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Takeover Commission
c/o Vienna Stock Exchange
8/3 Seilergasse
1010 Vienna

***This is an English convenience translation of the German language report.
In case of discrepancies the German language report shall prevail.***

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**Independent expert opinion
according to
§§ 13 f Austrian Takeover Act (Übernahmegesetz)
of the voluntary public takeover offer
with the aim of gaining control following § 25a TA
submitted by Vonovia SE
to the shareholders of
conwert Immobilien Invest SE**

Content

A.	Assignment	4
B.	Execution of the mandate and independence.....	4
C.	The offer.....	4
D.	Assessment of the offer document.....	6
I.	Formal assessment of the offer document.....	6
1.	Review of completeness of the offer document.....	6
II.	Conditions of the offer.....	7
III.	Deadlines	8
IV.	Transactions in the Target Company's securities according to § 16 section 2 Takeover Act.....	8
V.	Determination of the offer price	8
E.	Assessment of the offer price	10
I.	Evaluation of the Target Company	10
1.	Net Asset Value.....	10
2.	Stock market price.....	11
3.	Analysts' assessment	12
4.	Multipliers of comparable listed companies (stock market multipliers).....	14
5.	Multipliers of comparable transactions (transaction multipliers).....	16
6.	Limited assessment of the fairness opinion provided by J.P. Morgan	17
7.	Summary	18
F.	Presentation of the company's bodies	18
G.	Statement of the Administrative Board	19
H.	Explanation of the arguments for accepting or rejecting the Offer	21
I.	Shares held by the Administrative Board of the Target Company	29
J.	Assessment of the opinion of the Administrative Board	29
K.	Conclusion of the assessment	30

Abbreviation Overview

Abbreviation	Definition
BCA	Business Combination Agreement
Bidder	Vonovia SE
bn.	Billion
conj.	conjunction
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EUR	EURO
FFO	Funds From Operations I
ISIN	International Securities Identification Number
m	Million
New Vonovia Shares	Up to 50,611,212 ordinary shares of Vonovia SE, which shall be issued by means of a non-cash capital increase from approved capital and, if needed, by a cash capital increase from approved capital
PwC	PwC Wirtschaftsprüfung GmbH
Target Company	conwert Immobilien Invest SE, Vienna
TA (ÜbG)	Takeover Act (Übernahmegesetz)

List of Appendices

Appendix 1: Statement of the Board of Directors

Appendix 2: Insurance coverage Confirmation

Appendix 3: General Conditions of Contract for the Public Accounting Professions (AAB 2011)

Independent expert report according to §§ 13 f Takeover Act (TA) of the voluntary public takeover offer with the aim of gaining control submitted by Vonovia SE to the shareholders of conwert Immobilien Invest SE

A. Assignment

PwC Wirtschaftsprüfung GmbH, Erdbergstrasse 200, 1030 Vienna, Austria ("**PwC**" or "**Independent expert of the Target Company**") was commissioned on 28 October 2016 by the Board of Directors upon a decision of the Administrative Board of

conwert Immobilien Invest SE
("Target Company" or "conwert")

to act as per §§ 13 f TA as an independent expert of the public takeover offer submitted by Vonovia SE ("Bidder") and to advise the company throughout the entire takeover process. The delivery of the appointment is a written report in line with § 14 section 2 TA.

B. Execution of the mandate and independence

Our firm is independent in relation to the Target Company, the Bidder or parties acting in concert with the Bidder with regard to the appropriate regulations of the TA as well as with regard to our professional regulations.

The required liability insurance coverage, as stated in § 9 no. 2 lit a of the Austrian TA (i.e. a third party liability insurance with an insurance company authorised to carry out business domestically, covering the liability risk arising from providing consultancy and audit services) for a minimum of EUR 7.3m for one year is in place (see Appendix 2). The "General Conditions of Contract for the Public Accounting Professions (AAB 2011)", issued by the Austrian Chamber of Public Accountants and Tax Advisors, which are enclosed in this report as Appendix 3, apply in relation to the execution of PwC's appointment.

The members of the Administrative Board have, by way of signed Letters of Representation, confirmed they have made available to us the entire information and documentation that is known to them and relevant for the assessment of the public voluntary takeover offer.

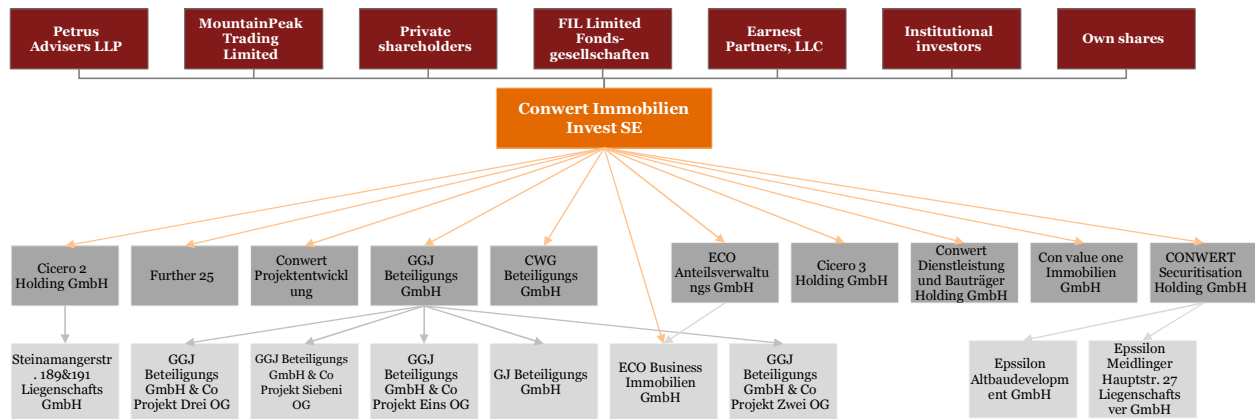
C. The offer

On 17 November 2016 Vonovia SE published a public voluntary takeover offer with the aim to control to all shareholders of the Target Company in accordance with § 25a TA.

The nominal capital in value of approx. EUR 509.5m has been allocated to 101,906,213 non-par shares which have subsequently been distributed to the owners of the Target Company. Each share represents a EUR 5.00 stake to the nominal capital. The shares are quoted on the prime market of the Vienna Stock Exchange.

The main shareholders on the day of the publication of the voluntary takeover offer (17 November 2016) were as follows:

Figure 1: Company structure convert



Source: Austrian Company Register

Sharholder	Number of shares	Share of nominal capital (in %)	Share of voting rights (in %)
MountainPeak Trading Ltd.	26,160,921	25.67%	26.07%
FIL Investment International	7,259,798	7.12%	7.24%
EARNEST Partners, LLC	4,233,888	4.15%	4.22%
Own shares	1,576,464	1.55%	
Widely spread shareholdings	62,675,142	61.50%	62.47%
Total	101,906,213	100.00%	100.00%

As of the day of publishing the voluntary takeover offer, neither the Bidder nor any parties acting in concert with the Bidder hold any interest in the Target Company. The bidder does, however, have a commitment agreement with Mountain Peak Trading Ltd., a shareholder of the Target Company.

Furthermore, the Bidder entered into a Business Combination Agreement (BCA) with the Target Company on 5 September 2016. Under this Agreement, the Target Company, among other matters, agreed to sell the own shares in line with the public takeover offer published.

On the basis of the current shareholder ownership of the Target Company, the offer targets a takeover of up to 101,906,213 shares of the Target Company. These shares are quoted on the prime market of the Vienna Stock Exchange and represent in total a 100% stake in the nominal capital.

The shareholders of the Target Company, which are willing to accept the offer, have the possibility of being compensated in two ways: via a cash offer or via a share exchange for all or for only part of the shares tendered.

conwert shareholders accepting the cash offer receive EUR 16.16 for each share (incl. dividend payments for 2016). The share exchange option gives the shareholders of the Target Company the possibility to exchange each one of their shares against 0.496645 New Vonovia Shares.

