

Press Release

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Results as of March 31, 2018

Vonovia Makes a Strong Start to the Year and Lifts 2018 Forecast

- Operating business grows by 11.6 % in the first quarter of 2018 compared with the same quarter of 2017
- New guidance for 2018 as a whole: Due to successful business development and the integration of BUWOG, FFO 1 will increase to around € 1,030 million to € 1,050 million – up by around 13 % compared to 2017
- Q1 2018: Construction of a total of 550 new apartments initiated
- Recommended public takeover offer announced for Swedish residential property company

Bochum, May 3, 2018 – Vonovia SE (“Vonovia”) got off to a very good start this year and is lifting its forecast for 2018 as a whole. FFO 1 – the key figure indicating the company’s development – grew by 11.6 % to € 243.6 million in the first three months (Q1 2017: € 218.2 million). FFO 1 per share increased to € 0.50 (Q1 2017: € 0.47). “Vonovia performed very well in the first quarter. We have made good progress with our investments in our properties and our new construction activities. In addition, our growth is supported by a continued increase in efficiency and favorable refinancing,” explained CEO Rolf Buch.

Due to the successful business development and the integration of BUWOG, Vonovia is lifting its forecast for 2018 as a whole. FFO 1 will increase by around 13 % as against 2017 to around € 1,030 million to € 1,050 million. The original forecast came to approximately € 960 million to € 980 million. In March 2018, Vonovia took over a majority stake in the Austrian company, including 49,000 apartments.

Following the investments in Austria, Vonovia now intends to acquire a company in Sweden for the first time: Vonovia has announced a recommended public offer for the Swedish residential property company Victoria Park AB. Victoria Park's Independent Bid Committee has unanimously recommended the Vonovia offer to all shareholders of Victoria Park and the company's management has supported Vonovia's proposal. The business models of both Victoria Park and Vonovia complement each other and provide a solid basis for Vonovia to make a first step into the attractive Swedish market.

Victoria Park owns about 14.000 homes in Stockholm, Gothenborg and Malmo.

As a result of the acquisition of BUWOG, the portfolio includes around 394,000 units as of March 31, 2018. The portfolio in Austria, comprising 24,000 apartments, is located primarily in Vienna, as well as in the regional centers of Graz, Klagenfurt, Salzburg and Villach. The integration of the company's operational business in Germany is expected to be completed by the end of the year.

At the same time, Vonovia sold a total of 1,740 apartments between January and March 2018. The vacancy rate in Vonovia's overall portfolio amounted to 2.8 % as a result of apartment renovations (Q1 2017: 2.7 %). Rents increased by 1.6 % compared to the same quarter last year as a result of the general market development, and by 2.6 % due to property value improvements and new construction. The monthly rent per square meter, taking BUWOG into account, came to € 6.18 as of March 31, 2018. Rental income came to € 418.3 million (Q1 2017: € 417.2 million). The loan-to-value ratio came to 45.5 % in the first quarter of 2018 (Q1 2017: 44.4 %). Profit for the period came to € 129.2 million (Q1 2017: € 130.7 million).

Investment Remains at a High Level – More Employees Recruited Again

In the first quarter of 2018, Vonovia continued to invest a considerable amount in properties. The amount spent on new construction, improvements in property value, greater energy efficiency and neighborhood development rose to € 137.7 million (Q1 2017: € 114.2 million). In addition, € 83.4 million (Q1 2017: € 77.2 million) was spent on maintenance. "Our new construction program allows us to help improve the housing situation in the cities," says Rolf Buch.

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Vonovia by far exceeds the current nationwide renovation rate of under one percent. Around 5 % of its existing buildings are renovated every year. These energy-efficient modernization measures allow Vonovia to save approximately 55,000 metric tons of CO₂ a year. This is equivalent to the annual heating energy consumption of 15,000 households.

Vonovia is increasingly creating living space based on modular construction, which means with a high degree of prefabrication in the factory and short construction times on site. In the first three months of this year, Vonovia submitted building applications for around 400 apartments and extra stories to existing buildings, and started with the construction of 150 apartments in Landsberg, Bremen, Wiesbaden, Frankfurt, Dortmund and Munich.

The number of employees (including BUWOG) came to 9,544 as of March 31, 2018 (December 31, 2017: 8,448). 800 caretakers are available every day to act as a point of contact for customers on site, with 600 gardening and landscaping employees responsible for managing the outdoor areas.

Annual General Meeting on May 9, 2018

The Management Board and the Supervisory Board will be proposing a dividend of € 1.32 per share to the Annual General Meeting on May 9, 2018. The scheduled election of the Supervisory Board will also be held. Jürgen Fitschen, who is to assume the role of Chairman, and Vitus Eckert will be standing for election as new members of the Supervisory Board. In addition, Daniel Riedl will be assuming responsibility for the Austrian business and development as a new member of Vonovia's Management Board after the Annual General Meeting.

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Interim Statement for the First Quarter of 2018:

Deutsch: <http://reports.vonovia.de/2018/q1/de>

Englisch: <http://reports.vonovia.de/2018/q1/en>

Media center: <https://www.vonovia.de/ueber-vonovia/presse/mediathek>

Further information can be found in the press section.

2018 Financial Calendar:

May 9, 2018: *Annual General Meeting*

August 31, 2018: *Interim Financial Report for 2018*

December 6, 2018: *Interim Statement for the Third Quarter of 2018*

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Financial Key Figures in € million	3M 2017	3M 2018
Rental income	417.2	418.3
Adjusted EBITDA Operations	300.1	315.7
Adjusted EBITDA Rental income	285.6	303.2
Adjusted EBITDA Value-add Business	19.8	17.8
Adjusted EBITDA Other	-5.3	-5.3
Adjusted EBITDA Sales	19.1	15.7
Adjusted EBITDA	319.2	331.4
EBITDA IFRS	303.8	299.4
FFO 1	218.2	243.6
Profit for the period	130.7	129.2
Maintenance and modernization	191.4	221.1
thereof for maintenance expenses and capitalized maintenance	77.2	83.4
thereof for modernization (incl. new construction)	114.2	137.7
	Mar. 31, 2017	Mar. 31, 2018
Key Balance Sheet Figures in € million		
Fair value of the real estate portfolio	29,607.6	38,485.6
Adjusted NAV	14,616.8	18,467.5
Adjusted NAV per share in €*	31.18	38.07
LTV in %	44.4	45.5
	3M 2017	3M 2018
Non-financial Key Figures		
Number of own apartments	355,525	393,639
Number of apartments owned by third-parties	65,674	58,497
Vacancy rate in %	2.7	2.8
Monthly in-place rent in €/m ²	6.06	6.18
Number of employees (as of Mar. 31/Dec. 31)	8,114	9,544
	Mar. 31, 2017	Mar. 31, 2018
EPRA Key Figures in € million		
EPRA NAV	17,548.6	21,916.2
EPRA NAV per share in €*	37.43	45.18

** Based on the shares carrying dividend rights on the reporting date: Mar. 31, 2018: 485,100,826, Mar. 31, 2017: 468,796,936

About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns around 394,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately € 38.5 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 is also 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 9,500 employees.

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Additional Information:

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

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Common code 094567408

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

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