

VONOVIA

Company Presentation

September 2016

1. Overview & Market

2. Strategy & Execution

3. Appendix & H1 2016 results



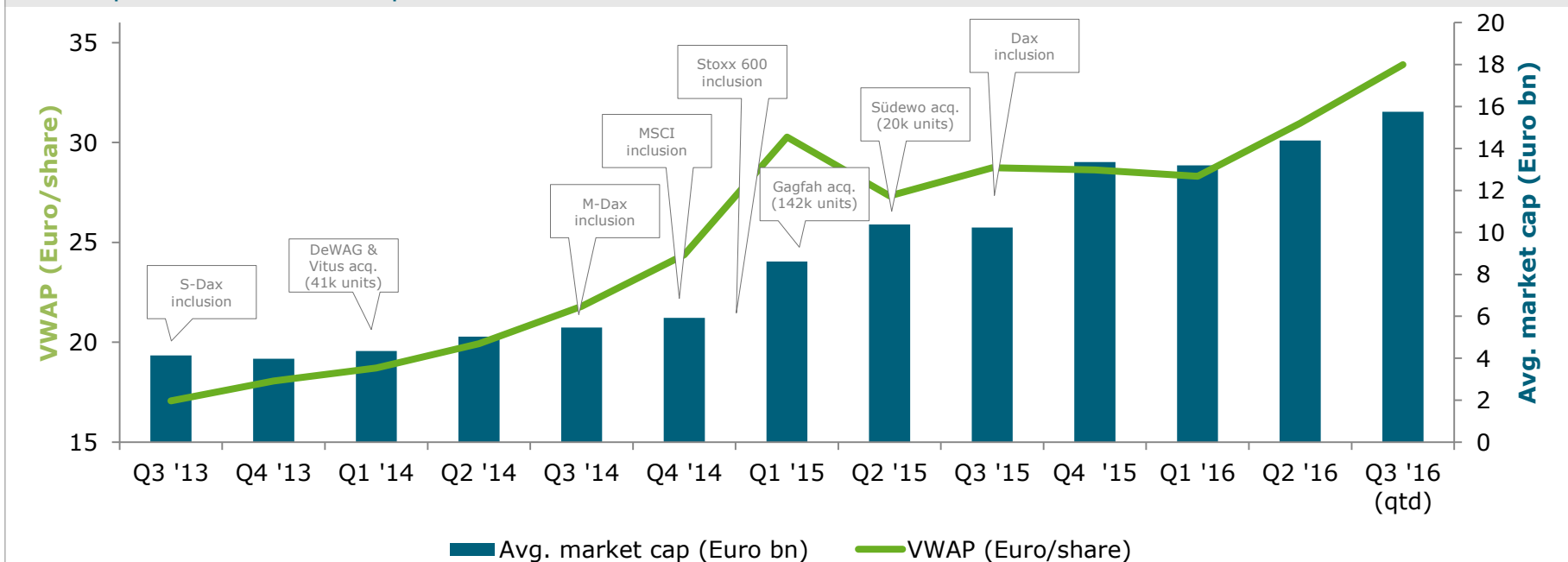
- First and only real estate company in German Blue Chip Index DAX (more than €16bn market cap)
- Highly liquid stock with 92% free float
- Regulated German rental market safeguards high cash-flow visibility for top and bottom line
- Rock-solid fundamental business with unique add-on strategy via industrialized approach, leveraging economies of scale and increasingly driving additional income streams through extension business
- Proven track record of sustainable, growing FFO and dividends
- Defensive asset class in Europe's strongest economy
- All assets and transactions denominated in Euro only

True national footprint with 340k apartments and €23.8bn gross asset value

	2015	2016(E)	Growth
Rental income	€1,415m	€1,530m - €1,550m	+~9%
FFO 1	€608m	€740m - €760m	+~23%
FFO 1 (€/share)	€1.30	€1.59 - €1.63	+~23%
DPS	€0.94	At least €1.05 <small>(to be proposed to AGM)</small>	+12%

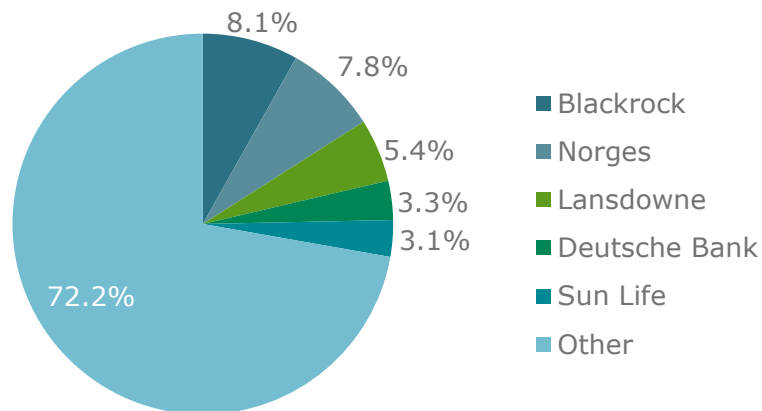
- Seed portfolios of today's Vonovia have origin in public housing provided by government, large employers and similar landlords with a view towards offering affordable housing
- At beginning of last decade, private equity invested in German resi on a large scale including into what is Vonovia today (mainly Deutsche Annington and Gagfah then)
- IPO in 2013
- Final exit of private equity in 2014
- Current free float of ca. 92% based on German Stock Exchange definition

Share price and market capitalization



Source: Factset, company data

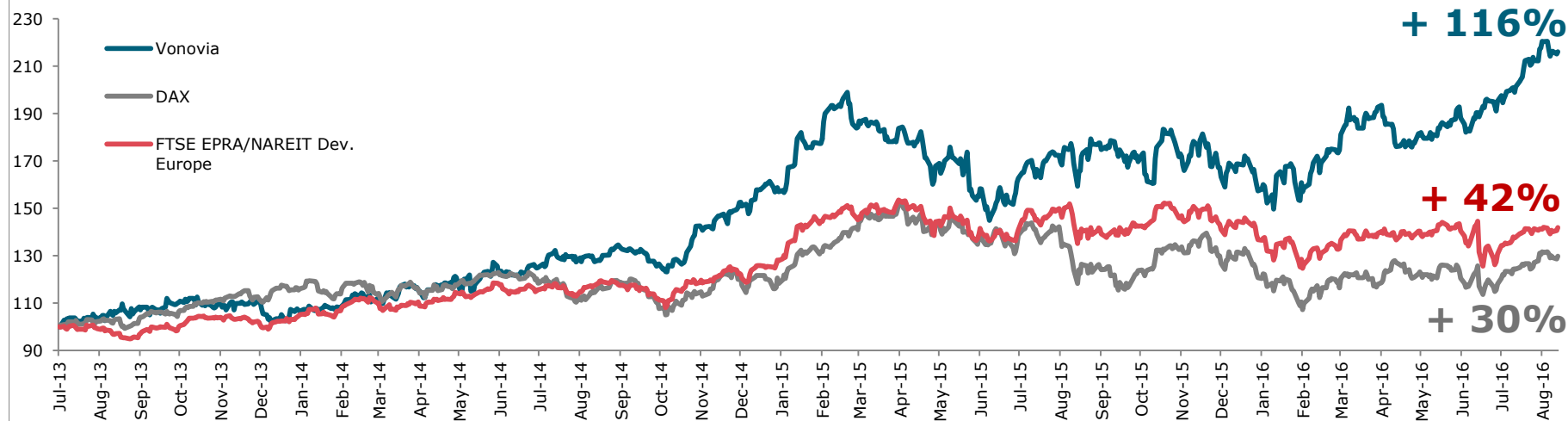
Shareholder structure



Share information

First day of trading	July 11, 2013										
Number of shares outstanding	466 million										
Free float based on Deutsche Börse definition	92.16%										
ISIN	DE000A1ML7J1										
Ticker symbol	VNA										
Share class	Registered shares with no par value										
Listing	Frankfurt Stock Exchange										
Market segment	Regulated Market, Prime Standard										
Major indices and weight (as of June 30, 2016)	<table border="1"> <tbody> <tr> <td>DAX</td> <td>1.67%</td> </tr> <tr> <td>Stoxx Europe 600</td> <td>0.20%</td> </tr> <tr> <td>MSCI Germany</td> <td>1.67%</td> </tr> <tr> <td>GPR 250</td> <td>1.22%</td> </tr> <tr> <td>FTSE EPRA/NAREIT Europe</td> <td>7.82%</td> </tr> </tbody> </table>	DAX	1.67%	Stoxx Europe 600	0.20%	MSCI Germany	1.67%	GPR 250	1.22%	FTSE EPRA/NAREIT Europe	7.82%
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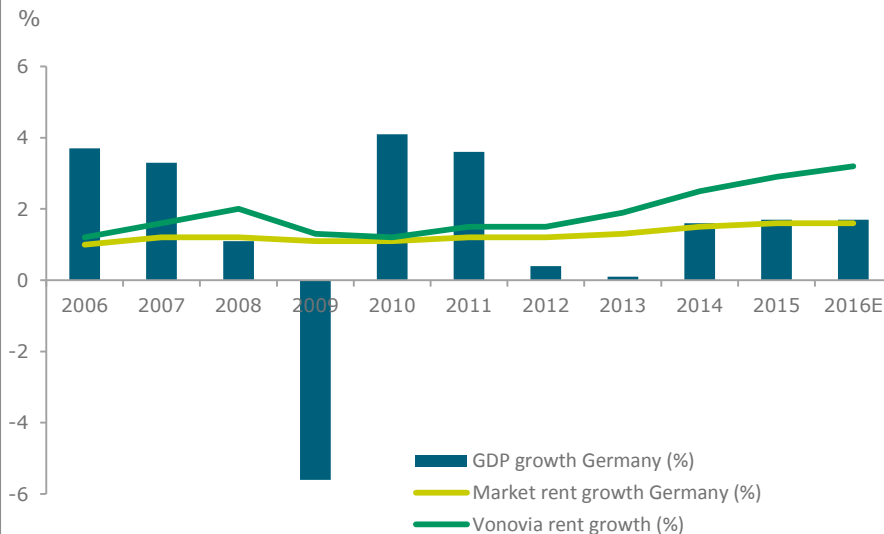
VNA share price performance since IPO vs. DAX and EPRA Europe Index



German residential market: important pillar of the German economy

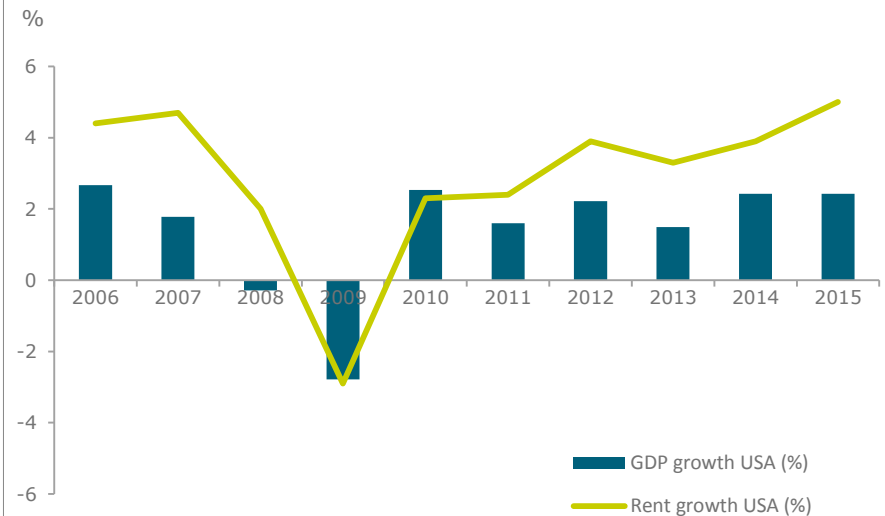
- With a GDP contribution of more than €430bn the German real estate industry represents almost 20% of Germany's GDP
- Germany and its resilient economy provide a comparatively safe harbor for foreign investments
- Germany is the economic powerhouse and growth engine of Europe
- Due to its regulatory structure, the German residential rental market is largely immune to macro-economic fluctuations and provides high cash flow visibility
- Residential market provides superior returns especially in low interest rate environment

Germany: regulated market ensures sustainable rent growth



Sources: Federal Statistics Office (Real GDP growth and market rent growth)
 Company rent growth: Since Vonovia (then Deutsche Annington) IPOed in 2013, the data up until and including 2011 relates to GAGFAH only