The offer can be accepted from 18 November 2016 until 19 December 2016. In line with § 14 section 1 TA, the Administrative Board is to submit a statement on the public offer immediately after the publication of the voluntary public takeover offer. The independent expert has to evaluate the offer and the statement of the Administrative Board. The Administrative Board has to publish its statement about the offer received and the report of the independent expert no later than ten trading days after the publication of the offer and in no way later than five trading days prior to the expiration of the offer period. Therefore, the relevant publishing date is 1 December 2016, which is ten trading days after the publication of the voluntary public takeover offer.

D. Assessment of the offer document

I. Formal assessment of the offer document

As independent experts of the Target Company, we first assessed the formal completeness of the offer in terms of § 7 TA and then reviewed whether the necessary minimum information is included and thus the offer includes the legally required content (§ 3 no. 2 TA).

1. Review of completeness of the offer document

- § 7 no. 1 TA: The offer document contains the entire legally required minimum content of the offer.
- § 7 no. 2 TA: The offer document includes details on the legal form, name and registered office of the Bidder. The offer document further includes information on the shareholder structure of the Bidder.
- § 7 no. 3 TA: The offer relates to the purchase of a total of 101,906,213 shares of the Target Company (ISIN AT0000697750) admitted for official trading on the Vienna Stock Exchange (Segment Prime Market) and constituting 100% of the share capital of the Target Company.
- § 7 no. 4 TA: With regard to the shares or part of the shares, the shareholders of the Target Company, who want to accept the offer, will have the possibility to choose between a cash offer, an alternative exchange offer, or a combination of both:
- Cash offer: the offer price is EUR 16.16 per convert share cum dividend 2016 and is provided in cash
 - Share exchange offer: the offer implies an exchange of one convert share for 0.496645 New Vonovia Shares
- With regard to a cash offer, the pricing rules of § 26 section 1 last sentence TA for voluntary public takeover offers have been complied with.
- § 7 no. 5 TA: As this is a voluntary public takeover offer with the aim to gain control in terms of § 25a TA, the statutory minimum acceptance level applies, which requires more than 50% of the shares with permanent voting rights to be included in the offer. Thus, the offer will only be successful if the offer is accepted for at least 50,953,107 shares of the Target Company until the end of the acceptance period (19 December 2016).

- § 7 no. 6 TA: The Bidder declares in the offer that neither the Bidder nor any parties acting in concert with the Bidder are holding shares of the Target Company at the time of publication of the offer document. Furthermore, the Bidder refers to the delivery undertaking with Mountain Peak Trading Ltd. and the Business Combination Agreement with the Target Company. Consequently, the Bidder already has commitments for 27,737,385 shares (i.e. around 27.22% of the share capital).
- § 7 no. 7 TA: In the offer, the Bidder sets out the conditions precedent. According to § 19 section 1c TA, the Bidder explicitly reserves the right to withdraw from this offer, if another bidder presents a public offer for the Target Company's shares.
- § 7 no. 8 TA: The Bidder has outlined in the offer which strategic goals the Bidder is striving to achieve with regard to the business policies of the Target Company, including effects on the employment situation and the sites affected.
- § 7 no. 9 TA: The acceptance period is slightly over 4 weeks. The period runs from 18 November 2016 to 19 December 2016 and lies within the statutory range of 2 to 10 weeks. The Bidder reserves the right to extend the acceptance period.
The Bidder explicitly refers to the fact that in case a competing offer is published, shareholders have the right to withdraw from their declaration of acceptance in accordance with § 17 TA until 4 trading days prior to the end of the original acceptance period.
- § 7 no. 10 TA: As the offer also includes the possibility of an exchange in the form of shares (New Vonovia Shares), it also contains a reference to a prospectus of the German securities regulator. This has not been reviewed by us. The requirements concerning information in compliance with the Austrian TA have been met.
- § 7 no. 11 TA: The financing conditions of the offer by the Bidder are outlined in the offer document.
- § 7 no. 12 TA in conj. with § 1 no. 6 TA: According to its own specifications, the Bidder has no controlling shareholder. The legal bodies controlled by the Bidder are deemed parties acting in concert with the Bidder. The offer contains information in this respect.
- § 7 no. 13 TA in conj. with § 27a TA: The articles of association of the Target Company do not include any obstacles to the takeover in connection with § 27a TA.
- § 7 no. 14 TA: The offer outlines that by written acceptance of the offer a conditional purchase or exchange contract according to Austrian law is concluded. The place of jurisdiction will be a competent court in Vienna, Inner City, with the only exception being consumer transactions.

II. Conditions of the offer

- § 8 TA: The offer is subject to a number of execution conditions set out in the offer.

III. Deadlines

- § 19 section 1, 1b, 1c and 2 TA: The acceptance period runs from 18 November 2016 to 19 December 2016 and is thus approximately 4 weeks, lying within the statutory range of 2 to 10 weeks. The Bidder reserves the right to extend the acceptance period in line with § 19 section 1 TA. The notification of the results of the takeover offer is planned to be announced immediately after the end of the acceptance period in the official gazette “Amtsblatt der Wiener Zeitung” as well as on the websites of the Bidder, the Target Company, and the Takeover Commission.
- § 19 section 3 TA: For those shareholders who have not accepted the offer within the acceptance period, the acceptance period is extended by 3 months from the date of announcement of the result.

IV. Transactions of the Target Company’s securities according to § 16 section 2 TA

- § 16 section 2 and 7 TA: Any statement made by the Bidder or a party acting in concert with the Bidder before the end of the – if applicable, extended – acceptance period to purchase securities that are part of the offer at better conditions than stated in the offer, counts as an enhancement of the offer to all shareholders holding securities that are subject to the offer. The same holds true in the case that the Bidder, or a party acting in concert with the Bidder, grants or contracts shares within 9 months after the end of the statutorily extended acceptance period for a consideration higher than the consideration offered for these securities. This subsequent payment comprises those cases in which the Bidder grants or contracts a consideration higher than the consideration offered for shares of the Target Company, or receives such consideration in case of a resale of a controlling interest. Explicitly excluded from this are cases in which the Bidder or a party acting in concert with the Bidder purchases shares exercising a statutory subscription right in case of a capital increase or in which a higher consideration is delivered in the course of a squeeze-out procedure. The Bidder declares in the offer not to have made a decision concerning a squeeze-out yet.

V. Determination of the offer price

The weighted average share prices for the last 3, 6, 12 and 24 calendar months prior to publication are as follows:

	3 months	6 months	12 months	24 months
Average price	14.54	14.20	13.46	12.22
Absolute premium	1.62	1.96	2.70	3.94
Premium in %	11.13%	13.80%	20.06%	32.27%

Source: Share price, PwC analysis, Calculations are based on the stock rates and premiums rounded to 2 decimal places

