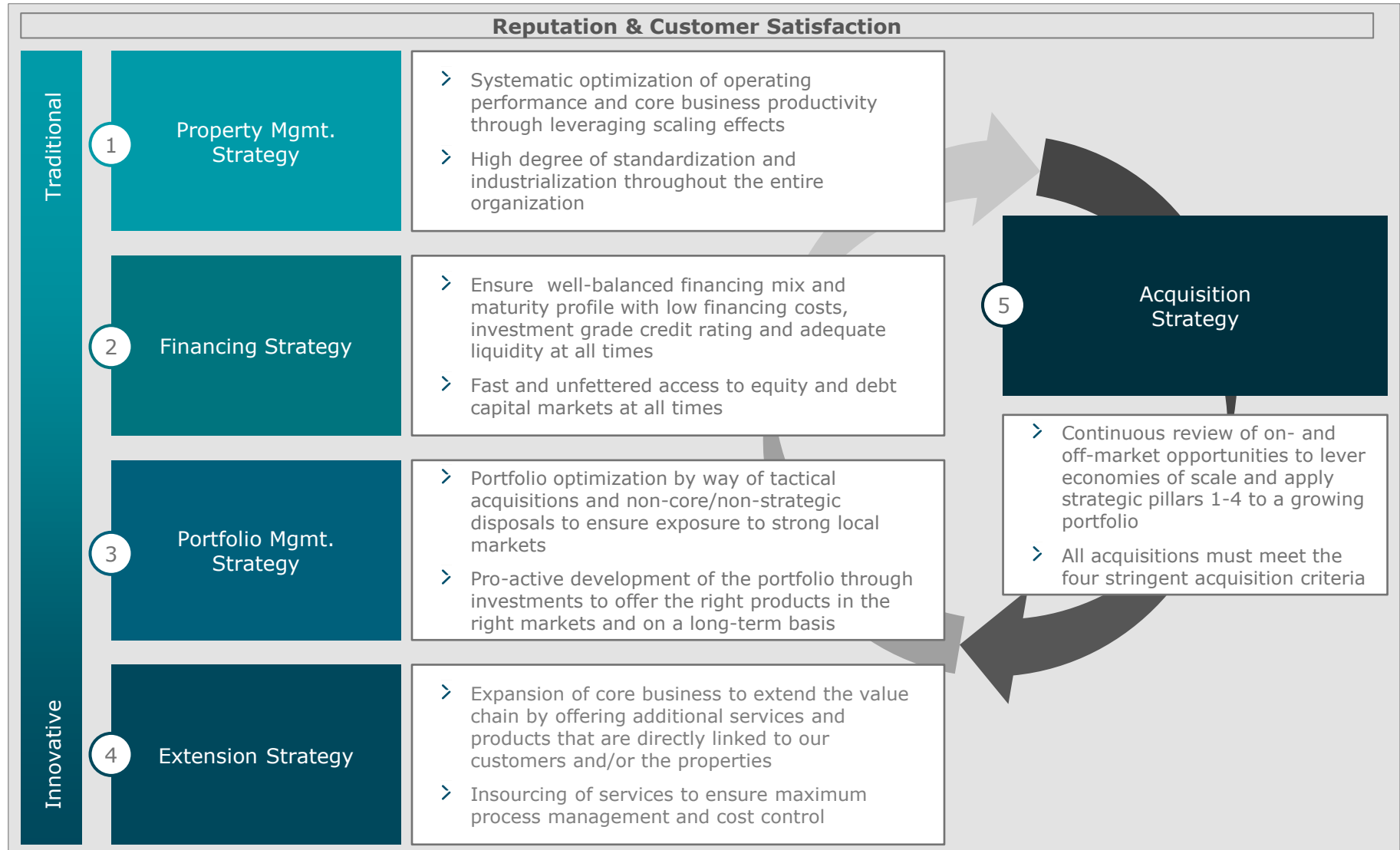
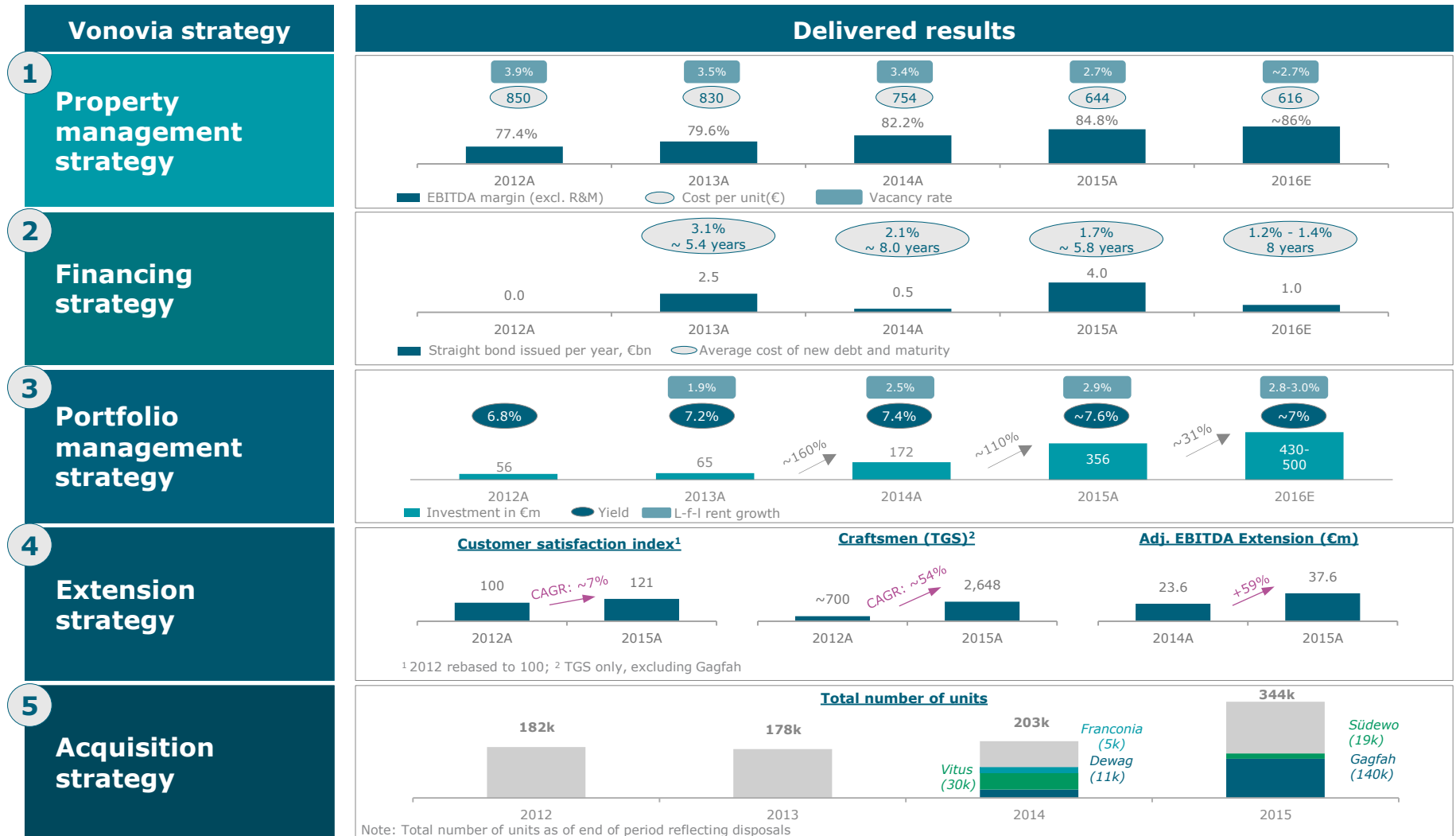


