FY 2015 Results Conference Call
3 March 2016

Rolf Buch, CEO
Dr. A. Stefan Kirsten, CFO

Highlights

2015 performance at top end of increased November guidance

- Rental growth of 2.9% (like-for-like) to €5.78
- Vacancy rate improved 0.7pp to 2.7%
- FFO1 of €608m (prev. year: €287m), FFO1/share up 30% to €1.30 (prev. year: €1.00)
- FFO2 of €662m (prev. year: €337m) due to strong sales result
- EPRA NAV/share increases 30% to €30.02 (Adjusted EPRA NAV: +6.7% to €24.19)
- Further EBITDA Rental margin increase driven by performance and successful integration of acquisitions

LTV reduction to 47.3% and 45.9% (pro forma) post disposals and fair value growth of €1.8bn

Successful modernization program as a sustainable value driver

- Strong increase of investment volume to €356m (prev. year: €172m) with >7% unlevered yield
- 50% of total portfolio suitable for value-enhancing modernization

"Extension" business gains importance as long-term growth driver

- New separate segment in reporting as result of a successful development
- Successful expansion of craftsmen organization and roll-out of projects

Positive momentum continues in 2016, guidance confirmed

- Rental growth of 2.8-3.0%
- FFO1 of €690m-710m (+15% y-o-y on midpoint of guidance)
- 2016 modernization program increasing to €430m-500m (depending on granting of construction permits)

Strategy since IPO Unchanged and Intact …

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Reputation & Customer Satisfaction

Traditional

Innovative

1 Property Mgmt. Strategy

- Systematic optimization of operating performance and core business productivity
- Control of maintenance costs and release of capital for new property investments that offer greater potential

2 Financing Strategy

- Ensure balanced structure and maturity of debt capital, optimization of financing costs, credit rating and adequate liquidity at all times
- Fast and unfettered access to equity and debt capital markets

3 Portfolio Mgmt. Strategy

- Portfolio optimization by way of investments, tactical acquisitions and sales
- Purchase and sale decisions made on a sustainable basis through continuous review of portfolio in order to identify opportunities and risks

4 Extension Strategy

- Expansion of core business to include customer-oriented services that are closely related to and/or influence the rental business.
- Pursue further options for expanding the range of tenant services and initiatives that have the potential to grow the company's income.

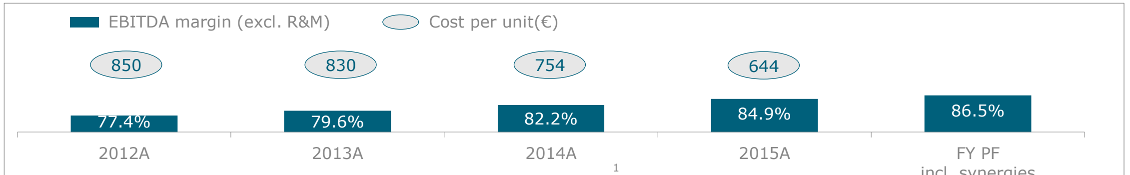
5 Acquisition Strategy

- Constant review of opportunities to lever scalable platform and generate economies of scale
- All acquisitions must meet stringent acquisition criteria

…Resulting in Positive Development of KPIs

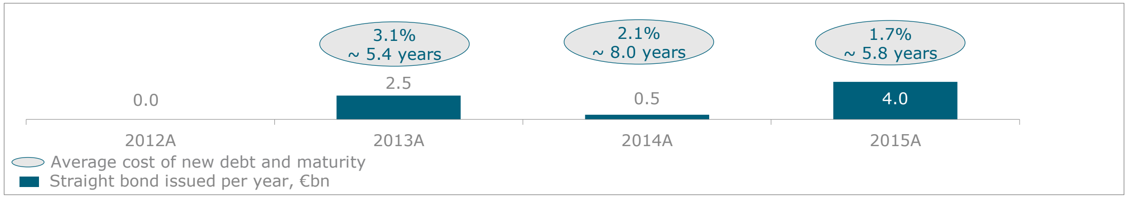
Vonovia strategy	Delivered results

1 Property management strategy

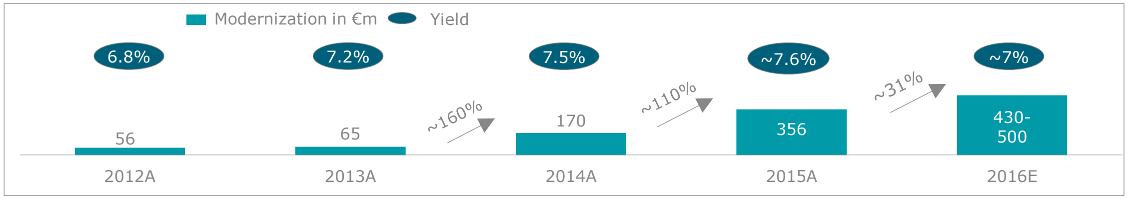


¹ Including full effect from Gagfah and Südewo synergies

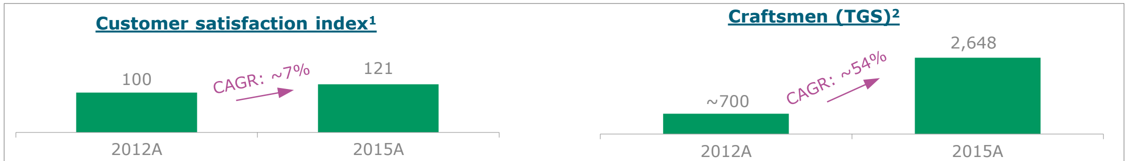
2 Financing strategy



3 Portfolio management strategy

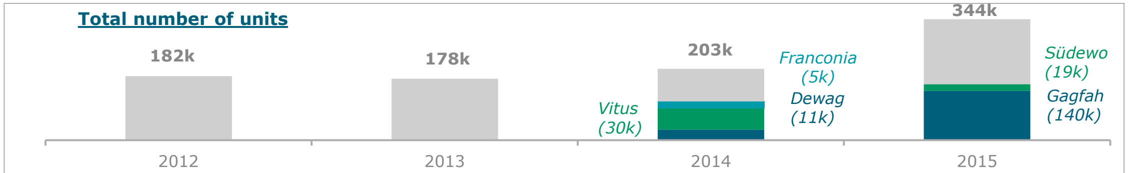


4 Extension strategy



¹ 2012 rebased to 100; ² TGS only, excluding Gagfah

5 Acquisition strategy



Note: Total number of units as of end of period reflecting disposals

Positive Development of KPIs (cont'd)

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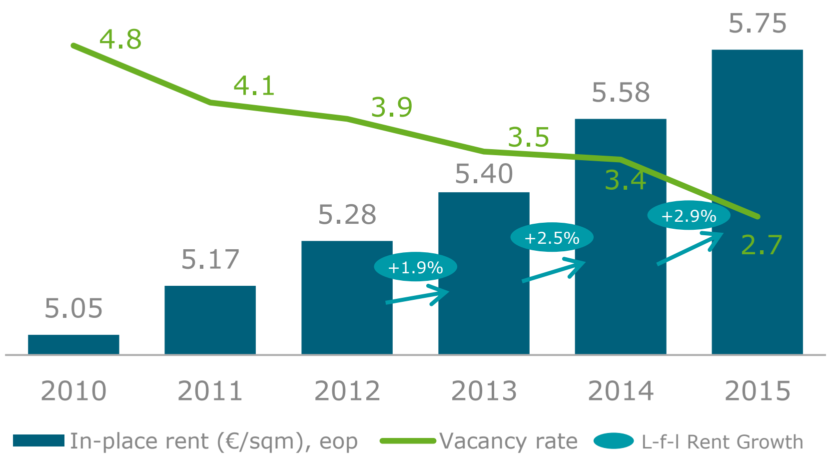
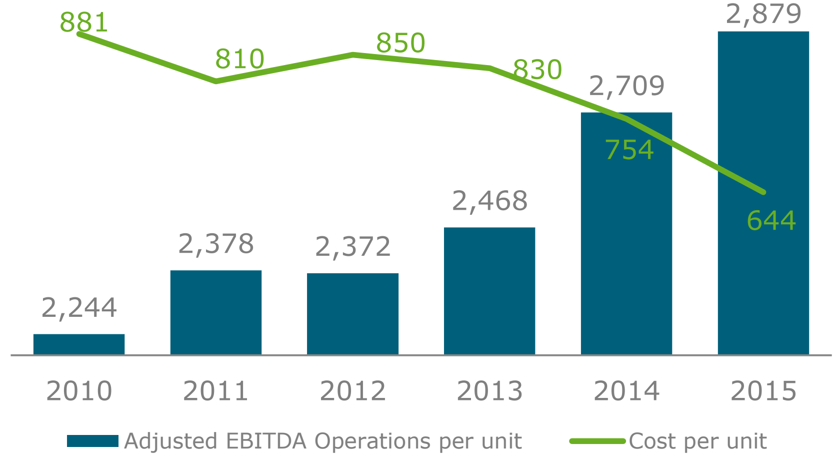
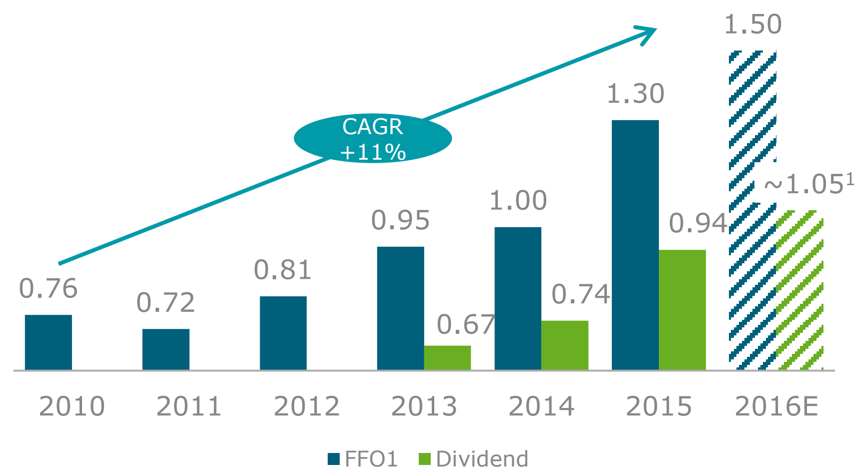
In-place rent (€/sqm) | Vacancy rate (%)



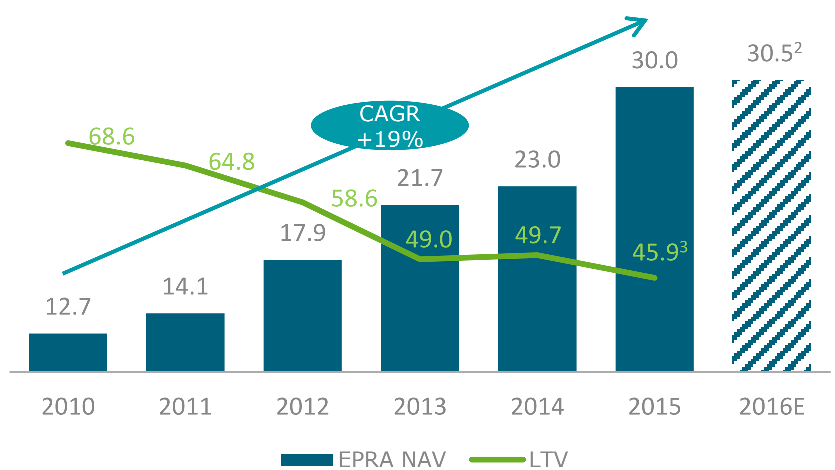
Adjusted EBITDA Operations (€/unit) | Cost €/unit



