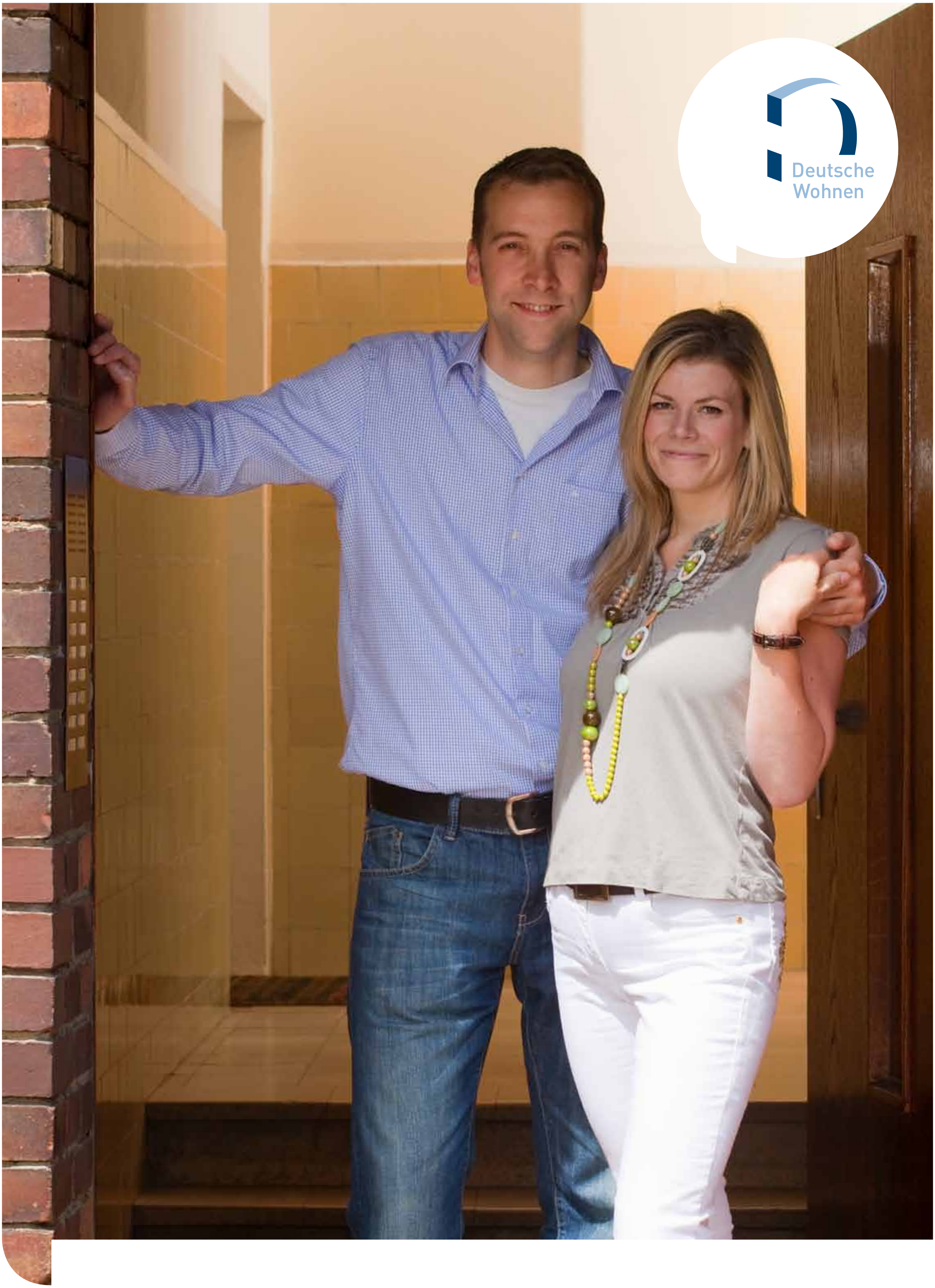

INSIGHTS – OUTLOOK » INTERIM REPORT AS OF SEPTEMBER 30, 2009

INSIGHTS – OUTLOOK
INTERIM REPORT AS OF SEPTEMBER 30, 2009
CONTENTS

KEY FIGURES

KEY FIGURES

Key figures of the consolidated balance sheet	09/30/2009	12/31/2008
	EUR m	EUR m
Investment properties	2,863.1	2,900.7
Current assets	90.7	110.4
Equity	626.4	649.3
Financial liabilities	2,022.3	2,089.2
Total assets	3,073.5	3,126.7
Net Net Asset Value	632.5	646.3
Net Net Asset Value after capital increase *	869.0	k. A.
Net Net Asset Value per share	23.96	24.48
Net Net Asset Value per share after capital increase *	10.62	k. A.

Key figures of the Group P & L	9M/2009	9M/2008
	EUR m	EUR m
Results from rental business	114.3	113.3
Results from privatisation business	6.7	7.3
Administration expenses	–24.9	–28.6
EBT	7.2	–2.6
Funds from operations	27.4	19.6
Funds from operations per share	1.04	0.74
Funds from operations per share after capital increase *	0.34	0.24

Share	09/30/2009	06/30/2009	03/31/2009	12/31/2008
Share price (EUR)	11.43 **	9.94	11.40	9.49
Number of shares	26,400,000	26,400,000	26,400,000	26,400,000
Market capitalisation (EUR m)	302	262	301	251
Primary stock exchange				Xetra
Indices				SDAX. EPRA/Nareit. MSCI. GPR250
ISIN/Stock symbol (bearer share)				DE000A0HN5C6/DWNI

* These key figures are only for information purposes. The increase in capital did not take effect until after the balance sheet date on October 6, 2009.
** Book value including subscription right.

INTERIM MANAGEMENT REPORT

INTERIM MANAGEMENT REPORT

The most important event in the current financial year, Deutsche Wohnen AG's first increase in capital, took place after September 30, 2009.

