

Q1 2016 Earnings Call

May 12, 2016

Rolf Buch, CEO

Dr. A. Stefan Kirsten, CFO

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

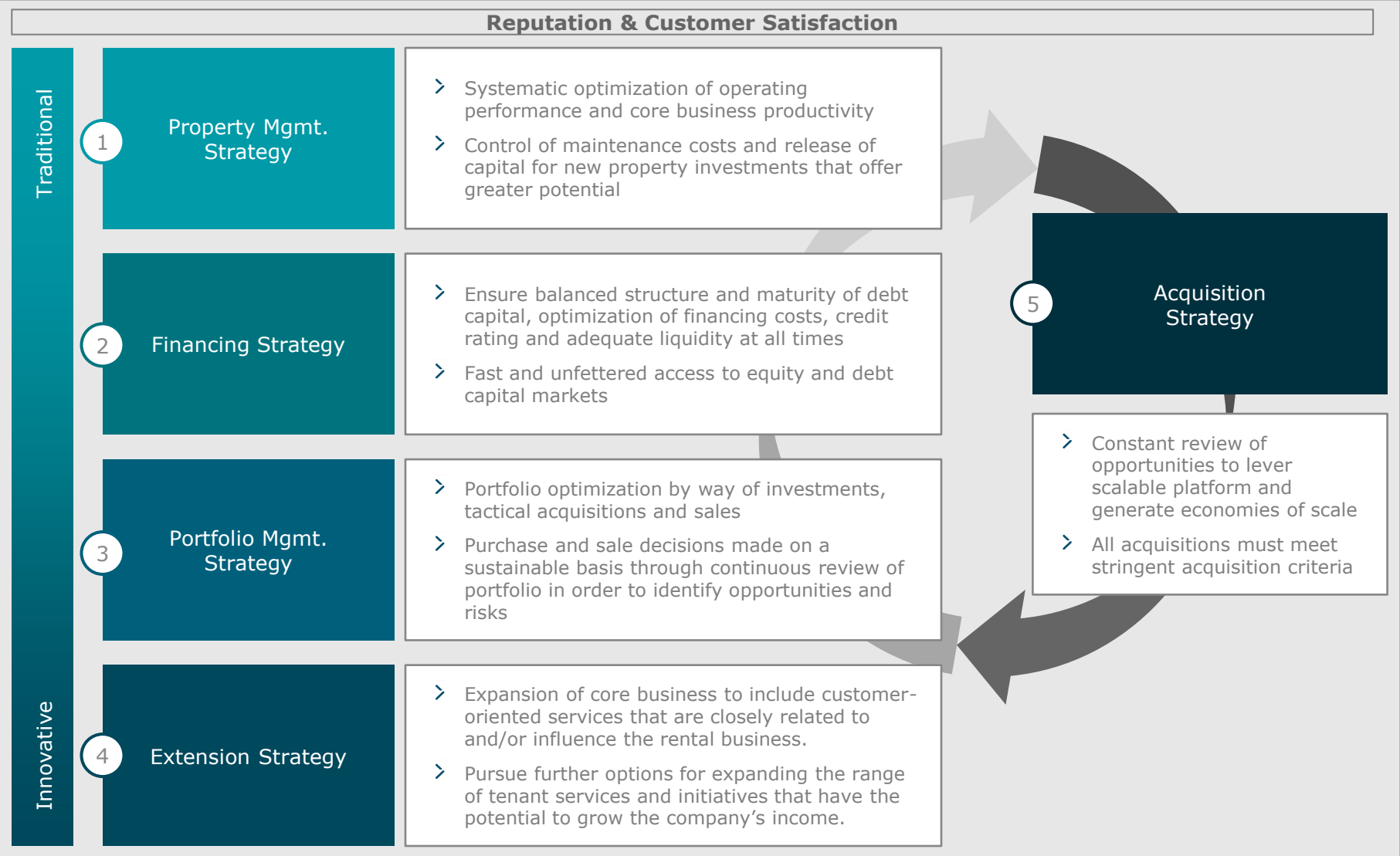
Guidance Increase for 2016 based on Q1 operational excellence