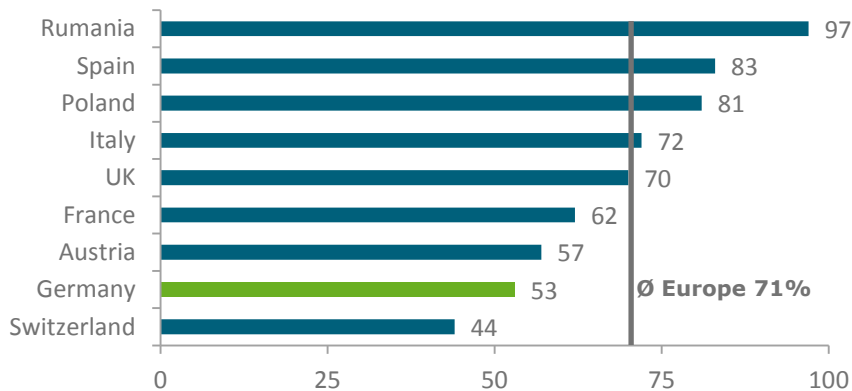
USA: rent growth is highly volatile



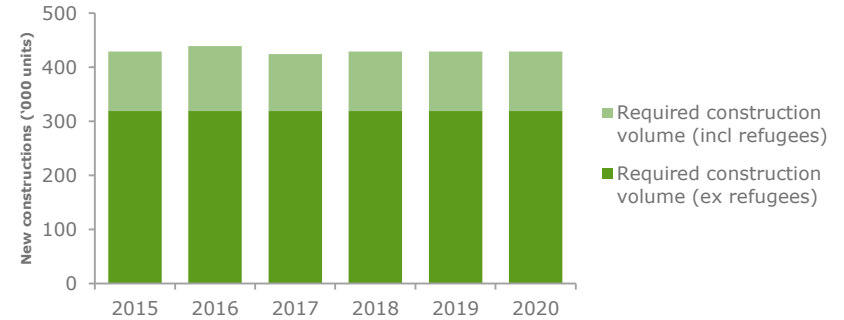
Sources: REIS, BofA Merrill Lynch Global Research
 BIP USA: IMF, Statista

Low home ownership ratio – Germans prefer to rent

Home ownership rate 2015 in %



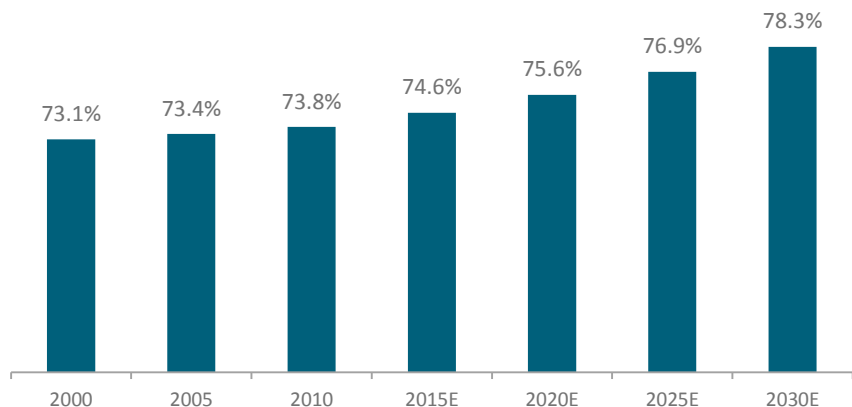
New supply falls short of demand



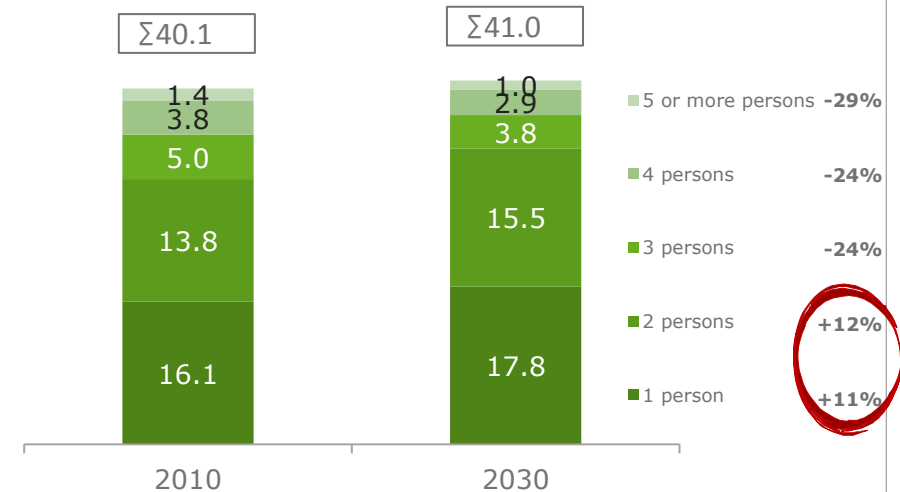
Actual run rate of new constructions is ca. 250k, of which less than 100k are in the affordable build-to-let category

Clear trend towards urbanization

% of People Living in German Cities



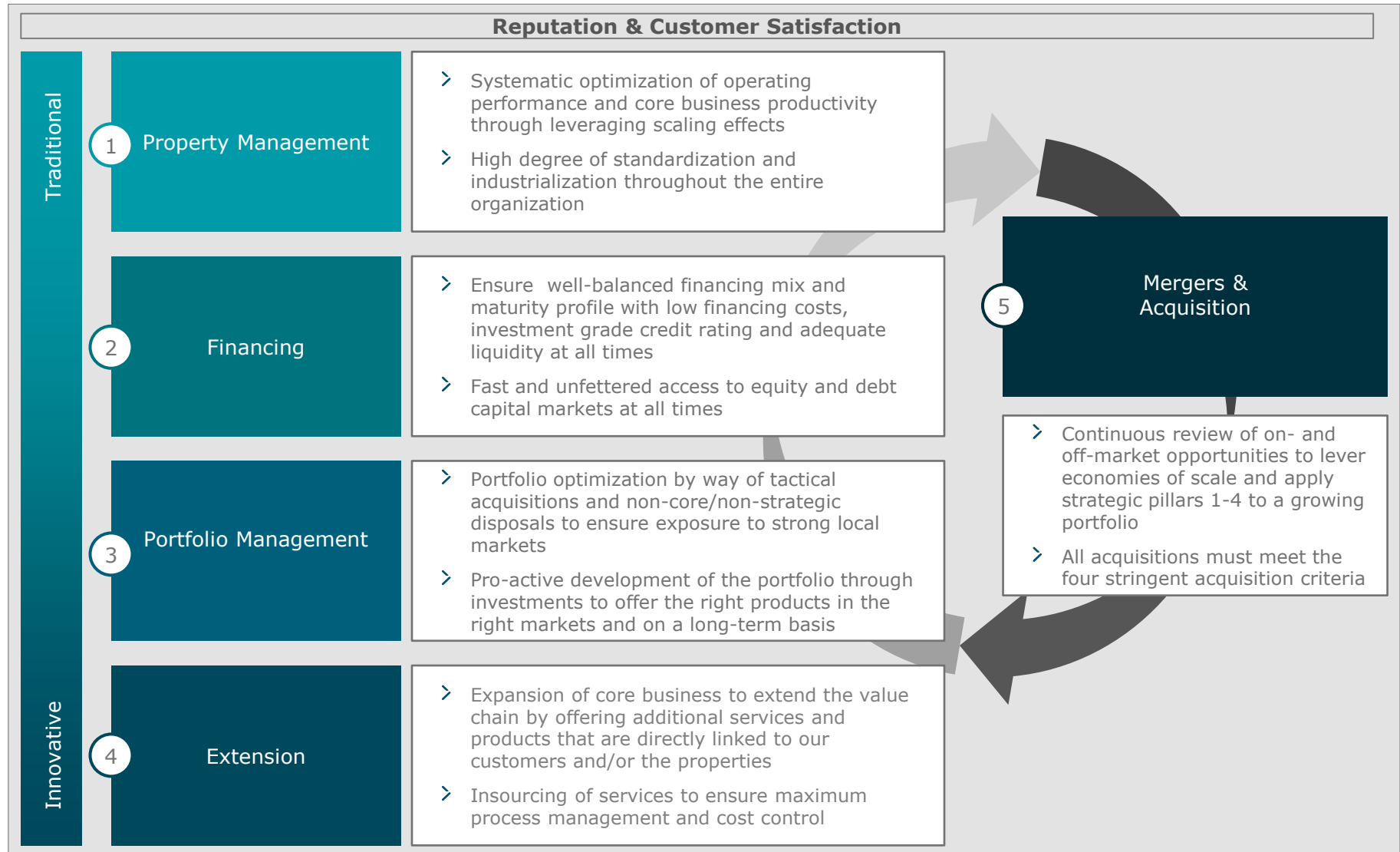
Growing number of smaller households (million)

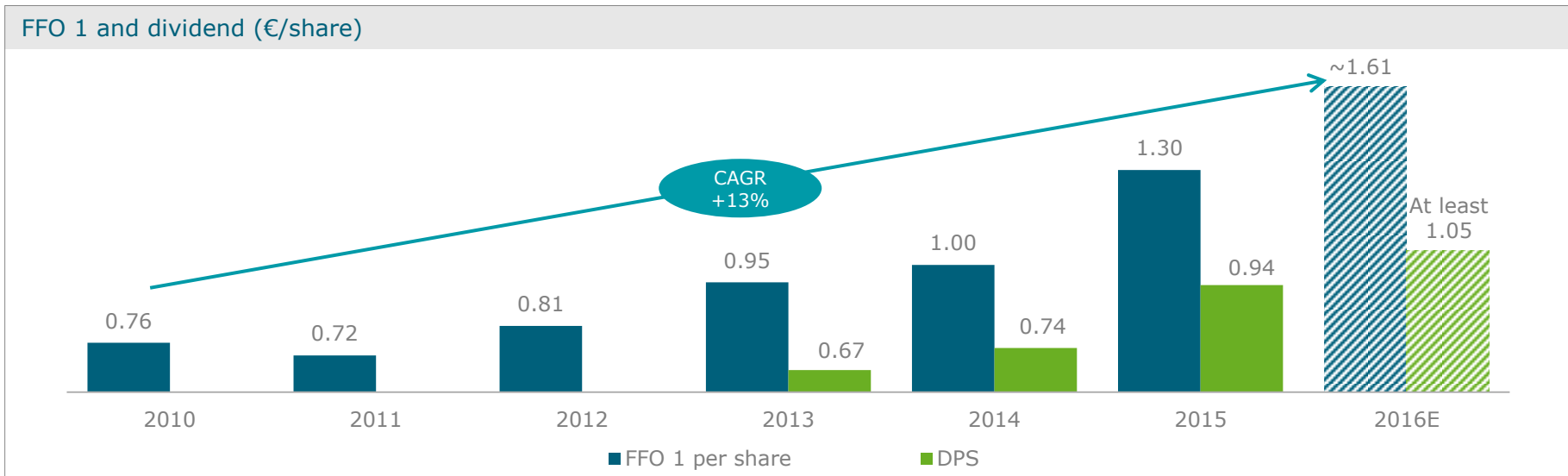
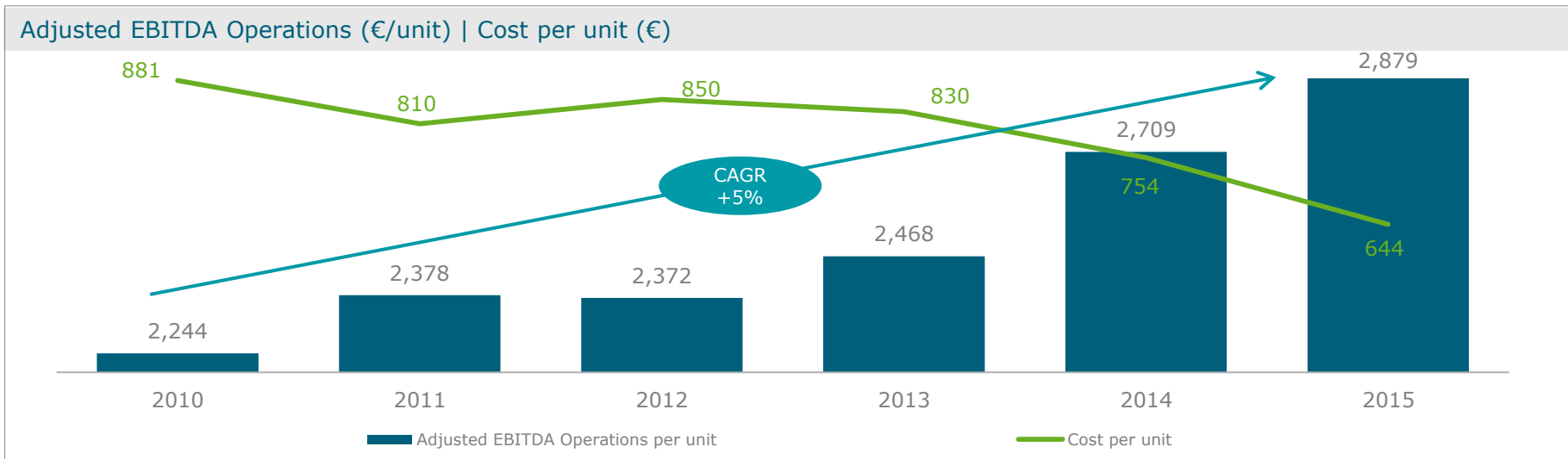


