda

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Major highlights in H1/2012

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BauBeCon acquisition

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Proven asset and portfolio management track record in connection with the right strategy of focussing on metropolitan areas in Germany since 2007

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Updated guidance 2012 and further outlook

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Q & A

Fundamental growth

- **Major events**
 - › Acquisition of BauBeCon with 23k units for EUR 1.2bn with closing on 17 August 2012
 - › Additional acquisition of ~ 1,500 units in Berlin and Potsdam
 - › Successful capital increase of ~ EUR 460m
- **New dimension of Deutsche Wohnen**
 - › With current market cap. of EUR 2bn, Deutsche Wohnen catches up with European listed real estate companies
 - › With all acquisitions since 2010, we enlarged our portfolio to ~ 75k units while significantly increasing our most dynamic region in Greater Berlin (+ 50 %)
 - › We remarkably strengthened our earnings power and, hence, our dividend capability due to accretive acquisitions and a current low interest rate environment

Dynamics in our metropolitan areas

- **Both, our privatisation - and letting business, strongly benefit from rising demand-based dynamics in our core markets**
 - › Earnings from privatisation with EUR 9.7m in H1/2012 already achieved full-year target for 2012
 - › Despite compelling lfl-rental growth (y-o-y) across our core regions, rent potential¹⁾ is widening

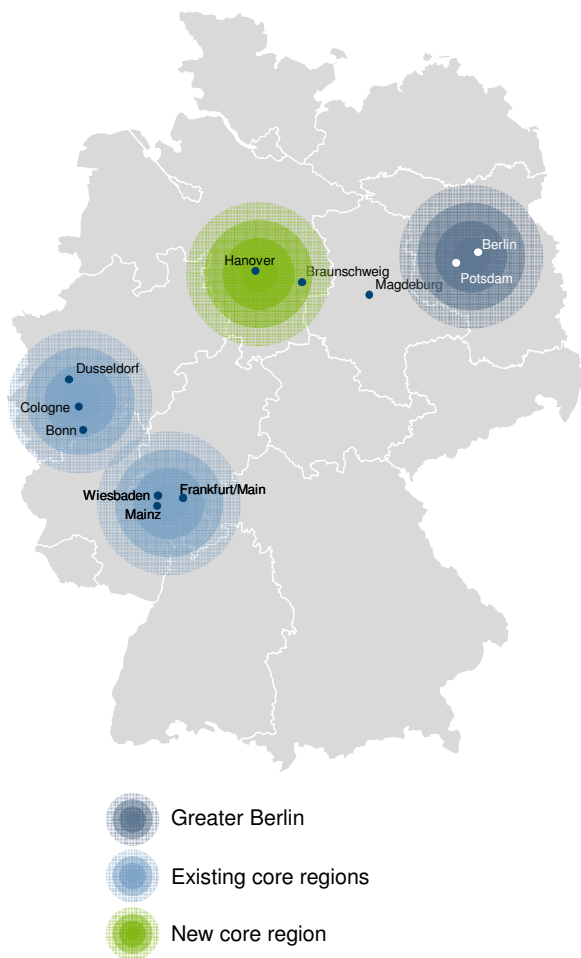
Updated guidance 2012 and further outlook

- **New guidance 2012**
 - › Under consideration of acquisitions/disposals, we increase our guidance for FFO (w/o disposals) from EUR 55m to EUR 60m - 65m
 - › FFO from Disposals: ~ EUR 20m
- **Further outlook**
 - › Going forward, after full integration of BauBeCon and the realisation of synergies, we expect – on the basis of today's portfolio - an annual pre-tax FFO (w/o disposals) of EUR 100m and additional annual pre-tax FFO potential (w/o disposals) of EUR 10m from further add-on acquisitions

¹⁾ Rent potential = New-letting rent compared to in-place rent

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» BauBeCon – strategic fit of Deutsche Wohnen core regions and expansion into new German Metropolitan Area



