Deutsche Annington Immobilien SE

H1 Results Conference Call

19 August 2015

Rolf Buch, CEO

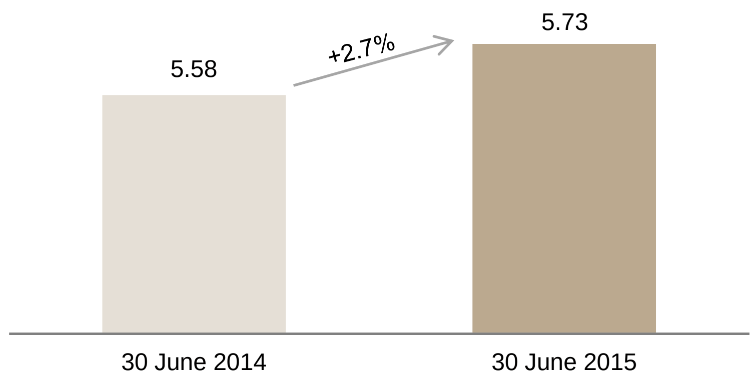
Dr. A. Stefan Kirsten, CFO

Highlights

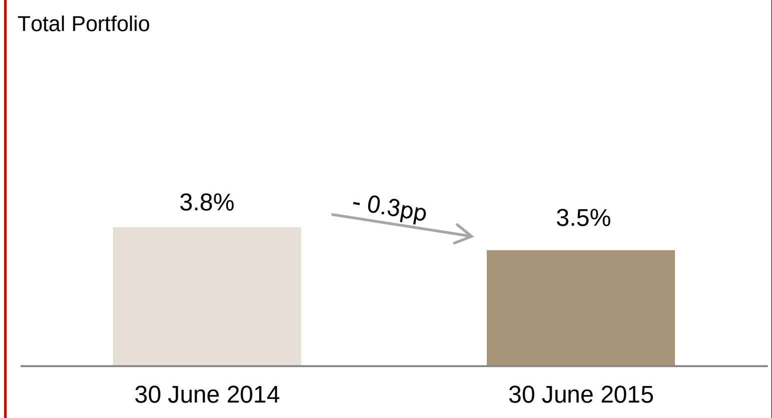
- **Promising operational and financial performance**
  - L-f-l Rent growth +2.7% yoy (€5.73)
  - Vacancy rate -0.3pp yoy (3.5%)
  - FFO1 per share +35.9% yoy (€0.74)
  - EPRA NAV per share +16.2% (€28.14) vs year-end 2014
- **Integration work on track**
  - Platform efficiency evidenced by DeWAG and Vitus
  - GAGFAH integration ahead of plan
  - SÜDEWO transaction closed and funded
- **2015 guidance confirmed and specified**
  - FFO1 per share +20-24% (€1.20-1.24)
  - EPRA NAV per share +19-24% (€27.50-28.50)
  - Recommended dividend per share of €0.94 (+27%)
- **LTV incl. SÜDEWO and rights issue of 50.0% close to mid-term target of <50%**

Operating performance

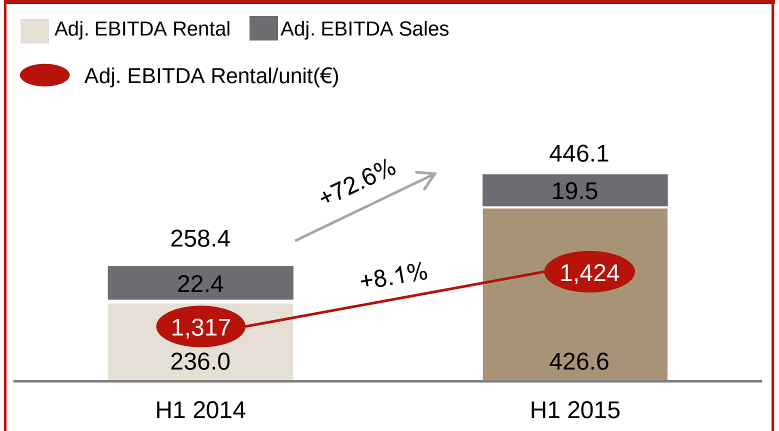
Residential in-place rent (like-for-like, €/sqm)



Vacancy rate

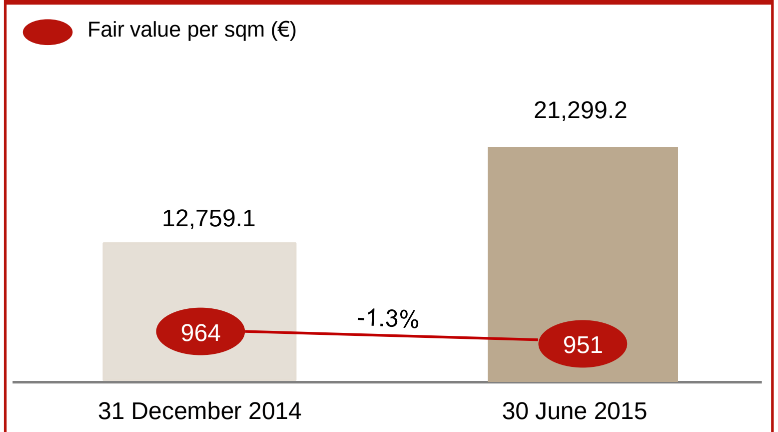


Adjusted EBITDA (€m)



Per unit data based on average number of units over the respective period
Numbers include 4 months of GAGFAH results

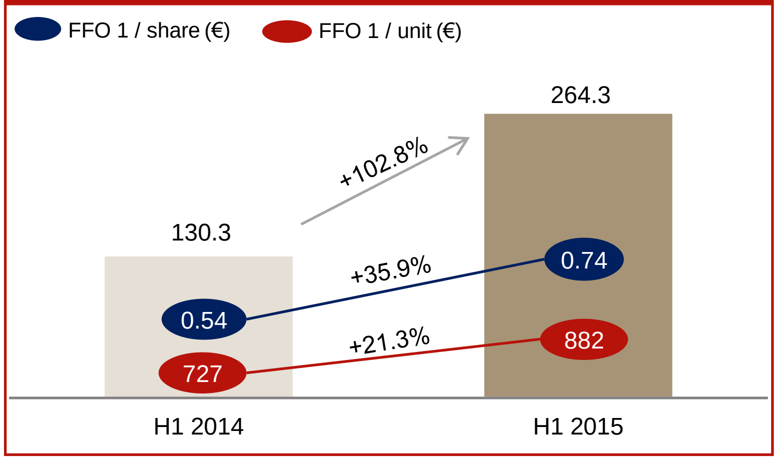
Fair value (€m)



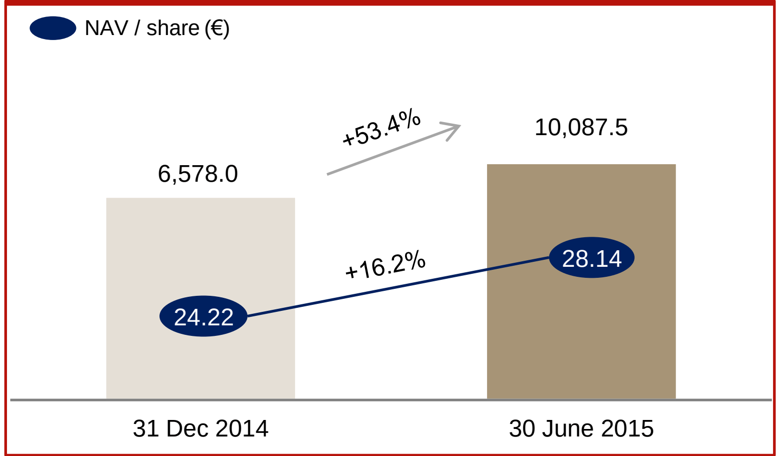
Fair value / sqm as per 30.06.2015 incl GAGFAH. 31.12.2014 only DAIG.