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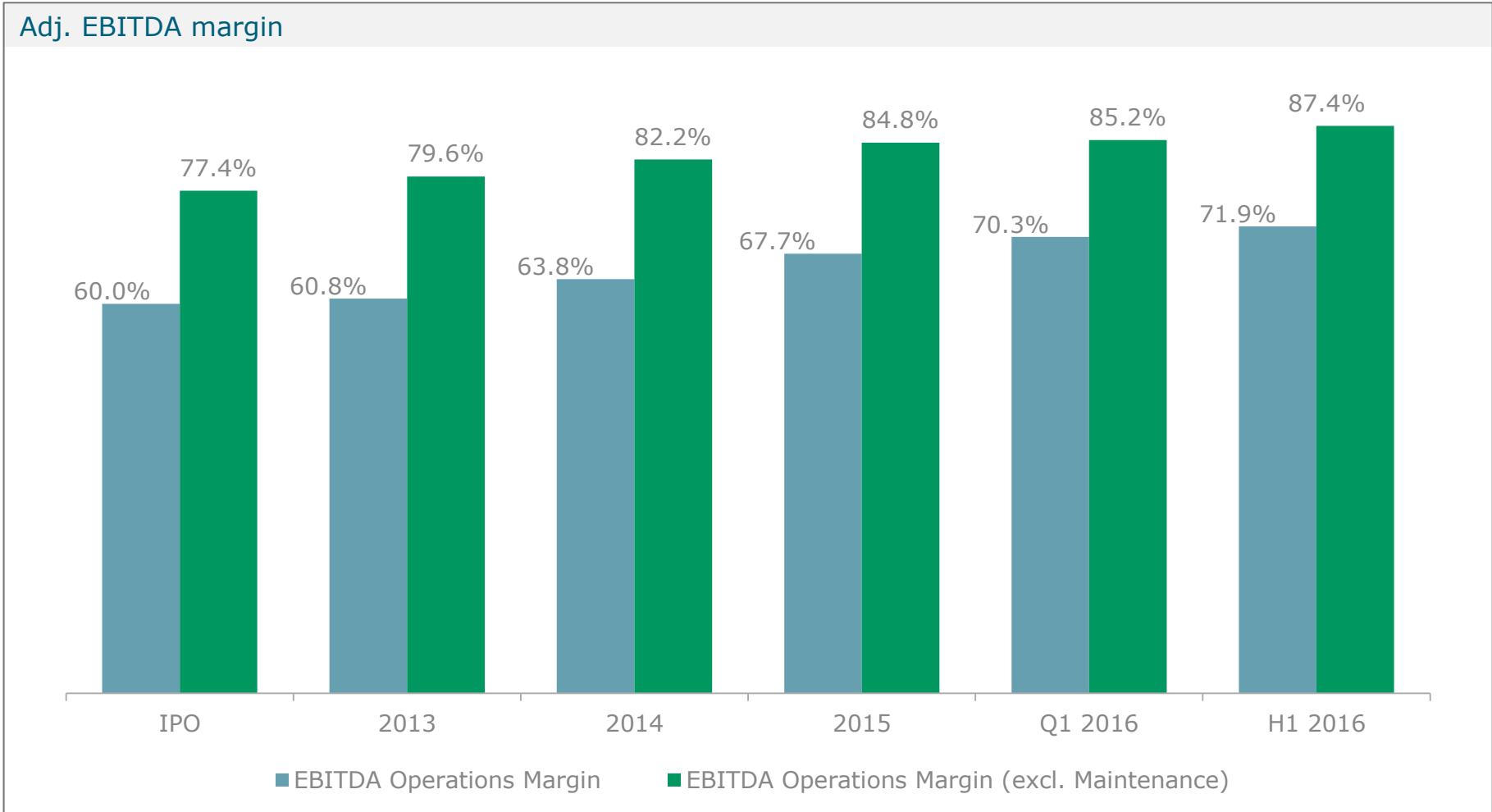




1.1 Property Management – Growing EBITDA Margin

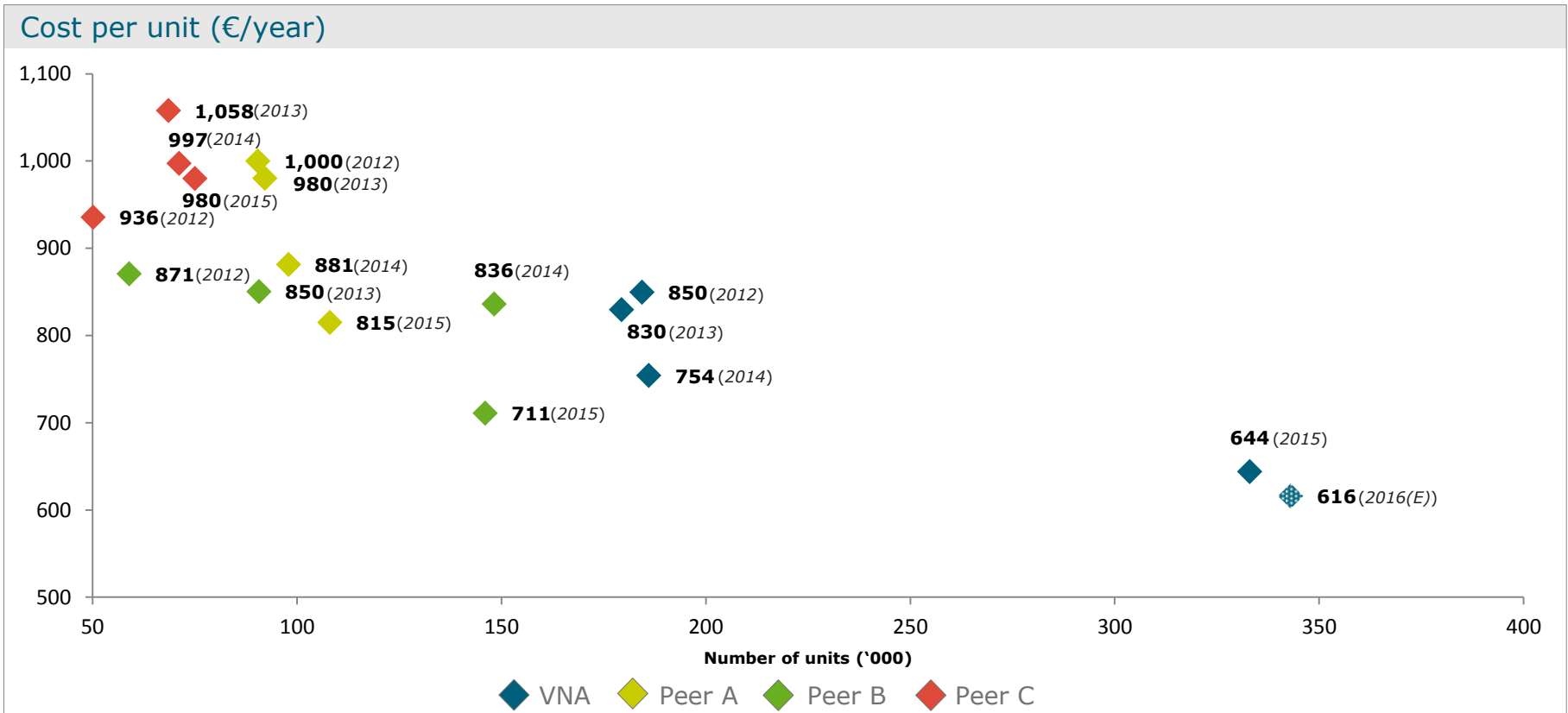


➤ Expensed vs. capitalized maintenance varies between companies and is a major swing factor in the EBITDA margin, which is why Vonovia reports EBITDA margin incl. and excl. maintenance



1.2 Property Management – Declining Cost per Unit

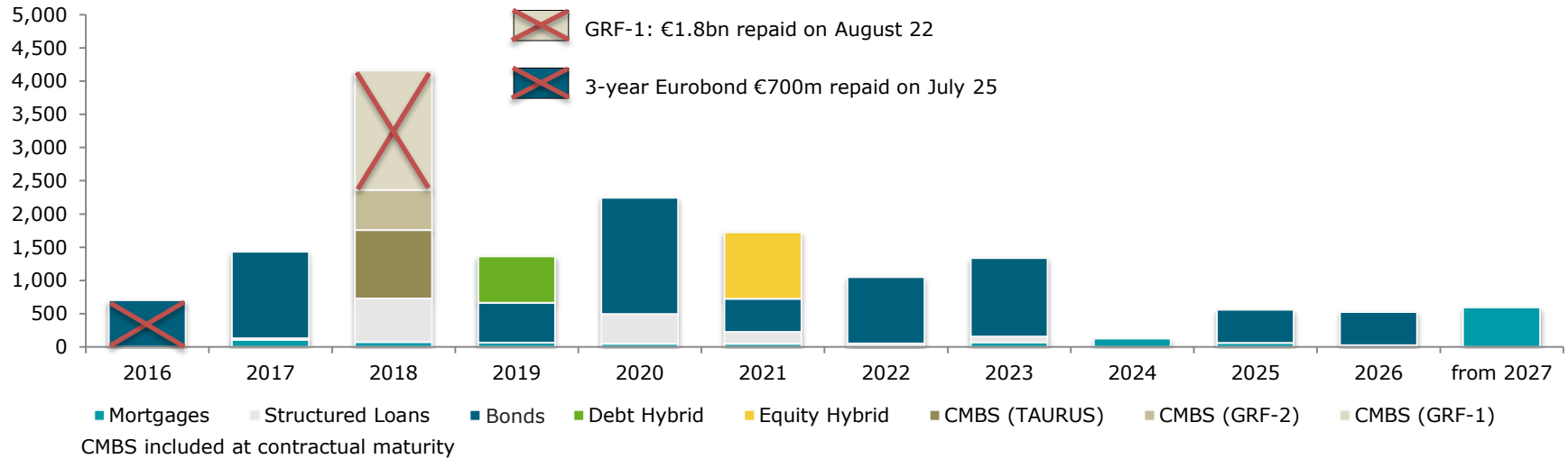
- Economies of scale evident in cost per unit
- Incremental cost per unit for new acquisitions tend to be substantially lower



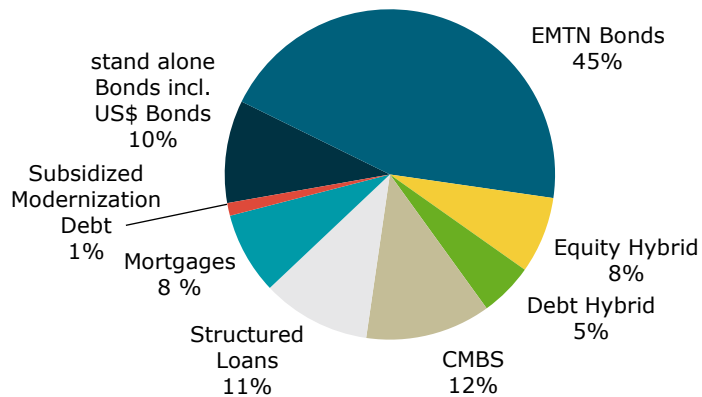
Cost per unit defined as: (Rental income – adj. EBITDA Rental + Maintenance) / average number of units

2. Financing - Well-balanced Maturity Profile & Diverse Funding Mix

Debt maturity profile (€m)



