



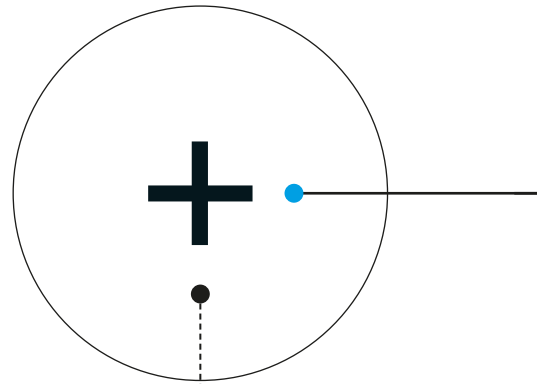
COMMITTED
TO
QUALITY

Sustainability magazine | 2013

MORE THAN GROWTH



With targeted acquisitions Deutsche Wohnen developed in 2013 to become one of the leading real estate companies in Europe. In all of this, the value of our holdings remains our highest priority. Only in this way will we continue to enjoy stable development and to set standards in the industry. Our partners, employees, tenants and society should all benefit from this. In this magazine you can read about how we commit ourselves to quality and how we take on social and ecological responsibility in seeking to achieve sustainable growth.

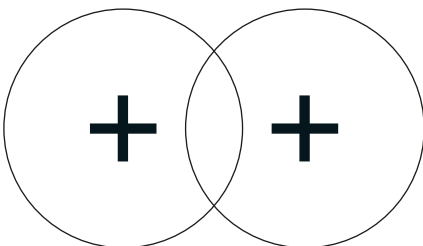


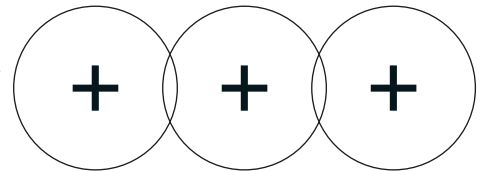
2013

a plus of

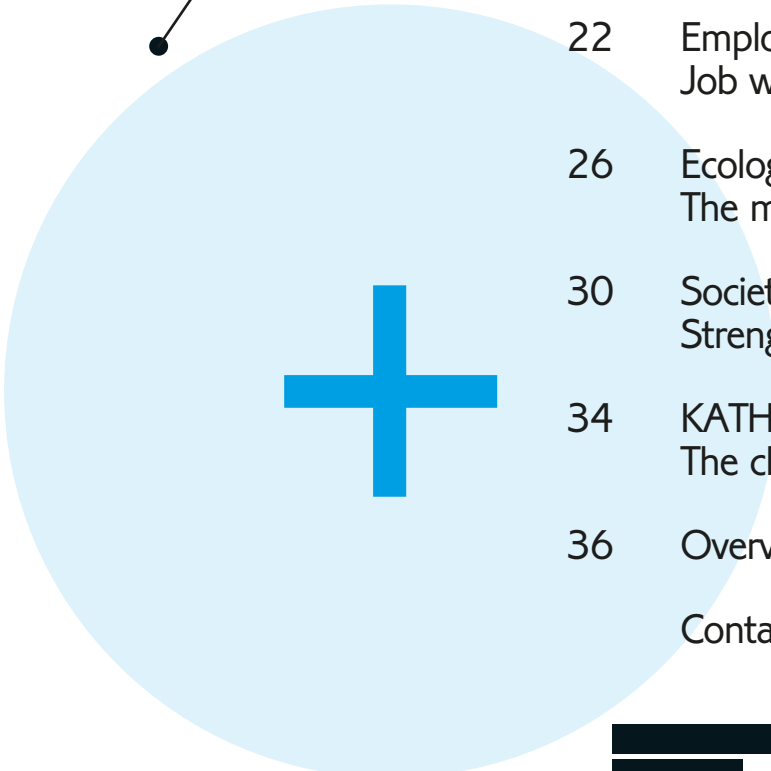
68,620

RESIDENTIAL AND
COMMERCIAL UNITS



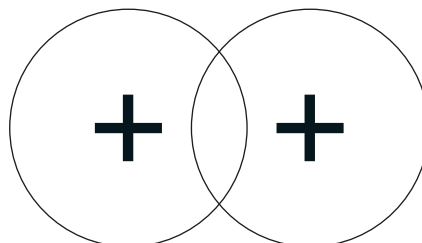
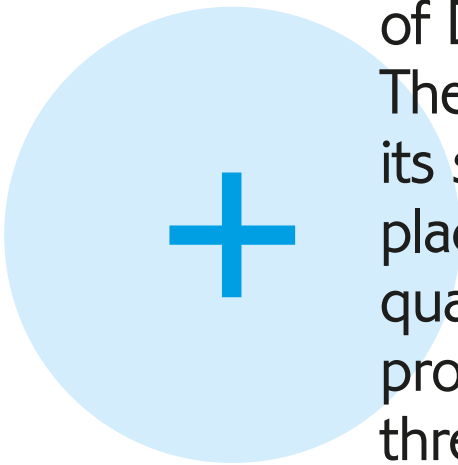


- 02 Committed to quality
- 05 Profile of Deutsche Wohnen
- 08 Strategy for sustainability
- 12 Conserving historic monuments:
A meeting of the old and the new
- 16 Housing:
Neighbourhood with heart and attitude
- 22 Employees:
Job with prospects
- 26 Ecology:
The most important thing is efficiency
- 30 Society:
Strengthening social cohesion
- 34 KATHARINENHOF®:
The challenge of old age
- 36 Overview of key figures
- Contact and imprint





The takeover of the Berlin housing company GSW Immobilien AG at the end of 2013 marked a new highlight in the history of Deutsche Wohnen's growth. The company wants to use its strong market position to place itself permanently as a quality leader in the residential property market, explain the three members of the Management Board in an interview.





You subscribe to quality, growth and sustainability. How can these aims be reconciled?

Michael Zahn: Growth is our stated corporate goal. But growth for growth's sake doesn't work. For growth to be stable, enduring and profitable, clear values and specific goals are necessary. In everything we do we want to achieve quality – for tenants, employees, shareholders and society. So quality has many facets for us and extends from good housing to transparent company management to greater energy efficiency.

Lars Wittan: Besides, despite our clear goals for growth, we do not go for an indiscriminate expansion of our holdings. Instead, we attach importance to housing clusters of a certain minimum size in our core regions. Our investors too value the fact that this approach enables us to manage our holdings efficiently and cost-effectively.

What are the greatest challenges at the moment?

Lars Wittan: We have to integrate the portfolios we have acquired and, at the same time, continue to run our business operations responsibly and successfully. This will continue to involve ambitious refurbishment projects and investments in the quality of our holdings.

Michael Zahn: Our growth, which will continue, is accompanied by a constantly rising number of employees. I see it as one of our most important tasks over the next few years to listen to them, to familiarise them with our values and to work together with them to further develop our company culture. We are going to have to restructure many things in the area of internal communication.

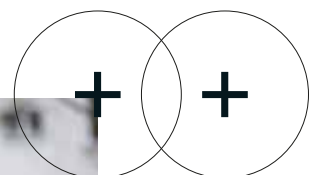
Andreas Segal: As has been the case over the past few years, we want to take our employees with us into the very exciting world of a listed company that is dynamic and results-oriented. Our employees benefit too from the entrepreneurial "legroom" which comes from our listed status. After all, access to the capital markets is essential for our growth and so for our employees as well.

Focussed

The directors of the Management Board (from left)
 Andreas Segal (CFO)
 Michael Zahn (CEO)
 Lars Wittan (CIO)

"In everything we do we want to achieve quality – for tenants, employees, shareholders and society."

Michael Zahn, Chief Executive Officer



“Despite our clear goals for growth, we do not go for an indiscriminate expansion of our holdings.”

Lars Wittan, Chief Investment Officer



Why is growth capital so important for you? And how does this benefit the employees?

Andreas Segal: We need money – a lot of money – for the refurbishment and maintenance of our holdings. This is money which our investors are prepared to make available to us because they are persuaded by our success. This success is, in turn, the pre-condition for secure, long-term jobs and for appropriate levels of pay.

Lars Wittan: We shouldn’t forget here the voluntary social benefits – like special payments upon getting married or upon the birth of a child – which were introduced at the beginning of 2014. We can only finance such benefits because we run a successful and profitable business.


Michael Zahn: At the same time, these benefits are an important way of retaining our employees. We are all very aware of the fact that the success story of the company up to now would not have been possible without the profound commitment and know-how of our employees and their willingness to identify with the company.

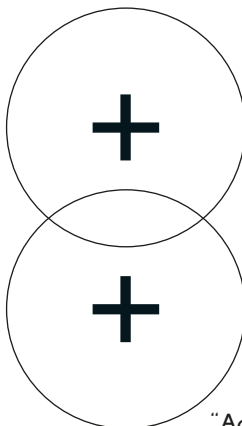
How do you achieve quality for tenants, the environment and society? And how will you achieve this in future?

Michael Zahn: Since private households in Germany consume a quarter of final energy, we as a real estate company can make a considerable contribution to the success of the energy transition. For this reason, we set great store by energy efficiency and by generating environment-friendly electricity ourselves – be this via solar cells or, insofar as it continues to make sense following the amendment to the Renewable Energy Act, via local electricity generation using combined heat and power plants.

Lars Wittan: This is why, together with our partner GETEC AG, we founded the joint enterprise G+D Gesellschaft für Energiemanagement mbH last year. In doing so, we want to achieve higher levels of value creation and generate internal growth. Moreover, because we are combatting rising costs with our energy strategy, our tenants benefit as well.

And how does society benefit?

Michael Zahn: Our active interest in social issues that arise in the potential area of conflict between architecture and housing is shown, for example, by our support for the Urban Intervention Awards in Berlin. The prize which we sponsored in the category “Living” was awarded to a project that brings students and homeless people together in shared accommodation so that they can learn from one another. I think that this was a good choice in view of the challenges we are confronted with in booming cities. 



“Access to the capital markets is essential for our growth.”

Andreas Segal, Chief Financial Officer

Profile of Deutsche Wohnen

Measured by its market capitalisation, Deutsche Wohnen is one of the leading listed real estate companies in Europe. In managing and developing our residential holdings we attach great importance to providing personal support to the tenants at a local level.

1,877

employees worked for Deutsche Wohnen in 2013

The roots of Deutsche Wohnen go back as far as the 1920s. In 1924 GEHAG (a non-profit-making building society and housing construction company) was founded in Berlin and grew to become one of the longest-standing housing associations in Germany. With its pioneering apartment houses and residential estate projects GEHAG wrote an important chapter in the social and architectural history of the 20th century. A large number of these buildings have listed building status today. In 2007 GEHAG was absorbed by Deutsche Wohnen AG, which itself had been founded in 1998 as a subsidiary of Deutsche Bank AG.

152,365

residential and commercial units – the size of the Deutsche Wohnen portfolio Germany-wide (including GSW)

Deutsche Wohnen is registered in Frankfurt/Main and has its largest branch office in Berlin. Since 1999 the company has been listed on the German stock exchange. In 2010 it rose to become part of the MDAX. Since this time it has undergone constant expansion through acquisitions. In 2013 Deutsche Wohnen took over GSW Immobilien AG, a Berlin housing company which had also been in existence since 1924.