FFO 1 and dividend (€/share)



EPRA NAV €/per share | LTV



[1] Based on dividend policy of ~70% of FFO1 (no guidance)

[2] Before yield compression; [3] Pro forma and adjusted for portfolio sale to LEG

Operating Performance FY 2015

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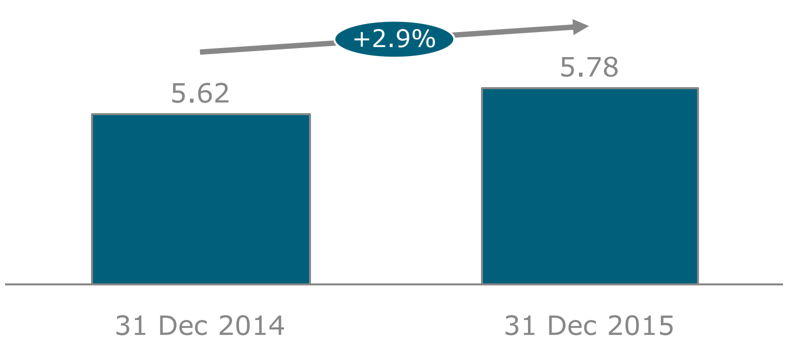
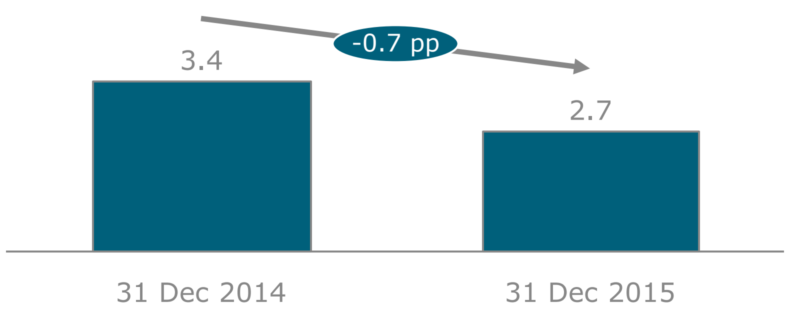
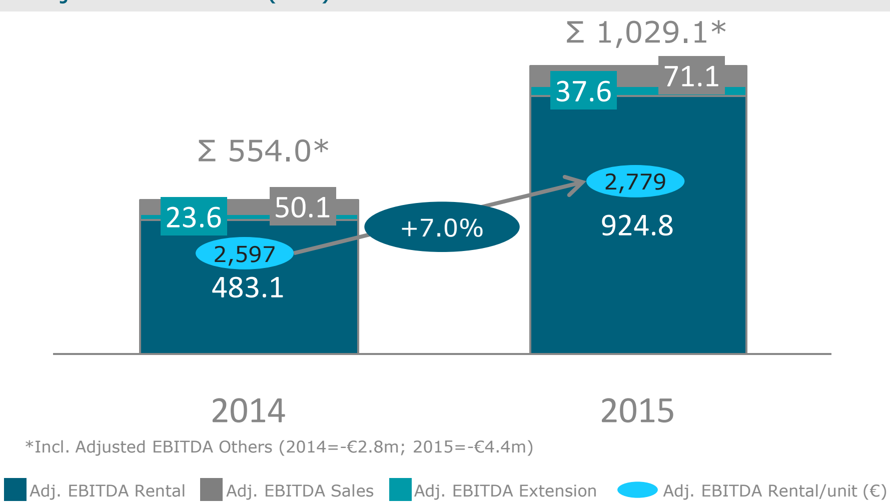
Residential in-place rent (like-for-like, €/sqm)



Vacancy rate (total portfolio, %)

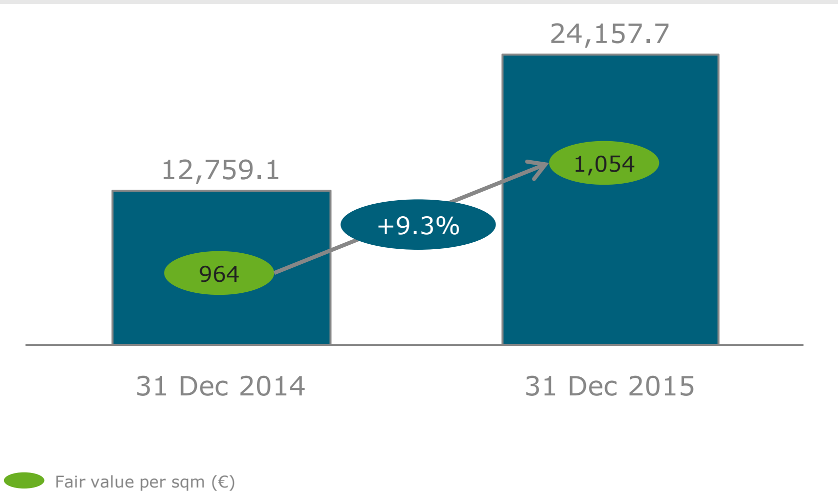


Adjusted EBITDA (€m)



Per unit data based on average number of units over the respective period
2015 numbers include ten months of Gagfah and six months of Südewo results
FY 2014 Adjusted EBITDA Rental after re-segmentation

Fair value (€m)



Fair value per sqm as per December 31, 2015 incl. Gagfah
Dec. 31, 2014 Deutsche Annington portfolio only

Operating Performance FY 2015 (cont'd)

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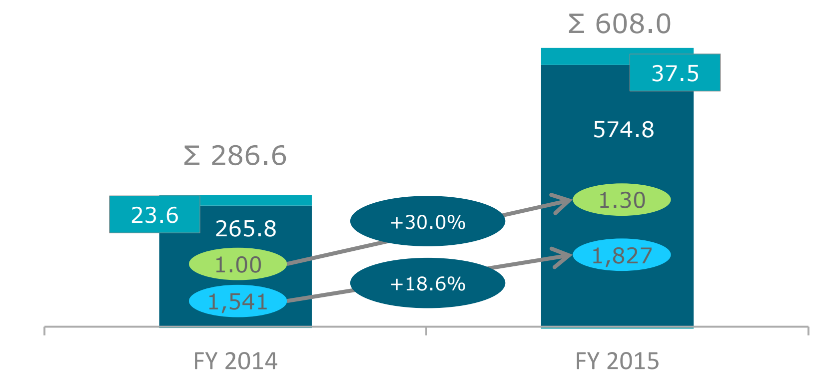
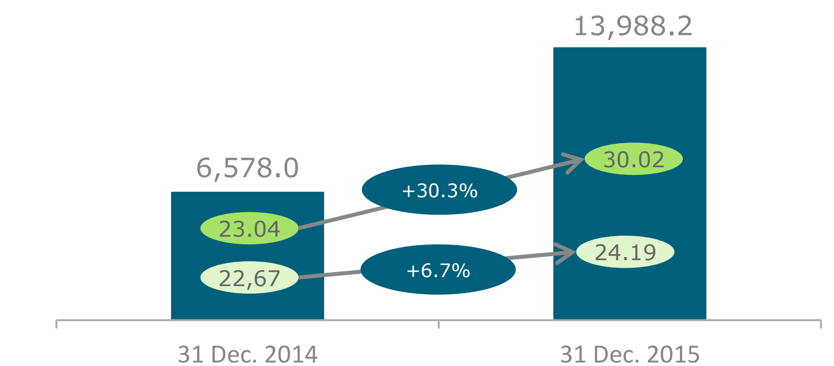
FFO1 (€m)



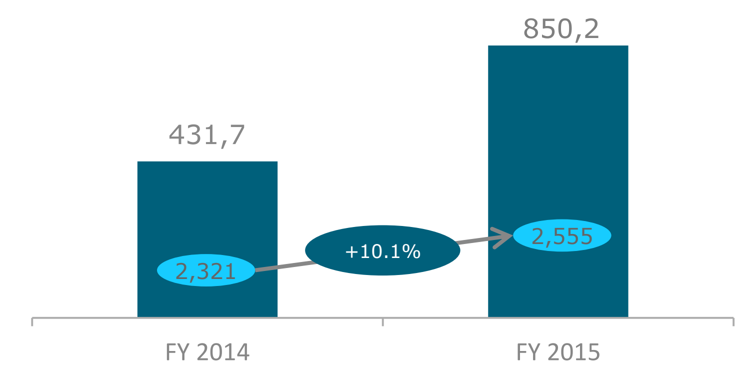
FFO Rental   FFO Extension   *Incl. FFO Others (2014=-€2.8m; 2015=-€4.4m)
FFO1 per share (€) (FY 2014 TERP-adjusted)   FFO1 per unit (€)

EPRA NAV (€m)



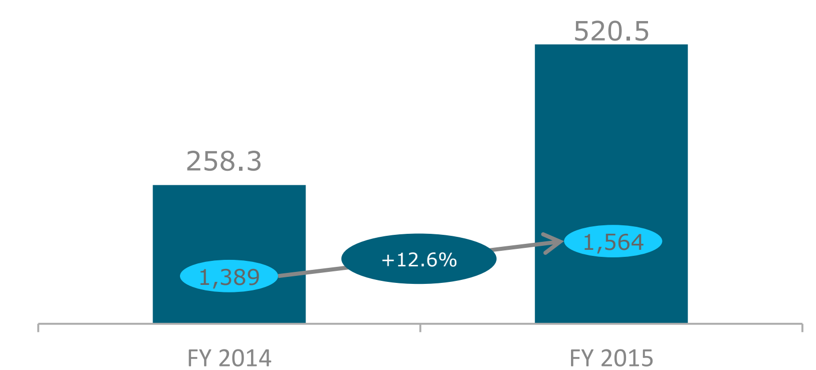
EPRA NAV per share (€) (2014 TERP-adjusted)   Adj. NAV per share (€) (2014 TERP-adjusted)
NAV as per Dec. 31, 2014 original Deutsche Annington portfolio only

FFO1 excl. maintenance (€m)



FFO1 excl. maintenance per unit (€)

AFFO (€m)



AFFO per unit (€)

Per share data based on number of shares outstanding as of respective reporting dates (31 Dec. 2014: 271.6m; 31 Dec. 2015: 466.0m)
2014 per share data TERP adjusted
Per unit data based on average number of units over the respective period
FY 2015 numbers include ten months of Gagfah and six months of Südewo