Diverse funding mix



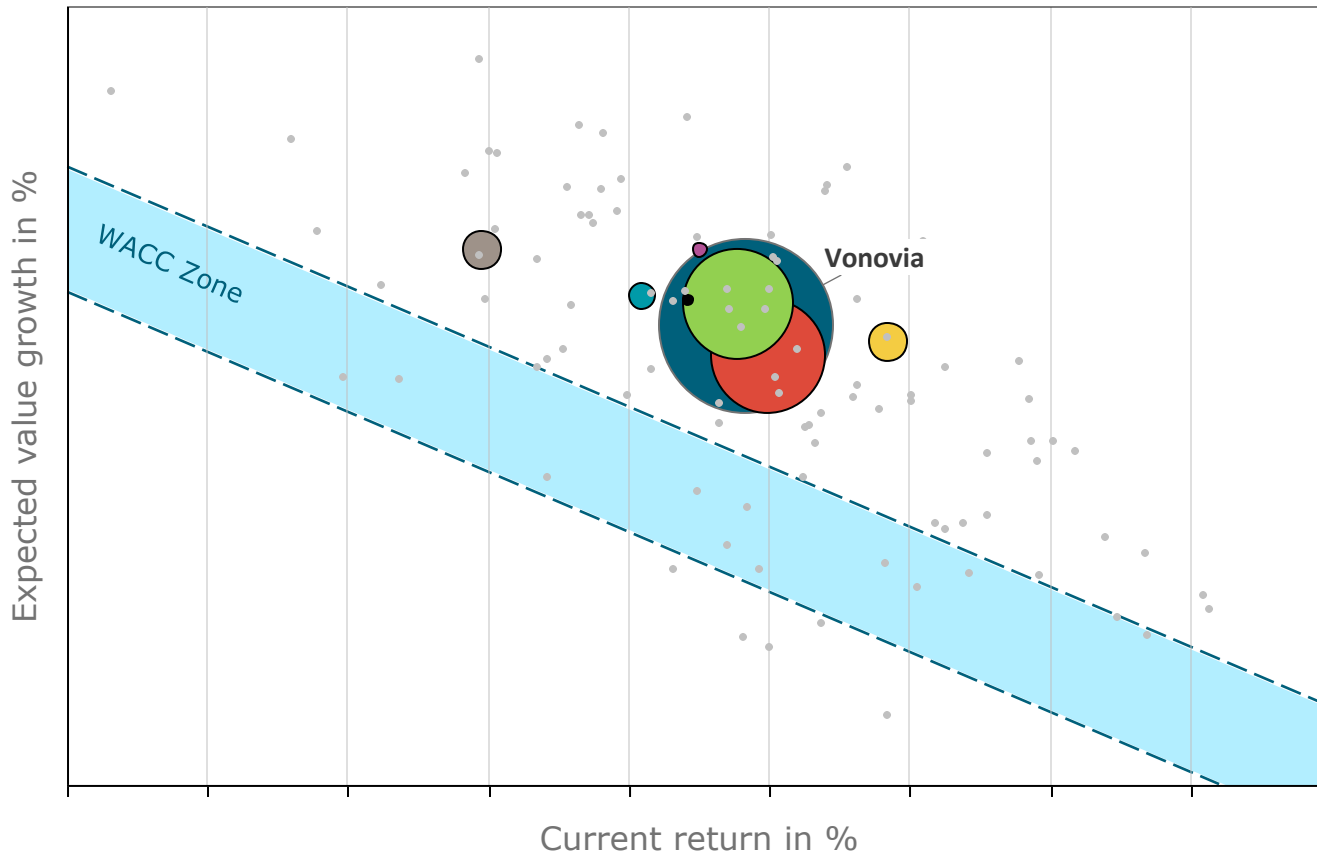
KPIs	Current	Target
LTV	47.4%	Mid-to low forties
Unencumbered assets in %	~57%	≥50%
Fixed/hedged debt ratio	99%	Ongoing optimization with most economic funding
Global ICR (YTD)	3.7x	
Financing cost	2.5%	
Weighted avg. maturity	~7 years	

3.1 Portfolio Management - Total Return Matrix

- Clear view of the individual local markets
- Tool for investment, disposal and acquisition decisions

	2013	2016E
Vacancy rate (%)	3.5	~2.5
In-place rent (€/sqm)	5.40	5.89 ¹
Fair value (€/sqm)	901	1,085 ¹
No. of cities/municipalities	533	673
Avg. no. of units per city/municipality	329	497

¹ 2016 H1 actual



- Vonovia
- DA old
- DeWAG
- Vitus
- Gagfah
- Franconia
- Südwego
- Toni
- Market (Top 100 cities)

Note: The chart above does not take into consideration object quality or micro location.

3.2 Portfolio Management – Action-driven approach

- Pro-active portfolio management via (i) investments, (ii) disposal of non-core and non-strategic properties and (iii) acquisitions

June 30, 2015	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (%)	Fair value (€/sqm)	Multiple on in-place rent
STRATEGIC	278,366	5.72	2.5%	84%	1,006	14.7
NON-CORE / NON-STRATEGIC	48,373	4.71	8.4%	9%	592	11.3
PRIVATIZE	21,477	5.60	4.7%	7%	1,034	16.0
TOTAL	348,216	5.58	3.5%	100%	951	14.4

June 30, 2016	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
STRATEGIC	301,756	5.97	2.4%	91%	1,114	15.6
NON-CORE / NON-STRATEGIC	20,406	4.69	7.9%	3%	574	11.1
PRIVATIZE	18,280	5.87	4.5%	6%	1,172	17.1
TOTAL	340,442	5.89	2.8%	100%	1,085	15.5

➤ Strategic Cluster

- more than 23k units added to strategic cluster
- vacancy rate of only 2.4%
- fair value of 1,114 per sqm

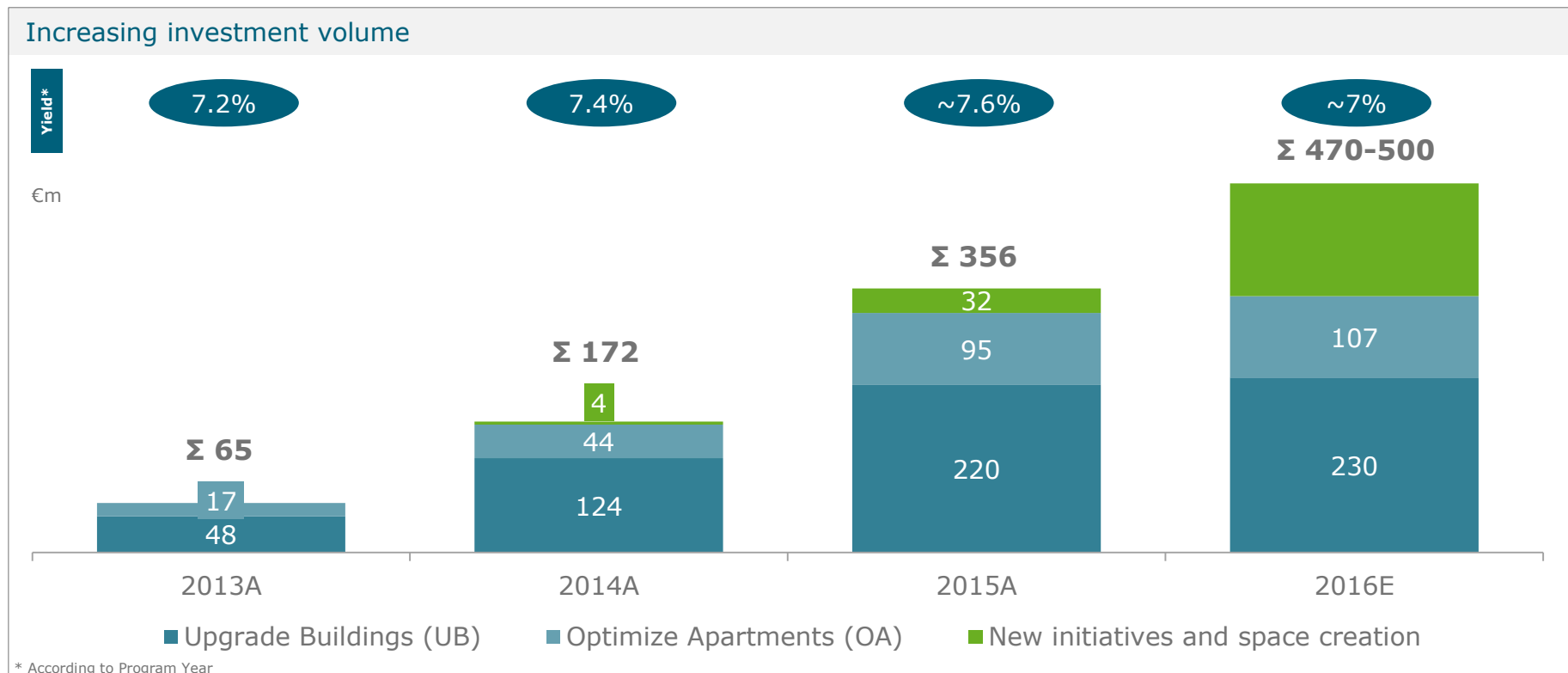
➤ Total Portfolio

- in-place rent up 5.6% overall (~3.1% Strategic Cluster, ~1.2% Disposals and ~1.3% Acquisitions)
- fair value per sqm +14.1%
- multiple expansion by 1.1x

Note: Vonovia's standard clusters have been aggregated for the purpose of highlighting the different developments between the strategic and the non-strategic parts of the portfolio. "Strategic" includes the Clusters Operate, Upgrade Buildings and Optimize Apartments. Please see pages 46 and 47 for a full break-down of the individual clusters.

3.3 Portfolio Management – Growing Investment Program

- Sustainable and growing investment program at attractive yields of at least 7%
- 75% of total units covered by modernization program 2013-2016 in 25 cities across Germany. It's not just the region – it's the right project in the right region!
- Growing contribution from new initiatives (e.g. heating system upgrades, bathrooms)
- Increasing space creation volumes (guidance depends on timely granting of construction permits)
- Plenty of opportunity within current portfolio – more than 50% of total fair value in UB and OA clusters

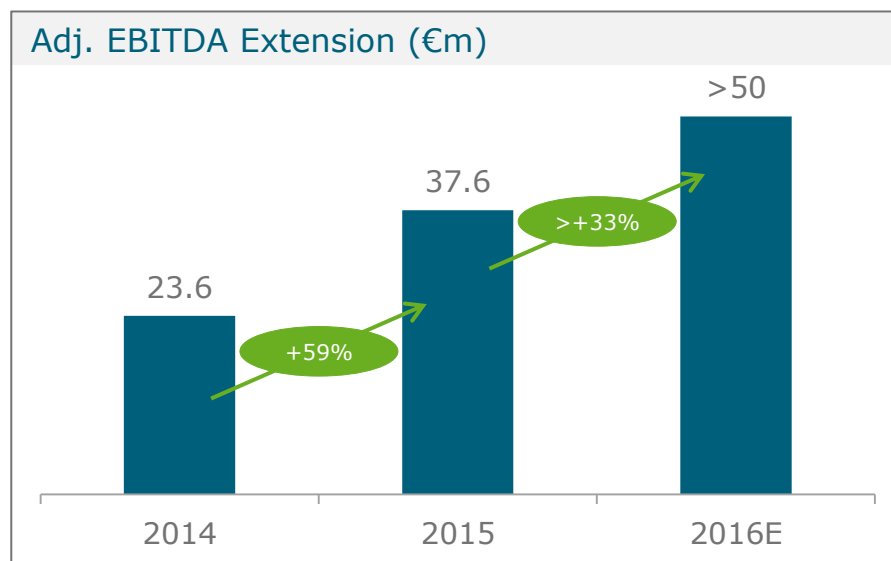


4. Extension – Increasing Organic Growth

- Adj. EBITDA Extension comprises
 - Our own craftsmen’s organization (all of Vonovia’s maintenance and modernization work is performed or coordinated by DTGS)
 - Our organization for the maintaining of our properties’ outside facilities and green areas
 - The provision of cable television to our tenants
 - Condominium management for our own apartments and for third parties
 - Third-party property management
 - Metering services for water and heating consumption
 - Insurance services for our own apartments and for third parties