VONOVIA

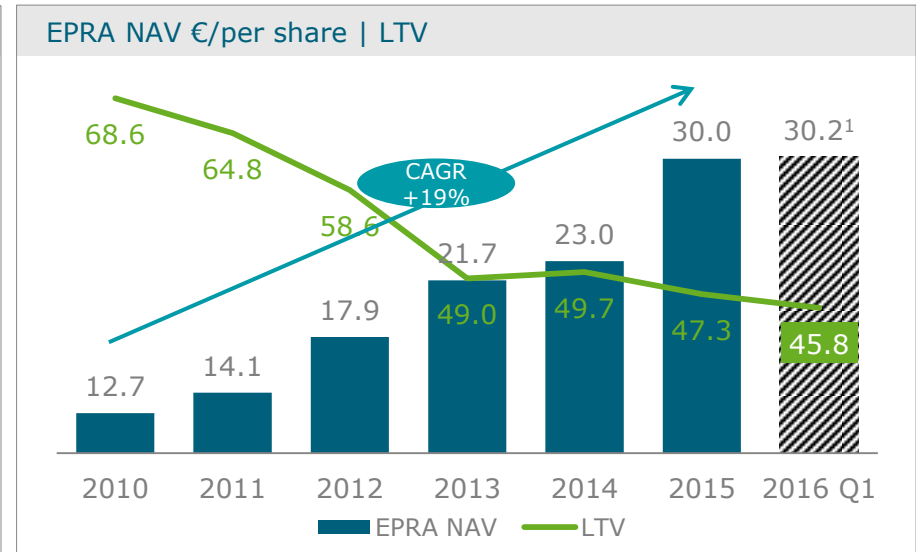
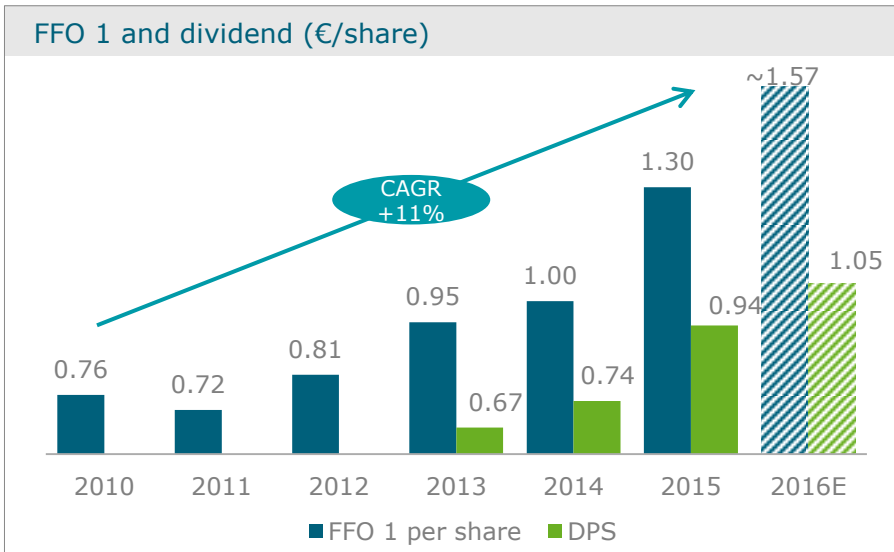
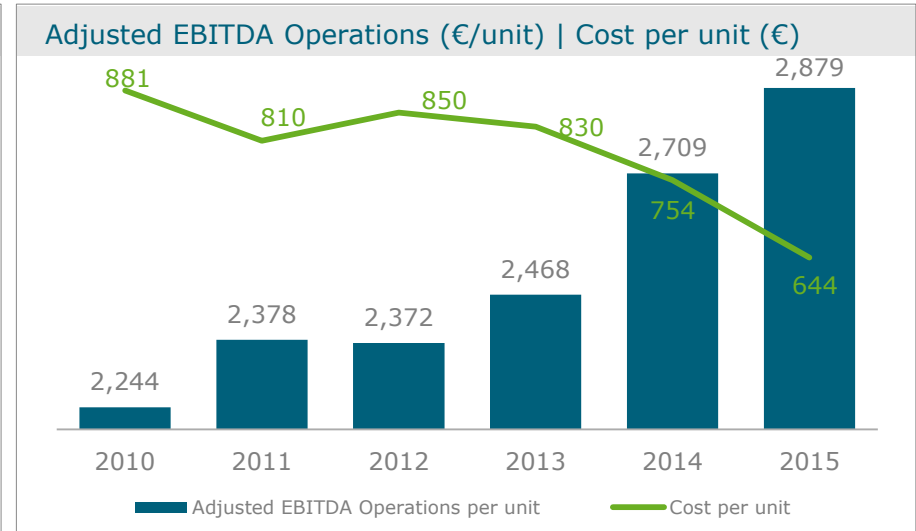
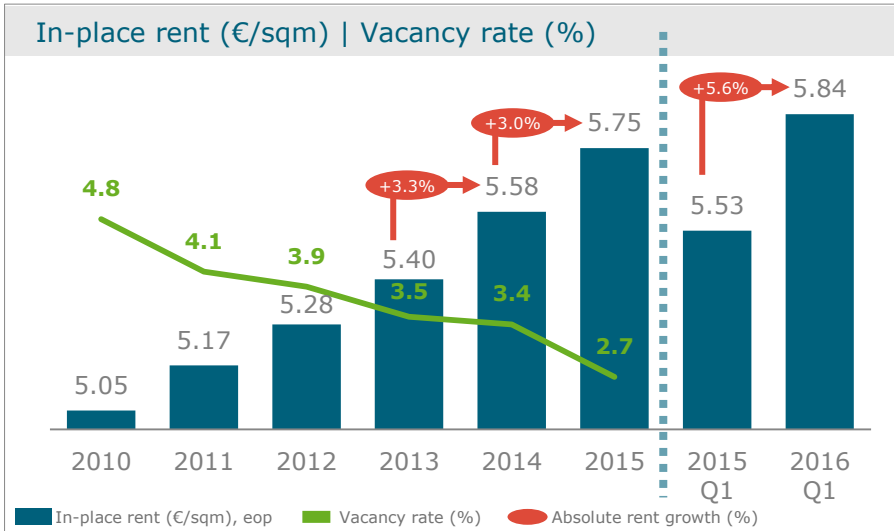
Investor Presentation

June 2016





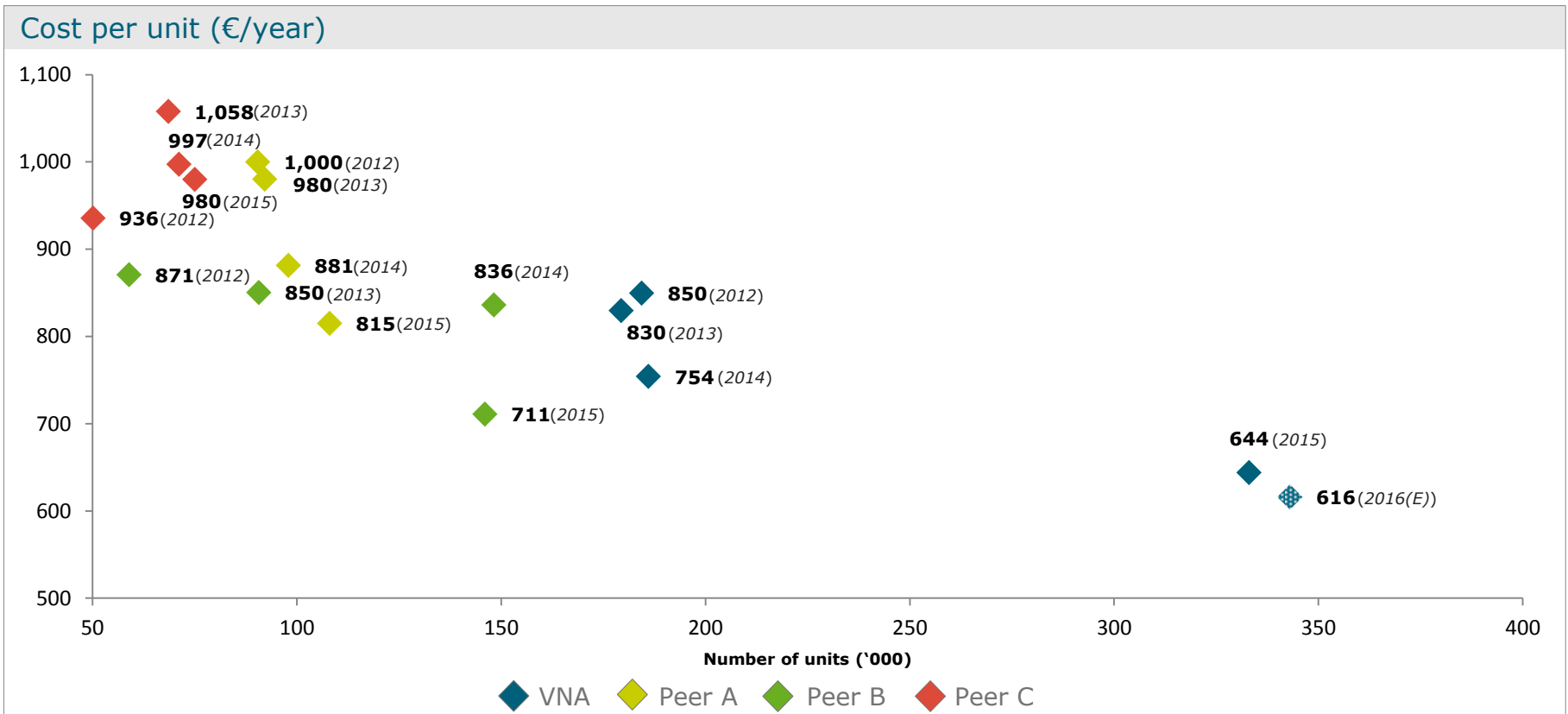
Strong Track Record Across All KPIs



¹ Excl. yield compression. Portfolio valuation at year end.

1. Property Management Strategy

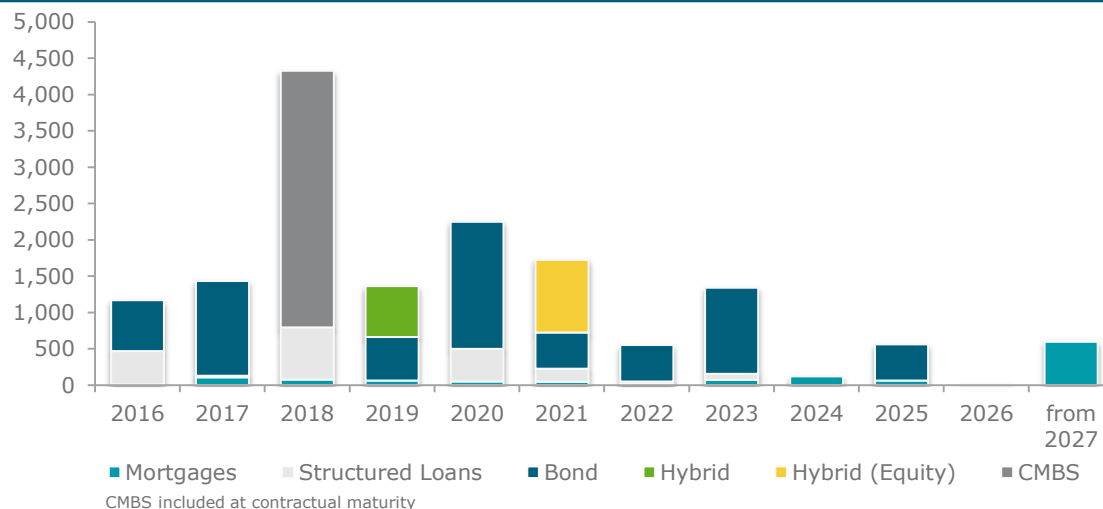
- Economies of scale evident in cost per unit
- Incremental cost per unit for new acquisitions tend to be substantially lower



