

Comments by the Chief Executive Officer

Rolf Buch, Vonovia SE

on the occasion of the Annual General Meeting on May 16, 2017 in Bochum

- Check against delivery. -

Dear shareholders,
Dear members of the Supervisory Board,
Dear customers,
Ladies and gentlemen,

I would like to cordially welcome you to the 2017 Annual General Meeting of Vonovia SE.

Allow me to say a few words at the beginning of my speech about the city of Bochum. I am particularly pleased to be able to welcome you here, in the heart of the Ruhr region, for the first time.

Our roots are here. Our home is here. And it will stay that way. As you know, we are currently building our new corporate headquarters on Universitätsstrasse. In 2018, we want to move in.

It is important to us to be good neighbors. Starting this season we are partners of VfL Bochum. With the new stadium name "Vonovia Ruhrstadion," regional soccer has gotten a new home. Perhaps you saw it as you were arriving – it is right around the corner.

Ladies and gentlemen, let me return to today's actual agenda. I am pleased that so many of you have made the trip to Bochum today. I would also like to welcome those of you who are watching our live stream. By doing so, you all demonstrate your interest in our Vonovia, in your Vonovia. This interest encourages all of us.

After all, YOU are the foundation of our company. Your trust underpins all our work.

I am pleased to be able to deliver good news to you today. First and foremost: Vonovia's success story continues. We added a new chapter in the past year.

I would like to begin my report with the figures for 2016. Allow me to look at four highlights in detail: You can find the full details in our annual report.

We increased our operating profit – expressed with the figure known as FFO 1 – by about 25 percent to 760.8 million euros. The FFO 1 per share has increased from 1.30 euros to 1.63 euros.

The EPRA NAV – our property assets less liabilities – has even increased by 27 percent per share. This means: Your company has once again grown significantly in value.

So we remain on track. We made our initial public offering in 2013. Since then, we have increased Vonovia's value from year to year:

- EPRA NAV per share has grown by almost **70 percent**,
- The share price rose by around **85 percent** up until the end of 2016, and
- We have increased our property assets by some **160 percent** to 27 billion euros at present.

Allow me now to direct your attention to another figure that illustrates our success:

One point twelve euros.

1.12 euros is the dividend per share that we are proposing to you today. That is an increase of around 19 percent from the previous year.

1.12 euros corresponds to a solid dividend yield of 3.6 percent, based on the closing share price in 2016.

With this we are underscoring once again: Our dividend policy is based on our long-term trajectory of success. As shareholders and owners, you are participating directly in our success.

We will present you with a proposal today as to how we would like to use the profit. Should you agree to this, we will, for the first time, offer you the option of choosing between a cash dividend and a stock dividend. The stock dividend is widespread internationally and is quite popular in the United States and England. German companies such as E.ON, Deutsche Telekom and Lufthansa have also been offering this option for a long time.

By doing so, we are enabling you to reinvest your dividend into Vonovia shares without complications. Of course, the decision as to whether to receive the dividend payment in cash or as shares is entirely up to you. You can find additional information on this in the documents we've made available to you.

And what, ladies and gentlemen, will this year bring us? Next week we will present specific figures for the first quarter of 2017. This interim report incorporates the contribution of conwert for the first time.

One thing I can already anticipate and share with you today is that the first three months of the current fiscal year are also looking very good. We expect significant growth for the entire year. We expect the operating profit to increase to between 830 to 850 million euros. In addition, conwert will contribute about 60 million euros to earnings. We will also fine-tune our forecast next week as we present the quarterly figures.

What has led to these gratifying figures in 2016? What allows us to view 2017 with such optimism?

We were able to rent out practically our entire portfolio of properties and manage them even more efficiently. At the same time, investments are making our portfolio more attractive. New construction and our active portfolio management are additional success factors. As a result, our properties are located almost exclusively in regions with very positive development prospects. This means they are steadily gaining in value.

Our decision to grow in attractive regions in Germany was, and remains, the correct one. Think of GAGFAH and SÜDEWO. Or our latest acquisition of conwert. With these acquisitions we are strengthening our leading position in the market.

Permit me one more word on conwert: The integration has been progressing at full speed since January. We will complete our work on time. By midyear we will have completed the integration of the approximately 25,000 apartments in Germany. They are located primarily in attractive cities. Such as Leipzig, Berlin, Potsdam and Dresden.

The beneficiaries of the merger are not only our new customers but, of course, also you, our shareholders. We've made you this promise. And we are keeping this promise.

Ladies and gentlemen, I am certain that Vonovia's success story is closely linked to our approach. To the attitude we have working at Vonovia. This applies to the in-house caretakers as well as the management team in Bochum. It comes down to our approach to our tenants. It comes down to our contribution to the development of our society.