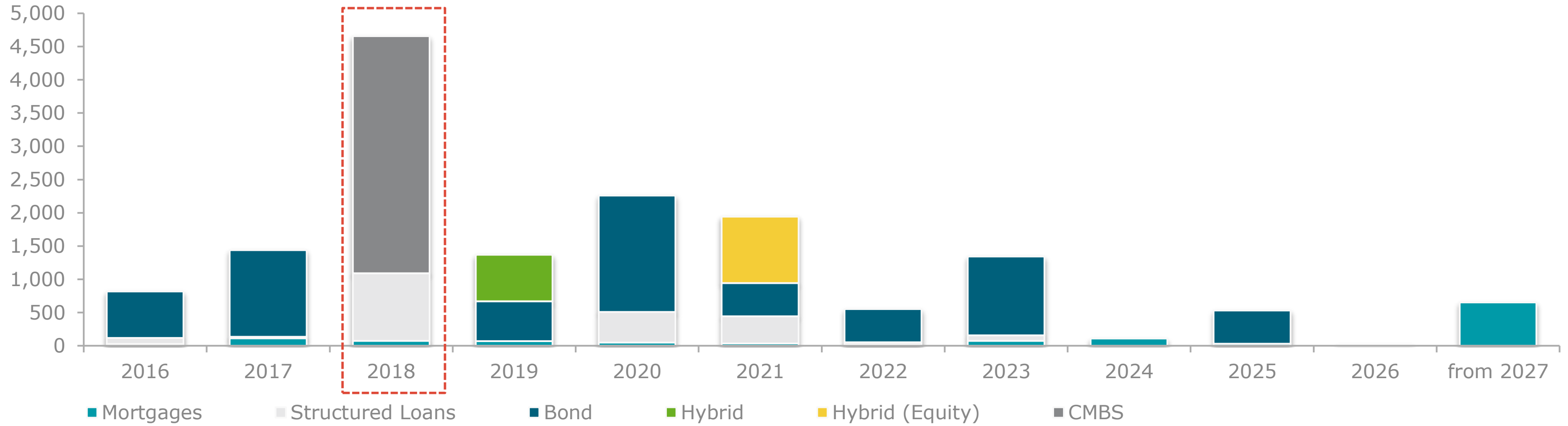
2015 at Top End of Increased Guidance Positive 2016 Guidance Confirmed

	FY 2014 (TERP-adjusted)	Guidance 2015[1] (November)	FY 2015[1]		Guidance 2016
L-f-l rental growth	2.5%	2.8-2.9%	2.9%	√	2.8-3.0%
Vacancy	3.4%	~3%	2.7%	√	~3%
Rental Income	€789.3m	€1,400-1,420m	€1,415m	√	€1,500-1,520m
FFO1 (incl. hybrid)	€286.6m	€590-600m	€608m	√	€690-710m
FFO1/share eop (incl. hybrid)	€1.00	€1.27-1.29	€1.30	√	€1.48-1.52
FFO1/share eop (excl. hybrid)	€1.00	€1.20-1.22	€1.23	√	€1.39-€1.44
EPRA NAV/share	€23.04	€29.00-30.00	€30.02	√	€30-31
Adj. NAV/share[2]	€22.67	€23.50-24.50	€24.19	√	€24-25
Maintenance	€173.8m	~€330m	€331m	√	~€330m
Modernization	€171.7m	€330-350m	€356m	√	€430-500m
Privatization (#)	2,238	~2,900	2,979	√	~2,400
FMV step-up (Privatization)	37.6%	>30%	30.5%	√	~30%
Non-core (#)	1,843	opportunistic	12,195	√	opportunistic
FMV step-up (Non-Core)	10.9%	~0%	9.2%	√	~0%
Dividend/share[3]	€0.74	€0.94	€0.94	√	~70% of FFO1

[1] Incl. acquisitions pro rata (see p. 25); per share numbers based on 466.0 million shares currently outstanding
[2] Excl. goodwill
[3] To be recommended to the AGM. Going forward, the stated dividend policy of ~70% of FFO1 (Group) remains unchanged
FY 2014 is TERP-adjusted (TERP factor=1.051). FY 2014 before TERP adjustment: FFO1 Group/share=€1.06, EPRA NAV/share=€24.22, Dividend/share=€0.78
FFO 1/share avg. (FY 2014 TERP adjusted=€1.12; Guidance 2015= €1.49-1.52)

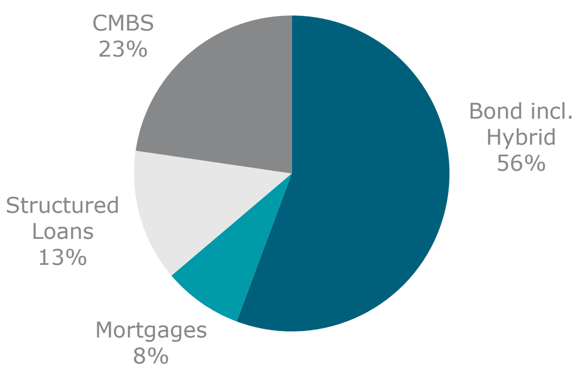
Maturity Profile

Debt maturity profile as of December 31, 2015 (€ m)



CMBS included at contractual maturity

Debt structure as of December 31, 2015



KPIs as of December 31, 2015

	Actual	Target
LTV	47.3%	<50%
Unencumbered assets in %	40.4%	≥ 50%
Global ICR (YTD)	3.0x	**Ongoing optimisation with most economic funding**
Financing Cost	2.6%	

Upcoming Refinancings in 2016

Proceeds from EMTN December 2015 issuance of €3bn have been or will be used to

- Acquire the Deutsche Wohnen shares (already happened in Q1/2016)
- Prepay existing secured loans in order to reach the 50% unencumbrance ratio by September 2016
- Refinance the upcoming €0.7bn bond expiring in July 2016

Sources	(€bn)	Uses	(€bn)
EMTN 2015 net proceeds	3.0	DW share purchase	0.4
		Prepay Secured Instruments	1.2
		Bond	0.7
		General Corporate Purpose	0.7

Rounded figures

Significant Fair Value Growth in 2015

Value driver	Fair value growth
Performance (rents, vacancy, cost)	€425m
Investments (effects of modernization program)	€435m
Yield compression	€920m
Total	€1,780m

Valuation Key Figures	Q4 / 2014	Q4 / 2015
Discount Rate	6.0%	5.8%
Capitalization Rate	4.9%	4.7%
Net Initial Yield	4.8%	4.5%
Gross Yield	6.8%	6.5%
Multiplier In-place rent	14.7 x	15.4x
Fair Value (€/sqm)	964	1,054

LTV well in Target Zone

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€ million	Dec. 31, 2014	Dec. 31, 2015
Non-derivative financial liabilities	6,665	14,940
Foreign currency effects	-84	-180
Cash and cash equivalents	-1,565	-3,108
Funds held for Franconia and GAGFAH purchases	1,322	---
Other	---	-121
Adjusted net debt	**6,339**	**11,531**
FV of real estate portfolio	12,759	24,158
FV of agreed acquisition	---	240
Adjusted Fair Value	**12,759**	**24,398**
LTV	**49.7%**	**47.3%**

Increased debt volume as a result of substantially larger portfolio (primarily Gagfah)

2015 primarily includes proceeds from Dec. 2015 bonds issue. 2014 includes 1bn perpetual hybrid.

Other includes
- proceeds to be received from 2015 portfolio sale (-244)
- debt for 2015 acquisitions (135)
- funds paid for 2015 acquisition of DW shares (-12)

Increased fair value driven by acquisitions, portfolio investments, continuously improved operating performance and yield compression

Including the effects from the portfolio sale to LEG (closing expected in Q1 2016), the LTV is 45.9%

Review Deutsche Wohnen Tender Offer

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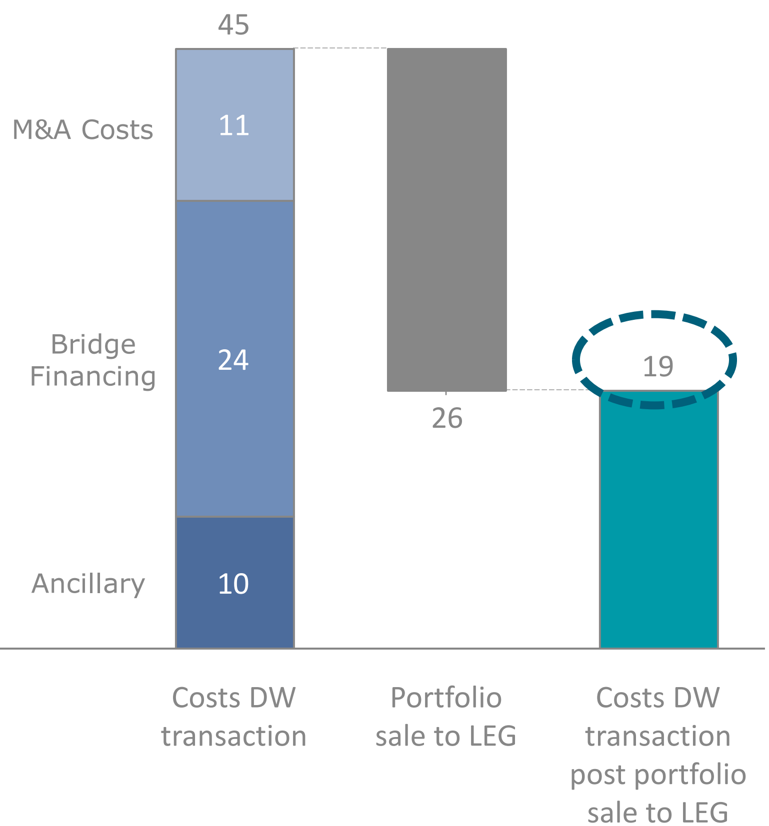
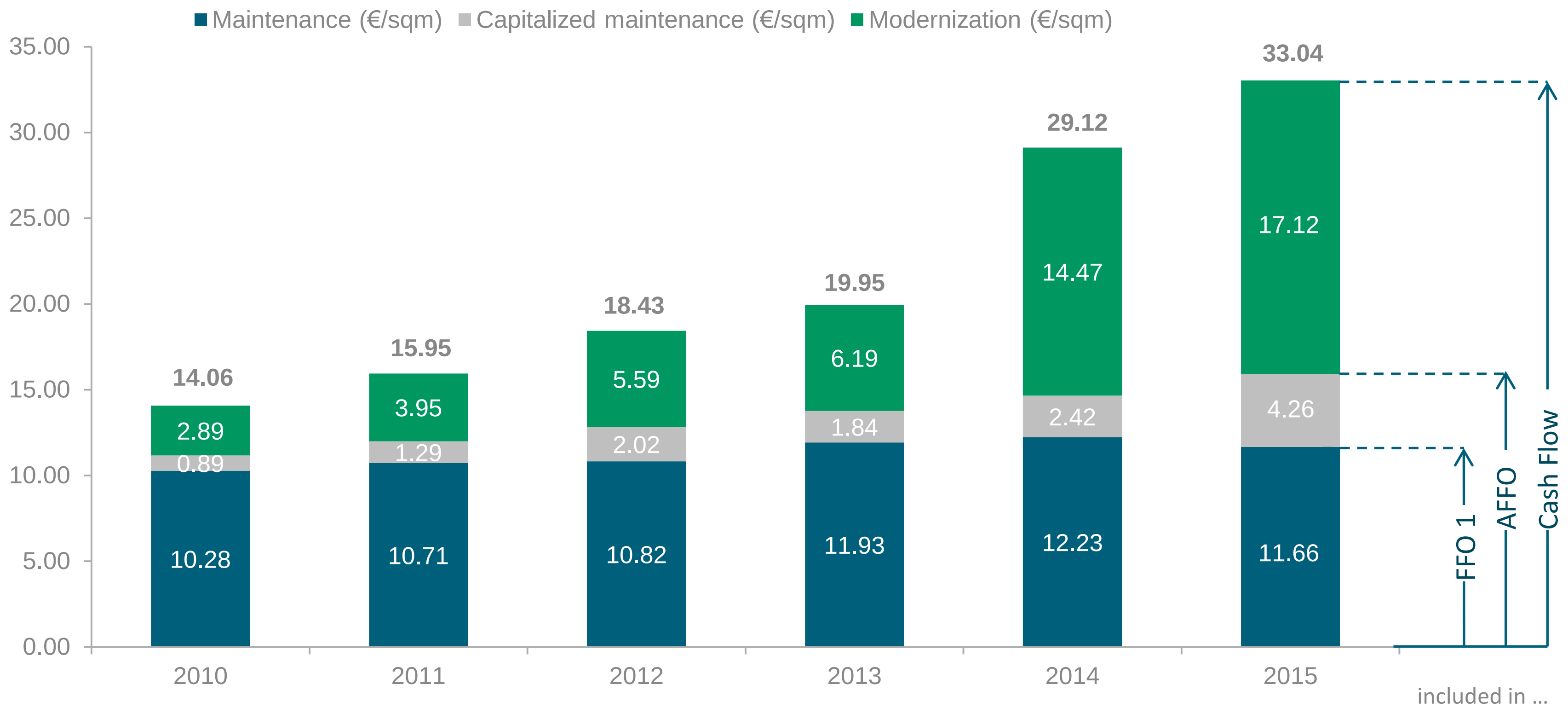
Deal Costs
(€ million, rounded numbers)