Three pillars

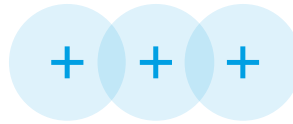
The operational focus of Deutsche Wohnen is the management and development of its own holdings. The portfolio currently consists of around 150,000 residential units and approximately 2,000 commercial units. The company concentrates on growth regions in Germany – Greater Berlin, the Rhine-Main region, the Rhineland, Central Germany and medium-sized cities like Hanover, Brunswick and Magdeburg. Support for the tenants is provided in local Service Points. We are constantly expanding this network of Service Points as the company continues to grow. When Deutsche Wohnen embarked on a new building project at the beginning of 2014, this marked a new chapter in the company's history. 103 new flats for rental will be built in Potsdam-Babelsberg by 2016.

In the business segment of Disposals Deutsche Wohnen pursues two strategies. In the course of streamlining our portfolio we sell holdings in structurally weak regions. In addition, we sell flats to owner-occupiers or investors and achieve above-average margins in this way. This strengthens markedly the internal financing power of the company.

The third pillar of activity for Deutsche Wohnen is the business segment Nursing and Assisted Living – a dynamic market that is benefitting from demographic change in Germany. KATHARINENHOF® Seniorenwohn- und Pflegeanlage Betriebs-GmbH, a subsidiary of Deutsche Wohnen AG, provides more than 2,100 residential and nursing care places with an above-average quality of service and is one of the leading providers of high-quality residential and nursing care for elderly people. Deutsche Wohnen currently operates 21 KATHARINENHOF® facilities in Berlin-Brandenburg, Saxony, Lower Saxony and Rhineland-Palatinate.

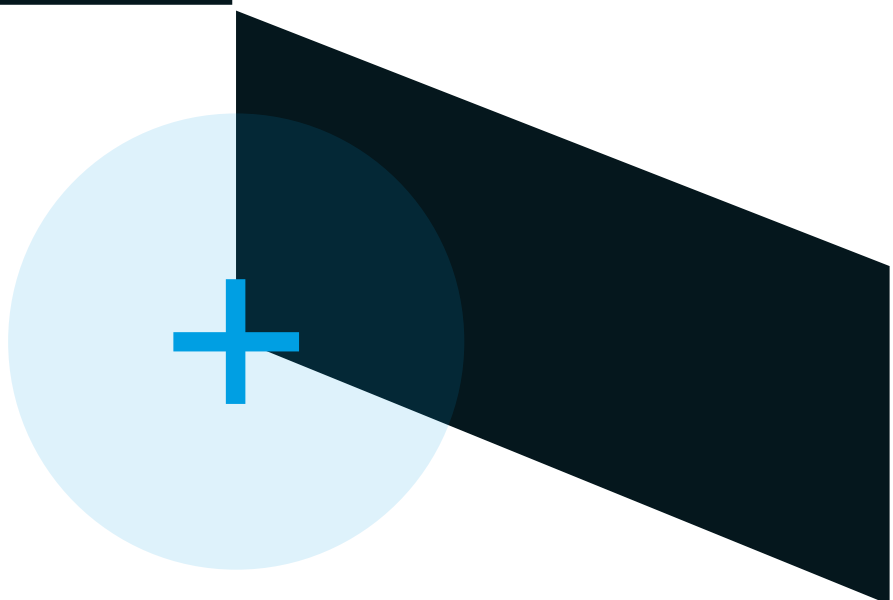
Successful business year

Deutsche Wohnen completed the business year 2013 with exceptionally good results. The key operating figure, Funds from Operations (FFO, without disposals), which is decisive in the housing industry, was EUR 114.5 million – just under 68% above the FFO figure for the previous year. In total, we had 1,877 employees (2012: 1,417) (excluding GSW). Deutsche Wohnen invested EUR 86.2 million (2012: EUR 67.9 million) in the maintenance and modernisation of its residential housing stock.



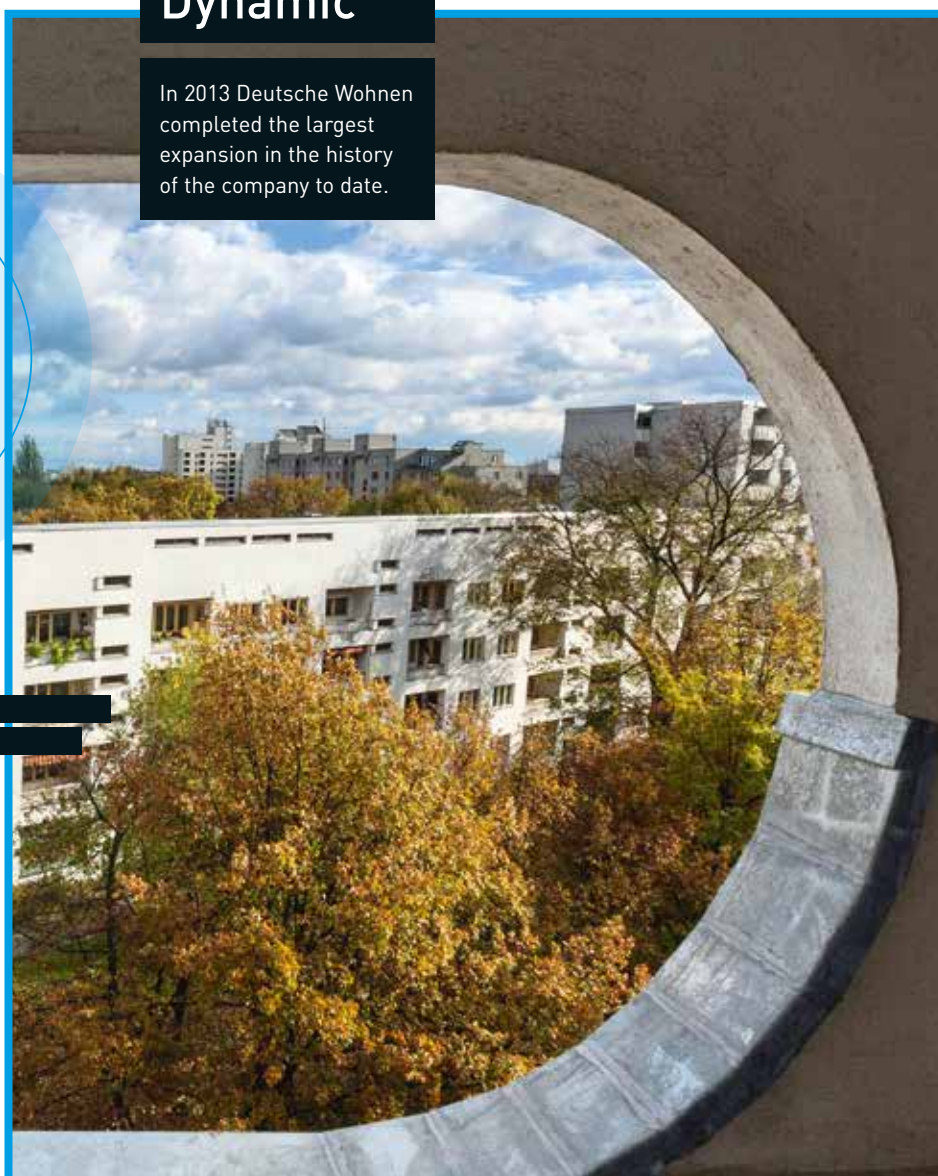
EUR
292.3

million earnings from
Residential Property Management (plus 50%)



Dynamic

In 2013 Deutsche Wohnen completed the largest expansion in the history of the company to date.



Key figures

Economy	2013 ¹⁾	2012
RESIDENTIAL UNITS	150,219	82,738
COMMERCIAL UNITS	2,146	961
PLACES IN NURSING AND ASSISTED LIVING	2,166	1,928
INVESTMENT PROPERTIES (EUR m)	8,937.1	4,614.6
EARNINGS BEFORE INTEREST, TAXES AND DEPRECIATION AND AMORTISATION (EBITDA, EUR m)	252.9 ²⁾	196.5
FUNDS FROM OPERATIONS (FFO, WITHOUT DISPOSALS, EUR m)	114.5 ²⁾	68.2
EXPENDITURE ON MAINTENANCE AND MODERNISATION (EUR m)	86.2 ²⁾	67.9

¹⁾ Including GSW ²⁾ GSW only taken into consideration for December 2013



Strategy for sustainability

A good reputation, a clear identity and a stable corporate culture are the pre-condition for long-term economic success. The basis for such success is our values, which guide the actions with tenants, partners and other stakeholder groups.



We have defined a clear goal for our strategy for the future: to grow sustainably. This goal is defined by two performance indicators – quality and efficiency – between which we have to look for and maintain a balance again and again. We see our corporate culture as the basis and precondition for achieving this goal – especially in times of growth. Moreover, this culture is something we must continuously develop. It is determined by values and a sense of responsibility and has grown over a period of many years. Our greatest task at the moment is to develop this culture further, to involve new employees and to make greater efforts to promote and to practise transparency and dialogue.

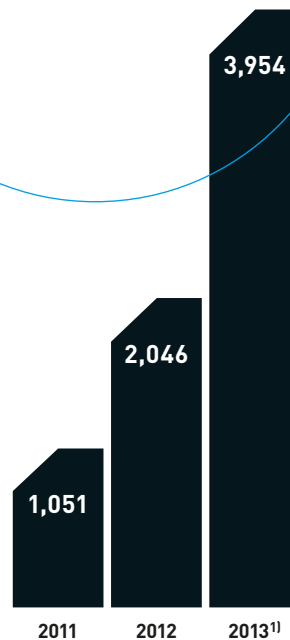
MARKET CAPITALISATION

in EUR m

Around

9000

stakeholders were asked by Deutsche Wohnen about their expectations of the company at the end of 2012



¹⁾Including GSW

In each case as at 31 December

SUSTAINABILITY AS AN ASPECT OF INVESTMENT

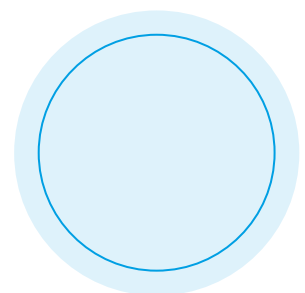
The assessments of the sustainability-oriented rating agencies are having a growing influence on investor decisions – and on those of investors in Deutsche Wohnen as well. We have adjusted to this – by anchoring sustainability in our strategy and by compiling what are the essential non-financial indicators. These indicators provide analysts with a basis for making an assessment of our sustainability contribution and for using this assessment to make recommendations to investors. Even today Deutsche Wohnen has a good reputation as a stable investment and as a responsibly managed company. Nevertheless, the most important aspect for investors is the future prospects of a company. At Deutsche Wohnen the strategy for the future is clear: it aims to achieve growth that preserves values and so creates value.

Central challenges

To put into practice the guiding principle of sustainable development is not so much a political challenge as a major social goal. This makes demands on all stakeholders, not least business and industry. This is also true of Deutsche Wohnen, as one of the largest real estate companies in Europe.