- 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

VONOVIA

		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%

+6.4% per unit
(€776 vs. €729)

+11.1% per unit
(€523 vs. €471)

+2.0% per sqm
(€1,075 vs.
€1,054)

		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

Q1 2015 per share data is TERP-adjusted

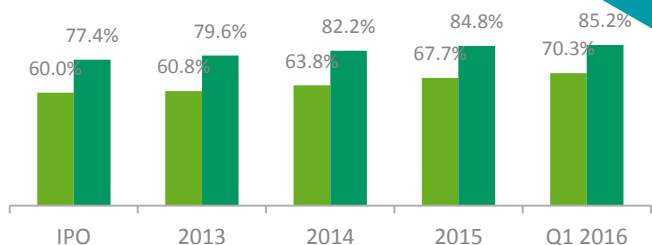
All per share numbers as per end of respective period: Q1 2016 = 466.0m; Q1 2015 = 354.1m shares

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



€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%
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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

VONOVIA

➤ 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

VONOVIA

- 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

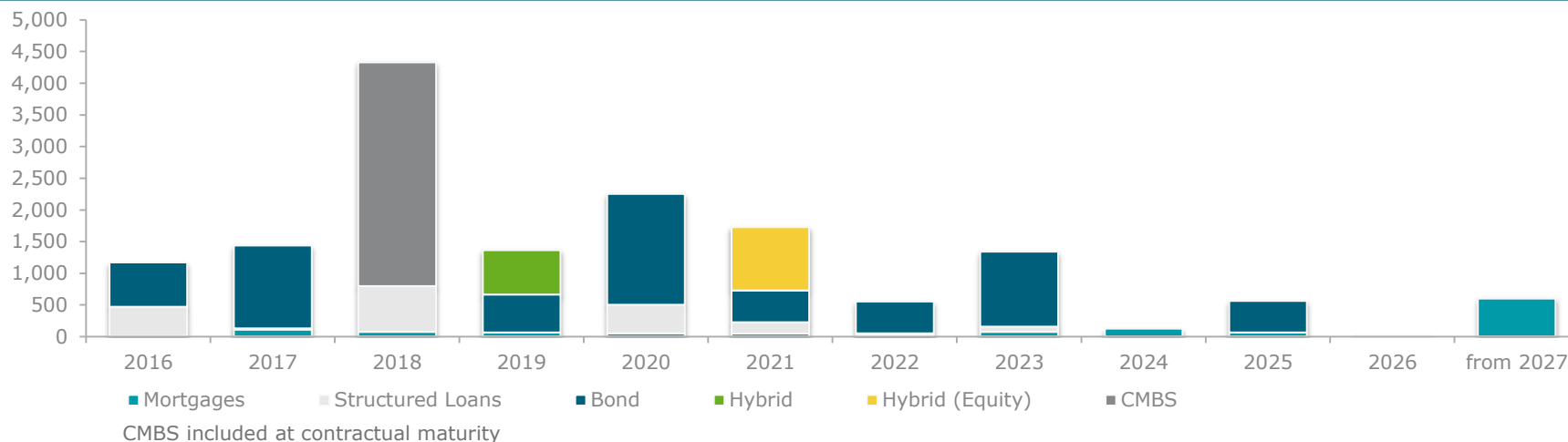
Further LTV Reduction

- LTV of 45.8% as of Q1 2016
- Net debt is adjusted to fully include sales proceeds, the payments of which are received in a staggered form
- Fair value includes DW shares following their accounting in non-current assets

