

## Press Release

Vonovia SE  
Philippstrasse 3  
44803 Bochum

Klaus Markus  
Head of Corporate  
Communications  
Phone +49 234 / 314 - 1149  
klaus.markus@vonovia.de

Rene Hoffmann  
Head of Investor Relations  
Phone +49 234 / 314 - 1629  
rene.hoffmann@vonovia.de  
[www.vonovia.de](http://www.vonovia.de)

**Results as of June 30, 2017**

### **Positive Momentum Continues: Vonovia Boosts Earnings Power in the First Half of the Year through Organic Growth**

- FFO 1 up by 18 % to € 457.7 million.
- 2017 investment program on track – 98 % of the € 730 million investment budget has already been completed or committed.
- Increase in housing-related services with an adjusted EBITDA from the Value-add Business of € 45.6 million.
- Forecast for the 2017 fiscal year confirmed – FFO 1 expected to climb by around 20 % to between € 900 million and € 920 million.

*Bochum, Germany, August 2, 2017* – Vonovia SE (“Vonovia”) continued its positive, dynamic performance in the first half of 2017. Once again, the company’s success was driven primarily by the billion-euro investment program and by organic growth thanks to housing-related services (“Value-add Business,” formerly known as the “Extension” segment).

“Our investment program is on track. In particular, we are making good progress with our series construction new builds using vertical expansions and densification,” said Rolf Buch, CEO of Vonovia. “This also means that we are helping to combat the shortage of apartments in cities. At the same time, we are bringing our buildings into line with the latest energy standards and are further expanding our housing-related services. This will allow us to offer modern homes for our customers.”

#### **Earnings Power Driven by Organic Growth**

Vonovia increased its FFO 1 (funds from operations; profit from operations after current interest and taxes) by 18 % as against the same period of 2016 to € 457.7 million (H1 2016: € 387.8 million). FFO 1 per share rose by 15.7 % to € 0.96 (H1 2016: € 0.83).

The EPRA NAV (net asset value, real estate asset value minus liabilities) came to € 18,702.8 million on June 30, 2017 (Dec. 31, 2016: € 17,047.1 million). This works out to be an EPRA NAV per share of € 39.25 (Dec. 31, 2016: € 36.58). The adjusted NAV per share – excluding goodwill from acquisitions – came to € 33.10 (Dec. 31, 2016: € 30.75). The property valuation performed as per the half-year mark for the first time also had a positive impact on the NAV thanks to an increase in value of around € 1.5 billion.

Rental income came to € 833.2 million. An increase in rents due to market-related factors (1.7 %) and the effects from property value improvements and new construction (2.0 %) increased the monthly rent per square meter to € 6.12. The vacancy rate of 2.9 % is largely attributable to the renovation of apartments that become available as part of the extensive investment program.

The converted real estate portfolio was integrated in full as planned in the first half of 2017. The number of people employed at Vonovia rose by 19.5 % year-on-year to a total of 8,257 employees.

## **Investment Program on Track**

The 2017 investment program for new construction and modernization was successfully continued in the first half of the year. 98 % of the investment volume of € 730 million has already been completed or committed. The company plans to build around 2,000 new apartments every year. Vonovia's new construction measures focus on series construction using prefabricated modules. After the first series construction new build was completed in Bochum in 2016, the company completed the first modular series construction project involving adding further stories to existing buildings in the Kreuzviertel district of Dortmund in May 2017. A total of 20 new apartments were completed in thirteen buildings following a construction period of just six months.

The latest sustainability report highlights the annual increase in energy efficiency achieved thanks to the energy-efficient modernization of existing buildings. In 2016, for example, energy efficiency measures led to savings of more than 42,000 megawatt hours (MWh) (2015: 26,000 MWh). This corresponds to energy savings for the buildings refurbished in 2016 of 47.5 %.

The extensive investment program also includes around € 340 million to be invested in maintaining existing apartments.

Vonovia SE  
Philippstrasse 3  
44803 Bochum

Klaus Markus  
Head of Corporate  
Communications  
Phone +49 234 / 314 - 1149  
klaus.markus@vonovia.de

Rene Hoffmann  
Head of Investor Relations  
Phone +49 234 / 314 - 1629  
rene.hoffmann@vonovia.de  
[www.vonovia.de](http://www.vonovia.de)

In the first half of 2017, Vonovia increased its expenses for maintenance by 7.1 % to total € 158.8 million (H1 2016: € 148.3 million).

Vonovia also expanded its housing-related services considerably. The adjusted EBITDA Value-add Business improved from € 26.0 million in the first half of 2016 to € 45.6 million in the first half of 2017.

The housing-related services offer advantages for customers and the environment alike: At present, smart metering is used to monitor energy consumption at approximately 30,000 apartments. Vonovia is also building roof-mounted photovoltaic facilities in many locations. The company is currently installing new photovoltaic facilities with total output of around 2.2 megawatt peak in a total of 56 residential buildings in Dresden. This is enough to cover the power consumed by 800 households.

## **Forecast for the 2017 Fiscal Year Confirmed**

Given the strong operating performance in the first half of 2017, Vonovia is confirming the forecast it has published for the year as a whole.

The company expects to achieve FFO 1 of between € 900 million and € 920 million. This is likely to put the FFO 1 around 20 % above the previous year's figure (2016: € 760.8 million). In addition, the current market trend is expected to continue, meaning that the value of Vonovia's properties is likely to increase further in the second half of 2017, translating into a higher NAV as well.

