

Vonovia SE, Düsseldorf
WKN: A1ML7J
ISIN: DE000A1ML7J1
Common Code: 094567408

These materials are not an offer or the solicitation of an offer for the sale or subscription of the shares of Vonovia SE in the United States of America. The subscription rights and the shares referred to herein may not, at any time, be offered, sold, exercised, pledged, delivered or otherwise transferred within or into the United States of America except to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (“Securities Act”)), in accordance with Section 4(a)(2) of the Securities Act or another applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Vonovia SE has not registered and does not intend to register the subscription rights and/or the shares under the Securities Act or publicly offer the subscription rights and/or shares in the United States of America.

SUBSCRIPTION OFFER

On 16 May 2017, the Management Board of Vonovia SE (“**Vonovia**” or the “**Company**”) resolved with the approval of the Finance Committee of the Supervisory Board to use the authorized capital in Article 5b of the Company’s articles of incorporation (Authorized Capital 2016) and to increase the share capital of €468,796,936.00 by up to €30,000,000.00 through the issuance of up to 30,000,000 no-par value registered shares (the “**New Shares**”) against contribution in kind and with subscription rights (the “**Capital Increase**”).

The dividend entitlements that have arisen from the resolution on the appropriation of the net income by the annual general meeting of the Company on 16 May 2017 of €1.12 per no-par value share (the “**Dividend Entitlements**”) shall be according to the choice of the shareholders paid out in cash or, if New Shares are chosen, assigned as contribution in kind for the Capital Increase. After determining the total number of New Shares to be issued, the Management Board intends, with the approval of the Supervisory Board or the Finance Committee of the Supervisory Board, to determine the precise amount of the Capital Increase as well as the number of New Shares in a resolution on 12 June 2017. The New Shares will be entitled to dividends as of 1 January 2017.

Shareholders who owned no-par value registered shares of Vonovia at 11:59 p.m. CEST on 16 May 2017, and have not already sold them prior to this time are entitled to subscribe to New Shares. The New Shares will be offered to the shareholders in accordance with their respective dividend entitlement at a still-to-be-determined subscription price and at a still-to-be-determined subscription ratio (“**Subscription Offer**”). Each existing share will carry one subscription right and one Dividend Entitlement of €1.12. Each shareholder can only exercise its subscription right by instructing and authorizing COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main (“**COMMERZBANK**”), acting as a

third-party trustee, to subscribe in its own name but for account of the shareholder for the number of New Shares which such shareholder would like to receive based on its subscription rights, and by assigning the respective Dividend Entitlements to COMMERZBANK which, following subscription and registration of the execution of the Capital Increase in the commercial register, shall transfer the New Shares obtained in this way to a Clearstream depository for the benefit of the securities deposit account of the relevant shareholder. Such instruction and authorization must be made during the subscription period from 17 May 2017, following the publication of the subscription offer, to 6 June 2017 (inclusive) via the shareholders' depository bank during normal banking hours ("**Subscription Period**") using the form provided by the depository bank for this purpose (the "**Declaration of Subscription and Transfer**"). Shareholders who make use of their subscription rights must assign the Dividend Entitlement that they wish to use to subscribe for the New Shares to COMMERZBANK within the Subscription Period by submitting their Declaration of Subscription and Transfer on time. The exercise of the subscription rights becomes effective upon timely booking of the relevant Dividend Entitlements from ISIN DE000A2E38R2 / WKN A2E 38R to ISIN DE000A2E38S0 / WKN A2E 38S.

COMMERZBANK will process the Subscription Offer as a subscription agent based on a transaction agreement concluded on 7 April 2017 ("**Transaction Agreement**") for shareholders who would like to exercise their subscription rights, subject to the conditions specified in the section "Other important information" below. In particular, COMMERZBANK agreed in the Transaction Agreement to contribute to the Company as a contribution in kind the Dividend Entitlements assigned to it based on the still-to-be-determined subscription price and the still-to-be-determined subscription ratio, to subscribe to the New Shares for the account of those shareholders who exercise their subscription rights and to deliver the New Shares to the relevant shareholders in accordance with the still-to-be-determined subscription ratio at the still-to-be-determined subscription price per New Share. COMMERZBANK is expected to subscribe for the New Shares on 12 June 2017. The execution of the Capital Increase is expected to be entered in the commercial register on 19 June 2017.

The subscription rights relating to the existing shares of the Company will automatically be booked by Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn ("**Clearstream**") to the depository banks on 19 May 2017 as per the status on 18 May 2017 at 11:59 p.m. CEST (Record Date), together with the inextricably linked Dividend Entitlements (ISIN DE000A2E38R2 / WKN A2E 38R) which embody the corresponding subscription rights. The depository banks are responsible for booking the subscription rights and Dividend Entitlements to the securities accounts of the individual shareholders.