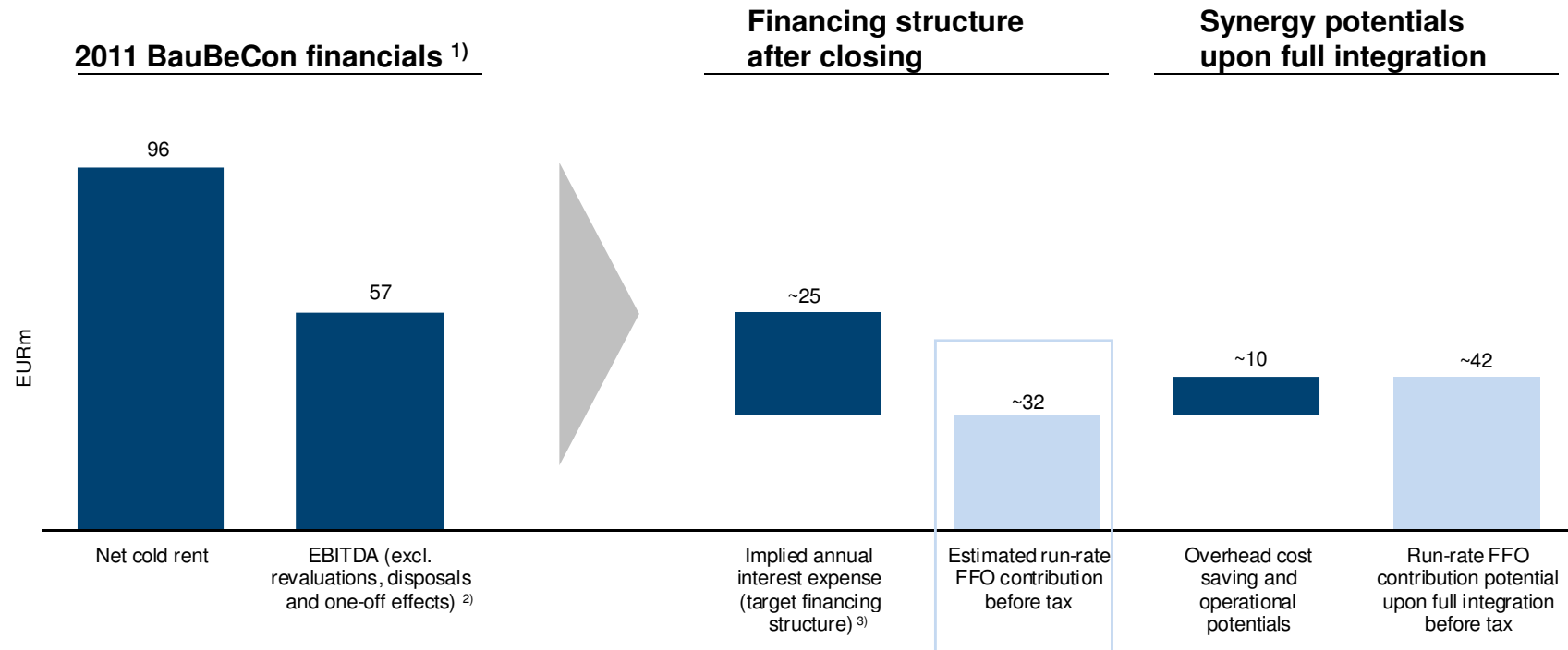
Deutsche Wohnen incl. BauBeCon 31 March 2012 ⁽¹⁾	Residential units #	Share by units %	Fair value ⁽²⁾ EUR m	Share by value %
Total core regions	65,450	89.3%	3,930	93.8%
Greater Berlin	34,338	46.9%	2,046	48.8%
Rhine-Main incl. Frankfurt/Main	9,375	12.8%	721	17.2%
Hanover-Braunschweig-Magdeburg	9,044	12.3%	467	11.1%
Rhine Valley South	5,103	7.0%	282	6.7%
Rhine Valley North	3,160	4.3%	150	3.6%
Rhineland	2,005	2.7%	143	3.4%
Other	2,425	3.3%	121	2.9%
Disposal regions	7,810	10.7%	259	6.2%
Total	73,260	100.0%	4,189	100.0%

