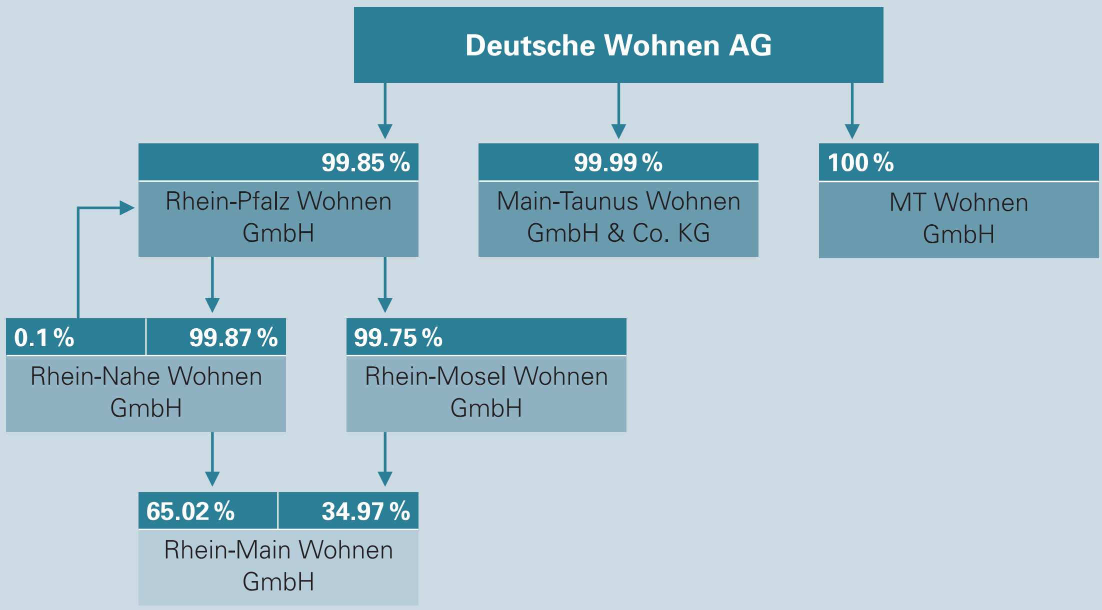
2003 Annual Report

Deutsche Wohnen AG

Group structure



The Deutsche Wohnen Group was established in 1998/99 after the acquisition of the housing stocks of the former Hoechst AG and the Heimstätte Rheinland-Pfalz Group by DB Real Estate Management GmbH, a wholly-owned subsidiary of Deutsche Bank AG. In the second half of 1999, the four million registered shares of Deutsche Wohnen AG were sold in a private placement of DB Real Estate Management GmbH to private and institutional customers of Deutsche Bank AG. The flotation of Deutsche Wohnen shares was carried out in November 1999 in the official trade of both the Bourse de Luxembourg and the unofficial markets of Düsseldorf and Berlin/Bremen. Today the shares are listed in the unofficial markets of the stock exchanges in Frankfurt am Main, Stuttgart and on the XETRA.

Deutsche Wohnen AG acts as a Management Holding in the Deutsche Wohnen Group. Six companies, which emerged from the housing companies acquired in 1998, began to operate in the fields of property management and housing privatisation in the two sub-groups Rhein-Main and Rhein-Pfalz.

Key figures

Key figures of the company (in € m.)	2003	2002	2001	2000	1999
Equity	359.68	386.95	411.51	459.45	507,88
Total assets	617.76	646.18	671.06	718.72	767,01
Net income	12.73	15.44	– 7.94	– 11.95	– 23,87

Share key figures						
		Dec 31, 2003	**Dec 31, 2002**	**Dec 31, 2001**	**Dec 31, 2000**	**Dec 31, 1999**
Share price	€	136.20	144.00	148.00	140.50	152.00
Market capitalisation	€ m.	545	576	592	562	608
Free float		84 %	79 %	70 %	70 %	70 %
Result according to DVFA/SG	€	2.02	2.68	3.79	3.77	–1.50
Cashflow according to DVFA/SG	€	7.26	8.61	8.48	8.59	5.67
Net Asset Value		**Mar 31, 2003**	**Mar 31, 2002**			
Net Asset Value	€	230.00	227.91			
Share price	€	148.70	148.00			
Dividend		**Dec 31, 2003**	**Dec 31, 2002**	**Dec 31, 2001**	**Dec 31, 2000**	**Dec 31, 1999**
Dividend per share	€	8.75 *	10.00	10.00	10.00	9.12
Dividend yield **	€	6.42 % *	6.94 %	6.76 %	7.04 %	6.33 %

* Subject to the agreement of the Annual General Meeting which takes place on July 15, 2004.
** Based on the closing price at year-end.

Key figures

Group key figures		Jan 1 to Dec 31, 2003	Jan 1 to Dec 31, 2002	Jan 1 to Dec 31, 2001	Jan 1 to Dec 31, 2000	Jan 1 to Dec 31, 1999
Gross profit from property management	€ m.	30.33	31.00	34.00	30.20	22.40
Gross profit from housing privatisation	€ m.	32.46	33.10	21.70	20.40	21.60
Results from ordinary business activities	€ m.	19.94	19.51	17.38	15.70	– 13.51
Net income	€ m.	10.67	13.38	15.50	15.54	– 10.40
Result according to DVFA/SG	€ m.	8.07	10.73	15.15	15.09	– 5.98
Cashflow according to DVFA/SG	€ m.	29.05	34.42	33.91	34.34	22.66
EBIT	€ m.	48.38	48.92	48.69	47.98	33.65
EBITDA	€ m.	66.64	69.59	66.77	68.03	64.81
Fixed assets	€ m.	958.53	1,001.97	1,063.37	1,115.36	1,123.03
Current assets	€ m.	150.86	150.35	148.31	128.17	158.22
Equity	€ m.	427.97	449.44	476.06	500.56	521.50
Liabilities	€ m.	650.78	677.25	715.53	725.27	740.31
– to banks	€ m.	527.55	545.36	564.77	575.50	583.21
Total assets	€ m.	1,109.44	1,152.36	1,211.93	1,244.24	1,282.70
Return on equity		2.49 %	2.98 %	3.26 %	3.10 %	– 1.99 %
Equity ratio		38.58 %	39.00 %	39.28 %	40.23 %	40.66 %
Equity to fixed assets ratio I		44.65 %	44.86 %	44.77 %	44.88 %	46.44 %
Equity to fixed assets ratio II		106.11 %	105.98 %	105.52 %	104.02 %	105.92 %
Liquidity ratio		159.68 %	150.53 %	151.73 %	132.41 %	130.17 %

- As measured by the market value of our real estate and the market capitalisation on the stock exchange – we are one of the largest German listed real estate companies.
- Our core competencies are portfolio management, property management and housing privatisation.
- One of our most important targets is the structural optimisation of our housing portfolio.
- We create permanently stable profits and values.
- We generate high tax-free dividends for our shareholders.

Contents

INTERVIEW WITH THE MANAGEMENT BOARD

Michael Neubürger Andreas Lehner

Mr Lehner, Mr Neubürger, how do you rate the general conditions for Deutsche Wohnen AG in 2003?

2003 was a further difficult year for the German economy. However, compared to the industry, our product "housing" is less at risk from imports. Moreover, housing is one of the basic needs of a person, which can only be substituted to a certain extent. This applies at least in the case of markets balanced on the demand side. In this connection it is to be noted that at least in the old federal states the housing market is altogether in a better position than the market for commercial real estate, which recorded considerable falls in rental revenue as a result of the increased number of vacancies.

Which role do the demographic developments in Germany play for you?

There is hardly a region in Germany in which population decline is not an issue. We must, however, take into account that households are in the forefront of housing management, not the population. Here we assume stable demand altogether for the next 10 years.

Which risks are posed by stocks, which are located outside of densely populated urban areas such as Frankfurt, Mainz or Wiesbaden?
Of course, parts of our stocks are also located in small town regions. The decisive benefit of our stocks is, however, an above average location quality. Therefore, stagnating or even falling demand would to a large extent have no effect on our stocks.

How do you assess the significance of the private home ownership grant?
The continually changing fiscal political conditions concerning the home ownership grants provided by the state harms more than it helps in the medium term. In our business field of housing privatisation it generates in any event short-term buying effects. We privatise housing for the benefits of a long-term formation of capital. In the forefront are emotions, profitability and retirement provisions.

Subsidies can, on the other hand, not be calculated as a sales argument within the framework of a sales strategy planned for the long term. Moreover, our customers cannot exhaust the full potential of a maximum € 1,250 private home ownership grant per annum anyway outside of the core urban regions, where house prices are at a comparably lower level.

What do you see as the core competency of Deutsche Wohnen?
Core competencies of Deutsche Wohnen are portfolio management, housing management and housing privatisation whereby we would not be able to function without a professionally managed backoffice – this especially includes the fields of accounting and finance.

What exactly does portfolio management mean?
The methods, tools and processes of our portfolio management refer to a "monitoring" of the value development in the housing stock. The value development potentials are exhausted in very different ways depending on the region. For example, in the stocks managed from our Mainz office we further on see considerable chances for development. Here we will improve the building condition of our stocks to bring these in line with the above average attractive locations. The value leverage lies in the relationship between investment and development of rents.

How did Deutsche Wohnen AG maintain its position in the market environment in 2003?
Deutsche Wohnen AG once again succeeded in asserting its concept of housing privatisation. The number of privatised housing units increased by around 13 %. Accordingly, the Group's operative results have improved for the fifth time in succession already. We believe this speaks for itself and shows that our company maintained its excellent operative position in the market in 2003.

Which challenges did you have to overcome in sales?
In particular for customers with average income, the acquisition of property is in our opinion one of the safest and most profitable ways to build up capital. We not only privatise to tenants, but also to owner-occupiers. One of the skills of our housing privatisation is to already record and assess the various preferences of our customers before the commencement of privatisation. The share of buildings which in the end cannot be privatised is practically negligible.

How has the rental revenue situation developed in the Group?
The fact that rental revenue has fallen less compared to the decline in surface area speaks in favour of our company's portfolio management. The corporate strategy, which we have been pursuing since 1999, also builds upon this. Thus, we were able to compensate for part of the rental effects, which were triggered by housing privatisation, with the rents themselves. The slight rise in vacancies in 2003 also contributed to the reduction in rental income.

Are you worried about the situation regarding vacancies?
No. Of the 7.8 % of vacancies, 76 % alone are a result of certain measures and thus controlled vacancies. The market-based vacancies are less than 2 %, a lower value compared with the industry.

Are you planning any changes in strategy for 2004?
No principle changes, however a clear concentration on portfolio acquisition. We shall concentrate more intensively than in the past on the acquisition of housing units. In the old federal states alone, our research has shown that around one million housing units will come onto the market this decade in the form of portfolios or as companies. We have the core competency to handle these stocks with a commercial, capital-market orientation.

Which concrete opportunities do you see?
So far we have distributed the generated Group cash flow in full each year to our shareholders in the form of attractive dividends. The successive extension of stock through the acquisition of housing units will place us in the position to absorb the continuously falling rental income, which is conditional to privatisation, so that high cash flows can be generated in the next few years.

Why has Deutsche Wohnen AG not actually managed to acquire a portfolio so far?
There are several reasons for this. It was important to first of all stabilise the current business model of Deutsche Wohnen AG and successfully establish it in the market. Thus, we have created more scope. On the other hand, only the acquisition of a portfolio of at least 1,000 units will make sense to us. Until today, however, we have only been offered a few portfolios which had recognisable potential for value. Here we are especially expecting an increase in offers from holding companies of the public sector and other companies, whose core business is not housing management.

Does the Group still stand on solid foundations even after five years of privatising housing stocks?
Of course, without a doubt. As you can see from our figures published in the annual reports, we have repeatedly succeeded in controlling the housing management and the housing privatisation with optimum value in the past years.

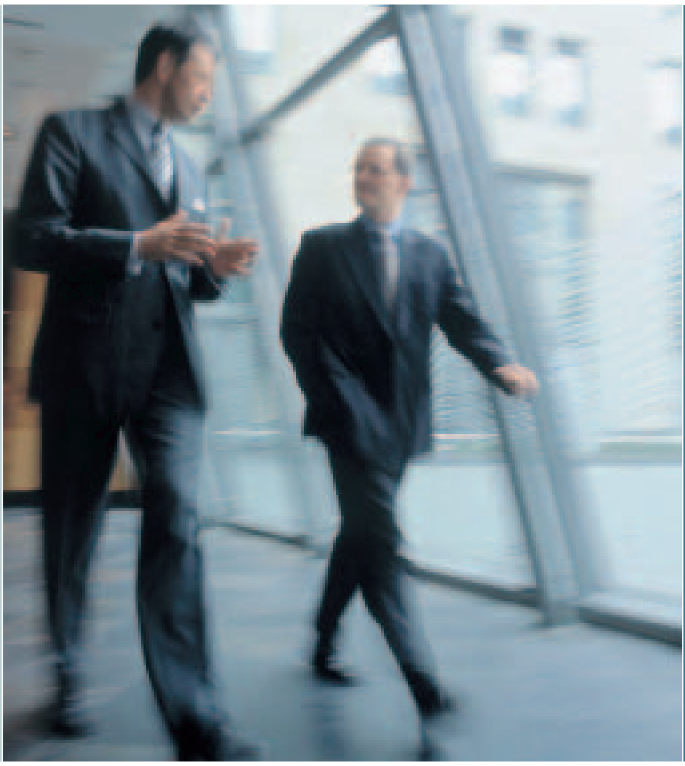
Has the upper limit for negative tax effects on the results been achieved?
The operative results of the Deutsche Wohnen Group have continued to rise and have almost reached the 20 million Euro mark, the group profits after tax are however exposed to a successively increasing tax burden. The effects, which caused the Group's tax expenditure to rise from € 1.8 million in 2001 to € 9.2 million in 2003, should according to present knowledge not have even more serious implications in the future.

How has the price of the Deutsche Wohnen share developed?

The share price performance during the last year was two-sided. Up until the last year's General Meeting the price rose to a level of € 159, owing to the very high demand for our shares. However, the price fell continuously after the publication of the half-year results at the beginning of August 2003. The decline in the price was even more pronounced from the beginning of November 2003 onwards, when it fell to a level of around € 136. We see the fall in the share price as a result of private shareholders' dissatisfaction with the interim results 2003, believe however that we are able to speak of a mere temporary effect as the price has again already risen by € 3 on average. With regard to the payment of an attractive dividend of € 8.75 per share, the share price should again continue to stabilise.

How have your Investor Relations activities developed?

In the early summer of 2003 our share was taken up into the international indices of the EPRA. This led to the fact that we now have a considerable number of foreign, among others also US shareholders. Since the end of 1999, the number of shareholders has risen by around 50 % to more than 4,000 shareholders. This shows a rise in name recognition and a larger shareholder base and thus also that we are increasingly succeeding in communicating the corporate strategy and our figures to the capital market.



