

# Deutsche Annington Immobilien SE

## H1 2013 Results

9 August 2013

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# H1 2013 key figures confirm the positive development of Deutsche Annington

## Key Figures

in Mio. €	H1 2013	H1 2012	Change in %
Residential Units k	179.4	184.9	-3.0%
Rental income	364.0	365.4	-0.4%
Vacancy rate %	3.9	4.5	-13.3%
Monthly in-place rent €/sqm	5.35	5.24	2.1%
Adjusted EBITDA Rental	222.1	218.2	1.8%
Rental EBITDA / unit €	1,232	1,175	4.9%
Income from disposal of properties	166.9	140.3	19.0%
Adjusted EBITDA Sales	19.6	19.3	1.6%
Adjusted EBITDA	241.7	237.5	1.8%
FFO 1	103.4	76.4	35.3%
FFO 2	123.0	95.7	28.5%
FFO 1 before maintenance	170.5	139.4	22.3%
AFFO	91.8	70.1	31.0%
Fair value market properties	10,381.8	9,982.0	4.0%
EPRA NAV <sup>1</sup>	4,358.8	3,448.9	26.4%
LTV, in %	53.2	58.6	-9.2%

<sup>1</sup> Before IPO proceeds

## Action-packed H1 2013 preparing the ground for future success as a top European property company

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### Highlights

**1. Clear strategy in an attractive stable market**

**2. Successful listing on Frankfurt stock exchange**

**3. Continued strong operational performance**

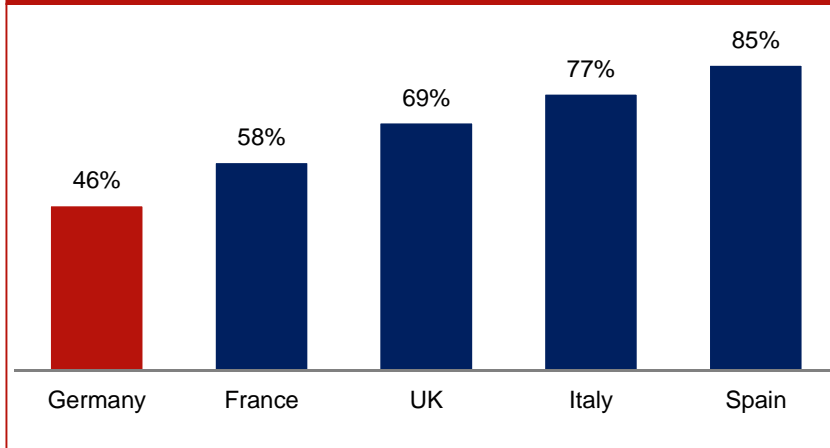
**4. Investment grade corporate rating achieved & bonds successfully placed**

**5. Positive development of all key performance indicators**



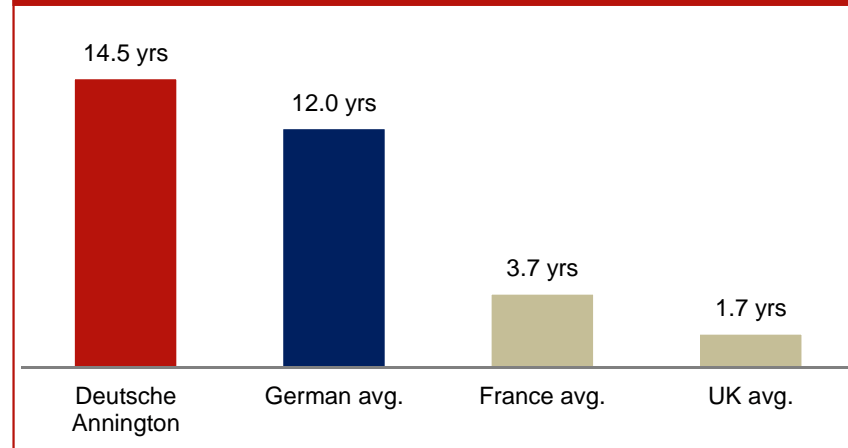
# Deutsche Annington operates in an attractive asset class supported by a favourable environment

## Low home ownership driving rental demand



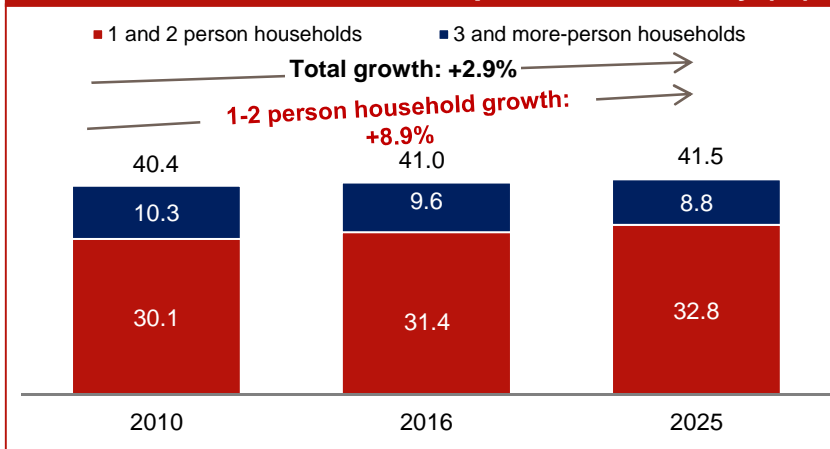
Source: Federal Statistical Office, Euroconstruct, ifo

## High average tenancy length



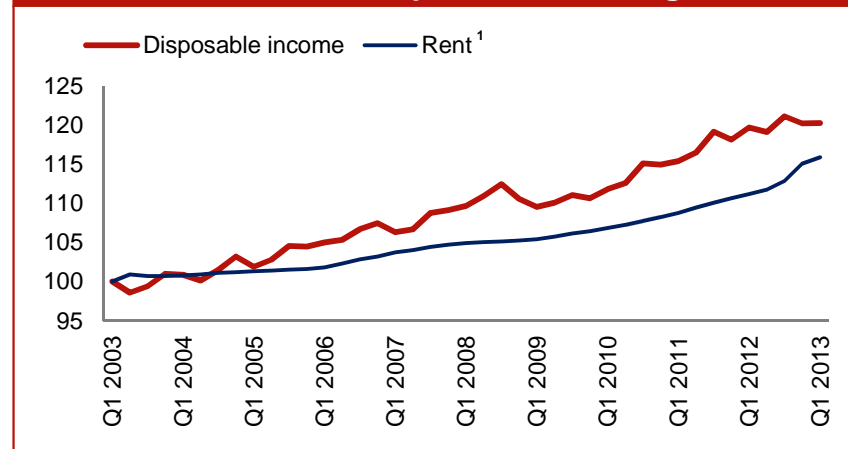
Source: Schader Stiftung (Germany), Clameur (France), Association of Residential Letting Agents (UK)

## Favourable household development in Germany (m)



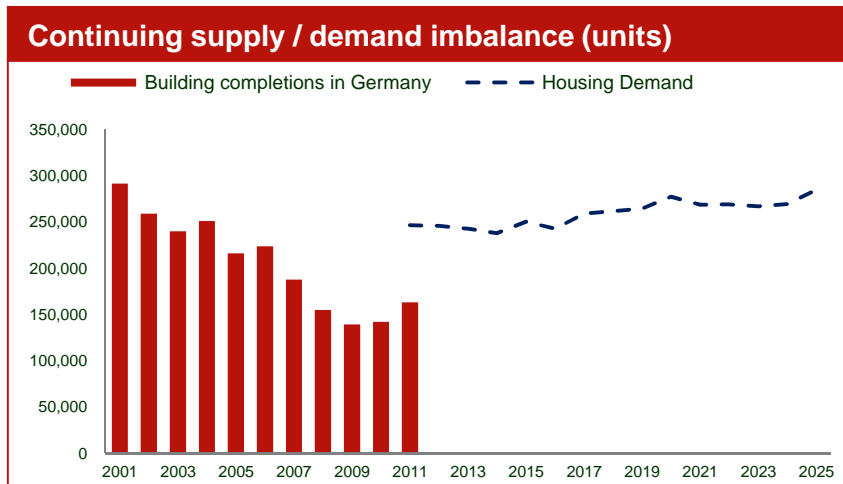
Source: BBSR Wohnungsmarktprognose 2009-2025. Projections based on 2009 numbers

## Rent evolution below disposable income growth

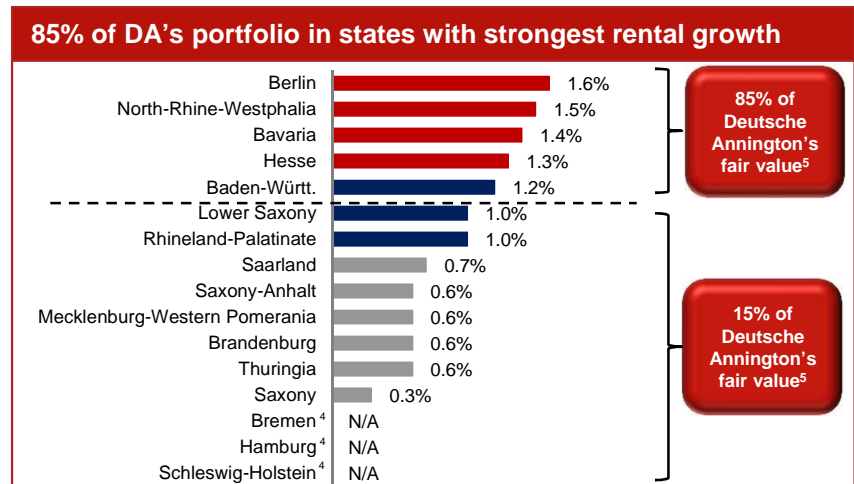


Source: Verband deutscher Pfandbriefbanken, Bundesbank  
<sup>1</sup> Rent evolution for multifamily housing