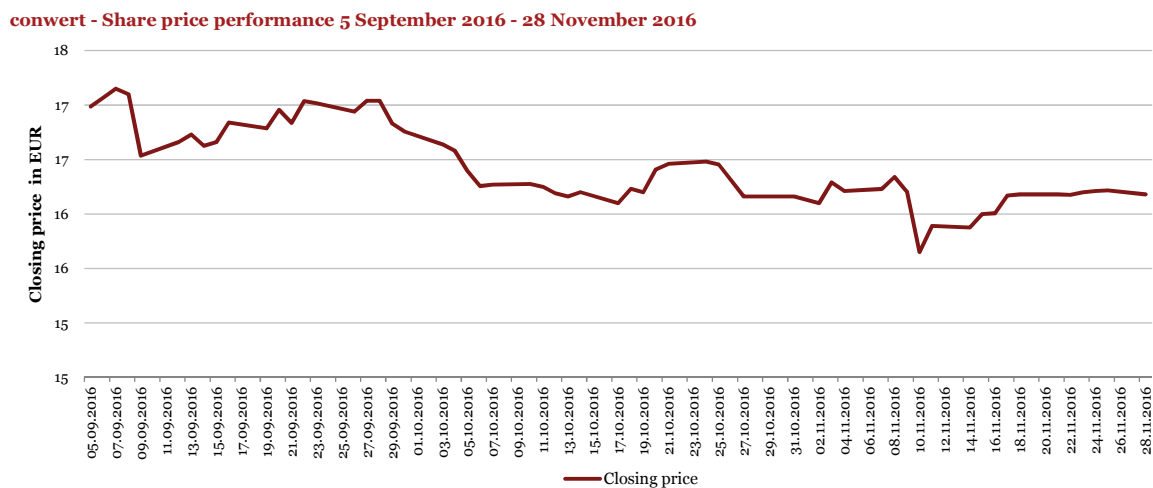
As shown in the table above, the offer price lies clearly above the average volume-weighted share price in the period from 3 September 2014 to 2 September 2016. The book value of the capital per

convert share in the quarterly report as of 30 September 2016, is EUR 13.78. The offer price of EUR 16.16 is thus approximately 17.27% above the book value of the Target Company's equity. The highest share price of the Target Company's ordinary shares over the past 24 months prior to the Bidder's offer announcement was reached on 2 September 2016, peaking at EUR 16.145.

Pursuant to § 26 section 1 TA, the price of a voluntary offer for the purpose of gaining control may not be less than the highest consideration of the Bidder or a party acting in concert with the Bidder, within the last 12 months before the announcement of the offer. Furthermore, the price must be at least equal to the average stock market volume-weighted share price during the last six months prior to the day on which the intention to make an offer was announced. In this case, this is the period from 3 March 2016 to 2 September 2016. The offer price of the Bidder for the ordinary share of EUR 16.16 meets these requirements.

After a small increase of the stock market price of the Target Company's shares due to the Bidder's announcement of the intention to launch an offer, the share price steadily declined since the end of September.

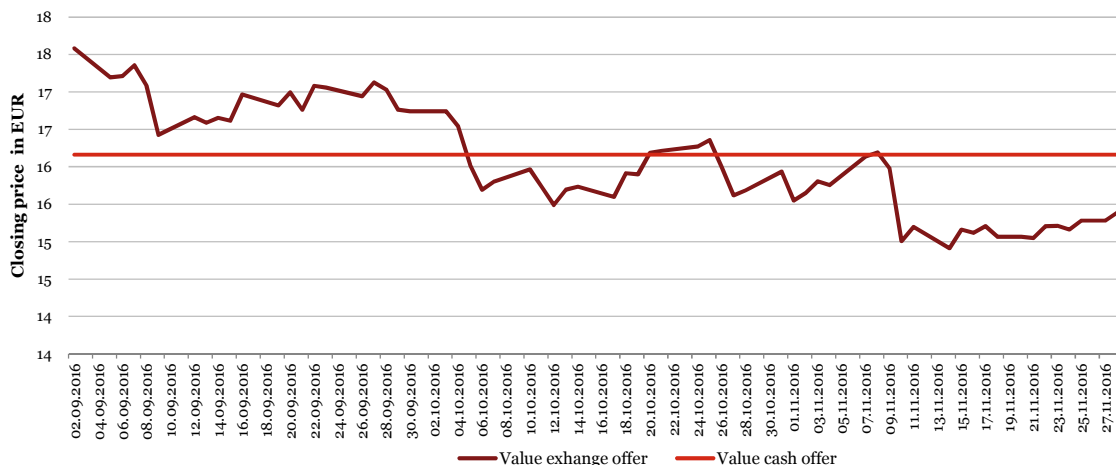
Figure 2: Performance of the Target Company's shares from 5 September to 28 November 2016 (in EUR)



Source: Share prices, Bloomberg, PwC analysis

The offer also includes the possibility of consideration in the form of securities (New Vonovia Shares). The exchange offer includes the exchange of one convert share for 0.496645 New Vonovia Shares. The following figure compares the cash offer of EUR 16.16 to the market exchange rate of New Vonovia Shares in the period from 2 September 2016 to 28 November 2016 (calculated on the basis of the conversion ratio of 1: 0.496645). The exchange value of the offer converted into New Vonovia Shares initially exceeded the offer price, but has fallen almost continuously since the end of September.

Figure 3: Value development of the share exchange offer for the period from 2 September 2016 to 28 November 2016 compared to the cash offer (in EUR)



Source: Share prices, Bloomberg, PwC analysis

E. Assessment of the offer price

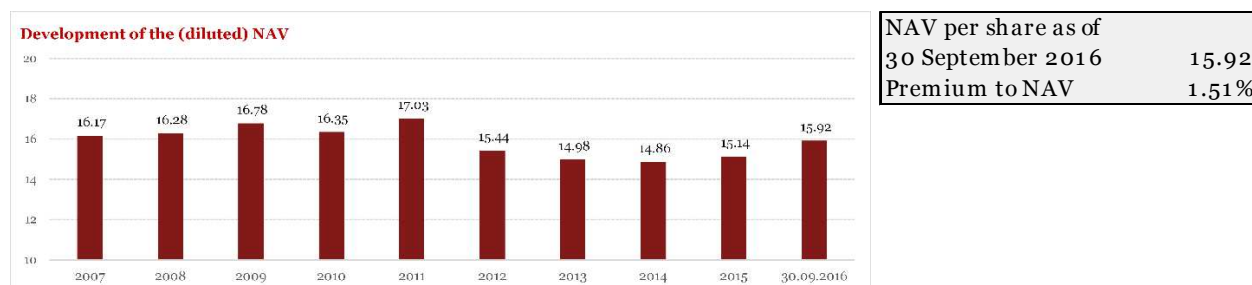
I. Evaluation of the Target Company

1. Net Asset Value

In order to determine the value of a real estate company such as the Target Company it is common to use its net asset value (“**Net Asset Value**” or “**NAV**”), which is calculated according to the criteria of the European Public Real Estate Association (EPRA) (“**EPRA NAV**”). The NAV is based on the company’s equity or, respectively, its net assets. When calculating the company's assets, the fair value of the real estate assets are generally calculated by discounting future cash flows to the valuation date.

The Figure 4 below shows the historical development of the diluted EPRA NAV per share of the Target Company over the period 2007 to the first half of 2016.

Figure 4: Development of the diluted EPRA NAV from January 2007 to 30 September 2016.



Source: PwC analysis, half year financial report

Over the analysed period, the diluted EPRA NAV per share ranged between EUR 14.86 and EUR 17.03 averaging EUR 15.89. The diluted EPRA NAV per share fell sharply after reaching its peak in 2011 but experienced stable growth rates over the last years. As of 30 September 2016, the NAV stood at EUR 15.92.

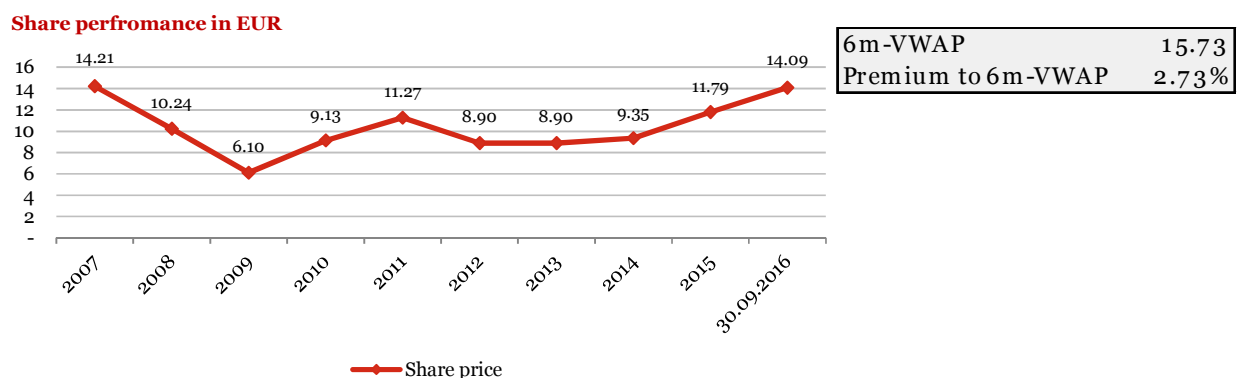
The calculation of the NAV and the assessment of the offer price does not take into account that the Target Company is expecting valuation gains of EUR 85m to EUR 105m for the last quarter of 2016, which were announced by the Target Company on 25 November 2016. This revaluation would probably lead to a higher NAV compared to the offer price. However, since the mentioned valuation gains were communicated indicatively, the final valuation gains are not yet defined.