How do you assess the prospects for the German housing market?
Residential real estate was considered to be "out" in the past few years. Arguments against residential real estate were above all the associated low yields and management costs. Today however, it is a fact that one can achieve excellent yields by investing both directly or indirectly in residential real estate. There are many different reasons for the change in opinion. However, decisive must have been that the demand above all for owner-occupied property will rise successively with regard to the increasingly important private formation of capital.

Mr Lehner, Mr Neubürger, I wish you every success with the further implementation of your corporate strategy. Thank you for your time!

LIVING AT HOME

With the acquisition of property we enable our customers to form the basis for creating an own home.

GROUP STRATEGY

The development and privatisation of the housing portfolio is the central field of activity and expression of the Group strategy, which is marked by the following elements:

Focus on core activities. Core business areas of the Deutsche Wohnen Group are portfolio management, housing management and housing privatisation.

Portfolio management. The portfolio management serves the long-term value enhancement of the Group's own housing portfolio. The successive improvement of the management information system will further increase the information output within the portfolio management in terms of quantity and quality. The resulting cost/benefit insight benefits the management and simultaneously produces indications for the privatisation strategy so that both business areas profit from the portfolio management.

Value optimisation. The current housing portfolio is regularly optimised in terms of value. In the first place, this means the privatisation, as far as possible in the short run, of housing units in buildings whose

value is no longer increasable. The aim for the current decade is to create a risk-adjusted core portfolio with one million m² living area from the currently available stocks.

Privatisation. Housing privatisation is one of the core competencies of the Deutsche Wohnen Group and based on sales proceeds forms a significant part of the Group cashflow. The usually individually based privatisation of housing to tenants, owner-occupiers and capital investors leads to the direct formation of silent reserves and is thus part of the Group's value-added chain.

Portfolio acquisition. The economic pressure on the public sector and their housing companies will be the main motive for housing transactions in the German residential property market. The socio-politically important privatisation in particular of municipal housing companies has just begun. Altogether we estimate the investment potential available in Germany in the coming years at just over one million housing units.

The permanent maintenance of a housing portfolio that can develop will increasingly be the focus of the management of Deutsche Wohnen AG. Because of our experiences so far, we see a good chance, with calculable risks, for further growth in the portfolio. The stock increase through the acquisition of medium to large housing packages will also allow stable rent and sales cashflows to be generated in the future. The shareholders will profit from this directly, as the Group cash flow is the basis for the dividend assessment. A growth story, ensuing attractive dividends and thus associated stability of the price level create incentives for new investors and allow the spreading of the shareholder base.

GROWTH

The acquisition of an own home provides the pre-requisite for long-term, safe growth. Personally and financially.

HOUSING MANAGEMENT

Within housing management the range of tasks of the employees covers all activities associated with modernisation and maintenance, the management of tenancy agreements and the supervision of the tenants.

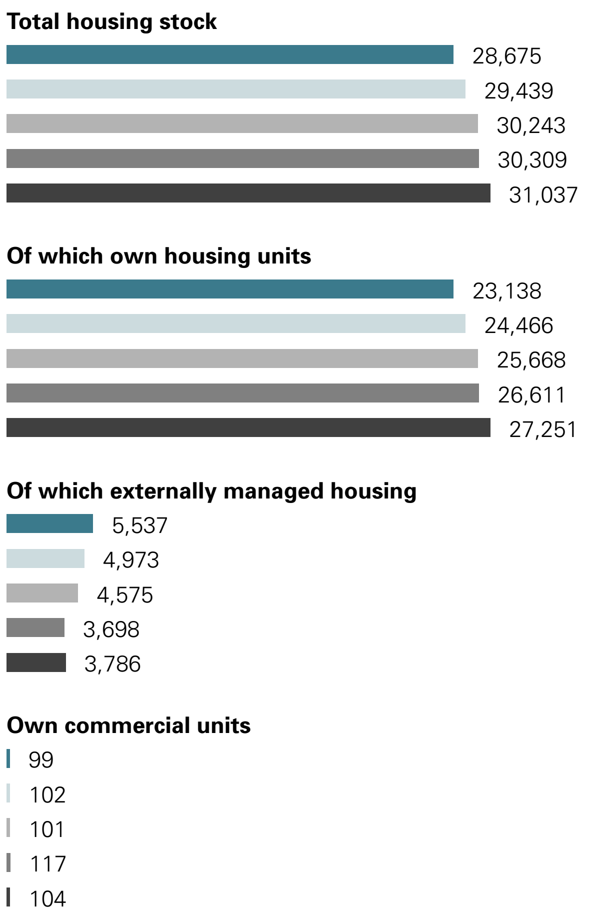
SEGMENT RESULTS

The segment results of housing management depend on the amount of development and success of housing privatisation. Controlled by the portfolio management this decrease developed less proportional than the decrease in the housing stocks. This is based on the fact that the reduced rental income in the following periods can in part be compensated for by the rents.

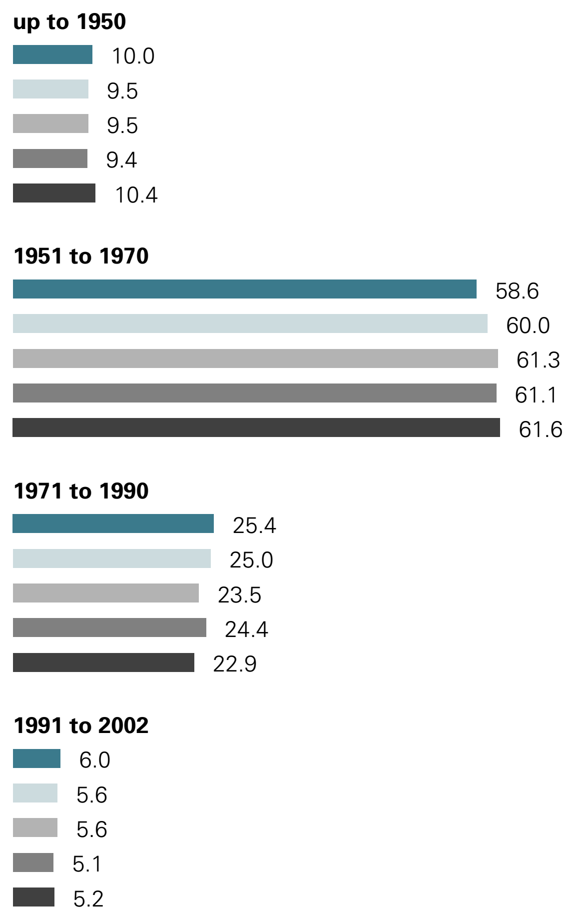
Accordingly their gross profits 2003 fell from € 31.0 million by € 0.7 million to € 30.3 million compared with 2002.

Areas	**Dec 31, 2003**	**Dec 31, 2002**	**Dec 31, 2001**	**Dec 31, 2000**	**Dec 31, 1999**
Total living area	1.490 mill. m²	1.578 mill. m²	1.662 mill. m²	1.725 mill. m²	1.770 mill. m²
Average size of dwelling	64 m²	65 m²	65 m²	65 m²	65 m²
Commercial area	33,729 m²	33,958 m²	32,417 m²	31,761 m²	26,864 m²
Undeveloped area	627,509 m²	627,174 m²	645,095 m²	652,932 m²	657,072 m²

Composition real estate portfolio

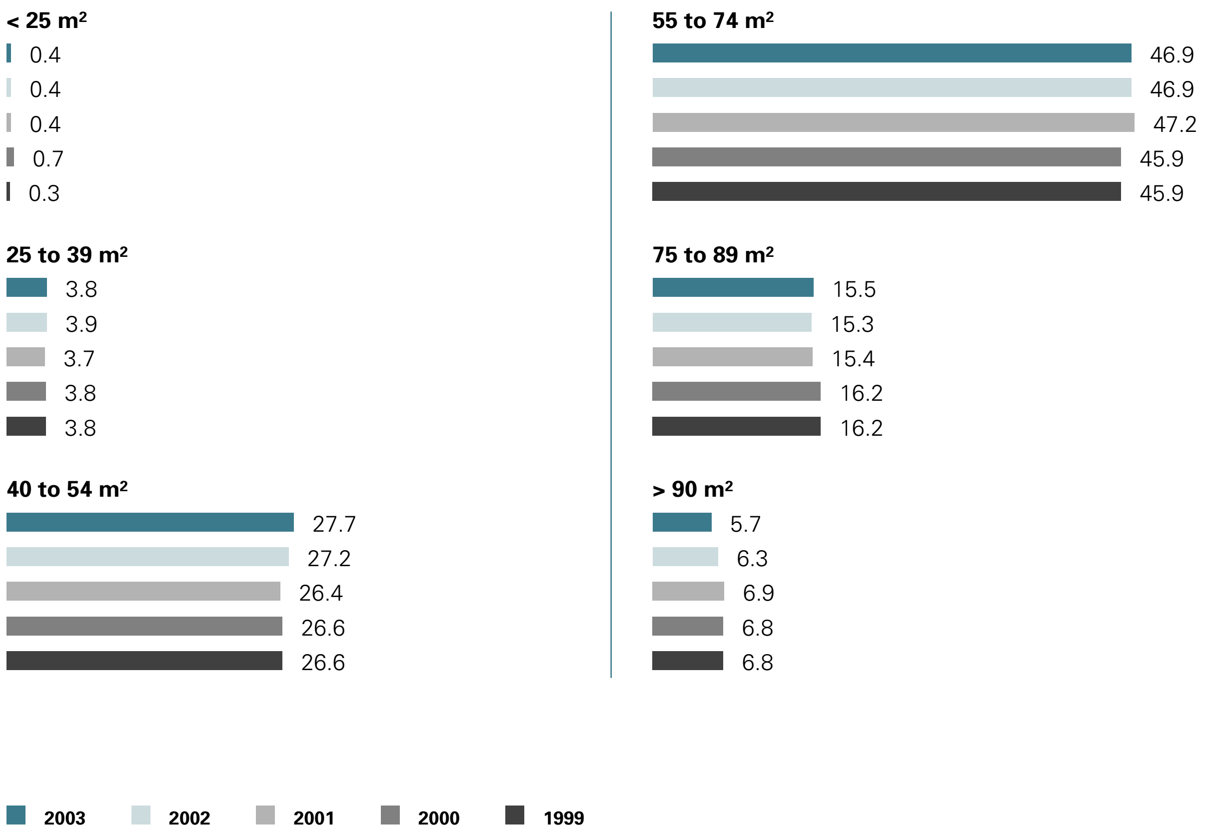


Age classes of the housing units in %



2003 2002 2001 2000 1999

Size structure of the housing units in %



Rents (in € m.)	Dec 31, 2003	Dec 31, 2002	Dec 31, 2001	Dec 31, 2000	Dec 31, 1999
Planned rents	92.4	94.8	96.6	96.9	100.7
Reduction in earnings due to vacancies	7.1	6.1	5.5	4.3	4.7
Actual rents	85.3	88.8	91.0	96.6	96.0

RENTAL REVENUE

Planned rents can be found in the profit and loss statement of the Deutsche Wohnen Group, in the position "sales revenue" from housing management, and represent the rents which are to be paid to the company based on the existing tenancy agreements. Reductions in earnings can principally be the result of vacancies and outstanding rent payments. The difference between planned rents and the reductions in earnings forms the generated actual rents.

In the case of planned rents of € 92.4 million (2002: € 94.8 million), the actual rents of the fiscal year 2003 fell to € 85.3 million owing to a decrease in rental income by around € 1.1 million to € 7.1 million as a result of vacancies.

Besides the planned rents of € 92.4 million, the heating and operating costs of € 33.5 million were settled in the period under review and form the second essential position of sales revenue from the housing management (total 2003: € 119.9 million; 2002: € 122.3 million).

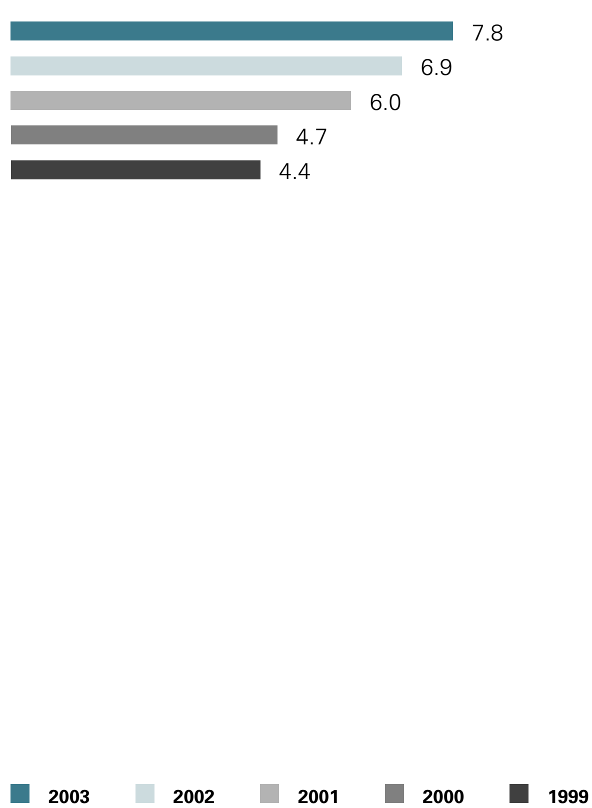
VACANCIES

On December 31, 2003 1,797 dwellings were vacant, of which 80 % in Rheinland-Pfalz, the focus for privatisation. Based on the number of our own housing units this corresponded with a vacancy rate of around 7.8 %. The share of vacancies, which is the result of forthcoming modernisation and maintenance as well as sales preparation, is described as vacancies due to certain measures – 1,366 vacant units or around 76 % related to such vacancies on the closing date of the balance sheet, the rest and thus a very small share related to the market-based vacancies.

The level of vacancies is therefore not a cause for concern. On the contrary, the large proportion of vacant dwellings has been taken into account and serves the increase in profits especially in housing privatisation through improved margins from owner-occupiers.

Vacancy rate in %

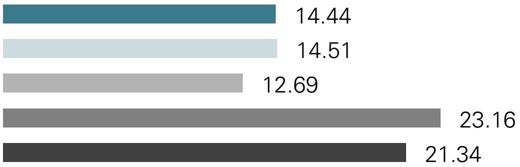
(based on closing date/all vacant dwellings):



MODERNISATION AND MAINTENANCE

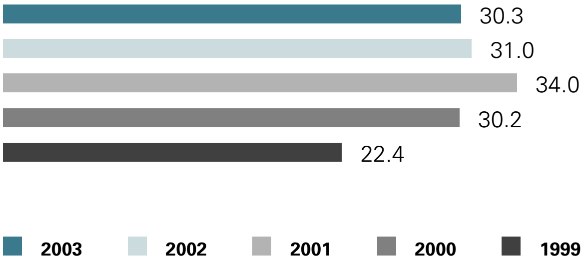
In 2003 the total maintenance volume amounted to € 22.9 mill. (€ 14.44 per m²). This fell by € 1.1 million compared to 2002 (€ 24.0 million or € 14.52 per m²). This change lies in the general cycle which is controlled by the portfolio management according to aspects of value optimisation.