After the general meeting agreed with a large majority to an increase in capital on August 7, 2009, this increase was carried out in the time from September 24 to October 5, 2009. While the Management Board visited the most important shareholders and investors in the financial centres of Europe and the United States, careful preparation and intensive road shows have made the capital measure a great success.

Overall, 55,440,000 new shares were issued at a price of EUR 4.50 per share, resulting in gross proceeds of EUR 249.5 million. With 32.3 %, the capital measure was clearly oversubscribed – which indicates great demand from investors. Overall, 99.9 % of the subscription rights were exercised, including essentially also by all major shareholders.

The increase in capital marks an important turning point in the more recent company history of Deutsche Wohnen. It is also to end the restructuring and reorganisation following the merger with the GEHAG Group in August 2007 and begin a new era. Since the merger, the entire Group has repositioned itself, created essential cost and synergy advantages, significantly improved operating results,as well as restructured the portfolio and stabilised it in terms of value.

Prior to the increase in capital, we optimised an essential part of our credit commitment and adjusted it to reflect the new capital structure. Since 2008, we have repaid EUR 158 million net. With the additional funds from the capital increase, we will make further amortisations in the amount of approximately EUR 136 million, significantly improving our debt position.

Along with the successful increase in capital, we were able to improve our operating results again. In the last nine months, we have:

- » raised the estimated rent income in the core portfolio by 2.3 % to EUR 5.35 per m²;
- » concluded overall approximately 3,600 new tenancy agreements in the non restricted holding with a rental amount of EUR 6.13 per m², which is an increase of 13 %;
- » reduced the vacancy rate in the core portfolio by 28 % to 2.8 %;
- » already achieved our goal for the year in the single privatisation with 568 notarially concluded purchase agreements and a turnover of EUR 49.4 million, with a gross sales margin of 36 %;
- » divested ourselves of property in structurally weak areas with average vacancy rates of 28 %; and
- » repaid EUR 73.8 million net in loans, thus further improving our debt position (loan-to-value ratio).

Year-on-year (01/01 – 09/30/2008 compared to 01/01 – 09/30//2009), we have:

- » achieved cost savings in the administrative area of approximately EUR 3.7 million or about 13 %;
- » improved the financial result by EUR 10.1 million or approximately 11 %;
- » significantly increased the adjusted EBT – which reflects the result of the continuing operations – from EUR 2.8 million to EUR 15.3 million; and
- » improved the FFO by EUR 7.8 million to EUR 27.4 million.

It is essential for the last three months of 2009 and the financial year 2010 to build on these excellent operating results.

Hanielweg, Berlin-Lankwitz

Engerser Landstraße, Bendorf

A PORTFOLIO STRUCTURE

Overall, Deutsche Wohnen has been managing 49,715 residential units since September 30, 2009.

Our holdings in the **core portfolio** with presently 33,756 residential units are located in growing **metropolitan areas such as Berlin and the Rhine-Main region.** Here we see the largest and most sustainable rental potentials and thus growth.

By far the largest **single location is still Berlin, with a total portfolio share of almost 50 % or of 67 % in the core portfolio respectively.**

	Residential				Commercial		Parking
	Units	Area m^2 k	Estimated rent EUR/m^2	Vacancy rate in %	Units	Area m^2 k	Units
Core portfolio	**33,756**	**2,036**	**5.35**	**2.8**	**379**	**68**	**8,032**
Berlin	22,743	1,368	5.16	2.0	273	37	1,855
Frankfurt/Main	3,659	217	6.80	2.2	44	16	1,810
Rhine-Main	3,273	203	5.84	5.9	52	14	1,960
Rheintal-Süd	4,081	249	4.77	5.5	10	1	2,407
Housing privatisation	**13,337**	**833**	**4.83**	**10.5**	**74**	**7**	**5,094**
Single sales	4,640	308	5.36	10.2	16	2	1,759
Bloc sales	8,697	526	4.52	10.7	58	5	3,335
Own property*	**47,093**	**2,870**	**5.20**	**4.9**	**453**	**75**	**13,126**
DB 14	2,621	179	5.48	5.5	29	8	2,615
Total properties	**49,715**	**3,048**	**5.22**	**4.9**	**482**	**82**	**15,741**

* not incl. North Hessen

B PORTFOLIO STRATEGY

» Strategy with a future «

Our business model is characterised by three main approaches:

1. Internal growth: Full utilisation of rent development potentials

We plan to raise net rents per m^2 in our portfolio by up to 3 – 4 % each year. We can achieve this by making consistent use of adjustments to the rent index, through targeted modernisation measures which can be allocated to tenants and through a reduction in the vacancy rate. Market conditions and the property/location-based characteristics of our portfolio open up opportunities to enjoy continued above-average growth.

2. Value-based privatisation

We have laid a sustainable foundation for our privatisation business, involving the sale particularly of residential properties to occupants desirous of becoming owners. The former volume and liquidity-driven sales strategy is no longer a priority. Rather, our properties are to be sold at least at fair value as part of a continuous concentration of our portfolio. The **single privatisation partial portfolio** with presently 4,640 housing units is made up of the holdings released for sale in preceding years mainly in Berlin and Rhine-Main. We have assumed sales of about **500 units p. a.** in our planning, which corresponds to a sales rate of 10 % p. a. of this partial portfolio and 1 % p. a. of the entire portfolio.

3. External growth: Focus on areas of high population density

Our strategy includes the concentration of our portfolio holdings in areas of high population density in Germany which show high rent development potential. Along with Berlin and the Rhine-Main region, home to the Frankfurt / Wiesbaden / Mainz centres, a large part of the portfolio is already located in the strategically targeted metropolitan areas.