In summary, the cash offer of EUR 16.16 per share is EUR 0.24 above the NAV as at 30 September 2016. This corresponds to a premium of 1.51%. In addition, the cash offer is also above the average NAV for the last nine years. It should be noted, however, that for listed companies such as the Target Company, in addition to the NAV, other criteria for the plausibility check of the company value are to be considered. In addition to the historical market price development and analyst estimates, stock market and transaction multipliers can be considered.

2. Stock market price

The following figure shows the development of the yearly average stock market price of the Target Company over the period December 2007 to September 2016.

Figure 5: Development of the share price average from January 2007 to September 2016.



Source: PwC analysis, Annual reports

The 6-month volume-weighted share price ("6m-VWAP") of the Target Company's stock as of 14 November 2016 is EUR 15.73, which is EUR 0.43 below the cash offer of EUR 16.16. This corresponds to a premium on the VWAP of 2.73%. Between 2007 and 30 September 2016, the average share price of the Target Company was EUR 10.40, whereas the corresponding NAV was exceeded at every point in time. As possible reasons for the occasionally strong deviations, the following points should be considered:

- **Market inefficiencies:**
Market inefficiencies and the overall stock-exchange sentiment can lead to over- and undervaluation at the market.
- **Different Methodologies:**
The valuation on the stock exchange market is determined for an entire company. The stock market, therefore, shows current changes in the value of real estate markets or those expected in the future faster than shown in the company's equity. Furthermore, contrary to the NAV, the expected cash flow, dividend policy, shareholder structure, management and efficiency are additionally considered within the stock market price. Within this context, we refer to the analysts' reports, which in some points align changes of the management and the shareholder structure to their valuations.

- Difference in interest rates:
The property yield (or discount rate/cap rate) does not necessarily correspond to the interest rate derived from capital markets in the calculation of the company value.
- Leverage-Effect:
The type of financing is not taken into account when determining the NAV. On the other hand, the share price also reflects the effects of financing, such as liquidity and losses as a result of rising indebtedness. Here too, we refer to analyst reports that mention the financing costs of the Target Company and therefore obviously regard them in their assessment of the Target Company.

3. Analysts' assessment

Besides evaluating the historical share price, analysts' expectations concerning the future development of the share price of the Target Company provide an additional point of orientation. The following recommendations have recently been given by independent analysts:

Erste Group, 26 August 2016 – Target Price: EUR 16.00

“Conwert achieved the best half-year result in its history; Its FFO I (“Funds from operations before sales and one-off items”) could be increased by 52.6% to EUR 39.4 m and its consolidated profit after tax tripled to EUR 74.9 m. This year, it is planned to sell EUR 300-350 m of non-core properties and to reinvest in real estate portfolios of core regions. The NAV per share (EPRA, basic) is now EUR 16.40, which is already above our target price of EUR 16.00. Our current recommendation is Accumulate.”

Raiffeisen CENTRO Bank, 26 August 2016 – Target Price: EUR 15.60

“Following the solid 2Q 16 results release we raised our recurring earnings (FFO I) and EPRA NAV expectations over the entire forecast period. We also include all dilution effects from the termination of the only remaining convertible bond of the group. These upgrades lead to a new target price of EUR 15.6 (EUR 14.70 before). We maintain our HOLD rating in absence of significant share price upside and based on our base case assumptions. Germany property acquisitions in excess of EUR 120m p.a. and further revaluation gains constitute the main upside risk factors.”

Baader Helvea, 25 August 2016 – Target Price: EUR 18.00

“We increase our TP by 29% to EUR 18 and change our recommendation from Hold to Buy as the company continuously delivers on its targets regarding streamlining its portfolio shown by current disposal volumes, vacancy reduction in its core markets and acquisitions. We also increased our overall estimates regarding valuation, FFO and DPS. We now expect a higher total shareholder value return of 7.2% and a higher dividend yield of ~3.7%; and we changed our valuation model configuration due to the current interest environment. At our new TP of EUR 18 conwert offers an attractive total return potential of 23%.”

Kepler Cheuvreux, 25 August 2016 – Target Price: EUR 17.50

“Conwert made good progress in its portfolio repositioning, as it managed to sign non-core disposals of EUR142m (EUR300-350m targeted for 2016) and acquisitions of EUR90m by August. With a filled acquisition pipeline and a reported 44.6% LTV, it is well positioned to grow the company again. Cost savings of EUR 8m and additional upside to still high financing costs (2.27%) create decent FFO upside. We increase our FFO per share forecasts by 7-8% for 2016-18E and raise our target price from EUR15.50 to EUR 17.50.”

Deutsche Bank, 24 August 2016 – Target Price: EUR 19.00

“We maintain our Buy rating and raise our TP slightly from EUR 18.50 to EUR 19.00. We raise our FFO forecast by 16 percent this year as the restructuring is progressing faster than expected. Downside risks: 1) Tighter German rent regulation; 2) Unexpected restructuring one-offs; 3) M&A.”

Oddo Seydler, 24 August 2016 – Target Price: EUR 17.00

“Based on the ongoing operational improvement and cost structure enhancement, we reiterate our Buy recommendation and lift our TP to EUR 17.00 from EUR 16.50. Our new TP of EUR 17.00 translates to a small premium of 2.5% to our 2016e fully diluted EPRA NAVPS of EUR 16.58 while the average peer group premium is ~20-25%. Our TP also results in a 2016e P/FFO I multiple of ~22x, which is within the bandwidth of ~20-30x for Deutsche Wohnen, LEG Immobilien, and Vonovia.”

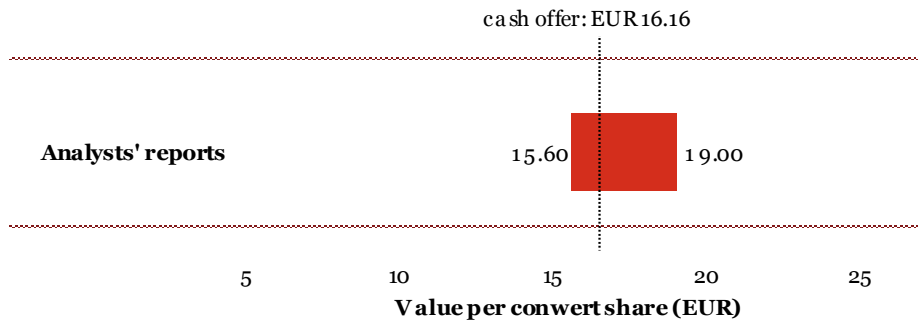
SRC, 24 August 2016 – Target Price: EUR 16.00

“We maintain our Buy rating and lift our TP up to EUR 16.00 (EUR 15.50 before) as conwert again lifts FFO guidance after very good 1H results with tripling the bottom line and +53% at FFO I.”

The analysts estimate a value range of EUR 15.60 to EUR 19.00. The cash offer of the Bidder lies in the lower third of the value range.

