

Press Release

Vonovia SE
Philippstrasse 3
44803 Bochum

Klaus Markus
Head of Corporate
Communications
Phone +49 234 / 314 - 1149
klaus.markus@vonovia.de

Thomas Eisenlohr
Head of Investor Relations
Phone +49 234 / 314 - 2384
thomas.eisenlohr@vonovia.de
www.vonovia.de

Vonovia More Than Doubles Earnings in 2015

Considerable Increase in Earnings Power Yet Again

- FFO I up by 112 % to € 608 million; FFO I comes to € 1.30 per share (2014: € 1.0).
- EPRA NAV more than doubles to € 14 billion; EPRA NAV per share up 30 % to around € 30.
- Vacancy rate reduced further to 2.7 %; moderate rent increase of 2.9 %.
- Dividend proposal up by 27 % to € 0.94 per share.

Solid Financial Structure – Fair Value Increases

- LTV down to 47 %.
- Value of the real estate portfolio almost doubles to € 24.2 billion.

Substantial Investments Increase Quality of Real Estate Portfolio

- Focus on maintenance, energy-efficient refurbishment and senior-friendly conversions.
- Around € 33 invested per square meter.

Positive Outlook for 2016 Confirmed

- FFO I expected to increase to between € 690 million and € 710 million.
- Plans to invest up to € 830 million, or up to € 38 per square meter, in modernization and maintenance.
- Additional services for tenants and new construction becoming more significant.

Bochum, March 3, 2016 – Vonovia SE (“Vonovia”) more than doubled its profit from operations in the 2015 fiscal year. The company also laid strategic groundwork for the future by way of the integration of GAGFAH and SÜDEWO. The takeovers have allowed Vonovia to strengthen its position as Germany’s leading nationwide real estate company.

“We can look back on an eventful year. Following the merger with GAGFAH, we continued on the path to success under our new name, Vonovia. We not only achieved a significant increase in earnings, but also once again made marked improvements to the quality of our apartments,” says CEO Rolf Buch.

Considerable Increase in Earnings Power Again

Vonovia once again outstripped the forecast for the 2015 fiscal year, which had already been revised upward in November. With a portfolio that has expanded to include 357,000 apartments and also thanks to organic growth, Vonovia was able to significantly improve all of its key financial figures in the 2015 fiscal year.

Rolf Buch: "As you know, the offer we made to the shareholders of Deutsche Wohnen did not result in a sufficient number of tendered shares to allow us to implement our strategy. Our excellent figures show that, even without extra additions to our portfolio, our strategy will generate significant value increases thanks to its holistic approach to tenants and the living environment in general."

FFO I (funds from operations; profit from operations after current interest and taxes), for example, rose by 112 % to € 608 million (previous year: € 287 million). This represents earnings power per share of € 1.30 (previous year: € 1.0). The adjusted EBITDA from the company's Rental business also showed a significant improvement, climbing by 91 % to € 925 million (previous year: € 483 million). Due to the positive development in Vonovia's business with additional services, the company has expanded its segment reporting to include separate disclosures for the "Extension" segment for the very first time in the 2015 annual financial statements. The adjusted EBITDA in this segment rose by 59 % year-over-year to around € 38 million (previous year: € 24 million). Consolidated net income for the year increased to € 995 million (previous year: € 410 million).

The company also more than doubled its EPRA NAV (net asset value; adjusted net equity; real estate assets without liabilities) to € 14 billion, pushing the EPRA NAV per share up by around 30 % to approximately € 30. The vacancy rate fell by 0.7 percentage points in comparison with the reporting date for the prior period and was at a very low level of 2.7 % on December 31, 2015. Due to the company's acquisitions, rental income increased considerably during the reporting period, by 79 % to € 1.4 billion.

The monthly in-place rent (like-for-like) per square meter showed positive development, rising to € 5.78 (2014: € 5.62), which corresponds to an increase of 2.9 %. Like-for-like means that the comparison refers to the same housing stocks and is an objective performance indicator in the context of extensive portfolio growth.

On the basis of this successful development, the dividend proposal made by the Management Board to the Annual General Meeting will be unchanged at € 0.94 per share. This represents a 27 % increase on the previous year and corresponds to an attractive dividend yield of 3.3 % based on the closing price of the company's shares for 2015.

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Solid Financial Structure – Fair Value Increases

Vonovia continues to have a robust financial structure. The company was also able to reduce its loan-to-value (LTV) ratio to 47 %, putting it well below the 50 % target threshold at the end of the year. This achievement can be attributed to a significant increase in the value of the real estate portfolio due to market developments, active portfolio optimization measures and extensive modernization. Last year saw the value of Vonovia's real estate portfolio almost double to € 24.2 billion (previous year: € 12.8 billion) due to acquisitions and organic growth.

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Continued Substantial Investments Increase Quality of Real Estate Portfolio

Investments in maintenance and modernization were also stepped up again in 2015. Including the new additions to the portfolio, Vonovia invested around € 331 million in maintenance (2014: € 174 million) and around € 356 million in modernization (2014: € 172 million) in 2015. This means that the company spent around € 33 per square meter – putting it well ahead of the industry average.

This once again underlines the company's goal of a further improvement in the quality of its housing stocks. Today, Vonovia has more than 3,400 of its own caretakers and craftsmen working across the country and also employs 300 gardeners. The further improvements in the customer satisfaction index confirm the success of this strategy.

Business with Customer-Oriented Services Growing

Innovation plays an important role at Vonovia and the company continued to develop new solutions for its customers and to expand its core business in 2015 as well. Vonovia now offers housing-related services in direct contact with its approximately one million customers. These services, which are provided by the company's own employees, include bathroom modernization work performed at the customer's request, the cable TV business, energy services and a successful smart metering project. The increasing importance of this segment is reflected in the expansion of segment reporting: Separate disclosures for the "Extension" segment are shown for the first time.