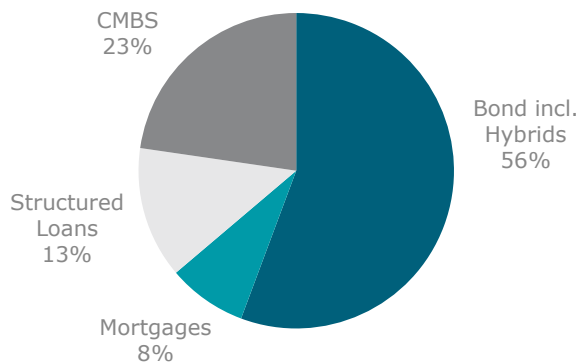
€m (unless indicated otherwise)	March 31, 2016	Dec. 31, 2015	Delta
Non-derivative financial liabilities	14,705.0	14,939.9	-1.6%
Foreign exchange rate effects	-140.4	-179.4	-21.7%
Cash and cash equivalents	-3,146.2	-3,107.9	1.2%
Net debt	11,418.4	11,652.6	-2.0%
Sales receivables	-295.3	-330.0	-10.5%
Additional 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

Maturity Profile Provides Opportunities

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



Debt structure as of March 31, 2016



KPIs as of March 31, 2016

	Actual	Target
LTV	45.8%	mid- to low forties
Unencumbered assets in %	40%	≥ 50%
Fixed/hedged rate debt ratio	98%	
Global ICR (YTD)	3.6x	Ongoing optimisation with most economic funding
Financing Cost	2.6%	
Weighted avg. Term	6.0 yrs	

- 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 as per March 31, 2016	
# shares	16.8m
Avg. purchase price per share	€24.10
Market value	€460.6m
Value mark-up	€55.7m
Premium vs purchase	13.7%

¹ Based on current 2015 DPS guidance by Deutsche Wohnen

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 ¹	~70% of FFO 1	€1.05 (+12% y-o-y)

¹As proposed to the AGM

> Agenda:

> June 6

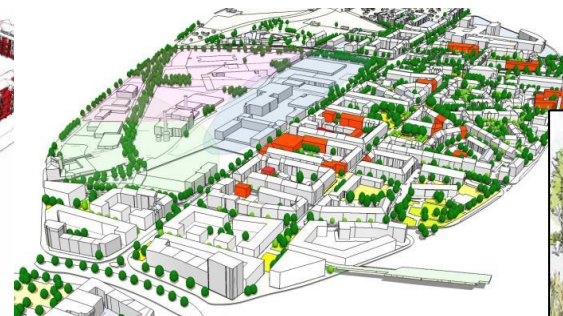
- > Noon: Lunch and Management Presentation
- > 14:00 – 17:30 Round tables on
 - > Extension / Product Management
 - > Modernization
 - > Space Creation / Innovation
- > 18:30 Tour of „Zeche Zollverein“
- > 20:00 Reception and dinner at the „Casino“ Restaurant on „Zeche Zollverein“

> June 7

- > 9:00 Presentation “Eltingviertel”
- > 10:15 – 13:00 Transfer to and tour of “Eltingviertel”
- > Shuttle busses to Düsseldorf airport and Essen main train station (3 ½ hour high speed train connection to Berlin)

> Venues

- > Atlantic Hotel, Norbertstr. 2a, 45131 Essen (June 6 lunch, presentations and accommodation)
- > Zeche Zollverein - one of the Ruhr Valley's largest former coal mines and a UNESCO World Cultural Heritage
- > Eltingviertel - Vonovia's comprehensive neighborhood development project



Background

- While a large amount of investor views have been collected over time, the feedback received in the context of conferences and roadshows tends to be largely event driven and “tainted” by the dominating event at that time.
- Comprehensive quality feedback on multiple aspects of the business in a structured format has not been obtained so far.
- After the rapid development since IPO, the high level of activity in recent months etc., this is an adequate time for a perception study.

Objective

- Obtain high-quality, meaningful feedback from the investment community as to how Vonovia is perceived in the capital markets.
- Make adjustments to the investor relations activities and capital markets communication based on the findings to establish a best-in-class IR organization.

Partner

- Makinson Cowell, subsidiary of KPMG, is a highly reputable and well-experienced capital markets advisory firm for a large variety of investor relations-related services and particularly experienced in perception studies

- This perception study is a high-priority project for Vonovia.
- It is our first perception study and we expect to do this in regular intervals going forward.
- We highly appreciate your cooperation if you are contacted for an interview.