~5% stake in Deutsche Wohnen

- Vonovia owns 16.8 million Deutsche Wohnen shares, representing 4.9% of currently outstanding shares
- Shares were acquired at a vwap of €24.10
- No urgency to act quickly
- Trust that Deutsche Wohnen will focus on value creation and maximizing shareholder value
- Any upside from a potential disposal would further improve deal costs

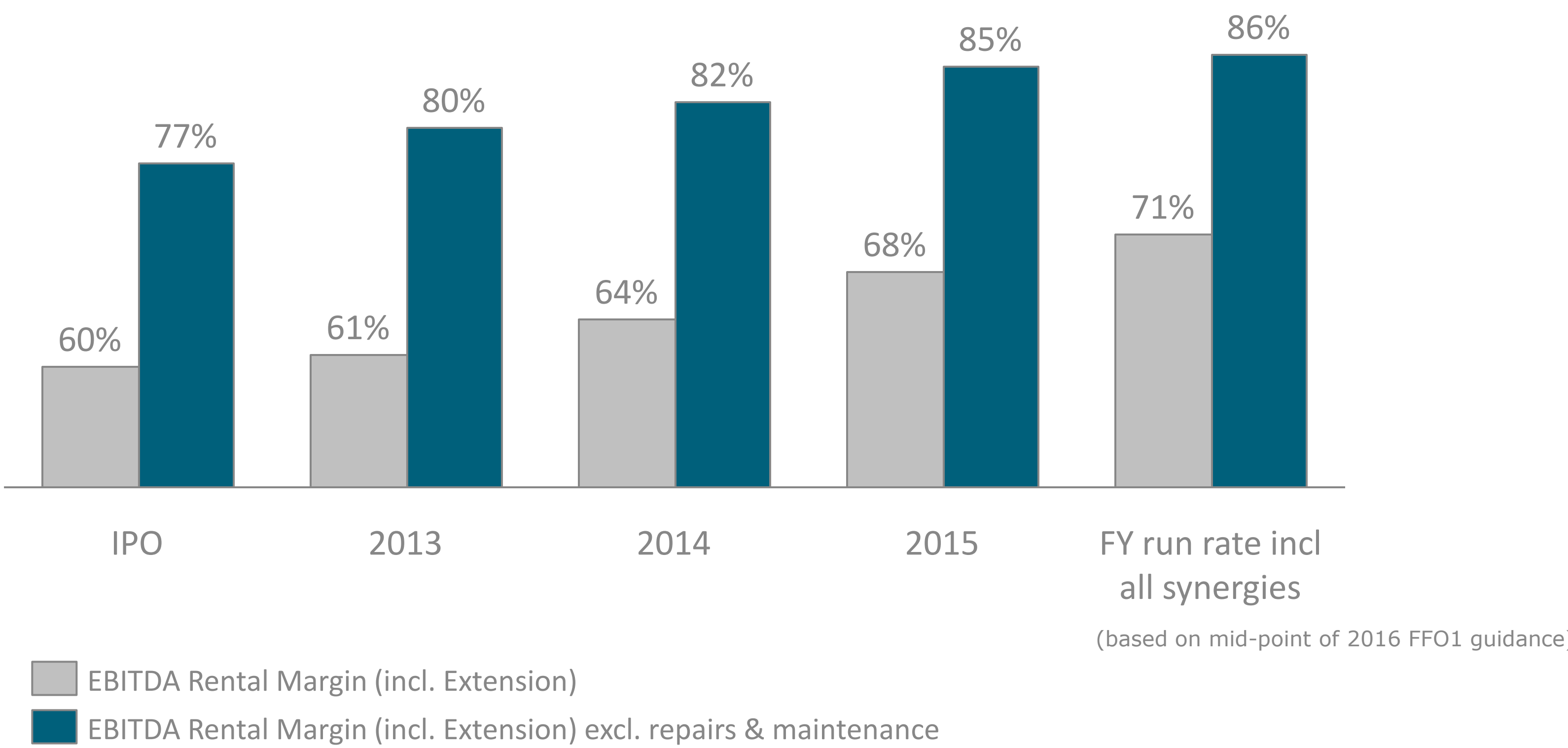
Maintenance and Modernization



- Maintenance: Reactive investment; value maintaining
- Modernization: Proactive, discretionary investment; value enhancing with unlevered yield of ~7%

Increasing EBITDA Rental margin

Margin improvement driven by increasing efficiency, scalable business model with successful integration of acquisitions and full synergy delivery.



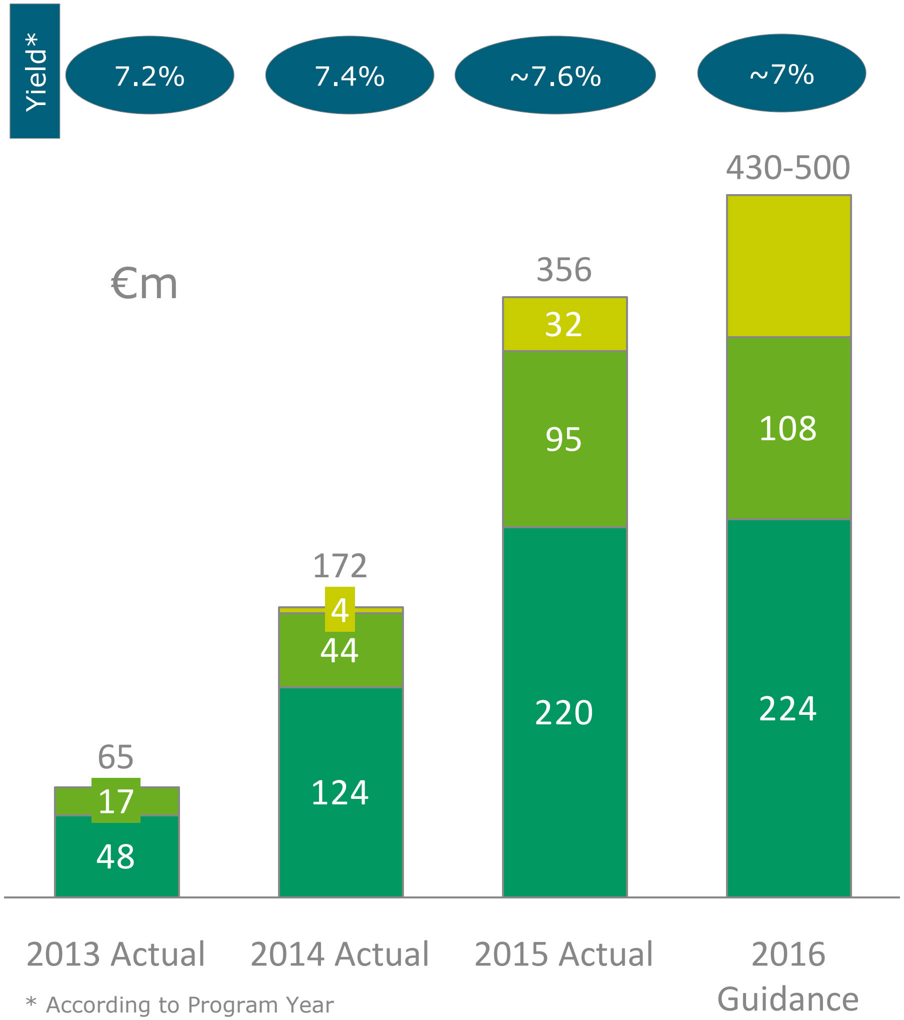
Positive Sales Result
(excl. portfolio sale to LEG, closing expected in Q1/2016)

Privatization				
	FY 2014	**FY 2015**	**Change**	**Change (%)**
# units sold	2,238	2,979	741	33.1
Income from disposal of properties (€m)	231.2	262.7	31.5	13.6
Fair value disposals (€m)	-168.0	-201.3	-33.3	-19.8
Adjusted profit from disposal of properties (€m)	63.2	61.4	-1.8	-2.8
Fair value step-up	**37.6%**	**30.5%**		**-7.1 ppt**
	Target 30-35%	**~30%**		

Non-core disposals				
	FY 2014	**FY 2015**	**Change**	**Change (%)**
# units sold	1,843	12,195	10,352	561.7
Income from disposal of properties (€m)	56.1	463.3	407.2	725.8
Fair value disposals (€m)	-50.6	-424.4	-373.8	-738.7
Adjusted profit from disposal of properties (€m)	5.5	38.9	33.4	607.3
Fair value step-up	**10.9%**	**9.2%**		**-1.7 ppt**
	Target = 0%	**Target = 0%**		

Modernization with positive track record

Investment Track Record



* According to Program Year

Modernization as a Continued Focus

- Successful roll-out of our investment strategy to Gagfah assets results 2015 in more than €350m
- Preparations for 2016 program finished – Projects with start in Q1/2016 on track
- Growing contribution from new initiatives (e.g. heating system upgrades, bathrooms)
- Significant increase of new initiatives and new construction volumes (guidance depends on timely granting of construction permits)
- Modernization segments represent 50% of total fair value

New initiatives and new construction
Optimize apartments
Upgrade buildings

Full Project Pipeline in Extension Business

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New segmentation due to growing size of Extension business

