

Press Release

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Results as of September 30, 2017

Nine-Month Key Figures: Investments Running Into the Billion-euro Range and New Construction – Vonovia Continues with Successful Portfolio Strategy and is Confident in its Outlook for 2018

- Investment program for energy-efficient modernization and successful climate protection; new construction targets achieved; range of housing-related services (“Value-add business”) extended.
- Upper end of raised forecast for 2017 fiscal year confirmed: Expected FFO 1 of between € 910 million and € 920 million and planned dividends of € 1.32 per share (2016: € +0.20).
- Further Increase in Earnings Power in 2018: FFO 1 of between approximately € 960 million and approximately € 980 million expected.

Bochum, November 8, 2017 – Vonovia SE (“Vonovia”) once again delivered convincing performance in the third quarter of 2017, reporting solid business development. The investment program running into the billions is on track and housing-related services (“Value-add Business”) are making an increasing contribution to the company’s success. This has allowed Vonovia to improve on its key figures yet again. Given this development, the company is confirming its forecast for 2017 as a whole and is positive in its outlook for the 2018 fiscal year.

“We have our proven business model to thank for our reliable upward trend. We are using standardization and digitalization to boost our efficiency and making investments to improve the quality of our properties. At the same time, we are further expanding the housing-related services we offer and increasing customer satisfaction”, said Rolf Buch, CEO of Vonovia.

Rising Portfolio Quality Boosting Earnings Power Once Again

In the first nine months of 2017, Vonovia increased its FFO 1 (funds from operations; profit from operations after current interest and taxes) by 20.8 % as against the same period of 2016 to € 690.5 million (9M 2016: € 571.6 million). FFO 1 per share rose by 15.4 % to € 1.42 (9M 2016: € 1.23).

Rental income came to € 1,249.4 million. An increase in rents due to market-related factors (1.7 %) and the effects from property value improvements and new construction (2.2 %) increased the monthly rent per square meter to € 6.19. The vacancy rate remained at 2.9 % (Jun. 30, 2017: 2.9 %).

The EPRA NAV (net asset value, assets without liabilities) came to € 19,195.3 million as of September 30, 2017 (Dec. 31, 2016: € 17,047.1 million). This works out to be an EPRA NAV per share of € 39.57 (December 31, 2016: € 36.58).

The value of the real estate portfolio rose by around 14 % to € 30.9 billion during the course of the year (Dec. 31, 2016: € 27.1 billion). At around 350,000 units, the average number of apartments remained virtually constant.

Investment Program for New Construction, Energy-efficient Modernization and Climate Protection Increased to € 750 million; New Construction Targets Achieved

Vonovia invested a total of over € 1 billion in its portfolio in 2017. The investment program for new construction and energy-efficient modernization was increased to € 750 million (forecast for H1 2017: € 730 million). Measures worth almost € 510 million have already been implemented. Other work with a volume of more than € 240 million is currently underway. The energy-efficient modernization of the portfolio improves the energy efficiency of the buildings. For example, over 42,000 megawatt hours (MWh) of energy demand were saved in 2016. This corresponds to energy savings for the buildings refurbished in 2016 of 47.5 %. Another rise in savings is expected for 2017.

The company plans to build around 2,000 new apartments a year in total. Around 1,000 will be under construction, or will have already been completed, by the end of 2017. To this end, Vonovia is placing particular emphasis on targeted densification and vertical expansion using

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prefabricated modules and the following three concepts: Precast concrete construction, wood hybrid and steel skeleton. The company has now concluded a framework agreement with a major manufacturer in the precast concrete construction sector. Following Bochum and Dortmund, upcoming projects include new construction in Munich, Bremen, Hamburg, Berlin and Frankfurt.

In addition, around € 350 million will have been invested in maintaining existing apartments before the end of the year.

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Housing-Related Services: Added Value for Customers

Vonovia was able to set up a new service just in time for the onset of fall: Customers can request various additional security packages, from lockable window handles to the installation of an armored apartment door. Only those alterations that have been individually requested are implemented and paid for. "Security is something that is very important, particularly in our own homes. Our experience has shown that this is an area in which our tenants' needs vary considerably. The response to our various security packages has been very positive", said Rolf Buch.

Competitive Strategy Forms Basis for Cooperation in France

A few days ago, Vonovia signed a partnership declaration with the French housing company Groupe SNI. This will see the two companies enter into talks on how to provide affordable housing today and in the future. "We have proven how successful our strategy is in Germany. But we also know that we still have a large number of development opportunities open to us, including outside our core market in Germany."