Share Price Development better than DAX

At the beginning of September, Deutsche Annington Immobilien SE was renamed Vonovia SE. The new name expresses the company's long-term strategic focus.

Vonovia's shares have been traded on the DAX 30 since September 2015. This marks the first time that a real estate company has been represented in Germany's benchmark index. The company's shares closed the year at € 28.55, up by 6.7 % compared with the end of 2014. Its market capitalization came to around € 13.3 billion, putting Vonovia in 23rd place among the most valuable listed companies in Germany. Contrary to the DAX, which has fallen by about 10 % since the beginning of the year, Vonovia's shares have recorded a slight gain.

As of December 31, 2015, Vonovia employed a workforce of around 6,400 (2014: 3,850). This growth is due to the integration of GAGFAH and SÜDEWO, as well as to the increase in employees working for the craftsmen's organization.

Positive Outlook for 2016 Confirmed

Looking ahead to 2016, Vonovia expects to see a further improvement in business performance and a 15 % increase in FFO I to between € 690 million and € 710 million. To achieve further improvements in the quality of its housing stocks, Vonovia will continue to consistently invest in its buildings and its residential units, as well as in the residential environment as a whole. The volume invested in modernization is to grow considerably, by 31 % to between € 430 million and € 500 million. Vonovia is also planning to invest around € 330 million in maintenance. All in all, this corresponds to an investment volume of up to € 830 million, or up to € 38 per square meter, in 2016.

Modernization measures will continue to focus on energy efficiency measures, refurbishments and senior-friendly conversions. The company will also, however, be investing in new programs such as modernization at the tenant's request, neighborhood development or the construction of new apartments. Particularly in urban areas, Vonovia is planning to add extra stories to existing buildings and to develop open spaces within the portfolio.

The Annual Report is available at www.vonovia.de. Further information can be found in the press section of the company's website.

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KEY FINANCIAL FIGURES

in € million	2015	2014	Change in %
Rental income	1,414.6	789.3	79.2
Income from disposal of properties	726.0	287.3	152.7
Adjusted EBITDA Rental	924.8	483.1	91.4
Adjusted EBITDA Extension	37.6	23.6	59.3
Adjusted EBITDA Sales	71.1	50.1	41.9
Total cost of modernization and maintenance	686.3	345.5	98.6
thereof expenses for maintenance and capitalized maintenance	330.7	173.8	90.3
thereof modernization measures	355.6	171.7	107.1
FFO 1	608.0	286.6	112.1
FFO 2	662.1	336.7	96.6
FFO 1 per share in €*	1.30	1.00	30.0
Profit for the period	994.7	409.7	142.8

*Based on the shares carrying dividend rights on the reporting date Dec. 31, 2015: 466,000,624; Dec. 31, 2014: 271,622,425;
Prior-year value TERP-adjusted

KEY BALANCE SHEET FIGURES

	Dec. 31, 2015	Dec. 31, 2014	Change in %
Fair value of the real estate portfolio	24,157.7	12,759.1	89.3
EPRA NAV	13,988.2	6,578.0	112.7
LTV in %*	47.3	49.7	-2.4 pp
EPRA NAV per share in €**	30.02	23.04	30.3

*Adjusted to reflect effects in connection with the acquisitions of Franconia and GAGFAH as well as effects from portfolio sales /
outstanding acquisitions

**Based on the shares carrying dividend rights on the reporting date Dec. 31, 2015: 466,000,624; Dec. 31, 2014: 271,622,425;
Prior-year value TERP-adjusted

KEY NON-FINANCIAL FIGURES

	2015	2014	Change in %
Number of units managed	397,799	232,246	71.3
thereof own apartments	357,117	203,028	75.9
thereof apartments owned by others	40,682	29,218	39.2
Number of units bought	168,632	31,858	429.3
Number of units sold	15,174	4,081	271.8
Vacancy rate in %	2.7	3.4	-0.7 pp
Monthly in-place rent in €/m ² (like-for-like incl. DeWAG/Vitus excl. GAGFAH/Franconia/SÜDEWO)	5.78	5.62	2.9
Number of employees (as of December 31)	6,368	3,850	65.4

2016 Financial Calendar

May 12, 2016: Annual General Meeting in Düsseldorf

May 12, 2016: Interim Report Q1 2016

August 2, 2016: Interim Report H1 2016

November 3, 2016: Interim Report Q3 2016

Explanation: The company's financial statements as of December 31, 2015, include the earnings contributions made by GAGFAH from March 2015 and those made by Franconia from April 2015. Since July 1, 2015, the earnings contribution provided by the SÜDEWO Group, which is based in the German federal state of Baden-Württemberg, has likewise been consolidated in the company's financial statements.

About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns and manages some 357,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately € 24 billion. An additional 40,000 or so third-party apartments are also managed by Vonovia. As a modern service company, Vonovia focuses on customer orientation and tenant satisfaction. Offering tenants affordable, attractive and livable homes is a prerequisite for the company's continued successful development. Accordingly, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The creation of new residences by way of infill development is also gaining in importance.

The company, which is based in Bochum, has been listed on the stock exchange since 2013 and on the DAX 30 since September 2015. Vonovia SE is also listed on the international indices STOXX Europe 600, MSCI Germany, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of 6,400 employees.

Additional Information:

Approval: Regulated Market / Prime Standard, Frankfurt Stock Exchange

ISIN: DE000A1ML7J1

WKN: A1ML7J

Common code: 094567408

Registered headquarters of Vonovia SE: Münsterstrasse 248, 40470

Düsseldorf, Germany

Business address of Vonovia SE: Philippstrasse 3, 44803 Bochum, Germany

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