



1 January to 30 September 2004 Interim Report

Key figures

Group key figures						
in € m	Jan 1 to Sept 30, 2004	Jan 1 to Sept 30, 2003	Jan 1 to Sept 30, 2002	Jan 1 to Sept 30, 2001	Jan 1 to Sept 30, 2000	Jan 1 to Dec 31, 2003
Gross earnings from property management	27.00	22.19	23.47	27.87	22.47	30.33
Gross earnings from privatisation	10.89	12.68	16.37	9.73	10.29	32.46
Profit on ordinary activities	12.82	9.81	14.60	14.29	10.36	19.94
Net income	8.24	3.44	10.69	14.16	10.15	10.67
Net income according to DVFA/SG	8.19	0.87	8.18	11.78	7.54	8.07
Cashflow according to DVFA/SG	19.71	15.32	24.25	25.83	24.53	29.05
EBIT*	32.34	30.70	35.68	36.91	32.95	47.71
EBITDA*	43.78	42.61	49.29	48.54	47.37	65.98
Fixed assets	932.40	977.90	1,029.81	1,086.22	1,132.69	958.53
Current assets	129.14	217.38	142.95	131.49	109.03	150.86
Equity	400.96	412.89	446.75	474.72	495.17	427.97
Liabilities	633.62	673.97	708.11	727.44	729.84	650.78
– Liabilities to banks	505.77	534.73	549.88	560.08	568.94	527.55
Total assets	1,061.54	1,112.00	1,173.00	1,218.19	1,242.53	1,109.44
Equity return	1.92%	0.83%	2.39%	2.98%	2.05%	2.49%
Equity ratio	37.77%	37.12%	38.09%	38.97%	39.85%	38.58%
Equity-to-fixed-assets ratio 1	43.00%	42.22%	43.38%	43.70%	43.72%	44.65%
Equity-to-fixed-assets ratio 2	102.41%	103.97%	103.76%	103.32%	101.35%	106.11%
Cash ratio	121.05%	129.15%	122.93%	118.82%	102.37%	159.68%

Key figures to the share						
in €	Sept 30, 2004	Sept 30, 2003	Sept 30, 2002	Sept 30, 2001	Sept 30, 2000	Dec 31, 2003
Share price	126.50	145.50	146.75	145.00	141.00	136.20
Market capitalisation (in € m)	506	582	587	580	564	545
Free float	84%	84%	72%	71%	71%	84%
Net income according to DVFA/SG	2.05	0.22	2.05	2.95	1.89	2.02
Cashflow according to DVFA/SG	4.93	3.83	6.06	6.46	6.13	7.26
Net Asset Value	Mar 31, 2003	Mar 31, 2002				
Net Asset Value per share**	230.00	227.91				
Share price	148.70	148.00				
Dividend	2003	2002	2001	2000	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%	

* First time accounted: Earnings from other loans and securities of financial assets.

** Publication of the Net Asset Values per 31 December 2004 on 17 February 2005 in the context of the publication of preliminary Group Key figures 2004.

*** Based on the share price on year-end.



BUSINESS DEVELOPMENT IN 2004



| Up to 30 September 2004 key figures of both Group segments came along well.

| Compared to the reference period 2003 gross earnings from property management improved by € 4.8 million resp. 22 % up to € 27.0 million. Reasons for that are lowered maintenance expense and shortened depreciation of residential buildings and rental requirements. Again the realisation of existing optimisation potential in maintenance is expression of the successful work of the portfolio management, which supports property management by continued monitoring measures. Sales of residential units determined declined rental income, actual rents amounted to € 62.7 million.

| Out of the structure of the privatisation plan 2004 gross earnings from privatisation decreased up to € 10.9 million (–1.8 million compared to 30 September 2003). 508 transactions were booked into Group accounts (30 September 2003: 444). In sum 636 transactions took place (30 September 2003: 655), the average purchase price came up to € 1,048 per sq. m.

| The result of ordinary activities accounted for € 12.8 million, compared to 30 September 2003 an increase of € 3 million resp. 30.6%. Tax expense decreased by € 1.8 million, consequently the Group net income amounted to € 8.2 million (+ 140% compared to the reference period 2003).

