



JANUARY 1 – MARCH 31, 2003 INTERIM REPORT

Deutsche Wohnen AG



www.deutsche-wohnen.de





| Consolidated result

| At the end of the first quarter of 2003, the consolidated result amounted to EUR 0.7 million, representing a decrease of EUR 4.4 million compared to the same period in the previous year (EUR 5.1 million). This is due to operational effects as well as a significant increase compared to the first quarter of 2002 in the tax burden, which has impacted adversely on the result.

| Housing management

| On March 31, 2003, of 24,366 dwelling units 1,709 stood empty as a result of market conditions or the need to carry out various measures, giving rise to a vacancy level of 7.0%. This is an increase of 0.75 percentage points compared to March 31, 2002 (6.25% or 1,600 units). Rental income loss due to vacancy thereby increased by EUR 0.6 million to EUR 2.2 million, so that in the first quarter of 2003 rental income (excluding overhead costs) throughout the Group fell to EUR 21.9 million (previous year's quarter: EUR 22.6 million).

| Investments in property maintenance amounted to EUR 4.0 million (previous year's quarter: EUR 4.6 million).

| After an improvement in overhead costs of approximately 50% to EUR 0.8 million as well as a reduction of around 11% in depreciation on residential and commercial buildings, the reported result for property management was EUR 8.6 million (previous year's quarter: EUR 7.8 million).





| Housing privatisation

| In the reporting period, 177 units were sold (2002: 219), of which 92 transactions (2002: 147) were posted on the balance sheet. Overall, book profits amounted to EUR 4.5 million (2002: EUR 7.3 million), or EUR 48,913 (2002: EUR 49,775) for every dwelling unit sold.

| The drop at the beginning of the year in the number of dwellings sold coupled with an increase of around EUR 0.4 million in pre-sales, and selling costs had a negative impact on the gross sales result which fell by EUR 3.2 million to EUR 3.0 million.

| Tax situation

| The tax payable on the consolidated result stands at EUR 1.5 million, whereas the tax payable for the first quarter of 2001 was only EUR 11,000. The reason for this is that for the first time the amount of tax payable by the Group for the whole year has been taken into account in the first quarter.