Maintenance (€ per m²)



Average rent (€ per m²)

Gross profits from housing management in %



PROVISIONS FOR OLD AGE

Owner-occupied property is the ideal form of old age provision. The property protects against uncontrolled price development.

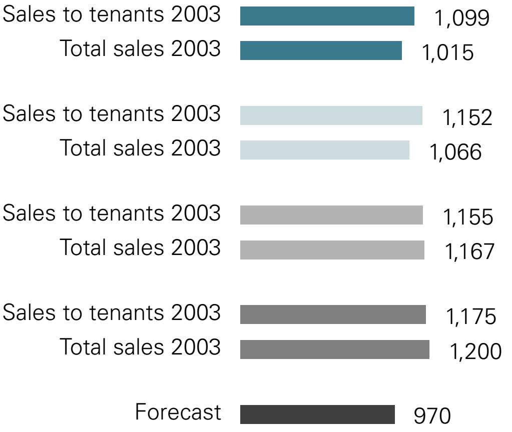
HOUSING PRIVATISATION

The employees of housing privatisation deal with the preparation and execution of the privatisation process. This includes the tasks of customer group research, preparation of the building under land register law, control of our own and external employees in customer address and contract processing.

SALES KEY FIGURES

I The merely marginal fall in the sales gross profits is down to the selection of buildings for housing privatisation.

Average selling prices (€ per m²)



Sales key figures (in € m.)	2003	2002	2001	2000	1999
Gross profit from the sale of developed property of fixed assets	41.3	38.5	34.8	24.4	13.0
Gross profit from the sale of developed property of current assets	0.2	0.5	0.4	0.5	3.2
Gross profit from the sale of undeveloped property of the fixed and current assets	0.0	0.7	0.2	0.3	6.3
Sales costs	–4.0	–3.4	–4.2	–2.4	–0.9
Sales preparation costs	–4.0	–3.2	–9.5	–2.7	–
Total gross profit from sales	**32.5**	**33.1**	**21.7**	**20.4**	**21.6**
Number of housing sales with an effect on the balance sheet	1,317	1,170	942	700	309
Number of recorded housing sales	1,334	1,103	1,057	756	309

SEGMENT RESULTS

The gross results 2003 for housing privatisation amounted to € 32.5 million, a reduction in the results compared to 2002 (€ 33.1 million) of around € 0.6 million or 1.8 %. The total gross profit from sales takes into account book profits from housing units of the fixed and current assets of € 41.5 million and sales preparation costs of altogether € 8 million. The sales preparation costs contained renovation measures and commission payments to external sales companies.

PRIVATISATION SUCCESS

With 1,317 privatised housing units, effective in the results, we succeeded in increasing the number of units privatised in 2002 by 13 %. It did not look like this after only around 300 homes were privatised by June 30, 2003. In the first half of the year 2003, the discussion concerning the social security systems unsettled the industry. It is essentially thanks to the commitment of our own and external employees that it was possible to realise a more than satisfactory number of privatisations, effective for the balance sheet by the end of December 2003. The annual results 2004 will benefit from further transactions no longer entered into the Group accounts.

With € 1,015 per m² the average sales price moved on a rather low level. Here one can see that the majority of units in Rhineland-Pfalz were sold and in comparison to the Rhine-Main area generated 30 % lower sales prices on average.

SECURITY

Private home ownership offers consistency. From a young household up to a high age. Here we enable stock stability and solid value development.

ANNUAL RESULTS

The results of the ordinary business activity of the Deutsche Wohnen Group have improved for the fourth time in succession. The increase in tax expenses, however, led to a considerable impairment of the Group profits after tax.

GROUP PROFITS AFTER TAX

I Hereinafter, some notes on the change in Group profit and loss positions:

I **Sales revenue housing management:**
Cp. Chapter "housing management"

I **Sales revenue from the sale of properties:**
In 2003, housing units were transferred from the current assets to the fixed assets in order to take into account the principle of clarity as far as possible in the balance sheet. This was associated with the reduction in sales revenue from the sale of property, which already in the past merely depicted the sale from the current assets.

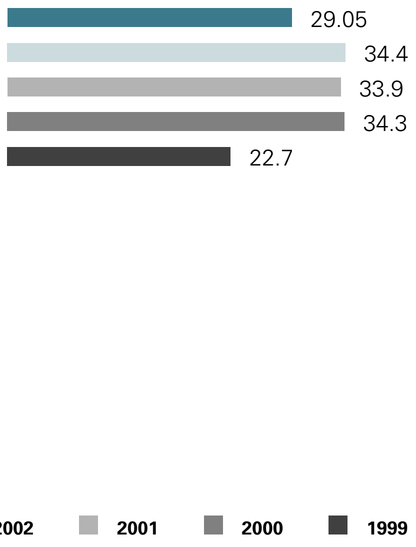
I **Other operating income:** The sales of objects from the fixed assets are depicted here. In 2003, the so-called income from asset disposals amounted to € 42.0 million and increased by around € 2.9 million compared with 2002. The difference to the gross profits from housing privatisation (€ 41.3 million; cp. Chapter "housing privatisation") of € 0.7 million is based on losses from asset disposals.

Wages and salaries: Expenses for wages and salaries rose in 2003 compared to 2002 by around € 0.9 million. This was caused by the employment of nine employees in particular in housing privatisation compared to a reduction in external employees and a pay increase in the sub-group Rhein-Pfalz of 2.4 % and in the sub-group Rhein-Main of 2.6 %.

Depreciation: The depreciation on tangible and intangible fixed assets fell from € 20.7 million in 2002 by around € 2.4 million to € 18.3 million. Around 88 % of the depreciation was scheduled, around 12 % was unscheduled depreciation and covered depreciation on residential real estate at various locations of the Rhein-Nahe Wohnen GmbH and on two objects of Rhein-Pfalz Wohnen GmbH.

Group results (in € m.)

Group cash flow after DVFA/SG (in € m.)



Other operating expenses: The increase in sales costs and sale preparation costs already mentioned in the chapter "housing privatisation" and also responsible for the privatisation success made a significant contribution to the increase in other operating expenses. Part of this profit and loss position is still among others made up of annual accounts costs, consultancy costs and room costs as well as expenses for business agency contracts, in particular in the field of IT.

Results of the ordinary business activity: The group profits before tax increased by around € 0.4 million to around € 19.9 million in 2003.

Tax on income and earnings: The tax on income and earnings amounted to around € 9.2 million at the end of the year 2003. Compared with 2002 (€ 6.0 million) this means an increase of around 53 percent. The tax on income and earnings alone for Rhein-Main Wohnen GmbH amounted to about € 8.8 million or around 96 %; the increase in the company's corporate income tax to € 5.3 million is essentially both a result of higher privatisation proceeds (taxable) and the assessment differences between the commercial and tax balance sheets. Furthermore, there was an increase in corporate income tax from 25 % to 26.5 %.

Annual surplus: Group profits after tax were recorded at around € 10.7 million for the fiscal year 2003. They fell by around 20 % or around € 2.7 million compared with 2002 (around € 13.4 million).

The balance sheet profit of the Deutsche Wohnen AG acting as a management holding will be once again distributed in full to the shareholders.

The individual company Deutsche Wohnen AG recorded results of around € 12.7 million from ordinary business activity and an annual surplus of the same amount for the fiscal year 2003.

Essential changes were the fall in distribution dependent remuneration to DB Real Estate Management GmbH due to less dividends (cp. Chapter "Dividend") (around € 0.3 million compared with around € 1.3 million in 2002) and profits from investments which fell by around € 2.0 million.

The withdrawal from the capital reserves of Deutsche Wohnen AG amounted to around € 22.5 million and thus was therefore around € 2.8 million lower than in 2002. The company's retained earnings of € 35.0 million (previous year: € 40.0 million) will be distributed to the shareholders in full, subject to the ordinary General Meeting taking place on July 15, 2004. The decrease in the taxable, after tax Group profits was taken into account in the withdrawal form the capital reserves, which had fallen compared to 2002.

INDEPENDENCY

Home ownership creates scope for development. In forming an own home and in creating an own economic existence.

DIVIDEND

Basis for the assessment of the total dividend is the group cash flow determined according to DVFA/SG principles each year. This fell in 2003 by around 16 % compared with 2002.

The cash flow composed of the Group results after tax (€ 10.7 million), the depreciation (€ 18.3 million) and the increase in medium and long-term reserves (€ 0.1 million) according to DVFA/SG amounted to around € 29.0 million for the fiscal year 2003. Compared to the fiscal year 2002 (€ 34.4 million), this Group key figure, essential for steering the company, fell by around € 5.4 million. An essential reason for this is the considerable rise in tax on income and earnings.

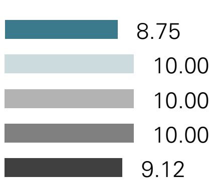
The Group cash flow gives a picture of the earning power of the Group and is thus a suitable indicator for assessing the dividend size. As a result of the impairment to the Group cash flow it was necessary for the management to reduce the total dividend.

I The total dividend was fixed at € 35.0 million. Based on the individual share this means a dividend of € 8.75 per issued share and a dividend yield of 6.4 % at the final price of the Deutsche Wohnen share on the Frankfurt stock exchange at the end of year 2003.

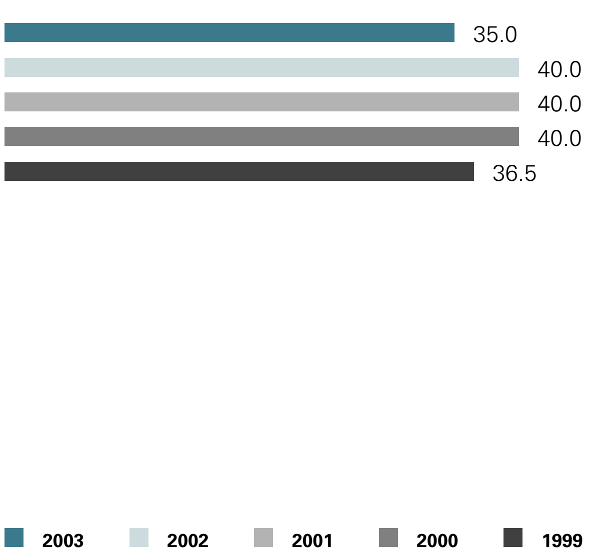
I The dividend payment is tax-free because of the payment from the tax deposit account of Deutsche Wohnen AG.

I It is to be assumed according to the current legal position that the tax exemption of the dividend ceteris paribus can be maintained for the next 6 to 7 years of business activity of the Deutsche Wohnen AG.

Dividend (per share in €)



Total dividend (in € m.)



SAFETY

In their own homes our customers find
room for family and friends – a private little world.
In this way it becomes a place to feel safe.

THE SHARE

The Investor Relations activities cover external reporting (annual and interim reports), the organisation and execution of the General Meeting and the quick and comprehensive answering of all questions from shareholders, analysts and banks.

ACTIVITIES INVESTOR RELATIONS

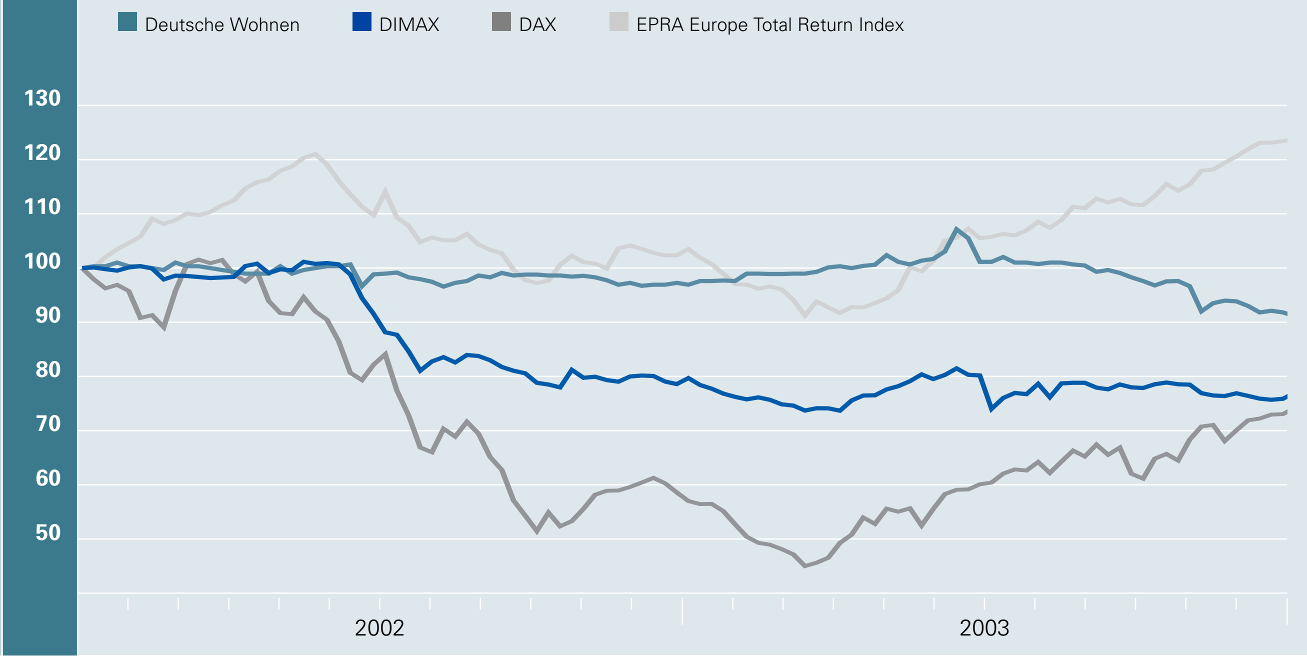
I In the summer of 2003, Deutsche Wohnen AG was admitted to the Dutch European Property Real Estate Association (EPRA). EPRA creates and communicates national, European and global indices of the real estate stock market. Thus, investors and multipliers all over the world now have the opportunity to be attracted to Deutsche Wohnen AG.

I Deutsche Wohnen AG is one of the driving forces in the initiative "Real Estate Share" founded in 2000. In October 2003, the third specialist conference of this initiative took place. With around 150 participants it was once again a great success. Current issues and market developments were discussed in workshops and all initiative member companies presented themselves to the attending analysts, journalists, fund managers and the other participants from the real estate industry.