Operating performance (cont'd)

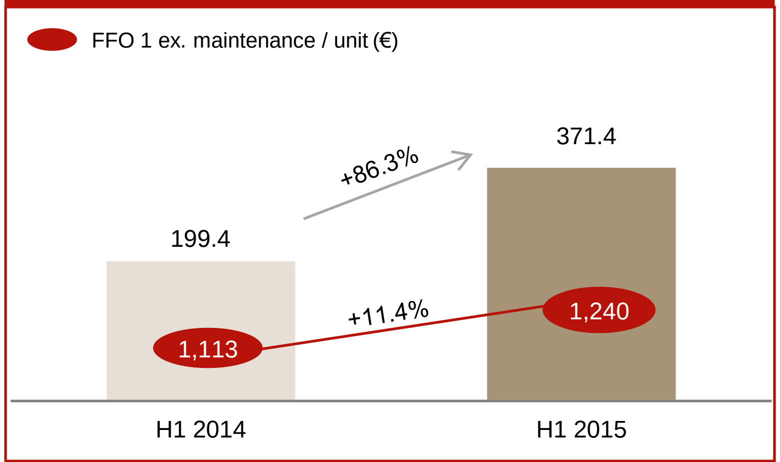
FFO1 (€m)



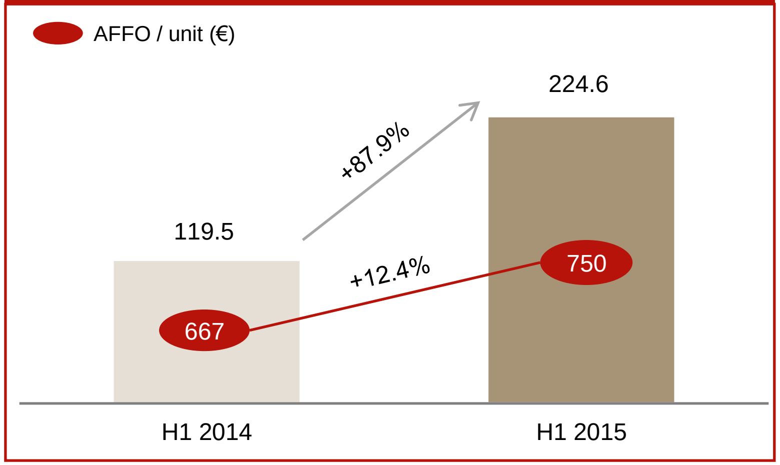
EPRA NAV (€m)



FFO1 excl. maintenance (€m)



AFFO (€m)



Per share data based on number of shares outstanding as of respective reporting dates (30.06.2014: 240.2m; 31.12.2014: 271.6m; 30.06.2015: 358.5m)
Per unit data based on average number of units over the respective period
H1 2015 numbers include 4 months of GAGFAH

FFO

€m	H1 2015	H1 2014	Change (€m)	Change (%)
Adjusted EBITDA	**446.1**	**258.4**	**187.7**	**73%**
(-) Interest expense FFO	-153.1	-98.9	-54.2	55%
(-) Current income taxes	-9.2	-6.8	-2.4	35%
(=) FFO2	283.8	152.7	131.1	86%
(-) Adjusted EBITDA Sales	-19.5	-22.4	2.9	-13%
(=) FFO1	**264.3**	**130.3**	**134.0**	**103%**
thereof attributable to shareholders	251.5	130.3	121.2	93%
thereof attributable to equity hybrid investors	12.8	-	-	-
(-) Capitalised maintenance	-39.7	-10.8	-28.9	268%
(=) AFFO	**224.6**	**119.5**	**105.1**	**88%**
(+) Capitalised maintenance	39.7	10.8	28.9	268%
(+) Expenses for maintenance	107.1	69.1	38.0	55%
(=) FFO1 excl. maintenance	371.4	199.4	172.0	86%

NAV

€m	June 30, 2015	Dec. 31, 2014	Change (€m)	Change (%)
Equity attributable to shareholders	**7,523.8**	**4,932.6**	**2,591.2**	**53%**
Deferred taxes on investment property/ properties for sale	2,445.5	1,581.0	864.5	55%
Fair value of derivative financial instruments[1]	158.9	88.1	70.8	80%
Deferred taxes on derivative financial instruments	-40.7	-23.7	-17.0	72%
EPRA NAV	**10,087.5**	**6,578.0**	**3,509.5**	**53%**
Goodwill	-2,292.8	-106.0	-2,186.8	na
Adjusted NAV	**7,794.7**	**6,472.0**	**1,322.7**	**20%**
EPRA NAV per share (€)[2]	**28.14**	**24.22**	**3.92**	**16%**
Adjusted NAV per share (€)[2]	**21.74**	**23.83**	**-2.09**	**-9%**

[1]Adjusted for effects from cross-currency swaps
[2]Based on the number of shares outstanding as of the respective reporting dates. 30.06.2015: 358.5m; 31.12.2014: 271.6m

Goodwill

€m	June 30, 2015	Dec. 31, 2014
Goodwill DeWAG	10.7	10,7
Goodwill Vitus	95.3	95.3
Goodwill GAGFAH (preliminary)	2,186.8	-
Total Goodwill (as of reporting date)	**2,292.8**	**106.0**
Goodwill SÜDEWO (preliminary until 31.12.2015)[1]	approx. 340	-

[1]as per 8 July 2015, incl. deferred taxes of approx. €230m

GAGFAH Goodwill – Q2 development by PPA item

	€m
Preliminary Goodwill as at March 31, 2015	**2,203.4**
Investment properties (IAS 40)	-232.1
Property, plant and equipment (IAS 16)	+1.4
Multi-employer post-retirement benefit plan obligation (VBL)	+27.6
Deferred taxes	+64.2
Consideration for acquired share in extended offer period due to Luxembourg corporate requirements	+238.0
Adjustment for non-controlling interests to 93.80%	-119.2
Miscellaneous	+3.5
Indicative and preliminary Goodwill as at June 30, 2015 **= Movement**	**2,186.8** **-16.6**

2015 guidance confirmed and specified

	FY 2014 (TERP-adjusted)	Change vs June Guidance 2015 incl. SÜDEWO	Guidance 2015[1] (August)
L-f-l rental growth	2.5%		2.6 – 2.8%
Vacancy	3.4%		~3%
Rental income	€789.3m		€1,400-1,420m
FFO1	€286.6m		€560-580m
FFO1 (Group)/share	€1.00		€1.20-1.24
EPRA NAV[2]/share	€23.04		€27.50-28.50
Maintenance	€173.8m	+€10m	~€340m
Modernization	€171.7m		€280 – 300m
Privatisation (#)	2,238	+600	~2,900
FMV step-up (Privatization)	37.6%		~30%
Non-Core (#)	1,843		opportunistic
FMV step-up (Non-Core)	10.9%		~0%
Dividend/share[3]	€0.74	up to €0.94	€0.94

[1] Incl. acquisitions pro rata (see p. 23); per share numbers based on 466.0 million shares currently outstanding
[2] Incl. goodwill (guidance excl. goodwill: €22-23/share)
[3] To be recommended to the AGM. Going forward, the stated dividend policy of ~70% of FFO1 (Group) remains unchanged
FY 2014 is TERP-adjusted (TERP factor=1.051). FY 2014 not TERP adjusted: FFO1 Group/share=€1.06, EPRA NAV/share=€24.22, Dividend/share=€0.78

Proforma LTV of 50.0% close to mid-term target of <50%

LTV H1 2015	Key drivers further influencing leverage: Valuation	Financing	Disposals	Acquisitions	LTV target
▪ LTV post closing and funding of GAGFAH transaction	▪ Usual increase in line with rental growth ▪ Additional yield compression possible in appraised values ▪ Harmonisation of GAGFAH along Deutsche Annington standards **(€232m)** ✓	▪ Approved authorised and contingent capital ▪ Strong access to equity as well as debt capital markets **(€2.2 bn rights issue successfully placed)** ✓	▪ The combined group has a sizeable portfolio of privatisation / non-core assets ▪ New non-strategic portfolio offers further disposal potential	▪ Closing of Franconia acquisition as of April 1st, 2015 ✓ ▪ Potential over-equitising of future acquisitions **(€1.9 bn acquisition of SÜDEWO Group)** ✓	▪ Mid-term target of <50%
LTV: 56.4% Proforma[1]: 50.0%					<50%