Action-driven Portfolio Clustering

VONOVIA

- 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

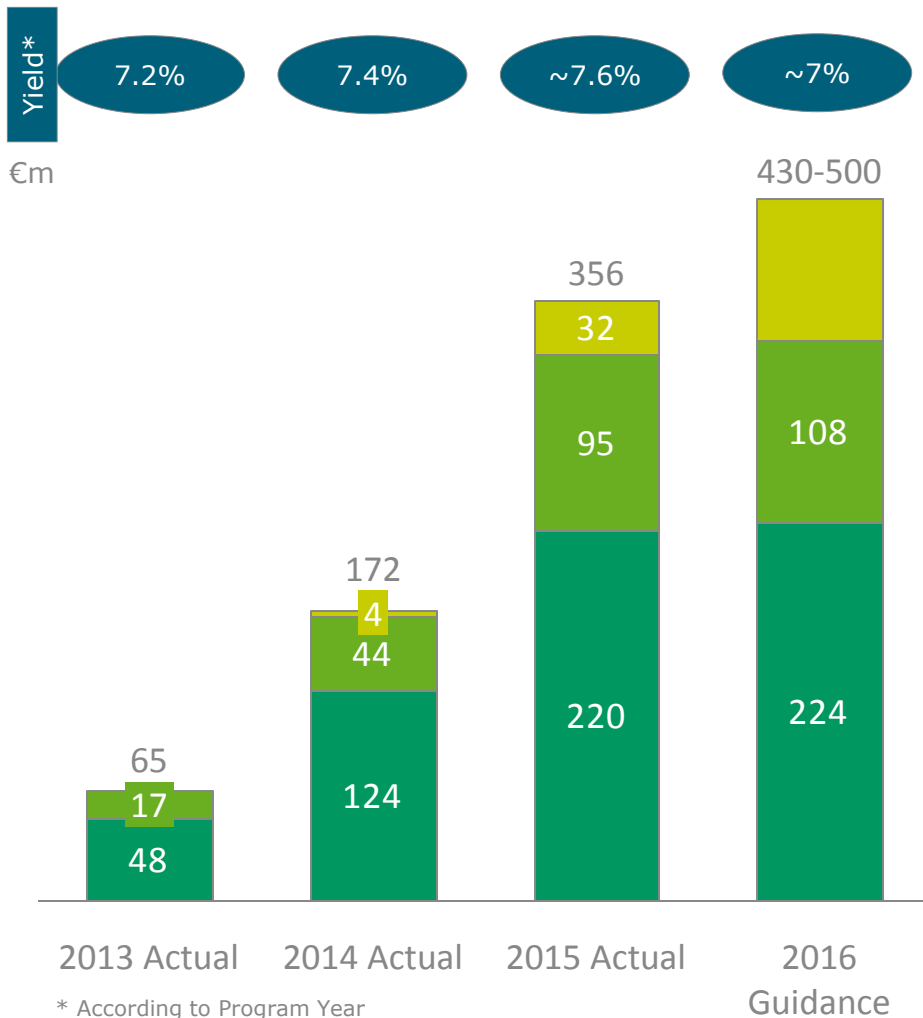
March 31, 2016	Residential Units	In-place rent (€/sqm)	New letting rent (€/sqm)	Vacancy Rate (%)	Fair value (€bn)	Fair value (€/sqm)	Multiple (in-place rent)
Operate	125,556	5.92	6.44	2.4	8.7	1,063	14.8
Upgrade buildings	102,752	5.81	6.63	2.3	6.9	1,094	15.8
Optimize apartments	73,413	6.08	7.15	2.2	5.7	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

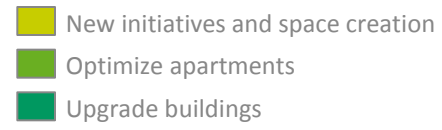
- Q1 2016 sales mostly related to the LEG portfolio sale announced in Q4 2015
- Excluding sale to LEG, Q1 sales results were in line with previous year