Together with Groupe SNI, we are primarily sharing our experience of business models, portfolio management, energy-efficient renovation and new construction, but also housing-related services and how to reach out to customers. Additionally, we intend to identify common growth and investment options.

Positive Outlook for 2018; Planned Dividends of € 1.32 per Share for 2017

Given the strong operating performance in the first nine months of

2017, Vonovia is confirming the forecast it has published for the year as a whole at the upper end of the scale. The company expects to achieve FFO 1 of between € 910 million and € 920 million. This is likely to put the FFO 1 around 20 % above the previous year's figure (2016: € 760.8 million).

In addition, the positive market development seen to date is expected to continue, which will further increase the value of the properties by the end of the year. The appreciation value is likely to be between approximately € 4.0 billion and € 4.5 billion (incl. appreciation as of the half-year of € 1.5 billion) for 2017 as a whole.

Vonovia plans to propose a dividend in the amount of € 1.32 per share at the Annual General Meeting in May 2018. This corresponds to an increase of € 0.20 over 2016 and to a dividend yield of 3.7 % based on the closing price on September 30, 2017.

Vonovia is also very confident in its outlook for 2018. The company expects its FFO 1 to increase to somewhere in the range of € 960 million to € 980 million, or between € 1.98 and € 2.02 per share based on the current number of shares. The investment program of approximately € 1 billion for new construction and modernization will be continued every year and has thus doubled compared with 2016. The program will continue to focus on new construction, vertical expansions for existing buildings and improvements to our portfolio.

**The report on the key figures for the first nine months of 2017 can be found here: <http://reports.vonovia.de/2017/q3/en/>
Further information can be found in the press section.**

2018 Financial Calendar:

March 6, 2018 Publication of 2017 Annual Report

May 3, 2018 Publication of the key figures for the first three months of 2018

May 9, 2018 Annual General Meeting

2 August, 2018: Publication of the key figures for the first half of 2018

November 6, 2018: Publication of the key figures for the first three months of 2018

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Key Financial Figures in € million	9M 2017	9M 2016	Change in %
Rental income from property management	1,249.4	1,156.1	8.1
Adjusted EBITDA Operations	922.1	832.3	10.8
Adjusted EBITDA Rental	865.9	794.1	9.0
Adjusted EBITDA Value-add Business*	76.0	45.1	68.5
Adjusted EBITDA Other	-19.8	-6.9	187.0
Adjusted EBITDA Sales	81.3	65.5	24.1
Adjusted EBITDA	1,003.4	897.8	11.8
FFO 1	690.5	571.6	20.8
FFO 1 per share in €**	1.42	1.23	15.4
Profit for the period	1,205.2	278.3	333.1
Spending on maintenance and modernization	752.8	516.7	45.7
thereof maintenance expenses and capitalized maintenance	244.2	232.1	5.2
thereof modernization (incl. new construction)	508.6	284.6	78.7

Key Balance Sheet Figures in € million	Sep. 30, 2017	Sep. 30, 2016	Change in %
Fair value of the real estate portfolio	30,948.1	23,851.1	29.8
Adjusted NAV	16,263.5	11,016.9	47.6
Adjusted NAV per share in €**	33.53	23.64	41.8
LTV in %	42.4	47.1	-4.7 pp

Key Non-Financial Figures	9M 2017	9M 2016	Change in %
Number of own apartments (average)	354,095	347,690	1.84
Vacancy rate in %	2.9	2.8	0.1 pp
Number of employees (as of Sep. 30/Dec. 31)	8,378	7,074	18.4

EPRA Key Figures in € million	Sep. 30, 2017	Sep. 30, 2016	Change in %
EPRA NAV	19,195.3	13,735.8	39.7
EPRA NAV per share in €**	39.57	29.48	34.2

* Previously "Adjusted EBITDA Extension"

** Based on the shares carrying dividend rights on the reporting date: Sep. 30, 2017: 485,100,826; Sep. 30, 2016: 466,000,624; Dec. 31, 2016: 466,000,624

About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns and manages around 350,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately € 30.9 billion. As a modern service company, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, attractive and livable homes is a prerequisite for the company's successful development. Accordingly, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The company will also be creating more and more new apartments by realizing infill developments and adding to existing buildings.

The company, which is based in Bochum, has been listed on the stock exchange since 2013 and on the DAX 30 since September 2015. Vonovia SE is also listed on the international indices STOXX Europe 600, MSCI Germany, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of approximately 8,400 employees.

Additional Information:

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

ISIN: DE000A1ML7J1

WKN: A1ML7J

Common code: 094567408

Registered headquarters of Vonovia SE: Bochum, Germany, Bochum Local Court, HRB 16879

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