The **bloc sale partial portfolio** with presently 8,697 housing units includes all the holdings that are to be sold for strategic reasons within the coming years. These holdings mainly consist of property in the rural regions of the **Länder Rhineland-Palatinate and Brandenburg.** We use the liquidity generated by sales for the repayment of credits or specifically for new acquisitions.

Nursing and residential care homes

This division concentrates primarily on the operation of high-quality, in-patient care facilities located predominantly in Berlin and/or the new Länder which is carried out by the KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH. Overall, approximately 1,350 beds and apartments are managed in this division, making it one of the larger private providers in Germany. The utilisation rate averages 94 %. In the first nine months, an earnings contribution of EUR 6.6 million was generated for a turnover of EUR 24.9 million.

» Concentration on what is essential «

Johann-Kalb-Straße, Höhr-Grenzhausen

Maximilian-Kaller-Straße, Berlin-Marienfelde

C OPERATIONAL DEVELOPMENTS

Leasing

	Rent Q3/2009	Rent Q2/2009	Development	Market rent	Potential
	EUR/m²	EUR/m²	%	EUR/m²	%
Core portfolio	5.35	5.29	1.1	6.00	12.1
Cluster A	5.42	5.37	0.9	5.90	8.9
Berlin	5.19	5.12	1.4	5.70	9.8
Frankfurt/Main	6.80	6.76	0.6	7.70	13.2
Rhine-Main	5.82	5.80	0.3	6.10	4.8
Rheintal-Süd	4.92	4.91	0.2	5.45	10.8
Cluster B	4.91	4.83	1.7	6.15	25.3
Berlin	4.94	4.84	2.1	6.10	23.5
Rhine-Main	5.97	5.83	2.4	8.30	39.0
Rheintal-Süd	4.43	4.41	0.5	5.55	25.3

The average rent of the core portfolio amounts to EUR 5.35 per m² as of September 30, 2009. Thus it was possible within three months to increase the rent by EUR 0.06 per m² or by 1.1 % against the previous quarter. In reference to the first nine months, this resulted in an increase of EUR 0.12 per m² or 2.3%.

Compared to the second quarter of 2009, the vacancy rate in the core portfolio could be reduced by another 15.2 % to 2.8 %. In cluster A, which accounts for around 60 % of the entire property holdings, we were able to reduce the vacancy rate to 2.4 %. The locations Berlin and Frankfurt/Main are to be especially highlighted, where we have reached a vacancy rate of 1.7 % and 2.2 % respectively.

In reference to an average market rent of EUR 6.00 per m² in the core portfolio, this results in a rent potential of presently EUR 0.65 per m² or 12.1 %. Especially in cluster B, we strive to realise the market potential of EUR 1.24 per m² and/or an average of 25.3 % through specific modernisation measures. The new rental business also continues to develop as planned. In the first nine months, we were able to conclude a total of approximately 3,600 new tenancy agreements. The average new rent in the amount of EUR 6.13 per m² was hereby EUR 0.70 per m² or 13 % above that of the previous tenancy agreements.

Sales

The following table gives an overview of the transactions in the reporting period – independent of the transfer of title:

	Units	Transaction volume	Fair Value	Difference	
		EUR m	EUR m	EUR m	%
Single privatisation	568	49.4	36.3	13.1	36
Bloc sales	724	22.9	22.5	0.4	2
Total	1,292	72.3	58.8	13.5	23

In the context of the single privatisation, purchase agreements with a sales volume of EUR 49.4 million for 568 residential units were concluded in the first nine months. The average sales price amounted to EUR 1,224 per m² and was thus 36 % above the fair value. Average rent multipliers of 23 x for the property in Berlin and multipliers of 18 x for the Rhine-Main region could be arranged. Of the 568 sold units, 402 were recognised in the profit and loss statement in the first nine months with a purchase price of EUR 35.3 million and a fair value of EUR 25.4 million.

The adjustment of the portfolio in structurally weaker regions is also progressing. In the first nine months, purchase agreements for 724 residential units were concluded. Of these, 411 units have so far been recognised in the profit and loss statement. Overall, over 1,900 residential units were sold since the beginning of 2008, which is 21 % of the partial portfolio held for sale.

Beethovenstraße, Birkenheide

D ASSET, FINANCIAL AND EARNINGS POSITION

Earnings Position

The profit before tax (EUR 7.2 million) could be improved by EUR 9.8 million compared to the previous year.

	9M / 2009	9M / 2008
	EUR m	EUR m
Estimated rent income	154.0	157.1
Income shortfalls	– 9.6	– 11.4
Reduced rent	– 1.7	– 1.1
Net rents	**142.7**	**144.6**
Non-apportionable operating expenses	– 5.7	– 4.4
Maintenance and restoration	– 21.1	– 24.8
Other income and expenses	– 1.6	– 2.1
Results from rental business	**114.3**	**113.3**
Revenue from sales	47.4	37.2
Sales expenses	– 3.7	– 2.5
Carrying amount debit	– 37.0	– 27.4
Results from privatisation business	**6.7**	**7.3**
Employee expenses	– 15.6	– 19.2
General and administration expenses	– 9.3	– 9.4
Administration expenses *	**– 24.9**	**– 28.6**
KATHARINENHOF®	6.6	5.8
Miscellaneous	– 0.2	1.6
Other business segments	**6.4**	**7.4**
EBITDA *	**102.5**	**99.4**
Depreciations	– 2.1	– 1.2
EBIT *	**100.4**	**98.1**
Financial result	– 85.1	– 95.2
EBT *	**15.3**	**2.8**
* Adjustments		
Restructuring and reorganisation expenses	– 7.2	– 20.8
Market value adjustment of properties	0.0	0.4
Market value adjustment of derivative financial instruments	– 0.8	– 1.5
Result from discontinued business areas	0.0	16.4
EBT	**7.2**	**– 2.6**
Tax	– 9.8	– 10.6
Net result for the period	**–2.5**	**– 13.2**

The negative result after tax is essentially due to one-time restructuring and reorganisation expenses (EUR 7.2 million), as well as deferred taxes (EUR 8.7 million).