Figure 6: Bandwidth of the share prices according to analysts' estimates

Value range as per analysts' reports



Source: PwC analysis, analyst reports

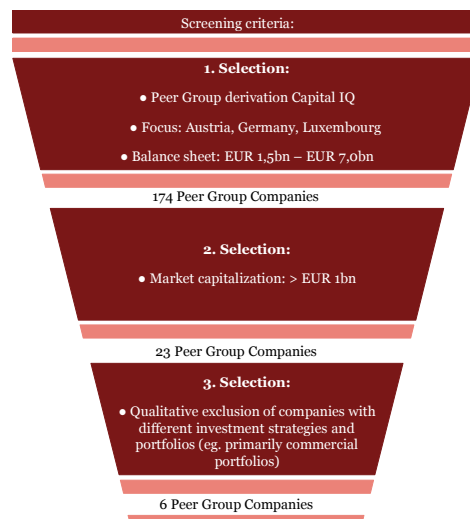
4. Multipliers of comparable listed companies (Stock market multipliers)

When conducting company valuations, multipliers are commonly used as indicators for comparable companies of the same sector and applied on the company to be assessed. The entity value can then be conducted by comparison with similar companies (the so-called “peer group”). The peer group usually consists of companies that operate in the same sector and, furthermore, have a comparable business model. In particular, it has to be ensured that peer group companies operate in a similar target market and display a similar profitability. The regional positioning of the Target Company, focusing on Austria and Germany, reduces the possible peer companies of the same sector accordingly.

It should be noted that virtually no company is completely comparable with another company. The result of the multiplier evaluation should therefore be regarded as a range of possible values in which the valuation result should be found.

Based on information from the financial database provider Capital IQ, we have compiled a list of companies that have been filtered according to the criteria shown in the chart below.

Figure 7: Selection criteria for peer group identification



Source: PwC analysis, Capital IQ

By applying the criteria mentioned above, the following six peer group companies can be derived:

- BUWOG GROUP, Vienna, Austria
- TAG Immobilien AG, Hamburg, Germany
- Deutsche Wohnen AG, Frankfurt am Main, Germany
- LEG Immobilien AG, Düsseldorf, Germany
- Vonovia SE, Düsseldorf, Germany
- Grand City Properties S.A., Luxembourg, Luxembourg

In the context of a comparative market assessment, multipliers based on different success factors can be applied.

As part of the valuation, the following multipliers were used:

- Price-net asset value-multiplier (P/NAV)
- Price-funds from operations-multiplier (P/FFO) (the FFO describes the generated cash flow from the operative business)
- Enterprise value/EBITDA-multiplier (EV/EBITDA) (principally neutralises the capital structure and is able to compensate differences arising from investment behaviour.)

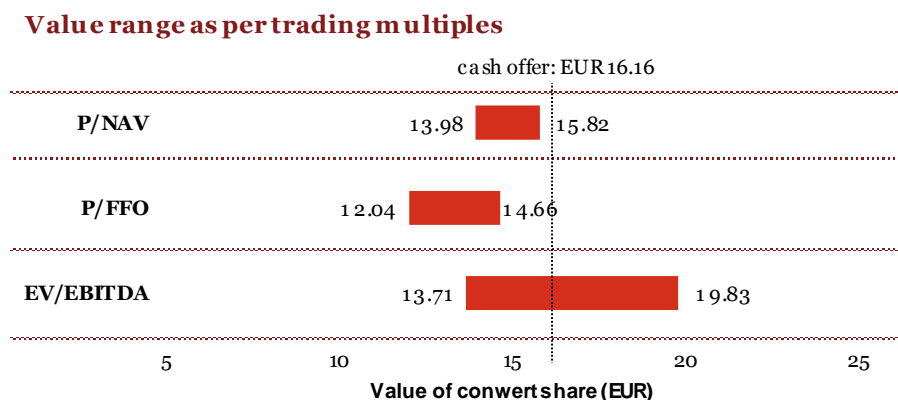
We have determined the multipliers for the selected peer group for the years 2015 and 2016 (see below). We then applied these to the corresponding key figures of the Target Company. The key figures for 2016 are based on the quarterly report of the Target Company as of 3 September 2016. We have extrapolated these for the full year to be able to derive the corresponding bandwidths for the company value.

Peers	Multiples 2015			Multiples 2016		
	P/NAV	P/FFO	EV/EBITDA	P/NAV	P/FFO	EV/EBITDA
BUWOG AG	n.a.	30.4 x	33.4 x	n.a.	29.9 x	37.2 x
TAG Immobilien AG	1.0 x	18.9 x	10.9 x	n.a.	17.7 x	11.0 x
Deutsche Wohnen AG	1.0 x	28.5 x	28.4 x	1.0 x	23.5 x	28.3 x
LEG Immobilien AG	1.2 x	22.9 x	29.6 x	1.1 x	15.9 x	24.7 x
Vonovia SE	1.0 x	21.9 x	30.7 x	1.0 x	18.6 x	25.6 x
Grand City Properties S.A.	1.2 x	23.0 x	26.8 x	0.7 x	15.0 x	20.9 x
Median	1.0 x	23.0 x	29.0 x	1.0 x	18.1 x	25.1 x

Source: PwC analysis, Capital IQ, quarterly reports

The results show a range of EUR 12.04 to EUR 19.83 per share. The cash offering of the bidder of EUR 16.16 lies in the upper third of the derived range.

Figure 8: Value bandwidths trading multiples



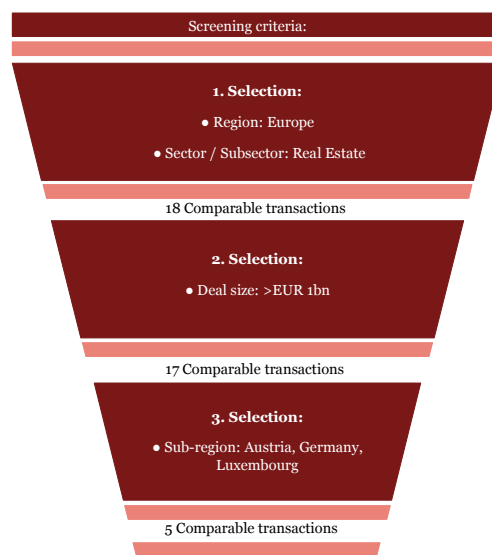
Source: PwC analysis, Capital IQ, quarterly reports

5. *Multipliers of comparable transactions (transaction multipliers)*

In order to evaluate the company through transaction multipliers, it is necessary to screen past public acquisitions of companies or shares on such companies, which are characterized by being in a similar situation to determine a comparative range of effectively paid prices.

In the case of transaction multipliers, it must be borne in mind that the purchase price actually paid is largely determined by the subjective interests of the transaction partners. For instance, they take into account synergy effects and subjective expectations.

We have created a list of transactions based on information from the Mergermarket database. This was filtered according to the criteria listed in the figure below:



Source: PwC, Analysis, Capital IQ

By applying the 3 selection criteria given above, the following four comparative transactions can be identified:

- Acquisition of a 26% share of CA Immobilien Anlagen AG (Vienna, Austria) by Immofinanz AG (Vienna, Austria), announced on April 18, 2016;
- Acquisition of 100% of the shares of DO Deutsche Office AG (Cologne, Germany) by alstria office REIT-AG (Hamburg, Germany), announced on 16 June 2015;
- Takeover of 100% of the shares of GAGFAH S.A. (Luxembourg) by Vonovia SE (Düsseldorf, Germany), announced on 1 December 2014;
- Takeover of 100% of the shares of GSW Immobilien AG (Frankfurt / Main, Germany) by Deutsche Wohnen AG (Düsseldorf, Germany), announced on August 20, 2013;

The multipliers of the comparative transactions are shown in the table below. Due to the lack of public information, contrary to the stock exchange multipliers, we only used the EV / EBITDA multiplier.