This creates for us both opportunities and risks, which we have to and want to deal with. For example, more and more investors are interested in our principles and values and in the contribution we make to sustainability. This contribution can be considerable – particularly in our core business – because the influx into cities is continuing, with the result that affordable housing there is in ever shorter supply and so in ever greater demand. In addition, demographic change is creating a situation in which Germany's population is ageing and in which senior-friendly accommodation and responsible nursing care are becoming important needs.

A concomitant of demographic change is an increasing shortage of qualified young staff. In order to find and retain good employees, we must prove ourselves to be an attractive employer. Finally, as a real estate company we are increasingly required to contribute to climate protection and to support the political objectives for implementing the energy transition.



OUR AREAS OF ACTION

On the basis of the results of a representative survey of our stakeholders at the end of 2012 we have defined central areas of action in order to pursue our goal of "sustainable growth":

- **ECONOMIC STABILITY**

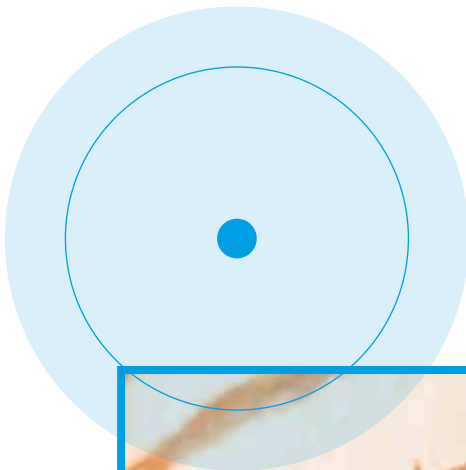
Dealing with future opportunities and risks, strong earnings and profitability, regular repairs and modernisation with reasonable increases in rent

- **EMPLOYEE SATISFACTION**

Performance-related remuneration, attractive career and personal development opportunities, qualified training followed by employment, work-life balance and family-friendliness

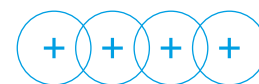
- **REPUTATION AMONGST CUSTOMERS AND IN SOCIETY**

Open corporate culture and transparent communication, constant availability for tenants and residents of nursing care facilities, consideration given to environmental protection



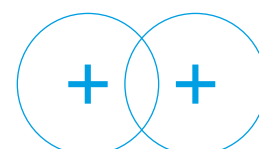
Stable

Our value-oriented corporate culture provides the foundation for sustainable growth.



OUR SUSTAINABILITY PROGRAMME

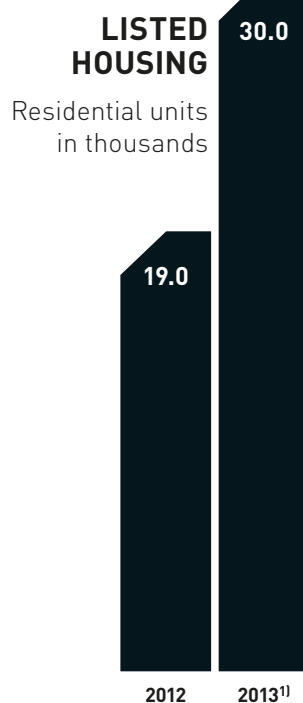
AREAS OF ACTION	GOALS 2013	GOAL ACHIEVEMENT 2013	GOALS 2014
RESPONSIBLE MANAGEMENT	Expand data collection	Expansion of data collection in existing holdings	Define further key sustainability figures for housing industry
	Qualified sustainability reporting	Publication of sustainability brochure and GRI report (Level B)	Appointment of a person with responsibility for sustainability/ addition to the sustainability team
	Appoint a sustainability coordinator	Introductory phase of transfer of responsibilities to an adviser	Continue stakeholder dialogue using suitable event formats
RESPONSIBILITY FOR PROPERTY PORTFOLIO AND SERVICES	Further investments of EUR millions	Investment of around EUR 86.2 million in maintenance and modernisation (around EUR 15 per sqm)	Definition of three key sustainability figures for housing management in existing holdings
	Expand network of Service Points	Four new Service Points and letting offices opened	Integration of GSW
RESPONSIBLE NURSING AND ASSISTED LIVING (KATHARINENHOF®)	Quality assurance and improvement in the medical service of health insurers (MDK) grades	Placed in ratings by MDK under top 3 of the 50 largest operators of residential care facilities	Formulate further sustainability goals for KATHARINENHOF®
	Adapt management model in preparation for further expansion	New institutions for specialist and personal development established	Continuation of engagement against dementia
RESPONSIBILITY TOWARDS EMPLOYEES	Expand internal communication	Sustainability brochure sent out to all employees, quarterly employee newsletter "bruno"	Expand measures for professional development of employees and for talent management
	Pay and performance incentives	Needs of employees systematically monitored and recorded	Conduct an employee survey
	Improve compatibility of family and career	Vouchers on the occasion of marriage and birth of a child	Extend offer of models for flexible working hours
RESPONSIBILITY FOR SOCIETY	Examine and, where necessary, improve focus of existing activities	Continue financial support for educational and social projects in and around the company's housing Flood donation Magdeburg	Continue to strengthen the housing environment by supporting educational and social projects
ENVIRONMENTAL AND CLIMATE PROTECTION	Extend the pilot project for monitoring consumption in housing	Complete monitoring of communal electricity consumption Pilot project for measuring water and heating energy consumption for 52,500 sqm of living space Calculation of CO ₂ emissions	Extend the pilot project for measuring consumption in the company's housing Further extend data collection regarding the company's administrative offices Analyse the energy efficiency potential in existing housing, using newly founded G+D Gesellschaft für Energiemanagement mbH
	Extend data collection regarding the company's administrative offices	Energy and water consumption measured for up to 85% of office space and for one KATHARINENHOF® location Calculation of CO ₂ emissions	Include ecological criteria for new building and maintenance and modernisation (e.g. environment-friendly materials)





A meeting of the old and the new

Deutsche Wohnen is currently refurbishing a listed residential quarter in accordance with energy efficiency standards. The quarter is the Railway Workers' Estate in Elstal. The first tenants moved in at the end of 2013.



The plaster was crumbling away from the facades, shutters hung crookedly from their hinges and weeds were growing rampant in the front gardens. There wasn't much left of the former charm of the Railway Workers' Estate in Elstal when Deutsche Wohnen took over this historic quarter in the borough of Wustermark to the west of Berlin.

It had once been a model architectural project. Built in the 1920s and 1930s for employees at the Wustermark marshalling yard, the estate follows the idea of the garden city – a small, self-contained town. It consists of 39 apartment buildings – each with four flats. Each apartment building has a garden plot with a size of 400 to 500 sqm. What were formerly sheds for housing small livestock connect the individual buildings to one another. In 1993 the Railway Workers' Estate in Elstal was given listed building status, but the walls crumbled and the quality of the housing continued to decline. Gradually, more and more residents moved out.

Renaissance of a model project

Now removal lorries are travelling again to Elstal. At the end of 2013 the first tenants moved into flats in this historic estate that had been extensively refurbished according to guidelines on the conservation of historic monuments. The refurbishment and modernisation work had started in July 2013. In the first construction phase, work on a total of 28 flats in the southern section of Schulstraße had been completed within just a few months. There was no shortage of people interested in the flats, which ranged in size from 55 sqm to 80 sqm. By the end of 2013 all the flats were let. Many of the new residents come from close by. In the borough of Wustermark people have a strong sense of regional belonging.

¹⁾ Including GSW

By 2016
Deutsche Wohnen
will have invested
just under EUR

15

million in the
complete refurbishment
of the historic
Railway Workers'
Estate



Conserving

Deutsche Wohnen considers the conservation of architectural heritage as its responsibility.

When carrying out this complete refurbishment Deutsche Wohnen worked closely with the local authority for the conservation of historic monuments. Together with a female conservator a concept was developed for combining the conservation requirements of the estate with the aspiration to achieve a refurbishment that was energy-efficient. The individual building measures were thoroughly discussed with representatives from the conservation authority. "These consultations were very constructive and effective," explains Eike Petersen, project manager at Deutsche Wohnen Construction and Facilities GmbH. As the owner of around 30,000 listed residential units (including GSW), Deutsche Wohnen has gained experience in the renovation of listed housing over many years. These units include four Berlin Modernist estates, which are listed as UNESCO world heritage sites.

Climate-friendly and in keeping with conservation guidelines

In the Railway Workers' Estate, in Elstal Deutsche Wohnen fitted the roofs and the cellars of the buildings with effective heat insulation. Double-glazed windows in wooden frames replaced the single-glazed box-type windows. All the flats were given new bathrooms as well as central heating. However, an energy-efficient insulation of the outer walls was not consistent with conservation requirements. "Insulation would dramatically change the appearance of the buildings," explains Ms Petersen. So it was agreed not to pursue this idea.



Constructive

Eike Petersen, project manager with Deutsche Wohnen, coordinated the refurbishment in Elstal.

In 2013
Deutsche Wohnen
invested EUR



million in
the maintenance
and modernisation
of listed buildings
(excluding GSW)

COOPERATION WITH THE AUTHORITIES FOR THE CONSERVATION OF HISTORIC BUILDINGS

As the owner of several listed estates, Deutsche Wohnen keeps in close contact with the conservation authorities. Since 2011 Deutsche Wohnen has been the only owners' representative to take part regularly in the meetings of a "listed building forum" at the Berlin Monument Authority. As well as Berlin, the Bauhaus towns of Weimar and Dessau are represented, too. A current example of Deutsche Wohnen's active involvement in conservation work is the re-creation of historic lettering on the facade of a building in the Carl Legien Residential Estate in Prenzlauer Berg in Berlin. The occasion was the 90th anniversary of GEHAG in 2014.

Based on their original appearance, the facades of the refurbished buildings are traditionally plastered once again in a reddish colour. The roof coverings have been renewed and the dilapidated entrance areas and stairwells have been repaired.

By 2016 Deutsche Wohnen will have invested just under EUR 15 million in the refurbishment of the Railway Workers' Estate in Elstal. The site, which is around 53,000 sqm in size, consists of 130 residential units, the renovation of which is being carried out in three construction phases. Work on the second phase began in April 2014 and will probably last until the end of the year. In this phase around 40 residential units and five commercial units built around the Karl-Liebknecht-Platz are being refurbished. It is intended that this former market square with a Protestant church in the middle should become a lively local centre again. "The square, which is surrounded by valuable old buildings, has a very particular flair which we want to retain, to cultivate and to develop further," says Ms Petersen. Currently, tradespeople offering local amenities, café or restaurant owners, as well as artists and other service providers are being sought as tenants for the commercial units. There are already two tenants: the borough of Wustermark and Historia Elstal e.V., a friends' association for local history and conservation.

Room for families

The 15 private tenants who were living around the market square up to the start of the second phase of refurbishment work are accommodated in a nearby bed and breakfast during the renovation of their building – which usually takes about four weeks. Deutsche Wohnen bears the costs for this. As is the case with all of its construction projects, Deutsche Wohnen attaches great importance to a tenant-friendly refurbishment in Elstal as well. In one-to-one conversations each individual tenant was informed about the work and the rent level following refurbishment. All the tenants have the right to keep their flats.