In spite of the sales in 2008/2009, the result from rental business could be kept stable in the first nine months of 2009. This means that the lost revenue from disposals could be compensated by an increase in rental income. Apart from this, we refer to our explanations in section "3. Operational Developments". Operational developments

In comparison with the same period of the previous year, administrative expenses decreased by 13 % from EUR 28.6 million to EUR 24.9 million.

The financial result could be lowered by EUR 10.1 million or 11 % through amortisations in 2008/2009.

The restructuring and reorganisation expenses (EUR 7.2 million) include compensations and continued payments of wages in the amount of EUR 3.4 million. Furthermore, one-time expenses in the amount of EUR 3.8 million were accumulated in the context of the reorganisation.

Net Asset Position

The balance sheet total as of September 30, 2009 of EUR 3,073.5 million has only negligibly changed against December 31, 2008 (EUR 3,126.7 million). With 93 %, the investment property makes up the largest balance sheet item (EUR 2,863.1 million). As of June 30, 2009, an external valuation by CBRE took place, confirming the property values.

The current assets amount to EUR 90.7 million and include cash and cash equivalents with EUR 25.2 million and the noncurrent assets held for sale with EUR 24.2 million as the largest single items.

On September 30, 2009, the financial equity amounted to EUR 626.4 million. Through the increase in capital, which only took effect after the balance sheet date, the equity increases to approximately EUR 863 million, according to preliminary calculations.

The current and noncurrent financial liabilities with EUR 2,022.3 million decreased compared to the end of 2008 due to amortisations (net EUR 73.8 million) (December 31, 2008: EUR 2,089.2 million). Thus, we were able to improve our loan-to-value-ratio to 69.6 % against December 31, 2008. Taking into account the funds derived from the capital increase, the net financial liabilities decrease to EUR 1,786.9 million, resulting in a loan-to-value-ratio of 61.5 %.

	12/31/2008	09/30/2009	Capital increase	09/30/2009 after capital increase
	k EUR	EUR m	EUR m	EUR m
Financial liabilities	2,089.2	2,022.3		2,022.3
Non-current	1,991.1	1,805.5		1,805.5
Current	98.1	216.8		216.8
Convertible bonds	25.4	26.3		26.3
	2,114.6	2,048.6	0.0	2,048.6
Payment instruments	−42.0	−25.2	−236.5	−261.7
Net financial liabilities	2,072.6	2,023.4	−236.5	1,786.9
Investment properties	2,900.7	2,863.1		2,863.1
Land and buildings held for sale	19.4	18.9		18.9
Noncurrent assets held for sale	17.7	24.2		24.2
	2,937.7	2,906.2	0.0	2,906.2
Loan-to-value-ratio	70.6 %	69.6 %		61.5 %

The increase of the current financial liabilities is directly related to the conclusion of negotiations and thus the readjustment of a total of approximately EUR 940 million in financial liabilities. Essential elements of the new credit arrangements are extraordinary amortisations amounting to a total of EUR 136 million, the readjustment of covenants, and the adjustment of current amortisations.

Financial Position

The Group statement of changes in financial position shows a clear improvement of the liquidity development against the comparison period in 2008.

	9M/2009	9M/2008
	EUR m	EUR m
Cashflow from operating activities	14.9	7.6
Cashflow from investment activities	42.1	32.9
Cashflow from financing activities	-73.8	-58.2
Net changes in cash	-16.8	-17.8
Cash and cash equivalents at the start of the period	42.0	47.9
Cash and cash equivalents at the end of the period	25.2	30.1

The cash generation from operating activities has almost doubled by EUR 7.3 million to EUR 14.9 million. From investment activities, the company was able to receive additional funds in the amount of EUR 42.1 million from disposals (EUR 49.8 million), after deduction of investments (EUR 6.3 million) and payments to the Fund limited partners of DB 14 (EUR 1.3 million). Financial liabilities in the amount of EUR 73.8 million were repaid net.

As of September 30, 2009, the financial resource fund includes EUR 25.2 million in cash. Furthermore, we have free credit lines in the amount of EUR 67 million at our disposal.

The operationally improved earnings and cost structure also clearly reflects in the development of the funds from operations as of September 30, 2009. These funds amount to EUR 27.4 million or EUR 1.04 per share respectively and are calculated as follows:

	9M/2009	9M/2008
	EUR m	EUR m
Net result for the period	– 2.5	– 13.2
Depreciations	2.1	1.2
Value adjustment of investment properties	0.0	– 0.4
Results from discontinued divisions	0.0	– 16.4
Value adjustment of derivatives	0.8	1.5
Financial expenses not affecting liquidity	11.1	11.3
Deferred taxes	8.7	10.4
Special payout DB 14	0.0	4.4
Restructuring costs	7.2	20.8
FFO	27.4	19.6
FFO per share	1.04	0.74
FFO per share after capital increase *	0.34	0.24

* This key figure is only for information purposes. The increase in capital did not take effect until after the balance sheet date on October 6, 2009.

Net Net Asset Value

As of September 30, 2009, the net net asset value amounts to EUR 632.5 million or EUR 23.96 per share respectively. It is calculated from the equity of EUR 626.4 million as of September 30, 2009, adjusted by the deferred taxes in connection with the properties (EUR 6.1 million). Taking into account the shares issued in the context of the capital increase (effective as of October 6, 2009), a NNAV of EUR 869 million or EUR 10.62 per share respectively would result.

Stock Market and Deutsche Wohnen Share

The first nine months on the worldwide financial markets were marked by high volatility. Especially at the beginning of the year, there was great insecurity among investors regarding the depth and duration of the recession coming from the USA. Starting in March, when the stock markets have bottomed out, confidence among investors that the recession would be overcome and the growth phase would continue slowly returned, so that a clear upwards development of almost all indices could be observed.