| EBIT and EBITDA added up to € 32.3 million resp. € 43.8 million and also obviously enhanced compared to 2003 (+ 5% resp. + 3%).



| As mentioned in the Annual General Meeting new international accounting requires a valuation of the fixed assets according to the International Financing Reporting Standards (IFRS). In future prospects we have to await results of this valuation.

| In case that the fourth quarter 2004 is running according to the business plan a profit of ordinary activities can be expected, which again is slightly improved and on the level of € 20 million. Actually a Group net income of about € 12 million is assumed. Out of the sales program tax expense is expected to be lowered by € 1.4 million compared to 2003.

| The dividend for the business year 2004 could conform to the dividend 2003: € 8.75 per share.

Key figures privatisation						
	Jan 1 to Sept 30, 2004	Jan 1 to Sept 30, 2003	Jan 1 to Sept 30, 2002	Jan 1 to Sept 30, 2001	Jan 1 to Sept 30, 2000	Jan 1 to Dec 31, 2003
in € m						
Accounting profit from the sale of properties of the fixed assets	15.42	16.77	19.93	17.56	11.83	41.34
Pre-sales costs	-4.00	-2.10	-2.56	-5.62	-	-4.00
Selling costs	-0.55	-2.04	-1.80	-2.37	-2.01	-4.00
Number of sold residential units with an effect on the groups balance sheet	508	444	449	491	269	1,317
Number of sold residential units recorded	636	655	594	795	332	1,334
in € per sqm						
Average sales price	1,048	1,147	1,268	1,084	1,372	1,015
in %						
Number of residential units sold to former tenants	53	39	18	63	65	42

Key figures property management						
	Jan 1 to Sept 30, 2004	Jan 1 to Sept 30, 2003	Jan 1 to Sept 30, 2002	Jan 1 to Sept 30, 2001	Jan 1 to Sept 30, 2000	Jan 1 to Dec 31, 2003
in units						
Own residential units	22,648	24,015	25,307	26,182	27,026	23,138
in million sqm						
Total living area	1.46	1.55	1.63	1.70	1.75	1.49
in %						
Vacancy rate	7.69	7.40	5.42	4.25	3.24	7.80
in € m						
Revenues planned rent	68.31	70.63	72.89	74.85	74.77	92.40
in € per sqm						
Average monthly planned rent	4.91	4.85	4.75	4.62	4.49	4.96
in € m						
Revenues actual rent	62.65	64.89	67.68	71.21	71.71	85.30
in € m						
Maintenance expense	-10.44	-14.87	-16.99	-13.38	-20.42	-22.89
in € per sqm						
Maintenance expense	6.92	9.32	12.36	8.93	14.40	14.44

Share price Deutsche Wohnen AG (in €)



| In the first half year 2004 in average the share price ranged on a level between € 139 and € 140, but the third quarter 2004 arised with an obvious higher volatility. With the dividend payment on 31 August 2004 the share price ranged "ex-dividend" and at first on a share price level of € 132. Starting in the middle of September the share price level degraded obviously. Lowest share price on 27 September 2004: € 123. Up to the time of the preparation of this interim report the share price level improved broadly. On 27 October 2004 the share price was € 137.50 (XETRA).

| From a fundamental view there are no reasons for the clearly risen volatility of the share price. In particular also in 2004 Deutsche Wohnen AG will be able to confirm its potential for results and dividends.

| Due to the announced financial deconsolidation from Deutsche Bank Group there is a certain uncertainty, which leads to the selling of shares particularly by private investors.



| A deconsolidation from Deutsche Bank AG is base for the growth strategy and depends on two factors:

| At first the shareholders have to agree to the cancellation of the control agreement. The control agreement was concluded between Deutsche Bank resp. DB Real Estate Management GmbH and Deutsche Wohnen AG with a current time up to 2014.

| In this context we would like to bring to mind that the control agreement was a part of the purchase contracts, concluded in 1998, with the Federal State of Rheinland-Pfalz and the former Hoechst Group. Targeted was the sensitive procedure of Deutsche Wohnen AG in the privatisation of residential units. Today the Federal State of Rheinland-Pfalz and the Hoechst Group think that the privatisation process of Deutsche Wohnen AG is a success story. They do not get in the way of a substantial growth of Deutsche Wohnen AG. Furthermore and in this respect they are ready to mend the purchase contracts concluded in 1998. By that the Annual General Meeting is able to cancel the control agreement.