[1]acquisition of SÜDEWO/post rights issue

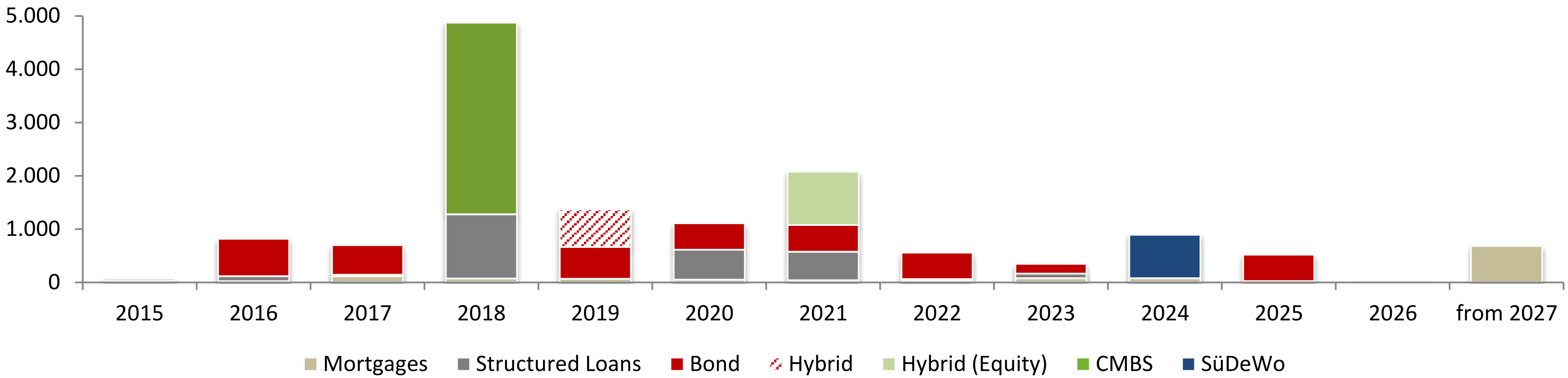
LTV

€m	June 30, 2015	Proforma[1] June 30, 2015	Dec. 31, 2014
Non-derivative financial liabilities	12,470.3	12,470.3	6,664.8
Foreign currency effects	-154.4	-154.4	-84.0
Cash and cash equivalents	-313.6	-313.6	-1,564.8
Funds held for GAGFAH and Franconia acquisitions[2]	-	-	1,322.5
Net cash effect of rights issue	-	-300.0	-
Liquid funds (SÜDEWO)	-	-167.8	-
Adjusted net debt	**12,002.3**	**11,534.5**	**6,338.5**
Fair value of Deutsche Annington portfolio	**21,299.2**	**21,299.2**	**12,759.1**
Fair value of SÜDEWO portfolio	**-**	**1,748.0**	**-**
Fair value of Deutsche Annington + SÜDEWO portfolio	**21,299.2**	**23,047.2**	**12,759.1**
LTV	**56.4%**	**50.0%**	**49.7%**

[1] Post rights issue/SÜDEWO acquisition
[2] Adjusted for equity instruments
Perpetual hybrid not treated as liability

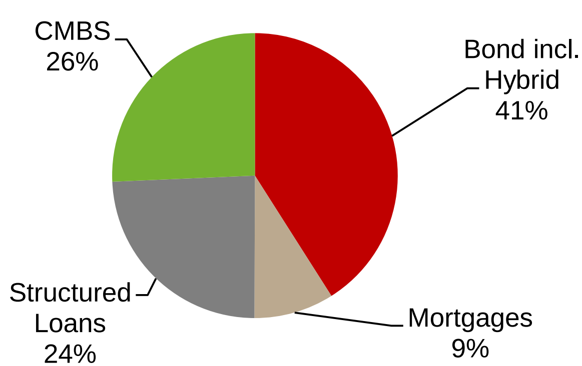
Options to further improve the capital structure

Maturity profile at 1st August 2015 (€m)



CMBS included at economic maturity

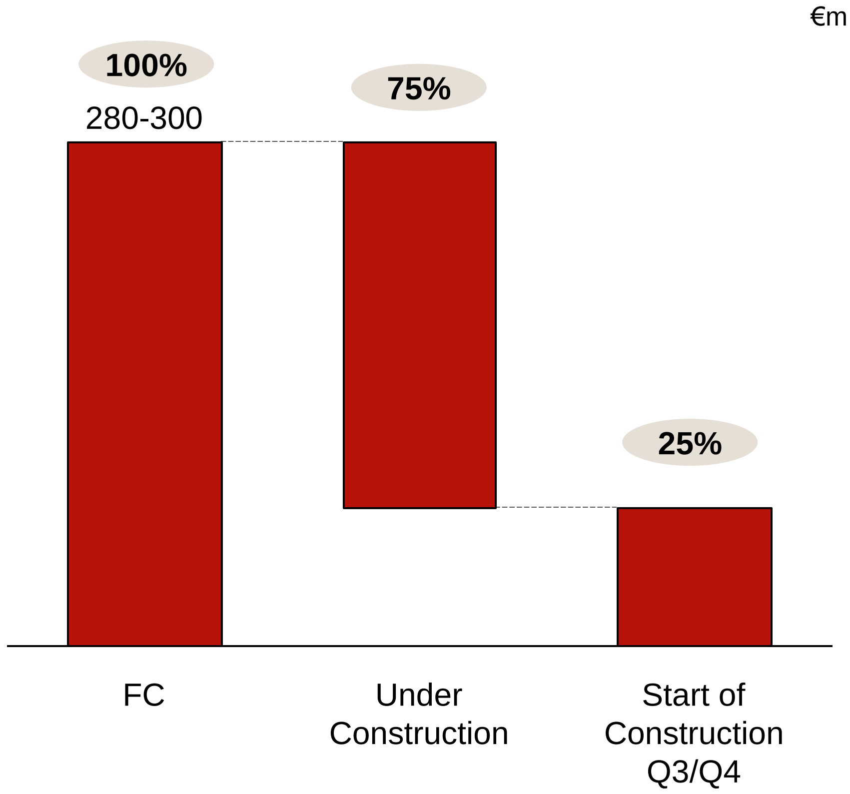
Debt structure at 1st August 2015



- Current maturity of around 7 years
- Current interest cost of 2.9%
- Refinancing of €1.9bn to increase unencumberance
- Target maturity of around 8 years

2015 modernization program on track

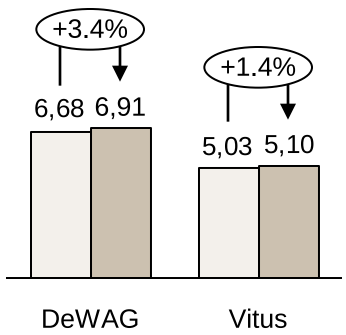
2015 modernization program



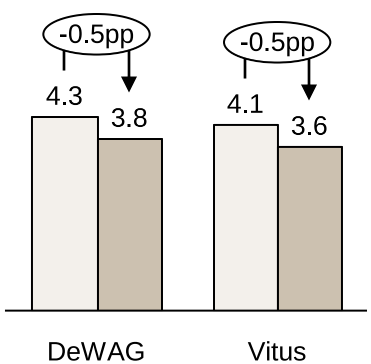
- Three investment modules in 2015 delivering ~7% unlevered yield**:**
  - "Upgrade buildings" – energetic building modernization
  - "Optimize apartments" – vacant flat modernization
  - "New products" (e.g. bathroom)
- 75 % of planned investment volume initiated and under construction
  - Bulk of "upgrade building" projects has started as planned during Q2
  - "Optimize apartments" confirm expectations

Platform efficiency evidenced by DeWAG and Vitus

Rent/sqm (€)

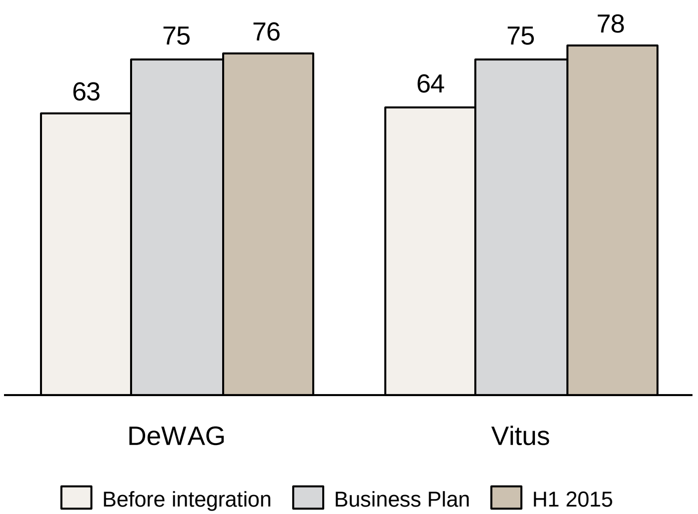


Vacancy (%)



Assumption for maintenance/sqm in Business Plan:
DeWAG = €11.67
Vitus = €10.75

EBITDA Rental margin (%)



- Business plan reflects efficiency gains from our platform
- Actual performance exceeding business plan

Consolidated as of: DeWAG (01.04.2014), Vitus (01.10.2014)
Units as of 30.06.2015: DeWAG (11K), Vitus (20.5K)