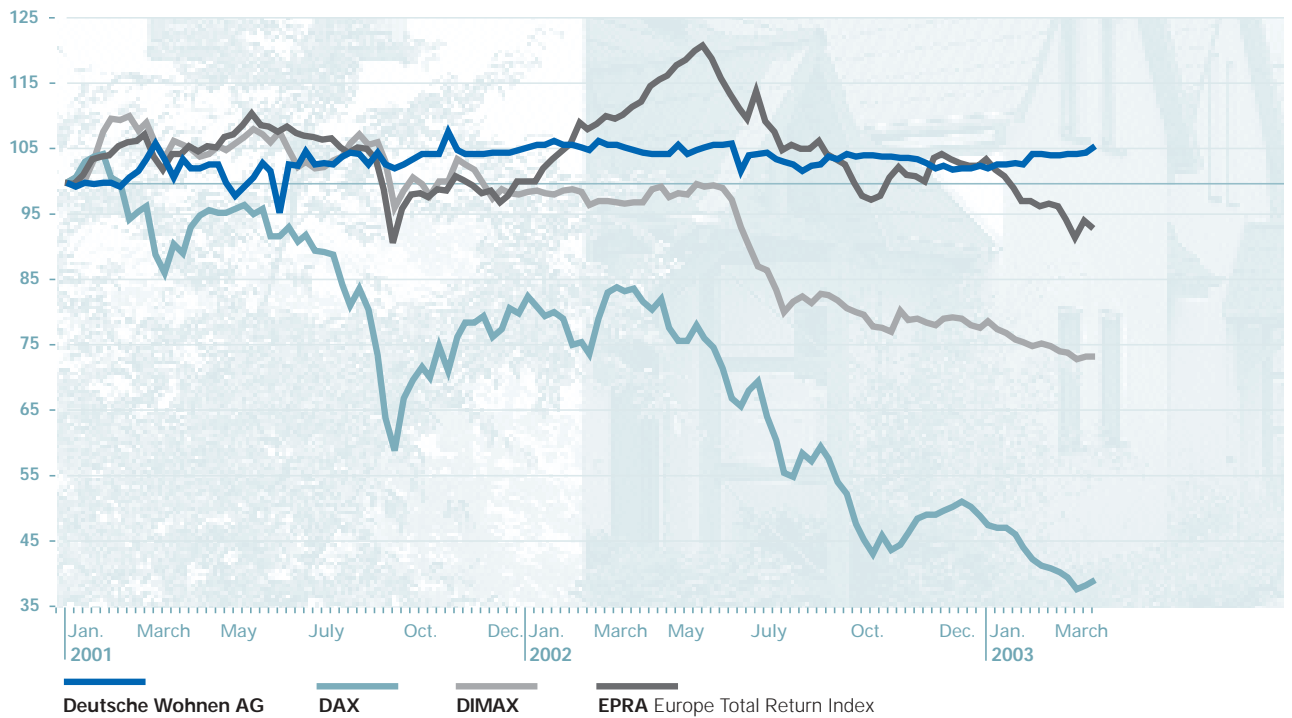
| Outlook for 2003

| In housing privatisation, the pre-sales measures envisaged over the next few months will pave the way for a clear increase in sales figures compared to the first quarter of 2003, thus giving rise to an improved result for the Group. Should there be an upturn in the German economy in the second half of 2003, it can be assumed that this will also have a positive effect on the housing privatisation measures carried out by Deutsche Wohnen AG.





Deutsche Wohnen vs. DAX, DIMAX and EPRA Europe Total Return Index from January 1, 2001, until March 31, 2003 (indexed illustration, basis 100)



KEY FIGURES FOR THE GROUP

Key figures for the Group		Jan 1.– Dec. 31, 2003	Jan 1.– Dec. 31, 2002	Jan 1.– Dec. 31, 2001	Jan 1.– Dec. 31, 2000	Jan 1.– Dec. 31, 2002
Sales	EUR m	24.72	23.68	24.76	26.48	128.39
– from real estate management	EUR m	24.00	22.82	23.94	24.41	122.26
Results from ordinary activities	EUR m	2.24	5.16	3.27	–0.24	19.51
Net income/net loss	EUR m	0.69	5.14	3.25	–0.25	13.38
Result (DVFA/SG)	EUR m	–0.28	5.15	2.72	–3.11	10.73
Cash flow (DVFA/SG)	EUR m	4.98	9.90	7.88	4.31	34.42
EBIT	EUR m	9.26	13.09	10.80	8.20	48.92
EBITDA	EUR m	13.57	17.85	15.09	12.80	69.59
Fixed assets	EUR m	994.38	1,051.43	1,108.12	1,140.85	1,001.97
Current assets	EUR m	162.15	162.98	151.55	134.8	150.35
Equity	EUR m	450.13	481.20	503.81	521.25	449.44
Liabilities	EUR m	681.45	710.99	737.16	738.04	677.25
– of which: owed to banks	EUR m	542.34	551.74	568.53	568.00	545.36
Total assets	EUR m	1,156.57	1,214.73	1,260.39	1,276.98	1,152.36
Return on equity		0.15%	1.07%	0.65%	–0.05%	2.98%
Equity ratio		38.92%	39.61%	39.97%	40.82%	39.00%
Equity/fixed assets ratio I		45.27%	45.77%	45.47%	45.69%	44.86%
Equity/fixed assets ratio II		106.12%	105.33%	104.12%	104.33%	105.98%
Liquidity ratio		149.15%	144.21%	128.75%	136.90%	150.53%
Share indicators		March 31, 2003	March 31, 2002	March 31, 2001	March 31, 2000	March 31, 2002
Share price	EUR	148.70	148.00	142.00	144.00	144.00
Market capitalisation	EUR m	595	592	568	576	576
Free float		79%	70%	70%	70%	70%
Result (DVFA/SG)	EUR	–0.07	1.29	0.68	–0.78	2.68
Cash flow (DVFA/SG)	EUR	1.25	2.48	1.97	1.08	8.61
Net Asset Value		March 31, 2002				
Net Asset Value per share	EUR	227.91*				
Share price	EUR	148.00				
Dividend		2002	2001	2000	1999	
Dividend per share	EUR	10.00**	10.00	10.00	9.12	
Dividend yield ***		6.94%**	6.76%	7.04%	6.33%	