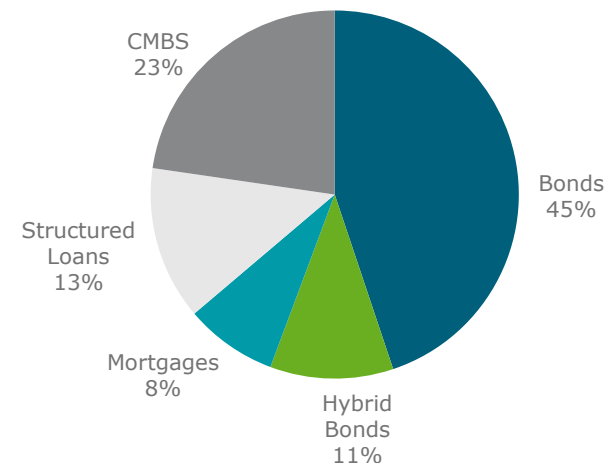
Cost per unit defined as: (Rental income – adj. EBITDA Rental + Maintenance) / average number of units

2. Financing Strategy

Debt maturity profile as of March 31, 2016 (€ m)



Debt structure as of March 31, 2016



CMBS overview as of March 31, 2016

Name	Amount	Rate	Maturity
GRF-1	€1,845m	2.80%	Aug 2018
GRF-2	€658m	2.69%	Nov 2018
Taurus	€1,029m	3.35%	May 2018
Total	€3,532m	2.94%	

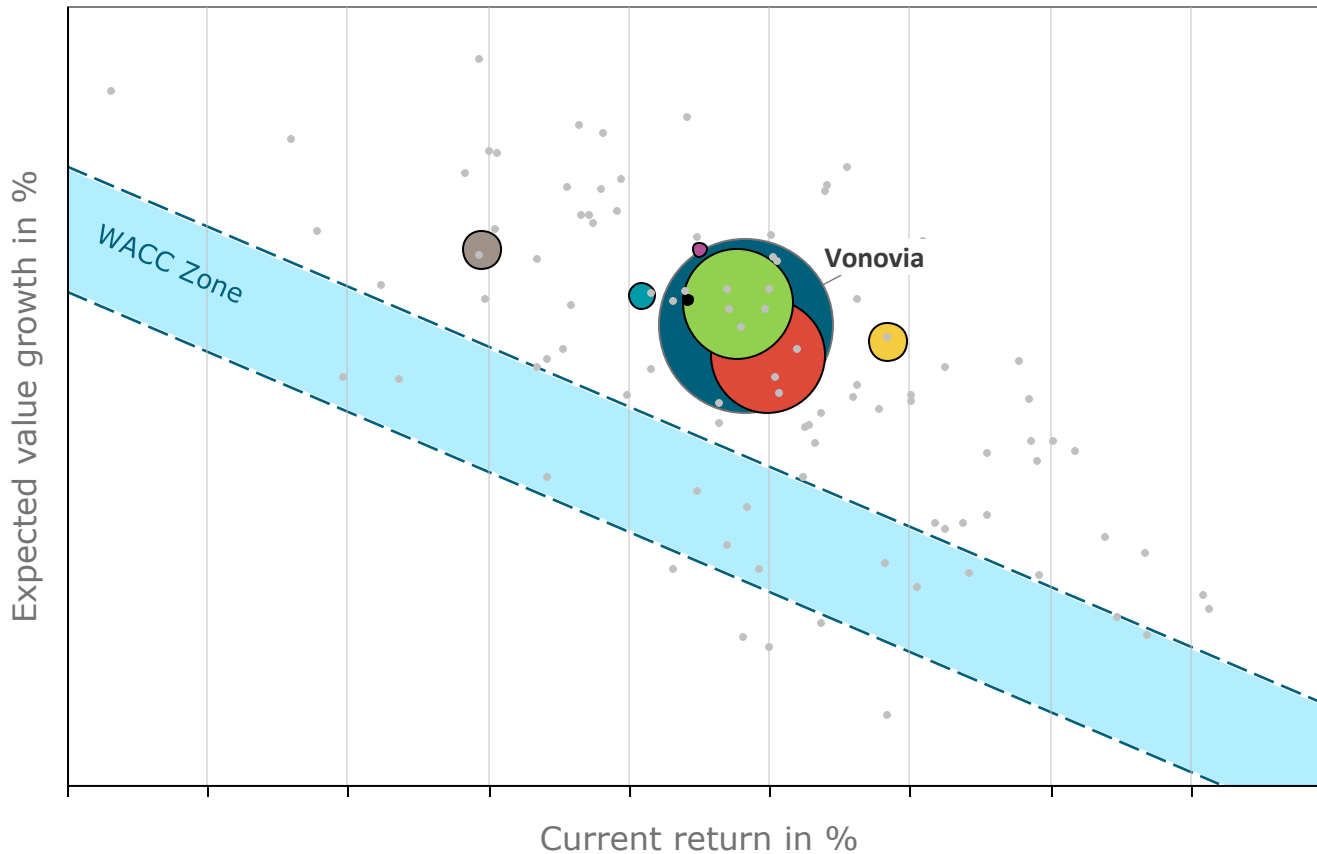
- > Vonovia's finance structure is based on
 - > a **broad mix** funding sources
 - > the **reduction of future refinancing risks**
- > Refinancing of 2018 GAGFAH legacy CMBS will result in a **well-balanced maturity profile**.
- > Refinancing volume of approx. **€7 bn** in the upcoming three years brings **opportunity** for further **sustainable capital structure optimization**
- > Proceeds of €3bn Dec 2015 EMTN have been/will be used for
 - > DW share purchase
 - > **prepayment of secured instruments**
 - > **refinancing** of upcoming **€0.7bn bond** expiring July 2016 and
 - > general corporate purposes.
- > On June 6, 2016, VNA issued two €500m bonds with an average maturity of eight years and a coupon of 1.19% (more than three times oversubscribed).

3. Portfolio Management Strategy - Total Return Matrix

- Clear view of the individual local markets
- Tool for acquisition, investment and disposal decisions

	2013	2016E
Vacancy rate (%)	3.5	~2.7
In-place rent (€/sqm)	5.40	5.84 ¹
Fair value (€/sqm)	901	1,075 ¹
No. of cities/municipalities	533	673
Avg. no. of units per city/municipality	329	497

¹ 2016 Q1 actual

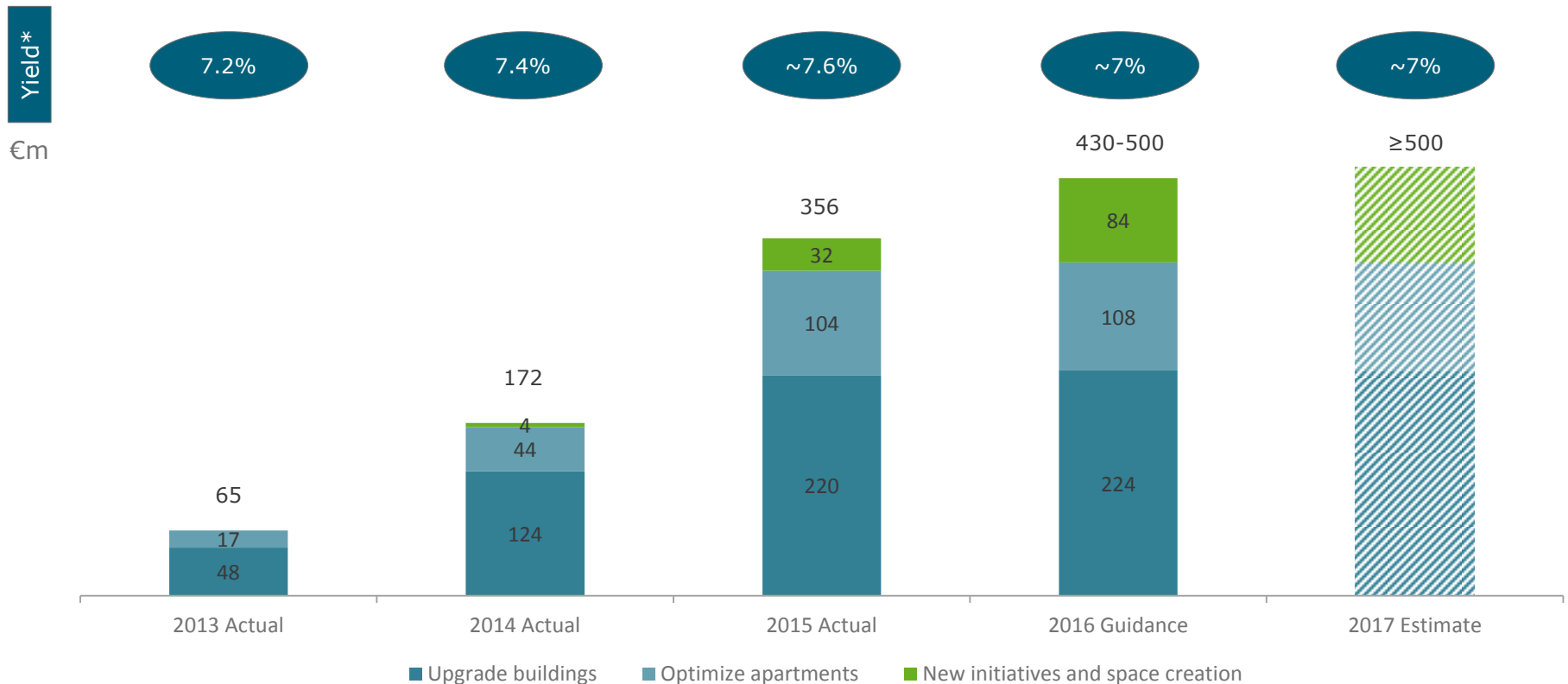


- Vonovia
- DA old
- DeWAG
- Vitus
- Gagfah
- Franconia
- Südwewo
- Toni
- Market (Top 100 cities)

Note: The chart above does not take into consideration object quality or micro location.