€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

Growing Investment Program Well on Track



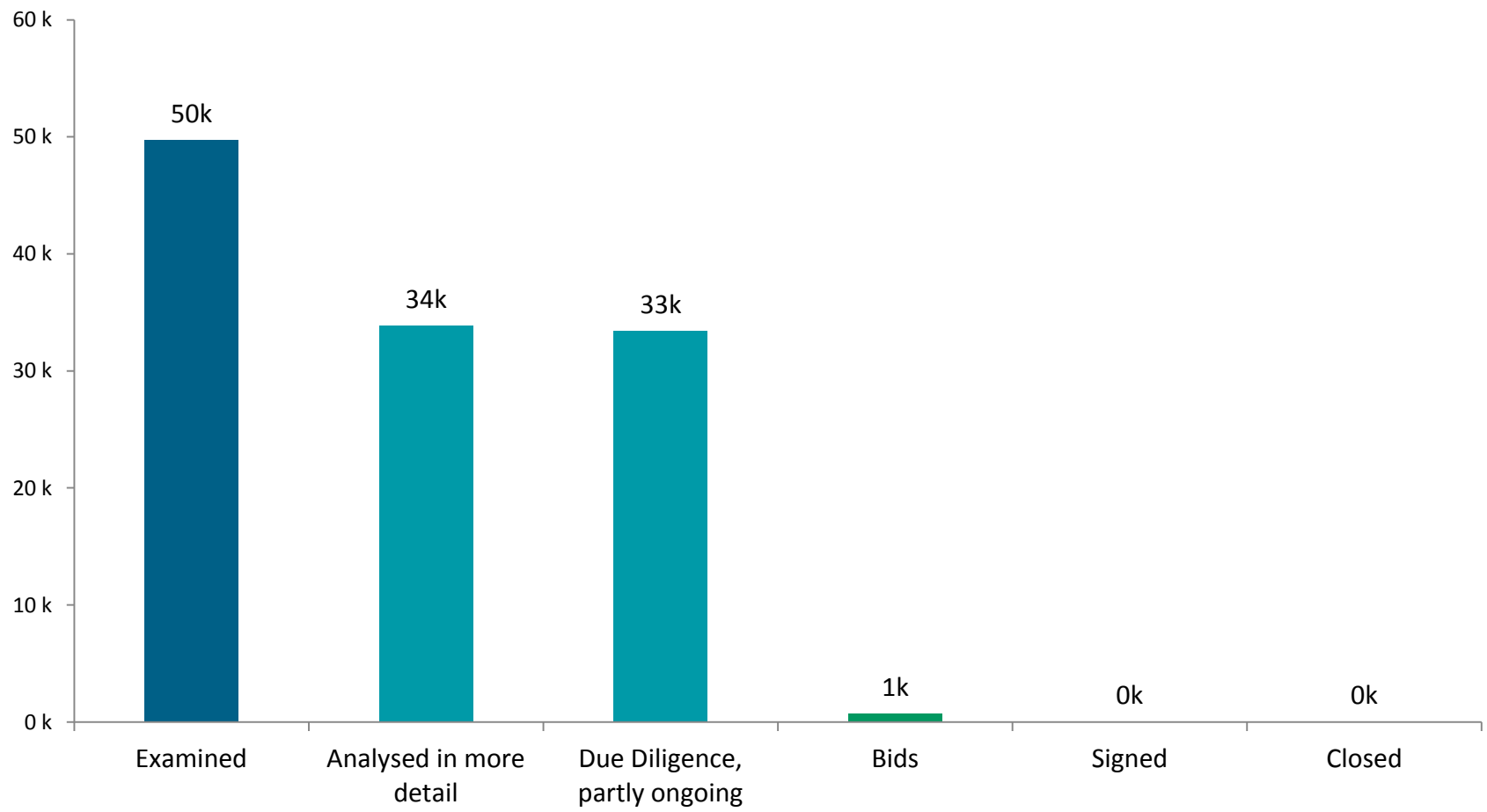
- > Yield commitment for 2015 Investment Program unchanged
- > 2016 Investment Program fully on track: Projects with a combined volume of €117m already underway
- > Growing contribution from new initiatives (e.g. heating system upgrades, bathrooms)
- > Significant increase of new initiatives and space creation volumes (guidance depends on timely granting of construction permits)
- > Modernization segments represent 50% of total fair value