* Calculation based on the survey by GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH, Hamburg – further information on determining the net asset value can be found in the six month interim report for 2002

** Subject to the consent of the General Meeting on June 26, 2003

*** In relation to the closing price for the year



KEY FIGURES FOR THE GROUP

Key figures for the Group		Jan 1.– Dec. 31, 2003	Jan 1.– Dec. 31, 2002	Jan 1.– Dec. 31, 2001	Jan 1.– Dec. 31, 2000	Jan 1.– Dec. 31, 2002
Key figures on housing privatisation						
Book profits from the sale of land held as fixed assets	EUR m	4.46	7.27	3.73	0.87	38.50
Gross result for sales	EUR m	3.00	6.23	3.27	1.26	33.10
Pre-sales costs	EUR m	-1.20	-0.45	-	-	-3.60
Selling costs	EUR m	-0.31	-0.64	-	-	-3.00
Number of housing sales with an effect on the balance sheet		92	147	96	30	1.170
Total number of housing sales recorded		177	219	257	-	1.103
Average selling price	EUR per m ²	1.132	1.247	1.094	1.451	1.066
Tenant privatisation level		23%	19%	56%	59%	43%
Key figures on housing management						
Own housing portfolio	Dwellings	24.366	25.609	26.515	27.212	24.466
Total floor (dwelling) area	in million m ²	1.57	1.65	1.72	1.86	1.58
Vacancy rate		7.01%	6.25%	4.92%	3.00%	6.90%
Average monthly rental income	EUR per m ²	4.81	4.70	4.60	4.40	4.85
Investments in maintenance and modernisation	EUR per m ²	2.45	2.74	3.56	3.79	14.51



	March 31, 2003	March 31, 2003	Assets Dec. 31, 2002
	EUR	EUR	EUR
A Fixed assets			
I. Intangible fixed assets			
1. Franchises, trademarks, patents, licences and similar rights		57,448.16	48,501.73
II. Tangible fixed assets			
1. Land and leasehold rights with residential buildings	916,418,384.78		923,652,405.46
2. Land and leasehold rights with business and other premises	22,594,310.21		22,687,798.12
3. Land without buildings	27,836,503.90		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	652,681.45		672,664.45
6. Other equipment, fixtures and fittings	227,245.41		295,850.86
7. Assets in the course of construction	0.00		0.00
8. Pre-construction costs	473,047.49		459,249.30
		968,703,372.81	
III. Financial assets			
1. Participating interests	4,254,251.03		4,254,251.03
2. Other loans	21,369,266.07		21,405,223.55
		25,623,517.10	
		994,384,338.07	1,001,971,831.05
B Current assets			
I. Land and other stocks intended for sale			
1. Land without buildings	3,437,672.05		3,464,357.80
2. Land and leasehold rights with unfinished buildings	0.00		0.00
3. Land and leasehold rights with finished buildings	7,593,290.22		7,670,402.51
4. Work in progress	36,589,202.52		30,583,748.44
		47,620,164.79	
II. Receivables and other assets			
1. Amounts due from rental	1,624,957.90		2,153,080.89
2. Amounts due from sale of land	10,793,721.10		20,954,866.17
3. Amounts due from management activities	1,450,842.49		1,647,293.58
4. Other trade accounts receivable	81,131.30		50,282.20
5. Amounts owed by affiliated companies	2,394.23		0.00
6. Other assets	15,228,224.35		14,505,142.61
		29,181,271.37	
III. Securities			
Own shares		9,856.56	9,856.56
IV. Cash at bank and in hand			
Cash balance and balances with banks		85,334,519.53	69,312,933.63
		162,145,812.25	150,351,964.39
C Prepaid expenses and deferred charges			
1. Discount	16,042.30		228,745.89
2. Other prepaid expenses and deferred charges	21,993.29		21,993.29
		38,035.59	38,035.59
Total assets		1,156,568,185.91	1,152,361,831.03



