

PRESS RELEASE

Interim result as at 30 June 2015

Deutsche Wohnen: Growth in value continues

- FFO I up by 25% to EUR 142.7 million, FFO II improved by 35% to EUR 188.9 million
- FFO I forecast increased up to EUR 285 million to EUR 290 million
- Market dynamics lead to revaluation gains of around EUR 700 million
- Successful debut placement of a corporate bond completes refinancing of EUR 1.5 billion

Frankfurt/Main and Berlin, 13 August 2015. With a consolidated group profit of EUR 542.8 million (previous year: EUR 94.6 million), the first half of 2015 was very successful for Deutsche Wohnen. The increase was mostly due to portfolio appreciation as a result of positive market performance. The Funds from Operations (FFO I) increased by 25% compared to last year to EUR 142.7 million (previous year: EUR 114.2 million). Calculated per share, FFO I rose by around 21% to EUR 0.47. Against the background of strong earnings from disposals, FFO II improved by 35% to EUR 188.9 million (previous year: EUR 139.8 million) and per share by around 29% to EUR 0.62. EPRA NAV (diluted) increased to EUR 20.69 per share (31 December 2014: EUR 18.62 per share).

Stable gross rental income despite disposals

As at 30 June 2015, the Deutsche Wohnen portfolio comprised around 144,000 residential and commercial units with a fair value of approximately EUR 10.3 billion. The in-place rent across the total portfolio was EUR 5.78 per sqm as at the reporting date, with a vacancy rate of 2.1%.

Despite disposals, the current gross rental income remained with EUR 313.3 million at the previous year's level. Net Operating Income (NOI) was EUR 236.8 million (previous year: EUR 238.8 million). On a like-for-like basis, Deutsche Wohnen achieved rental

growth in the strategic core and growth regions of 2.5%. The vacancy rate fell in these regions from 2.0% to 1.7%.

In the first half of the year, Deutsche Wohnen acquired approximately 6,000 units, for which the transfer of risks and rewards will take place in the coming months with corresponding positive effects on the gross rental income.

High demand for properties drives earnings from disposals

The high demand for properties as a form of investment continues. The sales result thus increased to EUR 46.2 million (previous year: EUR 25.6 million). This includes the institutional sale of around 5,800 units, which was already notarised in the previous financial year.

Portfolio continues to increase in value

By the revaluation of the portfolio at the end of the first half of the year, the company accounted for the dynamic market environment that the majority of the portfolio is located in. The value of the portfolio thus increased overall by more than EUR 700 million to around EUR 10.3 billion, or by around EUR 80 to EUR 1,160 per sqm.

“We have seen the greatest increase in value of EUR 103 per sqm in the Berlin portfolio. Also our Core regions, such as Magdeburg or Halle/Leipzig, have developed positively. This confirms our focused portfolio strategy, on whose basis we expect further growth potential in the future,” explains Michael Zahn, Chief Executive Officer of Deutsche Wohnen AG.

Optimising the capital structure

By issuing an unsecured corporate bond in the nominal sum of EUR 500 million in July of this year, Deutsche Wohnen successfully completed the refinancing of around EUR 1.5 billion. The average interest rate thus decreased to 1.9% (31 March 2015: 2.4%). Therefore, the interest saving reflected in FFO initially amounts to around EUR 33 million per year. The Loan-to-Value Ratio was reduced to 40.9% (31 March 2015: 50.4%). With the refinancing, Deutsche Wohnen was able to both significantly reduce its financing costs and further diversify the loan portfolio. As a result, the rating agencies Moody's and Standard & Poor's improved their company ratings to A3 and A-.



Andreas Segal, Chief Financial Officer of Deutsche Wohnen AG, says, “We have successfully optimised the capital structure of the Group in recent months and thus strengthened Deutsche Wohnen’s position in the market even more.”

FFO I forecast increased

Due to the positive development of the company, Deutsche Wohnen has increased its forecast for FFO I – without taking other acquisitions or opportunistic sales into consideration – up to EUR 285 million to EUR 290 million.

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 portfolio, which focusses on residential properties. As at 30 June 2015, the portfolio comprised a total of 144,000 units, of which 141,900 are residential units and 2,100 are commercial properties. Deutsche Wohnen is listed in the Deutsche Börse’s MDAX and is included in the leading indices EPRA/NAREIT and GPR 100.