* According to Program Year



Acquisition Opportunities - Pipeline Update



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

- Operational excellence continues in 2016
- Guidance increase demonstrates strength of underlying business
- Proven strategy is increasingly paying off
- Investments and innovation as main value drivers for growth

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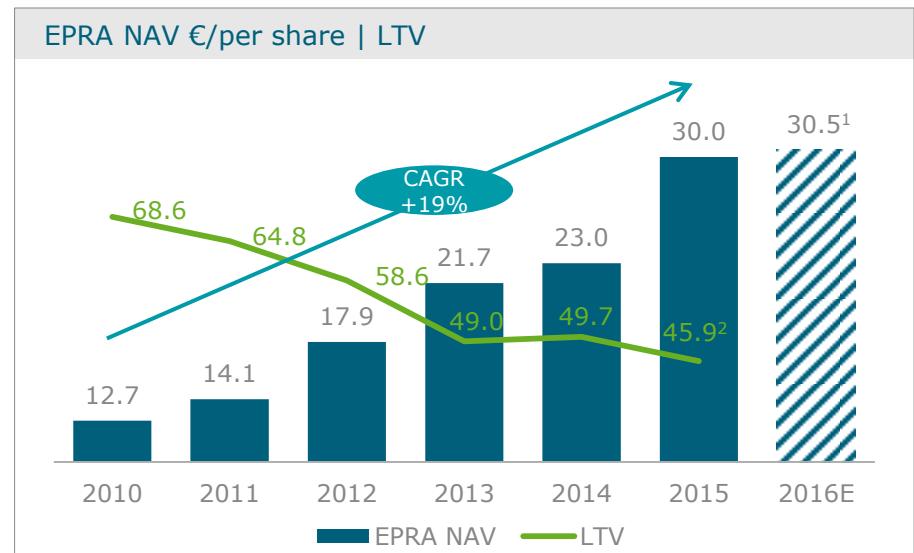
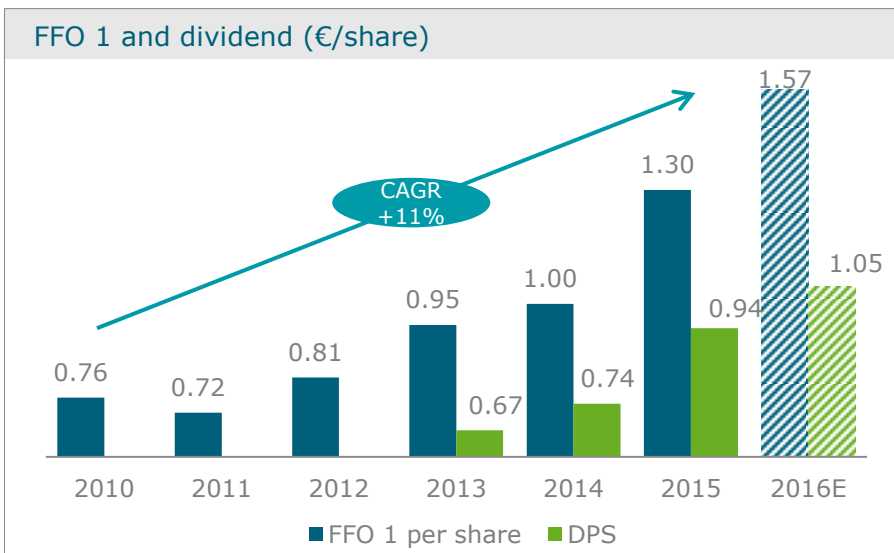
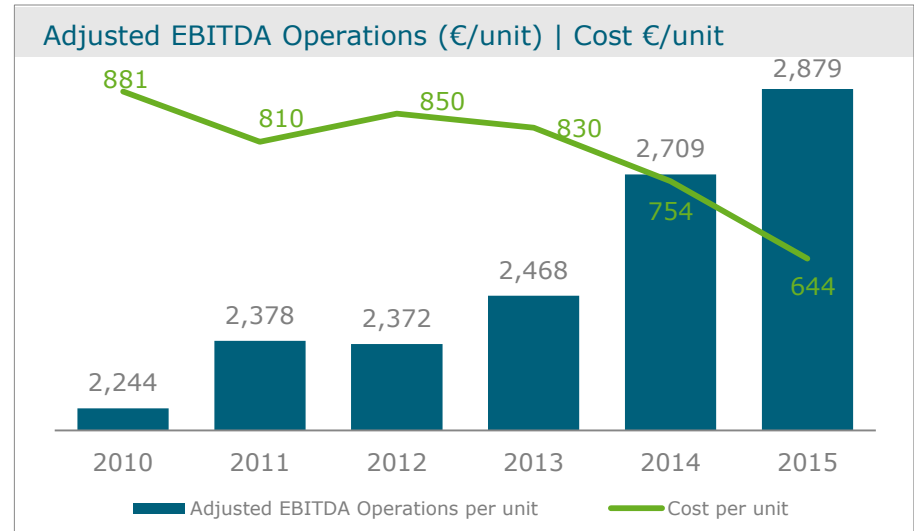
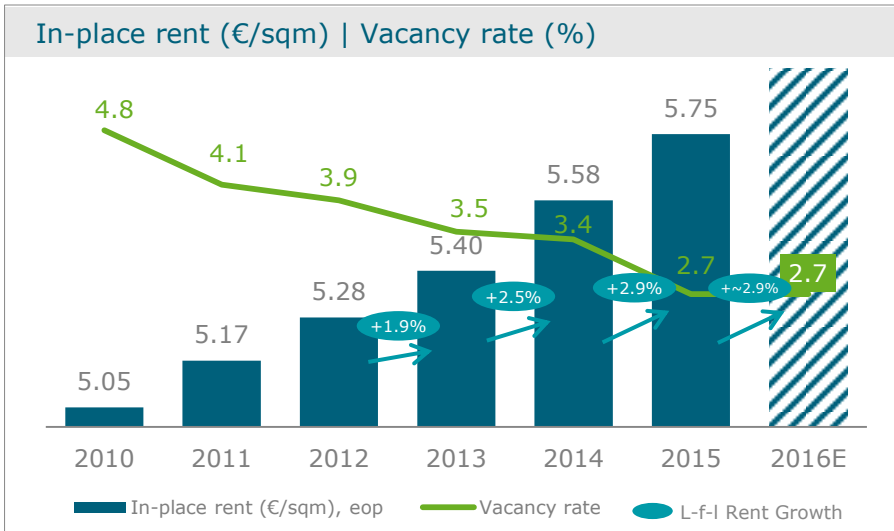
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Financial Calendar 2016

May 12	Interim report Q1 2016
May 12	Annual General Meeting, Düsseldorf
May 23	Management Roadshow, London
May 24	Management Roadshow, Frankfurt
May 25	Kempen European Property Seminar, Amsterdam
June 1	Kepler Cheuvreux German Property Day, Paris
June 6 - 7	Vonovia Capital Markets Day, Essen
June 9	Deutsche Bank GSA Conference, Berlin
June 20 - 23	EPRA Asia Roadshow
Aug 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
December 1	Berenberg European Conference, Pennyhill
Nov 3	Interim report 9M 2016

APPENDIX

Strong Track Record Across All KPIs



¹ Before yield compression; ² Pro forma and adjusted for portfolio sale to LEG

EBITDA

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)

Corporate Investment grade rating

Rating agency	Rating	Outlook	Last Update
Standard & Poor's	BBB+	Stable	11. Feb 16

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%	1.500%	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%	2.250%	15 Dec 2023	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

Overview as of March 31, 2016

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

VONOVIA

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

VONOVIA

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

VONOVIA

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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