3. Portfolio Management Strategy - Investments

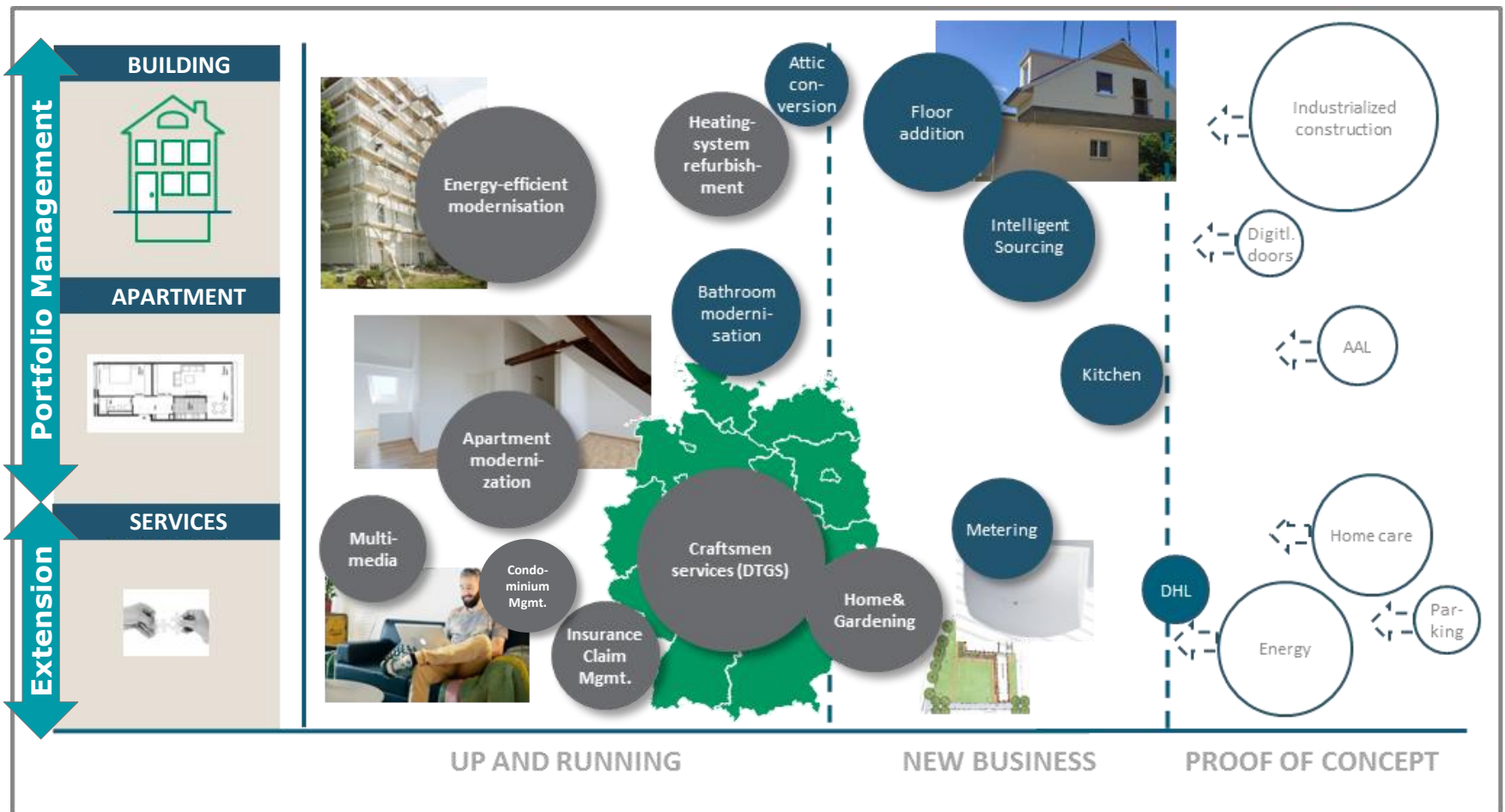
- Growing investments at a minimum 7% yield (unlevered)
- New initiatives and space creation with increasing significance
- Earnings impact mostly one year following the investment



* According to Program Year

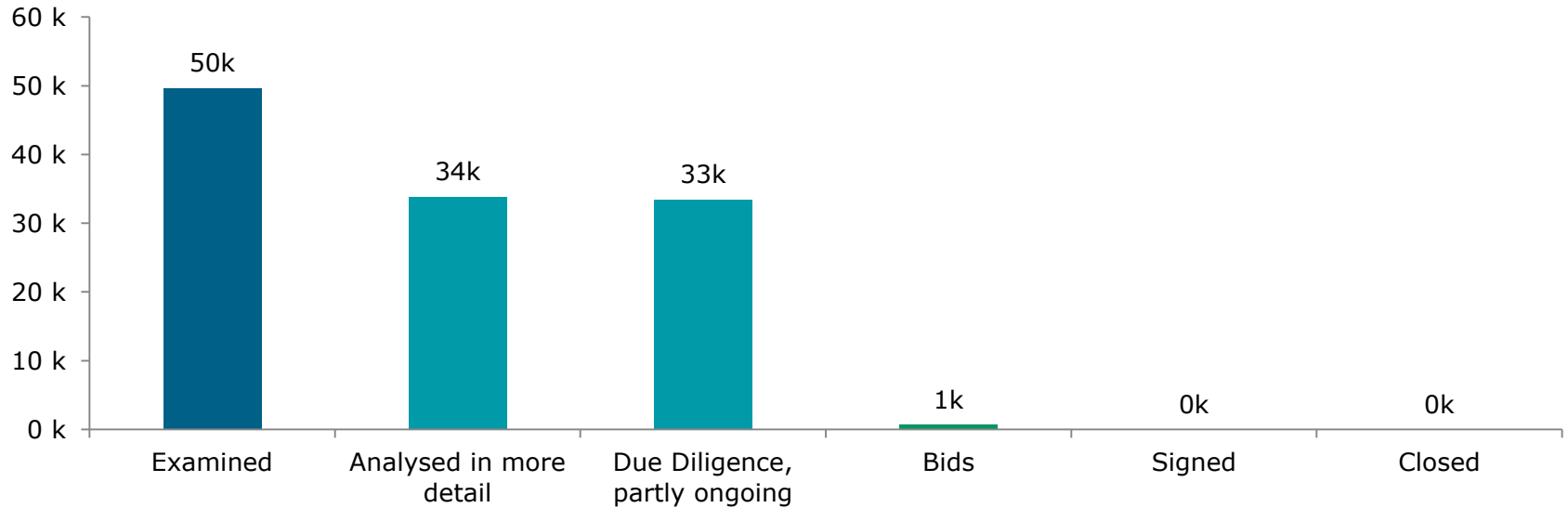
4. Extension Strategy - Innovation as Growth Driver

- Continuous flow of innovative projects that are all immediately linked to the apartment or customer/rental contract

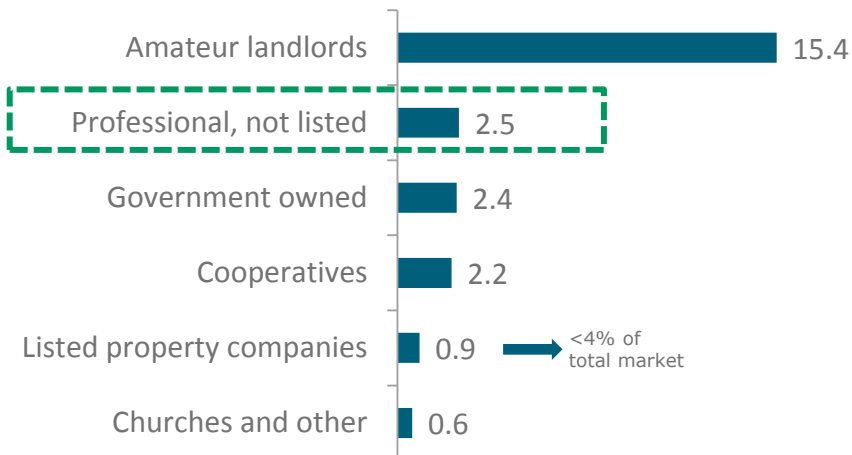


5. Acquisition Strategy

Acquisition Pipeline as per March 31, 2016; number of units



Fragmented ownership structure of the ~24 million rental units



Stringent acquisition criteria

- ✓ Strategic Fit
- ✓ Rating neutral
- ✓ FFO per share accretive
- ✓ NAV per share non-dilutive

Strong Start into 2016 Prompts Guidance Increase

	FY 2015 actuals	Guidance 2016 old	Guidance 2016 new
L-f-l rental growth	2.9%	2.8-3.0%	2.8-3.0%
Vacancy	2.7%	~3%	~2.7%
Rental Income	€1,415m	€1,500-1,520m	€1,520-1,540m
FFO1	€608m	€690-710m	€720-740
FFO1/share (eop NOSH)	€1.30	€1.48-1.52	€1.55-1.59
EPRA NAV/share	€30.02	€30-31	€30-31
Adj. NAV/share	€24.19	€24-25	€24-25
Maintenance	€331m	~€330m	~€330m
Modernization	€356m	€430-500m	€430-500m
Privatization (#)	2,979	~2,400	~2,400
FMV step-up (Privatization)	30.5%	~30%	~30%
Non-core (#)	12,195	opportunistic	opportunistic
FMV step-up (Non-Core)	9.2%	~0%	~0%
Dividend/share	€0.94	~70% of FFO 1	€1.05 (+12% y-o-y)

Strong performance in Q1 2016

- Industrialization effects achieved faster and better than originally anticipated
- In-place rent of €5.84 (+5.6% y-o-y). L-f-l rent growth of 2.9% y-o-y
- Adjusted EBITDA Operations¹ of €276.1m or €776 per unit (+6.4% y-o-y)
- FFO 1 of 186.3m or €0.40 per share (up 26% on a per-share basis)
- EPRA NAV per share of €30.15; adj. NAV per share of €24.32