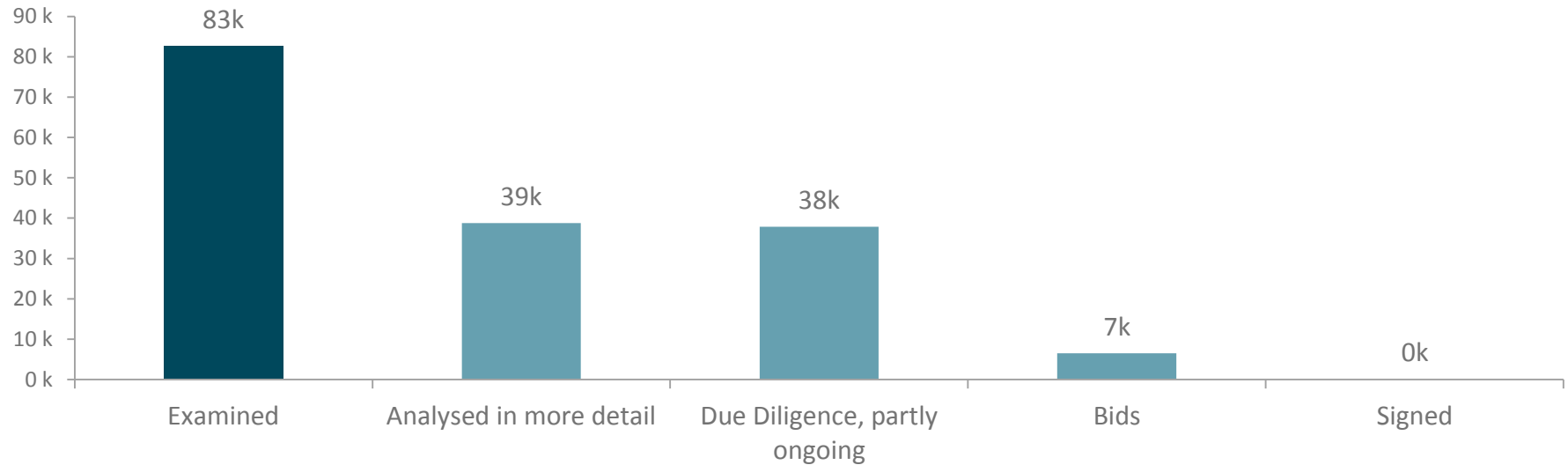
- Extension business with increasing significance and **compelling growth rates**
- Vonovia, through its subsidiaries, now employs **4,146 craftsmen, caretakers and gardeners** (+24% y-o-y)
- Subsidiary for **3rd-party and condo management** now with 22 local offices in Germany managing a total of 71k units
- **Multimedia service contracts** now rolled out to 179k units (+63.2% since year-end 2015)

€m	H1 2016	H1 2015	Delta
Income	333.6	175.2	90.4%
of which external	56.7	22.6	>100%
of which internal	276.9	152.6	81.5%
Operating expenses	-307.6	-154.1	99.6%
Adj. EBITDA Extension	26.0	21.1	23.2%

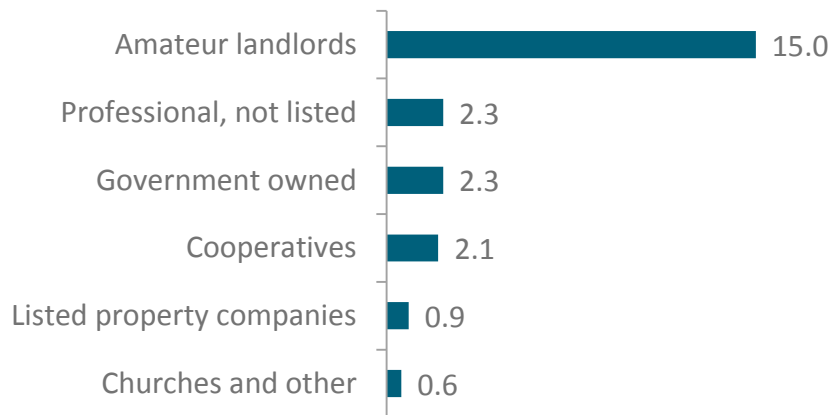


5. Acquisitions – Opportunistic but Disciplined

Acquisition pipeline as of June 30, 2016

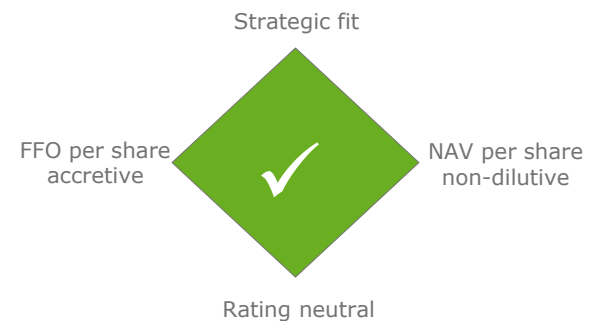


Fragmented ownership structure of ~23m rental units



Source: GdW (German Association of Professional Homeowners)

Vonovia's stringent acquisition criteria



Guidance Increase on the Back of a Strong H1

	2015 actuals	Initial Guidance for 2016 (in Nov. '15)	Updated Guidance for 2016 (in May '16)	Guidance for 2016 (new)
L-f-l rental growth (eop)	2.9%	2.8-3.0%	2.8-3.0%	↑ 3.0-3.2%
Vacancy (eop)	2.7%	~3%	~2.7%	↑ ~2.5%
Rental Income (€m)	1,415	1,500-1,520	1,520-1,540	↑ 1,530-1,550
FFO1 (€m)	608	690-710	720-740	↑ 740-760
FFO1/share (eop NOSH)	€1.30	€1.48-1.52	€1.55-1.59	↑ €1.59-1.63
EPRA NAV/share (eop)	€30.02	€30-31	€30-31	€30-31
Adj. NAV/share (eop)	€24.19	€24-25	€24-25	€24-25
Maintenance (€m)	331	~330	~330	↑ ~340
Modernization (€m)	356	430-500	430-500	↑ 470-500
Privatization (#)	2,979	~2,400	~2,400	~2,400
FMV step-up (Privatization)	30.5%	~30%	30%	↑ >35%
Non-core (#)	12,195	opportunistic	opportunistic	opportunistic
FMV step-up (Non-Core)	9.2%	~0%	~0%	↑ ~5%
Dividend/share	€0.94	~70% of FFO1	€1.05	€1.05 ¹ (+12% y-o-y)

Depends on fluctuation and modernization completions and will largely impact rental income in 2017

Yield compression not included in this guidance but strong indications for substantial yield compression at year end

2015 included mining homes as a one-off; adjusted for that Privatization volume is stable but with higher margins

DPS will be revisited after Q3; depending on acquisition activity, we will measure our DPS in line with stated dividend policy

¹ Current expectation for proposal to the 2017 Annual Shareholder Meeting



Well positioned to benefit from favorable fundamentals of the German residential market



Classical business accompanied by value-enhancing innovations and industrialization along the value chain



Proven track-record in operational excellence and shareholder return



Unique investment vehicle to participate in German residential growth and value enhancement due to Vonovia's size and liquidity

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Financial Calendar

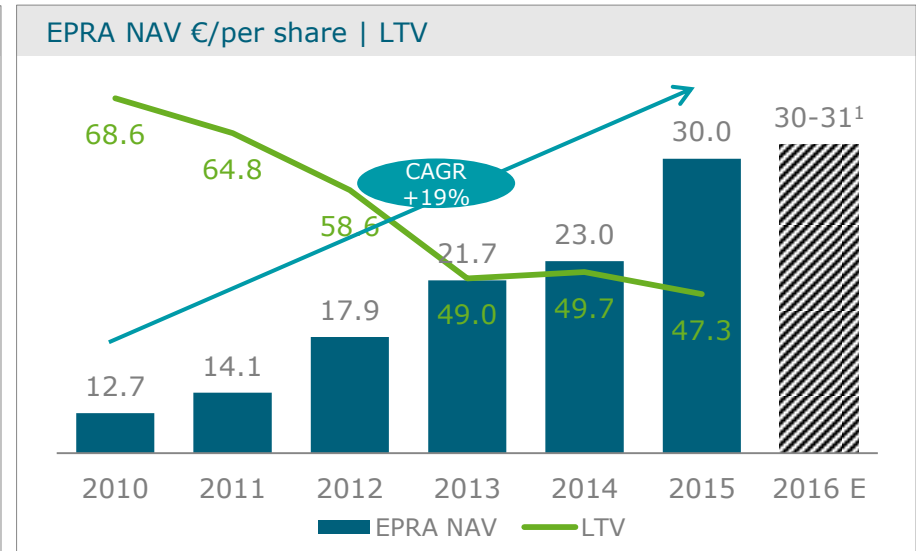
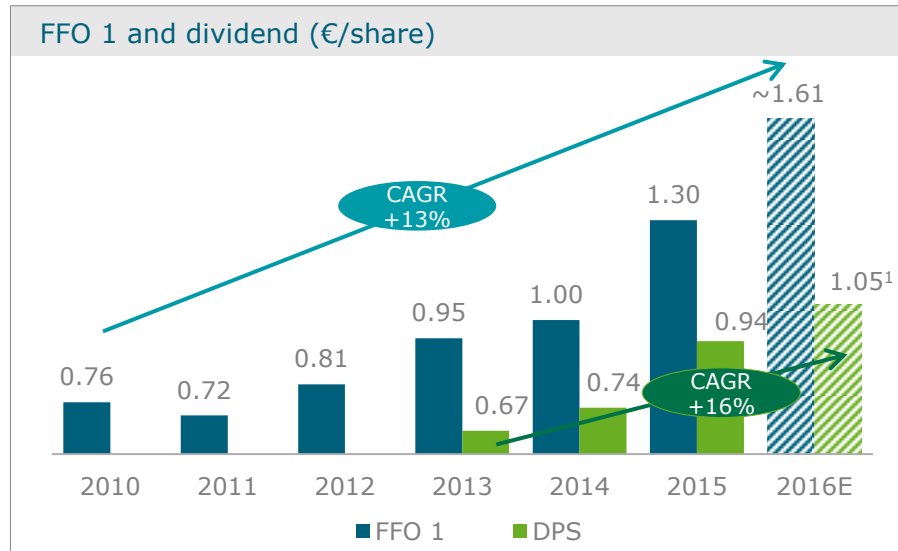
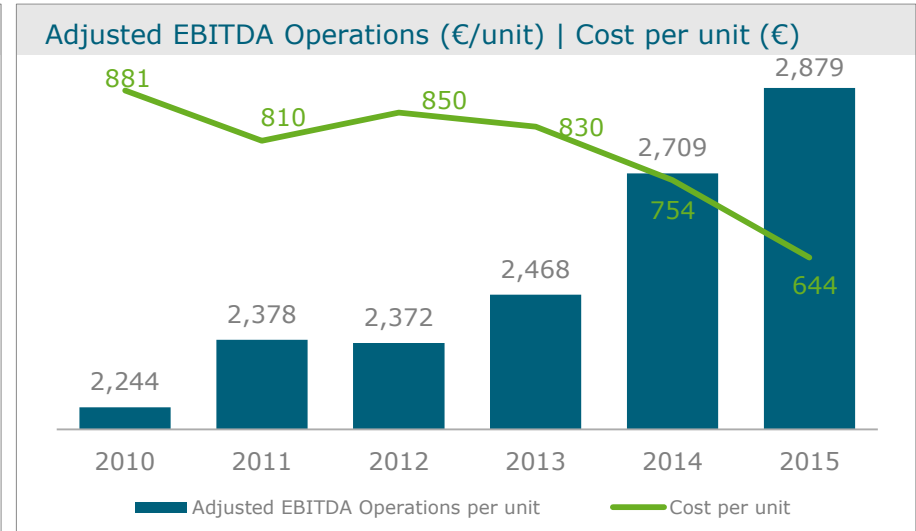
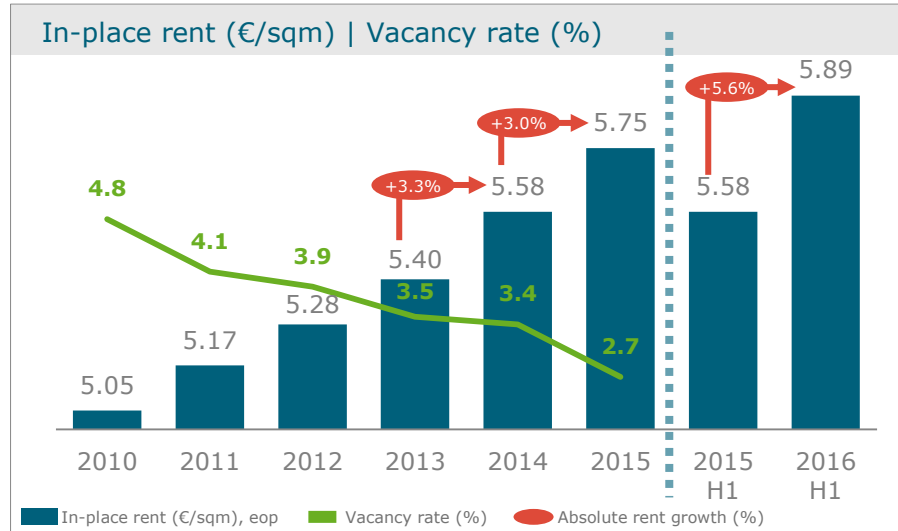
September 7-13	Management Roadshow USA
September 14	BAML Global Real Estate Conference, NYC
September 19	Berenberg / Goldman Sachs German Corporate Conference, Munich
September 20	Baader Investment Conference, Munich
October 5	IR Roadshow, Poland
October 12-13	IR Roadshow, Scandinavia
November 3	Interim results 9M 2016
November 4-11	Management Roadshow, Europe
November 30	UBS Global Real Estate CEO/CFO Conference, London
March 7	FY 2016 results
May 9	Interim results 3M 2017
May 9	Estimated record day for dividend entitlement
May 16	Annual General Meeting
May 17	Estimated dividend payment date
August 2	Interim results 6M 2017
November 8	Interim results 9M 2017

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Strong Track Record Across All KPIs



¹ Base case that will be revisited in Q3 depending on acquisition activity.