After a strong slide of share prices in March, the DAX recovered and is trading with a plus of 14 % as of the end of the third quarter. MDAX and SDAX have gained 28 % and 23% in the first nine months of this year. The benchmark index EPRA Europe, which includes the largest European real estate shares, gained 57 %.

» Lasting steps, visible results «

Gorkistraße, Berlin-Tegel

Alt Griesheim, Frankfurt/Main

Presselstraße, Berlin-Steglitz

The price of the Deutsche Wohnen share was influenced by the capital increase in the analysis period. The share price reached its record high on April 24, 2009 with EUR 17.20; however, after the share traded ex subscription right in the course of the ongoing capital increase on September 24, 2009, the share price of Deutsche Wohnen was at EUR 6.74 on September 30, 2009. Since shareholders who were already invested before the start of the subscription period on September 24, 2009 received subscription rights, the accounting par value of the share including subscription right value amounts to EUR 11.43 as of September 30, 2009. The plus of the Deutsche Wohnen share thus amounts to 20% since the beginning of the financial year.

Supplementary Report

The capital increase was registered in the commercial register on October 6, 2009. Thus the subscribed capital increased by EUR 55.4 million from EUR 26.4 million to EUR 81.8 million.

Risk Report

In terms of the risks of the future business development, we refer to the statements made in the risk report of the consolidated annual financial statements as of December 31, 2008. Due to the current financial crisis, we would like to especially point out the following: the risks resulting from the refinancing of loans are at present largely limited in the Deutsche Wohnen Group due to a by far predominant share in noncurrent loans. Until the end of 2011, our refinancing volume amounts to only about EUR 38 million. Moreover, our equity and thus also debt position has improved due to the successful increase in capital. Nevertheless, due to more restrictive lending practices as a consequence of the financial crisis, future problems when taking out and extending loans cannot be ruled out.

The value of our real estate assets was reviewed and confirmed as of June 30, 2009 by means of an independent expert (CBRE). As of the balance sheet date September 30, 2009, we do not see a need for adjustments in the valuation of the property portfolio.

Forecast Report

The continuing financial crisis and the associated slowdown of the economy will also continue to have a paralysing effect on the real-estate markets. Larger transactions are substantially impeded or deferred due to the tightening of credit.

Nevertheless, traditionally, Germany has one of the most stable real-estate markets in the world. The residential property market is taking up a relatively recession-proof position within this market, based on its intact economic fundamentals (household and rent development). This is true especially for the core regions of our portfolio.

Our business model has proved itself even on very difficult markets. Through the successful integration and reorganisation, we have developed Deutsche Wohnen into an efficient and highly professional platform in the previous year. We are convinced that we have thus laid the foundation for further operational success in the coming years. We will use the funds from the increase in capital for the improvement of the balance sheet structure and for further growth.

Händelstraße, Andernach

Goebelstraße, Berlin

GROUP INTERIM FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET OF DEUTSCHE WOHNEN AG

ASSETS

Deutsche Wohnen AG, Frankfurt/Main Consolidated balance sheet as of September 30, 2009	09/30/2009	12/31/2008
	k EUR	k EUR
Assets		
Investment properties	2,863,073	2,900,673
Fixed assets	16,991	17,745
Intangible assets	4,687	4,652
Other noncurrent assets	177	198
Holdings in affiliated companies	245	495
Deferred tax assets	97,610	92,559
Noncurrent assets	**2,982,783**	**3,016,322**
Land and buildings held for sale	18,870	19,355
Other inventories	2,376	1,908
Trade receivables	17,212	21,202
Receivables from income tax	765	5,479
Other assets	2,004	2,796
Payment instruments	25,204	41,974
Subtotal current assets	**66,431**	**92,714**
Noncurrent assets held for sale	24,240	17,696
Current assets	**90,671**	**110,410**
Total assets	**3,073,454**	**3,126,733**

CONSOLIDATED BALANCE SHEET OF DEUTSCHE WOHNEN AG

LIABILITIES

Deutsche Wohnen AG, Frankfurt/Main Consolidated balance sheet as of September 30, 2009	09/30/2009	12/31/2008
	k EUR	k EUR
Liabilities		
Equity allocated to shareholders of the parent company		
Subscribed capital	26,400	26,400
Capital reserves	269,677	269,677
Accumulated consolidated earnings	330,066	352,913
	626,143	**648,990**
Minority interest	302	302
Total equity	**626,445**	**649,292**
Noncurrent financial liabilities	1,805,468	1,991,077
Convertible bond	0	25,430
Pension obligations	39,141	39,300
Liabilities to Fund limited partners	40,850	48,006
Tax liabilities	63,227	60,652
Derivative financial instruments	44,961	32,570
Other provisions	12,400	12,506
Deferred tax liabilities	76,386	71,660
Total noncurrent liabilities	**2,082,433**	**2,281,200**
Current financial liabilities	216,812	98,096
Convertible bond	26,282	0
Trade payables	32,315	22,800
Liabilities to Fund limited partners	7,434	0
Other provisions	8,058	10,296
Derivative financial instruments	34,581	16,779
Tax liabilities	16,955	21,629
Other liabilities	22,139	26,640
Total current liabilities	**364,575**	**196,240**
Total liabilities	**3,073,454**	**3,126,733**