CONSOLIDATED BALANCE
SHEET AS AT MARCH 31, 2003

	March 31, 2003	March 31, 2003	Liabilities Dec. 31, 2002
	EUR	EUR	EUR
A Equity			
I. Subscribed capital		10,225,837.62	10,225,837.62
II. Capital reserve		335,954,172.17	335,954,172.17
III. Revenue reserves			
1. Statutory reserve	771,895.48		771,895.48
2. Reserve for own shares	9,856.56		9,856.56
		781,752.04	
IV. Consolidated retained earnings		102,674,770.90	101,985,925.83
V. Shares of other partners		491,856.87	492,437.24
		450,128,389.60	449,440,124.90
B Provisions			
1. Provisions for pensions and similar obligations	3,856,355.34		3,868,245.45
2. Provisions for taxes	6,536,081.68		5,016,081.68
3. Provisions for building maintenance	1,003,709.44		1,003,709.44
4. Other provisions	13,594,930.12		15,778,001.81
		24,991,076.58	25,666,038.38
C Liabilities			
1. Amounts owed to banks	542,344,818.60		545,361,883.74
2. Amounts owed to other lenders	70,748,350.64		71,672,424.70
3. Payments received on account	44,159,806.55		36,562,226.83
4. Amounts owed from rental	9,928,025.62		10,506,614.92
5. Trade accounts payable	1,573,349.92		1,055,436.32
6. Amounts owed to affiliated companies	111,206.28		29,369.60
7. Other liabilities	12,583,162.12		12,066,457.03
		681,448,719.73	677,254,413.14
D Prepaid income		0.00	1,254.61
Total liabilities		1,156,568,185.91	1,152,361,831.03



Consolidated income statement for the period from January 1 to March 31, 2003

	Jan. 1. – March 31, 2003	Jan. 1. – March 31, 2003	2002
	EUR	EUR	EUR
1. Sales			
a) from property management	23,988,111.01		122,264,022.02
b) from sale of land	225,326.00		3,786,329.04
c) from management activities	392,153.55		1,856,317.58
d) from other goods and services	113,484.10		479,988.05
		24,719,074.66	128,386,656.69
2. Increase (2001: decrease) of land for sale with finished and unfinished buildings and work in progress	6,045,385.74		–6,603,327.90
3. Company produced additions to assets		0.00	100,345.00
4. Other operating income		4,710,975.81	43,505,743.72
5. Costs of external services			
a) Costs of property management	13,612,414.42		56,617,168.36
b) Costs of sale of land	1,216.53		116,697.81
c) Costs of other goods and services	27,944.18		8,853.24
		13,641,575.13	56,742,719.41
6. Staff costs			
a) Wages and salaries	3,270,289.17		12,980,332.63
b) Social security, pension and benefits costs	836,526.45		4,064,634.15
		4,106,815.62	17,044,966.78
7. Depreciation of intangible fixed assets and tangible fixed assets		4,306,631.14	20,672,707.10
8. Other operating expenses		4,263,723.16	22,716,905.47
9. Income from participating interests		0.00	50,000.00
10. Income from other loans and securities		108,187.05	658,367.63
11. Other interest and similar income		266,250.10	1,884,300.26
12. Depreciation on financial assets		0.00	1,836.83
13. Interest and similar expenses		7,288,857.01	31,291,764.06
14. Income from ordinary activities		2,242,271.30	19,511,185.75
15. Taxes on income		1,520,914.70	6,010,122.53
16. Other taxes		33,091.90	118,460.52
17. Net income for the year		688,264.70	13,382,602.70
18. Profit carried forward		101,985,925.83	64,086,817.76
19. Withdrawals from capital reserve		0.00	25,333,985.86
20. Transfers to statutory reserve		0.00	771,895.48
21. Transfer to reserve for own shares		0.00	34.64
22. Net income due to other partners		–580.37	45,550.37
23. Consolidated retained earnings		102,674,770.90	101,985,925.83



Management Board

(status: May 2003)

Michael A. Neubürger

Bad Homburg v. d. Höhe

Henning Sieh

Frankfurt am Main

Supervisory Board

(status: May 2003)