¹ Excl. yield compression. Portfolio valuation at year end.

Strong operating performance and synergy contributions from prior acquisitions result in successful first half 2016

- In-place rent of €5.89 (+5.6% y-o-y). L-f-l rent growth of 2.8% y-o-y
- Adjusted EBITDA Operations of €558.1m or €1,587 per unit (+11.5% y-o-y)
- FFO 1 of €387.8m or €0.83 per share (up 16.6% on a per-share basis)

Pro-active portfolio management has led to quality improvements through modernization investments, disposals and acquisitions since IPO and especially over the last 12 months

- Strategic Cluster increased by ~23k units y-o-y
- ~28k units sold from the Non-core/Non-strategic Clusters y-o-y
- In-place rent of €5.89, up 5.6% y-o-y driven by
 - ~3.1% market development and modernization investments in Strategic Cluster
 - ~1.2% disposals
 - ~1.3% acquisitions
- FV/sqm up 14.1%

2016 guidance increase following H1 operational excellence and reflecting strong momentum

- L-f-l rent growth 3.0% - 3.2%
- Rental income €1,530m - €1,550m
- Vacancy rate ~2.5%
- FFO1 €740m - €760m (€1.59 - €1.63 per share; +24% y-o-y)
- DPS €1.05 unchanged for now. We will revisit our DPS guidance with our 9M results; depending on acquisition activity, we will measure DPS in line with our stated dividend policy.

Strong Development of KPIs

VONOVIA

Overall in-place rent growth is evidence of successful portfolio management

+11.5% per unit
(€1,587 vs. €1,423)

+22.8% per unit
(€1,103 vs. €898)

+2.9% per sqm
(€1,085 vs. €1,054)

Accounting for €0.94 dividend paid out in May 2016, NAV is stable y-o-y. Portfolio valuation at year end

		H1 2016	H1 2015	Delta
In-place rent (eop)	€/month/sqm	5.89	5.58	5.6%
In-place rent l-f-l (eop)	€/month/sqm	5.81	5.65	2.8%
Vacancy rate (eop)	%	2.8	3.5	-70bps
Cost per Unit	€	277	316	-12.3%
Rental income	€m	774.7	628.0	23.4%
Adj. EBITDA Operations	€m	558.1	426.2	30.9%
Rental	€m	535.6	406.0	31.9%
Extension	€m	26.0	21.1	23.2%
Other	€m	-3.5	-0.9	>100%
FFO 1	€m	387.8	269.0	44.2%
FFO 1 per share (eop NOSH)	€	0.83	0.71	16.6%
FFO 1 per share (avg. NOSH)	€	0.83	0.79	5.9%
AFFO	€m	358.7	229.3	56.4%
Adj. EBITDA Sales	€m	46.5	19.5	>100%
Adj. EBITDA (Total)	€m	604.6	445.7	35.7%
FFO 2	€m	409.3	283.8	44.2%

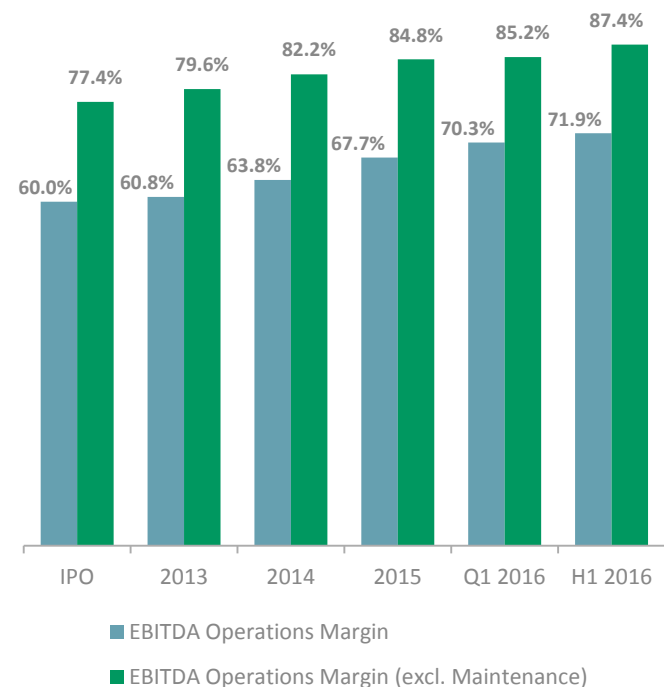
		June 30, 2016	Dec. 31, 2015	Delta
Fair value of real estate portfolio	€m	23,794.1	24,157.7	-1.5%
EPRA NAV	€/share	29.34	30.02	-2.3%
Adj. EPRA NAV	€/share	23.50	24.19	-2.8%
LTV	%	47.4	46.9	+50bps
Dividend paid	€m	438.0	276.2	€161.8m

H1 2015 per share data is TERP-adjusted

Growing EBITDA and EBITDA Margin

- Adj. EBITDA Operations margin of 71.9 % in H1 2016, up from 67.9 % in H1 2015
- Expensed vs. capitalized maintenance varies between companies and is a major swing factor in the EBITDA margin, which is why Vonovia reports EBITDA margin incl. and excl. maintenance
- Excluding expensed maintenance and including the full platform costs, the Adj. EBITDA margin was 87.4% after 84.9% in H1 2015

Adj. EBITDA margin



€m	H1 2016	H1 2015	Delta
Rental income	774.7	628.0	23.4%
Maintenance expenses	-119.0	-107.1	11.1%
Operating expenses	-120.1	-114.9	4.5%
Adj. EBITDA Rental	535.6	406.0	31.9%
Income	333.6	175.2	90.4%
of which external	56.7	22.6	>100%
of which internal	276.9	152.6	81.5%
Operating expenses	-307.6	-154.1	99.6%
Adj. EBITDA Extension	26.0	21.1	23.2%
Adj. EBITDA Other	-3.5	-0.9	>100%
Adj. EBITDA Operations	558.1	426.2	30.9%

- Re-active maintenance of €148.3m in H1; ~€340m expected for the full year
- Pro-active modernization investments of €147.0m, up 25% and fully on track to successfully invest the 2016 target volume of €470m-€500m for
 - Optimize Apartments
 - Upgrade Buildings and
 - New Initiatives and Space Creation through modular, serial building to add affordable housing space in strained markets with structural supply shortage and sustainably growing demand

€m	H1 2016	H1 2015	Delta
Expenses for maintenance	119.0	107.1	11.1%
Capitalized maintenance	29.3	40.1	-26.9%
Total	148.3	147.2	0.7%

€/sqm	H1 2016	H1 2015	Delta
Expenses for maintenance	5.42	5.72	-5.2%
Capitalized Maintenance	1.34	2.14	-37.5%
Total	6.76	7.86	-14.0%

Modernization investments	147.0	118.0	24.6%
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Modernization investments	6.70	6.29	6.5%
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FFO per Share Up 16.6% y-o-y

- Adj. EBITDA Operations growth of more than 30% and only marginally higher interest expenses result in FFO growth of more than 44% in absolute numbers and 16.6% on a per-share basis
- Prior-year current income tax numbers broken down between Operations and Sales

€m (unless indicated otherwise)	H1 2016	H1 2015	Delta
Adj. EBITDA Operations	558.1	426.2	30.9%
FFO interest expense	-162.8	-152.7	6.6%
Current income tax (Operations)	-7.5	-4.5	66.7%
FFO 1	387.8	269.0	44.2%
of which attributable to shareholders	362.3	246.4	45.8%
of which attributable to hybrid investors	20.0	12.8	56.3%
of which attributable to minorities	5.5	9.8	-12.2%
Capitalized maintenance	-29.1	-39.7	-26.7%
AFFO	358.7	229.3	56.4%
Current income tax (Sales)	-25.0	-4.7	>100%
Adjusted EBITDA Sales	46.5	19.5	>100%
FFO 2	409.3	283.8	44.2%
FFO 1 € / share (eop NOSH)	0.83	0.71	16.6%
AFFO € / share (eop NOSH)	0.77	0.61	26.5%

H1 2015 per share data is TERP-adjusted

EPRA NAV Impacted by Dividend Payout

- **No portfolio revaluation in H1**
- Full portfolio valuation at year end – indications suggest substantial yield compression on the back of growing transaction multiples in the market, increasing margins in our own sales programs and improved market rent growth
- Accounting for €0.94 dividend (€438m) paid in May 2016 the NAV is stable

€m (unless indicated otherwise)	June 30, 2016	Dec. 31, 2015	Delta
Equity attributable to Vonovia's shareholders	10,305.5	10,620.5	-3.0%
Deferred taxes on investment properties and assets held for sale	3,245.0	3,241.2	0.1%
Fair value of derivative financial instruments ¹	161.7	169.9	-4.8%
Deferred taxes on derivative financial instruments	-40.5	-43.4	-6.7%
EPRA NAV	13,671.7	13,988.2	-2.3%
Goodwill	-2,718.9	-2,714.7	0.2%
Adj. EPRA NAV	10,952.8	11,273.5	-2.8%
EPRA NAV €/share	29.34	30.02	-2.3%
Adj. EPRA NAV €/share	23.50	24.19	-2.8%

¹ Adjusted for effects from cross currency swaps

LTV Increased Marginally since YE2015

➤ Seasonal dividend effect

€m (unless indicated otherwise)	June 30, 2016	Dec. 31, 2015	Delta
Non-derivative financial liabilities	15,058.6	14,939.9	0.8%
Foreign exchange rate effects	-161.6	-179.4	-9.9%
Cash and cash equivalents	-3,109.9	-3,107.9	0.1%
Net debt	11,787.1	11,652.6	1.2%
Sales receivables	-266.8	-330.0	-19.2%
Additional loan amount for outstanding acquisitions	---	134.9	n/a
Adj. net debt	11,520.3	11,457.5	0.6%
Fair value of real estate portfolio	23,794.1	24,157.7	-1.5%
Fair value of outstanding acquisitions	---	240.0	n/a
Shares in other real estate companies	514.4	13.7	>100%
Adj. fair value of real estate portfolio	24,308.5	24,411.4	-0.4%
LTV	47.4%	46.9%	+50 bps

Adj. EBITDA Sales more than Doubled

- Slightly higher privatization volume and fair value step-up y-o-y
- Successful Non-core/Non-strategic sales mainly through portfolio sale to LEG (13.5k) in Q1 and three other block sales (ca. 2.9k units) in Q2

€m (unless indicated otherwise)	H1 2016		H1 2015		H1 2016		H1 2015	
	Privatization		Non-core/Non-strategic		Total			
No. of units sold	1,441	1,221	17,694	2,829	19,135		4,050	
Income from disposal	133.3	123.6	717.2	97.8	850.5		221.4	
Fair value of disposal	-99.1	-92.8	-693.1	-97.0	-792.2		-189.8	
Adj. profit from disposal	34.2	30.8	24.1	0.8	58.3		31.6	
Fair value step-up (%)	34.5%	33.2%	3.5%	0.8%				
Selling costs					-11.8		-12.1	
Adj. EBITDA Sales					46.5		19.5	

Modernization

More than €1bn invested in value-enhancing modernization in the context of Upgrade Building and Optimize Apartment Strategies

Disposal

Sale of ~36k non-core and non-strategic assets (2013-2016ytd) with below-average quality, location or potential

Acquisition

Acquisition of more than 200k units (2013-2016ytd) in attractive regions and complimentary to the existing portfolio

Pro-active portfolio management has resulted in material improvements in quality of assets and locations.