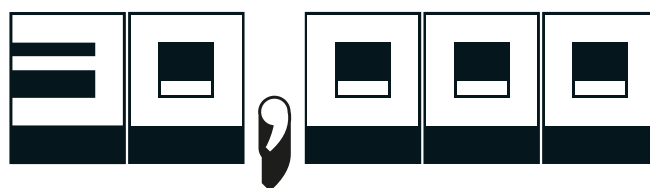
Deutsche Wohnen maintains a close and cooperative dialogue with the borough of Wustermark. In order to create an attractive environment for the new tenants, the borough carried out investments in the local infrastructure. The road and pavements in the adjoining Schulstraße were completely refurbished in 2013, and the schedule for this work was agreed together with Deutsche Wohnen. By 2016 it is also planned to refurbish the market square as well as a further road in the Railway Workers' Estate – and, at the same time, to renew the drinking water and waste water pipes.

Success story for the local borough

Holger Schreiber, the Mayor of the borough of Wustermark, is delighted to see this historic quarter of the town gradually regaining its charm. "I view the results of the refurbishment work so far with pride and can see that our great and shared commitment here in Elstal is turning out to be a success story for the local inhabitants." Particularly families should find an attractive and affordable home in the refurbished Railway Workers' Estate in future.

For the third phase of construction, which is planned to be finished by the beginning of 2016, Deutsche Wohnen is currently working to clarify various floor plan options – and already has another project in the locality in its sights. Recently the company acquired a 7,000 sqm plot of land in the immediate vicinity of the Railway Workers' Estate. It is still not clear how this land will be used. One option would be to build flats that fit in with the existing listed ensemble. This would undoubtedly add to the appeal of Elstal as a family-friendly town within the suburbs of Berlin.

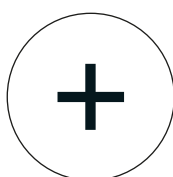
Around

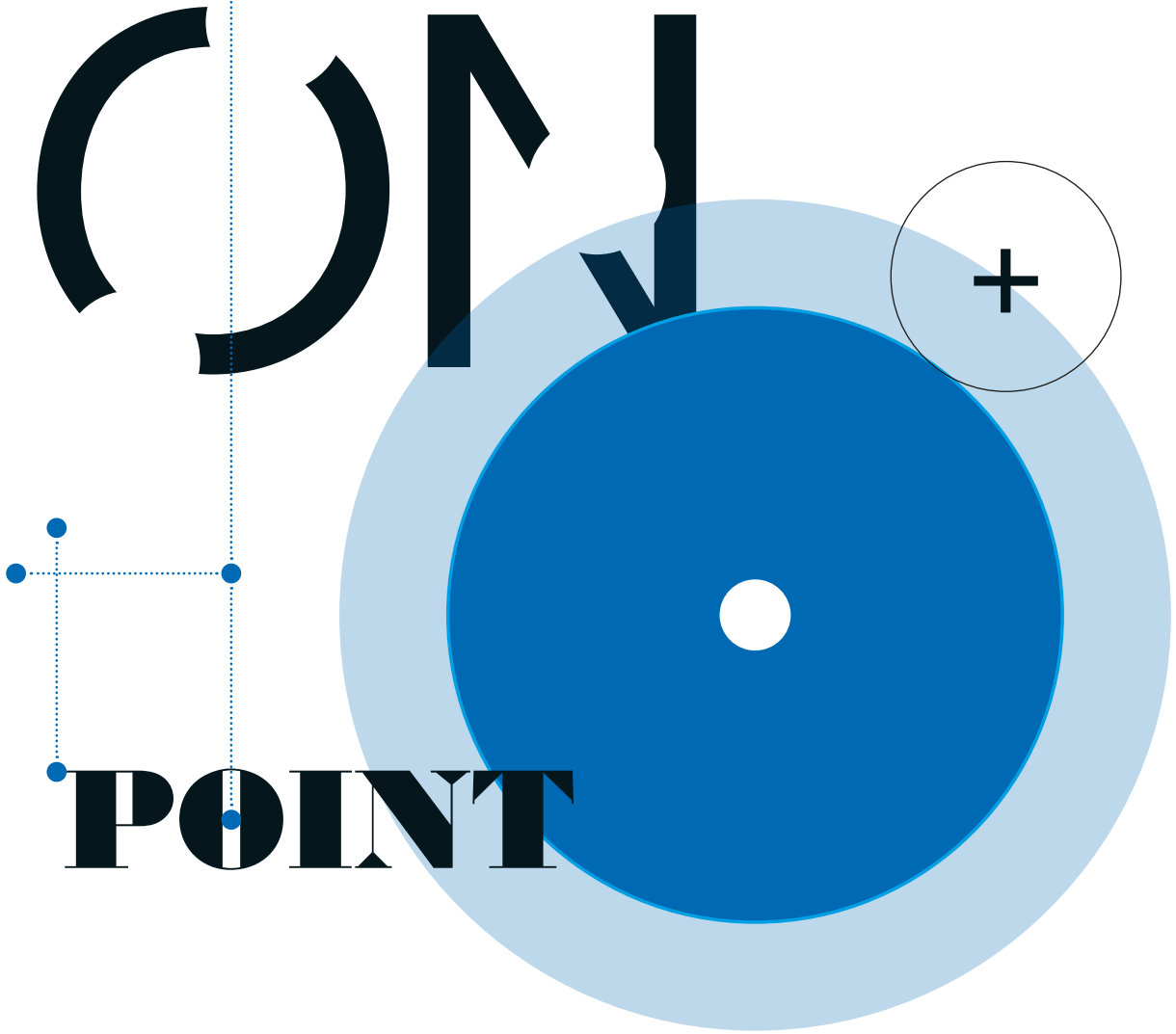


residential units of Deutsche Wohnen (including GSW) are listed – most of them in Berlin

URBAN INTERVENTION AWARD BERLIN

In December 2013 the Senate Department for Urban Development and the Environment in Berlin conferred the "Urban Intervention Award" for the second time. The award, which is made by the Federal State of Berlin every three years, gives recognition to architecture projects which contribute to the quality of life in the city. The award is made in collaboration with Deutsche Wohnen, which also donates the prize money of EUR 3,000. Alongside the winners in the existing categories "Built" and "Temporary", there was an award for the first time for a project in the category "Living". This new Berlin "Apartment Oscar" went to a small, but very innovative and social project. VinziRast-mittendrin is a baroque building from the 18th century in the centre of Vienna which an association by the name of Vinzenzgemeinschaft St. Stephan and students from the University of Vienna have converted into residential accommodation for students and homeless people. They live together in 10 half-public flat-sharing communities and the idea is that they should learn from each other and give each other mutual support. The residential project is supported by social workers on a voluntary, charitable basis. On the ground floor of this attractive building there is a café that offers simple, good-value food.





NEIGHBOURHOOD WITH HEART AND ATTITUDE

Berlin-Hellersdorf, once a problem borough in the city, is on the up. And Deutsche Wohnen is contributing to this with a carefully designed letting policy and by staying in close personal contact with tenants, prospective tenants and representatives of the borough.

"Welcome!" Stefanie Steinfurth hands over to a young woman a Deutsche Wohnen bag containing her new tenancy agreement. It is 10 am and this is already the third new tenant leaving the Deutsche Wohnen Service Point in the Berlin borough of Marzahn-Hellersdorf. The waiting area is filled with tenants and prospective tenants, and there is a general hubbub in the room. "Thursday is the tenants' consultation day, so we're always exceptionally busy," explains Ms Steinfurth, the Service Point manager. She is supporting her colleague today because there are so many visitors.

More than 80 applications had been received for the two-room flat which she has just let. But even large flats, which were difficult to let only a few years ago, are becoming increasingly popular – particularly with families from inner-city boroughs. The times when Hellersdorf was seen as undesirable have long since passed. Whereas the vacancy rate in Hellersdorf was as high as 15% ten years ago, it is currently just 2.8% in the housing offered by Deutsche Wohnen. This large pre-fabricated East German residential estate has shaken off its grey image, and these typical apartment buildings are no longer seen as anonymous concrete blocks. Today the appearance of Hellersdorf is characterised by extensive green areas, countless children's play areas, affordable rents and colourful buildings that have been refurbished to a good standard.

The average in-place rent
in Marzahn-Hellersdorf is EUR

4.87 per sqm

Committed

“People in Hellersdorf have a very direct manner – the typical gruff attitude of Berliners. But if you speak plainly to them and hold your own from time to time, you get on with them really well,” says Stefanie Steinfurth, who was born in Mainz. In Hellersdorf Deutsche Wohnen has 16 employees dealing with the concerns of tenants and prospective tenants in its local Service Points.

In person

Stefanie Steinfurth manages the Deutsche Wohnen Service Point in Hellersdorf.

Currently Deutsche Wohnen's holdings in Marzahn-Hellersdorf consists of around 8,700 flats and a further 3,400 units in neighbouring Lichtenberg. In April 2013 the company opened its Service Point Hellersdorf in Stollberger Straße in order to be locally accessible. Because the size of the holdings has grown significantly, a further Service Point followed at the beginning of 2014, just a few kilometres away in Hellersdorfer Promenade.

Social challenges under control

As a major new neighbour, Deutsche Wohnen actively sought to establish contact from the very start with local business and industry, with politicians and with social institutions in the area. In a large number of personal conversations Ms Steinfurth has gained insight into social challenges, expectations and wishes. In the 2013 social structure report of Berlin the borough of Marzahn-Hellersdorf is near the bottom of the table in respect of almost all indicators of disadvantage. "This inevitably has an influence on us as a housing company," says Ms Steinfurth.

This means that there are, on the one hand, many tenants who have lived here for a long time and who feel responsible for their local surroundings, whilst there are others who do not identify with this area. Therefore, Deutsche Wohnen pursues a double strategy here. It takes very great care to ensure that in any residential building the house rules are enforced and that there are no problems caused by noise, refuse and so on. As Ms Steinfurth explains, "Personal conversations of my staff with tenants who are at loggerheads with each other tend to calm things down." At the same time, Deutsche Wohnen supports the tenants and institutions that stand up for fair and cooperative relations between neighbours. In this way it helps to gradually stabilise these neighbourhoods.

The holdings in
Marzahn-Hellersdorf
consist of

8,700 flats



Attractive

Hellersdorf is characterised today by well-refurbished housing and spacious green areas.