STOCK MARKETS AND INDICES 2003

I Worldwide, the first quarter 2003 was burdened by concerns regarding the implications of the war in Iraq. Many investors sold their shares in large amounts in the run-up to the war – on the other hand the downturn of the Dax ended in March 2003, having altogether lost around 73 % since March 2000. After the end of the Iraq war the Dax saw a comeback trend in the second quarter 2003 in the line with the increasing reassurance of the international markets and reached 3,965 points (+30 % in the whole year 2003) by the end of the year.

Deutsche Wohnen AG (stock exchange Düsseldorf) vs. indices in 2002 and 2003
(indexed presentation, basis 100)



The European real estate share indices of the European Property Real Estate Association (EPRA), of Global Property Research (GPR) and the bank Ellwanger & Geiger have not been able to fully join the upwards trend of the Dax in 2003 (EPRA Europe Total Return Index +19 %, EPIX-30 +13 %, GPR 250 Europe Index + 21 %). Nationally the GPR 250 Germany Index gained around 10 %, the DIMAX lost around 3 %.

PRICE DEVELOPMENT DEUTSCHE WOHNEN SHARE

After the Deutsche Wohnen share was exclusively traded on the unofficial markets of the stock exchanges in Düsseldorf and Berlin/Bremen since the flotation in November 1999, the share was listed end February 2003 on the unofficial markets of the stock exchanges Frankfurt am Main and Stuttgart as well as at the XETRA of Deutsche Börse AG.

The share price performance of Deutsche Wohnen was divided. Up until the General Meeting on June 26, 2003 the share price at the Frankfurt stock exchange rose to € 159, a clear expression of the attractivenesses of, or the demand for, the around 7 % and tax-free 2002 dividend. The publication of the considerably reduced quarterly results compared to the previous year on June 30, 2003 and September 30, 2003 caused the share price to fall to around just under € 135. The publication of the provisional Group results and the amount of dividend 2003 as well as the talks conducted with all essential target groups have since the price consolidation between mid-December 2003 and the end of March 2004 led to an upwards trend in the share price to an eventually constant average level of € 139.

Stock exchange	Implemented shares Total in 2003	Average per trading day	Trade volume Total volume in 2003	Average per trading day
Frankfurt am Main	395,316	1,847	57,724,041.24 €	269,738.51 €
Düsseldorf	143,528	567	21,172,462.69 €	83,685.62 €
Berlin/Bremen	85,083	336	12,449,000.59 €	49,205.54 €
Stuttgart	6,915	32	1,006,802.15 €	4,726.77 €
XETRA	7,277	155	1,069,155.23 €	22,747.98 €
Totals	**638,119**	**2,938**	**93,421,461.90 €**	**430,104.42 €**

STOCK EXCHANGE LIQUIDITY

The stock exchange liquidity of the Deutsche Wohnen share rose considerably in 2003 compared with the previous years. This is the result of the listing of the share on the most important German stock exchange Frankfurt am Main, the entry into the EPRA indices and the investor relations measures which once again improved compared with previous years. With a total exchange transaction volume 2003 of around € 93.4 million, around 17 % of the capital placed in 1999 was implemented.

MARKET CAPITALISATION

With a final price at the end of the year of € 135.20 (stock exchange Frankfurt am Main), the market capitalisation of Deutsche Wohnen AG amounted to around € 545 million at the end of the year 2003. Measured by the market capitalisation, the Deutsche Wohnen AG is the third largest listed real estate company (AG) in Germany. In Europe it ranks position 19.

SHAREHOLDER STRUCTURE

On December 31, 2003 two institutional investors held more than 5 % of the total capital of Deutsche Wohnen AG. These were the Ärzteversorgung Westfalen-Lippe with 9 % and the Bonn Deutsche Herold Lebensversicherungs AG with 6.7 %, both located in Münster/Westphalia. Calculative, this resulted in a Free Float of around 84 %. More than 4,000 shareholders have now invested in Deutsche Wohnen AG, a plus of almost 50 % compared to the share placement. The Deutsche Wohnen share is becoming increasingly popular outside Germany – this is thanks to the listing in international indices. Thus, the number of foreign shareholders is also rising.

GENERAL MEETING

The ordinary General Meeting 2003 took place on June 26, 2003 in the Frankfurt Taunustor Conference Center. We were pleased to note that altogether around 64 % of the capital entitled to vote was

in €	March 31, 2003	March 31, 2002
Real estate (current market price)	1,472,359,377.63	1,493,800,000.00
Liabilities	681,448,719.73	710,990,674.08
Net Asset Value	919,981,401.03	911,630,246.50
Number of shares	4 mill.	4 mill.
Net Asset Value per share	230.00	227.91
Stock market price	148.70	148.00
Advance payment on the Net Asset Value	35 %	35 %

represented, 27 % more than at the General Meeting 2002. In the run up to the General meeting Deutsche Wohnen AG received no counter motions. All the items on the agenda at the General Meeting were each time approved by the large majority of share-holders. The presentation of the Management Board was held by Michael Neubürger, it can still be found on the website "www.deutsche-wohnen.de".

DIVIDEND

The Management Board and Supervisory Board will make a proposal to the General Meeting 2004 for the payment of a dividend for the fiscal year 2003 of € 8.75 per share. Based on the closing price for 2003 of € 136.20 this gives a dividend yield of around 6.4 %. In connection with the complete tax exemption of the dividend, this once again means the highest dividend yield of all German listed real estate companies.

NET ASSET VALUE

On the closing date of March 31, 2003 the Net Asset Value of Deutsche Wohnen Group was presented in the half-year report 2003 for the second time. In the computation of the Net Asset Value undertaken by the portfolio management of the Group, the discounted cash flow method was applied on the basis of a 15-year cash flow with balanced capital costs of around 4.8 %. Based on 4 million registered shares and a Group Net Asset Value of € 920 million, the resulting Net Asset Value per share amounted to € 230. It was possible to more than compensate for the sales-based reduced portfolio value through the repayment of liabilities. The discount of the share price (March 31, 2003: € 148.70) on the Net Asset Value per share was 35 %.

INDIVIDUALISM

Our housing offers are flexibly designed. We consistently orientate ourselves to the changing needs of our customers.

CORPORATE GOVERNANCE

In December 2003 the Management Board and Supervisory Board of Deutsche Wohnen AG published the following declaration of conformity (§ 141 of the Companies Act) on the website "www.deutsche-wohnen.de":

I The Deutsche Wohnen AG complies with the recommendations of the Government Commission's German Corporate Governance Code (taking into account the German Corporate Governance Code, version of May 21, 2003) with the following exceptions:

I Deutsche Wohnen AG is a specialist housing management company that uses the services of DB Real Estate Management GmbH in various areas such as Investor Relations and IT, with whom it is also linked by a controlling agreement. This special situation gives rise to following deviations from the Code:

I A Directors & Officers group insurance of Deutsche Bank AG exists for the members of the Management Board and the Supervisory Board. This only has a low excess because it applies worldwide, a higher excess is not customary overseas (Code, Subclause 3.8).

The members of the Management Board of Deutsche Wohnen AG worked as managing directors in subsidiaries of the Deutsche Wohnen Group in 2003 and therefore received managing director emoluments. A remuneration for the additional Management Board activity was not paid in 2003 (Code, Subclause 4.2.2, 4.2.3 and 4.2.4).

So far, a CEO has not been on the Management Board which consisted of two people (Code, Subclause 4.2.1, Sentence 1). From January 1, 2004 Mr Andreas Lehner will join the Management Board in place of Mr Henning Sieh and assume the function of CEO.

We shall refrain from setting up a Supervisory Board Committee which in particular deals with accounting and annual audit issues. We consider it reasonable for all six Supervisory Boards to examine the annual accounts in detail (Code, Subclause 5.3.2).

The Group accounts are prepared according to the principles of the HGB (German Commercial Code). A preparation of the Group accounts according to the internationally acknowledged accounting standard IAS is envisaged for the fiscal year 2004 (Code, Subclause 7.1.1, Sentence 3).

The Group accounts will continue to be published in May of the following year together with the Annual Report. The company will, however, continue to publish essential Group key figures in February of the following year (Code, Subclause 7.1.2, Sentence 2).

ANNUAL FINANCIAL STATEMENTS

ASSETS

in €	Dec 31, 2003	Dec 31, 2002
A. Fixed assets		
Fixed assets		
Shares in affiliated companies	272,105,866.64	272,105,866.64
	272,105,866.64	**272,105,866.64**
B. Current assets		
Receivable and other assets		
1. Amounts owed by affiliated companies	345,589,752.47	373,983,530.81
2. Other assets	61,612.15	88,102.96
	345,651,364.62	**374,071,633.77**
C. Prepaid expenses	**3,000.00**	**0.00**
Total assets	**617,760,231.26**	**646,177,500.41**

LIABILITIES

in €	Dec 31, 2003	Dec 31, 2002
A. Equity		
I. Subscribed capital	10,225,837.62	10,225,837.62
II. Capital reserves	313,436,071.62	335,954,172.17
III. Revenue reserves statutory reserve	1,022,583.76	771,895.48
IV. Retained earnings	35,000,000.00	40,000,000.00
	359,684,493.00	**386,951,905.27**
B. Provisions		
Other provisions	524,807.00	1,534,941.17
	524,807.00	**1,534,941.17**
C. Liabilities		
1. Amounts owed to banks	257,404,439.55	257,404,439.57
2. Trade accounts payable	0.00	5,975.90
3. Amounts owed to affiliated companies	72,379.95	114,412.27
4. Other liabilities	74,111.76	165,826.23
	257,550,931.26	**257,690,653.97**
Total liabilities	**617,760,231.26**	**646,177,500.41**

INCOME STATEMENT
FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2003

in €	2003	2002
1. Other operating income	862.22	52,225.64
2. Staff costs	53,780.27	63,736.66
a) Wages and salaries € 46,211.85 (previous year: € 55,505.43)		
b) Social security contributions € 7,568.42 (previous year: € 8,231.23)		
3. Other operating expenses	1,601,881.15	2,494,202.10
4. Income from participating interests	14,984,939.76	17,038,867.48
– of which from affiliated companies € 14,984,939.76 (previous year: € 17,038,867.48)		
– of which from profit and loss transfer agreement € 47,847.14 (previous year: € 63,071.65)		
5. Other interest and similar income	12,634,435.07	14,136,299.64
– of which from affiliated companies € 12,633,544.27 (previous year: € 14,134,208.24)		
6. Interest and similar expenses	13,231,987.90	13,231,544.38
– of which to affiliated companies € 123.26 (previous year: € 0.75)		
7. Result from ordinary activities = net income	**12,732,587.73**	**15,437,909.62**
8. Withdrawals from the capital reserve	22,518,100.55	25,333,985.86
9. Transfers to the statutory reserve	250,688.28	771,895.48
10. Retained earnings	**35,000,000.00**	**40,000,000.00**

I. GENERAL

The present financial statements have been prepared according to the provisions of the German Commercial Code (HGB) and German Stock Corporation Act (AktG). The income statement has been drawn up following the expenditure-type presentation format.

II. ACCOUNTING AND VALUATION METHODS

General
Balances with banks which are affiliated companies are reported in the item amounts owed by affiliated companies, and liabilities to banks which are affiliated companies are reported in the item amounts owed to affiliated companies.

Fixed assets
Financial assets are valued at acquisition cost. Depreciation was not required during the financial year. The analysis of share ownership pursuant to Section 285 No. 11 HGB is attached to the Notes as Annex A.

Current assets
Receivables and other assets are reported at nominal value or at cost of acquisition.

Other provisions and liabilities
Sufficient provisions have been allocated in order to cover all discernible risks. Liabilities are reported at the amounts repayable.

III. NOTES ON THE BALANCE SHEET

Fixed assets
The fixed assets, consisting solely of shares in affiliated companies, are as follows.

Receivables and other assets
Amounts owed by affiliated companies essentially include short-term loans amounting to € 323,593 thous. (previous year: € 349,093 thous.). In addition, claims to a profit distribution or transfer of profits € 48 thous. (previous year: € 63 thous.) are reported in this item.

The amounts owed by affiliated companies also include current balances at Deutsche Bank AG, Frankfurt/Main, totalling € 15,662 thous. (previous year: € 520 thous.).

Equity
The registered share capital is € 10,226 thous. (previous year: € 10,226 thous.). It is divided into 4 million no-par value shares. The major portion was in free float at the year-end.

An amount of € 251 thous. (previous year: € 772 thous.) was transferred to the statutory reserve out of net income .

In response to the Management Board's proposal for appropriation of the retained earnings for financial year 2003, the Supervisory Board was asked to approve the withdrawal of € 22,518 thous. (previous year: € 25,334 thous.) from the capital reserve. The withdrawal from the capital reserve results in

FIXED ASSSET MOVEMENT SCHEDULE

in thousand €	Acquisition and manufacturing costs			Depreciation	Book value	
	Brought forward Jan 1, 2003	Additions	As at Dec 31, 2003	As at Dec 31, 2003	Dec 31, 2003	Dec 31, 2002
I. Financial assets						
Shares in affiliated companies	272,106	0	272,106	0	272,106	272,106
Total fixed assets	**272,106**	**0**	**272,106**	**0**	**272,106**	**272,106**

retained earnings for Deutsche Wohnen AG of € 35,000 thous. (previous year: € 40,000 thous.) which is scheduled for distribution. The retained earnings from the previous year were distributed in full during the financial year 2003.

It was notified that the following listed shareholders hold a stake of more than five per cent in Deutsche Wohnen AG.

Shareholder	Reported as at	Share of participating interrest/ voting rights in %	Share of voting rights in registered share capital in €
Ärzteversorgung Westfalen-Lippe Einrichtung der Ärztekammer Westfalen-Lippe Körperschaft des öffentlichen Rechts, Münster	April 4, 2002	9.00	920,000
Deutscher Herold Lebensversicherung AG, Bonn	April 8, 2002	6.70	685,000

The Ärzteversorgung Einrichtung der Ärztekammer Niedersachsen Körperschaft des öffentlichen Rechts, Hannover notified us in their letter dated August 15, 2003, that the organisation of the medical council Lower Saxony, Berliner Allee 20, 30175 Hanover, was entitled to less than 5% of the voting rights in Deutsche Wohnen AG, Mergenthalerallee 73–75, 65760 Eschborn licensed for official trading at the Luxembourg securities exchange, on August 14, 2003. The share of the voting rights amounted to 4.96% as of the afore-mentioned date.

Other reserves

Essentially the provisions include the costs of auditing and publishing the annual financial statements for 2003, preparing and auditing the consolidated financial statements for 2003, preparing the annual report for 2003 and setting aside a provision for a payment to DB Real Estate Management GmbH dependent on the dividend, pursuant to Section 5 (2) of the Control Agreement dated May 7, 1999.