Our tenants are our customers. Our customers and their satisfaction are the cornerstone of our conduct. After all, if they are dissatisfied, we will be unable to continue our success story.

For this reason, the topic of customer satisfaction is particularly close to my heart. It is an issue of personal concern to me. This means my colleagues and I personally allow ourselves to be measured by customer satisfaction. And I mean "measure" literally. An independent institute regularly determines customer satisfaction. The result is: We are always improving. Last year we managed to raise our customer satisfaction by eight percent.

We are also on the right track in this area.

Why?

Because we are close to our customers.

Approximately 1,000 employees now work in our customer service in Duisburg and Dresden. Thanks to their commitment, we are now also available outside regular work hours – even on the weekend. So we are always available when our customers need us. Our employees do not speak only German or English. They also speak many other European languages. And Arabic.

Our customer service is frequently the first point of contact for our tenants. We are proud that we can help them directly in almost nine out of ten cases.

At the same time, we have further improved personal support for our customers locally. By now, approximately two-thirds of our employees work directly on site in our neighborhoods. As craftsmen, technicians and gardeners, they deal with the individual concerns of our tenants.

Speaking of the “concerns of our tenants”: Our customers’ wishes are becoming more multifaceted. They encompass more and more areas. For us, this means that Vonovia offers much more today than just “an apartment.” We are developing into a professional provider of all kinds of housing-related services.

This, ladies and gentlemen, is an essential key to our success.

Let me cite a few examples:

We are installing new bathrooms at the request of our customers. In 2016 it was 700. This year it will be 1,000.

We are doing the same thing with kitchens. We deliver them within six to seven weeks and install them in a day.

Two more areas: By now we supply about 75 percent of our properties with cable TV signals.

And we are recording and billing heating costs for about 30,000 apartments. For this we are using modern remote recording.

The area of housing-related services is becoming increasingly important. In 2016, they contributed earnings of 57 million euros to our success story. But this is just the beginning. This year we want to nearly double income in this business area.

For this reason, we will expand our services with additional offerings. A particularly interesting example: postal service at your front door. You know it yourselves: It is onerous and time-consuming to stand in line at the post office on

Saturdays. Only to pick up a package that could not be delivered during the week. Together with DHL we have come up with a new idea:

We simply install mailboxes for packages in the basements of our buildings. The courier gets a key. Tenants can then grab their delivery in the evening – safely, conveniently and without waiting.

Returns and other packages can also be left there, making it possible to send them conveniently from home.

We started this pilot project last year in Berlin. It has been so successful that we are now expanding it.

This is only ONE example of the trend in the coming years: Housing-related services from a single source are the wave of the future. We at Vonovia will not only support this trend, but actively shape it.

As you see, ladies and gentlemen: We are very aware of our responsibility to our tenants and customers.

But we are also aware that as the largest real estate company in Germany, we bear a responsibility toward all of society. We are committed to this responsibility. We are meeting it. We view our contribution as an obligation – and simultaneously an opportunity.

When it comes to social responsibility, three topics are particularly important for us:

First of all, more housing.

Secondly, demographic change and third, energy-efficient modernization.

On the topic of “more living space”: For this we have initiated the largest investment program in our company’s history. In the coming years we want to invest as we never have before. An investment of a billion euros annually in our portfolio of properties.

The areas of focus will be:

- Energy-efficient modernization.
- The refurbishment of apartments to improve the standard of comfort.
- And senior-friendly conversions.

Of course, we will continue to build new apartments. We will continue to develop whole residential districts. This is an ambitious program, and we intend to send a signal with it.

We demonstrated last year how our concept of new construction functions. Bochum features the first series-built residential unit with a modular construction. "Series-built" means that the rooms are prefabricated in the factory and then assembled on site. This building is already fully rented out. Cost per square meter: 1,800 euros. Construction time: three months.

As you see, we are moving in new directions. We are convinced that there is a future for standardized construction. For this is the way to make new apartments affordable – particularly in sought-after locations in attractive cities, that is, exactly where we at Vonovia are at home.

With our new residential offerings, we are introducing more diversity and life into the neighborhoods. At the same time, we are using infrastructure more efficiently.

By the way: Standardized does not mean drearily uniform at all. The individual building modules are always assembled differently. The result is individual homes. For example, in terms of the number of floors. Or in terms of appearance, which is adapted to the environment.

Standardization in part, diversity on the whole: That is what we want for our tenants and our communities.

Demographic change is of great importance to us. More and more people are moving into our cities. There are more single households there than ever before. At the same time, our age structure is changing. Lifestyles are becoming more diverse. The needs and requirements of our customers are changing.

We are changing along with them. We regard demographic change as an opportunity to accomplish and to shape something.

We want our tenants to be able to live in our properties for as long as possible.