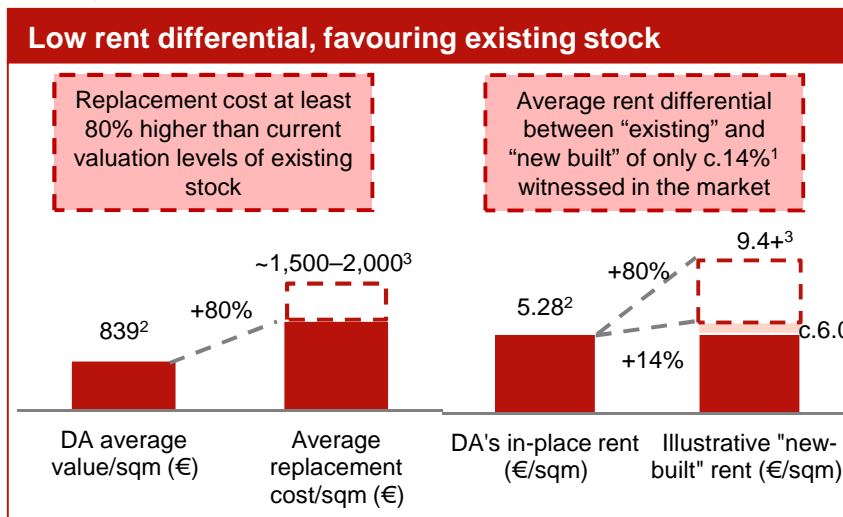
# Deutsche Annington's portfolio footprint benefits from continuing supply / demand imbalance



Source: JLL, BBSR

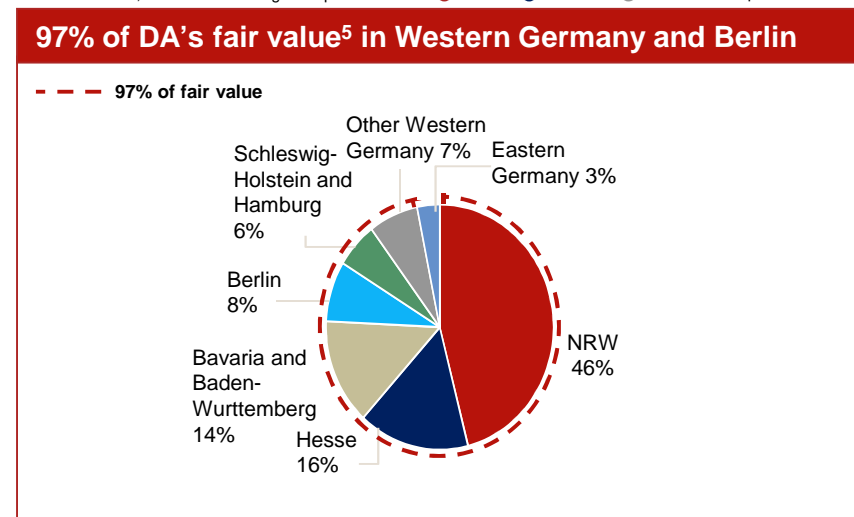


Source: Destatis, 2010-2012 rental growth p.a. ● >5% ● >2.5% ● <2.5% of DA apartments



Source: Capital Immobilienkompass

<sup>1</sup> Based on average rent differential recorded between new and existing units in Germany's largest 15 cities in 2012; <sup>2</sup> As of 31 December 2012; <sup>3</sup> Based on Company estimates; <sup>4</sup> Rental growth data not available for respective states; <sup>5</sup> As of 31 March 2013



## Deutsche Annington: Innovation leader based on a long-term vision, operational excellence and unique financing structure

### A top European real estate play

Largest player in a highly stable asset class – German residential

Industrial-like process approach to operations designed for growth

Financing strategy in line with leading European peers

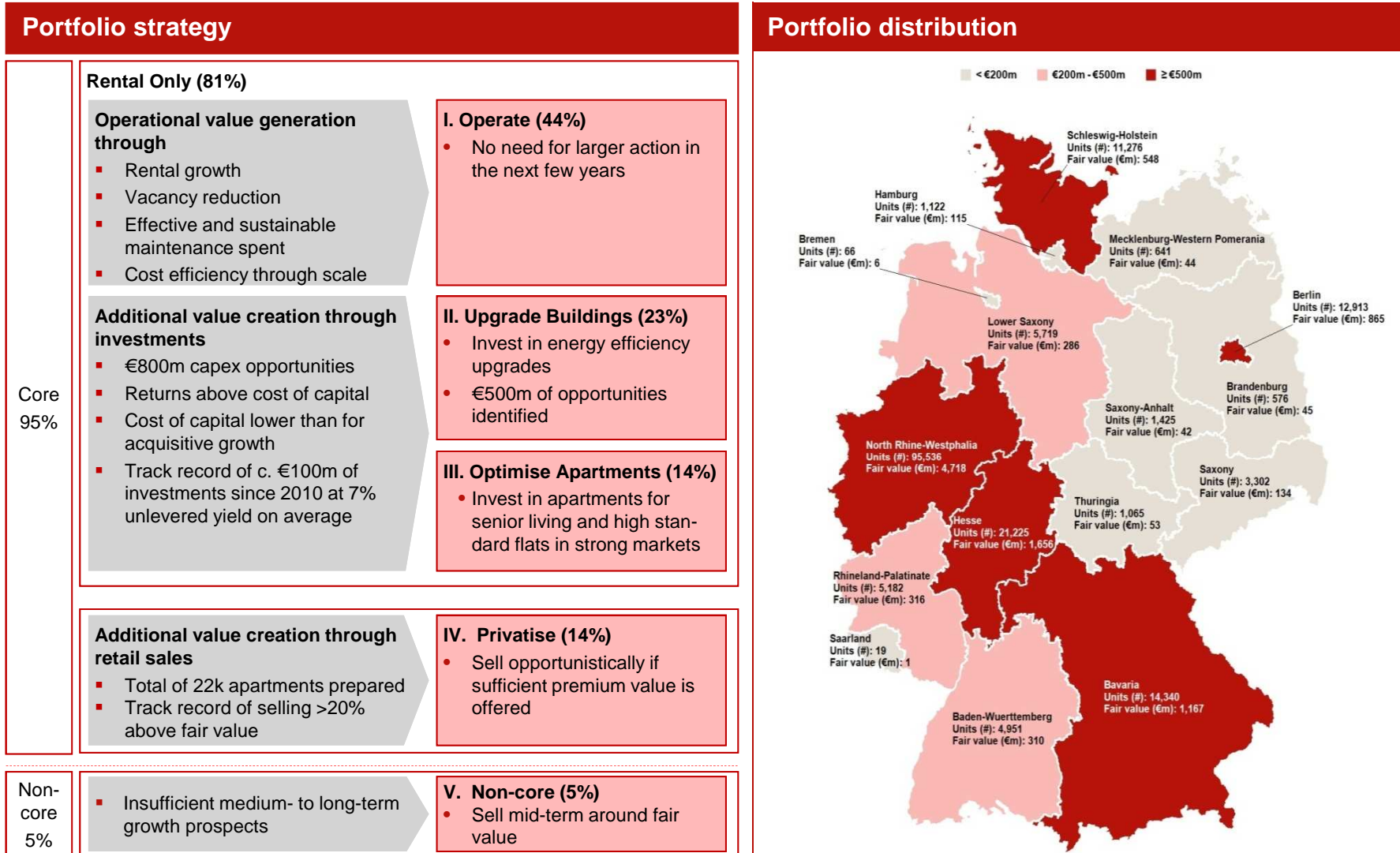
Built-in growth and enhanced profitability expected to drive FFO per share and NAV per share accretion