Liabilities

Amounts owed to banks

An amount of € 257,404 thous. (previous year: € 257,404 thous.) includes registered bonds totalling EUR 199,659 thous. with a term until May 6, 2014 and a redeemable loan of € 51,129 thous. with a term until June 30, 2026 of Landesbank Hessen-Thüringen Girozentrale, Frankfurt/Main and Erfurt. In addition, the item includes interest payable of € 6,616 thous. on the above loans.

Amounts owed to affiliated companies

In addition to payment commitments for VAT commitments under a fiscal grouping amounting to € 3 thous. in respect of Rhein-Main Wohnen GmbH, service costs passed on are reported in respect of Deutsche Bank AG amounting to € 69 thous.

Other liabilities

The other liabilities contain liabilities for value added tax for the 2003 assessment period amounting to € 74 thous. (previous year: € 166 thous.) in respect of the Wiesbaden tax office.

MOVEMENT IN LIABILITIES

in thousand €	Total	Of which with a remaining term of validity of under 1 year	1–5 years	over 5 years
Amounts owed to banks	257,404	6,616	12,539	238,249
(previous year)	(257,404)	(6,616)	(0.00)	(250,788)
Trade accounts receivable	0	0	0	0
(previous year)	(6)	(6)	(0)	(0)
Amounts owed to affiliated companies	72	72	0	0
(previous year)	(114)	(114)	(0)	(0)
Other liabilities	74	74	0	0
(previous year)	(166)	(166)	(0)	(0)
Total[1]	**257,550**	**6,762**	**12,539**	**238,249**
Total (previous year)	(257,690)	(6,902)	(0.00)	(250,788)

[1] Deviations from the balance sheet value result from rounding differences.
No collateral was furnished for the above liabilities.

IV. NOTES ON THE INCOME STATEMENT

Other operating expenses
Other operating expenses which amounted to € 1,602 thous. (previous year: € 2,494 thous.) essentially comprise expenditure arising from agency contracts with DB Real Estate Management GmbH for carrying out the accounting activities and investor relations as well as a consideration dependent on the distribution of dividends pursuant to Section 5 (2) of the Control Agreement dated May 7, 1999.

V. OTHER INFORMATION

The company employed one member of staff until September 30. It commissioned DB Real Estate Management GmbH to carry out business acquisition.

Remuneration for the members of the Supervisory Board during the financial year amounted to € 24,000.00.

SUPERVISORY BOARD

a) a) Membership of other legally formed supervisory boards.

b) b) Membership of comparable German and foreign executive bodies of business enterprises.

Helmut Ullrich
– Chairman –
Managing Director of DB Real Estate Management GmbH, Eschborn

a) JADE Residential Property AG, Eschborn

b) Wohnungsbaugesellschaft JADE mbH, Wilhelmshaven
– Chairman –
DEUTSCHBAU Immobilien-Dienstleistungen GmbH, Düsseldorf
MT Wohnen GmbH, Frankfurt am Main
– Chairman –
Main-Taunus Wohnen GmbH & Co. KG, Eschborn
– Chairman –
Rhein-Main Wohnen GmbH, Frankfurt am Main
– Chairman –

Rhein-Pfalz Wohnen GmbH, Mainz
– Chairman –
Rhein-Nahe Wohnen GmbH, Mainz
– Chairman –
Rhein-Mosel Wohnen GmbH, Mainz
– Chairman –
DEUTSCHBAU Wohnungsgesellschaft mbH, Berlin
Deutschbau-Holding GmbH, Düsseldorf

Dr. Michael Gellen
– First deputy Chairman –
Managing Director DB Real Estate Management GmbH, Eschborn (until December 31, 2003)

a) JADE Residential Property AG, Eschborn (until November 5, 2003)
– Chairman –
DB Real Estate Spezial Invest GmbH, Eschborn (until November 30, 2003)
– Chairman –
Deutsche EuroShop AG, Eschborn

b) DEUTSCHBAU Wohnungsgesellschaft mbH, Berlin (until January 31, 2004)
DEUTSCHBAU Immobilien-Dienstleistungen GmbH, Düsseldorf (until January 31, 2004)
Deutschbau-Holding GmbH, Düsseldorf
Deutsche Bank Realty Advisors Inc., New York, USA (until January 31,2004)
Deutsche Bank Fondimmobiliari SGR S.p.A., Milan, Italy (until February 25, 2003)
Wohnungsbaugesellschaft JADE mbH, Wilhelmshaven (until November 30, 2003)

Harry Gutte
Managing Director DB Real Estate Investment GmbH, Eschborn

a) JADE Residential Property AG, Eschborn

b) GTG Gesellschaft für Technisches Gebäude-management mbH, Frankfurt am Main (until January 1, 2003)
ARBI Beteiligungsgesellschaft mbH, Eschborn
– Chairman –
Main-Taunus Wohnen GmbH & Co. KG, Eschborn

MT Wohnen GmbH, Frankfurt am Main
Rhein-Main Wohnen GmbH, Frankfurt am Main
Rhein-Pfalz Wohnen GmbH, Mainz
Rhein-Nahe Wohnen GmbH, Mainz
Rhein-Mosel Wohnen GmbH, Mainz
Bürozentrum Frankfurter Allee (Lichtenberg) Anders & Co. KG, Berlin
WohnBauEntwicklungsgesellschaft München-Haidhausen mbH & Co KG, Eschborn

Matthias Hünlein
– Second deputy Chairman (since December 11, 2003) –
Managing Director DB Real Estate Management GmbH, Eschborn

a) Deutsche Commercial Property AG, Eschborn
– Chairman –

b) Rhein-Pfalz Wohnen GmbH, Mainz
MT Wohnen GmbH, Frankfurt am Main
ARBI Beteiligungsgesellschaft mbH, Eschborn
Rhein-Main Wohnen GmbH, Frankfurt am Main
Rhein-Mosel Wohnen GmbH, Mainz
Rhein-Nahe Wohnen GmbH, Mainz
Main-Taunus Wohnen GmbH & Co. KG, Eschborn
Wohnungsbaugesellschaft JADE mbH, Wilhelmshaven
Deutsche Commercial Property Anlagegesellschaft mbH & Co. KG, Eschborn

Hans-Werner Jacob
Member of the management Deutsche Bank AG, Munich branch

a) Leoni AG, Nürnberg
GKM AG, Kelheim-Kapfelberg

b) Völkl GmbH & Co. KG, Straubing

Dr. rer. pol. Andreas Kretschmer
Managing Director of the Ärzteversorgung Westfalen-Lippe, Einrichtung der Ärztekammer Westfalen-Lippe – Körperschaft des öffentlichen Rechts

a) BIOCEUTICALS Arzneimittel AG, Bad Vilbel
DEUTSCHBAU Immobilien-Dienstleistungen GmbH, Düsseldorf
Oppenheim Immobilien-Kapitalanlagegesellschaft mbH, Wiesbaden

b) Deutsche Apotheker- und Ärztebank eG, Düsseldorf
Bayerische Hypo- und Vereinsbank AG, Munich
AP-Anlage & Privatbank AG, Bäch/Switzerland
TRITON, St. Helier/Jersey

MANAGEMENT BOARD

a) Membership of other legally formed supervisory boards

b) Membership of comparable German and foreign executive bodies of business enterprises

Andreas Lehner
– CEO –
(from January 1, 2004)

b) Berliner Gesellschaft zum Controlling der Immobilien-Altrisiken mbH, Berlin

Michael Neubürger

Henning Sieh
(until December 31, 2003)

b) DEUTSCHBAU Wohnungsbaugesellschaft mbH, Berlin
Entwicklungsgesellschaft Rhein-Pfalz GmbH & Co. KG, Mainz

GROUP ACCOUNTS

The company holds the majority shareholding in Rhein-Pfalz Wohnen GmbH, Main Taunus Wohnen GmbH & Co. KG and MT Wohnen GmbH. It is therefore the parent company of the Group and has prepared a set of consolidated financial statements which are deposited with the Commercial Register of the Frankfurt/Main district court (Reg. NO. HRB 42388).

At the General Meeting held on May 7, 1999, the company concluded a control agreement with DB Real Estate Management GmbH. Based on the said contract, the annual financial statements of Deutsche Wohnen AG are to be included in the consolidated financial statements of Deutsche Bank AG, Frankfurt/Main. The consolidated financial statements of Deutsche Bank AG have been deposited with the Commercial Register of the Frankfurt/Main district court under number HRB 30000.

The Management Board and the Supervisory Board of Deutsche Wohnen AG have stated that the company will in principle comply with the recommendations of the Government Commission "German Corporate Governance Code". The declaration made under Section 161 of the German Stock Corporation Act was made available to the general public on the company's website (www. Deutsche-wohnen.de) on December 13, 2002.

Eschborn, February 27, 2004

Deutsche Wohnen AG

Andreas Lehner – Member of Management Board –	Michael Neubürger – Member of Management Board –

SHARE OWNERSHIP AS AT DECEMBER 31, 2003
PURSUANT TO SECTION 285 NO. 11 GERMAN COMMERCIAL CODE (HGB)

	Share in capital in % total	indirect	Equity thousand €	Annual thousand €
1. Main-Taunus Wohnen GmbH & Co. KG, Eschborn	99.99	–	14,977	10,631
2. MT Wohnen GmbH, Frankfurt/Main	100.00	–	26	0[1]
3. Rhein-Pfalz Wohnen GmbH, Mainz	99.85	–	3,188	– 11,879
4. Entwicklungsgesellschaft Rhein-Pfalz Verwaltungs GmbH, Mainz	34.00	34.00	25	0[3]
5. Entwicklungsgesellschaft Rhein-Pfalz GmbH & Co. KG, Mainz	34.00	34.00	480	24[3]
6. Rhein-Mosel Wohnen GmbH, Mainz[2]	99.75	99.75	72,393	9,671
7. Rhein-Nahe Wohnen GmbH, Mainz[2]	99.87	99.87	84,595	5,505
8. Rhein-Main Wohnen GmbH, Frankfurt/Main[2]	99.99	99.99	156,400	27,985

[1] Profit and loss transfer agreement with Deutsche Wohnen AG.
[2] Major corporation, in which more than 5% of the voting rights are held.
[3] Results and equity as at December 31, 2002.

CONSOLIDATED FINANCIAL STATEMENTS

ASSETS

in €	Dec 31, 2003	Dec 31, 2003	Dec 31, 2002
A. Fixed assets			
I. Intangible fixed assets			
Franchises, trademarks, patents, licences and similar rights		39,870.45	48,501.73
II. Tangible fixed assets			
1. Land, leasehold rights with residential buildings	874,703,648.65		923,652,405.46
2. Land and leasehold rights with business and other premises	27,043,729.19		22,687,798.12
3. Land and leasehold rights without buildings	28,106,766.22		27,994,686.98
4. Land with inheritable building rights of others	501,199.57		501,199.57
5. Buildings on land owned by others	602,544.84		672,664.45
6. Other equipment, fixtures and fittings	188,951.12		295,850.86
7. Assets in the course of construction	1,197,270.69		0.00
8. Pre-construction costs	671,943.31		459,249.30
		933,016,053.59	
III. Financial assets			
1. Participating interests	4,238,750.52		4,254,251.03
2. Other loans	21,234,982.61		21,405,223.55
		25,473,733.13	
		958,529,657.17	**1,001,971,831.05**
B. Current assets			
I. Land and other stocks intended for sale			
1. Land and leasehold rights without buildings	3,349,310.74		3,464,357.80
2. Land and leasehold rights with finished buildings	0.00		7,670,402.51
3. Work in progress	27,973,743.72		30,583,748.44
		31,323,054.46	
II. Receivables and other assets			
1. Amounts due from rental	2,141,893.51		2,153,080.89
2. Amounts due from sale of land	28,417,515.16		20,954,866.17
3. Amounts due from management activities	1,669,006.02		1,647,293.58
4. Trade accounts receivable	7,626.37		50,282.20
5. Amounts owed by affiliated companies	6,744.92		0.00
6. Other assets	11,269,686.08		14,505,142.61
		43,512,472.06	
III. Securities			
Own shares		9,821.92	**9,856.56**
IV. Cash at bank and in hand			
Cash balance and balances with banks		76,019,134.70	69,312,933.63
		150,864,483.14	**150,351,964.39**
C. Prepaid expenses and deferred charges			
1. Discount	5,411.00		16,042.30
2. Other prepaid expenses and deferred charges	38,416.60		21,993.29
		43,827.60	**38,035.59**
Total assets		**1,109,437,967.91**	**1,152,361,831.03**

LIABILITIES

in €	Dec 31, 2003	Dec 31, 2003	Dec 31, 2002
A. Equity			
I. Subscribed capital		10,225,837.62	10,225,837.62
II. Capital reserve		313,436,071.62	335,954,172.17
III. Revenue reserves			
1. Statutory reserve	1,022,583.76		771,895.48
2. Reserve for own shares	9,821.92		9,856.56
		1,032,405.68	
IV. Consolidated retained earnings		102,690,808.59	101,985,925.83
V. Shares of other partners		581,058.55	492,437.24
		427,966,182.06	**449,440,124.90**
B. Provisions			
1. Provisions for pensions and similar obligations	3,945,319.43		3,868,245.45
2. Provisions for taxes	12,804,153.97		5,016,081.68
3. Provisions for building maintenance	483,184.24		1,003,709.44
4. Other provisions	13,451,574.50		15,778,001.81
		30,684,232.14	**25,666,038.38**
C. Liabilities			
1. Amounts owed to banks	527,547,602.63		545,361,883.74
2. Amounts owed to other lenders	65,482,019.57		71,672,424.70
3. Payments received on account	33,155,039.65		36,562,226.83
4. Amounts owed from rental	10,432,972.55		10,506,614.92
5. Trade accounts payable	1,064,713.04		1,055,436.32
6. Amounts owed to affiliated companies	69,337.67		29,369.60
7. Other liabilities	13,023,413.64		12,066,457.03
		650,775,098.75	**677,254,413.14**
D. Prepaid income		**12,454.96**	**1,254.61**
Total liabilities		**1,109,437,967.91**	**1,152,361,831.03**

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2003

in €	2003	2003	2002
1. Sales			
a) from property management	119,933,858.79		122,264,022.02
b) from sale of land	2,523,760.01		3,786,329.04
c) from management activities	2,087,620.07		1,856,317.58
d) from other goods and services	366,163.59		479,988.05
		124,911,402.46	**128,386,656.69**
2. Decrease of land for sale with finished and unfinished buildings and work in progress		−4,432,251.32	−6,603,327.90
3. Company produced additions to assets		0.00	100,345.00
4. Other operating income		46,876,416.63	43,505,743.72
5. Costs of external expenses			
a) Costs of property management	57,380,694.58		56,617,168.36
b) Costs of sale of land	463,625.94		116,697.81
c) Costs of other goods and services	6,233.61		8,853.24
		57,850,554.13	**56,742,719.41**
6. Staff costs			
a) Wages and salaries	13,922,034.75		12,980,332.63
b) Social security, pension and benefits costs	4,043,312.06		4,064,634.15
		17,965,346.81	**17,044,966.78**
7. Depreciation of intangible fixed assets and tangible fixed assets		18,261,772.99	20,672,707.10
8. Other operating expenses		25,562,531.95	22,716,905.47
9. Income from participating interests		0.00	50,000.00
10. Income from other loans and securities of financial assets		664,180.93	658,367.63
11. Other interest and similar income		1,590,713.24	1,884,300.26
12. Depreciation on financial assets		1,040.14	1,836.83
13. Interest and similar expenses		30,032,517.71	31,291,764.06
14. Result from ordinary activites		**19,936,698.21**	**19,511,185.75**
15. Taxes on income		9,197,793.52	6,010,122.53
16. Other taxes		67,499.49	118,460.52
17. Net income for the year		**10,671,405.20**	**13,382,602.70**
18. Profit carried forward		69,831,147.53	64,086,817.76
19. Withdrawals from capital reserve		22,518,100.55	25,333,985.86
20. Withdrawal from reserves for own shares		34.64	0.00
21. Transfer to statutory reserve		250,688.28	771,895.48
22. Transfer to the reserve for own shares		0.00	34.64
23. Net income due to other partners		79,191.05	45,550.37
24. Consolidated retained earnings		**102,690,808.59**	**101,985,925.83**

I. GENERAL INFORMATION

The consolidated financial statements and Group management report for the financial year 2003 have been prepared in accordance with the provisions of Sections 290 ff. HGB (German Commercial Code).