Guidance Increase for 2016 based on Q1 operational excellence

- Rental income €1,520m – €1,540m
- Vacancy rate ~2.7%
- FFO €720m - €740m (€1.55 - €1.59 per share; +21% y-o-y)
- DPS €1.05 (+12% y-o-y)

Investment Program 2016 rolled out and underway

- €430m - €500m investment volume
- Program fully on track with €117m of projects already underway
- Increasing focus of new initiatives and space creation

¹ Adjusted EBITDA Operations = adj. EBITDA Rental + adj. EBITDA Extension + adj. EBITDA Other
Q1 2015 per share data is TERP-adjusted

All KPIs Improved

		Q1 2016	Q1 2015	Delta
In-place rent	€/month/sqm	5.84	5.53	5.6%
In-place rent l-f-l	€/month/sqm	5.76	5.60	2.9%
L-f-l rent growth	%	2.9	2.6	+0.3pp
Vacancy rate	%	2.8	3.4	-0.6pp
Rental income	€m	392.0	263.6	48.7%
Adj. EBITDA Operations	€m	276.1	182.5	51.3%
of which Adj. EBITDA Rental	€m	269.0	177.1	51.9%
of which Adj. EBITDA Extension	€m	7.6	5.5	38.2%
of which Adj. EBITDA Other	€m	-0.5	-0.1	---
FFO 1	€m	186.3	118.0	57.9%
FFO 1 per share (eop NOSH)	€	0.40	0.32	26.1%
FFO 1 per share (avg. NOSH)	€	0.40	0.38	5.2%
AFFO	€m	171.7	99.7	72.2%
Adj. EBITDA Sales	€m	35.0	9.5	---
Adj. EBITDA (Total)	€m	311.1	192.0	62.0%
FFO 2	€m	195.1	125.2	55.8%

		March 31, 2016	Dec. 31, 2015	Delta
Fair value of real estate portfolio	€m	23,814.4	24,157.7	-1.4%
EPRA NAV	€/share	30.15	30.02	0.4%
Adj. EPRA NAV	€/share	24.32	24.19	0.5%
LTV	%	45.8	46.9	-1.1pp

+6.4% per unit
(€776 vs. €729)

+11.1% per unit
(€523 vs. €471)

+2.0% per sqm
(€1,075 vs.
€1,054)

Q1 2015 per share data is TERP-adjusted

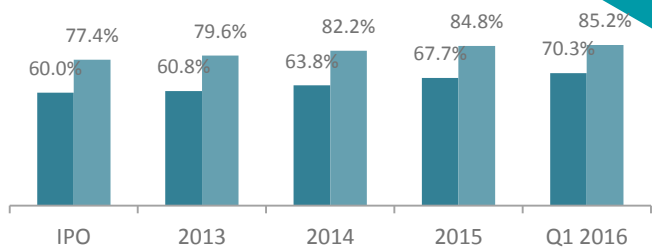
All per share numbers as per end of respective period: Q1 2016 = 466.0m; Q1 2015 = 354.1m shares

Growing Adj. EBITDA Operations

- Adjusted EBITDA Operations margin of 70.3% in Q1 2016, up from 69.2% in Q1 2015
- Excluding expensed repairs and maintenance and including the full platform costs, the adj. EBITDA margin was 85.2%

Includes

- Our own craftsmen's organization
- Our organization for the maintaining the outside facilities and green areas that belong to our properties
- The provision of cable television to our tenants
- Condominium administration for our own apartments and for third parties
- Metering services for measuring the consumption of water and heating
- Insurance services for our own apartments and for third parties



■ EBITDA Operations Margin
 ■ EBITDA Operations Margin (excl. Maintenance)

€m	Q1 2016	Q1 2015	Delta
Rental income	392.0	263.6	48.7%
Maintenance expenses	-58.6	-43.8	33.8%
Operating expenses	-64.4	-42.7	50.8%
Adj. EBITDA Rental	269.0	177.1	51.9%

Income	138.7	68.5	>100%
of which external	27.2	8.2	>100%
of which internal	111.5	60.3	84.9%
Operating expenses	-131.1	-63	>100%
Adj. EBITDA Extension	7.6	5.5	38.2%

Adj. EBITDA Other	-0.5	-0.1	>100%
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Adj. EBITDA Operations	276.1	182.5	51.3%
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Maintenance Expense and Capitalized Maintenance vs. Modernization

- Reactive maintenance of €73.5m (€3.31 per sqm) in Q1 2016 with €58.6m for maintenance expense and €14.9m for capitalized maintenance
- Pro-active modernization investments of 51.9m (€2.34 per sqm) in Q1 2016 in the context of our 2016 modernization and investment program

€m	Q1 2016	Q1 2015	Delta
Expenses for maintenance	58.6	43.8	33.8%
Capitalized maintenance	14.9	18.5	-19.5%
Total	73.5	62.3	18.0%

€/sqm	Q1 2016	Q1 2015	Delta
Expenses for maintenance	2.64	2.78	-5.0%
Capitalized maintenance	0.67	1.18	-43.2%
Total	3.31	3.96	-16.4%

Modernization Investments	51.9	35.2	47.4%
---------------------------	------	------	-------

Modernization investments	2.34	2.23	4.9%
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Illustrative Flow of Funds	
	Rental Income
-	Maintenance Expense
-	Operating expenses ("Platform costs")
+	adj. EBITDA Extension and Other
=	Adj. EBITDA Operations
-	Interest
-	Current Income Tax Rental
=	FFO 1
-	Capitalized Maintenance
=	AFFO

-	dividends, one-offs, perpetual hybrid interest, misc.
+	cash from sales, financing



Investments

Modernization & Space Creation

MAINTENANCE

- > Allocation between expensed maintenance and capitalized maintenance is a major swing factor in operating margin
- > Regardless of the capitalization rate, however, both combined are largely governed by German Civil Code §558 and essentially protect future EBITDAs as they are reactive, non-discretionary measures.
- > Represent what is required to broadly maintain the property value.

MODERNIZATION

- > Changes the character of a building
- > Generates a measurable return on investment (rent growth / value growth)
- > Grows future EBITDAs
- > Modernization governed by German Civil Code §559
- > Discretionary & pro-active

FFO per Share up 26% y-o-y

➤ First-time disclosure of FFO attributable to minorities

€m (unless indicated otherwise)	Q1 2016	Q1 2015	Delta
Adj. EBITDA Operations	276.1	182.5	51.3%
FFO interest expense	-86.0	-63.2	36.1%
Current income tax (Operations)	-3.8	-1.3	192.3%
FFO 1	186.3	118.0	57.9%
of which attributable to shareholders	173.3	110.3	57.1%
of which attributable to hybrid investors	10.0	2.8	257.1%
of which attributable to minorities	3.0	4.9	-38.8%
Capitalized maintenance	-14.6	-18.3	-20.2%
AFFO	171.7	99.7	72.2%
Current income tax (Sales)	-26.2	-2.3	>100%
FFO 2	195.1	125.2	55.8%
FFO 1 € / share	0.40	0.32	26.1%
AFFO € / share	0.37	0.27	37.5%

Q1 2015 per share data is TERP-adjusted

EPRA NAV Broadly Unchanged - As Expected

- No portfolio revaluation in Q1 (next portfolio valuation is at year end)

€m (unless indicated otherwise)	March 31, 2016	Dec. 31, 2015	Delta
Equity attributable to Vonovia's shareholders	10,628.4	10,620.5	0.1%
Deferred taxes on investment properties and assets held for sale	3,217.8	3,241.2	-0.7%
Fair value of derivative financial instruments ¹	268.9	169.9	58.3%
Deferred taxes on derivative financial instruments	-66.9	-43.4	54.1%
EPRA NAV	14,048.2	13,988.2	0.4%
Goodwill	-2,716.6	-2,714.7	0.1%
Adj. EPRA NAV	11,331.6	11,273.5	0.5%
EPRA NAV €/share	30.15	30.02	0.4%
Adj. EPRA NAV €/share	24.32	24.19	0.5%

¹ Adjusted for effects from cross currency swaps

Further LTV Reduction

> Further LTV Reduction

€m (unless indicated otherwise)	March 31, 2016	Dec. 31, 2015	Delta
Non-derivative financial liabilities	14,705.0	14,939.9	-1.6%
Foreign exchange rate effects	-140.4	-179.4	-21.7%
Cash and cash equivalents	-3,146.2	-3,107.9	1.2%
Net debt	11,418.4	11,652.6	-2.0%
Sales receivables	-295.3	-330.0	-10.5%
Additional loan amount for outstanding acquisitions	---	134.9	n/a
Adj. net debt	11,123.1	11,457.5	-2.9%
Fair value of real estate portfolio	23,814.4	24,157.7	-1.4%
Fair value of outstanding acquisitions	---	240.0	n/a
Shares in other real estate companies	460.6	13.7	>100%
Adj. fair value of real estate portfolio	24,275.0	24,411.4	-0.6%
LTV	45.8%	46.9%	-1.1pp

- Accounting treatment:
 - Deutsche Wohnen shares are accounted for under „available for-sale securities“ in IFRS (in non-current assets)
 - Initial inclusion at purchase cost of €405.5 million
 - Accounting on a mark-to-market basis, with adjustments to fair market value accounted for in „other comprehensive income“

- LTV treatment
 - Included with market value in LTV denominator

- FFO interest expense treatment
 - FFO interest expense includes interest expense for share purchase (€~6m) and would include any dividend payments (€~9.1m¹)

Vonovia stake ²	
# shares	16.8m
Avg. purchase price per share	€24.10
Market value	€500.4m
Value mark-up	€95.1m
Premium vs purchase	23.5%

