

## Press Release

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Results as of March 31, 2017

## Vonovia Has a Successful Start to the 2017 Fiscal Year

- Strong operating business in the first quarter of 2017 – FFO 1 climbs by more than 17 % thanks to organic growth
- Higher earnings contribution through housing-related services – new construction and modernization still the focus
- Number of employees increased once again
- For 2017 as a whole: Forecast for FFO 1 raised to between € 900 million and € 920 million – an increase of 20 % over 2016

*Bochum, Germany, May 24, 2017* – Vonovia SE (“Vonovia”) has had a successful start to the 2017 fiscal year. The company has increased all key figures in the first three months of the fiscal year compared to the same quarter last year. “We started the 2017 fiscal year quite well and have complemented our properties optimally by acquiring conwert. The overall number of our apartments has remained constant. The figures, which are based on organic growth, highlight yet again how sustainable our strategy is. Today, we employ more than 8,000 people. I am pleased we are creating jobs through growth, especially in trades and in the area of residential maintenance,” said CEO Rolf Buch.

### Strong Operating Business in the First Quarter of 2017

In the first three months of the year, the FFO 1 (funds from operations, profit from operations after current interest and taxes), the key figure indicating the company’s sustained earnings power, totaled € 218.2 million (Q1 2016: € 186.3 million), an increase of 17.1 % in comparison to the same period of 2016. This corresponds to an increase in earnings power per share of 17.5 % to € 0.47 (Q1 2016: € 0.40). The profit for the period came to € 130.7 million in the first quarter of 2017 (Q1 2016: € 79.2 million).

The EPRA NAV (net asset value, real estate assets without liabilities) came to € 17,548.6 million on March 31, 2017 (Dec. 31, 2016: € 17,047.1 million). This works out to be an EPRA NAV per share of

€ 37.43 (Dec. 31, 2016: € 36.58). The adjusted NAV – excluding goodwill from acquisitions – came to € 31.18 (Dec. 31, 2016: € 30.75).

The vacancy rate was 2.7 % as of March 31, 2017 (Q1 2016: 2.8 %). A key reason for the persistently high demand is the extensive investment in properties.

In the first three months of the year, rental income was around € 417.2 million (Q1 2016: € 392.0 million). The rent per square meter increased by 1.6 % compared to the same quarter last year due to the general performance of the market. A further 1.8 % was realized through property value improvements, new construction and the addition of extra stories. Consequently the monthly in-place rent at the end of the quarter was € 6.06 per square meter. For the first time, the quarterly financial statements also include earnings contributions from converted Immobilien Invest SE ("conwert").

### **Higher Earnings Contribution From Housing-Related Services – New Construction and Modernization Remain the Focus**

Housing-related services, for example, providing renters with cable television, metering services and insurance or craftsmen's services are continuing to gain importance. The adjusted EBITDA in this area rose by 160.5 % year-over-year to € 19.8 million (Q1 2016: € 7.6 million).

An investment program in the billions has been decided on for the coming years. This will focus on new construction, story additions for existing buildings and improvements to existing building stock. The new construction planned, the measures to add extra stories and the modernization initiatives began in the first quarter of 2017. Thus, Vonovia has already assigned € 650 million of the 2017 planned investments totaling around € 730 million. Vonovia plans to commission, launch or complete about 2,000 new construction projects in total in 2017.

### **Stable Financing, Increase of Share Price**

The company significantly increased its financial result by lowering interest rates on refinancing and by repaying liabilities. This resulted in a figure of € -131.4 million in the first quarter of 2016, but the financial result for the first quarter of 2017 was only € -83.0 million.

In the first three months of 2017, Vonovia's shares gained in value by around 6.9 %, closing trading on March 31, 2017, at a closing price of € 33.03. In the same period, the DAX rose similarly well by 7.25 %, but the ERPA Europe only rose by 0.5 %.

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## **Outlook for 2017: Results Lead to an Expected FFO 1 Increase Between € 900 Million and € 920 Million.**

For the 2017 fiscal year, Vonovia confirmed strong operating performance. For the FFO 1, the company is forecasting an increase to between € 900 million and € 920 million including convert. This increases the original FFO 1 forecast, which, excluding convert, was originally between € 830 million and € 850 million. This will put the FFO 1 around 20 % above the previous year's figure (2016: € 760.8 million).

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**You can find the three-month report for 2017 at: [www.vonovia.de](http://www.vonovia.de).  
Further information can be found in the press section.**

### ***2017/2018 Financial Calendar***

***August 2, 2017:*** Interim Report for the first six months of 2017

***November 8, 2017:*** Interim Report for the first nine months of 2017

***March 06, 2018*** – Publication of 2017 Annual Report

in € million

<b>Key Financial Figures</b>	3M 2017	3M 2016	Change in %
Rental income from property management	417.2	392.0	6.4
Adjusted EBITDA Rental	285.6	269.0	6.2
Adjusted EBITDA Extension	19.8	7.6	160.5
Adjusted EBITDA Sales	19.1	35.0	-45.4
Adjusted EBITDA	319.2	311.1	2.6
FFO 1	218.2	186.3	17.1
FFO 2	226.3	195.1	16.0
FFO 1 per share in €	0.47	0.40	17.5
Profit for the period	130.7	79.2	65.0
Spending on maintenance and modernization	191.4	125.4	52.6
thereof maintenance expenses and capitalized maintenance	77.2	73.5	5.0
Thereof modernization (incl. new construction)	114.2	51.9	120.0

<b>Key Non-financial Figures</b>	3M 2017	3M 2016	Change in %
Number of own apartments (average)	356,411	355,954	0.1
Vacancy rate in % (as of March 31)	2.7	2.8	-0.1 pp
Number of employees (as of March 31)	8,114	6,683	21.4

in € million

<b>Key Balance Sheet Figures</b>	Mar. 31, 2017	Mar. 31, 2016	Change in %	Dec. 31, 2016
Fair value of the real estate portfolio	29,607.6	23,814.4	24.3	27,115.6
Adjusted NAV	14,616.8	11,331.6	29.0	14,328.2
Adjusted NAV per share in €	31.18	24.32	28.2	30.75
LTV in %	44.4	45.8	-1.4 pp	41.6

in € million

<b>EPRA Key Figures</b>	Mar. 31, 2017	Mar. 31, 2016	Change in %	Dec. 31, 2016
EPRA NAV	17,548.6	14,048.2	24.9	17,047.1
EPRA NAV per share in €	37.43	30.15	24.1	36.58

## About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns around 355,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately € 29.6 billion. 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 successful development. Accordingly, Vonovia makes long-term investments in the maintenance, modernization and senior-friendly conversion of its properties. The company will also be creating more and more new apartments by realizing infill developments and adding to existing buildings.

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, MSCI Germany, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of approximately 8,100 employees.

## Additional Information:

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

ISIN: DE000A1ML7J1

WKN: A1ML7J

Common code: 094567408

Registered headquarters of Vonovia SE: Düsseldorf, Germany; Düsseldorf Local Court, HRB 68115

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