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## **INFORMATION FROM VONOVIA SE FOR ITS SHAREHOLDERS WITH REGARD TO THE CHOICE OF RECEIVING THE DIVIDEND FOR THE 2016 FINANCIAL YEAR EITHER IN CASH OR IN THE FORM OF SHARES IN VONOVIA SE**

On 16 May 2017, the annual general meeting of Vonovia SE resolved under agenda item 2 (resolution on the appropriation of net income) a dividend of EUR 1.12 per no par value share carrying dividend rights. Shareholders have the choice of having the dividend paid out in cash or in the form of shares in Vonovia SE. The document containing information on the number and nature of shares and a description of the reasons for and details of the offer, which, pursuant to Sections 4 para. 1 no. 4, 4 para. 2 no. 5 German Securities Prospectus Act (Wertpapierprospektgesetz – "WpPG") and Art. 6 para. 2 lit. e) Luxemburg Securities Prospectus Act (Loi relative aux prospectus pour valeurs mobilières - "WpPG-Lux"), exempts the company from the obligation to publish a prospectus for the public offer and admission to trading, is available on Vonovia SE's website (<http://investoren.vonovia.de/hv>). The information provided hereafter is not a substitute for this document. It has been drawn up as a supplement to answer potential questions that our shareholders may have in connection with the option to receive dividends in the form of shares. Prior to any decision to invest, each prospective buyer should read the above-mentioned document and the other documents named in it with due care.

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### **What must I do if I want to receive my dividend in cash?**

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In this case, you do not need to do anything. You can expect to receive your cash dividend on or around 16 June 2017.

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### **What must I do if I want to receive my dividend in the form of shares?**

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You must communicate this to your depository bank within the subscription period between 17 May 2017 and 6 June 2017 during normal bank business hours. Use the form "Declaration of Subscription and cession" provided for this purpose by your depository bank. By taking this step, you transfer your dividend entitlements to COMMERZBANK Aktiengesellschaft as the settlement agent, which in return will transfer new shares to you via your depository bank.

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### **Do I incur costs if I receive my dividend in the form of shares?**

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Vonovia SE reimburses the services of the depository banks with a payment of

	<p>EUR 0.60 per depository client and an additional EUR 3.00 per depository client who opted for the dividend. Nevertheless, the selection of the dividend in new shares may also result in depository bank charges. Please consult your depository bank on this aspect. You will not be charged fees for this by Vonovia SE. For the settlement of subscription rights COMMERZBANK, in its function as settlement agent, does not charge an additional commission to the shareholders who elect the share dividend.</p>
<p><b>Where and when can I obtain the form and where must I submit it?</b></p>	<p>You can obtain the form from your depository bank from the start of the subscription period (17 May 2017), and must return it to your depository bank in accordance with its instruction.</p>
<p><b>Can I sell my shares during the period commencing on the first day of the subscription period and ending on the payment date, i.e. between 17 May 2017 and 16 June 2017? If I do, who guarantees that I receive the dividends in cash or, if I so choose, the new shares for the shares that were booked in my securities account on 16 May 2017?</b></p>	<p>Yes, you are able to sell your shares during that period. The existing shares are listed “ex dividend” and hence also “ex subscription rights” on the stock exchanges from 17 May 2017 onwards. From this date, any sales of shares over the stock exchange were without dividend entitlements or subscription rights. The dividend entitlements and the associated subscription rights from the Company’s shares have been booked to the depository banks automatically with record date as of the evening of 18 May 2017 with an international securities identification number (ISIN) ISIN DE000A2E38R2 that differs from the share ISIN. If you sold your share on 17 May or 18 May 2017, your share was still in your securities account at the record date so that your dividend claims have been booked to your account. Therefore, after settlement of the trade, the dividend entitlements and subscription rights remained on your securities account under their separate ISIN.</p>
<p><b>By when must I decide whether I want to receive my dividend in cash or in the form of shares?</b></p>	<p>At the latest by 6 June 2017, by the end of your depository bank’s normal business hours</p>
<p><b>Can I change my decision once it is made?</b></p>	<p>No, the choice made with regard to the dividend is final.</p>
<p><b>How many dividend entitlements must I “exchange” for one new share?</b></p>	<p>The exchange ratio of the dividend and new shares is 30.5 : 1.</p>

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The subscription price is EUR 34.16.