¹ Based on current 2015 DPS guidance by Deutsche Wohnen

² As of June 7, 2016

Action-driven Portfolio Clustering

- More than 50% of current portfolio in Upgrade Buildings and Optimize Apartments cluster offer significant investment potential for sustainable organic growth
- KPIs of Strategic Clusters underline strength of Vonovia's core portfolio

March 31, 2016	Residential Units	In-place rent (€/sqm)	New letting rent (€/sqm)	Vacancy Rate (%)	Fair value (€bn)	Fair value (€/sqm)	Multiple (in-place rent)
Operate	125,556	5.92	6.44	2.4	8.7	1,063	14.8
Upgrade buildings	102,752	5.81	6.63	2.3	6.9	1,094	15.8
Optimize apartments	73,413	6.08	7.15	2.2	5.7	1,207	16.9
Subtotal Strategic Clusters	301,721	5.93	6.64	2.3	21.3	1,108	15.7
Non-strategic	13,570	4.74	4.72	6.8	0.5	589	11.0
Privatize	18,819	5.85	6.51	4.5	1.5	1,165	17.0
Non-core	9,857	4.50	4.84	10.0	0.3	518	10.8
Total	343,967	5.84	6.46	2.8	23.7	1,075	15.5

Sales Program Fully on Track

- Q1 2016 sales mostly related to the LEG portfolio sale announced in Q4 2015
- Excluding sale to LEG, Q1 sales results were in line with previous year

€m (unless indicated otherwise)	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
	<u>Privatization</u>		<u>Non-core/Non-strategic</u>		<u>Total</u>	
No. of units sold	890	553	14,661	1,936	15,551	2,489
Income from disposal	73.8	51.4	616.7	71.6	690.5	123.0
Fair value of disposal	-56.4	-37.6	-594.3	-71.0	-650.7	-108.6
Adj. profit from disposal	17.4	13.8	22.4	0.6	39.8	14.4
Fair value step-up (%)	30.9%	36.7%	3.8%	0.8%		
Selling costs					-4.8	-4.9
Adj. EBITDA Sales					35.0	9.5

Contact

Rene Hoffmann
Head of Investor Relations
Vonovia SE
Philippstr. 3
44803 Bochum
Germany

+49 234 314 1629

rene.hoffmann@vonovia.de
investorrelations@vonovia.de
www.vonovia.de

Financial Calendar 2016

June 9	Deutsche Bank GSA Conference, Berlin
June 20 - 23	EPRA Asia Roadshow
August 2	Interim report H1 2016
September 14	BAML Global Real Estate Conference, NYC
September 19	Berenberg / Goldman Sachs German Corporate Conference 2016, Munich
September 20	Baader Investment Conference, Munich
November 30	UBS Global Real Estate CEO / CFO Conference, London
November 3	Interim report 9M 2016

APPENDIX

Bridge to Adjusted EBITDA (€m)	Q1 2016	Q1 2015	Change (%)
Profit for the period	79.2	30.3	161.4
Net interest result	131.3	98.1	33.8
Income taxes	42.8	22.8	87.7
Depreciation	4.4	2.0	120.0
Net income from fair value adjustments of investment properties	NA	NA	NA
EBITDA IFRS	257.7	153.2	68.2
Non-recurring items	26.7	38.9	-31.4
Total period adjustments from assets held for sale	26.7	-0.1	na
Adjusted EBITDA	311.1	192.0	62.0
Adjusted EBITDA Sales	-35.0	-9.5	268.4
Adjusted EBITDA Other	0.5	0.1	400.0
Adjusted EBITDA Extension	-7.6	-5.5	38.2
= Adjusted EBITDA Rental	269.0	177.1	51.9
Adjusted EBITDA Extension	7.6	5.5	38.2
Adjusted EBITDA Other	-0.5	-0.1	400.0
Interest expense FFO	-86.0	-63.2	36.1
Current income taxes FFO 1*	-3.8	-1.3	192.3
=FFO 1	186.3	118.0	57.9
Capitalised maintenance	-14.6	-18.3	-20.2
= AFFO	171.7	99.7	72.2
Current income taxes Sales*	-26.2	-2.3	na
FFO 2 (FFO incl. Adjusted EBITDA Sales/current income taxes sales)	195.1	125.2	55.8
FFO 1 per share in €**	0.40	0.32	26.1
AFFO per share in €**	0.37	0.27	37.5
Number of shares	466,001	354,106	31.6

- EBITDA increase mainly driven by rental business
- Adjusted EBITDA Rental reflects acquisitions as well as operational performance
- The increase of the adjusted EBITDA Extension reflects our expansion strategy to the extent they are not accounted for under rental income
- Increase of adjusted EBITDA Sales mainly due to higher Non-core sales volume and higher Non-core step-ups

€m	Q1 2016	Q1 2015	Change (%)
Income from property letting	556.6	380.9	46.1
Other income from property management	9.3	5.9	57.6
Income from property management	565.9	386.8	46.3
Income from disposal of properties	690.5	123.0	461.4
Carrying amount of properties sold	-683.0	-115.8	489.8
Revaluation of assets held for sale	5.6	7.3	-23.3
Profit on disposal of properties	13.1	14.5	-9.7
Net income from fair value adjustments of investment properties	na	na	na
Capitalized internal expenses	49.4	26.5	86.4
Cost of materials	-244.1	-171.8	42.1
Personnel expenses	-92.9	-60.7	53.0
Depreciation and amortisation	-4.4	-2.0	120.0
Other operating income	23.6	19.8	19.2
Other operating expenses	-57.3	-61.9	-7.4
Financial income	9.5	0.7	na
Financial expenses	-140.8	-98.8	42.5
Earnings before tax	122.0	53.1	129.8
Income taxes	-42.8	-22.8	87.7
Profit for the period	79.2	30.3	161.4
Attributable to:			
Vonovia's shareholders	56.5	19.6	188.3
Vonovia's hybrid capital investors	7.4	7.4	0.0
Non-controlling interests	15.3	3.3	363.6
Earnings per share (basis and diluted) in €	0.12	0.06	92.1

Increase mainly acquisition-related, additionally in-place rent on a like-for-like basis increased by 2.9%; additionally vacancy rate decreased by 0.6pp

Increase due to higher Non-core Sales volume, including LEG portfolio sale of 13,570 units

Q1/2016 increase in-sourcing effect of craftsmen organization and larger volume of maintenance and modernization work

Ramp-up from 5,537 to 6,683 employees leads to increased personnel expenses which primarily result from TGS growth

Increase basically driven by issuing EMTN Bond of €3.0bn in December 2015

The figures from 2015 are only comparable to a limited extent due to acquisitions made during the fiscal year 2015

Balance Sheet (1/2)

€m	Mar 31, 2016	Dec 31, 2015	Change (%)
Intangible Assets	2,741.3	2,724.0	0.6
Property, plant and equipment	76.4	70.7	8.1
Investment properties	23,720.6	23,431.3	1.2
Financial assets	630.1	221.7	184.2
Other assets	27.4	158.5	-82.7
Income tax receivables	0.1	0.1	0.0
Deferred tax assets	72.3	72.3	0.0
Total non-current assets	27,268.2	26,678.6	2.2
Inventories	3.8	3.8	0.0
Trade receivables	319.6	352.2	-9.3
Financial assets	2.0	2.0	0.0
Other assets	160.0	113.4	41.1
Income tax receivables	20.8	23.1	-10.0
Cash and cash equivalents	3,146.2	3,107.9	1.2
Assets held for sale	51.2	678.1	-92.4
Total current assets	3,703.6	4,280.5	-13.5
Total assets	30,971.8	30,959.1	0.0

Increase mainly driven by acquisition shares of DW

Decrease is due to the sale of 13,570 units to LEG

Balance Sheet (2/2)

€m	Mar 31, 2016	Dec 31, 2015	Change (%)
Subscribed capital	466.0	466.0	0.0
Capital reserves	5,892.5	5,892.5	0.0
Retained earnings	4,346.0	4,309.9	0.8
Other reserves	-76.1	-47.9	58.9
Total equity attributable to Vonovia's shareholders	10,628.4	10,620.5	0.1
Equity attributable to hybrid capital investors	1,011.5	1,001.6	1.0
Total equity attributable to Vonovia's shareholders and hybrid capital investors	11,639.9	11,622.1	0.2
Non-controlling interests	258.5	244.8	5.6
Total equity	11,898.4	11,866.9	0.3
Provisions	647.2	612.9	5.6
Trade payables	0.8	0.9	-11.1
Non-derivative financial liabilities	13,334.1	13,951.3	-4.4
Derivatives	239.3	144.5	65.6
Liabilities from finance leases	94.9	94.9	0.0
Liabilities to non-controlling interests	39.0	46.3	-15.8
Other liabilities	27.6	25.9	6.6
Deferred tax liabilities	2,546.9	2,528.3	0.6
Total non-current liabilities	16,926.8	17,405.0	-2.7
Provisions	419.9	429.5	-2.2
Trade payables	85.3	91.6	-6.9
Non-derivative financial liabilities	1,370.9	988.6	38.7
Derivatives	61.5	58.8	4.6
Liabilities from finance leases	4.6	4.4	4.5
Liabilities to non-controlling interests	17.5	9.8	78.6
Other liabilities	186.9	104.5	78.9
Total current liabilities	2,146.6	1,687.2	27.2
Total liabilities	19,073.4	19,092.2	-0.1
Total equity and liabilities	30,971.8	30,959.1	0.0

Including negative effects from cash flow hedges in the amount of € 64.3 million. On the other hand, equity increased by € 36.1 million after deferred taxes due to the book gains associated with the acquired shares in Deutsche Wohnen.