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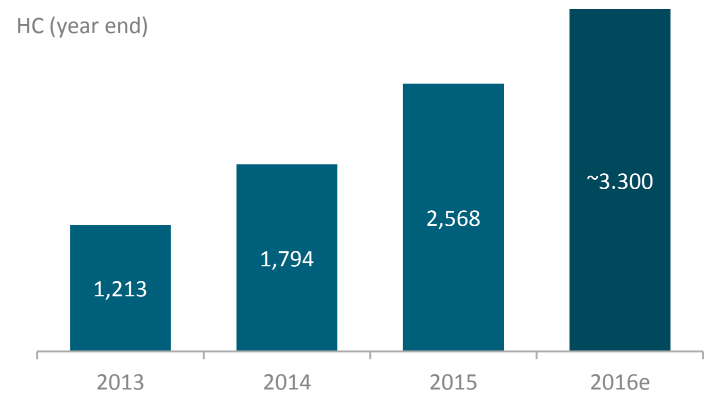
- Rental
- Extension
- Sales

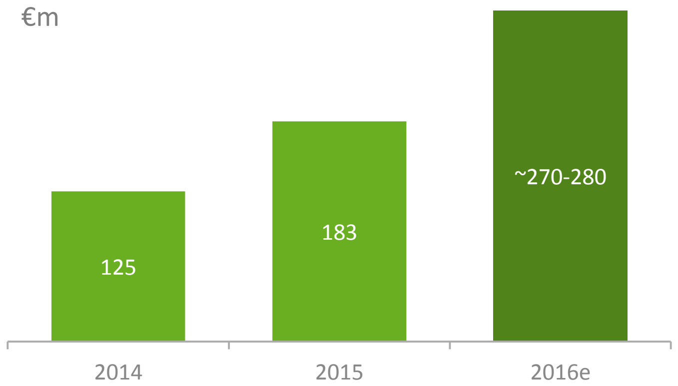
Successful expansion of craftsmen organization and roll-out of projects

Craftsmen organisation built up to lever insourcing strategy

Fast growing craftsmen workforce…



…enables significant growth of inhouse production



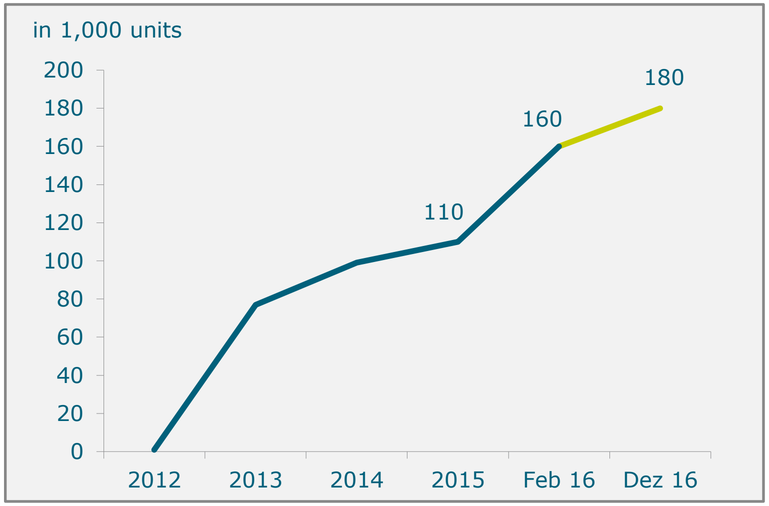
Insourcing rationale proven

- In 2015 around 20% contribution margin on inhouse production achieved
- Based on track record, Vonovia saves 25-30% on own services provided through TGS insourcing
- Achieved through innovative solutions and standardization as well as higher purchasing power (eg. balconies and windows)
- Positive impact on customer satisfaction by improving the technical service offering

Fast roll-out of Service Offerings
(Multimedia, Smart Sub Metering)

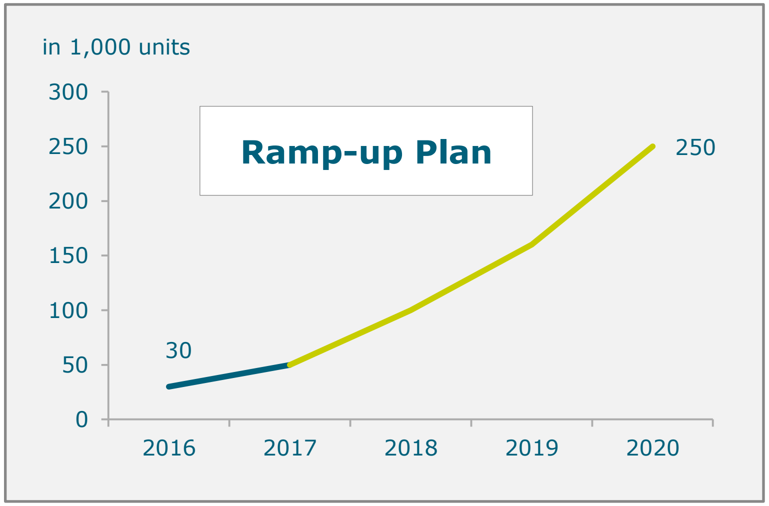
TV provided Vonovia's customers by Deutsche Multimedia Service GmbH

- In 2012 Vonovia started the cable TV business model
- Today Vonovia's multimedia business is built on a scalable long-term supplier base
- Existing Gagfah contracts being re-negotiated successfully



Vonovia Mess Service GmbH successfully started

- Inhouse organisation for measuring services implemented
- Rollout of smart sub metering started in 2016 after evaluating the successful pilot project
- Ramp-up plan fixed: 250.000 units in 5 years



Acquisition Pipeline Update

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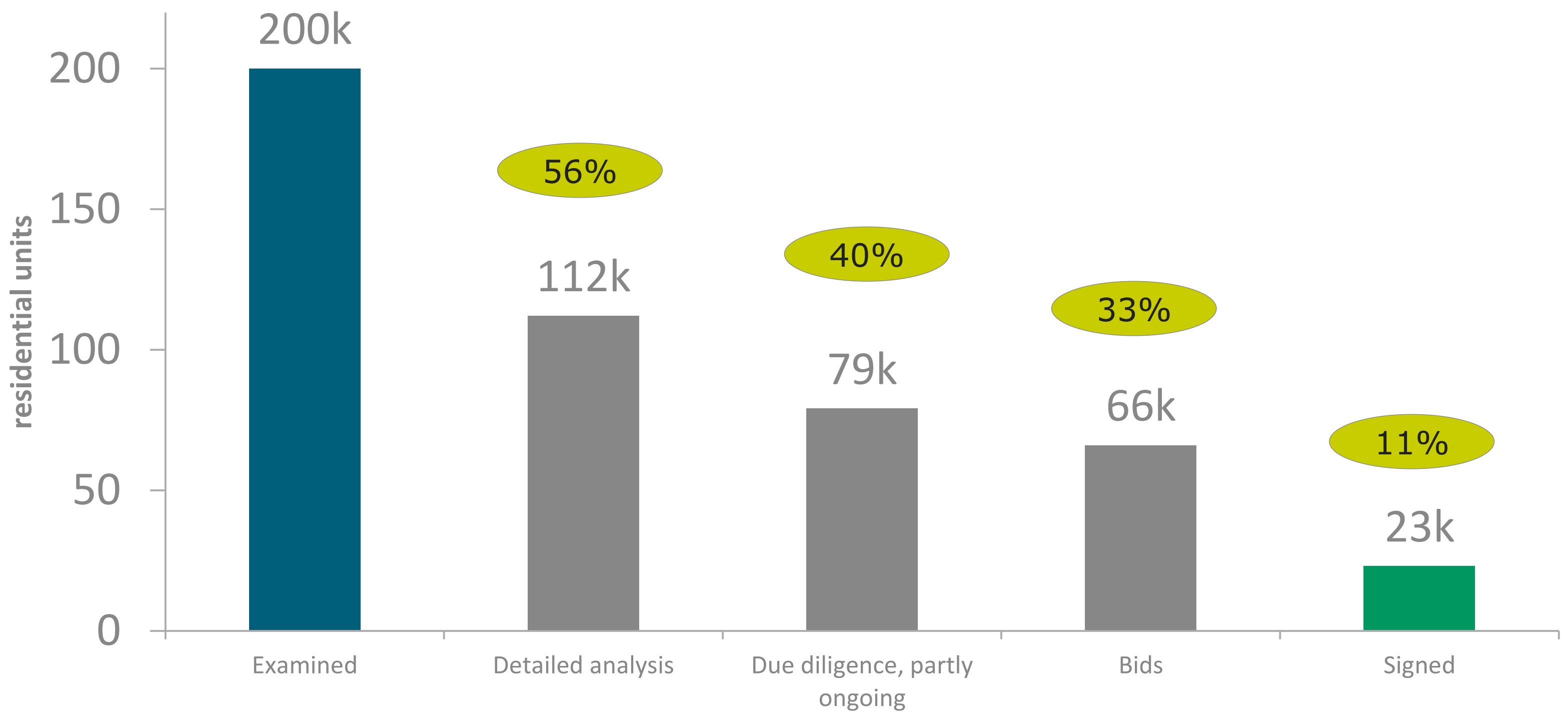
Acquisition Pipeline (as of 31 December 2015)



Summary

- ✓ Strategy is intact and remains unchanged going forward
- ✓ Operating performance fully on track and with ongoing positive momentum
- ✓ Extension business as additional source of sustainable and growing FFO contribution
- ✓ Established modernization business of upgrading buildings and optimizing apartments with continuously attractive yields now supplemented by intelligent space creation
- ✓ Fair value growth driven by performance, investments and portfolio management
- ✓ LTV now in the mid fourties range
- ✓ Guidance 2016 confirmed

APPENDIX

KPI Definitions

	Description	Calculation
FFO1	FFO1 is calculated as the profit or loss for the period adjusted for sales-related, non-recurring, non-cash or similar items. It approximates the sustainable, recurring operating cash flow to the Group before payments to equity hybrid investors and minorities. This FFO1 is not determined on the basis of a specific international reporting standard but is to be regarded as a supplement to other performance indicators determined in accordance with IFRS. The FFO1 per share is calculated on the basis of all outstanding, dividend-bearing shares.	IFRS profit or loss for the period adjusted by • the profit or loss from sales • the effects from property held for sale • specific effects which do not relate to the period, are non-recurring or do not relate to the objective of the Company • the net income from fair value adjustments of investment properties, • depreciation and amortization • deferred and prior-year current taxes (tax expenses/income), • transaction costs • prepayment penalties and commitment interest • valuation effects on financial instruments • the unwinding of discounting for provisions, particularly pension provisions • and other prior-year interest expenses • income that is not of a long-term nature
EPRA NAV	EPRA NAV is used as an indicator of the Group's long-term equity and is calculated according to EPRA's Best Practice Recommendations. The adjusted NAV represents the EPRA NAV less goodwill.	Group equity (including goodwill), + deferred taxes on properties and assets held for sale + fair value of derivative financial instruments - deferred taxes on derivative financial instruments
LTV	The LTV shows the ratio of net debt (excluding equity hybrid) to property value.	+ Non-derivative financial liabilities (excluding equity hybrid) - Foreign currency effects - Cash and cash equivalents **= Net debt** ——— + Fair value of investment property + Fair value of trading properties and assets held for sale + Fair value of properties used by the Group **= Fair value**

