

Interim results for the period ending on 30 September 2015

Deutsche Wohnen announces best nine month figures of its history

- › Consolidated earnings more than tripled and increased to 521.7 million
- › Significant rent increase of 3.2%
- › FFO I improved 38% to EUR 228.7 million; FFO II improved 41% to EUR 289.5 million
- › Change in Deutsche Wohnen AG's Management Board

Frankfurt am Main/Berlin, 9 November 2015. During the first nine months of financial year 2015, Deutsche Wohnen once again turned in a strong performance, ending the third quarter with EUR 521.7 million of consolidated earnings (previous year: EUR 144.9 million). Funds from Operations (FFO I) increased around 38% year-on-year to EUR 228.7 million (previous year: EUR 166.3 million). On a per-share basis, FFO I rose approximately 28% to EUR 0.73. In light of the persistently strong earnings from disposals, FFO II improved by approximately 41% to EUR 289.5 million (previous year: EUR 205.1 million) and by around 30% to EUR 0.92 on a per-share basis. The Group's Loan-to-Value ratio stood at 41.4% on the reporting date (31 December 2014: 51.0%). The EPRA NAV (diluted) rose to EUR 20.81 per share (31 December 2014: EUR 18.40 per share).

"Deutsche Wohnen is stronger than ever, operationally and from a financial perspective. With above-average rent potential, our successful disposals segment and profit-enhancing acquisitions, we are perfectly positioned to achieve further growth," says Michael Zahn, Chief Executive Officer of Deutsche Wohnen AG.

Substantial rent increase and strong earnings from disposals

As at 30 September 2015, Deutsche Wohnen's portfolio included more than 149,000 residential and commercial units with a fair value of around EUR 10.7 billion. In-place rent for the overall portfolio amounted to EUR 5.83/sq m on the reporting date, with a vacancy rate of 2.1%.

In-place rents increased to EUR 473.1 million (previous year: EUR 469.3 million). Net Operating Income (NOI) totaled EUR 360.3 million (previous year: EUR 354.5 million), with an NOI margin of 76.2% (previous year: 75.5%).

Year-on-year, the letting portfolio in Deutschen Wohnen's Core+ and Core regions - which account for around 98% of the overall portfolio – realised like-for-like rental growth of 3.2%. A like-for-like comparison of the core market of Berlin showed rents increasing by 3.5%. The positive effects of the Berlin Rent Index published in May 2015 are already partially included and will be fully reflected by year-end. Like-for-like vacancies in the letting portfolio decreased from 2.0% to 1.7%.

The high demand for investment properties continues. For example, earnings from disposals climbed to EUR 60.8 million (previous year: EUR 38.8 million). This includes institutional sales of around 5,800 units that were registered during the financial year 2014.

Efficiency gains from completion of the integration of GSW

The impact of the now completed GSW integration, including at the operational level, is reflected in lower corporate expenses with the cost ratio decreasing further to 11.6% of gross rental income (prior-year period: 14.2%).

Change in Deutsche Wohnen AG's Management Board

Andreas Segal, Chief Financial Officer of Deutsche Wohnen AG, will be leaving the management board on 11 November 2015. Mr Segal has been a member of the Management Board of Deutsche Wohnen AG since January 2014 and Deputy Chairman of the Supervisory Board of GSW Immobilien AG since June 2015. Mr Segal is leaving the company by mutual agreement. The responsibilities of Mr Segal will be taken over by Michael Zahn (Investor Relations, Legal) and Lars Wittan (Corporate Finance).

Uwe E. Flach, Chairman of the Supervisory Board of Deutsche Wohnen AG, stated: "Mr Segal brought the company forward very well in the past two years. Under his management, we received a Credit Rating and the first corporate bond was issued. We were able to refinance more than EUR 3 billion and to perform a successful capital increase. We wish him all the best and lots of success in his future endeavours."

Outlook

Thanks to the positive market trend and as part of the continued effects of the Rent Index adjustment in Berlin, Deutsche Wohnen expects rents to increase by around 3.5% in 2015 for the entire letting portfolio and by around 4% in Berlin.

About Deutsche Wohnen

Deutsche Wohnen is one of the largest publicly listed real estate companies in Germany and Europe with a business focus on managing and developing its portfolio, which focusses on residential properties. As of 30 September 2015, the portfolio comprised a total of 149,100 units, of which 147,000 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.