- Combined portfolio to increase to ~ 73,000 units
- More than 80% of the acquired portfolio is located in core regions
- Post acquisition, Berlin exposure to account for ~ 47% of Deutsche Wohnen portfolio, i.e. ~ 34,300 units

(1) Based on information received from the seller. We were not able to verify the BauBeCon portfolio and financial information to the same extent as information relating to the Deutsche Wohnen Group

(2) Fair value of Deutsche Wohnen total properties as of 31 March 2012 plus enterprise value for 100% of BauBeCon Group of EUR 1,235m (total consideration of EUR 1,131m plus existing debt of EUR 85m plus other adjustments to purchase price of EUR 19m) as of December 31, 2011 allocated to regions

» FFO impact of the BauBeCon acquisition



1) Figures are based on information provided by seller in absence of audited consolidated financial statements; there are no consolidated financials for BauBeCon Group for FY2011

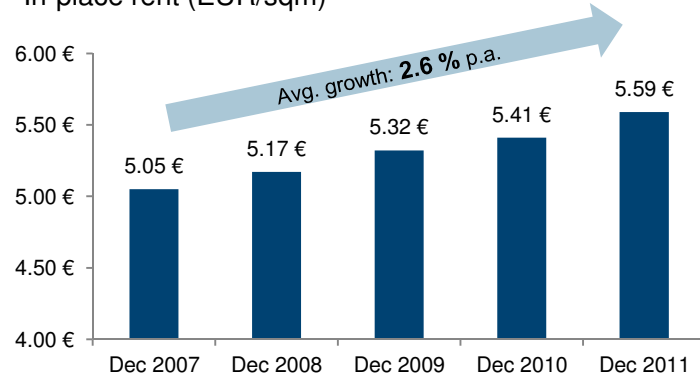
2) Based on an EBITDA margin (excl. revaluations, disposals and one-off effects) in 2011 of 60%

3) Based on total all-in interest rate of debt of ~ 3.2% p.a. (hedging ratio of ~80%)

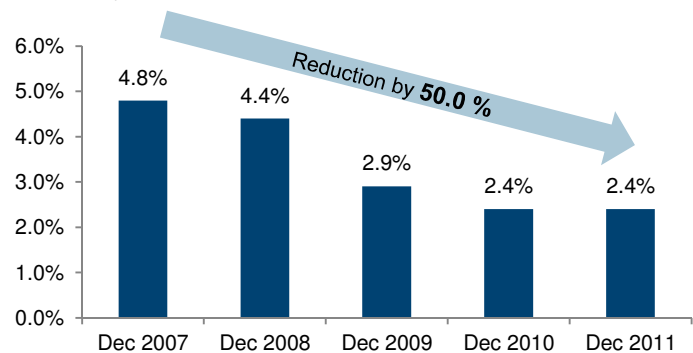
» DW: Strong historical like-for-like development since Dec07

Total portfolio

In-place rent (EUR/sqm)



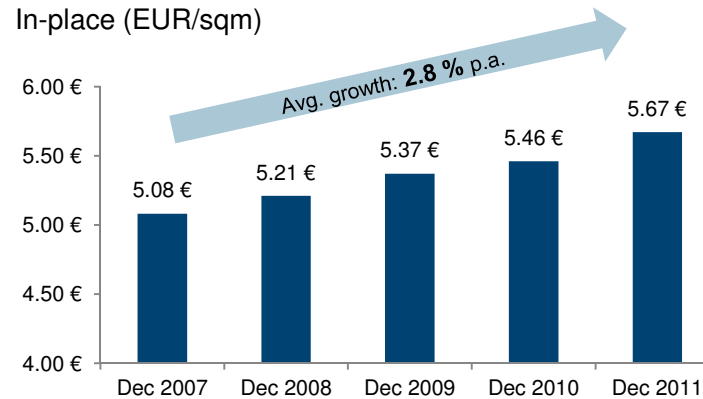
Vacancy (%)