RESIDENTIAL UNITS IN GREATER BERLIN

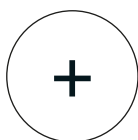


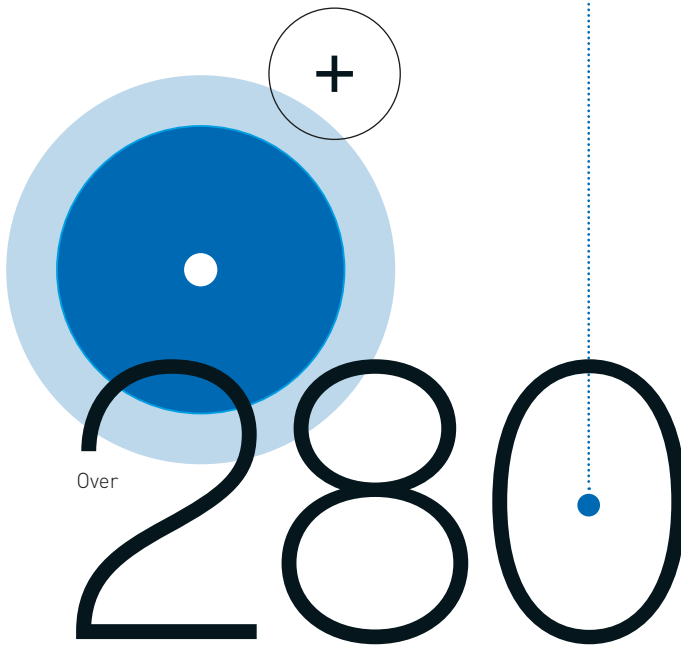
Getting the mix right is the key

This approach is showing the first signs of success. In May 2014 Deutsche Wohnen and the borough of Marzahn-Hellersdorf jointly organised a reading festival with an extensive programme of entertainment and educational activities for adults and children alike. The occasion was the 20th anniversary of the “Ehm Welk” library – an important tenant of Deutsche Wohnen. Another way of upgrading this area is to encourage businesses to settle there. With the help of rent reductions Deutsche Wohnen is trying to attract social facilities and artists to the borough – with some success. The youth facility U5 has rented premises in Boulevard Kastanienallee, and in August 2014 a further social centre within the borough signed a lease agreement. It has also been possible to gradually attract important amenities like doctors’ surgeries to the area. In addition, Deutsche Wohnen will be investing EUR 20 million over the next few years in a family-friendly refurbishment of the neighbourhood in and around Hellersdorfer Promenade.

However, the most important – and sometimes neglected – tool which housing associations can use to enhance the quality of a neighbourhood is to consciously select the tenants. If residential areas are filled with the wrong tenants because the letting process was carried out too quickly or with a view to achieving short-term success, it can often take years to create a functioning neighbourhood again. Getting the mix right is the key: the young and the elderly, families and single people, the employed, the self-employed and the unemployed. This may sound obvious, but in practice it requires a great deal of tact. This is the reason why the Deutsche Wohnen employees who are responsible for lettings are based in the local Service Points and not in head office. They know the neighbourhood, and they know which flats are in demand and which new tenants will fit in with existing tenants. Together tenants and colleagues from customer support agree on the right mix.

Tenants must be suited to one another. The strong help the weak, and problems are solved equitably by the residents themselves. For this reason, the task of letting flats requires an understanding of human nature.





visitors are received at the Service Point in Hellersdorf on busy days

In demand as mediator and adviser

Of course, even a carefully managed letting policy cannot prevent every conflict. In the Service Point Hellersdorf an elderly gentleman is complaining loudly about the fact that the washing machine in the neighbouring flat runs at night. Stefanie Steinfurth suggests a joint meeting with the neighbour. In cases like this she is needed as a mediator, and sometimes as a psychologist as well. Fundamentally, she trusts in the ability of the tenants to take shared responsibility for finding a solution. "Very often a personal conversation helps to calm things down. Only if things escalate, do we decide what has to be done," she explains.

A not uncommon problem in Hellersdorf is rent arrears. "A lot of tenants who are in arrears try to avoid us by burying their heads in the sand like the proverbial ostrich," says Ms Steinfurth. In such cases Deutsche Wohnen involves special advisers. They talk to the tenants and put them in touch with a debt counsellor if the tenants want this. Depending on the specific situation, it is agreed that the tenants will pay off the backlog in instalments, or a smaller, more affordable flat is found for them. "This way of doing things helps both parties. The tenants gain greater control of their financial situation and we are spared a legal dispute," explains Ms Steinfurth.

Many conversations, telephone calls and emails later, she says "Good bye" to the last visitor of the day at the Hellersdorf Service Point. In total, 16 new tenants have been welcomed on this day and around 280 visitors given advice on a variety of concerns. There is no question about it: Hellersdorf is now an attractive location for tenants.

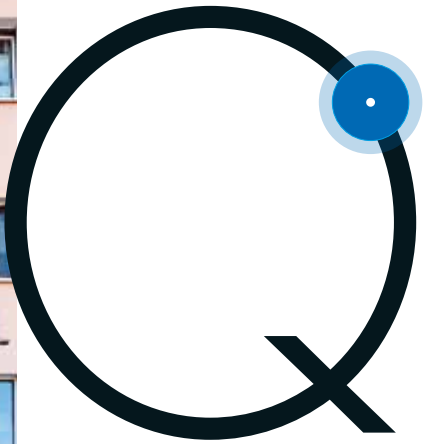


It is better to think things through together instead of serving notice on the tenant straight away. Where there are rent arrears, Deutsche Wohnen involves advisers who work with the tenants to find solutions to their financial problems.



In demand

Smaller flats are particularly in demand in Hellersdorf at the moment.



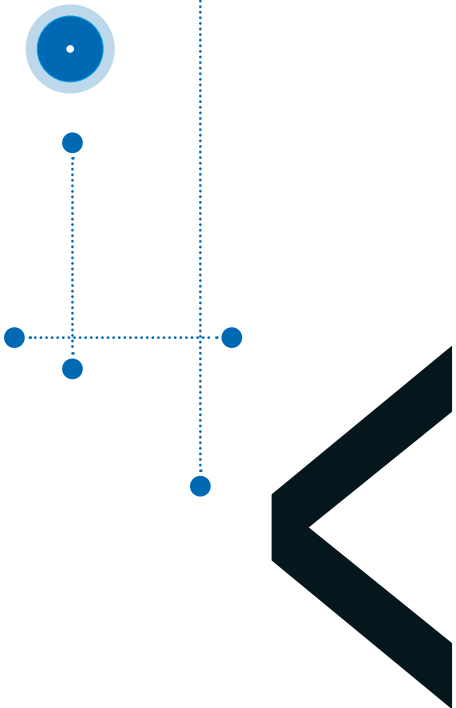
Neighbourhood with heart

FOCUS ON HELLERSDORF

The borough of Marzahn-Hellersdorf lies at the eastern edge of Berlin. It consists of the five former villages of Biesdorf, Hellersdorf, Kaulsdorf, Marzahn and Mahlsdorf. Approximately 250,000 inhabitants live here in an area measuring 6,185 hectares. Whilst Biesdorf, Kaulsdorf and Mahlsdorf, in particular, are characterised by cohesive areas of housing, including detached houses, in Marzahn and Hellersdorf modern, large-scale estates of apartment blocks predominate. Deutsche Wohnen manages around 8,700 flats in this borough and operates two Service Points.

CLAUSE IN LEASE AGREEMENT AGAINST THE EXTREME RIGHT

For a long time Marzahn-Hellersdorf was seen as an area of extreme social disadvantage, and it is only in the past few years that its image has improved. However, in the summer of 2013 groups on the extreme right put themselves in the spotlight of the national media once again by organising demonstrations and protests against the opening of a home for refugees. In response to this, a broad movement consisting of representatives from local politics, social groups and local business was formed and took a stance against right-wing extremism. The Service Points in Hellersdorf have now included clauses in their business lease agreements that prevent the tenants from selling products that are extremist right-wing, racist or anti-semitic in nature. It is also forbidden to use premises for meetings or events at which extremist right-wing, racist or anti-semitic thinking is presented or disseminated.



The retention of one's own employees is decisive for commercial success in times of skills shortages. Deutsche Wohnen relies here on individual development opportunities, transparent communication and support for employees in combining work and family successfully.

Interesting work, fair pay and a good atmosphere in the company – this used to be enough to ensure that an employer was in demand. But the job market has changed, and demographic change will lead to a shortage of skilled labour here in Germany in the medium term. At Deutsche Wohnen this development is already noticeable. The number of applicants for vacancies is falling, and the effort required to fill these positions is rising.

At the same time, employees are proving to be quite prepared to change jobs. In 2013 staff turnover increased and the average length of service with the company fell. "This means that we have to ask ourselves what we can offer our employees," says Jörn Mittag, a Human Resources manager at Deutsche Wohnen.

**JOB WITH
PROSPECTS**





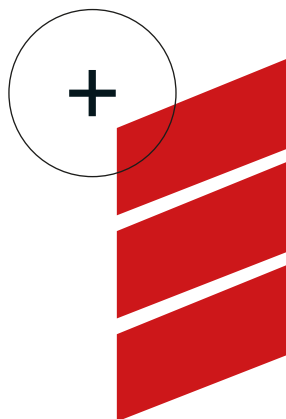
Long-term

Jörg Mittag, Human Resources manager at Deutsche Wohnen, wants to retain employees.

Prospects in the company

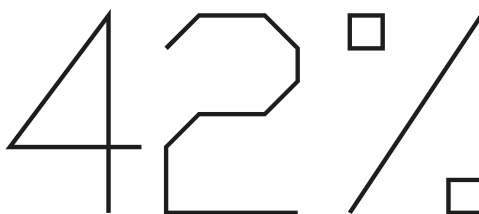
The logical answer to this question is for a company to develop the talents of its employees and to retain their services long-term by offering career prospects and attractive benefits. In September 2013 14 young people started their training at Deutsche Wohnen to become qualified real estate managers. In the course of this training they acquire key skills for all the central areas of the company – ranging from neighbourhood management to procurement to investment management through to intercultural services. “As part of our talent management we are also looking at offering traineeships for graduates,” says Mr Mittag. It is also planned to intensify cooperation with universities.

Thanks to flat hierarchies, the employees have considerable scope to make decisions in their day-to-day work. In regular conversations, and with the help of clear job descriptions and individual agreements on performance targets, they are given a clear picture of what is required of them and what their prospects are in this expanding company. They are supported in their personal and professional development by a broad range of training opportunities. Performance-related salary components ensure that hard work and achievement are worth it for each individual.



Doing more to reward hard work and support healthy living

Since January 2014 Deutsche Wohnen has also expressed its appreciation of its employees in their individual situation in life by offering further voluntary benefits. These include vouchers for a wedding or the birth of a child and two days' compassionate leave if there is a bereavement in the family. The company is also doing more to support the health of its employees. Every two months there is a free fruit buffet at work, and four times a year there is a health day with free massages and a company health insurance provider offering preventive health measures. If employees take an active part in sports events, they acquire bonus points in exchange for which they are given vouchers at the end of the year, for example for sportswear shops.



of the employees are younger than 35 years old

In future the 60 employees within the company who have responsibility for looking after the apprentices will each receive – assuming they have been given a good evaluation by the trainees – a special bonus of EUR 1,500. They do this work voluntarily and in addition to their actual responsibilities.



Compatible

Various working hours models give the employees greater flexibility.

A willingness to listen to employees

As a growing company, Deutsche Wohnen is concerned to closely involve its employees in decisions and developments. As Mr Mittag, the Human Resources manager, says, "It is also important for us to know our employees' needs." An employee survey that was conducted anonymously throughout the company in April 2014 is serving as indicator of the mood amongst staff and enabling the company to draw conclusions about employee motivation and satisfaction. At the same time, this survey is intended to indicate where there is potential for improvement. This survey will be conducted regularly in future.