Our shareholders have the option to exercise their subscription rights for the New Shares during the period

from 17 May 2017, following publication of the subscription offer to 6 June 2017 (incl.)

during ordinary banking hours via their depository bank at the subscription agent named below, using the Declaration of Subscription and Transfer provided by the depository bank

and to assign to COMMERZBANK the Dividend Entitlements that are to be contributed as contributions in kind. Subscription rights that are not exercised in time will expire. If subscription rights are not exercised or not exercised in time, the dividend will be paid in cash without further action required.

Subscription agent

The subscription agent is COMMERZBANK.

Important note

The Company asks its shareholders to note that the subscription price per New Share and the subscription ratio will only be published during the Subscription Period, with the publication on Friday, 2 June 2017 from about 3:00 p.m. CEST. Holders of subscription rights who do not exercise them, or do not exercise them in full, will receive for each no-par value share for which the subscription right was not exercised, the cash dividend of €1.12 per share, which is expected to be paid on 16 June 2017 through the depository banks.

Subscription price

The subscription price is expected to be published in the German Federal Gazette (*Bundesanzeiger*) and on the Vonovia website (<http://investoren.vonovia.de/hv>) on Friday, 2 June 2017, from about 3:00 p.m. CEST, i.e., four days prior to the end of the Subscription Period.

The subscription price corresponds to the result in euros of dividing the reference price by €1.12, less 3.0% of this result, then rounded down to one decimal place and multiplied by €1.12 (the “**Subscription Price**”). The reference price is the volume-weighted average price of Vonovia shares in euros in the Xetra trading system on the Frankfurt stock exchange on Thursday, 1 June 2017 (“**Reference Price**”).

Subscription ratio

The subscription ratio is also expected to be published together with the Subscription Price in the German Federal Gazette and on the Vonovia website (<http://investoren.vonovia.de/hv>) on Friday, 2 June 2017 from about 3:00 p.m. CEST, i.e., four days prior to the end of the Subscription Period.

The subscription ratio corresponds to the relationship between the result of dividing the Reference Price by €1.12, less 3.0% of this result and rounded down to one decimal place, to one New Share (the “**Subscription Ratio**”).

The number of Dividend Entitlements that must be transferred and contributed to receive one New Share equals the Subscription Price divided by €1.12.

A shareholder’s “residual balance” that is not sufficient to cover the subscription of one full New Share is compensated by making a dividend payment in cash, rounded down to whole cents. This means that shareholders for whom the number of Dividend Entitlements assigned

and transferred for the purpose of the contribution in kind is not sufficient to receive a full New Share will receive their dividend to that extent in cash, rounded down to whole cents (the “**Residual Balance**”). The amount of the Residual Balance is calculated by multiplying the number of Dividend Entitlements or portions thereof that are insufficient to cover the subscription of one (additional) full New Share by €1.12; if this calculation leads to an amount in euros with more than two decimals after the decimal point, the result shall be rounded down to whole cents. The amount resulting from this rounding, which is therefore not paid out, will always be lower than €0.01 per share portfolio. Any commercial rounding, which Clearstream and/or the depository banks may apply due to technical reasons, remains unaffected and shall not be done on account of the Company nor on account of COMMERZBANK.

Subscription rights trading

The Company or COMMERZBANK do not intend to have the subscription rights traded on a stock exchange and neither the Company nor COMMERZBANK will organize such trading. It is not intended to apply for a quotation of the subscription rights on a stock exchange. Therefore, it is not possible for subscription rights to be purchased or sold in the regulated market of a stock exchange. Neither the Company nor COMMERZBANK will arrange for any such purchases or sales. However, the subscription rights to which a shareholder is entitled can be freely transferred together with the Dividend Entitlements to which they are inextricably linked.

From 17 May 2017 the Company’s existing shares will be listed “*ex rights*” and “*ex dividend*”.

Form and certification of the New Shares

In accordance with the Company’s currently applicable articles of incorporation, the New Shares will be issued as no-par value registered shares. The New Shares will be represented by one global certificate, without a bearer global profit share certificate, to be held by Clearstream in collective custody.

The right of shareholders to the issuance of certificates representing their shares or dividend rights is excluded in Sec. 4.3 of the articles of incorporation unless such issuance is required in accordance with the regulations applicable at a stock exchange to which the shares are admitted.