Valuation effect as a result of the development of the underlying interest rates

The decrease of the current and non-current financial liabilities is mainly explained by an unscheduled repayment of a structured loan with AXA (€ 155 million)

Vonovia SE (BBB+ stable)

€500m 6-year and €500m 10-year Fixed Rate Notes – 06 June 2016

VONOVIA

VONOVIA

Senior Unsecured
Dual-Tranche 6y & 10y

EUR 1,000,000,000

Joint Bookrunner

Germany Jun 2016

Issuer: Vonovia Finance B.V.

Guarantor: Vonovia SE

Rating: BBB+ (stable) by S&P

Notional: €500m / €500m

Coupon: 0.875% / 1.500%

Type: Senior Unsecured

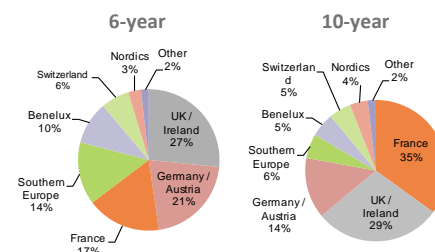
Launch date: 06 June 2016

Maturity: 10 June 2022 /
10 June 2026

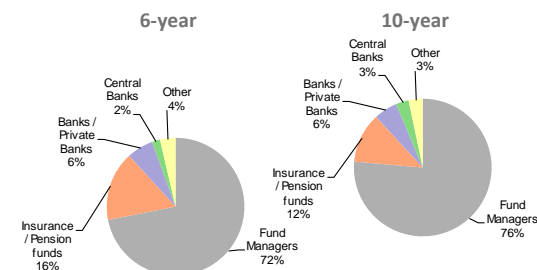
Reoffer spread: MS+87bp / MS+108bp

Bookrunners: Commerzbank / Credit Suisse
SG CIB / UniCredit

Allocations by Geography



Allocations by Investor Type



Orderbook – Ticket Size

Ticket size	# orders	
	6-year	10-year
<€1m	39	15
€1m-5m	72	69
€5m-10m	37	29
€10m-20m	24	26
€20m-50m	27	19
€50m-100m	4	4
Average ticket size	€8.7m	€9.1m

Key features of new issue:

- Vonovia SE is Germany's leading residential real estate company. Vonovia currently owns and manages some 370,000 residential units in attractive cities and regions throughout Germany.
- Vonovia's residential units are located in settlements at approximately 700 locations in Germany.
- Covenants:
 - 1) Total Debt / Total Assets ≤ 60%
 - 2) Secured Debt / Total Assets ≤ 45%
 - 3) Interest Coverage Ratio ≥ 1.8x
 - 4) Total Unencumbered Assets / Unsecured Debt ≥ 125%
- The proceeds from this trade are intended for general corporate purposes including the repayment of existing secured debt with the aim to increase the unencumbered asset ratio to min. 50%.

Bookbuilding / Spread discovery:

- On a go/no-go call held at 9:45CET, based on a positive market opening, the decision was taken to launch the transaction. The dual-tranche transaction, with two EUR 500m “no-grow” tranches, was announced at around 9:55CET.
- With books approaching EUR 3bn – skewed to the 6-year tranche – guidance was released at MS+90bp (+/-3bp) and MS+110bp (+/-2bp) at 12:40CET.
- The books were closed at 12:50CET.

Outcome:

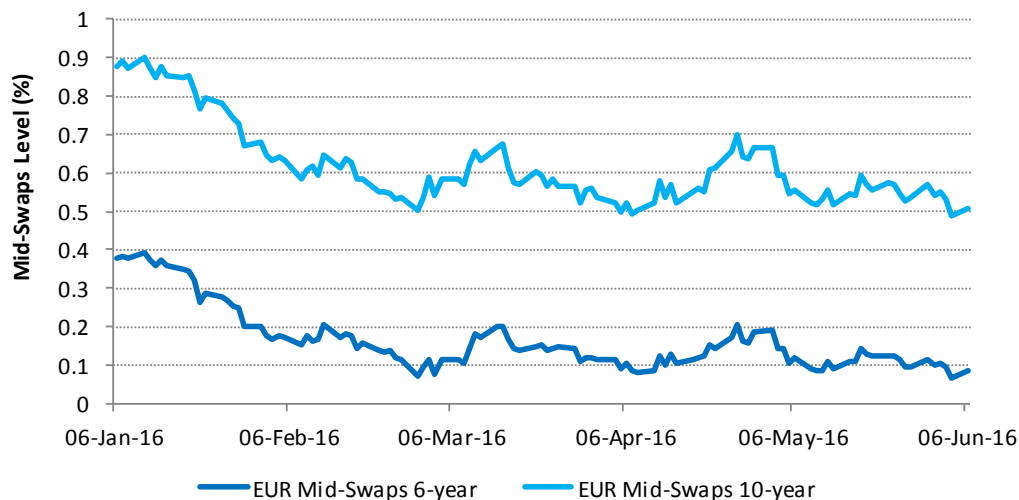
- A very successful outcome for the issuer with final pricing at the tight end of guidance
 - IPTs: MS+100-105bp
MS+120-125bp
 - Guidance: MS+90bp (+/-3bp)
MS+110bp (+/-2bp)
- The final spreads imply new issue premiums of only ca. 2bp and ca. 10bps respectively which compares well with competing transactions.
- Well diversified and high quality orderbook of €3.4bn
 - The largest share went to UK investors with 28% over both tranches closely followed by French (26%) and German investors (18%).
 - Fund Managers showed the highest demand (74% over both tranches). Insurance and Pension Funds bought 14% of the deal.

Vonovia SE (BBB+ stable)

€500m 6-year and €500m 10-year Fixed Rate Notes – 06 June 2016



€ Mid-Swaps Development y-t-d



Comments

- Since the beginning of the year the swap levels have tightened significantly
- As of now the levels are almost at record-lows
- In the course of the last week swap rates have come down by 5bp and 3bp for the 10- and 6- year tenor driven to some extent by the start of the ECB buying program of corporate bonds on 8 June and the overall accommodative monetary policy
- Compared to its secondary curve Vonovia priced its 6-year tranche with a small new issue premium (NIP) of only ca. 2bp
- Given the fairly flat yield curve of Vonovia's secondary bonds and the overall low yield environment the curve for the 10-year tranche steepened a little
- On average Vonovia achieved a NIP of ca. 6bp which compares well with competing transactions
- Two other corporate deals have been in the market together with Vonovia. Air Liquide (A3/A-) raised €3bn in a five tranche transaction with tenors between 3 and 12 years. The grid operator TenneT (A3/A-) priced a €1bn two tranche transaction with tenors of 10 and 20 years
- Overall, Vonovia managed with this transaction a clear success and outperformed the market

€ Mid-Swaps Development d-o-d

EUR Mid-Swaps 10-year

30-May-16	31-May-16	01-Jun-16	02-Jun-16	03-Jun-16	06-Jun-16
Monday	Tuesday	Wednesday	Thursday	Friday	Monday
0.568%	0.539%	0.549%	0.532%	0.487%	0.514%

EUR Mid-Swaps 6-year

30-May-16	31-May-16	01-Jun-16	02-Jun-16	03-Jun-16	06-Jun-16
Monday	Tuesday	Wednesday	Thursday	Friday	Monday
0.113%	0.100%	0.106%	0.096%	0.064%	0.086%

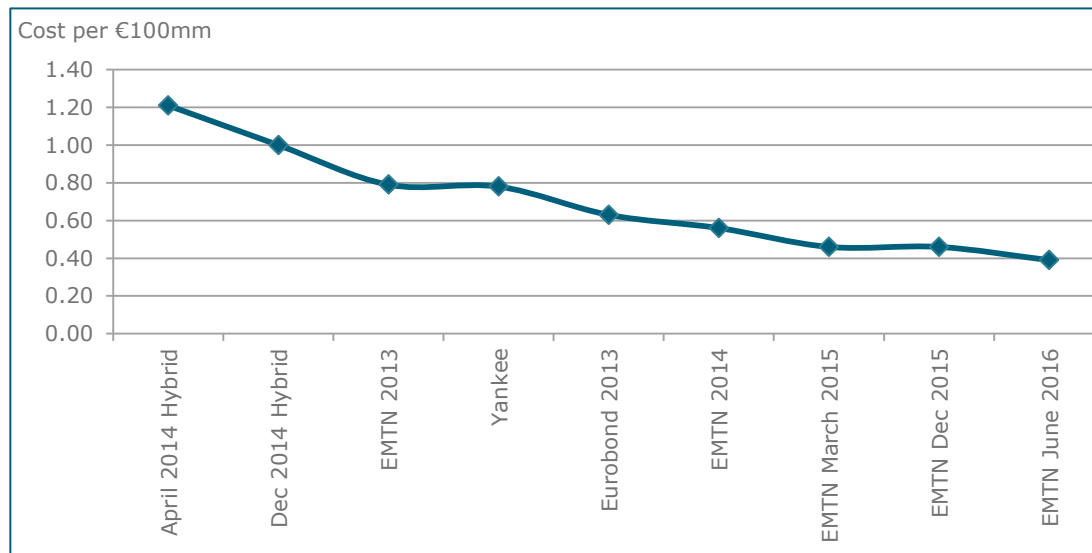
EMTN Issuance costs

Economies of scale

- We managed to **establish ourself as a first class frequent issuer** on the capital markets since our IPO.
- The stringent execution of our **banking strategy**, accompanied by processes – such as our **EMTN** program - which are focussed on **economies of scale**, results in **ongoing cost reduction**.
- Having a **strong team** in place, in the current EMTN issuance we were even able to **change market practice** by negotiating a flat fee, i.e. irrespective of the tenor, which **results in the lowest cost per €100mm issuance so far**.

Cost per €100mm (1)	€mm
April 2014 Hybrid	1.21
Dec 2014 Hybrid	1.00
EMTN 2013	0.79
Yankee	0.78
Eurobond 2013	0.63
EMTN 2014	0.56
EMTN March 2015	0.46
EMTN Dec 2015	0.46
EMTN June 2016	0.39

(1) Excluding contingency; including some cost estimates for the most recent transactions as not all bills have been fully settled yet.