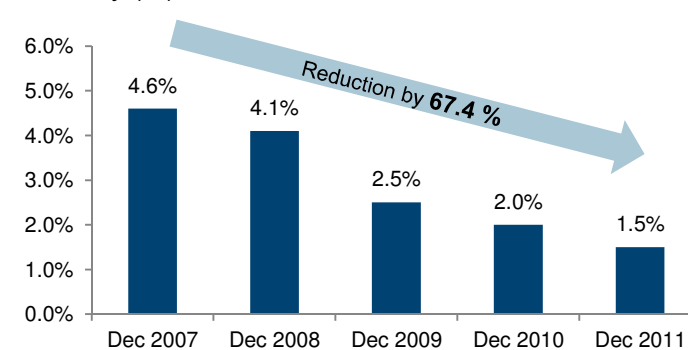
- Comprises ~ 43,000 units under management since Dec 07
- Avg. growth of in-place rent (2.6% p.a.) translates into:
 - > EUR + 0.54 per sqm per month higher in-place rent
 - > EUR + 17.1m higher current gross rental income p.a.

Letting portfolio core regions

In-place (EUR/sqm)



Vacancy (%)



- Comprises ~ 36,500 units under management since Dec 07
- Avg. growth of in-place rent (2.8% p.a.) translates into:
 - > EUR + 0.59 per sqm per month higher in-place rent
 - > EUR + 15.7m higher current gross rental income p.a.

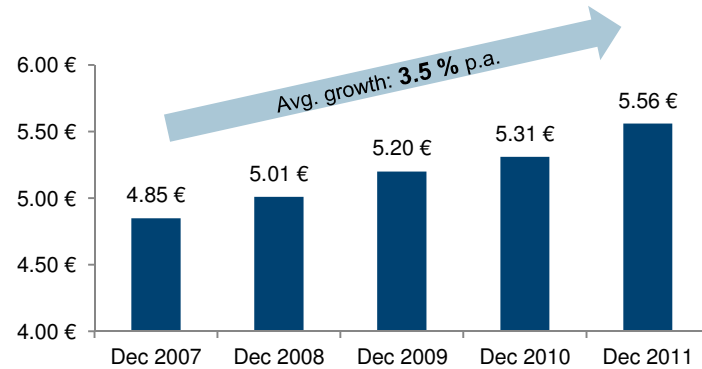
Note: Above time series analysis are based on a like-for-like comparison, i.e. only comprises units under management since December 2007 without taking into account any acquisitions/disposals in the period under review.

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» DW Berlin: Compelling like-for-like development since Dec07

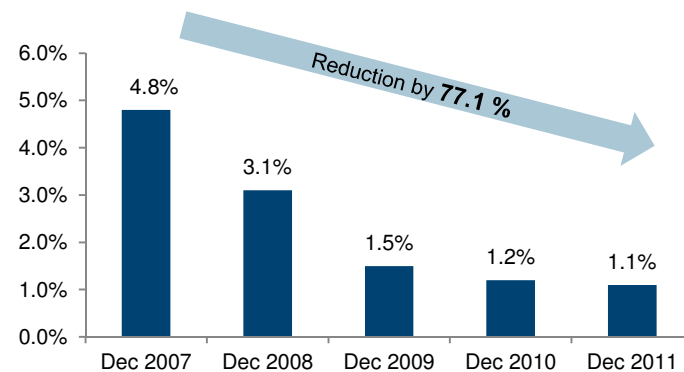
Letting portfolio Greater Berlin

In-place (EUR/sqm)



- Comprises ~ 21,000 units under management since Dec 07
- Avg. growth of in-place rent (3.5% p.a.) translates into:
 - › EUR + 0.71 per sqm per month higher in-place rent
 - › EUR + 10.8m higher current gross rental income p.a.