### **The 2017 H1 report:**

**<http://reports.vonovia.de/2017/half-year-report>**

**Further information can be found in [the press section](#).**

## **2017/2018 Financial Calendar**

**November 8, 2017:** Interim Report for the first nine months of 2017

**March 6, 2018:** Publication of 2017 Annual Report

**May 9, 2018:** Annual General Meeting

Vonovia SE  
Philippstrasse 3  
44803 Bochum

Klaus Markus  
Head of Corporate  
Communications  
Phone +49 234 / 314 - 1149  
klaus.markus@vonovia.de

Rene Hoffmann  
Head of Investor Relations  
Phone +49 234 / 314 - 1629  
rene.hoffmann@vonovia.de  
[www.vonovia.de](http://www.vonovia.de)

in € million

<b>Key Financial Figures</b>	H1 2017	H1 2016	Change in %	12M 2016
Rental income from property management	833.2	774.7	7.6	1,538.1
Adjusted EBITDA Operations	607.6	558.1	8.9	1,094.0
Adjusted EBITDA Rental	573.5	535.6	7.1	1,046.2
Adjusted EBITDA Value-Add Business*	45.6	26.0	75.4	57.0
Adjusted EBITDA Other	-11.5	-3.5	228.6	-9.2
Adjusted EBITDA Sales	44.3	46.5	-4.7	92.5
Adjusted EBITDA	651.9	604.6	7.8	1,186.5
FFO 1	457.7	387.8	18.0	760.8
FFO 1 per share in €**	0.96	0.83	15.7	1.63
Profit for the period	1,064.6	147.9	619.8	2,512.9
Spending on maintenance and modernization	456.4	295.3	54.6	792.4
thereof maintenance expenses and capitalized maintenance	158.8	148.3	7.1	320.1
thereof modernization (incl. new construction)	297.6	147.0	102.4	472.3

in € million

<b>Key Balance Sheet Figures</b>	Jun. 30, 2017	Jun. 30, 2016	Change in %	Dec. 31, 2016
Fair value of the real estate portfolio	30,830.2	23,794.1	29.6	27,115.6
Adjusted NAV	15,771.0	10,952.8	44.0	14,328.2
Adjusted NAV per share in €**	33.10	23.50	40.9	30.75
LTV in %	43.2	47.4	-4.2 pp	41.6

<b>Key Non-financial Figures</b>	H1 2017	H1 2016	Change in %
Number of own apartments (average)	355,570	351,720	1.1
Vacancy rate in %	2.9	2.8	0.1 pp
Number of employees (as of June 30)	8,257	6,909	19.5

in € million

<b>EPRA Key Figures</b>	Jun. 30, 2017	Jun. 30, 2016	Change in %	Dec. 31, 2016
EPRA NAV	18,702.8	13,671.7	36.8	17,047.1
EPRA NAV per share in €**	39.25	29.34	33.8	36.58

\* previously "Adjusted EBITDA Extension"

\*\* Based on the shares carrying dividend rights on the reporting date: Jun. 30, 2017:

476,460,248; Jun. 30, 2016: 466,000,624; Dec. 31, 2016: 466,000,624

Vonovia SE  
Philippsstrasse 3  
44803 Bochum

Klaus Markus  
Head of Corporate  
Communications  
Phone +49 234 / 314 - 1149  
klaus.markus@vonovia.de

Rene Hoffmann  
Head of Investor Relations  
Phone +49 234 / 314 - 1629  
rene.hoffmann@vonovia.de  
[www.vonovia.de](http://www.vonovia.de)

## About Vonovia

Vonovia SE is Germany's leading nationwide residential real estate company. Vonovia currently owns and manages around 355,000 residential units in all of Germany's attractive cities and regions. Its portfolio is worth approximately € 30.8 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 8,300 employees.

## Additional Information:

Approval: Regulated Market/Prime Standard, Frankfurt Stock Exchange

ISIN: DE000A1ML7J1

WKN: A1ML7J

Common code: 094567408

Registered headquarters of Vonovia SE: Düsseldorf, Germany, Düsseldorf Local Court, HRB 68115

Business address of Vonovia SE: Philippstrasse 3, 44803 Bochum, Germany

This press release has been issued by Vonovia SE and/or its subsidiaries solely for information purposes. This press release may contain statements, assumptions, opinions and predictions about the anticipated future development of Vonovia ("forward-looking statements") that reproduce various assumptions regarding, e.g., results derived from Vonovia'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 exact 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 losses or subsequent damages or losses, as well as penalties that the recipients may incur by using the press release, its contents and, in particular, all forward-looking statements or in any other way, as far as this is legally permissible. Vonovia does not provide any guarantees or assurances (either explicitly or implicitly) in respect of the information contained in this press release. Vonovia is not obliged to update or correct the information, forward-looking statements or conclusions drawn in this press release or to include subsequent events or circumstances or to report inaccuracies that become known after the date of this press release.

Vonovia SE  
Philippstrasse 3  
44803 Bochum

Klaus Markus  
Head of Corporate  
Communications  
Phone +49 234 / 314 - 1149  
klaus.markus@vonovia.de

Rene Hoffmann  
Head of Investor Relations  
Phone +49 234 / 314 - 1629  
rene.hoffmann@vonovia.de  
[www.vonovia.de](http://www.vonovia.de)