The consolidated balance sheet and income statement are broken down according to the forms used for the classification of the annual financial statements of housing companies. The particular features of the Group's business activities have been taken into account in the classifications and terms used in the financial statements.

To provide greater clarity and transparency, the legally required remarks on items in the consolidated balance sheet and income statement and remarks that can optionally be included in the consolidated balance sheet or income statement or in the notes to the financial statements are all included in the notes to the consolidated financial statements.

II. SCOPE OF CONSOLIDATION

On the basis of full consolidation, the consolidated financial statements include the following:

SUBSIDIARIES

	Share capital/ capital in €	**Percentage of share capital/ capital in %**
a) Directly affiliated		
Main-Taunus Wohnen GmbH & Co. KG, Eschborn	4,346,100.00	99.99
MT Wohnen GmbH, Frankfurt/Main	25,600.00	100.00
Rhein-Pfalz Wohnen GmbH, Mainz	9,714,750.00	99.85
b) Indirectly affiliated		
Rhein-Main Wohnen GmbH, Frankfurt/Main	5,166,150.00	99.99
Rhein-Mosel Wohnen GmbH, Mainz	10,026,900.00	99.75
Rhein-Nahe Wohnen GmbH, Mainz	9,203,350.00	99.87

III. ASSOCIATED COMPANIES

COMPANY directly affiliated

	Share capital/ capital/fixed capital in €	**Percentage of share capital/ capital/fixed capital in %**
Entwicklungsgesellschaft Rhein-Pfalz GmbH & Co. KG, Mainz	500,000.00	34.0
Entwicklungsgesellschaft Rhein-Pfalz Verwaltungs GmbH, Mainz	25,000.00	34.0
DB Immobilienfonds 14 Rhein-Pfalz Wohnen GmbH & Co. KG, Eschborn	58,000,000.00	6.9

The participating interest (50.0 %) in Bauträgergesellschaft bürgerlichen Rechts "Wohnpark Am Großen Sand" with registered seat in Mainz was sold in the financial year 2003.

The participating interests pursuant to Section 311 (2) HGB are of subordinate importance to the Group; therefore the provisions relating to valuations and statements as an associated company were not applied.

IV. PRINCIPLES OF CONSOLIDATION AND DATE OF FINANCIAL STATEMENTS

Capital consolidation took place according to the book value method (Section 301 (1) Sentence 2 No. 1 HGB).

The closing date for first-time consolidation was December 31, 1998.

The first-time consolidation on December 31, 1998, resulted in a balancing item on the assets side of € 472, 568,015.48. Dormant silent reserves amounting to € 472,564,848 were reported in the item land and leasehold rights with residential buildings. Goodwill of € 3,167.48 arising from the consolidation of MT Wohnen GmbH; this goodwill was fully written down in 1999.

When determining the shares of other partners during first-time consolidation there were balancing items on the assets side amounting to € 392,908.05 relating to indirect shares of other partners; dormant silent reserves in the item land and leashold rights with residential buildings were disclosed .

Loans, work in progress, receivables, payments on account and liabilities between the companies included in the consolidated financial statements were omitted. Expenses and income and the intermediate results of transactions between consolidated companies were eliminated.

The financial statements of the consolidated companies were prepared on December 31, 2003, the closing date for the consolidated financial statements.

V. ACCOUNTING AND VALUATION METHODS

The assets and liabilities of the consolidated companies included in the consolidated financial statements are reported according to standard methods of accounting and valuation.

In principle, the accounting and valuation methods have remained unchanged from the previous year. Owing to the fact that Section 208 (3) HGB no longer applies, the option for retaining valuation rates only admissible under tax law can no longer be used for these consolidated financial statements. Accordingly, the special depreciations undertaken since the closing date of the first-time consolidation according to Section 6b EStG were withdrawn – taking into account the normal depreciations now to be undertaken on building values. This resulted in an increase in equity of the profit carried forward of € 7,845 thous. with value date as of January 1, 2003.

The intangible fixed assets and tangible fixed assets were reported at acquisition or manufacturing cost less scheduled and unscheduled depreciation.

The consolidated acquisition costs of land and leasehold rights with residential buildings also include the undisclosed reserves reported as part of first-time consolidation. The depreciation of residential buildings was performed on the basis of a depreciation period in principle of 50 years beginning on the date of the first consolidation. Where the actual residual service life of buildings on January 1, 1999 was less than 50 years, scheduled depreciation was applied over the corresponding shorter period of time.

€ 8.3 million (previous year: € 4.9 million) were capitalised as subsequent production costs with buildings of fixed assets in the financial year 2003 as part of investments to enhance value.

Extraordinary depreciation amounting to € 2,266 thous. was applied; this figure relates to land with buildings and pre-construction costs.

In principle, financial assets are reported at acquisition cost. Low interest or non-interesting bearing loans reported in other loans have been discounted to the present value in cases where refinancing did not take place at equal rates.

Current assets are valued at acquisition or manufacturing cost or at the lower attributable value. Anticipated exploitation risks in the case of land and unfinished work are taken into account through value adjustments.

The discounts posted under prepaid expenses and deferred charges have been written off over the fixed-interest period.

Provisions take account of individually identified, uncertain liabilities and the risks valued in at a flat rate according to appropriate valuation principles. Provisions for pensions have been valued following actuarial principles taking as basis an assumed interest rate of 6.0 % and the standard tables from 1998 of Prof. Dr. Heubeck.

Some employees are offered supplementary benefits according to the rules for civil servants. This is processed through a supplementary pension fund for public sector employees. In line with common accounting practice, this commitment regarding membership of the supplementary pension fund is not included on the balance sheet.

Liabilities are entered at their repayment amounts.

VI. NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated balance sheet

The development and classification of fixed assets is shown in the fixed asset movement schedule in Annex A.

Essentially the figure of € 27,540 thous., shown under work in progress comprises operating and heating costs that have not yet been invoiced.

The composition of receivables and other assets, the maturities and any attribution to other balance sheet headings result from Annex B.

Own shares reported in the consolidated financial statements relate to a business share of nominally € 9,821.92 held by Rhein-Nahe Wohnen GmbH in the share capital of Rhein-Pfalz Wohnen GmbH. The own share acquired in the previous year from Rhein-Mosel Wohnen GmbH at a cost of € 34.64 (nominal € 255.65) was sold to Rhein-Pfalz Wohnen GmbH during the financial year.

Amounts owed by affiliated companies totalling € 64,241 thous. (previous year: € 60,095 thous.) are included in the cash at banks.

The registered share capital of Deutsche Wohnen AG amounting to € 10,225,837 (previous year: € 10,225,837) is shown on the balance sheet. It is divided into 4 million no-par value shares. The chief portion of the shares was in free float at the year-end.

The Group profits brought forward from the previous year amounted to € 69,831,147.53 (previous year: € 64,086,817.76).

The movement in equity is shown in Annex C.

Other provisions relate mainly to the risk provision for the obligation to offer regarding the limited partner's hare in DB Immobilienfonds 14 Rhein-Pfalz Wohnen GmbH & Co. KG Eschborn (€ 3,460 thous.) outstanding invoices for maintenance and sales services (€ 2,915 thous.), staff expenses

(€ 2,396 thous.) and surplus income still to be remitted as a result of the processing of the former rural development project (Landsiedlung) (€ 684 thous.).

The maturities and shared attribution of liabilities to other items are shown in Annex D.

Rental deposits of the tenants of € 9,782 thous. (previous year: € 9,558 thous.) are entered under the liabilities from rental. These are secured by bank guarantees.

Other liabilities include liabilities from taxes amounting to € 167 thous. (previous year: € 231 thous.) and liabilities in the context of social security amounting to € 112 thous. (previous year: € 89 thous.)

Rhein-Pfalz Wohnen GmbH has been confirmed as a renovation and development company (Sections 158, 167 of the Federal Planning Code [Baugesetzbuch]). The tasks assigned by the local authorities are being carried out by Rhein-Pfalz Wohnen GmbH as their trustee. The renovation and development measures as well as land division arrangement and development measures carried out by December 31, 2003 including trust assets and liabilities, comprise revenue and expenses still to be settled of € 118,310 thous. each (previous year: € 101,397 thous.). The tasks of Rhein-Pfalz Wohnen GmbH as trustee are being transferred to the developer Rhein-Pfalz GmbH & Co. KG based on the agency agreement. Apart from this the Group manages the accounts of owners' associations amounting to € 6,164 thous. (previous year: € 4,152) in a fiduciary capacity.

In connection with the divestment of housing stocks into DB Immobilienfonds 14 Rhein-Pfalz Wohnen GmbH & Co. KG in 1999, guarantee obligations arising from a rental guarantee of around € 10 million per annum were accepted until 2019.

Furthermore, the obligation to carry out regular maintenance until 2019 against a fixed annual charge has been taken on in respect of the fund for the divested property comprising 2,652 residential and commercial units. Moreover, the applicable interest and redemption conditions have been guaranteed for the loan obligations assigned with the housing assets (status when divested: € 184.4 million) to the funds until 2019. Additionally, an obligation exists in respect of the limited partners of the fund management companies to acquire the shares of the limited partners from 2005 until 2019 at a contractually fixed, annually increasing purchase price.

In addition to this, pursuant to Sections 765 ff BGB liability relationships exist from guarantees of € 14 thous. (previous year: € 36 thous.) and from the provision of securities for external liabilities of € 177, 981 thous. (previous year: € 180,720 thous.) from land charges for divested property, which has not yet been transferred in the land register.

Other financial commitments of € 212 thous. result from building leases (previous year: € 2,648 thous.). In addition, there are financial commitments of € 3,710 thous. from the long-term rental of business premises.

2. Consolidated income statement

Sales revenue from property management includes revenue from the settlement of allocations in the amount of € 33,471 thous. (previous year: € 31,790 thous.).

Other operating income largely comprises income from asset disposal of € 42,025 thous. (previous year: € 39,542 thous.) and income from writing back provisions of € 2,400 thous. (previous year: € 2,009 thous.).

Staff costs include expenditure on pension in the amount of € 1,400 thous. (previous year: € 1,542 thous.).

Other operating expenses include costs for administration of € 8,544 thous. (previous year: € 9,520 thous.= sales commission and the costs for property sales of € 8,008 thous. (previous year: € 6,561 thous.) as well as depreciation and value adjustments on accounts receivable of € 2,680 thous. (previous year: € 1,617 thous.).

Amounts of € 1,284 thous. (previous year: € 1,516 thous.) for other interest and similar income and € 0 thous. (previous year: € 1 thous.) for interest and similar expenses relate to affiliated companies.

VII. FUNDS STATEMENT

in thousand €	2003	2002
1. Result for the period	10,671	13,383
2. Depreciation of fixed assets	18,262	20,673
3. Increase/decrease (–) in medium and long-term provisions	112	367
4. Cash earnings according to DFVA/SG	**29,045**	34,423
5. Profits from disposal of fixed assets	– 41,347	– 39,125
6. Increase (–) /decrease of stocks, trade accounts payable and other assets not classified as investment or financing activities	7,591	3,707
7. Increase/decrease (–) of trade accounts receivable and other liabilities not classified as investment or financing activities	2,443	– 20
8. Cash flow from current business activities	**–2,268**	– 1,015
9. Receipts from disposal of tangible fixed assets	84,012	81,611
10. Payment for investment in tangible fixed assets	– 11,184	– 7,516
11. Payments for investment in intangible assets	– 34	– 7
12. Receipts from disposals of financial assets	212	141
13. Payments for investment in financial assets	– 27	– 43
14. Cash flow from investment activities/housing sales	**72,979**	74,186
15. Payments to company owners (dividends)	– 40,000	– 40,000
16. Receipts from taking up finance loans	778	4,354
17. Payments for repayment of finance loans	– 22,831	– 27,211
18. Cash flow from financing activities	**–62,053**	– 62,857
19. Cash changes in the financial resources	**8,658**	10,314
20. Financial resources at the start of the period	67,361	57,047
21. Financial resources at the end of the period	**76,019**	**67,361**

The financial resources comprise liquid funds less short-term bank liabilities.

To determine the cash inflows from the sale of dwellings held as fixed assets, the change in the corresponding amounts owed from sales of land is taken into account within the cash flow from investment activites.

The cash flow from current business activites fell by € 1,253 thous. compared with the previous year. The main reason for this was the reduction in property management profits, effective for the liquidity, and the increased payments for tax on revenue in the period under review.

As in the previous year, the funds statement during 2003 has once again been dominated by the receipts from the sale of housing stock. This cash inflow increased by € 2,401 thous. to € 84,012 compared with the previous year. These liquidity inflows were opposed to outflows for investments (€ 11,184 thous.), dividends (€ 40,000 thous.), and repayments of finance loans (€ 22,831 thous.). Altogether the liquidity holdings increased once again by the end of the year.

VIII. SEGMENT REPORTING FOR THE GROUP

in thousand €	**2003**	**2002**
Gross earnings from		
– Property management	30,330	31,007
– Sale of land and buildings held as fixed and current assets	32,463	33,087
– Services and other operating income	7,306	6,400
	70,099	**70,494**
Staff costs	– 17,965	– 17,045
Other operating expenses	– 11,892	– 14,006
Operating result	**40,242**	**39,443**
Interest income and income from participating interests	2,254	2,593
Interest expense for acquisition of participating interests and corporate finance	– 16,901	– 16,140
Extraordinary depreciation and risk provisions	– 5,726	– 6,503
Result before taxes on income	**19,869**	**19,393**
Taxes on income	– 9,198	– 6,010
Group results for the year	**10,671**	**13,383**

Segment reporting takes into account the sector-specific features of the Group and as such deviates in part from the recommendations of the German Accounting Standards Committee (DR 3).