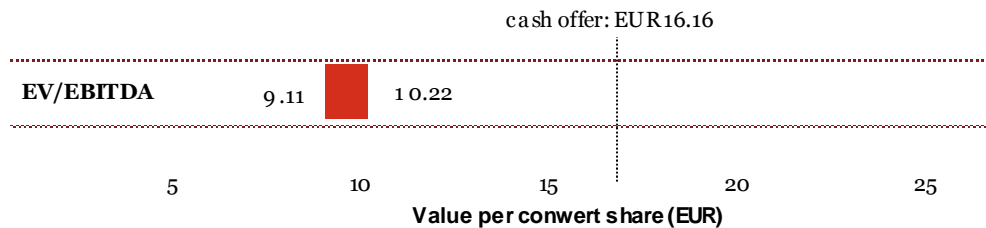
Comparable transactions	EV/ EBITDA
CA Immobilien Anlagen AG (26% Beteiligung) - Immofinanz AG	23.3 x
DO Deutsche Office AG - alstria office REIT-AG	10.0 x
GAGFAH S.A. - Vonovia SE	25.0 x
GSW Immobilien AG - Deutsche Wohnen AG	17.9 x
Median	20.6 x

Source: PwC analysis, Mergermarket

Based on the multiplier mentioned above, the value for the Target Company ranges from EUR 9.11 to EUR 10.22 per share. The cash compensation offered by the Bidder is clearly above this range.

Figure 9: Value bandwidth transaction multipliers

Value range as per comparable transactions



Source: PwC analysis, Capital IQ

In addition, we have calculated the implied selling prices for the four transactions based on the 6m VWAP, as well as the last exchange rate, before the announcement date of the transaction premiums. Two transactions represent an offer, one a pure cash offer and one a combination of a cash and share exchange offer.

Target company	Bidder	Type of offer	Announcement date	6m VWAP	Premium to 6m VWAP	Share price	Premium to share price
CA Immobilien Anlagen AG (26% Beteiligung)	Immofinanz AG	cash offer	18.04.2016	16.55	42.03%	17.44	34.75%
DO Deutsche Office AG	alstria office REIT-AG	share exchange	16.06.2015	3.30	35.20%	4.02	9.71%
GAGFAH S.A.	Vonovia SE	mix	01.12.2014	13.97	23.77%	15.52	15.98%
GSW Immobilien AG	Deutsche Wohnen AG	share exchange	20.08.2013	n.a.	n.a.	31.46	14.78%

Source: Mergermarket, Capital IQ, company information

6. Limited assessment of the fairness opinion provided by J.P. Morgan

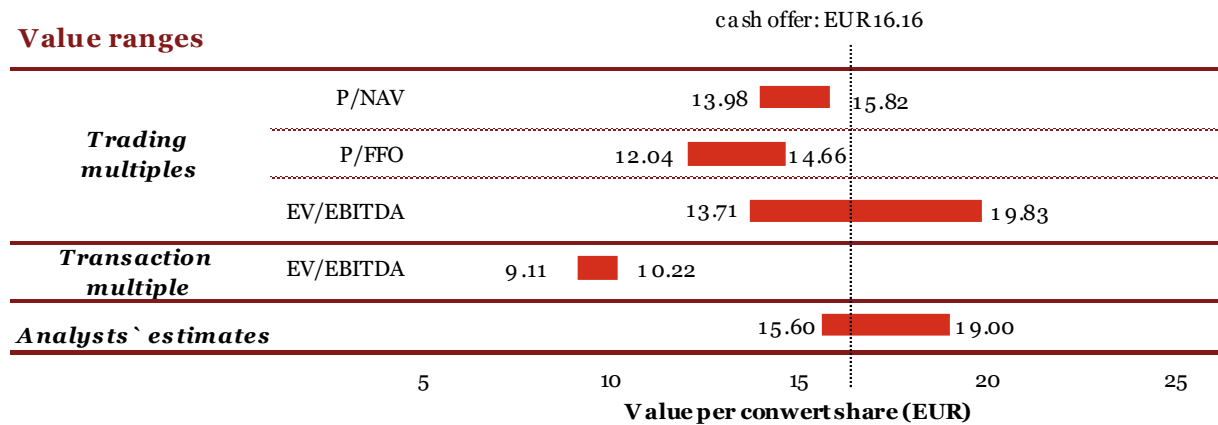
J.P. Morgan AG, Frankfurt am Main (“J.P. Morgan”) was mandated by the Target Company to provide a fairness opinion to the cash offer of the Bidder. J.P. Morgan performed a valuation of the company’s value, applying commonly used valuation methods.

However, we would like to point out that we did not undertake an in-depth examination of J.P. Morgan’s fairness opinion, as we did neither analyse the business plan for its plausibility, nor the individual assessment parameters. However, it should be noted that J.P. Morgan, based on the information provided, came to the result that the Bidder’s cash offer was adequate at the relevant valuation date.

7. Summary

To conclude, it should be noted that the Bidder’s cash offer of EUR 16.16 is either significantly above or at least in a plausible range of relevant benchmarks for the value of the Target Company. In particular, the cash offer is above the NAV as of 30 September 2016. In consideration of all factors mentioned, we therefore consider the Bidder’s offer as economically appropriate on the relevant valuation date.

Figure 10: Value range summary



Source: PwC analysis

F. Presentation of the company’s bodies

The Administrative Board of the Target Company consists of the following persons:

- Dr. Alexander Proschofsky**
- Peter Hohlbein**
- Mag. Erich Kandler**
- Dr. Dirk Hoffmann**
- Andreas Lehner**

Furthermore, the following persons are managing directors of the Target Company:

- Dr. Wolfgang Beck**
- Mag. Thomas Doll**

The Target Company is a monistic SE, in which the Administrative Board leads the company. The Target Company itself does not have a works council. Accordingly, only the board of the Target Company will make and publish an opinion on the offer pursuant to § 14 TA.

G. Statement of the Administrative Board

In particular, according to § 14 section 1 TA, the statement of the Administrative Board of the Target Company has to contain the following:

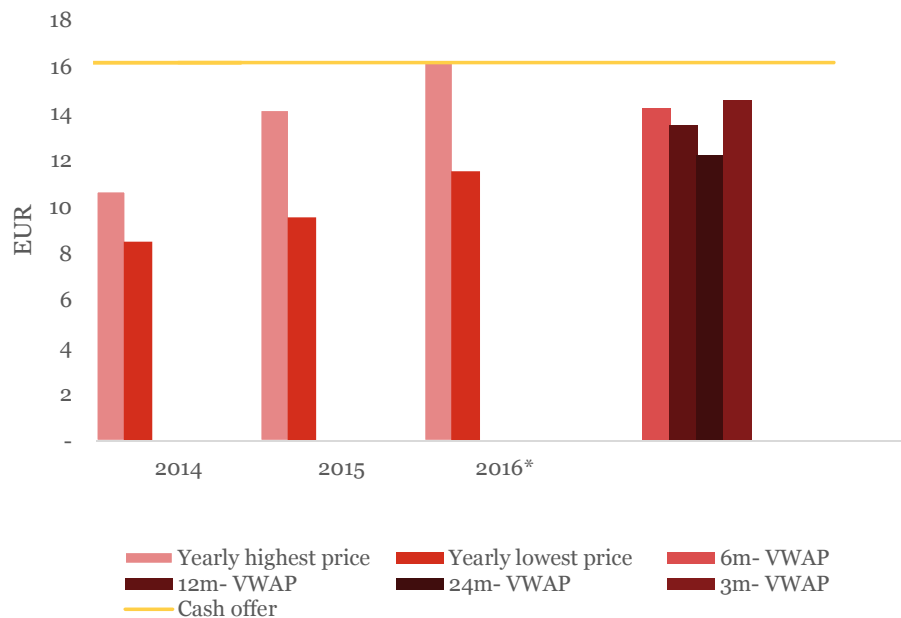
- an assessment whether the offered consideration and the other content of the offering represent the interests of all shareholders and which effects the offer might have on the Target Company and, especially, the employees, the creditors and the public interest
- if the Administrative Board is not in a position to issue a final recommendation, it must in any case provide relevant arguments for the acceptance or rejection of the offer

The Administrative Board issued a statement pursuant to § 14 section 1 TA on 29 November 2016, regarding the Bidders' offer. In this statement the Administrative Board in particular refers to the following points:

In this context, the Board notes that the cash offer price of EUR 16.16

- exceeds the weighted average rates of the last 6 calendar months (EUR 14.20)
- lies above the average rates of the last 3, 12 and 24 months prior to publication of the announcement of the intention to launch an offer.