Well-positioned to benefit from strong underlying fundamentals of German residential market.

- ✓ Operational excellence in the first half of 2016 with good visibility of growing momentum
 - ✓ Action-driven portfolio management is clearly bearing fruit and positively impacting KPIs
 - ✓ Second guidance increase underlines strength of business strategy and execution
 - ✓ Strong cash flow profile and stability of the business model are sought-after assets especially in volatile times
-
- Outlook on 9M Reporting on November 3
 - Final review of 2016 guidance incl. dividend
 - Range for expected yield compression in 2016
 - First guidance for 2017
 - Breakdown of rent growth development by local markets

Action-driven Portfolio Improvement

- More than 50% of current portfolio in Upgrade Buildings and Optimize Apartments Cluster offer significant investment potential for sustainable organic growth
- Difference in KPIs of Strategic and Non-strategic/Non-core Clusters underline strength of Vonovia's core portfolio and show potential of the ongoing portfolio improvement through disposals

June 30, 2016	Residential Units	In-place rent (€/sqm)	Vacancy Rate (%)	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
Operate	125,563	5.95	2.4%	8.7	1,066	14.8
Upgrade buildings	102,760	5.85	2.5%	7.0	1,104	15.9
Optimize apartments	73,433	6.16	2.2%	5.7	1,212	16.8
Subtotal Strategic Clusters	301,756	5.97	2.4%	21.5	1,114	15.6
Privatize	18,280	5.87	4.5%	1.5	1,172	17.1
Non-strategic	12,453	4.78	7.3%	0.5	596	11.1
Non-core	7,953	4.55	9.0%	0.3	541	11.0
Total	340,442	5.89	2.8%	23.7	1,085	15.5

Bridge to Adjusted EBITDA (€m)	H1 2016	H1 2015	Change (%)
Profit for the period	147.9	84.9	74.2
Net interest result	276.1	237.1	16.4
Income taxes	109.9	59.3	85.3
Depreciation	10.0	4.8	108.3
Net income from fair value adjustments of investment properties	-	-	-
EBITDA IFRS	543.9	386.1	40.9
Non-recurring items	49.1	60.2	-18.4
Total period adjustments from assets held for sale	21.1	-0.2	>100%
Income from investments in other real estate companies	-9.5	-0.4	>100%
Adjusted EBITDA	604.6	445.7	35.7
Adjusted EBITDA Sales	-46.5	-19.5	>100%
Adjusted EBITDA Other	3.5	0.9	>100%
Adjusted EBITDA Extension	-26.0	-21.1	23.2
= Adjusted EBITDA Rental	535.6	406.0	31.9
Adjusted EBITDA Extension	26.0	21.1	23.2
Adjusted EBITDA Other	-3.5	-0.9	>100%
Interest expense FFO	-162.8	-152.7	6.6
Current income taxes FFO 1*	-7.5	-4.5	66.7
=FFO 1	387.8	269.0	44.2
Capitalised maintenance	-29.1	-39.7	-26.7
= AFFO	358.7	229.3	56.4
Current income taxes Sales*	-25.0	-4.7	na
FFO 2 (FFO incl. Adjusted EBITDA Sales/current income taxes sales)	409.3	283.8	44.2
FFO 1 per share in €**	0.83	0.71	16.6
AFFO per share in €**	0.77	0.61	26.5
Number of shares	466,001	358,462	30.0

EBITDA increase mainly driven by rental business

Increase of adjusted EBITDA Sales mainly due to higher Non-core sales volume, higher Non-core step-ups and higher step-ups in Privatization

Increase of adjusted EBITDA Extension reflects our expansion strategy to the extent they are not accounted for under rental income

Adjusted EBITDA Rental reflects acquisitions as well as operational performance

H1 2015 per share data is TERP-adjusted

€m	H1 2016	H1 2015	Change (%)
Income from property letting	1,100.0	913.8	20.4
Other income from property management	19.4	14.0	38.6
Income from property management	1,119.4	927.8	20.7
Income from disposal of properties	850.5	221.4	284.1
Carrying amount of properties sold	-830.4	-204.8	305.5
Revaluation of assets held for sale	17.0	15.2	11.8
Profit on disposal of properties	37.1	31.8	16.7
Net income from fair value adjustments of investment properties	-	-	-
Capitalized internal expenses	125.0	65.3	91.4
Cost of materials	-506.6	-425.4	19.1
Personnel expenses	-184.6	-138.1	33.7
Depreciation and amortisation	-10.0	-4.8	108.3
Other operating income	49.8	36.9	35.0
Other operating expenses	-106.4	-113.2	-6.0
Financial income	21.6	2.7	>100
Financial expenses	-287.5	-238.8	20.4
Earnings before tax	257.8	144.2	78.8
Income taxes	-109.9	-59.3	85.3
Profit for the period	147.9	84.9	74.2
Attributable to:			
Vonovia's shareholders	110.0	60.8	80.9
Vonovia's hybrid capital investors	14.8	14.8	0.0
Non-controlling interests	23.1	9.3	148.4
Earnings per share (basis and diluted) in €	0.24	0.19	24.2

Increase mainly acquisition-related, additionally in-place rent on a like-for-like basis increased by 2.8%; additionally vacancy rate decreased by 0.7pp

Increase due to higher Non-core Sales volume, including LEG portfolio sale of 13,570 units in Q1 and 3 portfolio sales of total 2,913 units in Q2

Increase due to in-sourcing effect of craftsmen organization and larger volume of maintenance and modernization work

Ramp-up from 5,877 to 6,909 employees leads to increased personnel expenses which primarily result from TGS growth

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

Balance Sheet (1/2)

€m	June 30, 2016	December 31, 2015	Change (%)
Intangible Assets	2,741.7	2,724.0	0.6
Property, plant and equipment	84.2	70.7	19.1
Investment properties	23,695.9	23,431.3	1.1
Financial assets	710.8	221.7	>100%
Other assets	16.4	158.5	-89.7
Income tax receivables	0.1	0.1	0.0
Deferred tax assets	71.3	72.3	-1.4
Total non-current assets	27,320.4	26,678.6	2.4
Inventories	5.1	3.8	34.2
Trade receivables	286.3	352.2	-18.7
Financial assets	-	2.0	-100.0
Other assets	141.3	113.4	24.6
Income tax receivables	23.9	23.1	3.5
Cash and cash equivalents	3,109.9	3,107.9	0.1
Assets held for sale	54.1	678.1	-92.0
Total current assets	3,620.6	4,280.5	-15.4
Total assets	30,941.0	30,959.1	-0.1

Increase mainly due to the acquisition and valuation of Deutsche Wohnen shares

Decrease is due to the sale of 13,570 units to LEG in Q1

Balance Sheet (2/2)

€m	June 30, 2016	December 31, 2015	Change (%)
Subscribed capital	466.0	466.0	0.0
Capital reserves	5,891.4	5,892.5	0.0
Retained earnings	3,939.3	4,309.9	-8.6
Other reserves	8.8	-47.9	>100
Total equity attributable to Vonovia's shareholders	10,305.5	10,620.5	-3.0
Equity attributable to hybrid capital investors	1,021.4	1,001.6	2.0
Total equity attributable to Vonovia's shareholders and hybrid capital investors	11,326.9	11,622.1	-2.5
Non-controlling interests	271.4	244.8	10.9
Total equity	11,598.3	11,866.9	-2.3
Provisions	651.7	612.9	6.3
Trade payables	0.8	0.9	-11.1
Non-derivative financial liabilities	14,120.2	13,951.3	1.2
Derivatives	139.3	144.5	-3.6
Liabilities from finance leases	94.4	94.9	-0.5
Liabilities to non-controlling interests	39.4	46.3	-14.9
Other liabilities	27.6	25.9	6.6
Deferred tax liabilities	2,587.2	2,528.3	2.3
Total non-current liabilities	17,660.6	17,405.0	1.5
Provisions	414.3	429.5	-3.5
Trade payables	94.5	91.6	3.2
Non-derivative financial liabilities	938.4	988.6	-5.1
Derivatives	54.7	58.8	-7.0
Liabilities from finance leases	4.7	4.4	6.8
Liabilities to non-controlling interests	16.0	9.8	63.3
Other liabilities	159.5	104.5	52.6
Total current liabilities	1,682.1	1,687.2	-0.3
Total liabilities	19,342.7	19,092.2	1.3
Total equity and liabilities	30,941.0	30,959.1	-0.1

Increase mainly result from the valuation of the Deutsche Wohnen shares

Corporate Investment grade rating

Rating agency	Rating	Outlook	Last Update
Standard & Poor's	BBB+	Stable	10 May 2016

Bond ratings

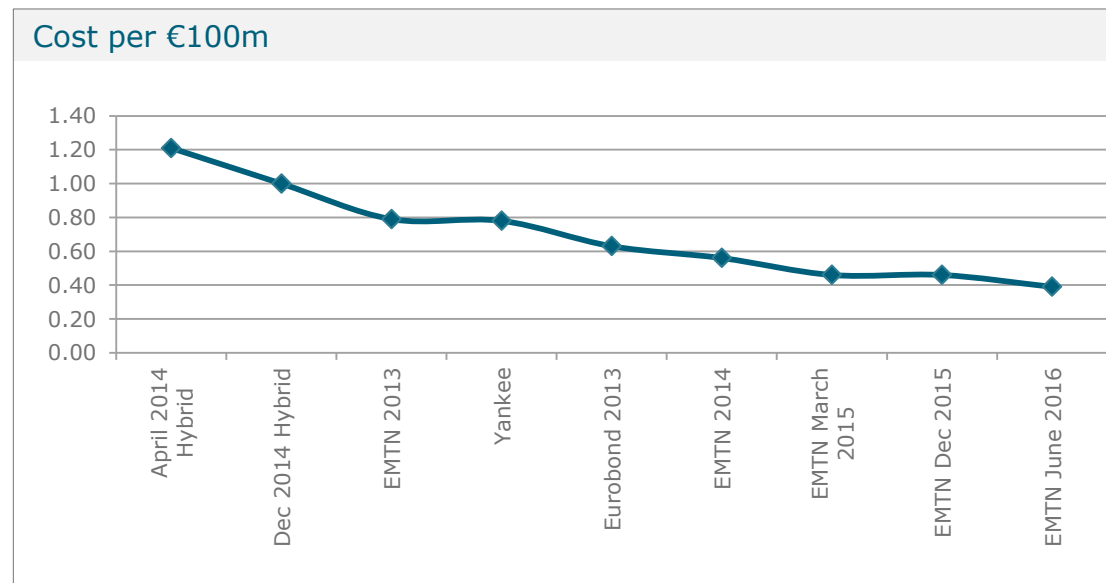
	ISIN	Amount	Issue price	Coupon	Final Maturity Date	Rating
3 years 2.125% Euro Bond	DE000A1HNTJ5	€ 700m	99.793%	2.125%	25 July 2016 ⁽²⁾	BBB+
6 years 3.125% Euro Bond	DE000A1HNV52	€ 600m	99.935%	3.125%	25 July 2019	BBB+
4 years 3.200% Yankee Bond	144A: US25155FAA49 Reg S: USN8172PAC88	USD 750m	100.000%	3.200% (2.970%) ⁽¹⁾	2 Oct 2017	BBB+
10 years 5.000% Yankee Bond	144A: US25155FAB22 Reg S: USN8172PAD61	USD 250m	98.993%	5.000% (4.580%) ⁽¹⁾	2 Oct 2023	BBB+
8 years 3.625% EMTN (Series No. 1)	DE000A1HRVD5	€ 500m	99.843%	3.625%	8 Oct 2021	BBB+
60 years 4.625% Hybrid Bond	XS1028959671	€ 700m	99.782%	4.625%	8 Apr 2074	BBB-
8 years 2.125% EMTN (Series No. 2)	DE000A1ZLUN1	€ 500m	99.412%	2.125%	9 July 2022	BBB+
perpetual 4% Hybrid Bond	XS1117300837	€ 1,000m	100.000%	4.000%	perpetual	BBB-
5 years 0.875% EMTN (Series No. 3)	DE000A1ZY971	€ 500m	99.263%	0.875%	30 Mar 2020	BBB+
10 years 1.500% EMTN (Series No. 4)	DE000A1ZY989	€ 500m	98.455%	1.5000%	31 Mar 2025	BBB+
2 years 0.950%+3M EURIBOR EMTN (Series No. 5)	DE000A18V120	€ 750m	100.000%	0.950%+3M EURIBOR (0.835% hedged)	15 Dec 2017	BBB+
5 years 1.625% EMTN (Series No. 6)	DE000A18V138	€ 1,250m	99.852%	1.625%	15 Dec 2020	BBB+
8 years 2.250% EMTN (Series No. 7)	DE000A18V146	€ 1,000m	99.085%	2.2500%	15 Dec 2023	BBB+
6 years 0.875% EMTN (Series No. 8)	DE000A182VS4	€ 500m	99.530%	0.875%	10 Jun 2022	BBB+
10 years 1.500% EMTN (Series No. 9)	DE000A182VT2	€ 500m	99.165%	1.5000%	10 Jun 2026	BBB+