Consolidation Scope

	DAIG	DeWAG	Vitus	Gagfah	Franconia	Südewo
FY 2014	12 months	9 months	3 months	-	-	-
FY 2015	12 months	12 months	12 months	10 months	9 months	6 months
FY 2015 Guidance	12 months	12 months	12 months	10 months	9 months	6 months
FY 2016 Guidance	12 months	12 months	12 months	12 months	12 months	12 months

FY 2015 Key Figures

€m	FY 2015	FY 2014	Change (€)	Change (%)
Residential units (k)	357,117	203,028	154,089	75.9
Rental income	1,414.6	789.3	625.3	79.2
Vacancy rate (%)	2.7	3.4		-0.7 pp
Monthly in-place rent/ sqm (like-for-like, €)	5.78	5.62	0.16	2.9
Adjusted EBITDA Rental	924.8	483.1	441.7	91.4
Adjusted EBITDA Rental /unit (€)	2,779	2,597	182	7.0
Income from disposal of properties	726.0	287.3	438.7	152.7
Adjusted EBITDA Sales	71.1	50.1	21.0	41.9
Adjusted EBITDA Extension	37.6	23.6	14,0	59.3
Adjusted EBITDA	1,029.1	554.0	475.1	85.8
FFO1	608.0	286.6	321.4	112.1
FFO2	662.1	336.7	325.4	96.6
FFO1 before maintenance	850.2	431.7	418.5	196.9
AFFO	520.5	258.3	262.2	101.5
Fair value market properties[3]	24,157.7	12,759.1	11,398.6	89.3
EPRA NAV[3]	13,988.2	6,578.0	7,410.2	112.7
LTV (%)[4]	47.3	49.7		-2.4 pp
FFO1/ share (€)[1]	1.30	1.00	0.30	30.0
EPRA NAV / share (€)[2]	30.02	23.04	6.98	30.3
Adjusted EPRA NAV / share (€) [2]	24.19	22.67	1.52	6.7

[1] Based on the number of shares as of the reporting date: 12/31/2015: 466.0m and 12/31/2014: 240.2m. FY 2014 TERP-adjusted.
[2] NAV / share based on the number of outstanding shares as of the reporting date: 12/31/2015: 466.0m and 12/31/2014: 271.6m. Number as of 31 Dec 2014 TERP-adjusted.
[3] LTV at 12/31/2014 adjusted for effects of capital measures

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VONOVIA

€m	FY 2015	FY 2014	Change (€m)	Change (%)	Comments
Income from property letting	**2,035.3**	**1,138.4**	**896.9**	**78.8**	
Rental income	1,414.6	789.3	625.3	79.2	Increase mainly acquisition-related (residential units 357k vs 203k), additionally in-place rent on a like-for-like basis increased by 2.9%
Ancillary costs	620.7	349.1	271.6	77.8	Increase mainly reflects increased portfolio size, additionally vacancy rate decreased by 0.7pp
Other income from property management	28.2	18.2	10.0	54.9	
Income from property management	**2,063.5**	**1,156.6**	**906.9**	**78.4**	
Income from sale of properties	**726.0**	**287.3**	**438.7**	**152.7**	
Carrying amount of properties sold	-658.7	-243.4	-415.3	-170.6	
Revaluation of assets held for sale	51.7	25.1	26.6	106.0	
Profit on disposal of properties	**119.0**	**69.0**	**50.0**	**72.5**	Increase due to higher Non-core Sales volume, partially offset by slightly lower Non-core Step-up
Net income from fair value adjustments of investment properties	1,323.5	371.1	952.4	256.6	
Capitalized internal modernization expenses	174.9	85.6	89.3	104.3	2015 increase reflects larger portfolio size and in-sourcing effect of craftsmen organization
Cost of materials	**-972.5**	**-542.6**	**-429.9**	**-79.2**	Increase mainly acquisition-related
Expenses for ancillary costs	-601.7	-344.4	-257.3	-74.7	
Expenses for maintenance	-268.7	-141.0	-127.7	-90.6	
Other costs of purchased goods and services	-102.1	-57.2	-44.9	-78.5	
Personnel expenses	**-359.7**	**-184.6**	**-175.1**	**-94.9**	Ramp-up from 3,850 to 6,368 employees leads to increased personnel expenses which primarily result from Gagfah merger & TGS growth
Depreciation and amortisation	**-13.4**	**-7.4**	**-6.0**	**-81.1**	
Other operating income	**73.1**	**65.3**	**7.8**	**11.9**	Increase mainly due to acquisitions (Gagfah and Südewo) and increased recurring income / cost reimbursements
Other operating expenses	**-263.5**	**-152.4**	**-111.1**	**72.9**	Increase mainly related to additional expenses of acquisitions as well as consulting and audit fees for Gagfah and Südewo merger, other effects comprise vehicle and travelling costs which mainly increased due to insourcing
Financial income	**8.0**	**8.8**	**-0.8**	**-9.1**	
Financial expenses	**-418.4**	**-280.3**	**-138.1**	**-49.3**	Strongly impacted by additional financings as a result of acquisitions and by transaction costs for Gagfah deal financing
Profit before tax	**1,734.5**	**589.1**	**1,145.4**	**194.4**	
Income tax	**-739.8**	**-179.4**	**-560.4**	**312.4**	
Current income tax	-27.2	-8.0	-19.2	-240.0	
Other (incl. deferred tax)	**-712.6**	**-171.4**	**-541.2**	**-315.8**	
Profit for the period	**994.7**	**409.7**	**585.0**	**142.8**	

EBITDA

Bridge to Adjusted EBITDA (€m)	FY 2015	FY 2014	Change (€)	Change (%)
Profit for the period	994.7	409.7	585.0	142.8
Net interest result	414.0	274.9	139.1	50.6
Income taxes	739.8	179.4	560.4	312.4
Depreciation	13.4	7.4	6.0	81.1
Net income from fair value adjustments of investment properties	-1,323.5	-371.1	-952.4	256.6
EBITDA IFRS	**838.4**	**500.3**	**338.1**	**67.6**
Non-recurring items	209.4	54.0	155.4	287.8
Period adjustments	-18.7	-0.3	-18.4	na
Adjusted EBITDA	**1,029.1**	**554.0**	**475.1**	**85.8**
Adjusted EBITDA Rental	924.8	483.1	441.7	91.4
Adjusted EBITDA Extension	37.6	23.6	14.0	59.3
Adjusted EBITDA Sales	71.1	50.1	21.0	41.9
Adjusted EBITDA Other	-4.4	-2.8	-1.6	57.1

- EBITDA increase mainly driven by rental business
- Adjusted EBITDA Rental reflects acquisitions as well as operational performance
- Adjusted EBITDA Sales: higher Non-core sales volumes offset by lower Non-core step-ups, also higher selling costs due to increased sales volumes

Rental Segment (€m)	FY 2015	FY 2014	Change (€)	Change (%)
Average number of units over the period	332,768	186,013	146,755	78.9
Rental income	1,414.6	789.3	625.6	79.2
Maintenance	-242.2	-145.1	-97.1	66.9
Operating costs	-247.6	-161.1	-86.5	53.7
Adjusted EBITDA Rental	**924.8**	**483.1**	**441.7**	**91.4**

Extension Segment (€m)	FY 2015	FY 2014	Change (€)	Change (%)
Extension Income	428.7	211.1	217.6	103.1
Thereof external income	59.4	28.9	30.4	105.2
Thereof internal income	369.4	182.2	187.2	102.7
Extension Costs	-391.1	-187.5	-203.6	108.6
Adjusted EBITDA Extension	**37.6**	**23.6**	**14.0**	**59.3**

Sales Segment (€m)	FY 2015	FY 2014	Change (€)	Change (%)
Number of units sold	15,174	4,081	11,093.0	271.8
Income from disposal of properties	**726.0**	**287.3**	**438.7**	**152.7**
Carrying amount of properties sold	-658.7	-243.4	-415.3	170.6
Revaluation of assets held for sale	51.7	25.1	26.6	106.0
Profit on disposal of properties (IFRS)	**119.0**	**69.0**	**50.0**	**72.5**
Revaluation (realized) of assets held for sale	-51.7	-25.1	-26.6	106.0
Revaluation from disposal of assets held for sale	33.0	24.8	8.2	33.1
Adjusted profit from disposal of properties	100.3	68.7	31.6	46.0
Selling costs	-29.2	-18.6	-10.6	57.0
Adjusted EBITDA Sales	**71.1**	**50.1**	**21.0**	**41.9**

FFO

VONOVIA

€m	Actuals		Change	
	FY 2015	FY 2014	€m	%
Adjusted EBITDA	1,029.1	554.0	475.1	85.8
(-) Interest expense FFO	-339.8	-209.3	-130.5	-62.4
(-) Current income taxes	-27.2	-8.0	-19.2	-240.0
(=) FFO2	662.1	336.7	325.4	-96.6
(-) Adjusted EBITDA Sales	-71.1	-50.1	-21.0	-41.9
(+) Current income taxes sales	17.0	-	17.0	-
(=) FFO1	**608.0**	**286.6**	**321.4**	**112.1**
thereof attributable to shareholders	575.0	286.6	288.4	100.6
thereof attributable to equity hybrid investors	33.0	-	33.0	-
(-) Capitalized maintenance	-87.5	-28.3	-59.2	-209.2
(=) AFFO	**520.5**	**258.3**	**262.2**	**101.5**
(+) Capitalized maintenance	87.5	28.3	59.2	209.2
(+) Expenses for maintenance	242.2	145.1	97.1	66.9
(=) FFO1 excl. maintenance	850.2	431.7	418.5	196.9

Maintenance and Modernization

VONOVIA

Maintenance and modernization (€m)	FY 2015	FY 2014	Change (€m)	Change (%)
Maintenance expenses	242.2	145.1	97.1	66.9
Capitalized Maintenance	88.5	28.7	59.8	208.4
Modernization work	355.6	171.7	183.9	107.1
Total cost of modernization and maintenance	**686.3**	**345.5**	**340.8**	**98.6**
Thereof sales of own craftmen's organisation	369.4	176.6	192.8	109.2
Thereof bought-in services	316.9	168.9	148.0	87.6
Modernization and maintenance / sqm (€)	33.04	29.12	3.92	13.5

Comments

- Compared to 2014 significant increase due to measures in Gagfah Portfolio
- Modernization program mainly addressing investments in buildings or apartments regarding energy efficiency, senior living and high-standard refurbishments
- Compared to 2014, revenues of in-house craftsmen organisation increased significantly due to successful TGS implementation and increased portfolio size

Positive Rent Development

Rent Increase Type	Growth Rate 2014-2015*
Sitting tenants (non-subsidised)	+1.0%
Sitting tenants (subsidised)	+0.1%
New rentals	+0.6%
Subtotal excl. modernization	**+1.7%**
Sales effect	+0.0%
Total incl. sales	**+1.7%**
Modernization	+1.2%
Total incl. modernization and sales	**+2.9%**