The € 677 thous. decrease in gross earnings from property management results to a large extent from the € 2,333 thous. reduction in target rental income compared with the previous year and the increase in the rental losses owing to vacancies by € 1,058 thous. The decrease in earnings was partly compensated for by the lower interest expenses for property financing of € 2,021 thous., as well as the maintenance costs which fell by € 1,104 thous.

Gross earnings from the sale of land and buildings of € 32,463 thous. have remained almost unchanged compared with the previous year. The € 1,844 thous. increase in book profits due to sales of real estate are essentially compared with costs for sales preparation and sales, which rose by € 1,447 thous. and depreciations on amounts owed from sales of land in the amount of € 1,021 thous., allocated separately to these gross earnings for the first time.

The gross earnings from services and other operating income results among other from the management services of € 2,088 thous. (previous year: € 1,856 thous.), which largely took the form of property administration. Furthermore, this includes income from writing back provisions of € 2,400 thous. (previous year: € 2,009 thous.) and income from other goods and services of € 366 thous. (previous year: € 480 thous.).

Despite a reduction in gross earnings by € 395 thous. the Group operating results for the year improved by € 799 thous. compared with the previous year due to a reduction in staff and other operating expenses (by € 1,194 thous.). The Group annual result, which fell by € 2,712 thous. is mainly a result of the taxes on income which rose by € 3,188 thous. to € 9,198 thous.

IX. OTHER INFORMATION

1. The business activities of Deutsche Wohnen AG and its subsidiaries mainly cover the Rhine-Main region and the territory of the Rhineland-Palatinate.

2. The Management Board and the Supervisory Board of Deutsche Wohnen AG have stated the company will in principle comply with the recommendations of the Government Commission German Corporate Governance Code. The declaration made under Section 161 of the German Stock Corporation Act was made available to the general public on the company's website (www.deutsche-wohnen.de) on December 13, 2002.

3. The remuneration paid to the Supervisory Board during the financial year amount to € 24 thous.

4. The average number of employees throughout the year (part-time employees counted pro rata) was

   301 permanent staff
   21 trainees

Eschborn, February 27, 2004

Deutsche Wohnen AG

Andreas Lehner – Member of Management Board –	Michael Neubürger – Member of Management Board –

FIXED ASSET MOVEMENT SCHEDULE

in €	Acquisition or manufacturing costs Jan 1, 2003	Additions during year	Disposals during year
I. Intangible fixed assets			
Franchises, trademarks, patents, licences and similar rights	508,974.66	33,906.73	533.43
II. Tangible fixed assets			
1. Land, leasehold rights with buildings	989,878,365.64	9,054,890.15	53,172,192.80
2. Land and leasehold rights with business and other premises	29,710,998.52	381,073.32	128,528.21
3. Land and leasehold rights without buildings	30,635,909.99	63,472.66	93,539.93
4. Land and inheritable building rights of others	501,199.57	0.00	0.00
5. Buildings on land owned by others	971,143.53	0.00	0.00
6. Other equipment, fixtures and fittings	1,083,148.14	193,885.94	134,201.85
7. Assets in the course of construction	0.00	1,197,270.69	0.00
8. Pre-construction costs	500,923.76	293,344.17	0.00
	1,053,281,689.15	**11,183,936.93**	**53,528,462.79**
III. Financial assets			
1. Participating interests	4,254,251.03	24,500.00	40,000.51
2. Other loans	21,409,681.09	2,030.34	160,268.53
	25,663,932.12	**26,530.34**	**200,269.04**
	1,079,454,595.93	**11,244,374.00**	**53,729,265.26**

[1] Reclassification from current assets.

	Book transfers during year	Cumulative depreciation Dec. 31, 2003	Book value Dec. 31, 2003	Book value Dec. 31, 2002	Depreciations for year
	0.00	502,477.51	39,870.45	48,501.73	44,616.39
	5,918,248.47	76,975,662.81	874,703,648.65	923,652,405.46	17,071,497.88
	3,407.61	2,923,222.05	27,043,729.19	22,687,798.12	736,448.09
	142,146.51	2,641,223.01	28,106,766.22	27,994,686.98	0.00
	0.00	0.00	501,199.57	501,199.57	0.00
	0.00	368,598.69	602,544.84	672,664.45	70,119.61
	0.00	953,881.11	188,951.12	295,850.86	261,848.47
	0.00	0.00	1,197,270.69	0.00	0.00
	−3,407.61	118,917.01	671,943.31	459,249.30	77,242.55
	6,060,394.98	**83,981,504.68**	**933,016,053.59**	**976,263,854.74**	**18,217,156.60**
	0.00	0.00	4,238,750.52	4,254,251.03	0.00
	0.00	16,460.29	21,234,982.61	21,405,223.55	1,040.14
	0.00	**16,460.29**	**25,473,733.13**	**25,659,474.58**	**1,040.14**
	6,060,394.98 [1]	**84,500,442.48**	**958,529,657.17**	**1,001,971,831.05**	**18,262,813.13**

Annex B to the Notes

RECEIVABLES AND OTHER ASSETS AS OF DECEMBER 31, 2003

Figures for previous year are shown in brackets in €	Balance sheet figure	of which: With a term of over 1 year	of which: from companies in which the company has a participating interest
1. Amounts due from rental	2,141,893.51 (2,153,080.89)	5,596.29 (10,120.77)	0.00 (0.00)
2. Amounts due from sale of land	28,417,515.16 (20,954,866.17)	2,942,706.45 (3,992,246.71)	0.00 (0.00)
3. Amounts due from management activities	1,669,006.02 (1,647,293.58)	1,452,062.85 (1,028,813.63)	1,452,062.84 (1,028,813.63)
4. Other trade accounts receivable	7,626.37 (50,282.20)	0.00 (0.00)	0.00 (0.00)
5. Amounts owed by affiliated companies	6,744.92 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Other assets	11,269,686.08 (14,505,142.61)	0.00 (0.00)	0.00 (0.00)
	43,512,472.06 (39,310,665.45)	**4,400,365.59** (5,031,181.11)	**1,452,062.84** (1,028,813.63)

Annex C to the Notes

MOVEMENT IN EQUITY AS OF DECEMBER 31, 2003

in €	As at Jan 1, 2003	Distributions	Change through net results
I. Subscribed capital	10,225,837.62	0.00	0.00
II. Capital reserve	335,954,172.17	0.00	0.00
III. Revenue reserves			
1. Statutory reserve	771,895.48	0.00	0.00
2. Reserve for own shares	9,856.56	0.00	0.00
IV. Consolidated retained earnings	101,985,925.83	40,000,000.00	10,592,214.15
V. Shares of other partners	492,437.24	0.00	79,191.05
	449,440,124.90	**40,000,000.00**	**10,671,405.20**

MOVEMENT IN LIABILITIES

Figures for previous year are shown in brackets

in €	Balance sheet figure	of which with a term of up to one year	one to five years	more than five years	of which for companies in which the company has a participating interest
1. Amounts owed to banks	527,547,602.63[1] (545,361,883.74)	18,431,212.54 (20,931,659.57)	51,054,993.91 (43,031,566.03)	458,061,396.18 (481,398,658.14)	0.00 (0.00)
2. Amounts owed to other lenders	65,482,019.57[2] (71,672,424.70)	3,786,977.59 (3,443,144.16)	12,382,705.64 (15,102,151.99)	49,312,336.34 (53,127,128.55)	0.00 (0.00)
3. Payments received on account	33,155,039.65 (36,562,226.83)	32,786,045.02 (36,136,254.77)	184,864.76 (184,864.76)	184,129.87 (241,107.30)	0.00 (0.00)
4. Amounts owed from rental	10,432,972.55 (10,506,614.92)	651,406.86 (948,865.10)	9,781,565.69 (9,557,749.82)	0.00 (0.00)	0.00 (0.00)
5. Trade accounts payable	1,064,713.04 (1,055,436.32)	912,457.50 (908,671.17)	152,255.54 (146,765.15)	0.00 (0.00)	0.00 (0.00)
6. Amounts owed to affiliated companies	69,337.67 (29,369.60)	69,337.67 (29,369.60)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
7. Other liabilities	13,023,413.64[3] (12,066,457.03)	7,533,565.39 (7,058,506.92)	219,139.70 (219,139.70)	5,270,708.55 (4,788,810.41)	5,270,708.55 (4,788,810.41)
	650,775,098.75 (677,254,413.14)	**64,171,002.57** (69,456,471.29)	**73,775,525.24** (68,242,237.45)	**512,828,570.94** (539,555,704.40)	**5,270,708.55** (4,788,810.41)

[1] Of which € 237,811,708.55 (previous year: € 252,954,214.39) secured by mortgage.
[2] Of which € 65,443,647.12 (previous year: € 71,521,374.50) secured by mortgage.
[3] Of which tax € 166,915.61 (previous year: € 230,829.89) and of which social security € 111,805.25 (previous year: € 88,960.27).

Change by capital adjustment to Euro	Change by revocation Section 308 Par. 3 HGB	Withdrawals	Transfers	As at Dec 31, 2003
0.00	0.00	0.00	0.00	10,225,837.62
0.00	0.00	22,518,100.55	0.00	313,436,071.62
0.00	0.00	0.00	250,688.28	1,022,583.76
0.00	0.00	34.64	0.00	9,821.92
0.00	7,845,221.70	0.00	22,267,446.91	102,690,808.59
200.08	9,230.18	0.00	0.00	581,058.55
200.08	**7,854,451.88**	**22,518,135.19**	**22,518,135.19**	**427,966,182.06**

MANAGEMENT REPORT OF THE COMPANY AND GROUP FOR FINANCIAL YEAR 2003

1. The general economic situation

The uncertainty caused by the war in Iraq had a negative effect on economic development worldwide and also in Germany in the first half of 2003. Exports and investments were postponed, the consumers maintained their approach of wait-and-see. This caution on the part of companies and consumers disappeared slowly even after the end of the war in Iraq.

However, in the second half of 2003 there were increasing signs of a change in the economic situation. The global economy revived, spurred on by the USA and Asia. As a result of this, the German economy also saw slight signs of recovery mainly due to exports.

However, with +0.1 % domestic demand remained very low. Consumption by private consumers fell by 0.2 %, which besides the global uncertainties could also be contributed to the rise in tax burdens and the continued difficult situation on the labour market. At the end of 2003 the unemployment rate was 10.5 % (2002: 9.9 %). The price development was muted in the past year. Consumer prices rose by 1.1 %. Therefore, the inflation rate in Germany is the lowest in the Euro zone. With –0.1 % in real terms, GDP in 2003 was on average slightly lower than the previous year.

2. The German housing market

There are still major regional differences in the German housing market regarding offer and demand for housing space. At present, there are around 1.4 million vacancies in Berlin and in the new federal states and the rate of vacancies is continuing to rise due to the East-West migration.

One important parameter in the decision whether to buy a home is the question of state grants. The private home ownership grant was reduced with regard to the whole volume to be subsidsed in December due to the household support law, however not completely abolished. New buildings and the acquisition of existing buildings will be treated equally in the allocation of grants in future. Therefore, the feared negative implications on demand for owner-occupied housing if the private home ownership grant is abolished completely are expected to stay within a reasonable margin.

The demographic development has a decisive influence on the housing market and housing privatisation in the long term. It is expected that the number of federal German households will, among others due to the increased number of single households, continue to increase until around 2015. Due to the expected fall in the population however it is very likely that there will be a reduction in the number of households associated with falling prices in the housing market from 2015.

3. General information

As of December 31, 2003, the following companies were part of the Deutsche Wohnen Group:

- Deutsche Wohnen AG, Eschborn
- Main-Taunus Wohnen GmbH & Co. KG, Eschborn
- MT Wohnen GmbH, Frankfurt/Main
- Rhein-Main Wohnen GmbH, Frankfurt/Main
- Rhein-Mosel Wohnen GmbH, Mainz
- Rhein-Nahe Wohnen GmbH, Mainz
- Rhein-Pfalz Wohnen GmbH, Mainz

Deutschen Wohnen AG concluded a Control Agreement with DB Real Estate Management GmbH (formerly: Deutsche Grundbesitz Management GmbH), Eschborn, in 1999. DB Real Estate Management GmbH is a wholly-owned subsidiary of Deutsche Bank AG and Deutsche Wohnen AG is included in its consolidated financial statements.

The operating subsidiaries of Deutsche Wohnen AG were exclusively active in the management and privatisation of the managed property portfolio.

This portfolio comprised the following on December 31, 2003:

Total property stock	28,675 units
of which: own dwellings	23,138 units
of which: dwellings managed by third parties	5,537 units
Total commercial units	139 units
of which: own commercial units	99 units
of which: commercial units managed by third parties	40 units
Total floor (dwelling) are:	1.49 mill. m²
Average size of dwelling	64 m²
Commercial floor area	33,729 m²
Undeveloped areas	627,509 m²

4. Business activities

a) Property management

At the end of 2003 the average monthly net rental income (without incidental costs) was € 4.96 per m² based on the closing date; it increased by € 0.11 per m² compared with 2002 and compared with the first full financial year 1999 it has now changed by +13.5%.

The rate of vacancies among the company's own housing stock was 7.8 % on December 31, 2003 (December 31, 2002: 6.9 %) and takes into account all vacant dwellings on the closing date of the balance sheet 2003.

76 % of all vacancies arose due to company strategy and 24 % of the vacancies were because of the situation on the market. The vacancies as a result of company strategy represent the vacancies planned by the management and were because of maintenance, preparation of the units for sale and decisions by the portfolio management regarding the properties.

The costs for maintenance of the housing stocks were altogether € 14.44 per m² in 2003 and therefore almost equivalent to the level of 2002 (€ 14.51 per m²). Based on the average size of a housing unit of 64 m² the maintenance costs per housing unit amounted to around € 947. The total maintenance volume amounted to € 22.6 million (previous year: € 4.00 million) in 2003.

b) Privatisation of housing

1,317 housing and commercial units were sold in the financial year 2002. 98.8 % of the sales were carried out from the fixed assets. The privatisation of housing has improved by around 13 % compared with the previous year (1,170 sold units).

With a sales area of around 86,600 m² the average proceeds of housing sales recorded in 2003 amounted to € 1,015 per m² (2002: € 1,066 per m²).

39 % of all houses were sold to tenants and other owner-occupiers, 61 % to capital investors.

As in the previous years there were no essential changes in the age and size structure of the housing stocks. This is an indication that we have once again succeeded in selling a cross-section of the stocks. The concept of the sell-off, positive for the structure, with the prime aim of a long-term homogenous housing portfolio was taken into account.