Entrepreneurial approach to a stable and low-risk asset class

Platform for consolidation

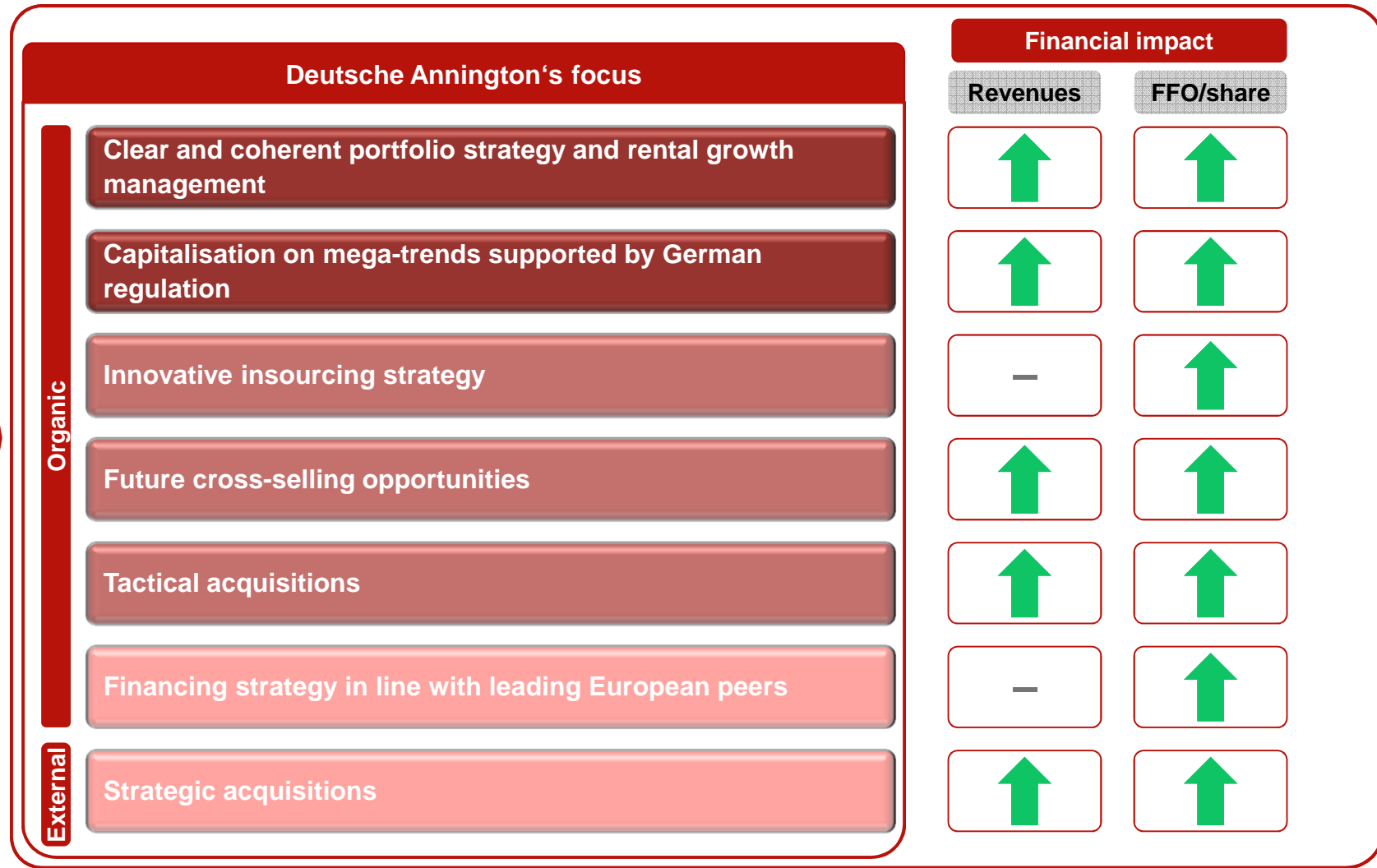


# Our portfolio strategy: nationwide footprint, clearly structured, well-managed and balanced

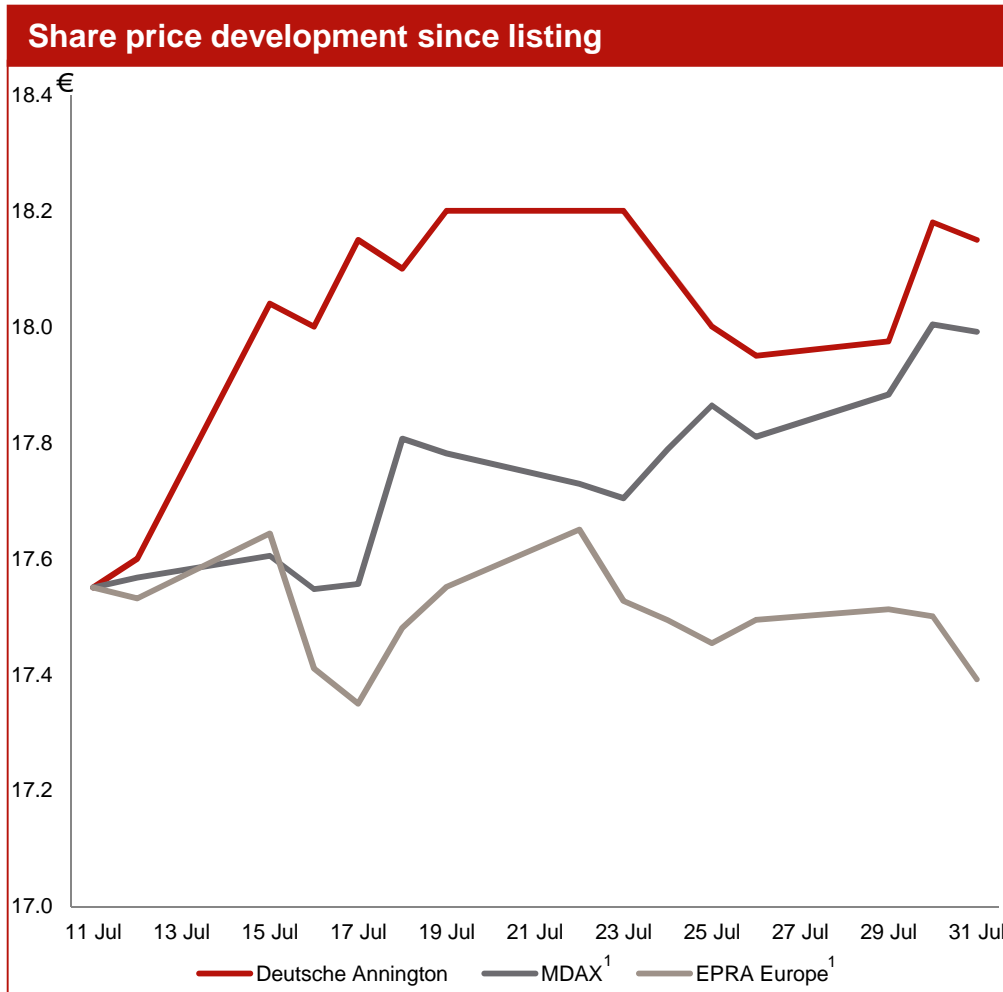


# Strong operational and financial momentum expected to continue

Outlook



## Successful listing on July 11 at Frankfurt stock exchange despite difficult market environment



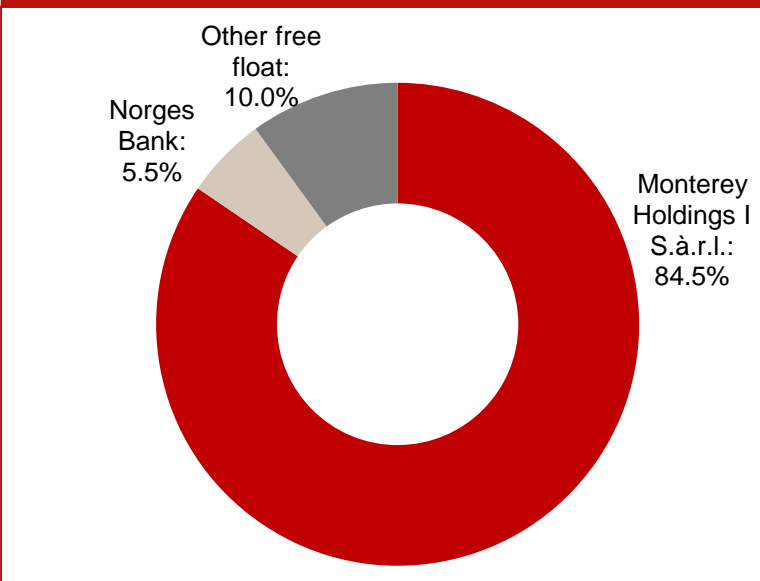
<sup>1)</sup> Performance relative to Deutsche Annington share price

Source: Reuters

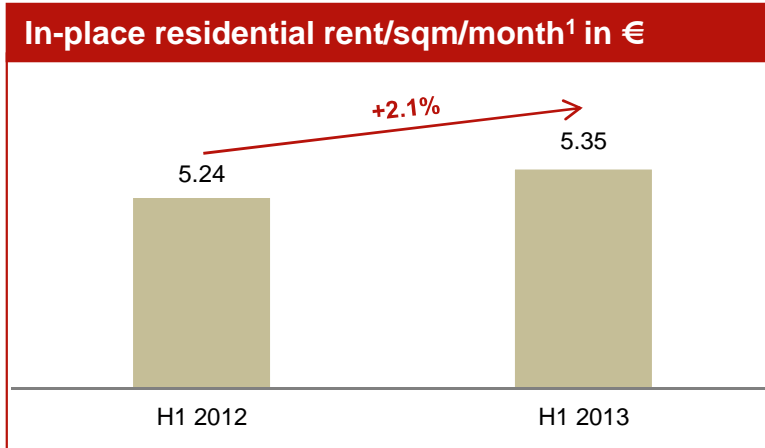
### Listing information

- Issue price of EUR 16.50
- First trading price of EUR 17.10
- Share price increased by 10% until 31 July 2013

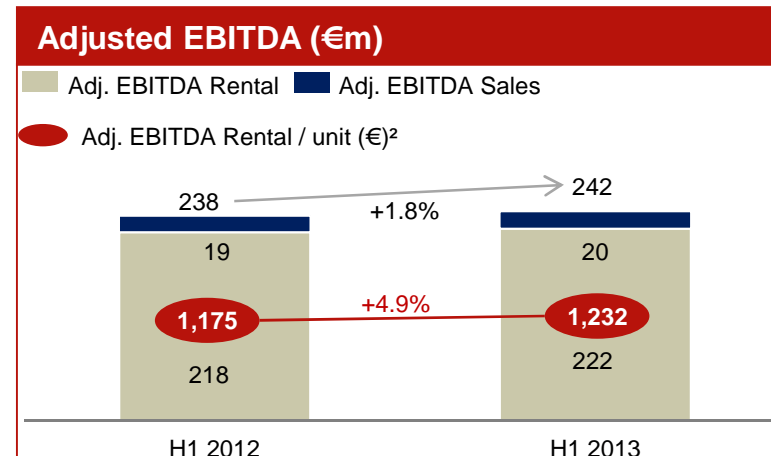
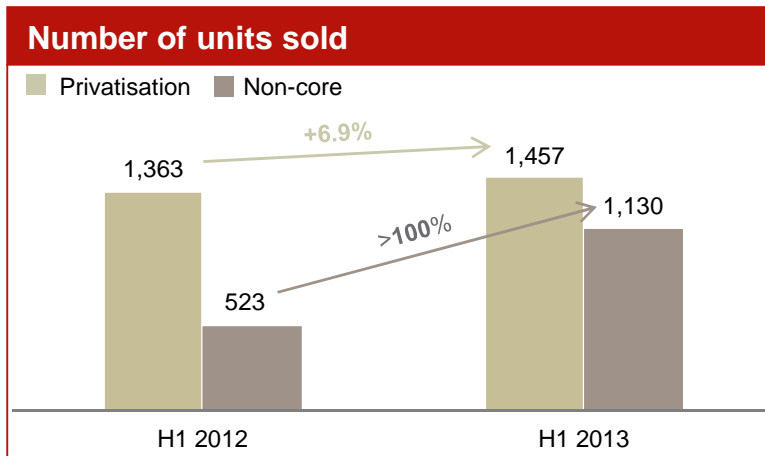
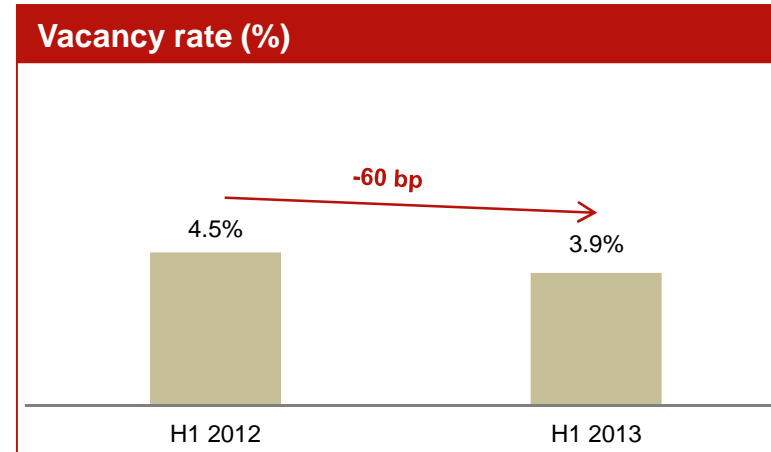
### Current shareholder structure