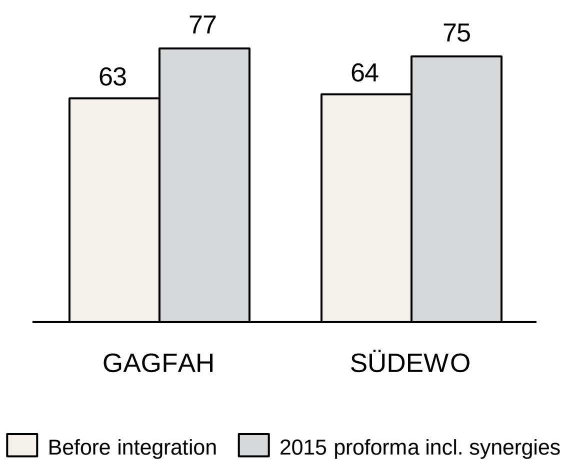
GAGFAH integration ahead of plan

- Granular integration processes in place and fully running
- Initial segmentation of combined portfolio completed (final allocation in Q3 2015)
- Bottom-up synergy analysis completed
- Corporate holding functions agreed including works council approval
- IT integration of financial data completed / one integrated SAP-IT platform for the entire group (since 1st July)
- Dry run for rent collection successful (go-live on 15 December 2015)
- Organisational integration of operational units (regions, TGS etc.) on track

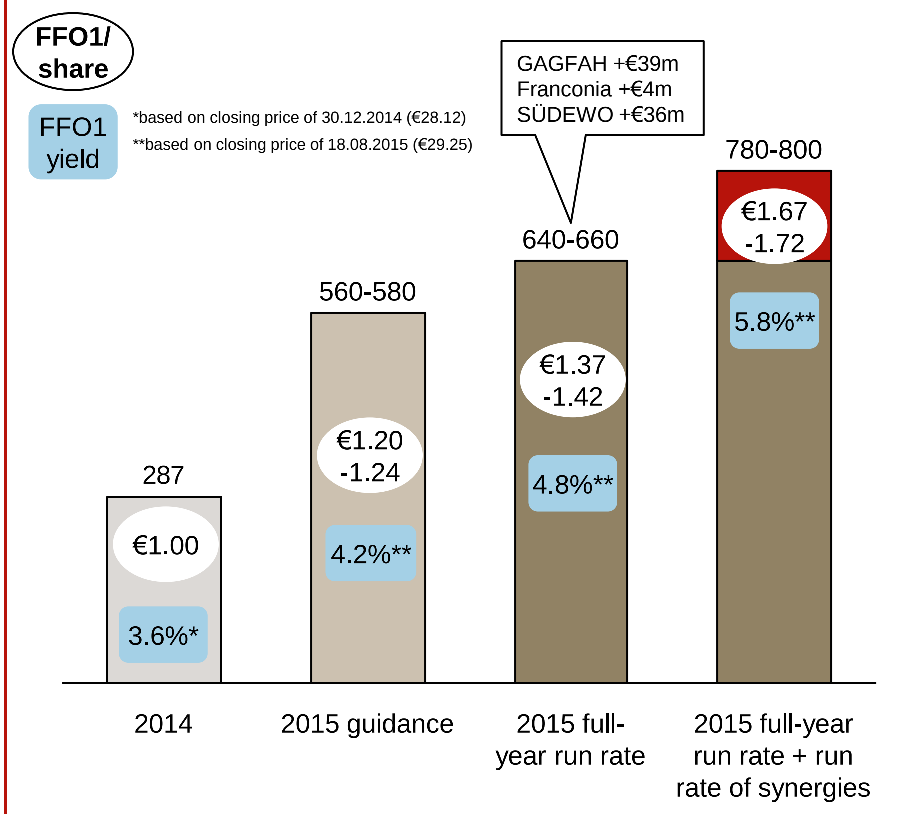
- Integration ahead of schedule with higher synergies and lower one-off costs than planned
- Substantially increased economies of scale (purchasing, extension strategy)
- Increased scale de-risking the platform

FFO build-up

EBITDA Rental margin (%)



FFO 1 (€m)

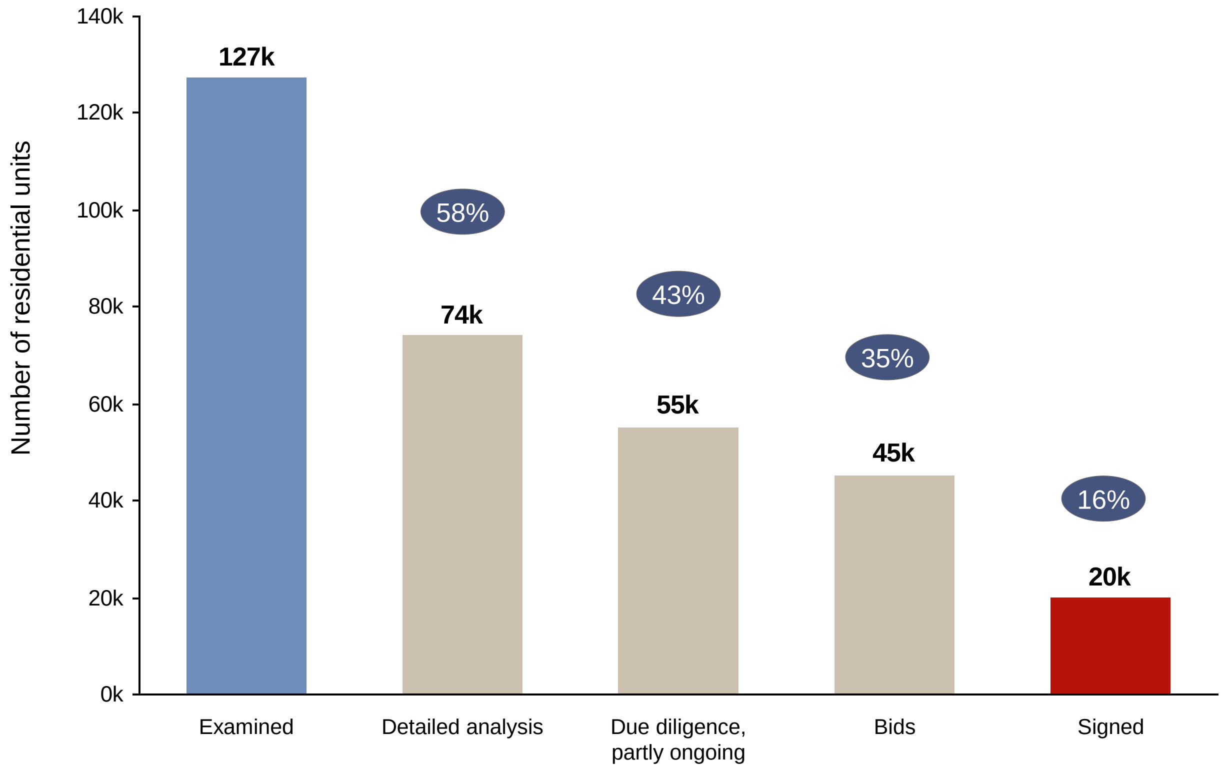


➢ **Dividend policy: ~70% of FFO1**

Without operating FFO growth after 2015
2015 guidance incl. pro rata contribution of acquisitions: GAGFAH (10 months), Franconia (9 months), SÜDEWO (6 months)
Based on number of outstanding shares per 31.12.2014=271.6m and current=466.0m

Acquisition pipeline update

Acquisition Pipeline 2015 (per 30.06.2015)