Corporate Investment grade rating

Rating agency	Rating	Outlook	Last Update
Standard & Poor's	BBB+	Stable	10 May 2016

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+
2 years 0.950%+3M EURIBOR EMTN (Series No. 5)	€ 750m	100.000%	0.950%+3M EURIBOR (0.835% hedged)	15 Dec 2017	BBB+
5 years 1.625% EMTN (Series No. 6)	€ 1,250m	99.852%	1.625%	15 Dec 2020	BBB+
8 years 2.250% EMTN (Series No. 7)	€ 1,000m	99.085%	2.2500%	15 Dec 2023	BBB+
6 years 0.875% EMTN (Series No. 8)	€ 500m	99.530%	0.875%	10 Jun 2022	BBB+
10 years 1.500% EMTN (Series No. 9)	€ 500m	99.165%	1.5000%	10 Jun 2026	BBB+

* EUR-equivalent re-offer yield

Bond and Rating KPIs

as per March 31, 2016

> Bond KPIs

Covenant	Level	Actual
LTV		
Total Debt / Total Assets	<60%	47%
Secured LTV		
Secured Debt / Total Assets	<45%	22%
ICR		
LTM ¹ EBITDA / LTM Interest Expense	>1.80x	3.17x
Unencumbered Assets		
Unencumbered Assets / Unsecured Debt	>125%	214%

> Rating KPIs

Covenant	Level (BBB+)
Debt to Capital	
Total Debt / Total Equity + Total Debt	<60%
ICR	
LTM ¹ EBITDA / LTM Interest Expense	>1.80x

¹ LTM = last 12 months

Name	Amount	Coupon	Contractual Maturity Date
German Residential Funding 2013-1 Limited	€ 1,845m	2.80%	27 Aug 2018
German Residential Funding 2013-2 Limited	€ 658 m	2.69%	27 Nov 2018
Taurus 2013 (GMF1) PLC	€ 1,029 m	3.35%	21 May 2018

Expected prepayment fees for early CMBS redemption (€ m)			
IPD	GRF-1	GRF-2	WOBA
May 2016	64.9	24.1	14.6
Aug 2016	26.3	21.0	10.6
Nov 2016	19.2	9.5	6.7
Feb 2017	12.5	7.2	2.8
May 2017	6.1	5.0	1.4
Aug 2017	2.8	2.7	0.1
Nov 2017	0.6	1.1	0.0
Feb 2018	0.0	0.4	0.0
May 2018	0.0	0.0	0.0
Aug 2018	0.0	0.0	na
Nov 2018	na	0.0	na

Hedge break costs not considered.

Values may differ in case of deviation from sales plan.

Portfolio KPIs by Top 25 Cities

City	Residential units	In-place rent (€/sqm)	New letting rent (€/sqm)	Vacancy rate March 31, 2016	Vacancy rate March 31, 2015	Share rent controlled
Dresden	37,898	5.33	6.05	2.6%	2.9%	0.0%
Berlin	30,517	5.87	7.31	1.6%	1.4%	8.7%
Dortmund	19,432	5.11	5.80	2.5%	2.7%	14.0%
Essen	12,092	5.39	5.62	4.4%	5.0%	15.1%
Kiel	11,976	5.37	5.94	1.5%	1.4%	32.3%
Frankfurt am Main	11,693	7.75	9.53	0.8%	1.1%	12.8%
Bremen	11,272	5.17	5.61	3.7%	4.3%	23.2%
Hamburg	10,970	6.50	8.19	1.2%	0.9%	15.5%
Bochum	7,519	5.44	5.88	2.2%	2.6%	9.4%
Hannover	7,206	6.05	6.63	1.7%	2.6%	22.0%
Köln	6,407	7.13	8.17	1.3%	1.7%	10.3%
Duisburg	5,536	5.20	5.52	4.1%	5.3%	3.4%
München	5,483	7.15	11.26	0.8%	0.9%	40.6%
Bonn	5,174	6.45	7.13	1.6%	2.1%	25.8%
Stuttgart	4,643	8.13	9.77	1.4%	0.9%	24.9%
Bielefeld	4,637	5.04	5.60	2.7%	2.6%	34.1%
Heidenheim an der Brenz	3,958	6.04	6.39	4.7%	5.8%	8.9%
Osnabrück	3,915	5.53	6.12	3.5%	3.9%	17.2%
Gelsenkirchen	3,887	4.89	5.17	5.4%	6.9%	7.5%
Düsseldorf	3,540	7.31	8.31	2.7%	2.3%	19.6%
Braunschweig	3,495	5.51	6.07	1.3%	0.5%	0.3%
Gladbeck	3,136	5.14	5.64	3.1%	3.0%	9.1%
Zwickau	3,106	4.26	3.84	9.6%	12.0%	0.0%
Herne	2,910	5.09	5.84	2.9%	4.3%	6.3%
Mannheim	2,748	6.63	7.54	3.4%	2.9%	9.8%
Subtotal TOP 25	223,150	5.83	6.50	2.5%	2.9%	13.0%
Remaining Cities	120,817	5.85	6.39	3.5%	4.5%	14.1%
Total	343,967	5.84	6.46	2.8%	3.4%	13.4%

Note: Residential portfolio only

Valuation KPIs by Top 25 Cities

City	Fair value (€m)	Share in terms of FV	Fair Value (€/sqm)	Annualized in-place rent (€m) March 31, 2016	Multiple (in-place rent)
Dresden	2,104	8.9%	924	143.7	14.6
Berlin	2,564	10.8%	1,302	138.9	18.5
Dortmund	973	4.1%	811	72.9	13.3
Essen	629	2.7%	805	49.4	12.7
Kiel	614	2.6%	846	46.7	13.1
Frankfurt am Main	1,220	5.1%	1,674	68.2	17.9
Bremen	637	2.7%	903	42.9	14.8
Hamburg	1,049	4.4%	1,464	56.8	18.5
Bochum	351	1.5%	806	28.1	12.5
Hannover	509	2.1%	1,079	34.4	14.8
Köln	718	3.0%	1,561	39.3	18.3
Duisburg	255	1.1%	738	21.3	12.0
München	881	3.7%	2,354	33.5	26.3
Bonn	504	2.1%	1,372	28.2	17.8
Stuttgart	566	2.4%	1,876	29.2	19.4
Bielefeld	220	0.9%	709	18.5	11.9
Heidenheim an der Brenz	228	1.0%	926	17.5	13.0
Osnabrück	225	0.9%	891	16.4	13.7
Gelsenkirchen	166	0.7%	640	14.3	11.6
Düsseldorf	398	1.7%	1,604	22.2	17.9
Braunschweig	201	0.8%	929	14.2	14.1
Gladbeck	145	0.6%	751	11.8	12.3
Zwickau	71	0.3%	399	8.1	8.7
Herne	143	0.6%	774	11.3	12.7
Mannheim	227	1.0%	1,221	14.7	15.5
Subtotal TOP 25	15,597	65.8%	1,104	982.5	15.9
Remaining Cities	8,100	34.2%	1,023	545.9	14.8
Total	23,698	100.0%	1,075	1,528.4	15.5

	Q1 2016 / March 31, 2016	Q1 2015 / March 31, 2015
Headcount	6,683	5,737
Number of units under 3rd-party management	54,364	42,083
EPRA vacancy rate	2.6%	3.2%
IFRS profit for the period	79.2	30.3
Number of units acquired	2,417	144,602
Number of units sold	15,551	2,489

FFO by Segments

Interest /Tax	Q1 2016	Q1 2015
Interest	-86.0	-63.2
Tax	-3.8	-1.3
Tax Sales	-26.2	-2.2

Allocation based on Carrying Amounts

Allocation based on EBT

in €m	EBITDA Q1 2016	Carrying Amount	Interest	EBT	Tax	FFO Q1 2016
Rental	269.0	22,842.6	-84.7	184.3	-3.7	180.6
Extension	7.6	350.9	-1.3	6.3	-0.1	6.2
Other	-0.5	-	-	-0.5	0.0	-0.5
FFO I	276.1	23,193.5	-86.0	190.1	-3.8	186.3
Sales	35.0	-	-	35.0	-26.2	8.8
FFO II	311.1	23,193.5	-86.0	225.1	-30.0	195.1

in €m	EBITDA Q1 2015	Carrying Amount	Interest	EBT	Tax	FFO Q1 2015
Rental	177.1	22,842.6	-62.2	114.9	-1.3	113.6
Extension	5.5	350.9	-1.0	4.5	-0.1	4.5
Other	-0.1	-	-	-0.1	0.0	-0.1
FFO I	182.5	23,193.5	-63.2	119.3	-1.3	118.0
Sales	9.5	-	-	9.5	-2.2	7.2
FFO II	192.0	23,193.5	-63.2	128.8	-3.6	125.2

- Up until and including the fiscal year 2015, Vonovia did not disclose an amount attributable to minority shareholders.
- Defined by the absolute € million amount, minorities are comparatively small in relation to the FFO 1 figure and can be paid out of the ~30% of FFO 1 that is not distributed to equity shareholders in the form of dividends.
- At the same time, we appreciate the market's desire for more transparency, which is why starting in Q1 2016 and going forward, Vonovia discloses the line item „FFO minorities“ in the FFO 1 allocation.
- The FFO minorities include all dividend payments to minorities (mainly B&O, a Gagfah legacy fund structure, Gagfah S.A. minorities).
- Fees received by co-investors and similar entities are not part of the FFO attributable to minorities. Vonovia has accounted for and will continue to account for these fees in Other Operating Expenses and hence already in EBITDA. The only exception is the fee paid to J.P.Morgan who holds a Gagfah stake that is treated as a one off.
- For comparability purposes, in 2015, the FFO attributable to minorities was €19.5m, partly driven by the Gagfah dividend paid in 2015.

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