

**Report of Organizational Actions
Affecting Basis of Securities**

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Vonovia S.E.			
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Urs Dempfle	+492343141718	Urs.Dempfle@vonovia.de	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
Philippstraße 3		44803 Bochum, Germany	
8 Date of action	9 Classification and description		
12 July 2017	Vonovia registered no-par value shares		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
n/a		VNA	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See Attachment**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See Attachment**



16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See Attachment**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment

18 Can any resulting loss be recognized? ▶ See Attachment

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature ▶ 	Date ▶ 25.09.2017		
Paid Preparer Use Only	Print your name ▶ Dr. A. Stefan Kirsten	Title ▶ CFO		
	Print/Type preparer's name	Preparer's signature 	Date	Check <input type="checkbox"/> if self-employed
	Shane Kiggen		Sept. 13, 2017	PTIN P01247500
	Firm's name ▶ Ernst & Young LLP	Firm's address ▶ 1101 New York Ave. NW, Washington, D.C. 20005	Firm's EIN ▶	34-656596
		Phone no.	(202) 327-7289	

Vonovia S.E.
Form 8937 Attachment

Part II, Line 14

On 12 July 2017, GAGFAH S.A. (“GAGFAH”), a *Société Anonyme* organized under the laws of Luxembourg, was merged with and into Vonovia S.E. (“Vonovia”), a *Societas Europaea* organized under the laws of the European Union, with Vonovia surviving and GAGFAH ceasing to exist (the “Merger”). At the effective time of the Merger, each issued and outstanding share of GAGFAH was cancelled and (other than shares of GAGFAH held by Vonovia) automatically converted into the right to receive 0.57 shares of Vonovia and cash in lieu of fractional Vonovia shares.

Part II, Line 15

The issuer cannot provide tax advice; shareholders are urged to consult their own tax advisors regarding the particular consequences of the Merger, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

The Merger qualifies as a “reorganization” under Internal Revenue Code Section 368(a)(1)(A). Accordingly, U.S. shareholders of GAGFAH will generally not be subject to U.S. federal income tax as a result of the exchange of GAGFAH shares for Vonovia shares except in connection with cash received in lieu of fractional shares (discussed above). A U.S. shareholder’s aggregate tax basis in the Vonovia shares received in the Merger generally will equal the U.S. shareholder’s aggregate tax basis in the GAGFAH shares surrendered in exchange therefor. An illustrative example is provided below.

Part II, Line 16

The adjusted tax basis of Vonovia shares received in the Merger will be the adjusted tax basis of GAGFAH shares exchanged therefor, adjusted to reflect to the exchange ratio used in the Merger. As discussed above, the effect of the Merger is that each GAGFAH share is exchanged for 0.57 Vonovia shares, less the tax basis allocated to the portion of the shares of GAGFAH shares attributable to cash received in lieu of fractional Vonovia shares.

The following example illustrates the method for a GAGFAH shareholder to calculate her basis in Vonovia shares as a consequence of the Merger. This example is meant to be illustrative only. **The issuer cannot provide tax advice; shareholders are strongly encouraged to consult their own tax advisors regarding the particular consequences of the Merger, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.**

Vonovia S.E.
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Example: Prior to the Merger, Shareholder owns 1,000 GAGFAH shares, with an adjusted basis of \$100 per share, for an aggregate basis of \$100,000. Shareholder does not actually or constructively own any Vonovia shares other than the Vonovia shares that she will receive in connection with the Merger.

In connection with the Merger, she exchanges all 1,000 of her GAGFAH shares for 570 Vonovia shares ($1,000 \times 0.57$). She allocates her \$100,000 aggregate basis to the 570 Vonovia shares (minus whatever amount received for any fractional Vonovia shares). Thus, Shareholder takes a basis in each Vonovia share of approximately \$175.44.

Part II, Line 17

Internal Revenue Code Sections 358 and 368.

Part II, Line 18

See Line 15 (gain or loss generally not recognized except in connection with cash received in lieu of fractional shares).

Part II, Line 19

The Merger was executed on 12 July 2017. For a GAGFAH shareholder whose taxable year is a calendar year, the reportable tax year is 2017.