The subscription price is the result in EUR of dividing the reference price (see below) by EUR 1.12 (planned cash dividend), less a discount of 3.0%, then rounded down to one decimal place and multiplied by EUR 1.12 (the “subscription price”). The reference price is the volume-weighted average price of Vonovia SE shares in EUR in the XETRA trading system on the Frankfurt stock exchange on the last trading day before the date on which the subscription price is set (the “reference price”). The day for fixing the reference price was 1 June 2017. The subscription price is EUR 34.16; the subscription price has been set on 2 June 2017. As the subscription price is EUR 34.16 you can choose to purchase one new share instead of receiving the cash dividend from 31 shares (the total value of these dividend entitlements is EUR 34.72) and will also receive a cash dividend of EUR 0.56.

Calculation:

Reference price: EUR 35.29

Calculation: Result of dividing EUR 35.29 by 1.12:

31.513, less 3.0%, equals 30.567, rounded down to one decimal place: 30.5, multiplied by EUR 1.12.

This leads to: subscription price: EUR 34.16

Subscription ratio: 30.5 : 1, i.e., one new share can be purchased for 30.5 old shares (and dividend entitlements as non-cash contributions).

Residual balance: If a shareholder transfers dividend entitlements from 31 shares, he/she transfers 0.5 dividend entitlements too many.

0.5 dividend entitlements are equal to EUR 0.56 (0.5 x EUR 1.12 = EUR 0.56). This amount shall be paid out to the shareholder in cash. The shareholder

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	<p>therefore receives one new share and EUR 0.56 in cash in exchange for 31 dividend entitlements.</p> <p>At <a href="http://investoren.vonovia.de/hv">http://investoren.vonovia.de/hv</a> you can find a dividend calculator, which you can use for individual calculations.</p>
<p><b>When and where will I find out how many new shares I will receive?</b></p>	<p>The subscription price has been published four days before the subscription period expires, i.e. on Friday, 2 June 2017, at around 3 p.m. CEST, in the German Federal Gazette and on the Vonovia SE website, <a href="http://investoren.vonovia.de/hv">http://investoren.vonovia.de/hv</a>.</p>
<p><b>What dividend entitlement will the new shares carry?</b></p>	<p>The new shares will carry full dividend entitlements for the 2017 financial year. No difference will be made between new and existing shares.</p>
<p><b>From what date can I opt for new shares instead of a cash dividend?</b></p>	<p>The subscription period started on 17 May 2017.</p>
<p><b>Must I make the choice uniformly for all my shares?</b></p>	<p>No, you do not need to make the choice uniformly for all your shares (even if they are held on a single securities account). You are free to choose to receive the dividend in cash or in shares for each share separately.</p>
<p><b>When will I receive the new shares?</b></p>	<p>Due to the technical handling process, you will probably receive the new shares on 21 June 2017. You should receive the residual balance in cash on 16 June 2017.</p>
<p><b>Will the new shares be admitted for trading on the stock exchange?</b></p>	<p>Yes. Admission of the new shares to the regulated market for trading on the Frankfurt am Main and Luxembourg stock exchanges, as well as to the regulated market subsection with additional post-admission obligations (Prime Standard) on the Frankfurt stock exchange, is expected to take place on 19 June 2017. The new shares are expected to be listed on the regulated markets of the above stock exchanges on 21 June 2017, when the new shares are included in the listing of existing shares.</p>
<p><b>How will my new shares be treated for tax purposes?</b></p>	<p><b>The following statement does not claim to provide all the necessary information and is no substitute for consultation with a tax</b></p>

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**adviser.**

Since the dividend for the 2016 financial year will be paid in full from the tax contribution account in accordance with Section 27 Corporation Tax Act (*Körperschaftsteuergesetz*) (contributions other than into nominal capital), no capital gains tax (*Kapitalertragsteuer*), solidarity surcharge (*Solidaritatzuschlag*) or church taxes will be deducted. Dividends paid out in cash to shareholders in Germany are therefore not subject to taxation.

This applies likewise to dividends paid out in the form of shares (shareholders in Germany are not subject to taxation). Dividends do not entitle recipients to tax refunds or tax credits. In the German tax authorities' view, the cash dividend payment reduces the acquisition costs of the shares for tax purposes.

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*This document is neither a prospectus nor does it constitute an offer to sell or the solicitation of an offer to purchase the shares or other securities of Vonovia SE. The document which according to §§ 4 para. 1 no. 4, 4 para. 2 no. 5 WpPG and Art. 6 para. 2 lit. e) WpPG-Lux releases from the obligation to publish a prospectus, the "Prospectus-Exemption Document", will be available on the website of Vonovia SE (<http://investoren.vonovia.de/hv>). The shares will be offered exclusively in Germany on the basis of the Prospectus-Exemption Document.*