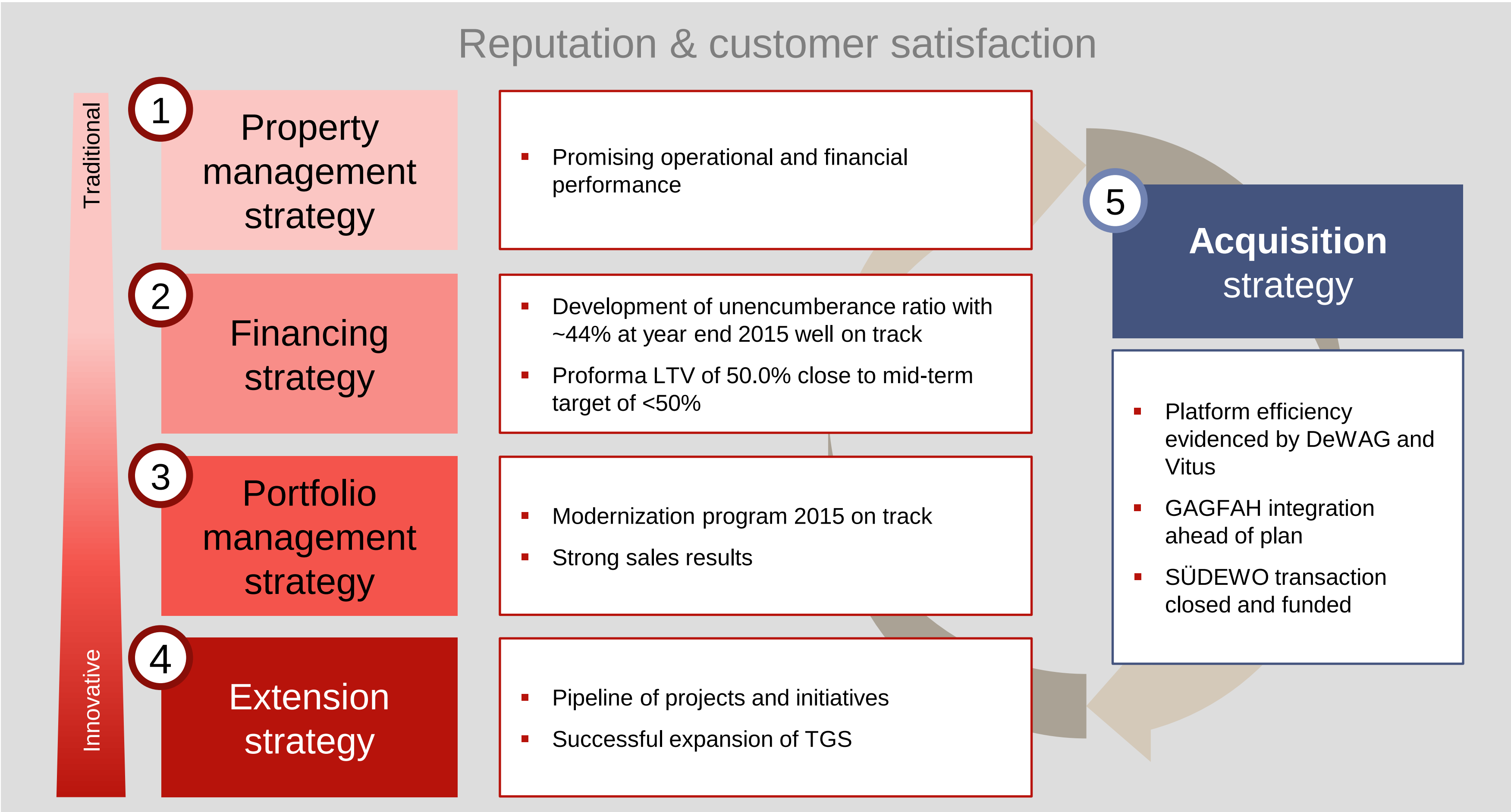


Sales results

Privatisation				
	H1 2014	**H1 2015**	**Change (€m)**	**Change (%)**
# units sold	1,190	1,221	31.0	3%
Income from disposal of properties (€m)	118.3	123.6	5.3	4%
Fair value disposals (€m)	-88.6	-92.8	-4.2	5%
Adjusted profit from disposal of properties (€m)	29.7	30.8	1.1	4%
Fair value step-up	**33.5%**	**33.2%**		**-0.3pp**
	Target ~30-35%	**Target ~30%**		

Non-Core Disposals				
	H1 2014	**H1 2015**	**Change (€m)**	**Change (%)**
# units sold	702	2,829	2,127.0	303%
Income from disposal of properties(€m)	20.6	97.8	77.2	375%
Fair value disposals (€m)	-19.1	-97.0	-77.9	408%
Adjusted profit from disposal of properties (€m)	1.5	0.8	-0.7	-47%
Fair value step-up	**7.9%**	**0.8%**		**-7.1pp**
	Target = 0%	**Target = 0%**		

Business strategy works



What you can expect of our Q3 reporting

We will …

- … update you on 2016 modernization program incl. portfolio segmentation and drill-own for all recent acquisitions
- … update you on 2015 disposal program
- … update you on the expected 2015 valuation corridor
- … update you on operational synergies (timing)
- … give you guidance for FY 2016

… on 3rd November 2015.

Appendix

KPI Definitions

	Description	Calculation
FFO1	FFO1 is calculated as the profit or loss for the period adjusted for sales-related, non-recurring, non-cash or similar items. It approximates the sustainable, recurring operating cash flow to the Group before payments to equity hybrid investors and minorities. This FFO1 is not determined on the basis of a specific international reporting standard but is to be regarded as a supplement to other performance indicators determined in accordance with IFRS. The FFO1 per share is calculated on the basis of all outstanding, dividend-bearing shares.	IFRS profit or loss for the period adjusted by • the profit or loss from sales • the effects from property held for sale • specific effects which do not relate to the period, are non-recurring or do not relate to the objective of the Company • the net income from fair value adjustments of investment properties, • depreciation and amortisation • deferred and prior-year current taxes (tax expenses/income), • transaction costs • prepayment penalties and commitment interest • valuation effects on financial instruments • the unwinding of discounting for provisions, particularly pension provisions • and other prior-year interest expenses • income that is not of a long-term nature
EPRA NAV	EPRA NAV is used as an indicator of the Group's long-term equity and is calculated according to EPRA's Best Practice Recommendations. The adjusted NAV represents the EPRA NAV less goodwill.	Group equity (including goodwill), + deferred taxes on properties and assets held for sale + fair value of derivative financial instruments - deferred taxes on derivative financial instruments
LTV	The LTV shows the ratio of net debt (excluding equity hybrid) to property value.	+ Non-derivative financial liabilities (excluding equity hybrid) - Foreign currency effects - Cash and cash equivalents **= Net debt** ——— + Fair value of investment property + Fair value of trading properties and assets held for sale + Fair value of properties used by the Group **= Fair value**

Consolidation scope

	DAIG	DeWAG	Vitus	GAGFAH	Franconia	SÜDEWO
H1 2014	6 months	3 months	-	-	-	-
FY 2014	12 months	9 months	3 months	-	-	-
H1 2015	6 months	6 months	6 months	4 months	3 months	-
FY 2015 Guidance	12 months	12 months	12 months	10 months	9 months	6 months

H1 2015 key figures

€m	H1 2015	H1 2014	Change (€)	Change (%)
Residential units (k)	348,216	184,682	163,534	89%
Rental income	628.0	376.7	251.3	67%
Vacancy rate (%)	3.5	3.8	-	-0.3pp
Monthly in-place rent/ sqm (like-for-like, €)	5.73	5.58	0.15	3%
Adjusted EBITDA Rental	426.6	236.0	190.6	81%
Adjusted EBITDA Rental /unit (€)	1,424	1,317	107.0	8%
Income from disposal of properties	221.4	138.9	82.5	59%
Adjusted EBITDA Sales	19.5	22.4	-2.9	-13%
Adjusted EBITDA	446.1	258.4	187.7	73%
FFO1	264.3	130.3	134.0	103%
FFO2	283.8	152.7	131.1	86%
FFO1 before maintenance	371.4	199.4	172.0	86%
AFFO	224.6	119.5	105.1	88%
Fair value market properties[3]	21,299.2	12,759.1	8,540.1	67%
EPRA NAV[3]	10,087.5	6,578.0	3,509.5	53%
LTV (%)[4]	56.4	49.7	6.7	13%
FFO1/ share (€)[1]	0.74	0.54	0.20	37%
EPRA NAV / share (€)[2]	28.14	24.22	3.92	16%

[1]Based on the number of shares as of the reporting date: 30.06. 2015: 358.5m and 30.06. 2014: 240.2m
[2]NAV / share based on the number of outstanding shares as of the reporting date: 30.06. 2015: 358.5m and 31.12.2014: 271.6m
[3]30.06. 2015 vs. 31.12. 2014
[4]LTV at 31.12. 2014 adjusted for effects of capital measures

EBITDA

Bridge to Adjusted EBITDA (€m)	H1 2015	H1 2014	Change (€)	Change (%)
Profit for the period	84.9	70.0	14.9	21%
Net interest result	237.1	142.6	94.5	66%
Income taxes	59.3	30.6	28.7	94%
Depreciation	4.8	3.4	1.4	41%
Net income from fair value adjustments of investment properties	0.0	-20.8	20.8	-100%
EBITDA IFRS	386.1	225.8	160.3	71%
Non-recurring items	60.2	30.7	29.5	96%
Period adjustments	-0.2	1.9	-2.1	-111%
Adjusted EBITDA	**446.1**	**258.4**	**187.7**	**73%**
Adjusted EBITDA Rental	426.6	236.0	190.6	81%
Adjusted EBITDA Sales	19.5	22.4	-2.9	-13%