Figure 11: Offer prices in relation to the share prices of the Target Company (in EUR) until 2 September 2016



Source: Annual reports conwert Immobilien Invest SE, PwC analysis

In this context, the Administrative Board points out that there is no statutory requirement for the value of the exchange offer. Measured at the fair value of the Vonovia share on 2 September 2016, the exchange offer (one conwert share against 0.496645 New Vonovia Shares) represents a premium of 23.80% compared to the VWAP of the last 6 months of the Target Company prior to publication of the intention of a bid (EUR 14.20). According to the offer document, the New Vonovia Shares are entitled to dividends as of 1 January 2016, payable 2017.

- Assessment of the other content of the offer

The Administrative Board of the Target Company has confirmed to us that it has not recognised any information in the offer, as far as it can judge, that could lead to doubts about the correctness and completeness of the offer and the information contained therein.

- Impact of the offer on the Target Company

In its opinion, the Administrative Board notes a number of possible impacts that may result from the offer or the new ownership structure of the Target Company:

- The Bidder could have more than 75% of the share capital and the voting shares of the Target Company after a successful bid, which would entitle the Bidder under company law to decide on structural and capital-related measures alone at the general meeting of the Target Company
- According to the Bidder, no delisting is currently planned
- Through the integration of the Target Company, the Bidder expects an increase in synergy potentials by:
 - Takeover of the administration and management of German real estate by the Bidder
 - Modernisation of the stock
 - Extending the value chain
 - Optimisation of cost structures
- Impact on workers (regarding their jobs, employment conditions and locations)

The Administrative Board of the Target Company also refers to the expected effects of the offer on the employees regarding employment, employment conditions and future of locations. In the course of the integration of the real estate operations of the Target Company into those of the Bidder, it is considered to combine current structures especially in Germany. Otherwise, the Bidder currently does not see any concrete need for changes in the employment situation.

Due to good positioning and because the Bidder currently does not have a branch in the Austrian market, the Target Company will continue to be present on the Austrian market, which was stipulated in the BCA. The BCA also includes a continuation of the conwert Group's activities in the area of residential properties, including the Austrian residential property portfolio as well as the continuation of the existing non-core sales activities.

- Impact on creditors and public interest

The Administrative Board of the Target Company also refers to the expected impact of the offer on creditors and the public interest. Against the background of strategic planning of the Bidder, the Administrative Board does not recognise any adverse effects of the offer on creditors. Changes that affect the public interest at large have not been identified.

The Administrative Board of the Target Company issues a recommendation to accept the offer. However, it also points to the basic individual assessment of each shareholder and the underlying single-point estimations of future developments in the capital market and the real estate sector. Furthermore, the Administrative Board refers to the offer regarding the complexity of the Austrian tax law and recommends that conwert shareholders should consult with their tax representatives on the tax consequences of accepting the cash offer or exchange offer.

H. Explanation of the arguments for accepting or rejecting the Offer

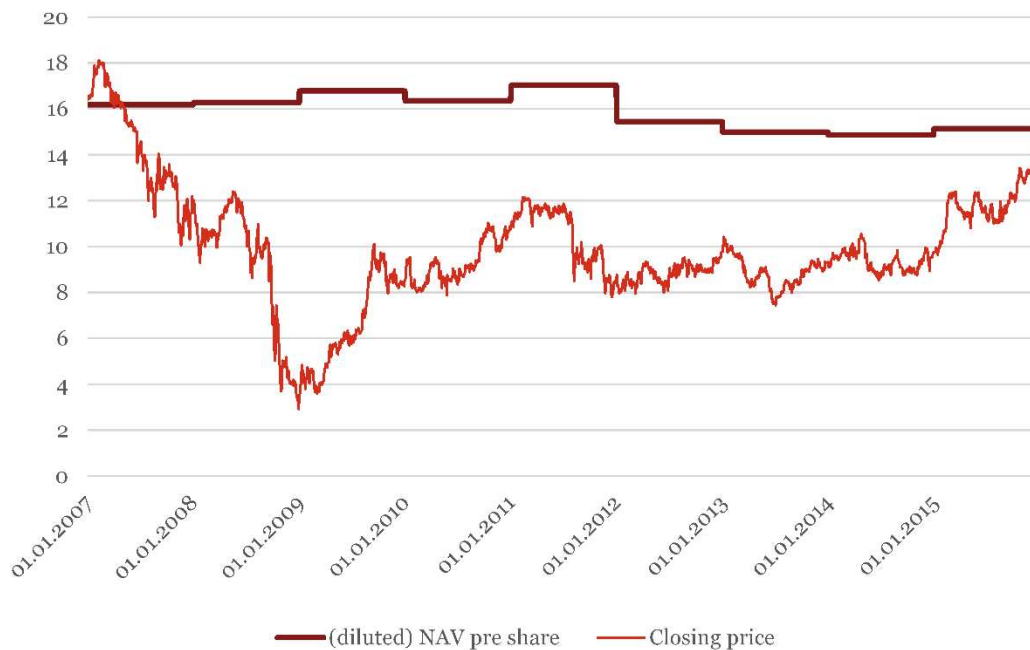
The Administrative Board's statement outlines the arguments for accepting the offer. Hereafter, these arguments will be briefly described and to some extent explained further by conducting additional analyses.

- The main arguments for accepting the offer can be summarised as follows (the numbering is based on the numbering as found under point 9.1. statement of the Administrative Board)

a) Cash offer is higher than the net asset value

As shown in the following figure, since 4 May 2007, the stock market price has been constantly below the NAV communicated by the Target Company.

Figure 12: NAV per share in relation to stock market prices of Target Company since 2007 (in EUR)



Source: Capital IQ, annual reports convert, PwC analysis

b) Fairness Opinion considers the offer as financially adequate

The Administrative Board refers to JP. Morgan's Fairness Opinion, which has been carried out following common international valuation practices. We have not performed an in-depth analysis with regards to the Fairness Opinion.

c) The bid price is higher than the average share price (weighted by the respective trading volume) of the last 3, 6, 12 and 24 months

The Administrative Board points out that the bid offer is higher than the average share price (weighted by the respective trading volume) of the last 3, 6, 12 and 24 months preceding the announcement of the intention to launch an offer (see figure under Point h).