# Rental growth and improvement of vacancy rate driving operational performance



<sup>1</sup> Like-for-like



<sup>2</sup> Based on average number of units over the period

## New forecast confirms original rental growth guidance for investment programme

Investment programme			
	2012	2013	2014
<b>Upgrade Buildings</b>	<ul style="list-style-type: none"> <li>Construction volume of €54m<sup>1</sup> completed</li> <li>Yield in line</li> </ul>	<ul style="list-style-type: none"> <li>€54m of investments implemented or ongoing (2.4k units) at a yield of approx. 7%</li> <li>Some construction completions in 2014 only, mainly due to recent capital structure changes &amp; adverse weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>Selection of €90m projects completed</li> <li>Further ~€30m under review</li> </ul>
<b>Optimise Apartments</b>	<ul style="list-style-type: none"> <li>All 41 pilot apartments completed and rented out</li> <li>Yield in line</li> </ul>	<ul style="list-style-type: none"> <li>Forecast at €17m invest volume initiated in 2013, ~900 units, yield &gt;7% expected</li> <li>Some construction completions in 2014 only due to lower tenant turnover and capital structure re-organisation</li> </ul>	<ul style="list-style-type: none"> <li>~€40m under review</li> <li>Organisational ramp-up initiated</li> </ul>
<b>TOTAL</b>	<ul style="list-style-type: none"> <li><b>Successful delivery on 2012 investment targets</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Yield expectation in line with 7% target</b></li> <li><b>Some construction completions in 2014 only</b></li> </ul>	<ul style="list-style-type: none"> <li><b>€150m of new projects to be initiated as per target</b></li> <li><b>Preparatory work well on track</b></li> </ul>

### ▪ Rental growth guidance remains unchanged

- Approx. €20m more apartment investment in 2014 vs. 2013
- Building investments result in following year rent increases vs. apartment investments in same year

<sup>1)</sup> Total 2012 modernisation of €66m includes additional €11.4m of other modernisation measures, e.g. complying with the Energy Savings Ordinance

## Operational success through new property management and value-adding service offerings

- Set-up of service company TGS well on track
  - Since the beginning of 2013, massive expansion of regional presence of TGS
  - All DA customers directly reachable via TGS craftsmen
  - Around 960 FTE nationwide; further expansion planned
  
- Update on strategic partnership with Deutsche Telekom
  - 22,000 residential units are connected to DT's TV offering
  - Additional 21,000 units will follow until the end of Q3 2013
  - Our tenants benefit from significant discounts on DT's products (phone, mobile and internet)



## Clear path to targeted capital structure established

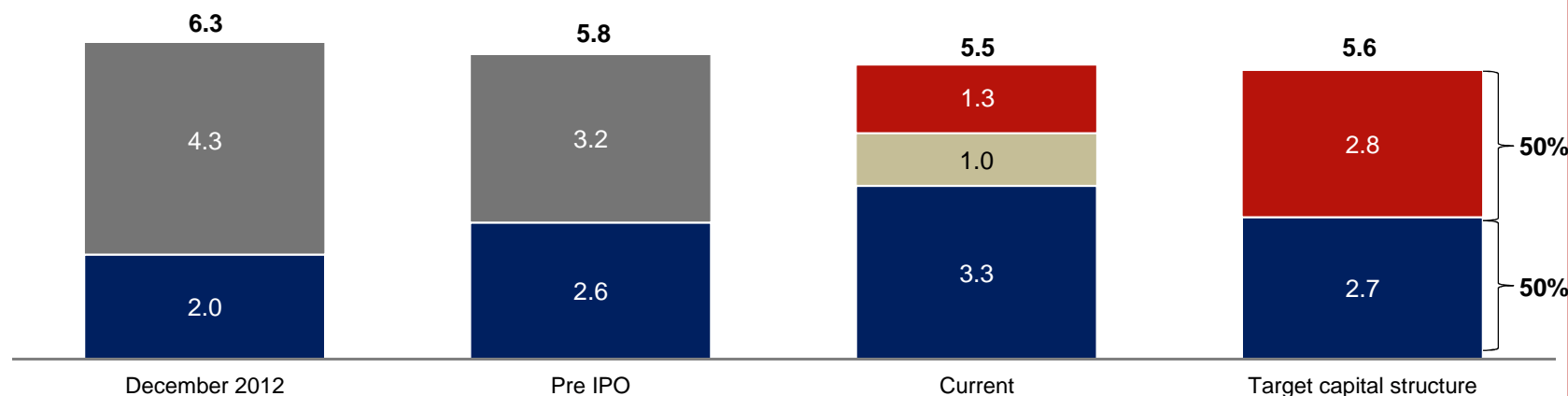
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- 1 Lower LTV into target zone
- 2 Obtain Investment Grade rating
- 3 Establish unsecured financing instruments
- 4 Extend and balance maturities
- 5 Increase unencumbered assets
- 6 Tackle maturities between 6 and 15 months ahead of time
- 7 Keep disciplined approach throughout the whole process, by actively managing the balance sheet
- 8 Acquisition strategy strictly adhering to credit framework

## Implementation of unique and best-in-class financing structure in the German real estate sector on its way

### Illustrative targeted evolution of Deutsche Annington financial liability structure (€bn, nominal)

■ Secured debt ■ CMBS ■ Term Loan ■ Unsecured debt



<b>LTV (nominal)</b>	<b>59%</b>	<b>53%</b>	<b>c. 50%</b>	<b>c. 50%</b>
<b>Unencumb. assets in %</b>	<b>0%</b>	<b>0%</b>	<b>c. 32%</b>	<b>≥50%</b>
<b>Financing cost</b>	<b>4.4%</b>	<b>3.7%</b>	<b>2.8%<sup>1</sup></b>	<b>Ongoing optimisation based on most economical funding</b>

<sup>1</sup> Refinancing of the term loan will likely be on higher rates than the 1.17% as of 31 July 2013. An increase of the term loan rate or the rate of a respective refinancing instrument by 100bps will increase the total average rate by 18 bps.



## Two premieres: investment grade rating from S&P and issuance of unsecured corporate bonds

- Corporate investment grade rating

Rating agency	Rating	Outlook	Last Update
Standard & Poor's	BBB	Stable	23 July 2013

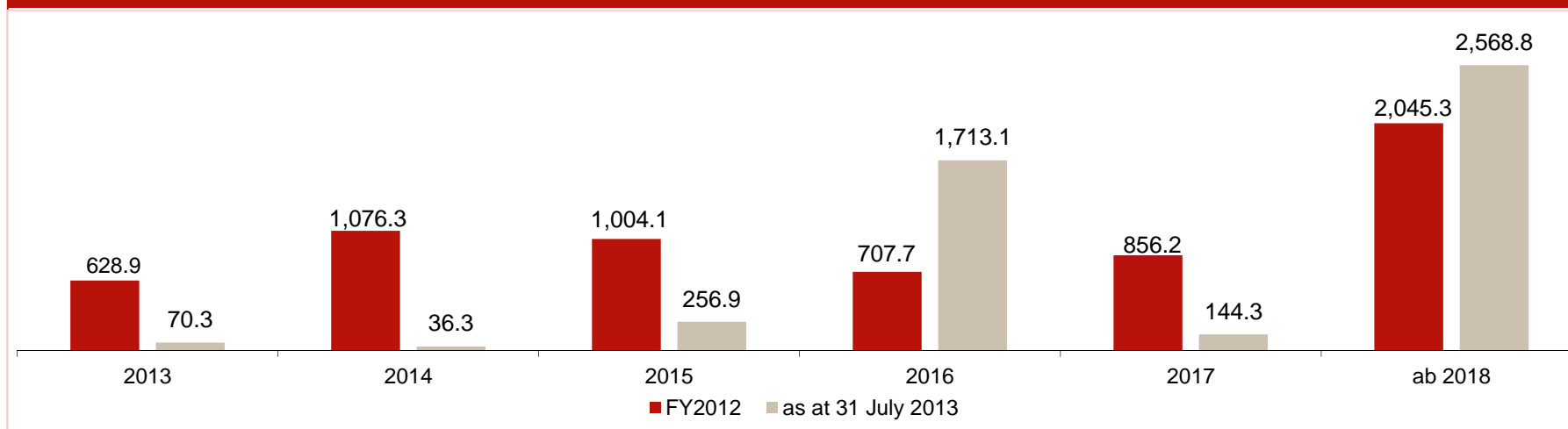
- Bond ratings

	Amount	Issue Price	Coupon	Maturity Date	Rating
<b>3 years 2.125% Euro Bond</b>	€ 700m	99.793%	2.125%	25 July 2016	BBB

	Amount	Issue Price	Coupon	Maturity Date	Rating
<b>6 years 3.125% Euro Bond</b>	€ 600m	99.935%	3.125%	25 July 2019	BBB

## Simplification and increased stability through enhanced maturity profile and financing product mix

### Comparison of maturity profiles FY 2012 vs 31 July 2013



Sources			Uses
Bonds	1,300	4,325	GRAND
Term Loan	1,000	221	WOG 4
Secured Refinancings	1,664	110	Amortisation
Liquidity	693		
<b>Total</b>	<b>4,656</b>	<b>4,656</b>	<b>Total</b>

→ Higher flexibility and cost efficiency through tailored mix of financing instruments

## Diversified financing mix provides additional security

Debt	Average Interest (incl. Margin)	Debt as of Jul 13 € m	Debt Maturity Profile										
			2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Corealcredit	4.3%	164						156					
Woge 5	5.5%	249			244								
PRIMA	3.7%	146						128					
LBB 1	3.1%	654						608					
Harrison	3.5%	39										35	
Adams	3.6%	72						67					
Hoover	3.6%	104						97					
McKinley 1	3.8%	130								44			76
LBB 2	3.5%	470								443			
Roosevelt	3.3%	103						95					
Wilson	3.2%	91						84					
Term Loan <sup>1</sup>	1.2%	1,000				1,000							
Bond 2016	2.1%	700				700							
Bond 2019	3.1%	600							600				
Other Loans	3.0%	1,103	70	36	13	13	144	34	36	42	19	2	4
<b>Total</b>	<b>2.8%</b>	<b>5,626</b>	<b>70</b>	<b>36</b>	<b>257</b>	<b>1,713</b>	<b>144</b>	<b>1,269</b>	<b>636</b>	<b>529</b>	<b>19</b>	<b>37</b>	<b>80</b>

