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Vonovia announces cash offer to all BUWOG shareholders to acquire their shares

The Management Board and Supervisory Board of BUWOG support the Takeover Offer

- BUWOG shareholders should receive €29.05 in cash per BUWOG share, a premium of 18.1% above the closing share price of BUWOG on the Vienna Stock Exchange from Friday 15 December 2017.
- Rolf Buch, CEO of Vonovia SE: "BUWOG is an excellent fit with our company: the housing stocks complement each other perfectly – in Germany and Austria. Likewise BUWOG has a leading position in the development sector. As such, a takeover offers clear positives for tenants and shareholders of both companies."
- Daniel Riedl, CEO of BUWOG AG: "Taking into account business models and portfolios, a merger of BUWOG and Vonovia offers strategic advantages for both companies. The value and growth prospects of our attractive portfolio as well as our strong, successful position in the development sector will be duly taken into account in the present offer. Subject to legal and substantive examination of the offer document, we will recommend our shareholders to accept the offer."
- Cost benefits of approx. € 30m p.a. expected; positive effect for Vonovia's FFO 1 per share and adjusted NAV per Vonovia share.
- The companies have signed a business combination agreement: Daniel Riedl expected to become a member of the management board of Vonovia SE responsible for Austria and the development business; with a total of 24,000 apartments in the country, this will make Austria a sustainable part of Vonovia's apartment portfolio.

Bochum, 18 December 2017 – Vonovia SE and BUWOG AG have today signed a business Combination agreement for the combination of the two companies. On this basis, Vonovia intends to make a voluntary public takeover offer for all outstanding shares. Shareholders are to be offered € 29.05 in cash per BUWOG share (ISIN AT00BUWOG001). This cash offer, which is expected to be published at the beginning of February 2018, values BUWOG at around € 5.2bn (enterprise value), taking into account potential newly issued shares from a conversion of the convertible bonds issued by BUWOG (ISIN AT0000A1NQH2).

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The aim is to combine Vonovia's residential portfolio (around 350,000 apartments) with BUWOG's residential portfolio (around 49,000 apartments). Around 55% of apartments owned by BUWOG are located in Germany, for example in the dynamically growing cities of Berlin and Hamburg. BUWOG's apartments in Austria are located in regional centres such as Graz, Klagenfurt, Salzburg and Villach, as well as at its Vienna base, where Vonovia is already well-represented following the acquisition of conwert. With a total of 24,000 apartments in the country, this would make Austria a sustainable part of Vonovia's apartment portfolio.

Rolf Buch, CEO of Vonovia SE, says: "We are very pleased that our proposal has been positively received by the boards of BUWOG. BUWOG is an excellent fit for our company: the housing stocks complement each other perfectly in Germany and Austria. BUWOG also has a leading position in the development sector. A merger of the two companies offers clear positives for tenants and shareholders of both companies."

Daniel Riedl, CEO of BUWOG AG, says: "Taking into account business models and portfolios, a merger of BUWOG and Vonovia offers strategic advantages for both companies. The value and growth prospects of our attractive portfolio as well as our strong, successful position in the development sector will be duly taken into account in the present offer. Subject to legal and substantive examination of the offer document, we will recommend our shareholders to accept the offer."

Vonovia's planned offer of € 29.05 per BUWOG share represents a premium of 18.1% on the closing price of the BUWOG shares in official trading on the Prime Market (Amtlicher Handel) of the Vienna Stock Exchange on Friday, 15 December 2017.

Vonovia's offer will also be addressed to the holders of BUWOG's convertible bonds, who are to be offered € 115,753.65 in cash for each convertible bond with a nominal value of € 100,000 during the initial acceptance period and, in accordance with market practice, a reduced offer price per convertible bond during the three-month additional acceptance period.

Vonovia envisages financing the offer by means of debt capital.

Following the integration, Vonovia expects cost benefits of approximately €30m per year, which will arise from the joint management of both portfolios in Germany and Austria and are to be realized, for the most part, by the end of 2019. The combination will also have a positive effect for Vonovia's FFO 1 per share and adjusted NAV per share.