- EBITDA increase driven by rental business
- Adjusted EBITDA Rental reflects acquisitions as well as operational performance
- Adjusted EBITDA Sales below previous year level: higher Non-Core sales volumes offset by lower Non-Core step-ups, also higher selling costs due to increased sales volumes

Rental Segment (€m)	H1 2015	H1 2014	Change (€)	Change (%)
Average number of units over the period	299,580	179,198	120,382	67%
Rental income	628.0	376.7	251.3	67%
Maintenance	-107.1	-69.1	-38.0	55%
Operating costs	-94.3	-71.6	-22.7	32%
Adjusted EBITDA Rental	**426.6**	**236.0**	**190.6**	**81%**

Sales Segment (€m)	H1 2015	H1 2014	Change (€)	Change (%)
Number of units sold	4,050	1,892	2,158	114%
Income from disposal of properties	221.4	138.9	82.5	59%
Carrying amount of properties sold	-204.8	-120.9	-83.9	69%
Revaluation of assets held for sale	15.2	11.3	3.9	35%
Profit on disposal of properties (IFRS)	31.8	29.3	2.5	9%
Revaluation (realized) of assets held for sale	-15.2	-11.3	-3.9	35%
Revaluation from disposal of assets held for sale	15.0	13.2	1.8	14%
Adjusted profit from disposal of properties	31.6	31.2	0.4	1%
Selling costs	-12.1	-8.8	-3.3	38%
Adjusted EBITDA Sales	**19.5**	**22.4**	**-2.9**	**-13%**

P&L

€m	H1 2015	H1 2014	Change (€m)	Change (%)
Income from property letting	**913.8**	**542.3**	**371.5**	**68.5**
Rental income	628.0	376.7	251.3	66.7
Ancillary costs	285.8	165.6	120.2	72.6
Other income from property management	14.0	9.0	5.0	55.6
Income from property management	**927.8**	**551.3**	**376.5**	**68.3**
Income from sale of properties	**221.4**	**138.9**	**82.5**	**59.4**
Carrying amount of properties sold	-204.8	-120.9	-83.9	69.4
Revaluation of assets held for sale	15.2	11.3	3.9	34.5
Profit on disposal of properties	**31.8**	**29.3**	**2.5**	**8.5**
Net income from fair value adjustments of investment properties	0.0	20.8	-20.8	-100
Capitalised internal modernisation expenses	65.3	34.2	31.1	90.9
Cost of materials	**-425.4**	**-246.4**	**-179.0**	**72.6**
Expenses for ancillary costs	-279.1	-160.6	-118.5	73.8
Expenses for maintenance	-109.2	-61.3	-47.9	78.1
Other costs of purchased goods and services	-37.1	-24.5	-12.6	51.4
Personnel expenses	**-138.1**	**-87.9**	**-50.2**	**57.1**
Depreciation and amortisation	**-4.8**	**-3.4**	**-1.4**	**41.2**
Other operating income	**36.9**	**19.8**	**17.1**	**86.4**
Other operating expenses	**-113.2**	**-74.9**	**-38.3**	**51.1**
Financial income	**2.7**	**2.8**	**-0.1**	**-3.6**
Financial expenses	**-238.8**	**-145.0**	**-93.8**	**64.7**
Profit before tax	**144.2**	**100.6**	**43.6**	**43.3**
Income tax	**-59.3**	**-30.6**	**-28.7**	**93.8**
Current income tax	-7.9	4.9	-12.8	-261.2
Other (incl. deferred tax)	-51.4	-35.5	-15.9	44.8
Profit for the period	**84.9**	**70.0**	**14.9**	**21.3**

Comments

- Increase mainly acquisition-related (residential units 348k vs 185k), additionally in-place rent on a like-for-like basis increased by 2.7%
- Increase mainly reflects increased portfolio size, additionally vacancy rate decreased by 0.3pp
- Slight increase due to higher Non-Core Sales volumes, partially offset by lower Non-Core Step-ups
- Internal quarterly review of fair value of investment properties did not result in any significant changes compared to 31 December 2014
- Increase reflects larger portfolio size and in-sourcing effect of our own craftsmen organization
- Increase mainly acquisition-related
- Ramp-up from 3,283 to 5,877 employees leads to increased personnel expenses which primarily result from GAGFAH merger & TGS growth
- Increase mainly due to acquisitions (especially GAGFAH) and increased recurring income / cost reimbursements
- Increase mainly related to additional expenses of acquisitions as well as consulting and audit fees for GAGFAH merger, other effects comprise vehicle and travelling costs which mainly increased due to insourcing
- Strongly impacted by additional financings as a result of acquisitions and by transaction costs for GAGFAH deal financing

Modernization and maintenance

Maintenance and modernization (€m)	H1 2015	H1 2014	Change (€m)	Change (%)
Maintenance expenses	107.1	69.1	38.0	55%
Capitalised maintenance	40.1	11.0	29.1	265%
Modernisation work	118.0	61.4	56.6	92%
Total cost of modernization and maintenance	**265.2**	**141.5**	**123.7**	**87%**
Thereof sales of own craftmen's organisation	168.8	78.6	90.2	115%
Thereof bought-in services	96.4	62.9	33.5	53%
Modernization and maintenance / sqm (€)	14.15	12.36	1.79	14%

Comments

Modernization programme mainly addressing investments in buildings or apartments regarding energy efficiency, senior living and high-standard refurbishments

Compared to 6M 2014, revenues of in-house craftsmen organisation increased significantly due to successful TGS implementation and increased portfolio size

Balance sheet

€m	Jun 30, 2015	Dec 31, 2014
Investment Properties	21,196.5	12,687.2
Other non-current assets	2,580.4	292.8
Total non-current assets	**23,776.9**	**12,980.0**
Cash and cash equivalents	313.6	1,564.8
Other financial assets	1.4	2.0
Other current assets	309.7	212.4
Total current assets	**624.7**	**1,779.2**
Total Assets	**24,401.6**	**14,759.2**
Total equity attributable to DA shareholders	7,523.8	4,932.6
Equity attributable to hybrid capital investors	1,021.4	1,001.6
Non-controlling interests	185.7	28.0
Total equity	**8,730.9**	**5,962.2**
Provisions	546.4	422.1
Trade payables	0.9	1.0
Non derivative financial liabilities	12,203.9	6,539.5
Derivative financial liabilities	138.0	54.5
Liabilities from finance leases	98.8	88.1
Liabilities to non-controlling interests	38.4	46.3
Other liabilities	35.9	8.6
Deferred tax liabilities	1,624.9	1,132.8
Total non-current liabilities	**14,687.2**	**8,292.9**
Provisions	**338.5**	**211.3**
Trade payables	**83.4**	**51.5**
Non derivative financial liabilities	266.4	125.3
Derivative financial liabilities	91.1	21.9
Liabilities from finance leases	**4.7**	**4.4**
Liabilities to non-controlling interests	**8.0**	**7.5**
Income tax liabilities	**44.4**	**0.0**
Other liabilities	**147.0**	**82.2**
Total current liabilities	**983.5**	**504.1**
Total liabilities	**15,670.7**	**8,797.0**
Total equity and liabilities	**24,401.6**	**14,759.2**

Comments

Increase driven by GAGFAH acquisition € 8,184.8m as well as the "Franconia" acquisition € 298,1m

Increase mainly driven by GAGFAH acquisition

Preliminary Goodwill of € 2,186.8m included

Decrease basically driven by cash consideration GAGFAH € 2,022.5m

Capital increase of € 2,783.2m included

Increase of non controlling interest by consolidation of GAGFAH €119.2m

Increase driven by consolidation of GAGFAH, as well as issuing EMTN Bonds of € 1.0bn.