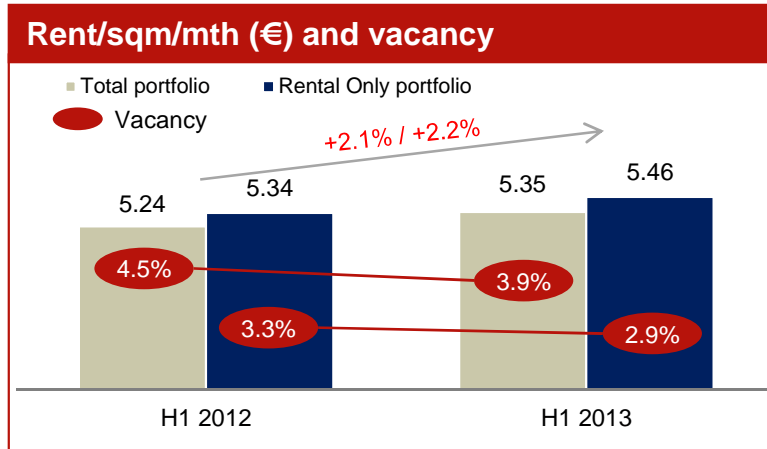
<sup>1)</sup> Refinancing of the term loan will likely be on higher rates than the 1.17% as of 31 July 2013. An increase of the term loan rate or the rate of a respective refinancing instrument by 100bps will increase the total average rate by 18 bps.

## Rent increase and vacancy reduction in the residential portfolio on track

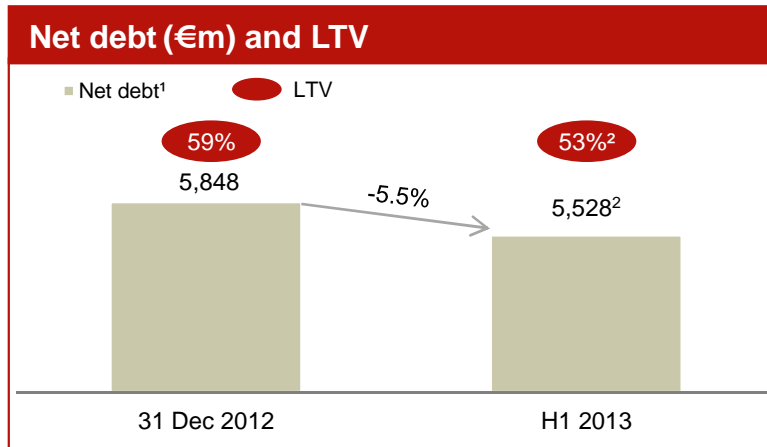
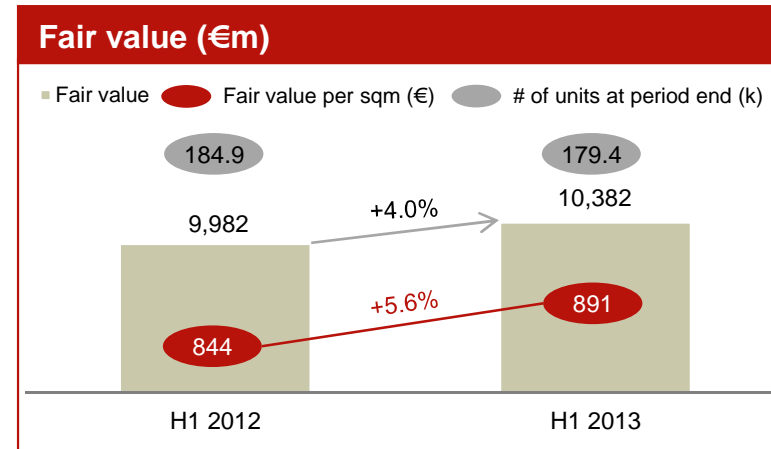


DA Residential Portfolio								
30 Jun 2013								
	Units		Area	Vacancy	In-Place Rent		Rent I-f-I	Vacancy
Portfolio Segment	#	%	('000 sqm)	%	€m	€/sqm	Y-o-Y in %	Y-o-Y in %
Operate	78,762	44	4,999	3.1	314	5.40	1.9	-0.6
Upgrade	43,533	24	2,746	3.0	169	5.29	1.8	-0.1
Optimise	21,367	12	1,335	2.1	95	6.03	3.6	-0.1
<b>RENTAL ONLY</b>	<b>143,662</b>	<b>80</b>	<b>9,079</b>	<b>2.9</b>	<b>577</b>	<b>5.46</b>	<b>2.3</b>	<b>-0.4</b>
Privatise	21,753	12	1,490	5.2	90	5.28	1.8	-0.4
Non-Core	13,943	8	878	11.4	40	4.27	0.9	-2.0
<b>TOTAL</b>	<b>179,358</b>	<b>100</b>	<b>11,447</b>	<b>3.9</b>	<b>707</b>	<b>5.35</b>	<b>2.1</b>	<b>-0.6</b>

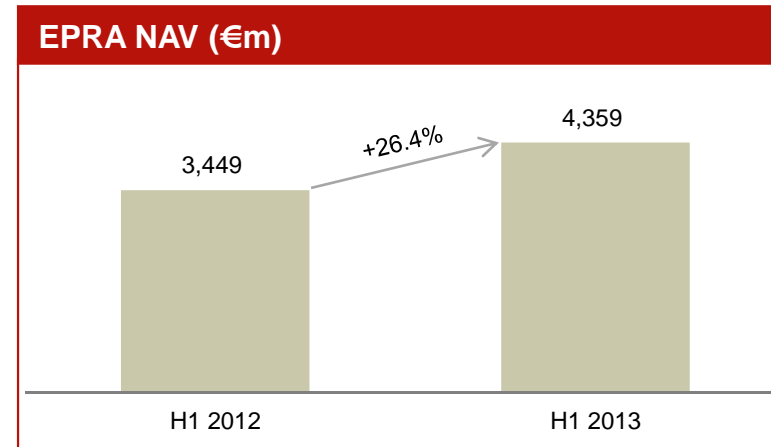
# Significant improvements of all major KPIs over the past periods



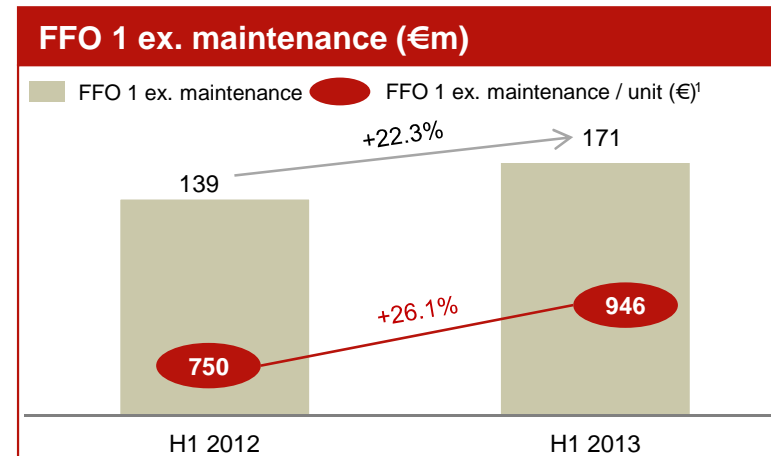
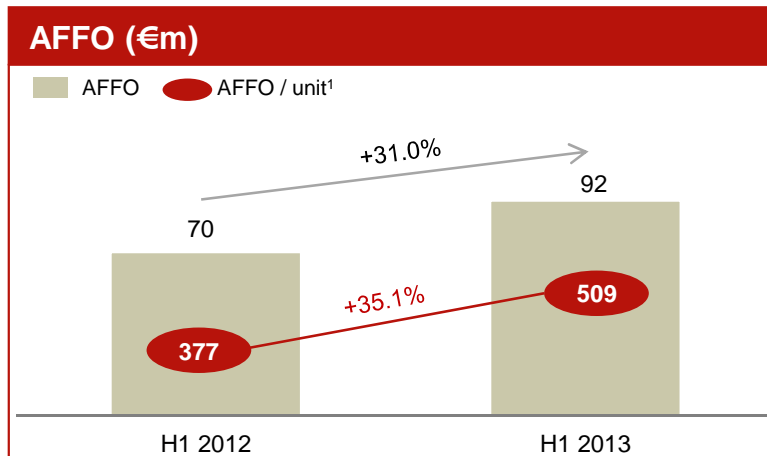
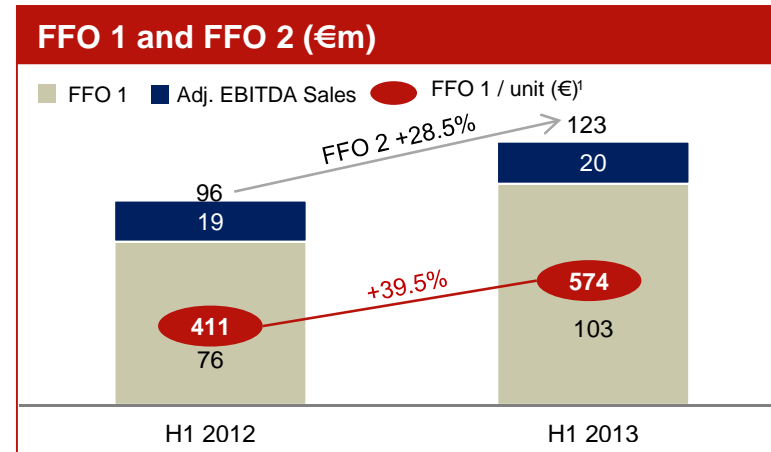
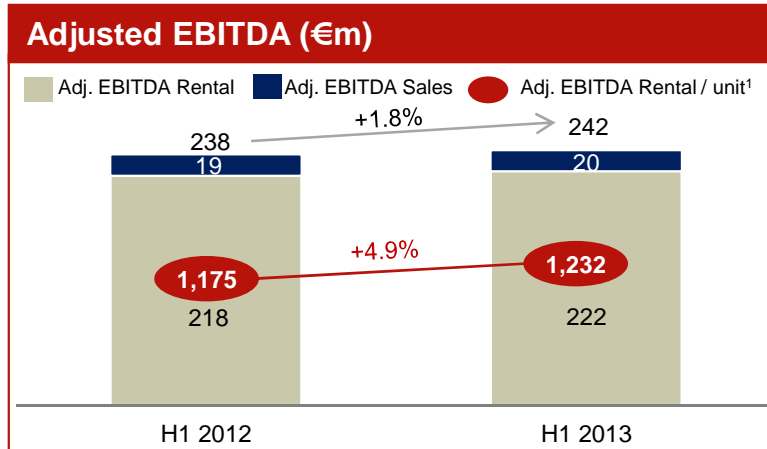
Note: Like-for-like in-place residential rent