Daniel Riedl, CEO of BUWOG, is to be appointed to the management board of Vonovia and to assume responsibility for the Austrian business as well as the development business segment. It is also intended that Herwig Teufelsdorfer, the COO, will continue to lead the operational business in Austria. Andreas Segal, CFO, will have a key role in the implementation of the transaction before leaving in the second half of

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2018. In the case of a successful offer, the chairman of the supervisory board of BUWOG, Vitus Eckert, is expected to be proposed as a candidate for the supervisory board at the Vonovia annual general meeting.

In the future, the group will lead the Austria business from its new BUWOG headquarters at Rathausstraße 1 in Vienna. The location in Berlin will continue to lead the development business segment.

The management board and the supervisory board of BUWOG support the offer. The CEO of BUWOG, Daniel Riedl, and the chairman of the supervisory board, Vitus Eckert, intend to accept Vonovia's offer and to tender all of the BUWOG shares held by them.

With a successfully completed takeover, Vonovia will be given the opportunity to fill the supervisory board with new members. To this end, BUWOG will convene an extraordinary general meeting. Vonovia will nominate five of the six supervisory board members to be appointed by the shareholders and has undertaken to ensure that minority shareholders will also be adequately represented on the supervisory board. In this respect, Vonovia will support the candidate proposed by BUWOG for election.

The completion of the takeover offer will be subject to the statutory minimum acceptance threshold of 50% plus 1 share of all BUWOG shares that are subject of the offer, merger clearance in Germany and Austria as well as other customary closing conditions, such as no material adverse changes at BUWOG and capital market conditions, the details of which will be set out in the offer document. If successful, the takeover offer is expected to be settled mid-March 2018.

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About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns and manages around 350,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately EUR 30.9 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, GPR 250 and EPRA/NAREIT Europe. Vonovia has a workforce of approximately 8,400 employees.

Additional Information:

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

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Important Information:

This press release has been issued by Vonovia SE (Vonovia) solely for information purposes. Moreover, it is neither an offer to purchase nor a solicitation to sell securities of BUWOG AG (BUWOG). The final conditions and further provisions relating to the takeover offer will be published in the offer document which will be published subject to the Austrian Takeover Commission not prohibiting its publication. Vonovia as bidder reserves the right to deviate from the terms presented herein in the final terms and provisions of the takeover offer. Investors and holders of shares or convertible bonds in BUWOG are strongly recommended to review the offer document and all other documents related to the takeover offer, as they will contain important information. In accordance with Austrian and European law, the takeover offer to acquire a controlling interest will be conducted solely on the basis of the applicable provisions of the Austrian law, in particular the Austrian Takeover Act (Takeover Act). The intended takeover offer is not made or intended to be made pursuant to the laws of any jurisdiction other than those of Austria. With regard to the takeover offer Vonovia and the persons acting in concert with Vonovia within the meaning of section 1 no. 6 of the Takeover Act do not assume any responsibility for compliance with laws other than the laws of Austria. Notifications and the publication of information on the intended takeover offer are intended to be in Austria only, unless a notification or other publication is required or permitted under the respective laws of other jurisdictions.

To the extent permissible under applicable law or regulation, Vonovia or its brokers may purchase, or conclude agreements to purchase, shares in BUWOG, directly or indirectly, outside of the scope of the intended takeover offer, before, during or after the period in which the takeover offer remains open for acceptance. This also applies to other securities which are directly convertible into, exchangeable for, or exercisable for BUWOG shares, such as convertible bonds. These purchases may be conducted over the stock exchange at market prices or outside the stock exchange at negotiated conditions. Any information on such purchases will be disclosed as required by law or regulation in Austria.

This press release may contain statements, assumptions, opinions and predictions about the anticipated future development of Vonovia or BUWOG (forward-looking statements) that reproduce various assumptions regarding results derived from Vonovia's or BUWOG's current business or from publicly available sources that have not been subject to an independent audit or in-depth evaluation by Vonovia and that may turn out to be incorrect at a later stage. All forward-looking statements express current expectations based on the current business plan and various other assumptions and therefore come with risks and uncertainties that are not insignificant. All forward-looking statements should not therefore be taken as a guarantee for future performance or results and, furthermore, do not necessarily constitute appropriate indicators that the forecast results will be achieved. All forward-looking statements relate solely to the day on which this press release was issued to its recipients. It is the responsibility of the recipients of this press release to conduct a more detailed analysis of the validity of forward-looking statements and the underlying assumptions. Vonovia accepts no responsibility for any direct or indirect damages or

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