5. Results

a) Segment results

The property management result for 2003 amounted to € 30.3 million, this represented a fall of around € 0.7 million compared with the previous year (€ 31.0 million).

This is based on the reduced rental income volumes of the Group. The target rents (before reductions in earnings) fell by € 2.4 million from € 95.8 million to € 93.4 million. The shortfall in rent due to vacancies increased by € 1.0 million to € 7.1 million as a result of the rise in the rate of vacancies compared with the previous year.

The actual rents (without operating costs) fell to € 86.5 million this is a fall of around 4.4 % compared with 2002. This is, in particular, a result of the smaller own housing stocks due to sales.

The maintenance costs which fell by € 1.1 million compared with the previous year and in particular the interest expenses for financing objects which fell by € 2.0 million had positive effects on the property management results.

Sales results of € 32.5 million were reported for 2003 (2002: € 33.1 million). The book profits from the sale of developed properties of fixed and current assets rose by € 2.5 million or 6.4 %. Sales-promoting sales preparation costs were incurred in the amount of € 4.0 million (2002: € 3.2 million) and sales costs in the amount of also € 4.0 million (2002: € 3.4 million).

b) Consolidated financial statement

The group results amounted to € 10.7 million in 2003, compared with the previous year (€ 13.4 million) this is a reduction of € 2.7 million or 20 %. Income from ordinary activities which rose by € 0.4 million to € 19.9 million could not be reflected in the results after tax. The following table contains essential items of the consolidated income statement.

in € m.	2003	2002	Implications for the results
Total sales revenue	124.9	128.4	−3.5
Other operating income	46.9	43.5	+3.4
Interest earned	1.6	1.9	−0.3
Expenses for property management	57.4	56.6	−0.8
Staff costs	18.0	17.0	−1.0
Depreciations	18.3	20.7	+2.4
Other operating expenses	25.6	22.7	−2.9
Interest expenses	30.0	31.3	+1.3
Income from ordinary activities	19.9	19.5	
Taxes on income	9.2	6.0	−3.2
Annual results	10.7	13.4	

The fall in sales revenue from property management is the result of the smaller housing stocks due to sales. The increased number of vacancies is to a large extent compensated for by the generated rental increases. Reflected in the increased other operating income is in particular the rise in the number of housing sales effective for the balance sheet. The taxes on income rose from € 6.0 million in 2002 to € 9.2 million or around 53 %.

The operating Group companies have been affected by increased corporate income tax and trade tax costs since the conversion from the corporate income tax setting off procedure to the splitting procedure and the changes in the legal regulations for the integrated intercompany relation owing to the rise in tax sales results, which resulted in a reduction in the results of the Group.

The Group balance sheet total fell by € 42.9 million to € 1,109.4 million compared with the previous year. On the assets side this reduction essentially relates to the fixed assets (fall by € 43.2 million), ensuing from sales of real estate and depreciations. On the liabilities side the essential falls were seen in equity (by € 21.5 million) and with the credit liabilities (by € 24.0 million).

c) Other Group key figures

The results according to DVFA/SG for the financial year 2003 amounted to € 8.4 million. Thus, there is a difference between the HGB group results and the DVFA/SG results of € 2.3 million which is a result of the consumption of cost reserves formed in the previous year.

The cash flow composed of the group results, depreciations on the fixed assets and the change in long-term reserves according to DVFA/SG as a result of the decreased group results and the depreciations, which had decreased by € 2.4 million, fell by € 5.5 million to € 28.9 million in 2003.

We were pleased to note that the EBIT of the Group rose by € 2.7 million in 2003 compared with 2002, while the EBITDA remained almost unchanged.

Details in € m.	**2003**	**2002**	**Change**
Results according to DVFA/SG	8.4	10.7	−2.3
Cash flow according to DVFA/SG	28.9	34.4	−5.5
EBIT	51.6	48.9	+2.7
EBITDA	69.8	69.6	+0.2
Equity return	2.5%	3.0 %	−0.5 %
Equity to fixed assets ratio 1	44.7%	44.9 %	−0.2 %
Equity to fixed assets ratio 2	106.1%	106.0 %	+0.1 %
Liquidity ratio	159.7%	150.5 %	+9.2 %

d) d) Annual financial statements of Deutsche Wohnen AG

The balance sheet total in the individual financial statement of Deutsche Wohnen AG fell by € 24.8 million to € 617 million compared with the previous year. On the assets side this reduction almost exclusively relates to the amount due from affiliated companies as a result of the repayment of the shareholders loans. On the liabilities side above all the equity fell (by € 27.3 million). This reflects the distribution undertaken in the financial year of € 40.0 million and – vice versa – the annual surplus of € 12.7 million.

The income statement of Deutsche Wohnen AG is still marked by the interest and investment results. The reduction in the annual financial statements by € 2.7 million to € 12.7 million compared with the previous year is in the case of constant interest expenses essentially arises from lower investment income (by € 1.5 million) and from lower interest income (by € 1.5 million), the latter owing to the progressive repayment of the partner loans.

6. Capital structure

The equity ratio of the Group amounts to around 39 %. The Group has a balanced capital structure. In 2003, the total liabilities fell by around 4 %, the regular repayments will continue to have a positive influence on the capital structure. The average interest on external capital was 4.6 %.

7. Staff

At the end of 2003 the group companies employed 312 employees (December 31, 2002: 301) and 21 apprentices (December 31, 2002: 21).

8. Risk management

The Group is exposed to operative risks, financial risks and market risks.

Operative risks may be caused by possible warranty claims by buyers as a result of faulty measures carried out during the sales preparation, insofar as they cannot be asserted towards the suppliers/ workmen.

The reports of the sub-groups which for many years were prepared on a monthly or quarterly basis concerning the development of the sales or the property management guarantee the regular control of the actual figures and the deviations to the corporate planning within the framework of the risk management. This way, negative tendencies are recognised at an early stage so that corresponding counter measures can be initiated.

Financial risks can, for example, be caused by the change in basic fiscal conditions or the change in conditions for loans with the consequence of increased payment obligations. Such effects are identified in time through the constant monitoring of basic conditions and the contractual relations to creditors so that the respective necessary measures can be carried out in time.

The obligation of the Rhein-Pfalz Wohnen GmbH to take back shares in the closed real estate funds DB Immobilienfonds 14 which will have an effect from 2005 represents a special financial risk. The approximate 2,500 housing units of the funds have a consistently goods substance. Risks for the Group may be caused by the mere average location of these units and the ensuing uncertain rental income situation and a low potential for added value.

A further financial risk is produced from the new regulation of Section 8a Corporate Income Tax Act ("external financing of shareholder") which came into force on January 1, 2004. According to this new regulation interest expenditure for shareholder loans will no longer be tax-deductible under certain circumstances or will be qualified as hidden profit distributions which could lead to a considerable additional tax burden in the Group. The Management Board is currently working on concepts to minimize such an additional tax burden.

No financial risks can be seen for the Group from the point of liquidity after the credits at credit institutes amounted to around € 76.0 million at the end of 2003 (December 31, 2002: around € 69.3 million). The essential liquidity inflows will still continue to be expected from sales of real estate.

Market risks exist in the possible change of basic commercial conditions, which may have negative implications for the rental income situation and the market environment with an increased rate of vacancies and lower revenues from sales.

The long-term planning of the Group prepared in 2003 is an essential part of the risk management and the Group control. The planning will be updated regularly and coordinated with the Supervisory Board.

The continuous cooperation of Management Board and Supervisory Board will also guarantee a regular exchange of information to promote the company in 2003.

9. Events of special significance which occurred after the closure of the fiscal year

There were no events of special significance between the end of the fiscal year 2003 and the date when this Group management report was prepared for 2003.

10. Outlook

Forecasts say that the macroeconomic economic production will only rise by 0.8 % in 2004. With the high value of the Euro there is to be a considerable rise in imports compared with the previous years. As the domestic economy is still weak, the economy can however only rise modestly. The private consumption continues to remain the Achilles heel of the economy. The latest political decisions concerning the economy made by the upper and lower houses of the German parliament [Bundestag and Bundesrat] were, according to the forecasts, not suitable for breaking the weakness in consumption. The number of persons employed is not expected to increase again until the middle of 2004, a slightly lower unemployment rate is expected by the end of 2004 compared with 2003.

After the private home ownership grant, as shown, continues to exist in a reduced form, the privatisation process should develop in 2004 without any major changes compared with 2003. Furthermore, the level of possible reluctance with investments by private persons will depend on the macroeconomic situation. Additional financial burdens may principally lead to a deferral of decisions to buy or not to buy a home at all.

Changes to the basic fiscal conditions which have already taken place or still to occur may also have a negative effect on results and cash flow in the financial year 2004. There may especially be impairments for the Group from the newly written § 8a KStG.

The management board is aiming at a group annual surplus in the financial year 2004 which if possible will correspond with that of 2003. In this case the pre-requisite will exist that we will be able to continue to pay a still attractive dividend to the shareholders.

CITATION OF THE AUDIT CERTIFICATE

"We have audited the annual financial statements including the accounting Deutsche Wohnen AG, and the consolidated financial statements prepared by them, including their report on the position of the company and the Group for the fiscal year from January 1 to December 31, 2003. The preparation of these documents according to the German regulations under commercial law is the responsibility of the management of the Company. It is our task to submit an evaluation of the annual financial statements including the accounting and the consolidated financial statements prepared by them including their report on the position of the company and the Group on the basis of the audit carried out by us.

We conducted our audit of the annual financial statements in accordance with the regulations of Section 317 HGB and the generally accepted standards for the audit of annual financial statements promulgated by the German Institute of Certified Public Accountants (IDW). Those standards require that we plan and perform the audit such that material and misstatements and infringements in the accounts and in the consolidated financial statements and through the report on the position of the company and the Group essentially affecting the presentation of net assets, financial position and results of operations in accordance with German accounting principles are detected with reasonable assurance. When stipulating the audit conducted the knowledge of the business activity and of the economic and legal situation of the Company and the Group the expectations of possible errors are taken into account. The effectiveness of the internal control system related to the reporting and the evidence supporting the disclosures in accounting, the annual financial statements, consolidated financial statements and the report on the position of the company and the Group are examined primarily on a test basis within the framework of the audit. The audit includes examining the principles of accounting and consolidation as well as assessing significant estimates made by the legal representatives and examining the overall presentation of the annual financial statements, consolidated financial statements and the report on the position of the company and the Group. We believe that our audit provides a reasonable basis for our opinion.

Our audit led to no objections.

In our opinion the annual financial statements, and the consolidated financial statements give a fair presentation of the net assets, financial position and results of operations of the Company and the Group taking into account the principles of proper accounting. The report on the position of the company and the Group gives altogether an accurate presentation of the position of the Company and the Group and correctly shows the risks of the future development."

Frankfurt am Main, February 27, 2004

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(Dr. Lemnitzer)
Auditor

(Janus)
Auditor

In case of publications of the annual financial statements and/or consolidated financial statements and/or the report on the position of the company and the Group in a form which deviates from the confirmed version (including the translation into another language) a statement must first be obtained from us, insofar as our audit certificate is quoted or reference is made to our audit; we refer in particular to Section 328 HGB.

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

At four meetings the Supervisory Board discussed together with the Management Board the business development of the Deutsche Wohnen Group in the financial year 2003. Of particular importance were the consultancy of the Supervisory Board on central strategic initiatives of the Group (among others reaction to the change in basic tax conditions and long-term planning for the Group).

The business and measures submitted to the Supervisory Board according to the statutory provisions and as per statutes for examining and approval were passed.

KPMG Deutsche Treuhand Gesellschaft AG auditing company has audited the annual financial statement, the consolidated financial statements and the report on the position of the company and the group for the financial year 2003 submitted by the management board and awarded it the unlimited audit certificate.

The Supervisory Board has examined the report of KPMG Deutsche Treuhand Gesellschaft AG auditing company and agrees with the results of the auditor.

The Supervisory Board has approved the annual financial statements prepared by the Management Board at the meeting of April 30, 2004. The annual financial statements have thus been approved. The consolidated financial statements were also examined and approved by the Supervisory Board on April 30, 2004. The Supervisory Board also agreed with the proposal of the Management Board on the appropriation of the balance sheet profit. KPMG Deutsche Treuhand Gesellschaft AG auditing company took part in the meeting of Supervisory Board on April 30, 2004 and reported to the Supervisory Board and Management Board on the essential auditing results.

The necessary declaration of correspondence according to Section 161 of the Companies Act by the Management Board and Supervisory Board was published on December 12, 2003. The requirements of the German Corporate Governance code are taken into account by the Management Board and Supervisory Board.

The Supervisory Board would like to thank the Management Board for the constructive work and its performance in 2003. The Supervisory Board would like to thank the employees for their work. Mr Henning Sieh is leaving the Management Board as of December 31, 2003. The Supervisory Board wishes him all the best for the future.

Mr Andreas Lehner was appointed as a member of the Management Board on December 11, 2003 as of January 1, 2004 and assumes the function of CEO.

Eschborn, April 30, 2004

For the Supervisory Board

Helmut Ullrich
– Chairman –

Management Board and Supervisory Board

MANAGEMENT BOARD
(Status: May 2004)

Andreas Lehner
– CEO –
(from January 1, 2004)

Michael Neubürger
– CFO –
Bad Homburg

SUPERVISORY BOARD
(Status: May 2004)

Helmut Ullrich
– Chairman –
Königstein
Managing Director
DB Real Estate Management GmbH

Dr. Michael Gellen
– Deputy Chairman –
Cologne
Managing Director
DB Real Estate Management GmbH

Harry Gutte
Frechen
Managing Director
DB Real Estate Management GmbH

Matthias Hünlein
Oberursel
Managing Director
DB Real Estate Management GmbH

Hans-Werner Jacob
Vaterstetten
Deutsche Bank AG
Sales Manager Germany

Dr. Andreas Kretschmer
Düsseldorf
Managing Director of the Ärzteversorgung
Westfalen-Lippe Einrichtung der Ärztekammer
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The shares of Deutsche Wohnen AG are officially listed at the stock exchange in Luxembourg and are traded on the unofficial markets at the stock exchanges in Frankfurt am Main, Düsseldorf, Stuttgart and Berlin.

WKN: 628330
ISIN: DE0006283302

IMPORTANT DATES

July 15, 2004
Annual General Meeting

July 16, 2004
Dividend payment

August 9, 2004
Interim report as at June 30, 2004

November 8, 2004
Interim report as at September 30, 2004

Impressum

IMPRESSUM

| Editor
Deutsche Wohnen AG

| Design and realisation
von Oertzen GmbH & Co. KG

| Photos
spur, Nasan Tur
(page 5, 6, 7, 8, 9, 10, 11)

| Picture credits
Deutsche Wohnen AG
Getty Image
(page 12, 16, 24, 28, 34, 38, 44, 48)

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