Therefore, we are deliberately adapting our apartments and buildings to the different stages of people's lives. During modernization projects, therefore, we strive for accessibility.

Whether it is a matter of modernizing bathrooms, stairwells or balconies, we make renovations as accessible as possible. We also consider where the installation of an elevator makes sense.

Let's move to the third change, energy-efficient modernization. Germany has an important political goal. By 2050 approximately 80 percent of household energy consumption should be conserved. We support this goal. We are modernizing heating systems, we are replacing windows and we are improving building insulation. The improvement of energy efficiency is the right path forward. It will preserve a livable environment for us today and for our children tomorrow.

In addition, we take care of the maintenance of our apartments and buildings. Our investment is far above the standard for the industry. It is worth it. For by doing so, we are preserving the long-term value of our properties. This is sustainable.

But our commitment goes beyond individual apartments and our property boundaries. Consider the Eltingviertel area in Essen. It is, to some extent, a blueprint for the positive development of a neglected neighborhood. Together with the city and other partners, we have made it attractive and livable again. Today the neighborhood attracts many students, galleries are moving in, cafés are opening, and new forms of neighborhood assistance are emerging. The residents benefit from an entirely new quality of life. We have already launched similar projects in Hamburg, Dortmund, Bielefeld, Berlin, Dresden, Munich and Frankfurt.

Ladies and gentlemen, we do not undertake all these activities in a vacuum. Politics determines our room to maneuver to a significant extent. And 2017 is an important year politically. A few days ago, we elected a new state parliament in North Rhine-Westphalia. Elections for the German Bundestag are scheduled for September.

Affordable housing is a topic that carries significant weight in the current political discussion. That is proper and important. However, this raises the issue whether the discussions are moving in the right direction.

If more and more people are looking for more and more apartments in metropolitan areas, we need new housing there. However, more apartments do not emerge by intensifying pressure for rent ceilings. So, how should this function?

Only more supply can relieve the ever greater demand for more and more apartments. But a larger supply does not arise through the overloaded regulation of the rental market. Who would still want to build any apartments then?

A larger supply only arises if the obstacles for construction are reduced. And if there is entrepreneurial leeway. Only then can the housing industry make its contribution to meeting high demand with a corresponding supply of apartments.

In the process, the housing industry can work hand in hand with policymakers. We should redouble our joint efforts to speed up the construction of new apartments. The key themes are: shorter approval procedures, more planning reliability, generally more pragmatism and more efficient citizen participation. That would amount to something.

Ladies and gentlemen, I hope that I have succeeded in explaining the reasons for Vonovia's success in somewhat greater detail. We will continue to pursue this clear course.

Since our IPO in 2013, we have been consistently implementing our strategy. It is the foundation of our growth and our success. Our main themes are clearly defined:

We are counting on standardization, scaling and digitalization for more efficiency.

We are using our balanced financial structure to create more entrepreneurial leeway.

This also includes the replenishment of authorized capital under item 6 of the agenda. We will put this to the vote today. You can find further details in the documents we've made available to you and at the request desk.

In the past year, we utilized our **previous** authorized capital very sensibly: For the successful takeover of conwert. We offered the conwert shareholders two alternatives: they could choose between a cash offer and a stock exchange. More than 5.6 million conwert shares were exchanged. To this end, almost 2.8 million new Vonovia shares were issued with the exclusion of subscription rights. We were thereby able to save cash funds of more than 90 million euros and improve our indebtedness compared with a pure cash payment. You can also find further details about this in the documents we've made available to you and at the request desk.

Dear shareholders,

Our portfolio strategy and the conwert takeover show that we are optimizing our property portfolio and are present in the right places.

We are growing by offering new services, executing our investment program and constructing new apartments.

We are also analyzing opportunities for external growth, but exploiting them only if they really make sense.

I am certain that by doing so we can continue writing our success story. Starting in 2018, we will develop and implement our ideas in our new corporate headquarters here in Bochum. You can see construction progress every day for we will soon also be engaged in the serial construction of our new registered headquarters.

In this regard, the company's registered headquarters is expected to move from Düsseldorf to Bochum.

Alongside our now approximately 7,400 employees, I look forward to keeping your company moving ahead in the future. Without the outstanding commitment of all colleagues, we would not have been able to write this success story in recent years. Therefore, I offer them my special thanks.

I would also like to thank all the interest groups, with whom we are in regular talks. And, in this, I would like to expressly include the tenants' associations, who

also make a contribution to our Annual General Meeting. With their feedback, they contribute to our being even better able to satisfy our customers.

I would also like to thank you, ladies and gentlemen, on behalf of the entire Management Board. Thank you for placing your trust in us as shareholders and supporting us along the way. I promise you, we will do everything to continue to earn your trust.

Thank you for your time. I am now going to hand you back to [Dr. Bernotat].