A tool for involving employees that has proved its worth for years is the focus group. Its 22 members represent the various business areas, locations and companies within Deutsche Wohnen and they meet twice a year in Berlin. At these meetings they discuss unresolved or even controversial issues. Where necessary, the CEO is involved as well. During the year the focus group communicates in a closed intranet forum.

Compatibility of family and work

Nowadays the attractiveness of an employer is also measured by the extent to which he makes it possible for staff to combine work and family. The fact that women now hold 46% of management positions (excluding KATHARINENHOF®) shows that the various working hours models at Deutsche Wohnen are having an effect at all levels of the company. At the moment it is predominantly women who frequently decide against taking a management position because they lack support. With special parent-child offices in both Berlin and Frankfurt/Main Deutsche Wohnen has initiated a small but important change in culture. This could pay off in future because it is becoming increasingly important for men to combine work and family as well.



Helping to shape growth: The employees at Deutsche Wohnen can contribute ideas and critical feedback via the existing focus group or what will be a regular survey in future.



+

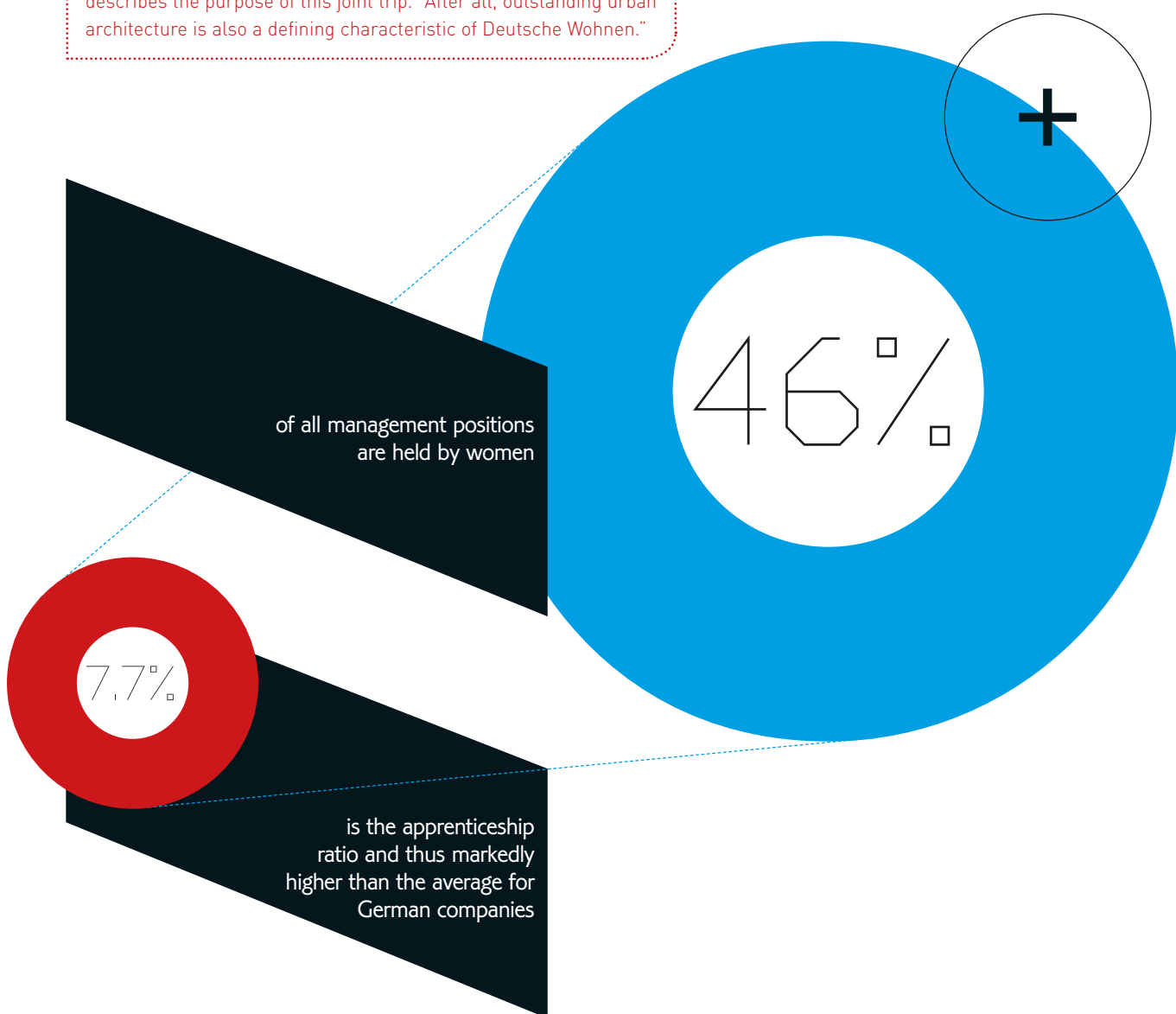
BRUNO FOR GREATER TRANSPARENCY

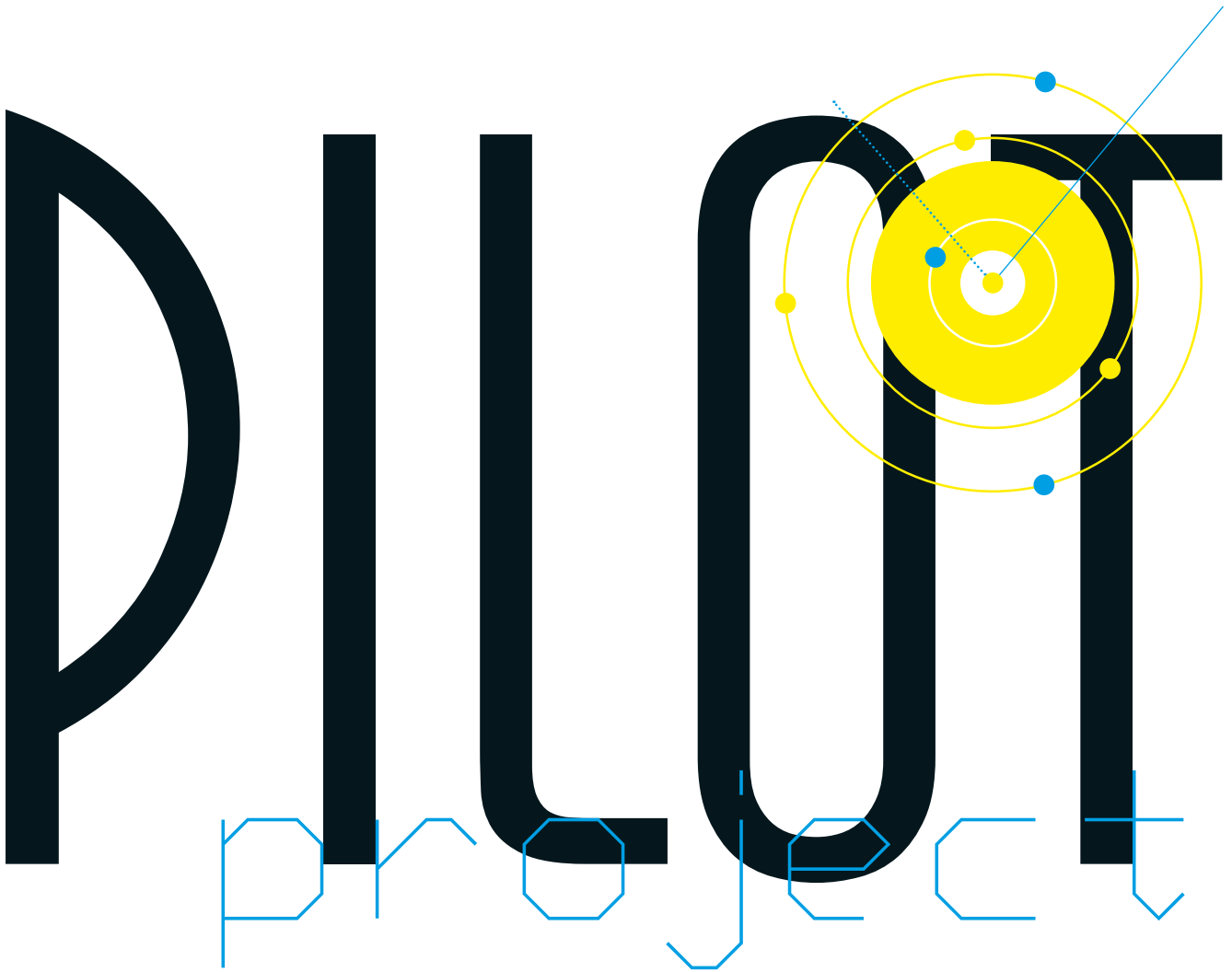
Deutsche Wohnen has enhanced the quality of its internal communication with the help of "bruno". Since October 2013 this quarterly newsletter has been informing the employees at the company about current developments and providing deeper insights into issues with the help of interviews. The newsletter also provides information about the social commitment of the company and introduces new colleagues, too. In this way, "bruno" also helps to integrate new staff. The name for the newsletter comes from Bruno Taut. He was the chief architect employed by GEHAG and designed a large part of the housing which Deutsche Wohnen owns today.

GETTING YOUNG PEOPLE INTERESTED IN URBAN ARCHITECTURE

It has been a tradition at Deutsche Wohnen since 2006 to organise a trip with all the trainees to a city of outstanding architectural merit. In January 2014 the destination was Rome. 37 trainees explored the "eternal city" together with their two tutors and managed to visit, amongst other places, the Sistine Chapel, St. Peter's, Castel Sant' Angelo, the Trevi Fountain and the Spanish Steps. There was hardly a sight they left out. "For me it is important that young people get a feeling for what makes a city liveable and for the power of architecture to shape this," is how Katrin Birnbaum, the Head of Training, describes the purpose of this joint trip. "After all, outstanding urban architecture is also a defining characteristic of Deutsche Wohnen."

To share knowledge and experience promotes a sense of togetherness in a growing staff.





THE MOST IMPORTANT THING IS EFFICIENCY

Together with a strategic partner Deutsche Wohnen has been pursuing the goal of improving the energy efficiency of all its properties since 2013 – in the interests of climate protection and, given the fact that energy costs are rising, very much in the interests of the tenants too.

When the construction work in Dieselstraße and Heinrich-von-Kleist-Straße in Potsdam-Babelsberg got underway at the beginning of April 2014, this represented a milestone for Deutsche Wohnen in two respects. Firstly, the company had started a new build for the first time in two decades. By 2016 a total of 103 flats for rental will have been built on the site, which is over 20,000 sqm in size. The flats meet the widely used energy standard KfW 70 and are also based on the guidelines issued by the German Sustainable Building Council (DGNB – Deutsche Gesellschaft für Nachhaltiges Bauen). The new buildings complement an existing railway workers' housing complex from 1928. Overall, the new residential complex will consist of just under 200 residential units in future.

Deutsche Wohnen
is having over

1,200

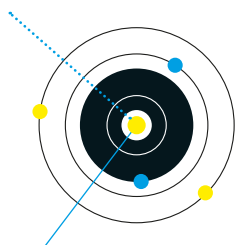
heating systems checked in terms
of their energy efficiency

The second milestone is that the complex itself will meet the tenants' needs for heating and hot water completely in an environment-friendly way. This will be achieved by a combined heat and power unit running on biogas and by two new gas boilers which will go into operation on the site in summer 2015. Compared to a traditional utilities structure, they will reduce CO₂ emissions by approximately 52 % a year.