Increase generally driven by GAGFAH acquisition € 456.5m

Bond and Rating KPI's as per June 30, 2015

- Bond KPI's:

Covenant	Level	Actual
LTV Total Debt / Total Assets	<60%	51%
Secured LTV Secured Debt / Total Assets	<45%	31%
ICR LTM[1] EBITDA / LTM Interest Expense	>1.80x	2.81x
Unencumbered Assets Unencumbered Assets / Unsecured Debt	>125%	207%

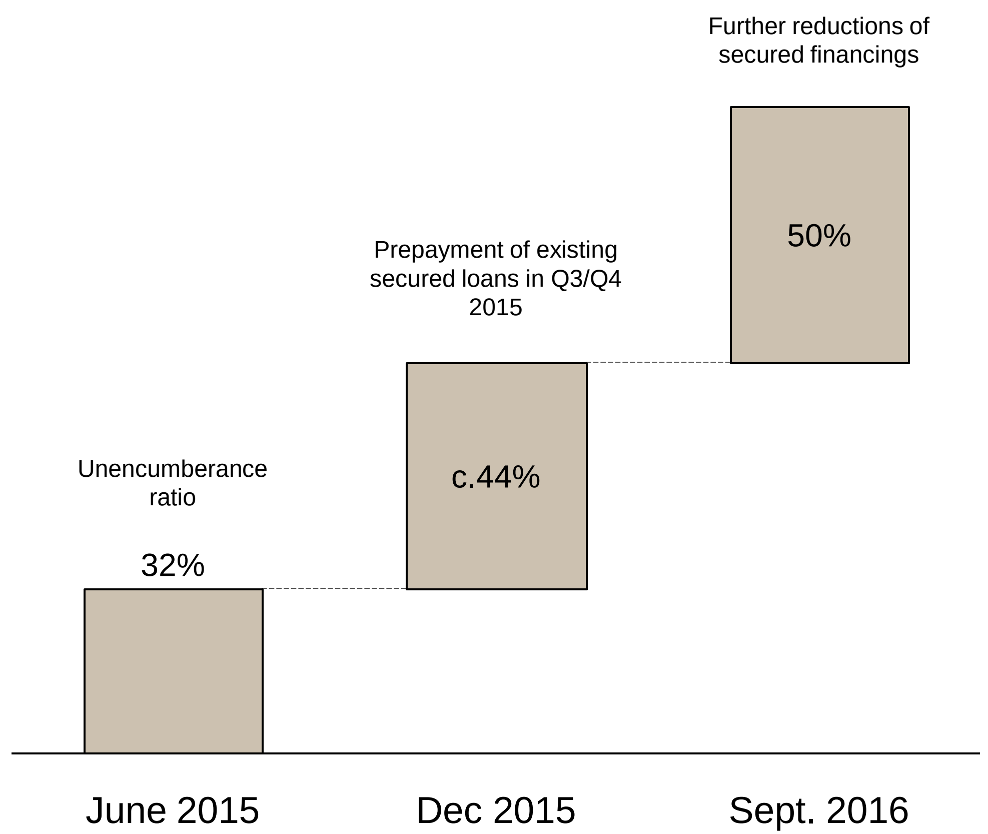
- Rating KPI's:

Covenant	Level
Debt to Capital Total Debt / Total Equity + Total Debt	<60%
ICR LTM EBITDA / LTM Interest Expense	>1.80%

[1]LTM = last twelve months

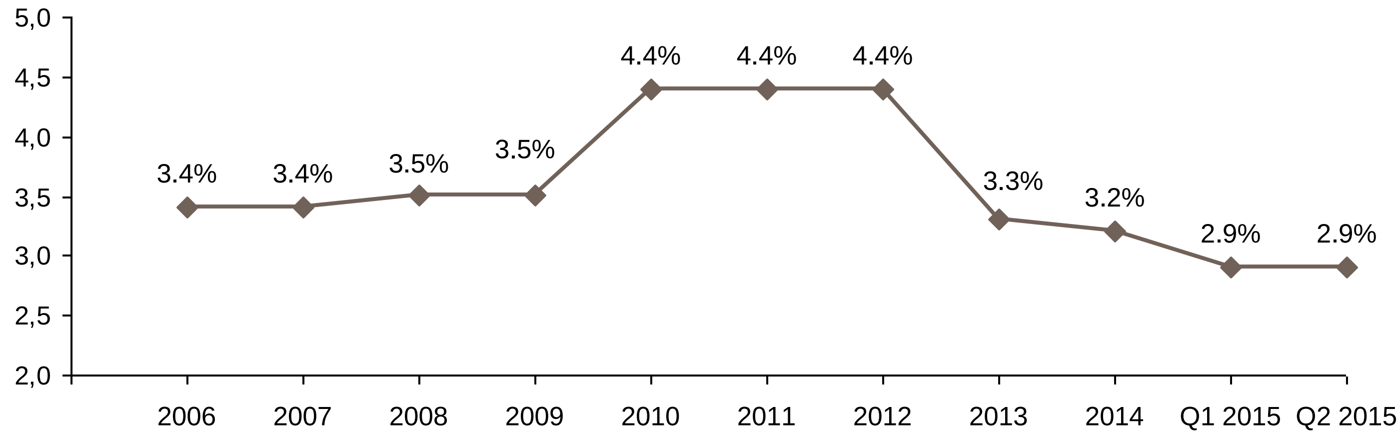
Development of unencumberance ratio

- Unencumberance ratio dropped from 50% pre GAGFAH down to 32% including GAGFAH
- S&P provides up to 18 months (i.e. 30 Sept 2016) to reach 50% unencumberance ratio



Evolution of average interest costs/interest rate sensitivity

Evolution of average interest costs



Development

- **Reduction** of average **interest costs** since 2012, while **extended and smoothened** the maturity profile at the same time
- **Superior mix of secured** and **unsecured** refinancing sources to **reduce risk** and **maximise funding options**
- Included a **€700m Hybrid with 4.6% coupon** to our capital structure for the 2014 acquisitions instead of Convertibles, so that **FFO dilution could be avoided**

Outlook

- We will further optimise our capital structure as well as debt profile in terms of costs and maturity. Our focus is not purely on minimising the average interest costs. We also consider the optimal product mix, the overall economic benefit and the shareholder interests to support **long term growth**.
- Next aim is to reduce the refinancing volume for 2018 quickly

Bonds / Rating

- **Corporate investment grade rating**

Rating agency	Rating	Outlook	Last Update
Standard & Poor's	BBB+	Stable	10 Mar 2015

- **Bond ratings**

	Amount	Issue price	Coupon	Final Maturity Date	Rating
3 years 2.125% Euro Bond	€ 700m	99.793%	2.125%	25 July 2016	BBB+
6 years 3.125% Euro Bond	€ 600m	99.935%	3.125%	25 July 2019	BBB+
4 years 3.200% Yankee Bond	USD 750m	100.000%	3.200% (2.970%)*	2 Oct 2017	BBB+
10 years 5.000% Yankee Bond	USD 250m	98.993%	5.000% (4.580%)*	2 Oct 2023	BBB+
8 years 3.625% EMTN (Series No. 1)	€ 500m	99.843%	3.625%	8 Oct 2021	BBB+
60 years 4.625% Hybrid Bond	€ 700m	99.782%	4.625%	8 Apr 2074	BBB-
8 years 2.125% EMTN (Series No. 2)	€ 500m	99.412%	2.125%	9 July 2022	BBB+
perpetual 4% Hybrid Bond	€ 1,000m	100.000%	4.000%	perpetual	BBB-
5 years 0.875% EMTN (Series No. 3)	€ 500m	99.263%	0.875%	30 Mar 2020	BBB+
10 years 1.500% EMTN (Series No. 4)	€ 500m	98.455%	1.5000%	31 Mar 2025	BBB+