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

Manager of the Ärzteversorgung Westfalen-Lippe

Einrichtung der Ärztekammer Westfalen-Lippe

Körperschaft des öffentlichen Rechts



Key dates

June 26, 2003

Annual General Meeting

June 27, 2003

Dividend payment

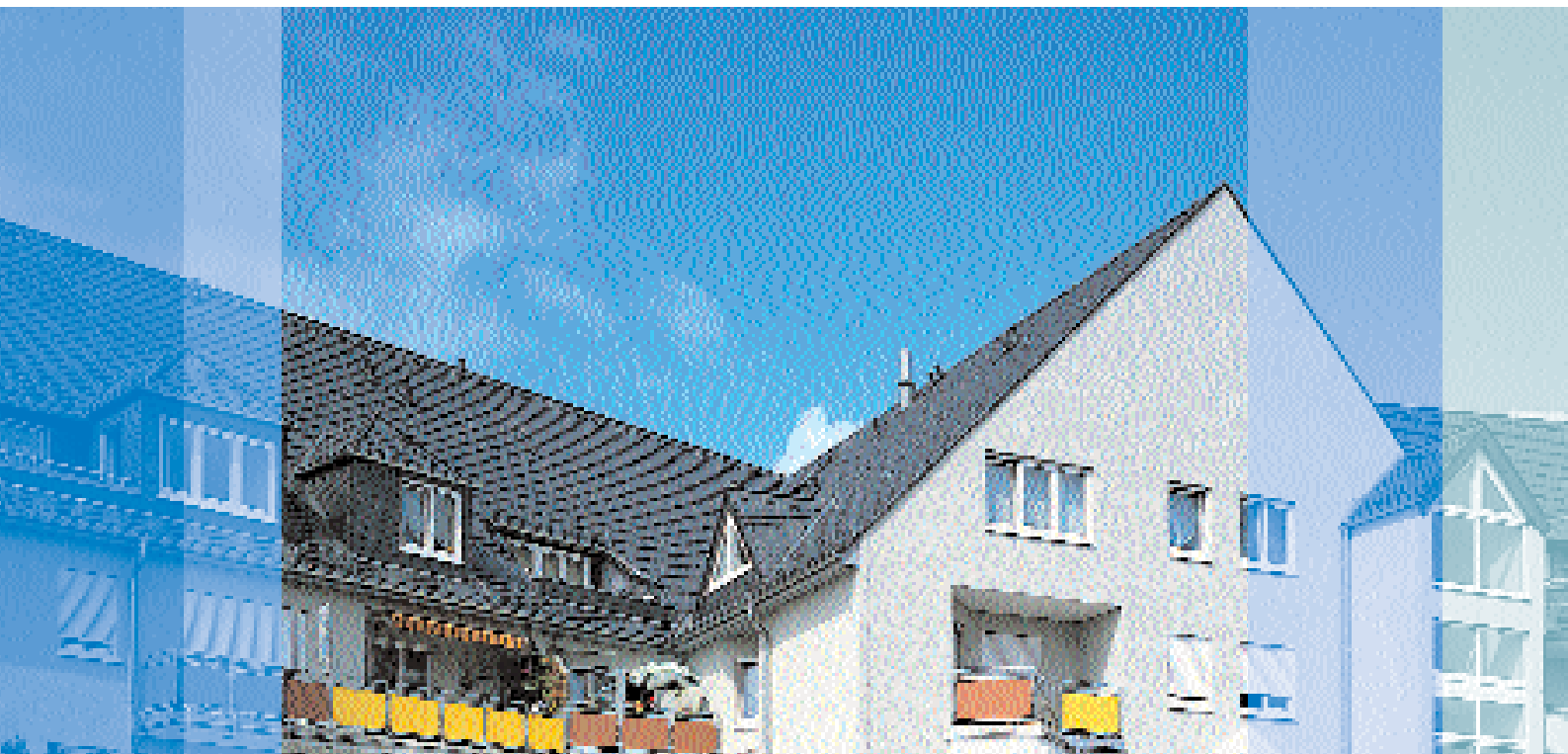
August 11, 2003

Interim report as at June 30, 2003

November 10, 2003

Interim report as at September 30, 2003





Deutsche Wohnen AG

Investor Relations

Mergenthalerallee 73–75

65760 Eschborn

Telefon: (0 69) 7 17 04 - 628

Telefax: (0 69) 7 17 04 - 990

deutsche.wohnen@db.com

www.deutsche-wohnen.de