<sup>1</sup> Based on nominal debt amounts net of cash; <sup>2</sup> Excluding GRAND plc S-REF Notes of €240m



## Significant improvements of all major KPIs over the past periods (cont'd)



<sup>1</sup> Based on average number of units over the period

## H1 2013 – P&L development

(€m)			Change	
	H1 2013	H1 2012	(€m)	%
<b>Revenues from property letting</b>	<b>523.2</b>	<b>532.0</b>	<b>-8.8</b>	<b>-1.7</b>
<b>Rental income</b>	<b>364.0</b>	<b>365.4</b>	<b>-1.4</b>	<b>-0.4</b>
Ancillary costs	159.2	166.6	-7.4	-4.4
Other income from property management	9.0	9.1	-0.1	-1.1
<b>Income from property management</b>	<b>532.2</b>	<b>541.1</b>	<b>-8.9</b>	<b>-1.6</b>
<b>Income from sale of properties</b>	<b>166.9</b>	<b>140.3</b>	<b>26.6</b>	<b>19.0</b>
Carrying amount of properties sold	-154.0	-121.9	-32.1	26.3
Revaluation of assets held for sale	11.1	12.8	-1.7	-13.3
<b>Profit on disposal of properties</b>	<b>24.0</b>	<b>31.2</b>	<b>-7.2</b>	<b>-23.1</b>
Net income from fair value adjustments of investment properties	523.9	80.7	443.2	
<b>Expenses for ancillary costs</b>	<b>-159.4</b>	<b>-174.8</b>	<b>15.4</b>	<b>-8.8</b>
Expenses for maintenance	-50.2	-58.9	8.7	-14.8
Other cost of purchased goods and services	-27.8	-32.3	4.5	-13.9
<b>Personnel expenses</b>	<b>-70.4</b>	<b>-48.7</b>	<b>-21.7</b>	<b>44.6</b>
Depreciation and amortisation	-2.8	-2.9	0.1	-3.4
Other operating income	19.2	14.2	5.0	35.2
<b>Other operating expenses</b>	<b>-41.9</b>	<b>-32.7</b>	<b>-9.2</b>	<b>28.1</b>
Financial income	7.1	2.3	4.8	
<b>Financial expenses</b>	<b>-128.4</b>	<b>-163.0</b>	<b>34.6</b>	<b>-21.2</b>
<b>Profit before tax</b>	<b>625.5</b>	<b>156.2</b>	<b>469.3</b>	
Income tax	-185.3	-44.7	-140.6	
Current income tax	-4.0	-3.6	-0.4	11.1
Others (incl. deferred tax)	-181.3	-41.1	-140.2	
<b>Profit for the period</b>	<b>440.2</b>	<b>111.5</b>	<b>328.7</b>	

### Comments

- Stable rental income
- Average size of the residential portfolio over the period down from 185k to 179k as a result of sales
- Offset by higher average residential in-place rent per square metre per month (€ 5.35 vs. € 5.24) and lower vacancy rate (3.9% vs. 4.5%)
- IFRS Profit on disposal lower due to higher carrying amount of properties sold
- Net income from fair value adjustments increased driven by valuation
- Ancillary costs develop in line with decreasing number of units; analogously, expenses for ancillary costs reflect units development and insourcing effect
- Increased personnel expenses primarily due to the insourcing initiative of caretakers (€ 4.6m) and craftsmen (€ 12.5m) and LTIP (€ 4.1m, of which € 3.4m were IPO-related)
- Increase driven by insourcing higher provisions and increased audit, consultancy fees and legal costs
- Financial expenses decreased substantially by the deleveraging effect of the GRAND CMBS restructuring as well as lower interest rates
- Profit for the period mainly driven by valuation effects

## Overview of DA's maintenance and capex split

Maintenance and modernisation		Comments	
	H1 2013	H1 2012	
Sales of own craftsmen's organisation	56.7	18.5	<ul style="list-style-type: none"> <li>Modernisation and maintenance are always subject to seasonality effects and impacted by cut-off dates which makes the analysis of fractions of a year less meaningful</li> </ul>
Bought-in services	32.7	76.7	<ul style="list-style-type: none"> <li>Revenues of the own craftsmen's organisation increased significantly</li> </ul>
<b>Total cost of modernisation and maintenance work</b>	<b>89.4</b>	<b>95.2</b>	<ul style="list-style-type: none"> <li>Total modernisation and maintenance work slightly below previous year</li> </ul>
Intercompany profits of own craftsmen's organisation eliminated in the consolidated financial statements	-4.4	-1.2	<ul style="list-style-type: none"> <li>Craftmen's organisation generated profit /savings of € 4.4m</li> </ul>
<b>Modernisation and maintenance work recognised in the consolidated financial statements</b>	<b>85.0</b>	<b>94.0</b>	<ul style="list-style-type: none"> <li>Modernisation program with a slow start, but annual spend expected on previous year level</li> <li>Driven by weather conditions and delays due to capital structure reorganisation</li> <li>Quarterly numbers are always subject to higher volatility due to completion cut-offs</li> </ul>
...thereof maintenance <sup>1</sup>	67.1	63.0	
...thereof capitalised maintenance	11.6	6.3	
...thereof modernisation	6.3	24.7	

Note: Rounding errors may occur

1) including cost of materials of € 50.2 million as well as personnel expenses of € 16.9 million and other costs.



# H1 2013 – Increased Adjusted EBITDA Rental and stable Adjusted EBITDA Sales

## Bridge to Adjusted EBITDA

(€m)	H1 2013	H1 2012
<b>Profit for the period</b>	<b>440</b>	<b>112</b>
Interest expenses / (income)	122	161
Income taxes	185	45
Depreciation	3	3
Net income from fair value adjustments of investment properties	-524	-81
<b>EBITDA IFRS</b>	<b>226</b>	<b>239</b>
Non-recurring items	14	3
Period adjustments	2	-5
<b>Adjusted EBITDA</b>	<b>242</b>	<b>238</b>
<b>Adjusted EBITDA Rental</b>	<b>222</b>	<b>218</b>
<b>Adjusted EBITDA Sales</b>	<b>20</b>	<b>19</b>

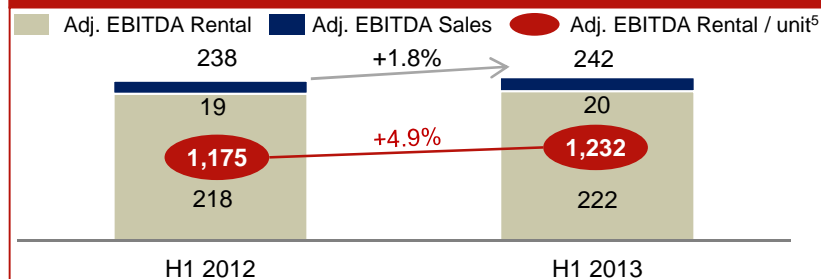
## Rental segment

(€m)	H1 2013	H1 2012
<i>Average number of units over the period (k)</i>	179	186
<b>Rental income</b>	<b>364</b>	<b>365</b>
Other income from property management	9	9
Ancillary cost balance	(9)	(9)
Other property management costs	(142)	(147)
<b>Adjusted EBITDA Rental</b>	<b>222</b>	<b>218</b>

## Sales segment

(€m)	H1 2013	H1 2012
<i>Number of units sold</i>	2,587	1,886
<b>Income from disposal of properties</b>	<b>167</b>	<b>140</b>
Carrying amount of properties sold	(154)	(122)
Revaluation of assets held for sale	11	13
<b>Profit on disposal of properties</b>	<b>24</b>	<b>31</b>
Operating expenses	(6)	(7)
Period adjustments	2	(5)
<b>Adjusted EBITDA Sales</b>	<b>20</b>	<b>19</b>

## Evolution of Adjusted EBITDA (€m)



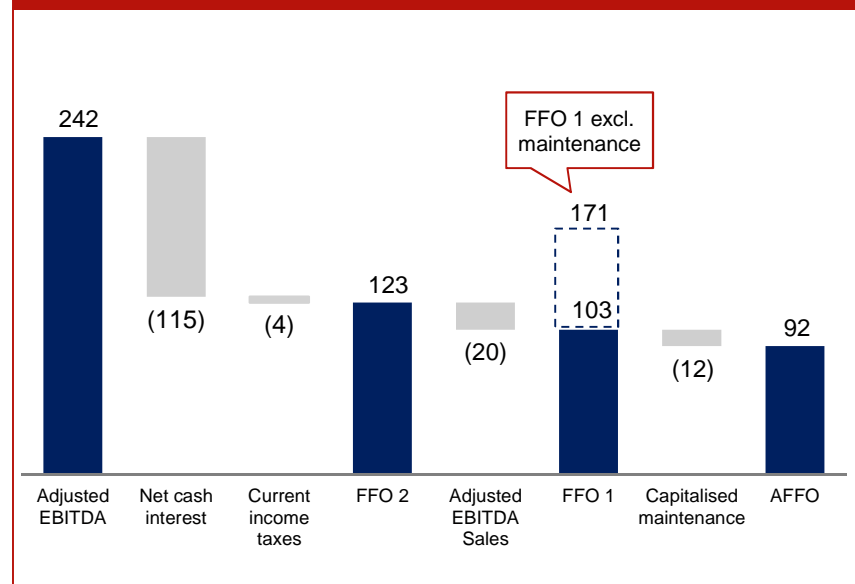
- Adjusted EBITDA Rental growing with reduced portfolio
- Adjusted EBITDA Rental per unit increased by 4.9% to €1,232 per unit
- Adjusted EBITDA Sales slightly above level of previous year
- Adjusted EBITDA also growing