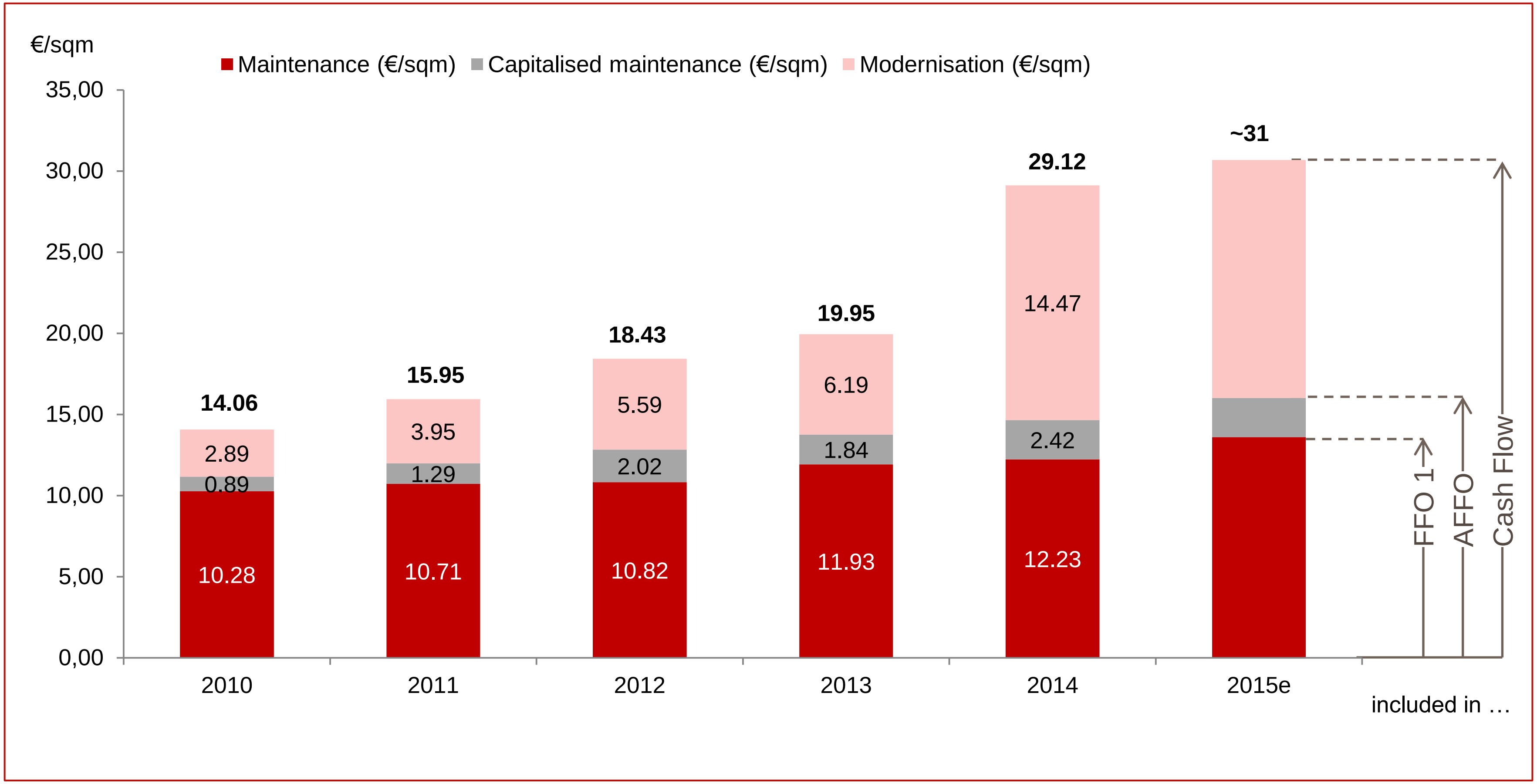
*EUR-equivalent re-offer yield

CMBS

- **CMBS Overview as of June 30, 2015**

Name	Amount	Coupon	Final Maturity Date
German Residential Funding 2013-1 Limited	€ 1,874m	2.80%	Aug. 27, 2018
German Residential Funding 2013-2 Limited	€ 683m	2.68%	Nov. 27, 2018
Taurus 2013 (GMF1) PLC	€ 1,038m	3.35%	May 21, 2018

Maintenance and modernization development



Focused & action driven portfolio management strategy

Portfolio Management Strategy

STRATEGIC

Value-driven asset management approach in locations with above-average development potential

Operate: rent growth, vacancy reduction, effective and sustainable maintenance spending and cost savings.
Upgrade buildings: comprehensive investments with a focus on energy efficiency
Optimise apartments: selective investments in individual flats (focus on senior living and high-end modernization in strong markets that allow a rental premium for fully refurbished apartments)

NON STRATEGIC

Locations and assets that do not form an integral part of Deutsche Annington's strategy. Mostly average location and asset quality with stable cash flows. Under permanent review.

Privatise/ Non-core

Privatise: opportunistic retail sales at attractive premiums above current valuation
Non-core: portfolio optimization through sale of assets that have limited development potential in terms of condition and/or location

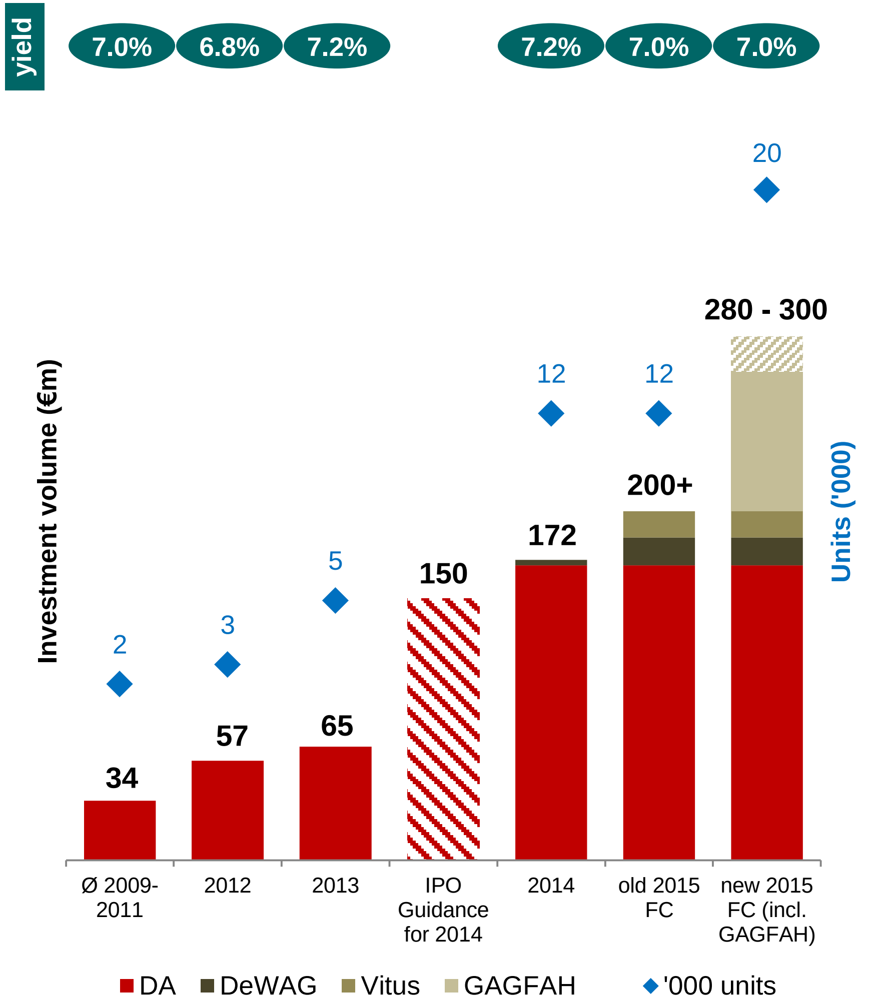
Portfolio Breakdown

	Residential units	`000 sqm	Vacancy rate	In-place rent (€/sqm)
Operate*	192,106	11,762	2.5%	5.64
Upgrade buildings	49,411	3,091	2.6%	5.69
Optimise apartments	36,849	2,378	2.5%	6.19
STRATEGIC	**278,366**	**17,231**	**2.5%**	**5.72**
NON STRATEGIC	**31,676**	**1,958**	**6.9%**	**4.81**
Privatise	**21,477**	**1,465**	**4.7%**	**5.60**
Non-core	**16,697**	**1,023**	**11.4%**	**4.50**
TOTAL	**348,216**	**21,677**	**3.5%**	**5.58**

** As of June 30, 2015, all locations and assets of the GAGFAH portfolio that are strategically relevant are included in the "Operate" category. The analysis of the investment potential of the portfolio will be completed by Q3 2015.*

Modernization program remains an important value driver

Strong Investment Track Record



Investment as a Continued Focus

- Expected 2015 investment volume between €280 and €300 million including GAGFAH
- Yield commitment of ~7% (unlevered) remains unchanged
- Continuous investment focus on energy & demographic change
- Well underway on execution of 2015 modernization program as expected

IR Contact & Financial Calendar

Contact	Financial Calendar 2015/2016

Investor Relations

Deutsche Annington Immobilien SE
Philippstraße 3, 44803 Bochum
Germany

Tel.: +49 234 314 1609
investorrelations@deutsche-annington.com

http://www.deutsche-annington.com

2015

March 5	Full year results 2014	✓
Apr 30	Annual General Meeting	✓
Jun 01	Interim report Q1 2015	✓
Aug 19	Interim report H1 2015	✓
Nov 3	Interim report 9M 2015	

2016

March 3	Full year results 2015
May 12	Annual General Meeting
May 12	Interim report Q1 2016
Aug 2	Interim report H1 2016
Nov 3	Interim report 9M 2016

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