

PRESS RELEASE

Group earnings 2013

Deutsche Wohnen continues to expand its market position

- Consolidated profit increased by 46 % to EUR 212.7 million
- FFO (without disposals) enhanced by 68 % to EUR 114.5 million
- FFO forecast of at least EUR 210 million for 2014

Frankfurt/Main and Berlin, 28 March 2014. With a consolidated profit of EUR 212.7 million Deutsche Wohnen increased its result for the financial year 2013 by 46 %. Adjusted earnings before taxes rose by around 68 % to EUR 131.9 million (previous year: EUR 78.5 million). Contributory factors to the increase include the residential holdings acquired in recent years and the realisation of the corresponding economies of scale.

The essential key figure Funds from Operations (FFO, without disposals) rose in comparison to the previous year by just under 68 % to EUR 114.5 million (previous year: EUR 68.2 million). Calculated per share, the FFO increased by around 20 % from EUR 0.54 to EUR 0.65. As at the reporting date, the Loan-to-Value Ratio (LTV) was approximately 57.3 % (31 December 2012: 57.2 %). The intrinsic value of the company, measured as EPRA NAV (undiluted), increased in the reporting period to EUR 13.99 per share (31 December 2012: EUR 12.48 per share).

Strong operational development

In its Core⁺ regions Deutsche Wohnen (stand-alone) was able to achieve rental growth of 4.2 % on a like-for-like basis, with a vacancy rate of just 1.2 %. Here the company is benefiting from rising demand for housing in German conurbations and metropolitan regions.

Further concentration of portfolio

In the reporting year Deutsche Wohnen increased its residential holdings from just under 83,000 to over 150,000. With the acquisitions it was possible to strengthen the Core⁺ regions in particular.

“The acquisition of GSW was the highlight of Deutsche Wohnen’s growth story to date and the logical consequence in the context of our strategic and focused expansion course. We have demonstrated our ability to integrate acquisitions many times in recent years. We have continuously developed the efficiency and capacity of our corporate structures and work processes, so we are now in a position to integrate a company like GSW and to realise joint synergies,” explains Michael Zahn, Chief Executive Officer of Deutsche Wohnen AG.

Because of the company’s focused growth strategy 79 % of the total portfolio is located in Core+ regions and 19 % in Core regions. 72 % of the holdings are located in Berlin alone – the most dynamic residential property market in Germany.

High visibility on the capital markets

With a market capitalisation of around EUR 4 billion Deutsche Wohnen is one of the leading listed real estate companies today in Germany and Europe. At the same time, it has the highest share liquidity of all German property companies. As at 31 December the share price was EUR 14.04.

Because of the improved earnings power of Deutsche Wohnen the dividend planned for 2013 will rise to EUR 57.4 million. “For the 2014 dividend we intend to increase the pay-out ratio from 50 % to 60 % of recurring FFO (without disposals). This corresponds to an increase of around 24 % to EUR 0.42 per share. Thereby we want our shareholders to participate to an even greater extent in the success of Deutsche Wohnen,” says Zahn.

Considerable synergy effects following integration of GSW

Following the acquisition of around 70,000 units in 2013 the takeover and the integration of these portfolios are the primary objective in the financial year 2014. In all of this, the integration of GSW with its structures and processes has the highest priority. The task here is to generate the anticipated synergies of EUR 25 million p.a. within the next two years. In 2014 alone we intend to achieve synergies of EUR 15 million, of which EUR 10 million are to be recorded in the profit and loss statement of the Group for 2014. In this way, Deutsche Wohnen will further expand its position as a cost leader. Following completion of the integration process it is aiming for a cost ratio of below 13 % from 2016.

For the financial year 2014 Deutsche Wohnen anticipates an FFO (without disposals) of at least EUR 210 million, including its most recent acquisitions. Taking an 8 % minority interest in GSW



into consideration, the FFO (without disposals) in 2014 is expected to be approximately EUR 203 million or EUR 0.71 per share.

Deutsche Wohnen

Deutsche Wohnen is one of the largest publicly listed residential property companies in Germany and Europe with a business focus on managing and developing its residential property portfolio. As at 31 December 2013 the portfolio comprises a total of 152,300 units, of which 150,200 are residential units and 2,100 are commercial properties. The company is listed in the Deutsche Börse's MDAX and is also included in the leading indices EPRA/NAREIT and GPR 250.