In 2013,

residential complexes implemented the results of an expert energy report commissioned by Deutsche Wohnen



Working together for more efficiency

The builder and operator of the combined heat and power unit is G+D Gesellschaft für Energiemanagement mbH, which is based in Magdeburg. This is a joint enterprise which was founded by Deutsche Wohnen and GETEC AG in summer 2013. This medium-sized model company provides energy and utilities services all over Germany for industrial companies, complex properties and housing companies, and is seen here in this country as a market leader.

It is the aim of this strategic cooperation to realise joint projects, to bundle the gas procurement for Deutsche Wohnen's properties and to improve their energy-efficiency. "As a group of companies we are providing a first response to the energy policy challenges of the future," explains Lars Dormeyer, CEO of Deutsche Wohnen Construction and Facilities GmbH. Private households consume around a quarter of all the final energy in Germany. For this reason, property companies can make a considerable contribution to helping the energy transition to succeed – whether this is by carrying out energy-efficient refurbishments of their properties or by providing them with energy that is environment-friendly. In times of rising energy prices, both these things contribute to ensuring that the company's properties remain competitive.

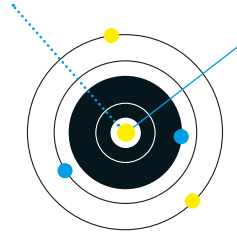


Together with G+D GmbH, Markus Stoll and Fabian Seifert are carrying out an energy-efficiency analysis of Deutsche Wohnen's properties.

Insulated

Facades that have undergone an energy-efficient refurbishment make an important contribution to the energy transition.





Generating environment-friendly electricity

Deutsche Wohnen relies partly on solar cells for providing environment-friendly electricity. It operates 76 solar energy plants on the roofs of its properties, in particular in Saxony and Saxony-Anhalt. In total, Deutsche Wohnen has installed a capacity of 1,169 kWp, which generates around 950 MWh of electric power every year. A further method used by Deutsche Wohnen is to generate electricity and heat in an efficient and environment-friendly way by using its own combined heat and power plants. The current project in the residential complex in Potsdam is based on the combined heat and power plant which Deutsche Wohnen, together with GETEC, put into operation in the UNESCO White City Estate ("Weiße Stadt") in Berlin-Reinickendorf at the beginning of 2012. Last year the plant produced around 4,400 MWh of heat and around 4,600 MWh of electric power. If one takes the combined heat and power plant and the solar cell plants together, Deutsche Wohnen generated in 2013 around 37% of the electric power that was needed for the general provision of communal electricity (not including GSW).

However, the amendment which the federal government has made to the Renewable Energy Act risks making the operation of a combined heat and power plant of one's own for the purpose of supplying housing with electric power no longer commercially viable. For this reason, Deutsche Wohnen is re-examining its plans for the building of further combined heat and power plants.

Comprehensive analysis of energy efficiency

The G+D Gesellschaft für Energiemanagement mbH is currently focussing on its most important project: an analysis of all the properties of Deutsche Wohnen in terms of their energy efficiency. In addition to the entire holdings of Deutsche Wohnen, this also includes the 21 facilities for Nursing and Assisted Living operated by KATHARINENHOF®. Germany-wide this amounts to more than 1,200 residential and nursing complexes. The joint enterprise will use the results of this analysis to plan individual energy supply concepts for Deutsche Wohnen's properties.

These concepts will depend on various factors. What kind of property is it? How old is the existing energy supply system? What source of energy is used? In what way are the legal framework conditions developing? "In the case of some systems we will be able to optimise the generation and consumption of power; in the case of others we will have to think about reconditioning or replacement," says Markus Stoll, Director of Sales and authorised representative of GETEC Wärme und Effizienz AG. Alongside tried and trusted fuels like natural gas, the use of renewable energies like biogas or wood pellets will be examined.

In each individual case both ecological and economic criteria have to be considered. But, as Lars Dormeyer says, "The tenants also benefit from any measures that improve energy efficiency and that are, therefore, environment-friendly." After all, it is clear that, given rising energy costs, it is only a fall in consumption that will reduce costs.

Provided with power

In the White City Estate ("Weiße Stadt") Deutsche Wohnen generates power by using its own combined heat and power plant.

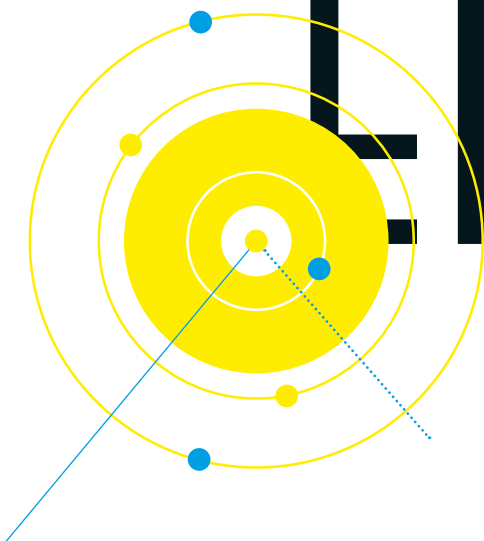


232

kW will be the thermal capacity of the combined heat and power plant in the residential complex in Potsdam-Babelsberg

Saving

ENERGY



EFFICIENT POWER PLANTS

The principle behind combined heat and power plants is that they produce heat and electricity at the same time. Their advantage over traditional power supply is particularly great when the heat that is a by-product of the electricity generation can be used directly in the locality where it has been produced. In such circumstances, the efficiency of a combined heat and power plant in respect of the fuel that is used – as a rule natural gas or wood – is over 80%.

INSULATED FACADES

In 2013 Deutsche Wohnen brought the facades of a residential complex in the Oberstadt district of Mainz up to the latest standards of energy efficiency with the help of insulation cladding. These apartment houses with a total of 185 residential units were built between 1951 and 1953 – a time when the priority was to build housing as quickly as possible. In total, Deutsche Wohnen invested more than EUR 3.8 million in the refurbishment of the residential complex. The external plastering of the facade was also renovated, and windows and some of the front doors refurbished.

OPEN DOORS

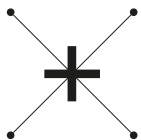
In October 2013 residential complexes, public properties, industrial and commercial buildings, as well as some of the facilities in Berlin's power generation industry opened their doors. In the course of this awareness week by the name of "Berlin saves energy", which the Senate Department for Urban Development and the Environment organises together with various project partners every year, industry experts and the general public were shown innovative appliances and systems for buildings and cutting edge building technology. Deutsche Wohnen was once again involved. On two tours with the title "DenkMal Energetisch" (a play on words meaning both "Think energy-efficient" and "Historic building – energy-efficient") the White City Estate ("Weiße Stadt") in Reinickendorf and the Waldsiedlung in Zehlendorf were presented as model projects with regard to energy efficiency.

At home

Together with various partners Deutsche Wohnen supports people in need in their local environment.



STRENGTHENING SOCIAL COHESION

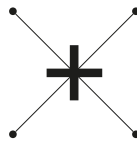


Create added value with what you have and with what you can do. This is the principle behind Deutsche Wohnen's commitment to the social good. Specifically, this means that the company uses its own housing and its housing management know-how to strengthen social cohesion.

An example of how this works in practice is Deutsche Wohnen's collaboration since 2012 with the flat-finding service operated by Hestia, a registered charitable association in Berlin. This association supports women who are victims of domestic violence by providing them with accommodation in its safe house and by helping them to find a new flat. Moreover, it is becoming more and more difficult for these women and their children to find a flat. Any woman who has escaped from domestic violence to the women's safe house is, initially in most cases, dependent on state benefits – not a good basis for finding a flat in a city where demand is high. However, the women and children cannot remain in the safe house over a long period of time because the room there is needed to provide support to new crisis cases. "The pressure on women who can't find a flat themselves is considerable," explains Martina Arend, who runs the flat-finding service at Hestia.

Thanks to the collaboration of Hestia with the Service Points of Deutsche Wohnen, the chances for these women have improved. With the help of the Service Points Ms Arend was able to place seven women in flats in 2013. In the first quarter of 2014 Deutsche Wohnen provided eight of the total of 58 flats that were found in Berlin by Hestia. Ms Arend describes the collaboration as "uncomplicated" – a good basis for developing this work further. However, she also knows that the basis of mutual trust has to grow. "It will take time for both sides to know what they need, what is possible and what is not possible."

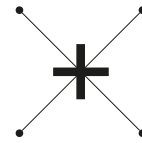
In 2013 Deutsche Wohnen's commitment in terms of donations and sponsorship amounted to EUR 177,567.



EUR 6,140

for a children's hospice in Pankow

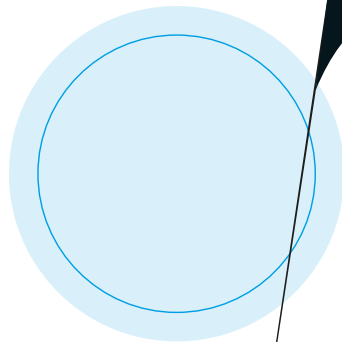
A direct donation and payment of costs for snow clearance and window cleaning



EUR 13,744

for the Luisa-Haeuser Women's Charity in Frankfurt am Main

Deutsche Wohnen foregoes the leasehold payments



"The pressure on women who can't find a flat themselves is considerable."

Martina Arend, head of the flat-finding service at Hestia, a registered charitable association in Berlin, helps women who are victims of domestic violence to find a place to live – with the support of Deutsche Wohnen.

Helping others to help themselves

Social cohesion is also strengthened by the NaDu day care centre for children in Sahlkamp-Mitte in Hanover – a facility supported by Deutsche Wohnen. People from 80 nations live in this district of the city in a social housing estate characterised by high-rise blocks of flats. Unemployment amongst the residents is above-average. The day care centre for children, which was founded in 2004 by Spats, a charity promoting self-help, offers the approximately 600 children and young people in this neighbourhood a home from home. In 2013 Deutsche Wohnen donated EUR 10,000 to help one of its projects get started – a project which is designed to encourage children to work with their hands. The children work mostly with wood, building and repairing things, and they create for instance birdhouses or cars. The project manager, Vitali Goldin, summarises the pedagogical intention of the project in just a few words: “Don’t wait for others! Help yourself!” From 2014 the day care centre for children is being given long-term support by Deutsche Wohnen in the form of a fixed sponsorship agreement. The agreement guarantees a contribution of EUR 18,500 to the wage costs for a social worker.

We say “Thank you”

Spontaneous and rapid emergency help also deserves recognition – especially when such help protects infrastructure and housing from terrible damage. This was the case during the flood in June 2013, which also affected the historic housing estate in the district of Cracau in Magdeburg. Without the strenuous efforts of the Technisches Hilfswerk (THW, Federal Agency for Technical Relief) and the local voluntary fire brigades the residents would have seen their homes submerged. In recognition of this help, Deutsche Wohnen – as the owner of the housing estate in Cracau – got together with commercial tenants and local institutions to organise a festival with the motto: “Wir sagen DANKE” (We say “Thank you”). In her capacity as a fully authorised representative of Deutsche Wohnen Dr Kathrin Wolf handed donations totalling EUR 95,000 to the local branch association of the Federal Agency for Technical Relief and the local voluntary fire brigades. This sum also included EUR 15,000 for the canoeing and rowing division of the sports club SC Magdeburg, which was badly hit by the flood.