## H1 2013 – All FFO definitions significantly higher than previous year

### FFO evolution

(€m)	H1 2013	H1 2012
<b>Adjusted EBITDA</b>	<b>242</b>	<b>238</b>
(-) Net cash interest	(115)	(138)
(-) Current income taxes	(4)	(4)
<b>(=) FFO 2</b>	<b>123</b>	<b>96</b>
(-) Adjusted EBITDA Sales	20	19
<b>(=) FFO 1</b>	<b>103</b>	<b>76</b>
(-) Capitalised maintenance	12	6
<b>(=) AFFO</b>	<b>92</b>	<b>70</b>
(+) Capitalised maintenance	12	6
(+) Expenses for maintenance	67	63
<b>(=) FFO 1 (excl. maintenance)</b>	<b>171</b>	<b>139</b>

### FFO breakdown (€m)



### Comments

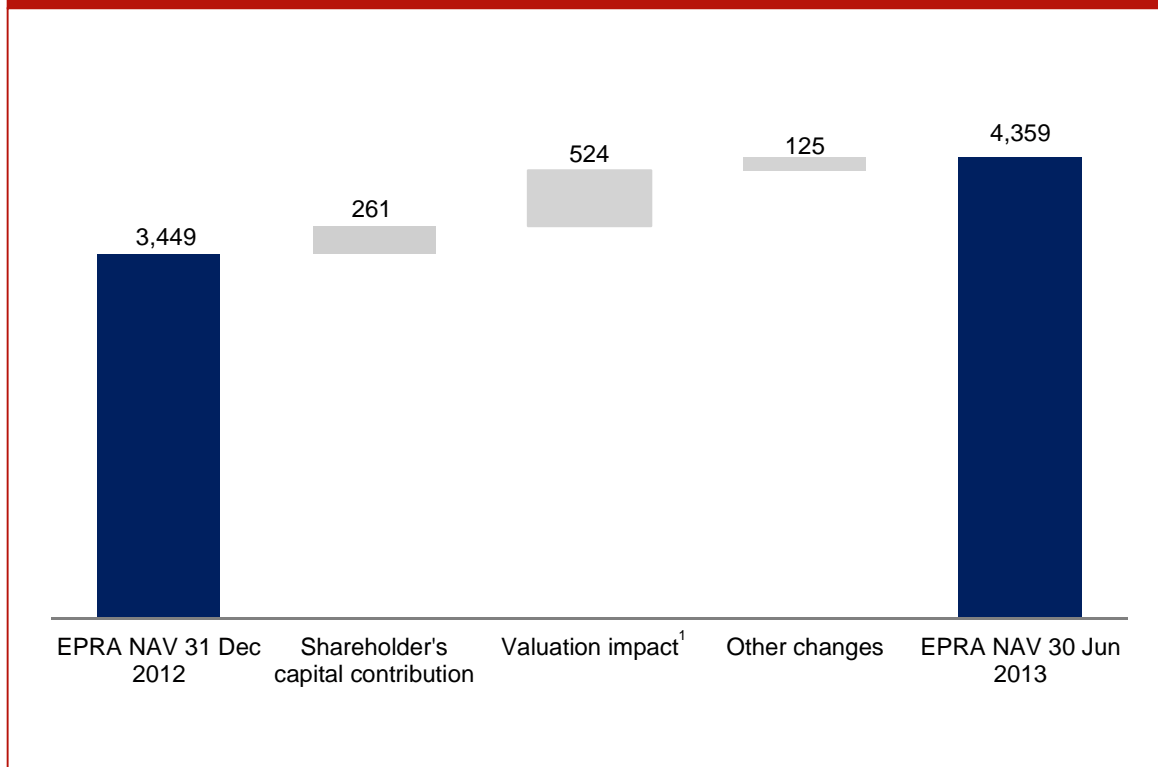
- All FFOs with significant positive development
- Main drivers are a significantly lower cash interest payment and, furthermore, a positive impact from a growth in the Adjusted EBITDA

## H1 2013 – Balance sheet evolution

Overview			Comments
(€m)	H1 2013	YE 2012	
Investment properties	10,279	9,844	<ul style="list-style-type: none"> <li>▪ Increase driven by valuation while number of units decreased from 185k to 179k</li> </ul>
Other non-current assets	342	103	
<b>Total non-current assets</b>	<b>10,621</b>	<b>9,947</b>	<ul style="list-style-type: none"> <li>▪ Contribution of the so called S-Loans (a receivable that after the repayment of GRAND will be netted against the outstanding GRAND liabilities) of €239m resulted in increase of non-current assets and equity</li> </ul>
Cash and cash equivalents	222	470	
Other current assets	191	192	
<b>Total current assets</b>	<b>413</b>	<b>662</b>	<ul style="list-style-type: none"> <li>▪ €240m of cash was applied to the repayment of GRAND liabilities in January 2013</li> </ul>
<b>Total assets</b>	<b>11,034</b>	<b>10,608</b>	
Total equity attributable to DA shareholders	3,396	2,666	<ul style="list-style-type: none"> <li>▪ Increase driven capital contributions and by profit of the period, mainly resulting from valuation of properties</li> </ul>
Non-controlling interests	14	11	
<b>Total equity</b>	<b>3,410</b>	<b>2,677</b>	<ul style="list-style-type: none"> <li>▪ Financial liabilities decreased due to the repayment of GRAND after the successful restructuring in 2012 out of cash on the balance sheet</li> </ul>
Other financial liabilities	5,549	5,767	
Deferred tax liabilities	920	724	
Provisions for pensions and similar obligations	292	319	
Other non-current liabilities	132	131	
<b>Total non-current liabilities</b>	<b>6,893</b>	<b>6,941</b>	<ul style="list-style-type: none"> <li>▪ Financial liabilities decreased due to the repayment of GRAND after the successful restructuring in 2012 out of cash on the balance sheet</li> </ul>
Other financial liabilities	481	684	
Other current liabilities	251	306	
<b>Total current liabilities</b>	<b>732</b>	<b>990</b>	<ul style="list-style-type: none"> <li>▪ Financial liabilities decreased due to the repayment of GRAND after the successful restructuring in 2012 out of cash on the balance sheet</li> </ul>
<b>Total liabilities</b>	<b>7,624</b>	<b>7,931</b>	
<b>Total equity and liabilities</b>	<b>11,034</b>	<b>10,608</b>	

## H1 2013 – EPRA NAV rising due to external valuation and shareholder contribution

### EPRA NAV – H1 2013 (€m)



### Comments

- Main impact from valuation of property portfolio
- Further effects from shareholders capital contributions
  - Thereof €239m from contribution of the so called S-Loans receivable and €22m from the increase in number of shares in preparation of the IPO

<sup>1)</sup> Excluding deferred tax impact of external valuation

Note: Rounding errors may occur

## Guidance until financial year end

KPI	Range
Rental growth	1.8 – 2.0 %
Modernisation volume from 2014 p.a.	€ 150 m
Planned disposals (privatisation)	2.3 k units
FFO 1 target	€ 210 – 220 m
Dividend policy	~70% of FFO 1

## Contact

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Executives: Rolf Buch, Klaus Freiberg, Dr. A. Stefan Kirsten

Head of Supervisory Board: Dr. Wulf H. Bernotat

# Appendix

## Key facts & figures about Deutsche Annington

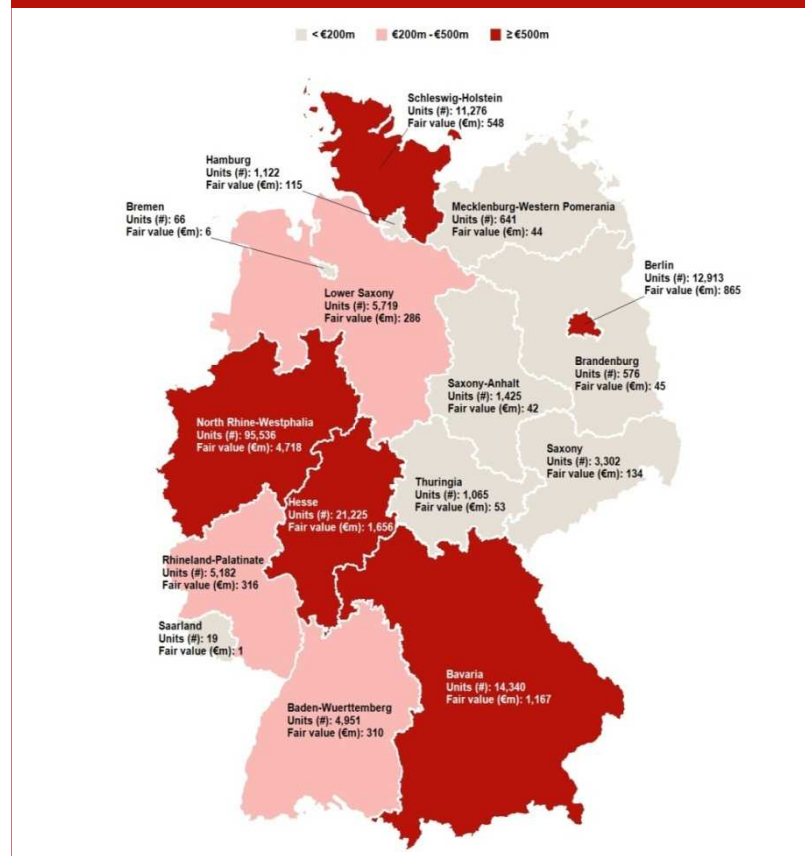
### Key Facts H1 2013

- Top 5 European real estate company<sup>1</sup> and the largest German residential firm<sup>2</sup>
- 179k residential units across Germany, 97% by fair value in Western Germany and Berlin
- €10.4bn portfolio valuation
- €4.4bn EPRA NAV
- €364m rental income
- €5.35 residential in-place rent per square meter per month
- 2.1% rent per sqm growth p.a.
- 3.9% residential vacancy rate
- €222m Adjusted EBITDA Rental
- €242m Adjusted EBITDA
- €103m FFO 1 and €123m FFO 2
- Dedicated portfolio strategy and investment programme focused on value creation

Note: all data as of 30 June 2013, unless otherwise stated

<sup>1</sup>By GAV; <sup>2</sup> In listed German residential sector

### Portfolio snapshot






# Strong corporate governance set-up through new supervisory board structure

**De-staggered Supervisory Board consisting of 9 members – 5 representatives of MHI and 4 independent members**  
**The number of independent members is expected to increase to 5 as soon as Terra Firma's stake in DA falls below 50%**  
**All subcommittees will be chaired by independent members**

Independent members

**Dr. Wulf Bernotat, 65**

**Chairman of Board**



- Since Jun-13
- Managing Director of Bernotat & Cie.