Vacancy (%)

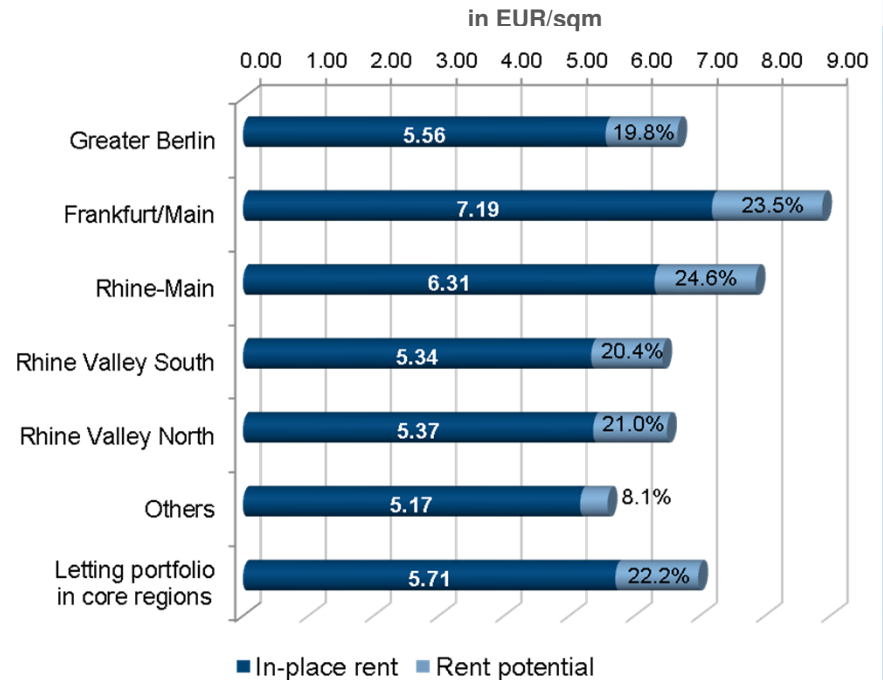


Note: Above time series analysis are based on a like-for-like comparison, i.e. only comprises units under management since December 2007 without taking into account any acquisitions/disposals in the period under review.

Rent potential

	30/06/2012			31/12/2011
	New-letting rent ²⁾	In-place rent ¹⁾	Rent potential ³⁾	Rent potential ³⁾
Letting portfolio in core regions	6.98	5.71	22.2%	19.7%
Greater Berlin	6.66	5.56	19.8%	17.0%
Frankfurt/Main	8.88	7.19	23.5%	20.4%
Rhine-Main	7.86	6.31	24.6%	22.2%
Rhine Valley South	6.43	5.34	20.4%	12.7%
Rhine Valley North	6.50	5.37	21.0%	10.5%
Others	5.59	5.17	8.1%	10.5%

- Despite compelling in-place rental growth, rent potential is further increasing, i.e. new-letting rental growth is even higher than in-place rental growth



¹⁾ Contractually owed rent from rented apartments divided by rented area

²⁾ Contractually owed rents for newly concluded contracts for units not subject to rent control effective in 2012

³⁾ Rent potential = New-letting rent compared to in-place rent

» New guidance 2012 – FFO (w/o disposals): EUR 60m-65m

▪ **Successful H1/2012**

- Gross proceeds of EUR 460m from capital increase for BauBeCon transaction and two potential/promising additional mid-size portfolios
- Our operating performance, both in our letting- and privatisation business, clearly benefits from increasing dynamics in our core markets
- Interest expenses will be lower than guided, due to current low interest rate environment

▪ **New guidance for FFO 2012**

- Under consideration of acquisitions/disposals, we increase our guidance for FFO (w/o disposals) from EUR 55m to EUR 60m - 65m for 2012
 - Increase by EUR 12.5m - 17.5m compared to financial year 2011 (actual)
- FFO from Disposals: Increase by EUR 10m to ~ EUR 20m

▪ **Further outlook**

- Deutsche Wohnen entered into a new dimension with the BauBeCon transaction and the capital increase
- Going forward, after full integration of BauBeCon and the realisation of synergies, we expect – on the basis of today's portfolio – an annual pre-tax FFO (w/o disposals) of the 'New Deutsche Wohnen' of EUR 100m
- Further annual pre-tax FFO potential (w/o disposals) of EUR 10m expected from further add-on acquisitions

5 » **Q & A**

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