CONSOLIDATED BALANCE SHEET OF DEUTSCHE WOHNEN AG

PROFIT AND LOSS STATEMENT

Deutsche Wohnen AG, Frankfurt/Main Group profit and loss statement for the period from January 1 to September 30, 2009	9M/2009	9M/2008	Q3/2009	Q3/2008
	k EUR	k EUR	k EUR	k EUR
Turnover	228,215	226,691	80,854	77,256
Result from sales*				
Sales proceeds	47,369	37,203	28,653	14,921
Carrying amounts of assets disposed	–36,966	–27,417	–22,813	–11,857
Total	10,403	9,786	5,840	3,064
Other operating income	5,905	8,654	2,607	3,214
Total income	244,523	245,131	89,302	83,534
Expenses for trade payables	–96,036	–93,914	–38,048	–33,287
Employee expenses	–28,668	–32,462	–9,631	–9,871
Other operating expenses	–17,287	–19,512	–6,369	–6,102
Restructuring and reorganisation expenses	–7,178	–20,768	–1,791	–3,978
Total expenses	–149,169	–166,656	–55,839	–53,238
Interim result	95,354	78,475	33,463	30,296
Result from the fair value adjustment of investment properties**	0	350	0	–146
Depreciations	–2,112	–1,235	–701	–432
Earnings before interest and taxes (EBIT)	93,242	77,590	32,761	29,718
Financial income	444	2,443	73	1,668
Result from the market value adjustment of derivative financial instruments	–837	–1,524	–381	–27,408
Financial expenses	–85,583	–97,625	–29,328	–35,364
Earnings before taxes	7,266	–19,116	3,126	–31,386
Income tax	–9,770	–10,573	–3,238	913
Result from continuing divisions	–2,504	–29,689	–112	–30,473
Result from discontinued divisions	0	16,420	0	16,749
Net result for the period	–2,504	–13,269	–112	–13,724
Of these allocated to:				
Shareholders of parent company	–2,504	–13,269	–112	–13,724
Minority interest	0	0	0	0
Total	–2,504	–13,269	–112	–13,724
Earnings per share				
basic	–0.09	–0.50	0.00	–0.52
diluted	–0.09	–0.50	0.00	–0.52

* The result from sales has until now been designated as result from the privatisation business.

** Compared with the unaudited Group interim financial statements of Deutsche Wohnen AG as of September 30, 2008, the result from the fair value adjustment of the investment properties is reported in the unaudited shortened Group interim financial statements of Deutsche Wohnen AG as of September 30, 2009 after the interim result and no longer in the total income. In the unaudited Group interim financial statements as of September 30, 2008, the statement of the total income amounts to EUR k 245,481 and of the interim result to EUR k 78,825.

CONSOLIDATED FINANCIAL STATEMENTS OF DEUTSCHE WOHNEN AG
OVERALL RESULT

Deutsche Wohnen AG, Frankfurt/Main Group statement of income and accumulated earnings as of January 1 to September 30, 2009	9M/2009	9M/2008	Q3/2009	Q3/2008
	k EUR	k EUR	k EUR	k EUR
Net result for the period	**–2,504**	**–13,269**	**–112**	**–13,724**
Unrealised losses from derivative financial instruments (after deduction of deferred taxes)	–20,340	0	–8,947	0
Result for the period	**–22,844**	**–13,269**	**–9,059**	**–13,724**
Of these allocated to:				
Shareholders in the parent company	–22,844	–13,269	–9,059	–13,724
Minority interests	0	0	0	0

CONSOLIDATED FINANCIAL STATEMENTS OF DEUTSCHE WOHNEN AG

CASHFLOW STATEMENT

Deutsche Wohnen AG, Frankfurt/Main Group cashflow statement for the period from January 1 to September 30, 2009	9M/2009	9M/2008
	k EUR	k EUR
Operating activity		
Result for the period	−2,504	−13,269
Financial income	−444	−2,443
Financial expenses	85,583	97,625
Income tax	9,770	10,573
Result for the period before interest and taxes	**92,405**	**92,486**
Non-cash expenses/earnings		
Earnings from deconsolidation	0	−17,134
Fair value adjustment of investment properties	0	−350
Depreciations	2,112	1,235
Adjustment of interest rate swaps	837	1,524
Other non-cash expenses/earnings	−14,773	−5,180
Changes in net working capital		
Changes in receivables, inventories and other current assets	5,276	−7,119
Changes in operating liabilities	4,623	12,651
Operative cashflow	**90,480**	**78,113**
Interest paid	−72,145	−73,001
Interest received	444	2,443
Tax paid	−3,874	0
Cashflow from operating activity	**14,905**	**7,555**
Investment activity		
Proceeds from sales	49,772	37,254
Payments for investment	−6,358	−18,616
Payments received from the sale of subsidiaries	0	18,770
Payments made in connection with DB 14	−1,324	−4,545
Cashflow from investment activity	**42,091**	**32,863**
Financing activity		
Proceeds from loans taken up	30,800	57,687
Payments made for the redemption of loans	−104,566	−115,871
Cashflow from financing activity	**−73,766**	**−58,184**
Net changes in cash	**−16,770**	**−17,766**
Cash at the start of the period	**41,974**	**47,874**
Cash at the end of the period	**25,204**	**30,108**

CONSOLIDATED FINANCIAL STATEMENTS OF DEUTSCHE WOHNEN AG

STATEMENT OF CHANGES IN EQUITY

Deutsche Wohnen AG, Frankfurt/Main
Consolidated statement of changes in equity as of September 30, 2009

	Subscribed capital	Capital reserves	Accumulated consolidated profit: Pensions	Accumulated consolidated profit: Cashflow hedge reserve	Accumulated consolidated profit: Other reserves	Subtotal	Minority interests	Equity
	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR
Equity as of January 1, 2008	**26,400**	**349,521**	**1,894**	**0**	**558,008**	**935,823**	**302**	**936,125**
Result for the period					– 13,269	– 13,269		– 13,269
Equity as of September 30, 2008	**26,400**	**349,521**	**1,894**	**0**	**544,739**	**922,554**	**302**	**922,856**
Equity as of January 1, 2009	**26,400**	**269,677**	**2,215**	**– 31,250**	**381,947**	**648,989**	**302**	**649,291**
Result for the period					– 2,504	– 2,504		– 2,504
Unrealised losses				– 29,356		– 29,356		– 29,356
Deferred taxes on unrealised losses				9,016		9,016		9,016
Result for the period				**– 20,340**	**– 2,504**	**– 22,844**	**0**	**– 22,844**
Equity as of September 30, 2009	**26,400**	**269,677**	**2,215**	**– 51,590**	**379,443**	**626,145**	**302**	**626,447**