*without Gagfah, Franconia, Südewo

Balance Sheet

VONOVIA

€m	Dec 31, 2015	Dec 31, 2014
Investment Properties	23,431.3	12,687.2
Other non-current assets	3,247.3	292.8
Total non-current assets	**26,678.6**	**12,980.0**
Cash and cash equivalents	3,107.9	1,564.8
Other financial assets	2.0	2.0
Other current assets	1,170.6	212.4
Total current assets	**4,280.5**	**1,779.2**
Total Assets	**30,959.1**	**14,759.2**
Total equity attributable to VONOVIA shareholders	10,620.5	4,932.6
Equity attributable to hybrid capital investors	1,001.6	1,001.6
Non-controlling interests	244.8	28.0
Total equity	**11,866.9**	**5,962.2**
Provisions	612.9	422.1
Trade payables	0.9	1.0
Non derivative financial liabilities	13,951.3	6,539.5
Derivative financial liabilities	144.5	54.5
Liabilities from finance leases	94.9	88.1
Liabilities to non-controlling interests	46.3	46.3
Other liabilities	25.9	8.6
Deferred tax liabilities	2,528.3	1,132.8
Total non-current liabilities	**17,405.0**	**8,292.9**
Provisions	**429.5**	211.3
Trade payables	**91.6**	51.5
Non derivative financial liabilities	988.6	125.3
Derivative financial liabilities	58.8	21.9
Liabilities from finance leases	**4.4**	4.4
Liabilities to non-controlling interests	**9.8**	7.5
Other liabilities	**104.5**	82.2
Total current liabilities	**1,687.2**	**504.1**
Total liabilities	**19,092.2**	**8,797.0**
Total equity and liabilities	**30,959.1**	**14,759.2**

Comments

Increase driven by Gagfah acquisition € 8,075.7m, SÜDEWO acquisition € 1,742.1m, the "Franconia" acquisition € 298.1m and effects from revaluation of investment properties of €1,323.5m

Increase mainly driven by Gagfah acquisition

Preliminary Goodwill of € 2,264.8m (Gagfah) and € 343.9m (Südewo) included

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

Capital increase of € 5,010.3m included

Increase of non controlling interest by consolidation of Gagfah €134.9m and Südewo €56.6m

Increase driven by consolidation of Gagfah, as well as issuing EMTN Bonds of € 4.0bn

Increase generally driven by Gagfah acquisition € 420.8m and by Südewo acquisition €227.1m and effects from revaluation of investment properties

NAV

€m	Actuals		Change	
	December 31, 2015	December 31, 2014	€m	%
Equity attributable to shareholders	**10,620.5**	**4,932.6**	**5,687.9**	**115.3**
Deferred taxes on investment property/ properties for sale	3,241.2	1,581.0	1,660.2	105.0
Fair value of derivative financial instruments[1]	169.9	88.1	81.8	92.8
Deferred taxes on derivative financial instruments	-43.4	-23.7	-19.7	-83.1
EPRA NAV	**13,988.2**	**6,578.0**	**7,410.2**	**112.7**
Goodwill	-2,714.7	-106.0	-2,608.7	na
Adjusted EPRA NAV	**11,273.5**	**6,472.0**	**4,801.5**	**74.2**
EPRA NAV per share (€)[2]	**30.02**	**23.04**	**6.98**	**30.3**
Adjusted EPRA NAV per share (€)[2]	**24.19**	**22.67**	**1.52**	**6.7**

[1] Adjusted for effects from cross-currency swaps
[2] Based on number of shares outstanding as of respective reporting dates (31 Dec. 2014: 271.6m; 31 Dec. 2015: 466.0m). 31 Dec 2014 numbers TERP-adjusted.

Goodwill

€m	Actuals	
	Dec. 31, 2015	Dec. 31, 2014
Goodwill DeWAG	10.7	10.7
Goodwill Vitus	95.3	95.3
Goodwill Gagfah	2,264.8	-
Goodwill Südewo	343.9	-
Total Goodwill (as of reporting date)	**2,714.7**	**106.0**

Bond and Rating KPIs
(as per December 31, 2015)

Bond KPIs

Covenant	Level	Actual
LTV Total Debt / Total Assets	<60%	48%
Secured LTV Secured Debt / Total Assets	<45%	23%
ICR LTM[1] EBITDA / LTM Interest Expense	>1.80x	3.03x
Unencumbered Assets Unencumbered Assets / Unsecured Debt	>125%	211%

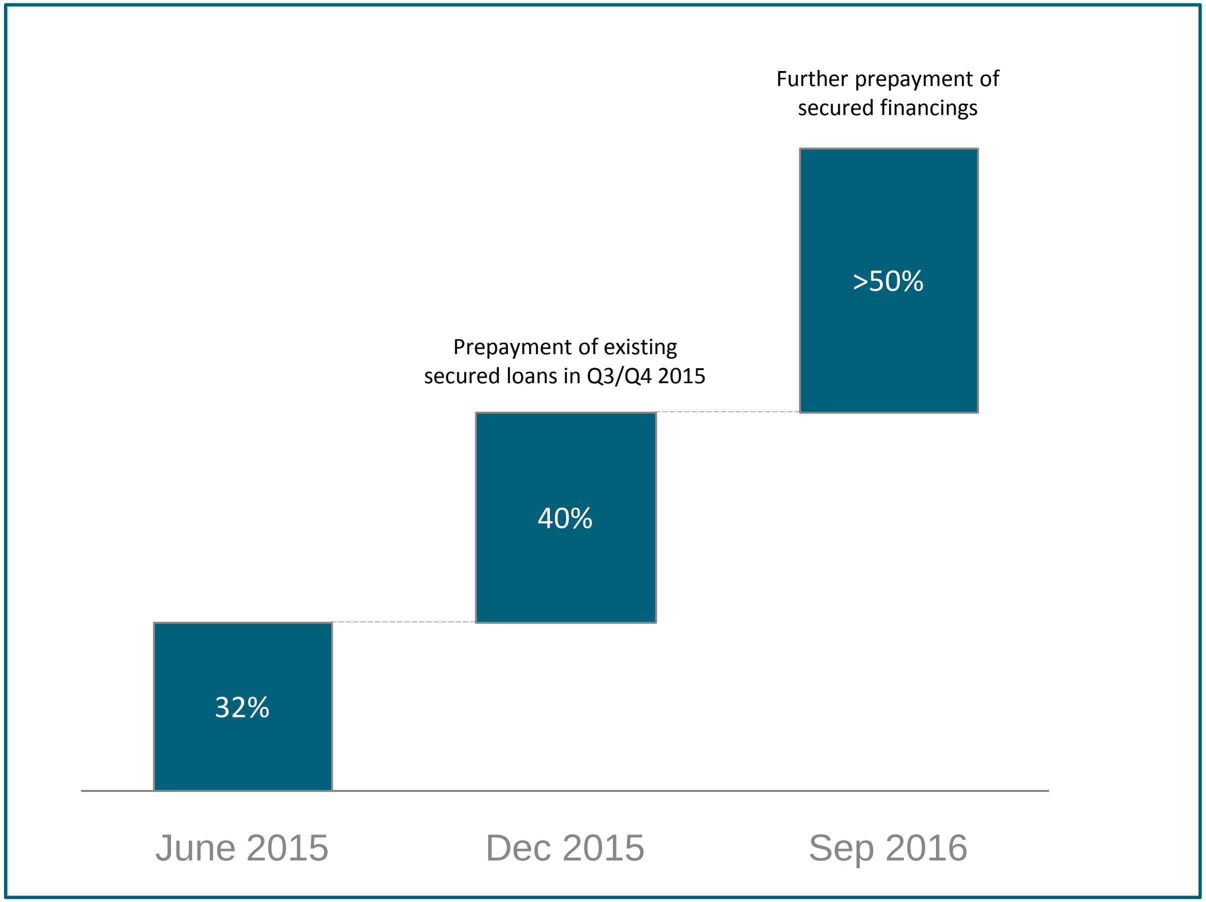
Rating KPIs

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

[1] LTM = last 12 months

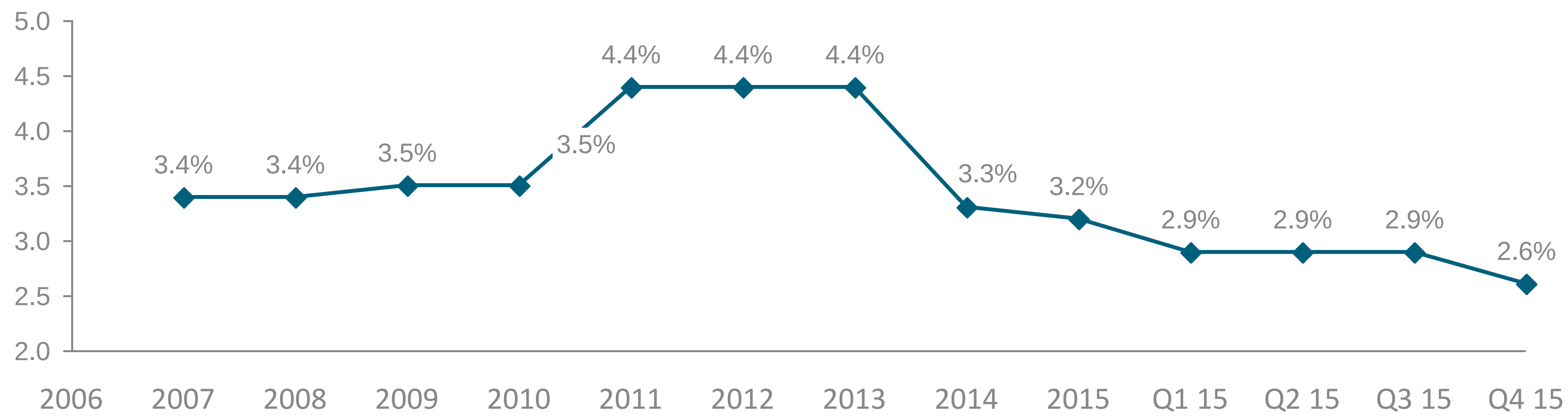
Unencumbrance Ratio

- Unencumbrance ratio dropped from 50% pre GAGFAH down to 32% including GAGFAH
- S&P provides up to 18 months (i.e. 30 Sept 2016) to reach 50% unencumbrance ratio



Evolution of Average Interest Costs/ Interest Rate Sensitivity

Evolution of average interest costs



Development

- **Reduction** of average **interest costs** since 2012, with **extended and smoothened** maturity profile at the same time
- **Balanced mix of secured** and **unsecured** refinancing sources to **reduce risk** and **maximise funding options**
- Included a **€700m Hybrid with 4.6% coupon** to our capital structure for the 2014 acquisitions instead of convertibles to avoid **FFO dilution**

Outlook

- Further optimization of capital structure as well as debt profile in terms of costs and maturity. Focus is on more than minimizing the average interest costs. Also considering the optimal product mix, the overall economic benefit and the shareholder interests to support **long term growth**.
- Next goal is to reduce the refinancing volume for 2018

Bonds / Rating

VONOVIA

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

CMBS
(Overview as of December 31, 2015)

Name	Amount	Coupon	Final Maturity Date
German Residential Funding 2013-1 Limited	€ 1,851m	2.80%	27 Aug 2018
German Residential Funding 2013-2 Limited	€ 680 m	2.67%	27 Nov 2018
Taurus 2013 (GMF1) PLC	€ 1,032 m	3.35%	21 May 2018