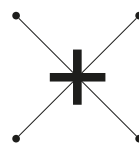
Long-term
sponsorship
creates security;
spontaneous
donations relieve
acute need

Encouraging

Deutsche Wohnen assumes social responsibility in places where it runs its business operations.

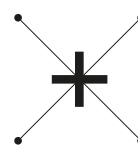
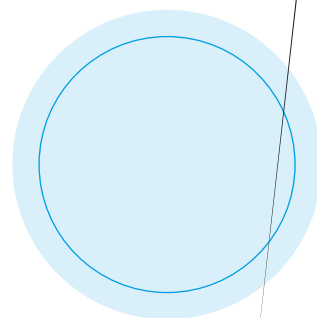


It is very important to Deutsche Wohnen to strengthen the neighbourhood where its tenants live. In future, we will continue to support social and educational projects which improve cohesion and also the quality of life in and around our housing.



EUR 13,642

for the Grohner Düne (a large social housing complex) in Bremen
Deutsche Wohnen takes over the costs for a female social worker



EUR 5,000

for the Manna Family Centre in Gropiusstadt in Berlin
Donation



THE CHALLENGE OF OLD AGE

MORE

Nursing care and assisted living are amongst the greatest challenges facing a society affected by demographic change because, as people get older, there is a marked increase in conditions like dementia.

They forget what they have just said, can't cope with everyday life and at some stage they don't recognise members of their family any more. Currently around 1.3 million people in Germany are affected by dementia. By 2050 – this is the forecast of researchers at the Berlin Institute for Population and Development – there will be twice as many. Even today, dementia is the most common reason for elderly people to move or be admitted to a nursing care facility.

The KATHARINENHOF® Group has made this illness the focal point of its care concept. It offers a total of around 2,160 nursing and assisted living places in its 21 facilities in different parts of Germany. Its performance in meeting the quality requirements associated with the care of people suffering from dementia is well above average. This is shown by the extremely good results (1.0 to 1.2) which the KATHARINENHOF® facilities achieved in an evaluation carried out by the medical service of the health insurers.

"The overall concept is right," is also the point of view of Jörn Kiselev, a member of the research group for geriatric care at the Charité University Hospital in Berlin. For the past three years his 78-year-old mother, who was diagnosed with dementia several years ago, has been living in the KATHARINENHOF® Am Preußenpark facility in Berlin. "She has made clear progress. Her cognitive skills are better than they were three years ago," says Mr Kiselev.

18

of the 21 KATHARINENHOF® facilities
are owned by Deutsche Wohnen

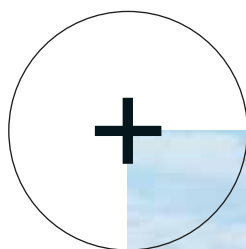
Exemplary in terms of therapy and building design



Experts confirm that people suffering from dementia are extremely well looked after in KATHARINENHOF® facilities.

Many elements have contributed to high quality of care, not least the building design. By means of structure and the use of a different colour on each floor, the design takes into particular consideration the needs of dementia sufferers. As Mr Kiselev explains, "This alone helps people enormously to find their way around, to stay calm and not to panic." His opinion regarding the specialist skills and social skills of the staff is entirely positive, and he praises their ability to identify types of behaviour and to deal with them competently. "The core staff members have a high level of understanding of what dementia is about," he says.

Innovative preventive ideas like fall diaries and records of other problem events go hand in hand with programmes that support and develop physical and mental mobility. These programmes include a computer room, painting and design courses, seated physical exercises or song evenings, film screenings and – the most recent programme on offer – the telling of fairy tales, which is helpful in activating the long-term memory. In Mr Kiselev's opinion, this variety is one of the major strengths of the KATHARINENHOF® facilities. "It is an important aspect of quality that the residents are supported by a broad range of social programmes and that the staff ensure that they become involved."



2,166

nursing and assisted living places were provided by KATHARINENHOF® in 2013

In 2013 the average occupancy rate of the facilities was

96.1%

Looked after

A high quality of support and care is what distinguishes the KATHARINENHOF® facilities.

OVERVIEW OF KEY FIGURES

Deutsche Wohnen Group (as at 31 December 2013)

Economy ¹⁾		2013	2012
Residential units		150,219	82,738
Commercial units		2,146	961
Number of places in Nursing and Assisted Living segment		2,166	1,928 ²⁾
Earnings from Residential Property Management	EUR m	292.3	194.4
Earnings from Disposals	EUR m	23.0	19.9
Earnings from Nursing an Assisted Living segment	EUR m	13.2	9.9
Funds from Operations (FFO without disposal)	EUR m	114.5 ³⁾	68.2
Operating result (EBITDA)	EUR m	252.9 ³⁾	196.5
Market capitalisation	EUR m	3,954	2,046
Environment ⁴⁾		2013	2012
Administrative offices and nursing sites			
Energy consumption per sqm of usable floor area			
Deutsche Wohnen excluding KATHARINENHOF ⁵⁾	MWh	0.21	0.23
KATHARINENHOF ⁶⁾	MWh	0.21	0.22
Water consumption per sqm of usable floor area			
Deutsche Wohnen excluding KATHARINENHOF ⁷⁾	m ³	0.29	0.34
KATHARINENHOF ⁸⁾	m ³	1.02	1.08
CO₂-equivalent emissions per sqm of usable floor area			
Deutsche Wohnen excluding KATHARINENHOF ⁹⁾	t CO ₂ eq	0.024	0.024
KATHARINENHOF ¹⁰⁾	t CO ₂ eq	0.066	0.069
Rented residential holdings			
Energy consumption per sqm of living space ¹¹⁾	MWh	0.16	0.18
Water consumption per sqm of living space ¹¹⁾	m ³	1.20	1.08
CO ₂ -equivalent emissions per sqm of living space ¹²⁾	t CO ₂ eq	0.043	0.045
Communal electricity of rented residential holdings ¹³⁾	MWh	15,021	8,933
Society ⁴⁾		2013	2012
Number of employees			
Deutsche Wohnen excluding KATHARINENHOF ¹⁴⁾		477	382
KATHARINENHOF [®]		1,400	1,035
Proportion of Women			
Deutsche Wohnen excluding KATHARINENHOF ¹⁴⁾	%	75.8	76.8
KATHARINENHOF [®]	%	62.7	62.6
Proportion of women in management positions			
Deutsche Wohnen excluding KATHARINENHOF ¹⁴⁾	%	80.2	82.0
KATHARINENHOF [®]	%	59.5	51.6
Deutsche Wohnen excluding KATHARINENHOF ¹⁴⁾	%	46.3	41.7
KATHARINENHOF [®]	%	73.7	65.4
Apprenticeship ratio			
Deutsche Wohnen excluding KATHARINENHOF [®]	%	6.0	6.3
KATHARINENHOF [®]	%	7.7	8.2
KATHARINENHOF [®]	%	5.1	5.6
Personnel expenses , Deutsche Wohnen excluding KATHARINENHOF [®]	EUR m	31.8 ¹⁵⁾	23.6

¹⁾ Data for 2013 including GSW

²⁾ Including acquisitions in January 2013

³⁾ GSW only December 2013 taken into consideration

⁴⁾ Data for 2013 excluding GSW

⁵⁾ Consumption data for natural gas, electricity, district heating from up to 85% (2012: 77%) of the area used; transportation data for all sites. Data for 2012 was corrected due to more detailed data base

⁶⁾ Consumption data for natural gas, transport, electricity for the Am Preußenpark nursing home, Berlin, with 120 care places (1 of 21 sites)

⁷⁾ Consumption data from 75% (2012: 73%) of the area used. Data for 2012 was corrected due to more detailed data base

⁸⁾ Consumption data for the Am Preußenpark nursing home, Berlin, with 120 care places (1 of 21 sites)

⁹⁾ Calculated from consumption data for natural gas, electricity, district heating from up to 85% (2012: 77%) of the area used; transportation data for all sites. Data for 2012 was corrected due to more detailed data base

¹⁰⁾ Calculated from consumption data for natural gas, transport, electricity for the Am Preußenpark nursing home, Berlin, with 120 care places (1 of 21 sites)

¹¹⁾ Pilot project: Consumption data (including tenant consumption) for eight rented properties in Berlin with 975 residential units and approximately 52,500 sqm of living space (2012: from five rented properties in Berlin with 737 residential units and approximately 37,500 sqm of living space)

¹²⁾ Pilot project: Calculated from consumption data for natural gas (including tenant consumption) from 8 rented properties in Berlin with 975 residential units and approximately 52,500 sqm of living space (2012: from 5 rented properties in Berlin with 737 residential units and approximately 37,500 sqm of living space)

¹³⁾ Building electricity consumption data (electricity for entrance and hallway lights and technical systems) for 77,942 rented residential units (residential units that were under our ownership throughout the year, excluding GSW and further acquisitions; 2012: for 47,272 residential units)

¹⁴⁾ Excluding trainees

¹⁵⁾ GSW and Facilita taken into consideration for December 2013

+++ CONTACT

Manuela Damianakis
Director Corporate Communication
Phone +49 (0)30 897 86 5401

Berlin office
Deutsche Wohnen AG
Mecklenburgische Strasse 57
14197 Berlin

+++ IMPRINT

Published by

Deutsche Wohnen AG, Frankfurt/Main

Plan, text and editing

akzente kommunikation und beratung gmbh, Munich

Concept and design

HGB Hamburger Geschäftsberichte GmbH & Co. KG, Hamburg

Photography

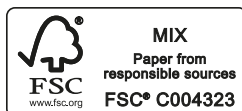
Stefan Maria Rother, Berlin
plainpicture GmbH

Lithography

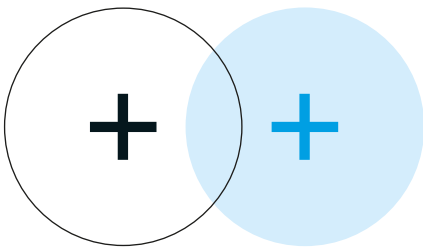
PX2@ Medien GmbH & Co. KG, Hamburg

Printing press

Hartung Druck + Medien GmbH, Hamburg



This Sustainability Magazine (editorial deadline 15 September 2014) is available in German and English. Both versions can be downloaded from www.deutsche-wohnen.com. Also available on this link is our Sustainability Report 2013. It provides detailed information about our ecological and social contribution and was compiled in accordance with the criteria set out by the Global Reporting Initiative (GRI).



DEUTSCHE WOHNEN AG

Registered office

Pfaffenwiese 300

65929 Frankfurt/Main

Berlin office

Mecklenburgische Strasse 57

14197 Berlin

Phone +49 (0)30 897 86 0

Fax +49 (0)30 897 86 1000

info@deutsche-wohnen.com

www.deutsche-wohnen.com