(1) EUR-equivalent re-offer yield (2) Repaid on July 25

- We have managed to establish ourselves as a first class frequent issuer on the capital markets since our IPO.
- In the most recent EMTN issuance we were even able to change market practice by negotiating a flat fee, i.e. irrespective of the tenor, which resulted in the lowest cost per €100m issuance so far.
- 4 of our bonds so far have been purchased through the ECB's Corporate Sector Purchase Program.

Cost per €100m ⁽¹⁾	€m
April 2014 Hybrid	1.21
Dec 2014 Hybrid	1.00
EMTN 2013	0.79
Yankee	0.78
Eurobond 2013	0.63
EMTN 2014	0.56
EMTN March 2015	0.46
EMTN Dec 2015	0.46
EMTN June 2016	0.39

(1) Excluding contingency; including some cost estimates for the most recent transactions as not all bills have been fully settled yet.



Bond and Rating KPIs

as per June 30, 2016

VONOVIA

> Bond KPIs

Covenant	Level	Actual
LTV		
Total Debt / Total Assets	<60%	49%
Secured LTV		
Secured Debt / Total Assets	<45%	20%
ICR		
LTM ¹ EBITDA / LTM Interest Expense	>1.80x	3.40x
Unencumbered Assets		
Unencumbered Assets / Unsecured Debt	>125%	200%

> 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

Name	Amount	Coupon	Contractual Maturity
German Residential Funding 2013-1 Limited (irrevocable commitment to repay in full at next IPD on Aug. 22, 2016)	€ 1,797m	2.80%	22 Aug 2018
German Residential Funding 2013-2 Limited	€ 607 m	2.78%	27 Nov 2018
Taurus 2013 (GMF1) PLC	€ 1,027 m	3.35%	21 May 2018

Expected prepayment fees for early CMBS redemption (€m)			
IPD	GRF-1	GRF-2	WOBA
Aug 2016	26.5	21.5	10.6
Nov 2016		9.5	6.7
Feb 2017		7.2	2.8
May 2017		5.0	1.4
Aug 2017		2.7	0.1
Nov 2017		1.1	0.0
Feb 2018		0.4	0.0
May 2018		0.0	0.0
Aug 2018		0.0	na
Nov 2018		0.0	na

Hedge break costs not considered.

Values may differ in case of deviation from sales plan.

Portfolio KPIs by Top 25 Cities

City	Residential units	In-place rent (€/sqm)	Vacancy rate June 30, 2016	Vacancy rate June 30, 2015	Share rent controlled
Dresden	37,893	5.37	2.3%	2.8%	0.0%
Berlin	30,495	5.91	1.5%	1.4%	8.7%
Dortmund	19,408	5.16	2.7%	2.9%	13.9%
Essen	12,109	5.41	5.1%	4.9%	15.1%
Kiel	11,970	5.40	1.5%	1.7%	32.3%
Frankfurt am Main	11,686	7.82	0.8%	1.1%	12.8%
Bremen	11,270	5.26	3.8%	4.1%	23.2%
Hamburg	10,969	6.57	1.4%	0.9%	15.5%
Bochum	7,513	5.49	2.5%	2.9%	9.4%
Hannover	7,190	6.08	2.3%	2.1%	21.9%
Köln	6,403	7.18	1.5%	1.1%	10.3%
Duisburg	5,524	5.23	3.9%	5.3%	3.4%
München	5,480	7.17	1.0%	0.8%	40.7%
Bonn	5,172	6.47	2.2%	1.8%	25.8%
Stuttgart	4,641	8.14	1.7%	1.2%	25.0%
Bielefeld	4,628	5.06	2.7%	2.5%	34.2%
Heidenheim an der Brenz	3,955	6.05	4.8%	5.8%	9.0%
Osnabrück	3,915	5.62	2.7%	4.4%	17.2%
Gelsenkirchen	3,861	4.94	5.4%	7.3%	7.6%
Düsseldorf	3,534	7.34	2.2%	2.7%	19.6%
Braunschweig	3,496	5.54	1.6%	0.4%	0.3%
Gladbeck	3,127	5.17	3.0%	3.2%	9.1%
Zwickau	3,106	4.28	10.6%	11.3%	0.0%
Herne	2,908	5.13	2.6%	5.0%	6.3%
Mannheim	2,747	6.69	4.1%	2.4%	8.5%
Subtotal TOP 25	223,000	5.87	2.5%	2.9%	13.0%
Remaining cities	117,442	5.92	3.4%	4.6%	13.9%
Total	340,442	5.89	2.8%	3.5%	13.3%

Note: Residential portfolio only

Valuation KPIs by Top 25 Cities

City	Fair value (€m)	Share in terms of FV	Fair Value (€/sqm)	Annualized in- place rent (€m) June 30, 2016	Multiple (in-place rent)
Dresden	2,113	8.9%	928	144.8	14.6
Berlin	2,568	10.8%	1,305	140.1	18.3
Dortmund	979	4.1%	818	73.3	13.4
Essen	633	2.7%	810	49.3	12.8
Kiel	615	2.6%	848	47.0	13.1
Frankfurt am Main	1,222	5.2%	1,678	68.6	17.8
Bremen	641	2.7%	910	43.6	14.7
Hamburg	1,052	4.4%	1,468	56.9	18.5
Bochum	354	1.5%	815	28.3	12.5
Hannover	510	2.2%	1,082	34.2	14.9
Köln	722	3.1%	1,572	39.4	18.3
Duisburg	255	1.1%	739	21.4	11.9
München	887	3.7%	2,367	33.4	26.5
Bonn	505	2.1%	1,377	28.2	17.9
Stuttgart	566	2.4%	1,877	29.2	19.4
Bielefeld	221	0.9%	711	18.5	11.9
Heidenheim an der Brenz	229	1.0%	931	17.5	13.1
Osnabrück	225	1.0%	892	16.8	13.4
Gelsenkirchen	167	0.7%	647	14.3	11.7
Düsseldorf	400	1.7%	1,612	22.3	18.0
Braunschweig	202	0.9%	937	14.3	14.2
Gladbeck	145	0.6%	752	11.8	12.3
Zwickau	71	0.3%	399	8.1	8.7
Herne	144	0.6%	779	11.4	12.6
Mannheim	230	1.0%	1,238	14.7	15.6
Subtotal TOP 25	15,655	66.1%	1,109	987.4	15.9
Remaining cities	8,028	33.9%	1,043	538.0	14.9
Total	23,684	100.0%	1,085	1,525.4	15.5

- Even excluding acquisitions and just focusing on modernization investments and non-core/non-strategic sales, our action-driven portfolio management strategy has yielded considerable improvements.

June 30, 2015	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
STRATEGIC	278,366	5.72	2.5%	17.8	1,006	14.7
NON-CORE / NON-STRATEGIC	48,373	4.71	8.4%	1.8	592	11.3
PRIVATIZE	21,477	5.60	4.7%	1.5	1,034	16.0
TOTAL	348,216	5.58	3.5%	21.2	951	14.4

June 30, 2016	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
STRATEGIC	282,806	5.90	2.4%	19.7	1,092	15.5
NON-CORE / NON-STRATEGIC	19,661	4.65	8.1%	0.7	555	10.8
PRIVATIZE	16,333	5.72	4.5%	1.3	1,136	17.0
TOTAL	318,800	5.82	2.8%	21.7	1,062	15.4

- Non-core/non-strategic volume reduced by almost 29k units
- In-place rent up 4.3% overall, driven by market rent growth, modernization investments and sale of below-average parts of the portfolio
- Vacancy rate down by 70bps
- FV per sqm +11.6%
- Multiple expansion by 1.0x

Note: Vonovia's standard clusters have been aggregated for the purpose of highlighting the different developments between the strategic and the non-strategic parts of the portfolio. "Strategic" includes the Clusters Operate, Upgrade Buildings and Optimize Apartments; "Non-strategic" includes the Clusters Non-strategic and Non-core. Please see page 34 for a full break-down of the individual clusters.

June 30, 2015	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
Operate	192,106	5.64	2.5%	11.9	972	14.3
Upgrade Buildings	49,411	5.69	2.6%	3.2	1,020	15.3
Optimize Apartments	36,849	6.19	2.5%	2.8	1,155	15.9
Privatize	21,477	5.60	4.7%	1.5	1,034	16.0
Non-strategic	31,676	4.81	6.9%	1.3	636	11.6
Non-core	16,697	4.50	11.4%	0.5	507	10.6
TOTAL	348,216	5.58	3.5%	21.2	951	14.4

June 30, 2016	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
Operate	114,363	5.89	2.4%	7.8	1,047	14.7
Upgrade Buildings	97,033	5.73	2.4%	6.4	1,069	15.7
Optimize Apartments	71,410	6.12	2.2%	5.5	1,196	16.7
Privatize	16,333	5.72	4.5%	1.3	1,136	17.0
Non-strategic	12,031	4.74	7.5%	0.4	574	10.9
Non-core	7,630	4.50	9.1%	0.3	525	10.8
TOTAL	318,800	5.82	2.8%	21.7	1,062	15.4

Note: as per June 30, 2015, all of GAGFAH's strategic portfolio had been allocated to "Operate," and there was no breakdown between Operate, Upgrade Buildings and Optimize Apartments at that time.

June 30, 2015	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
Operate	192,106	5.64	2.5%	11.9	972	14.3
Upgrade Buildings	49,411	5.69	2.6%	3.2	1,020	15.3
Optimize Apartments	36,849	6.19	2.5%	2.8	1,155	15.9
Privatize	21,477	5.60	4.7%	1.5	1,034	16.0
Non-strategic	31,676	4.81	6.9%	1.3	636	11.6
Non-core	16,697	4.50	11.4%	0.5	507	10.6
TOTAL	348,216	5.58	3.5%	21.2	951	14.4

June 30, 2016	Residential units	In-place rent (€/sqm)	Vacancy rate	Fair value (€bn)	Fair value (€/sqm)	Multiple on in-place rent
Operate	125,563	5.95	2.4%	8.7	1,066	14.8
Upgrade Buildings	102,760	5.85	2.5%	7.0	1,104	15.9
Optimize Apartments	73,433	6.16	2.2%	5.7	1,212	16.8
Privatize	18,280	5.87	4.5%	1.5	1,172	17.1
Non-strategic	12,453	4.78	7.3%	0.5	596	11.1
Non-core	7,953	4.55	9.0%	0.3	541	11.0
TOTAL	340,442	5.89	2.8%	23.7	1,085	15.5

Note: as per June 30, 2015, all of GAGFAH's strategic portfolio had been allocated to "Operate," and there was no breakdown between Operate, Upgrade Buildings and Optimize Apartments at that time.

	H1 2016 / June 30, 2016	H1 2015 / June 30, 2015
Headcount	6,909	5,877
Number of units under 3rd-party management	53,843	41,734
EPRA vacancy rate	2.6%	3.2%
IFRS profit for the period	147.9	84.9
Number of units acquired	2,440	148,709
Number of units sold	19,135	4,050

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