I. GENERAL INFORMATION

Deutsche Wohnen AG is the holding of the entire Deutsche Wohnen Group. In the holding, Group-wide issues such as company strategy, personnel, investor relations/business communication, and planning/control are managed. The operations of the subsidiaries focus on rental business and the sale of the property mainly located in Berlin and the Rhine-Main region. In its own estimation, Deutsche Wohnen is the second largest listed real estate company in Germany according to market capitalisation.

The consolidated financial statements have been prepared in EUR. Unless otherwise stated, all figures are rounded to thousand (k EUR) or million (EUR m). Slight mathematical rounding differences may be reflected in the tables and references.

II. FUNDAMENTALS AND METHODS OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The shortened Group interim financial statements for the period from January 1 to September 30, 2009 were prepared in accordance with IAS 34 Interim Reporting, as it is to be applied in the EU. The Group interim financial statements were released for publication on November 26, 2009.

These interim financial statements do not contain all information and statements required for consolidated annual financial statements and are therefore to be read together with the consolidated annual financial statements as of December 31, 2008.

The consolidated financial statements have generally been prepared using the historical cost approach, with the exception of in particular investment properties and derivatives, which are valued at fair value.

The consolidated financial statements comprise the financial statements of Deutsche Wohnen AG and its subsidiaries as of September 30, 2009. The annual financial statements of the subsidiaries are prepared using standard accounting policies as of the same balance sheet date as the annual financial statements of the parent company.

In the preparation of the consolidated financial statements, discretionary judgements, estimates and assumptions are made by the management which have an impact on the level of income, expenses, assets and liabilities reported on the balance sheet date and the reporting of contingent liabilities. Due to the uncertainty associated with these assumptions and estimates, results could emerge which in future would lead to considerable adjustments being made to the book value of the assets or liabilities concerned.

The business activities of the Deutsche Wohnen Group are essentially free of seasonal or economic influences.

III. CHANGES IN THE CONSOLIDATED COMPANIES

There were no changes in the consolidated companies.

IV. CHANGES IN ACCOUNTING POLICIES

Deutsche Wohnen basically applied the same accounting policies as in the previous year.

The new standards and interpretations to be applied that are mandatory for financial years beginning after January 1, 2009 were applied completely. The application of the standards led to adjustments of the elements of the Group's interim financial statements (especially of the consolidated balance sheet, the Group profit and loss statement, and the Group's statement of income and accumulated earnings). The previous year's comparison values were adjusted accordingly. In the context of the initial application of the regulations of IFRS 8 regarding segment reporting, no changes of the business segments reported by the Deutsche Wohnen Group resulted. In the segment reporting, the housing privatisation segment was renamed sales and the services segment was renamed nursing and residential care homes. Furthermore, the definitions of segment profit or loss and segment revenue were adjusted in the disposal segment.

In April 2009, IASB published a further collection of standards regarding the changes of various IFRS. The collection of standards has the primary goal of eliminating inconsistencies and of clarifying formulations. Separate transition regulations exist for every standard. The Deutsche Wohnen Group expects no essential changes due to the initial application.

V. SELECTED NOTES ON THE CONSOLIDATED BALANCE SHEET

The assets of the Deutsche Wohnen Group consist to 93% of investment property. The reduction compared to December 31, 2008 is essentially due to disposals. To ensure the plausibility of the real estate valuation (determination of the current market value) undertaken by the Deutsche Wohnen Group, an external expert was commissioned with the independent valuation of the property portfolio as of June 30, 2009. In the context of his calculations, the external expert determined a valuation for the real estate assets of the Deutsche Wohnen Group which deviated from the internally determined property value by altogether approximately 0.02%. The amount of the deviation per single property amounted to a valuation corridor of +/– 10% of the internally determined property value. Overall, the valuation for the property amounted according to internal valuations to EUR 2,880.3 million and according to external valuations to EUR 2,879.6 million. Based on the valuation of single property clusters, approximately identical valuations between internal and external valuations result.

The property, plant and equipment consist essentially of technical facilities and operational and office equipment.

The derivative financial instruments are interest rate swaps reported in the balance sheet at current market value that were finalised not for speculation purposes, but rather exclusively in order to minimise the risks of interest rate changes and thus cashflow-risks of variable rate loans. Due to the further interest rate cuts, the negative market value increased from EUR 49.3 million to EUR 79.5 million as of the end of the year. Deutsche Wohnen fulfilled the requirements of the Hedge Accounting regulations of IAS 39 for the first time in the course of the financial year 2008 for the balancing of the hedgings for securing the cashflow from the variably interest-bearing loans. In the Group interim financial statements as of September 30, 2009, losses amounting to EUR 29.4 million (before taking deferred taxes into account) in the equity and EUR 0.8 million for the non-effective part of the Group profit and loss statement from the market value adjustment as of September 30, 2009 were reported, while as of September 30, 2008, losses from the market value adjustment of derivative financial instruments in the amount of EUR 1.5 million were reported in the Group profit and loss statement.

The development of the equity can be seen in the statement of changes in shareholders' equity on page 21.

The financial liabilities decreased in comparison with December 31, 2008 essentially due to amortisations. In the first nine months, total loans in the amount of EUR 104.6 million were repaid. This was offset by new loan extensions in the amount of EUR 30.8 million. The increase of the current financial liabilities is due among other things to the intended unscheduled repayment in the context of the planned capital increase.