Delivery of the New Shares subscribed for on the basis of the Subscription Offer and payment of the Residual Balance

The New Shares for which subscription rights were exercised in accordance with the Subscription Offer are expected to be delivered to the depository banks for delivery to the shareholders via collective custody credit (*Girosammelgutschrift*) on 21 June 2017.

The Residual Balances are expected to be paid together with the cash payment for Dividend Entitlements for which dividends were not chosen in the form of shares via the depository banks on 16 June 2017.

Commission for depository banks

Vonovia will remunerate the services provided by the depository banks with a payment of €0.60 per securities deposit account customer plus an additional €3.00 per securities deposit account customer who chooses the dividend in shares. Nevertheless, the depository banks may under certain circumstances charge commissions for the subscription of New Shares. Please consult your depository bank in advance for details. COMMERZBANK, in its role as subscription agent, will not charge exercising shareholders any additional commission for processing their subscription rights.

Admission to the stock exchange and listing of the New Shares

The admission of the New Shares to the regulated markets for trading on the Frankfurt am Main and Luxembourg stock exchanges as well as to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) on the Frankfurt stock exchange is expected for 19 June 2017, subject to prior registration of the execution of the Capital Increase in the commercial register. The New Shares are expected to be included in the existing quotation of the Company's shares on 21 June 2017.

Other important information

In accordance with § 4 (1) No. 4 and § 4 (2) No. 5 of the German Securities Prospectus Act ("WpPG") and Art. 6 (2) (e) *Loi relative aux prospectus pour valeurs mobilières* ("WpPG-Lux"), no securities prospectus will be prepared for purposes of the Subscription Offer and the admission of the New Shares to trading; instead, there will be a single document prepared for information purposes in accordance with § 4 (1) No. 4 WpPG and § 4 (2) No. 5 WpPG or Art. 6 (2) (e) WpPG-Lux ("Prospectus-Exemption Document"). Before making a decision on whether to exercise their subscription right, interested shareholders should carefully read the Prospectus-Exemption Document (available at <http://investoren.vonovia.de/hv>) and inform themselves about the Company in detail. It is recommended, also with regard to potential risks, that they visit the Company's website (<http://investoren.vonovia.de>) and read the available financial reports including the Company's financial statements for the 2016 financial year and the other information on the Company's website, and take them into account when making a decision. The obligations of COMMERZBANK under the Transaction Agreement to conclude a contribution agreement and to subscribe for the New Shares and thus ultimately to implement this Subscription Offer are subject to a series of conditions precedent. These conditions include in particular that all representations and warranties of the Company in the Transaction Agreement are accurate and complete and the Company has fulfilled all its obligations under the Transaction Agreement to be fulfilled

prior to the conclusion of the contribution agreement and subscription to the New Shares.

If COMMERZBANK determines, before the registration of the execution of the Capital Increase with the commercial register, that one (or more) of the conditions has not been fulfilled (in time), it can terminate the Transaction Agreement. Under certain conditions, the Company is entitled to terminate the Transaction Agreement as well. In the event that the Transaction Agreement is terminated before the registration of the execution of the Capital Increase with the commercial register, the subscription rights of the shareholders will be cancelled. In such circumstances, shareholders will receive their dividends in the amount of €1.12 per share in cash. Once the execution of the Capital Increase has been registered with the commercial register, there is no longer any such right of termination and the shareholders who have exercised their subscription right in accordance with the above requirements will receive the New Shares at the Subscription Price.

Sales restrictions

The New Shares will only be offered to the public in the Federal Republic of Germany. Neither the subscription rights nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) or with the securities regulators of any state or other jurisdiction of the United States of America. At no time may the subscription rights and new shares be directly or indirectly offered, sold, exercised, pledged, transferred or delivered within or into the United States of America, except to “qualified institutional buyers” (“QIBs”) as defined in Rule 144A of the Securities Act, in accordance with Section 4(a)(2) of the Securities Act or on the basis of an applicable exemption, or in a transaction not subject to the registration requirements of the Securities Act, provided that there is no breach of applicable securities legislation in the individual states of the United States of America.

Availability of the Prospectus-Exemption Document

The Subscription Offer is made on the basis of the Prospectus-Exemption Document. There is no obligation to publish a prospectus for the public offering, § 4 (1) no. 4 WpPG, and for the admission for trading, § 4 (2) no. 5 WpPG, Art. 6 (2) (e) WpPG-Lux, of dividends paid out to shareholders in the form of shares provided that a document is made available which contains information on the quantity and type of shares and which describes the reasons for and details of the offer. The Prospectus-Exemption Document is published at <http://investoren.vonovia.de/hv>.

Bochum, 17 May 2017

Vonovia SE

The Management Board