**Former experience**

- CEO of E.ON

**Dr. Edgar Ernst, 61**

**Chairman of Audit Committee**




- Since Jun-13
- President of German FREP (Financial Reporting Enforcement Panel)

**Former experience**

- CFO of Deutsche Post DHL

**Hildegard Müller, 45**

**Member**




- Since Jun-13
- Chairwoman of German Association of Energy and Water Industries

**Former experience**

- Minister of State in the Federal Chancellery

**Clara-Christina Streit, 44**

**Chairwoman of Finance Committee**



- Since Jun-13
- Senior advisor to McKinsey & Co


**Former experience**

- Partner at McKinsey & Company

MHI representatives

**Robert Nicolas Barr, 55**

**Deputy Chairman of Board**




- Since Nov-09
- Operational managing officer of Terra Firma

**Former experience**

- Regional CFO Vodafone

**Arjan Breure, 39**

**Member**




- Since Dec-10
- Financial managing director of Terra Firma

**Former experience**

- Head of Asset Management at Citi Property Investors

**Fraser Duncan, 53**

**Member**




- Since Feb-01
- Business consultant

**Former experience**

- CFO Initial Shorrock

**Dr. Klaus Rauscher, 64**

**Member**




- Since Aug-08
- Business consultant

**Former experience**

- Member of Supervisory Board of ThyssenKrupp Technologies

**Tim Pryce, 47**

**Member**



- Since Jun-13
- CEO of Terra Firma

**Former experience**

- GE Capital

## Portfolio segmentation – H1 2013 vs. H1 2012

30 Jun 2013						
	Units	Area (in thousand sqm)	Vacancy (in %)	In-Place Rent (in € million)	In-Place Rent (in € per sqm)	like-for-like (€/sqm/month)
Operate	78,762	4,998	3.1%	314.0	5.40	5.40
Upgrade buildings	43,533	2,746	3.0%	168.9	5.29	5.29
Optimise apartments	21,367	1,335	2.1%	94.5	6.03	6.03
<b>Rental only</b>	<b>143,662</b>	<b>9,079</b>	<b>2.9%</b>	<b>577.3</b>	<b>5.46</b>	<b>5.46</b>
Privatise	21,753	1,490	5.2%	89.6	5.28	5.28
Non-core	13,943	878	11.4%	39.7	4.27	4.27
<b>Total</b>	<b>179,358</b>	<b>11,447</b>	<b>3.9%</b>	<b>706.7</b>	<b>5.35</b>	<b>5.35</b>

30 Jun 2012						
	Units	Area (in thousand sqm)	Vacancy (in %)	In-Place Rent (in € million)	In-Place Rent (in € per sqm)	like-for-like (€/sqm/month)
Operate	77,559	4,917	3.7%	301.4	5.30	5.30
Upgrade buildings	46,406	2,926	3.1%	176.6	5.19	5.19
Optimise apartments	19,744	1,237	2.1%	84.5	5.82	5.82
<b>Rental only</b>	<b>143,709</b>	<b>9,080</b>	<b>3.3%</b>	<b>562.5</b>	<b>5.34</b>	<b>5.34</b>
Privatise	24,615	1,686	5.6%	100.2	5.24	5.19
Non-core	16,599	1,036	13.4%	45.4	4.23	4.23
<b>Total</b>	<b>184,923</b>	<b>11,802</b>	<b>4.5%</b>	<b>708.1</b>	<b>5.24</b>	<b>5.24</b>

Note: Residential in-place rent (per month in € per sqm) is defined as the current gross rental income per month for rented residential units as agreed in the corresponding rent agreements as of 31 March 2013, before deducting non-transferable

## Total residential portfolio by federal states

	Residential				
	Units	Area	Vacancy	In-Place Rent	
		(in thousand sqm)	(in %)	(in € million)	(in € per sqm)
Nordrhein-Westfalen	95,536	5,980	4.3	348.1	5.07
Hessen	21,225	1,344	1.7	103.3	6.51
Bayern	14,340	953	2.1	61.5	5.50
Berlin	12,913	832	1.2	56.2	5.70
Schleswig-Holstein	11,276	703	4.3	41.2	5.12
Niedersachsen	5,719	386	8.2	21.7	5.08
Rheinland-Pfalz	5,182	369	2.8	22.1	5.14
Baden-Württemberg	4,951	346	2.7	21.6	5.36
Sachsen	3,302	206	10.8	10.7	4.84
Sachsen-Anhalt	1,425	96	21.1	4.1	4.47
Hamburg	1,122	65	1.9	5.6	7.35
Thüringen	1,065	69	5.9	4.0	5.19
Mecklenburg-Vorpommern	641	49	2.2	3.3	5.72
Brandenburg	576	42	4.0	2.9	5.84
Bremen	66	5	3.0	0.3	5.83
Saarland	19	1	5.3	0.1	4.76
<b>Total</b>	<b>179,358</b>	<b>11,447</b>	<b>3.9</b>	<b>706.7</b>	<b>5.35</b>

Note: Residential in-place rent (per month in € per sqm) is defined as the current gross rental income per month for rented residential units as agreed in the corresponding rent agreements as of 31 March 2013, before deducting non-transferable

## Total residential portfolio by 25 largest locations

	Residential				
	Units	Area (thousand sqm)	Vacancy (%)	In-Place Rent <sup>(1)</sup>	
				(€ million)	(€ per sqm)
Dortmund	17,632	1,075	2.8	59.7	4.76
Berlin	12,913	832	1.2	56.2	5.70
Essen	10,091	618	6.0	36.0	5.18
Frankfurt am Main	10,029	621	0.6	52.4	7.08
Gelsenkirchen	7,872	482	6.9	24.7	4.59
Bochum	7,631	440	2.6	26.2	5.10
Duisburg	4,738	282	4.2	15.9	4.91
München	4,674	311	0.6	23.2	6.26
Herne	4,583	281	4.5	15.1	4.69
Bonn	4,261	299	2.3	21.0	6.00
Köln	4,007	264	2.5	19.7	6.35
Gladbeck	3,272	200	3.0	11.4	4.88
Herten	2,722	175	4.2	9.2	4.55
Marl	2,514	168	7.9	9.4	5.10
Düsseldorf	2,489	163	2.3	13.2	6.89
Aachen	2,186	145	1.7	9.1	5.35
Wiesbaden	2,073	138	2.0	11.8	7.29
Bergkamen	2,020	134	8.5	6.5	4.49
Geesthacht	1,999	114	4.5	7.2	5.54
Bottrop	1,925	121	4.1	7.1	5.06
Kassel	1,867	116	3.0	6.5	4.83
Castrop-Rauxel	1,707	100	4.7	5.8	5.10
Recklinghausen	1,658	110	3.6	6.0	4.76
Nürnberg	1,632	112	1.2	7.7	5.80
Flensburg	1,602	106	4.3	5.8	4.80
<b>Subtotal</b>	<b>118,097</b>	<b>7,408</b>	<b>3.3</b>	<b>467.0</b>	<b>5.43</b>
Remaining	61,261	4,039	5.0	239.6	5.20
<b>Total</b>	<b>179,358</b>	<b>11,447</b>	<b>3.9</b>	<b>706.7</b>	<b>5.35</b>

<sup>1)</sup> Residential in-place rent (per month in € per sqm) is defined as the current gross rental income per month for rented residential units as agreed in the corresponding rent agreements as of 31 March 2013, before deducting non-transferable

## Key bond terms

	3 years 2.125% Euro Bond	6 years 3.125% Euro Bond
<b>Issuer:</b>	Deutsche Annington Finance B.V.*	Deutsche Annington Finance B.V.*
<b>Trade Date:</b>	17 July 2013	17 July 2013
<b>ISIN:</b>	DE000A1HNTJ5	DE000A1HNW52
<b>WKN:</b>	A1HNTJ	A1HNW5
<b>Listing:</b>	Unregulated open-market segment (Freiverkehr) of the Frankfurt Stock Exchange	Unregulated open-market segment (Freiverkehr) of the Frankfurt Stock Exchange
<b>Notional Amount:</b>	EUR 700,000,000	EUR 600,000,000
<b>Denominations:</b>	EUR 100,000 per Note	EUR 100,000 per Note
<b>Issue Price:</b>	99.793%	99.935%
<b>Coupon:</b>	2.125% (payable annually)	3.125% (payable annually)
<b>First Coupon payment:</b>	25 July 2014	25 July 2014
<b>Maturity Date:</b>	25 July 2016	25 July 2019
<b>Covenants:</b>	Total Debt / Total Assets <= 60%; Secured Debt / Total Assets <= 45%; Interest Coverage Ratio (LTM Adjusted EBITDA to LTM Interest Expense)>=1.4x until 30-Sep-13 and 1.8x thereafter; Total Unencumbered Assets / Unsecured Debt >= 125%	Total Debt / Total Assets <= 60%; Secured Debt / Total Assets <= 45%; Interest Coverage Ratio (LTM Adjusted EBITDA to LTM Interest Expense)>=1.4x until 30-Sep-13 and 1.8x thereafter; Total Unencumbered Assets / Unsecured Debt >= 125%
<b>Rating:</b>	BBB	BBB

\*The bonds are guaranteed by Deutsche Annington Immobilien SE.

## Key share information

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Key share information	
<b>First day of trading:</b>	July 11, 2013
<b>Issue price:</b>	EUR 16.50
<b>Total number of shares outstanding:</b>	224,242,425
<b>Issued share capital:</b>	EUR 224,242,425
<b>ISIN:</b>	DE000A1ML7J1
<b>WKN:</b>	A1ML7J
<b>Ticker symbol:</b>	ANN
<b>Common code:</b>	94567408
<b>Type of shares:</b>	Registered no-par value shares
<b>Free float:</b>	15.5% (incl. Norges Bank)
<b>Stock exchange:</b>	Frankfurt Stock Exchange
<b>Market segment:</b>	Prime Standard