| Secondly there is the put option (“Andienungsrecht”). The put option is contractually arranged between DB Real Estate Management GmbH and the shareholders of Deutsche Wohnen AG. Deutsche Wohnen AG itself is not included in this contract.

| By cancellation of the control agreement Deutsche Bank AG leave its influence on the business policy of Deutsche Wohnen AG. For conceptional reasons Deutsche Bank AG is not longer able to be entire guarantor for the put option. That means there is a correlation between the cancellation of the control agreement and the abolishment of the put option, but with an important characteristic: The renouncement for the put option has to be announced by every shareholder, not by the Annual General Meeting.

| Concerning the renouncement bondage would not be exerted to the shareholders. Naturally without a predominant majority of shareholders dispensing with their put option Deutsche Bank AG would not agree to the cancellation of the control agreement.

| Referring to this, the management board of Deutsche Wohnen AG will inform the shareholders and the capital market about new developments contemporary and enclosing.



LIVING AT HOME

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

Consolidated balance sheet as at 30 September 2004

ASSETS

in €	Sept 30, 2004	Sept 30, 2004	Dec 31, 2003
A. Fixed assets			
I. Intangible fixed assets			
Franchises, trademarks, patents, licences and similar rights	26,188.00	26,188.00	39,870.45
II. Tangible fixed assets			
1. Land, leasehold rights with residential buildings	849,246,379.81		874,703,648.65
2. Land and leasehold rights with business and other premises	26,221,390.44		27,043,729.19
3. Land and leasehold rights without buildings	27,727,128.38		28,106,766.22
4. Land with inheritable building rights of others	456,006.48		501,199.57
5. Buildings on land owned by others	550,735.78		602,544.84
6. Other equipment, fixtures and fittings	141,194.74		188,951.12
7. Assets in the course of construction	1,885,390.63		1,197,270.69
8. Pre-construction costs	1,089,264.93		671,943.31
		907,317,491.19	
III. Financial assets			
1. Participating interests	3,944,250.51		4,238,750.52
2. Other loans	21,107,982.22		21,234,982.61
		25,052,232.73	
		932,395,911.92	
B. Current assets			
I. Land and other stocks intended for sale			
1. Land and leasehold rights without buildings	3,344,121.30		3,349,310.74
2. Land and leasehold rights with buildings	8,942,290.60		
3. Work in progress	34,502,004.98		27,973,743.72
4. Effected down-payments	306,639.61		
		47,095,056.49	
II. Receivables and other assets			
1. Amounts due from rental	2,246,379.75		2,141,893.51
2. Amounts due from sale of land	8,040,840.57		28,417,515.16
3. Amounts due from management activities	632,196.62		1,669,006.02
4. Trade accounts receivable	0.00		6,744.92
5. Amounts owed by affiliated companies	5,112.91		7,626.37
6. Other assets	21,090,238.09		11,269,686.08
		32,014,767.94	
III. Securities			
Own shares	9,821.92	9,821.92	9,821.92
IV. Cash at bank and in hand			
Cash balance and balances with banks	50,021,281.12	50,021,281.12	76,019,134.70
		129,140,927.47	
C. Prepaid expenses and deferred charges			
1. Discount	5,411.00		5,411.00
2. Other prepaid expenses and deferred charges	0.00		38,416.60
		5,411.00	
Total assets		1,061,542,250.39	1,109,437,967.91