The share of borrowed capital of the convertible bond issued as part of the purchase price of the GEHAG Group is reported in the balance sheet item convertible bond. From now on the convertible bond is to be reported as short-term, because they are due as of July 31, 2010.

The tax liabilities essentially include the financial obligation for EK02.

VI. SELECTED NOTES ON THE GROUP PROFIT AND LOSS STATEMENT

Revenue comprises the following:

	9M/2009	9M/2008
	EUR m	EUR m
Residential property management	202.9	198.8
Nursing and residential care homes	24.9	22.7
Miscellaneous	0.4	5.2
Total	228.2	226.7

The expenses related to goods and services received essentially apply to expenses for the rental business (EUR 88.9 million, previous year: EUR 87.3 million) account for the care division.

The reduction of personnel expenses from EUR 32.5 million to EUR 28.7 million is essentially due to the reorganisation in 2008. Apart from this, EUR 13.4 million account for the care division (previous year EUR 12.3 million).

The restructuring and reorganisation expenses include primarily compensations and continued payments of wages (EUR 3.4 million, previous year: EUR 13 million) for further job reductions and reorganisation expenses (EUR 3.8 million; previous year: EUR 5.4 million).

The financial expenses are composed as follows:

	9M / 2009	9M / 2008
	EUR m	EUR m
Current interest	74.5	82.0
Special payout DB14	0.0	4.4
Accrued interest on liabilities and pensions	11.1	11.3
Total	**85.6**	**97.7**

The result from discontinued business areas as of September 30, 2008 includes the result from the AKF Group.

VII. CASHFLOW STATEMENT DISCLOSURES

The financial resource fund consists of the cash balance and the bank balance. In addition, we have credit lines at banks in the amount of EUR 67 million at our disposal.

VIII. SEGMENT REPORTING DISCLOSURES

In the first quarter of 2009, the regulations of the IFRS 8 for segment reporting were applied for the first time. Compared to the previous periods, the segment profit or loss was adjusted on the basis of the internal reporting of the Deutsche Wohnen Group. Thus, from now on, there are no more income tax expenses reported in the segment profit or loss. The adjustment of the segment took place against the backdrop of corporate management in the Deutsche Wohnen Group, which occurred on a before tax basis for the corresponding segments.

The following table shows the segment revenue and the segment profit or loss for the Deutsche Wohnen Group:

	External turnover		Segment result (EBIT *)	
	9M / 2009	9M / 2008	9M / 2009	9M / 2008
	EUR m	EUR m	EUR m	EUR m
Residental property management	202.9	198.8	114.3	113.3
Housing privatisation	47.4	37.2	6.7	7.3
Services	24.9	22.7	6.6	5.8
Others and Group function	0.4	5.2	– 25.1	– 27.1
Transition	0.0	0.0	– 2.1	– 1.2
Group	**275.6**	**263.9**	**100.4**	**98.1**
Transition to the earnings before tax				
Restructuring and reorganisation expenses			– 7.2	– 20.8
Result from discontinued divisions			0.0	0.4
Earnings before interest and taxes			**93.2**	**77.7**
Financial result market value adjustment of derivative financial instruments			– 86.0	– 96.7
Earnings before taxes **			**7.2**	**– 19.1**

* adjusted for restructuring and reorganisation expenses
** without discontinued business areas

IX. OTHER DISCLOSURES

Related companies and individuals

No changes occurred in the affiliated companies/individuals in comparison with the information as of December 31, 2008.

Management and Supervisory Board

No changes occurred in the Management and the Supervisory Board compared to the information as of December 31, 2008.

Events after the balance sheet date

The capital increase was registered in the commercial register on October 6, 2009. Thus, the subscribed capital increased by EUR 55.4 million from EUR 26.4 million to EUR 81.8 million. Through the increase in capital, the composition of the shareholder structure also changed.

Risk Report

In terms of the risks of the future business development, we refer to the statements made in the risk report of the consolidated annual financial statements as of December 31, 2008. Due to the current financial crisis, we would like to especially point out the following: The risks resulting from the refinancing of loans are at present largely limited in the Deutsche Wohnen Group due to a by far predominant share in noncurrent loans. Moreover, our equity and thus also debt position has improved due to the successful increase in capital. Until the end of 2011, our refinancing volume only amounts to EUR 38 million. Nevertheless, due to the more restrictive lending practice as a consequence of the financial crisis, future problems when taking out and extending loans cannot be ruled out.

The value of our real estate assets was reviewed and confirmed as of June 30, 2009 by means of an independent expert (CBRE). As of the balance sheet date September 30, 2009, we do not see a need for adjustments in the valuation of the property portfolio.

Frankfurt/Main, November 2009

The Management Board

Michael Zahn (Chairman of the Management Board)

Helmut Ullrich (Chief Financial Officer)

ASSURANCE OF THE LEGAL REPRESENTATIVES

"We assure to the best of our knowledge that in accordance with the applicable financial accounting principles the Group interim financial statements as of September 30, 2009 convey a view of the asset, financial and earnings position of the company which corresponds to the actual circumstances, and that in the interim report the business performance including the financial result and the position of the Group is portrayed in such a manner that the significant opportunities and risks of the company's likely development are depicted."

Frankfurt/Main, November 2009

Deutsche Wohnen AG

Michael Zahn Chairman of the Management Board	Helmut Ullrich Chief Financial Officer

MANAGEMENT BOARD

Version November 2009

Michael Zahn
Chairman of the Management Board, Berlin

Helmut Ullrich
Chief Financial Officer, Berlin

SUPERVISORY BOARD

Version November 2009

Hermann T. Dambach
Chairman, Bad Homburg

Dr. Andreas Kretschmer
Vice Chairman, Düsseldorf

Jens Bernhardt
Oberursel

Uwe E. Flach
Frankfurt/Main

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