Expected prepayment fees for early CMBS redemption (€ m)			
IPD	**GRF-1**	**GRF-2**	**WOBA**
Feb 2016	75.4	28.3	50.6
May 2016	66.1	23.6	14.6
Aug 2016	26.5	21.0	10.6
Nov 2016	19.4	9.3	6.7
Feb 2017	12.6	7.0	2.8
May 2017	6.1	4.9	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 Management Strategy

Portfolio Management Strategy

STRATEGIC	**Value-driven asset management approach in locations with above-average development potential** **Operate**: rent growth, vacancy reduction, effective and sustainable maintenance spending and cost savings. **Upgrade buildings**: comprehensive investments with a focus on energy efficiency **Optimize apartments**: selective investments in individual flats (focus on senior living and high-end modernization in strong markets that allow a rental premium for fully refurbished apartments)
NON STRATEGIC	Locations and assets that do not form an integral part of Vonovia's strategy. Mostly average location and asset quality with stable cash flows. Under permanent review.
Privatize/ Non-core	**Privatize**: opportunistic retail sales at attractive premiums above current valuation **Non-core**: portfolio optimization through sale of assets that have limited development potential in terms of condition and/or location

KPIs by Portfolio Cluster
(excluding agreed portfolio sales)

Cluster Vonovia	Residential units	In-place rent (€/ sqm residential)	New letting rent (€/sqm residential in 2015)	Vacancy rate	Fair Value (€m)	Fair Value (€/sqm)	Multiple in-place rent	Share rent controlled
Operate	125.357	5,89	6,47	2,3%	8.634	1.056	14,7	27,4%
Optimise apartments	72.507	5,99	6,93	2,0%	5.580	1.200	17,1	2,1%
Upgrade buildings	102.479	5,76	6,56	2,0%	6.896	1.091	15,8	6,6%
Strategic	**300.343**	**5,87**	**6,57**	**2,1%**	**21.110**	**1.103**	**15,7**	**14,2%**
Non-Strategic	13.287	4,73	4,73	7,0%	484	571	10,7	13,4%
Privatise	19.220	5,81	6,44	4,2%	1.553	1.164	17,1	4,6%
Non-Core	10.697	4,48	4,77	9,3%	341	501	10,4	12,2%
Total	**343.547**	**5,79**	**6,39**	**2,6%**	**23.488**	**1.067**	**15,5**	**13,5%**

Portfolio KPIs by Top 25 Cities
(excluding agreed portfolio sales)

City	Residential units	In-place rent (€/ sqm residential)	New letting rent (€/sqm residential in 2015)	Vacancy rate 31.12.2014	Vacancy rate 31.12.2015	Share rent controlled
Berlin	30.588	5,83	7,20	1,3%	1,2%	8,6%
Dresden	37.901	5,30	5,99	2,8%	2,6%	0,0%
Frankfurt am Main	11.715	7,67	9,42	0,8%	0,6%	12,8%
Hamburg	10.975	6,42	8,23	2,4%	0,8%	15,5%
Dortmund	19.458	5,09	5,73	2,3%	2,2%	14,3%
München	5.193	6,81	9,67	0,7%	0,6%	42,9%
Köln	6.359	7,06	8,06	1,7%	1,3%	10,4%
Essen	12.125	5,39	5,68	4,6%	4,0%	14,7%
Bremen	11.101	5,15	5,55	5,5%	3,5%	23,5%
Kiel	11.978	5,33	5,89	1,2%	1,4%	32,9%
Stuttgart	4.643	8,09	9,84	0,4%	1,1%	25,6%
Hannover	7.218	6,05	6,64	2,2%	1,9%	22,3%
Bonn	5.180	6,43	7,08	1,7%	1,5%	25,8%
Düsseldorf	3.516	7,27	8,29	2,4%	2,7%	19,7%
Bochum	7.524	5,39	5,76	2,8%	2,0%	9,4%
Wiesbaden	2.613	7,75	8,54	2,8%	2,8%	6,0%
Freiburg im Breisgau	2.711	6,72	7,88	1,8%	0,9%	23,8%
Duisburg	5.533	5,18	5,53	4,1%	4,2%	3,4%
Heidenheim an der Brenz[1]	3.957	5,99	6,35	-	4,3%	8,9%
Osnabrück[1]	3.915	5,42	6,08	-	3,6%	17,2%
Bielefeld	4.643	5,03	5,49	3,4%	2,1%	34,1%
Nürnberg	2.455	6,28	7,21	1,1%	1,0%	6,2%
Mannheim	2.527	6,50	7,36	3,6%	2,3%	10,6%
Braunschweig	3.281	5,46	5,98	2,4%	0,6%	0,3%
Darmstadt	1.515	7,64	9,49	1,3%	0,8%	7,9%
Subtotal TOP 25	**218.624**	**5,90**	**6,62**	**2,4%**	**2,0%**	**13,5%**
Remaining Cities	124.923	5,60	6,06	4,6%	3,7%	13,6%
Total	**343.547**	**5,79**	**6,39**	**3,4%**	**2,6%**	**13,5%**

Sorting by Fair Value. [1] No assets in 2014

Valuation KPIs by Top 25 Cities
(excluding agreed portfolio sales)

City	Fair Value (€m)	Share in terms of FV	Fair Value (€/sqm) 31.12.2014	Fair Value (€/sqm) 31.12.2015	Multiple in-place rent 31.12.2014	Multiple in-place rent 31.12.2015
Berlin	2.565	11%	1.145	1.300	16,2	18,4
Dresden	2.105	9%	607	924	12,7	14,8
Frankfurt am Main	1.219	5%	1.541	1.671	17,4	18,0
Hamburg	1.048	4%	1.698	1.462	18,0	18,5
Dortmund	971	4%	762	809	12,9	13,3
München	811	3%	2.057	2.275	24,7	26,5
Köln	709	3%	1.377	1.555	16,9	18,3
Essen	628	3%	781	802	12,7	12,6
Bremen	625	3%	873	898	14,8	14,8
Kiel	613	3%	782	845	12,5	13,2
Stuttgart	566	2%	1.543	1.876	18,6	19,2
Hannover	509	2%	1.026	1.077	14,1	14,8
Bonn	502	2%	1.259	1.368	16,7	17,8
Düsseldorf	395	2%	1.468	1.601	16,6	18,0
Bochum	351	1%	761	804	12,3	12,5
Wiesbaden	308	1%	1.482	1.667	16,6	17,7
Freiburg im Breisgau	270	1%	1.308	1.458	17,0	17,8
Duisburg	255	1%	715	735	11,9	12,0
Heidenheim an der Brenz[1]	228	1%	-	925	-	13,1
Osnabrück[1]	225	1%	-	890	-	14,0
Bielefeld	220	1%	785	708	12,2	11,9
Nürnberg	212	1%	1.166	1.264	16,5	17,0
Mannheim	197	1%	1.025	1.173	14,5	15,2
Braunschweig	187	1%	825	921	13,2	14,0
Darmstadt	173	1%	1.447	1.613	16,5	17,6
Subtotal TOP 25	**15.892**	**68%**	**1.070**	**1.142**	**15,4**	**16,2**
Remaining Cities	7.596	32%	842	938	13,6	14,2
Total	**23.488**	**100%**	**964**	**1.067**	**14,6**	**15,5**

Sorting by Fair Value. [1] No assets in 2014

Gagfah and Südewo Synergies

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Development of our estimate on total run rate synergies from Gagfah and Südewo

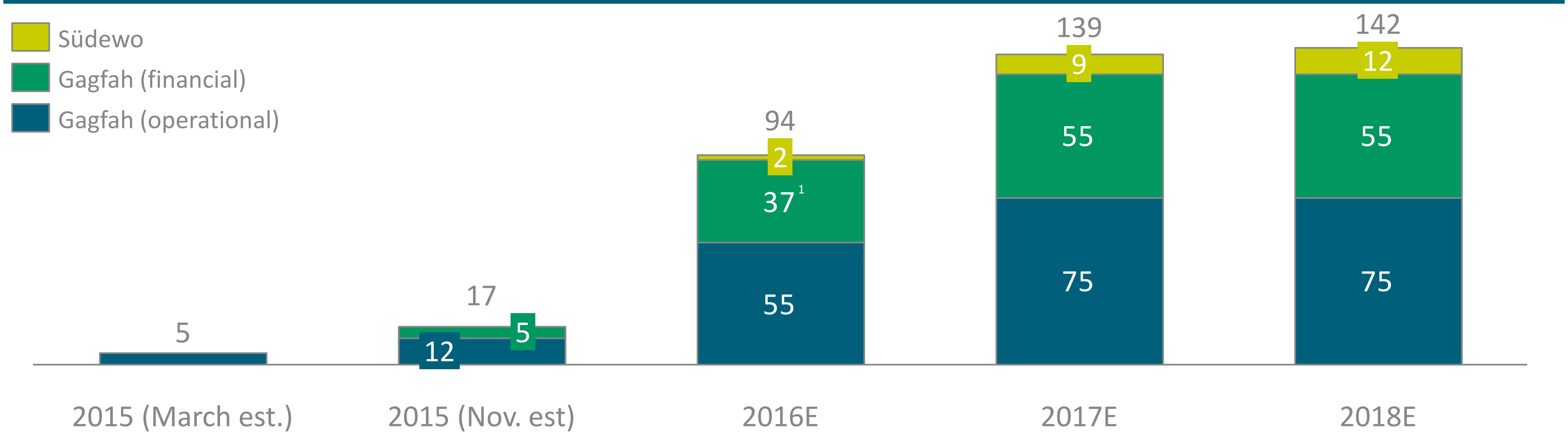
December 2014		June 2015		November 2015	
€84m (only Gagfah)	€47m operational	€130m (only Gagfah)	€75m operational	€142m (Gagfah and Südewo)	€75m op. (Gagfah) €12m op. (Südewo)
	€37m financial		€55m financial		€55m financial

December 2014
- Initial assessment based on "outside in" view

June 2015
- Initial assessment based on "inside" view
- Substantially higher synergies at lower one-off cost and in less time

November 2015
- Final leg of integration process
- Raising of more synergies in less time
- 86% of financial synergies already secured from 2017 onwards

Total synergy build up (€m; cumulative)



[1] Includes €19m financial synergies carried over from 2015 (€19m is the annualized run rate of the €5m collected in 2015)

Deutsche Wohnen Tender Offer - Timetable

Timetable	
Announcement of the offer	14 October
Roadshow	13 – 19 October
Deutsche Wohnen cancels EGM for LEG	21 October
Vonovia Q3 earnings announcement	3 November
Deutsche Wohnen announcement of acquisition of “Harald” portfolio	27 November
Vonovia EGM (over 78% support)	30 November
Launch of initial offer period	1 December
Clearstream confirms no withholding tax on cash component	7 December
Anti-trust clearance	7 December
Issuance of €3bn three-tranche bond	9 December
Beginning of tender roadshow	11 January 2016
End of initial offer period	9 February 2016

IR Contact & Financial Calendar

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Contact	Financial Calendar

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2016

March 3	Full year results 2015	✓
May 12	Interim report Q1 2016	
May 12	Annual General Meeting	
Aug 2	Interim report H1 2016	
Nov 3	Interim report 9M 2016	

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