LIABILITIES

in €	Sept 30, 2004	Sept 30, 2004	Dec 31, 2003
A. Equity			
I. Subscribed capital	10,225,837.62		10,225,837.62
II. Capital reserve	313,436,071.62		313,436,071.62
III. Revenue reserves			
1. Statutory reserve	1,022,583.76		1,022,583.76
2. Reserves for own shares	9,821.92		9,821.92
IV. Consolidated retained earnings	75,896,012.53		102,690,808.59
V. Shares of other partners	374,095.14		581,058.55
		400,964,422.59	
B. Reserves			
1. Provisions for pensions and similar obligations	3,977,656.62		3,945,319.43
2. Provisions for taxes	11,855,970.67		12,804,153.97
3. Provisions for building maintenance	483,184.24		483,184.24
4. Other provisions	10,637,777.42		13,451,574.50
		26,954,588.95	
C. Liabilities			
1. Amounts owed to banks	505,768,678.02		527,547,602.63
2. Amounts owed to other lenders	52,953,958.58		65,482,019.57
3. Payments received on account	49,749,154.20		33,155,039.65
4. Amounts owed from rental	10,581,984.89		10,432,972.55
5. Trade accounts payable	1,110,227.92		1,064,713.04
6. Amounts owed to affiliated companies	333,618.84		69,337.67
7. Other liabilities	13,125,616.40		13,023,413.64
		633,623,238.85	
D. Prepaid income		0.00	12,454.96
Total liabilities		1,061,542,250.39	1,109,437,967.91

Consolidated income statement as at 30 September 2004

in €	Sept 30, 2004	Sept 30, 2004	Dec 31, 2003
1. Sales			
a) From property management	78,335,326.55		119,933,858.79
b) From sale of land	90,800.00		2,523,760.01
c) From management activities	1,639,886.03		2,087,620.07
d) From other goods and services	184,575.85		366,163.59
		80,250,588.43	
2. Decrease of land for sale with finished and unfinished buildings and work in progress	6,759,485.95		./ 4,432,251.32
3. Other operating income	18,196,618.29		46,876,416.63
4. Costs of external expenses			
a) Expenses for housing management	35,474,772.48		57,380,694.58
b) Costs of sale of land	0.00		463,625.94
c) Costs of other goods and services	6,115.74		6,233.61
		35,480,888.22	
5. Staff costs			
a) Wages and salaries	10,444,110.21		13,922,034.75
b) Social security, pension and benefits costs	2,767,611.13		4,043,312.06
		13,211,721.34	
6. Depreciation of intangible fixed assets and tangible assets	11,443,327.07		18,261,772.99
7. Other operating expenses	12,730,957.84		25,562,531.95
8. Income from other loans and securities of financial assets	484,886.31		664,180.93
9. Other interest and similar income	1,565,609.54		1,590,713.24
10. Depreciation on financial assets	0.00		1,040.14
11. Interest and similar expenses	21,568,314.47		30,032,517.71
12. Result from ordinary activities		12,821,979.58	19,936,698.21
13. Tax on profits and income	4,488,247.35		9,197,793.52
14. Other taxes	95,792.54		67,499.49
15. Net income		8,237,939.69	10,671,405.20
16. Profit carried forward	67,690,808.59		69,831,147.53
17. Withdrawal from the capital reserve	0.00		22,518,100.55
18. Transfer to the statutory reserve	0.00		250,688.28
19. Transfer to the reserve for own shares	0.00		34.64
20. Annual surplus relating to other shareholders	32,735.75		79,191.05
21. Consolidated accumulated profits		75,896,012.53	102,690,808.59

Management Board, Supervisory Board and Financial Calendar

MANAGEMENT BOARD

(Status: November 2004)

Andreas Lehner

– CEO –

Michael Neubürger

Bad Homburg

FINANCIAL CALENDAR

23 November 2004

German Equity Forum in Frankfurt am Main

17 February 2005

Preliminary key figures 2004

SUPERVISORY BOARD

(Status: November 2004)

Helmut Ullrich

– Chairman –

Königstein

Managing Director

DB Real Estate Management GmbH

Dr. Michael Gellen

– Deputy Chairman –

Cologne

Harry Gutte

Frechen

Managing Director

DB Real Estate Investment GmbH

Matthias Hünlein

Oberursel

Managing Director

DB Real Estate Management GmbH

Hans-Werner Jacob

Vaterstetten

Deutsche Bank AG

Geschäftsleitung Vertrieb Deutschland

Dr. Andreas Kretschmer

Düsseldorf

Managing Director of the Ärzteversorgung

Westfalen-Lippe

Einrichtung der Ärztekammer Westfalen-Lippe

– Körperschaft des öffentlichen Rechts –



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