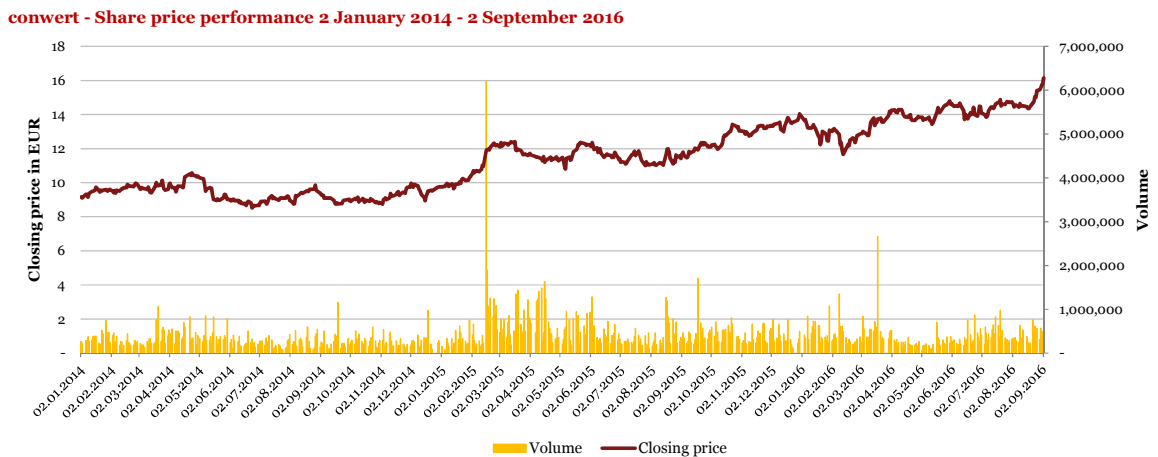
d) Cash offer is higher than the offer from 2015

In March 2015, Deutsche Wohnen AG placed a voluntary bid to acquire a controlling interest pursuant to § 25a TA at a price of EUR 11.50 per convert share. The offer was ultimately unsuccessful. The cash offer by the Bidder is 40.52% above the past offer of Deutsche Wohnen AG.

e) Sale of high quantities without affecting the share price

In the past, relatively low daily trading volume led to a stock price. In the last few years, the highest daily turnover on the stock market was only a fraction of the total volume to be achieved by the offer. Therefore, a transaction of large quantities of shares without a massive impact on the stock price appears unlikely to occur on the stock market.

Figure 13: Development of stock market prices and volume of the Target Company (in EUR)

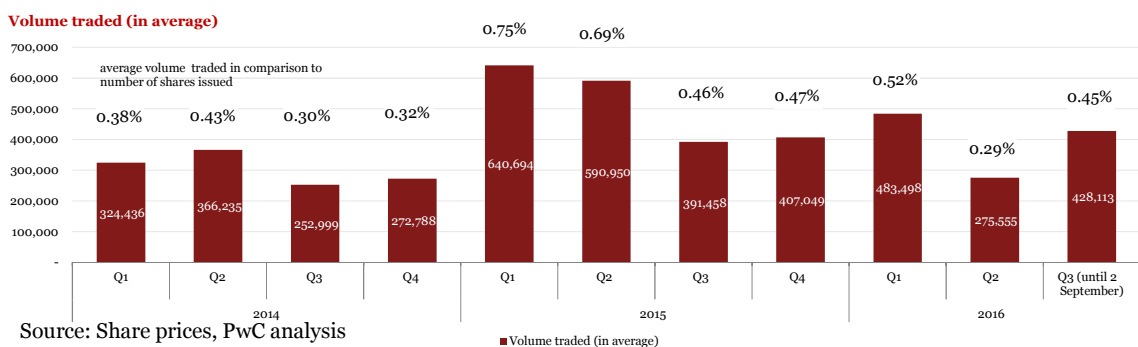


Source: Share prices, PwC analysis

f) Declining free float

The following chart shows the average number of traded shares of the Target Company per day in each of the last 11 quarters. In addition, the proportion of the total stock of shares of the Target Company, which was traded on an average daily basis in the respective quarter, is listed. Except for the first half of 2015, the number of shares traded daily was below 0.5% of the total number of shares. The higher value in the first half of 2015 can be explained by the transactions performed at the time of Deutsche Wohnen AG's takeover offer.

Figure 14: Average traded volume of the Target Company (in number of shares)



Source: Share prices, PwC analysis

g) Uncertainty with regard to the shareholder structure in case of an unsuccessful offer

The Administrative Board points out that it is not foreseeable how the shareholder structure of the Target Company will develop or change in case an unsuccessful offer. The offer provides a foreseeable, clear shareholder structure. The Target Company already was the subject of a takeover attempt in 2015. In case of the failure of this takeover procedure, it is not foreseeable whether there would be another attempt to take over the Target Company, and if so, by whom and in particular of which conditions.

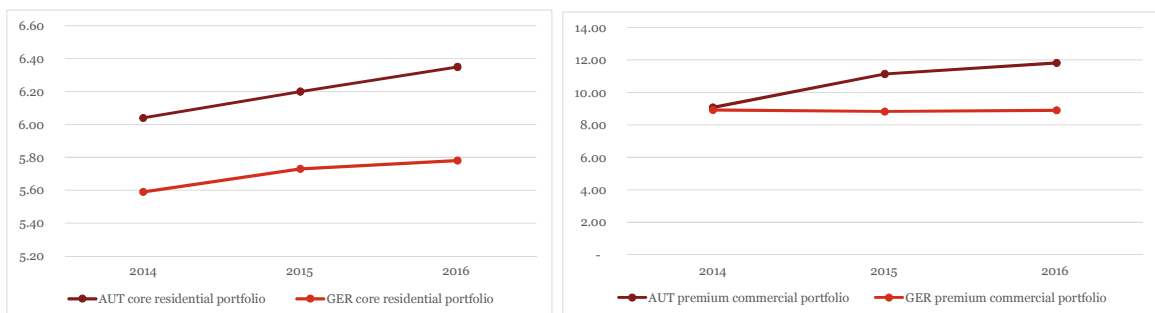
If another takeover offer is published during the course of the present proceedings, it should be noted that pursuant to § 17 TA, shareholders can withdraw from declarations of acceptance already issued.

h) Uncertainty with regard to future business development

As demonstrated in the Figure 15 below, the average rental income in the core portfolio of residential and commercial properties has risen steadily in both Austria and Germany. The interest rate level in Austria as well as in Germany has declined steadily in recent years. According to the Administrative Board, this has also contributed to rising prices in the real estate sector.

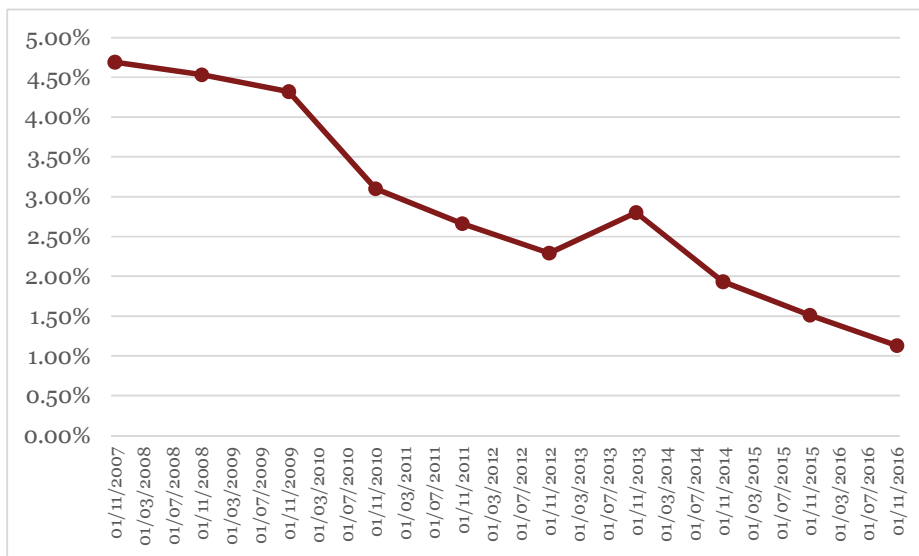
According to Bloomberg, the share price level of the bidder expected by analysts was EUR 36.39 on 2 September 2016. Until 23 November 2016, this figure rose to EUR 37.09.

Figure 15: Development of the average rental prices of the Target Company in the core portfolio of residential and commercial properties in Austria and Germany (in EUR/m²/month)



Source: conwert Immobilien Invest SE, PwC analysis

Figure 16: Interest rate level of German government bond



Source: Deutsche Bundesbank, PwC analysis

The following aspects must also be taken into account when considering the exchange offer:

- i) Possibility of participating in an increase of the Bidder’s share price by realising synergy potentials and
- j) Investing in the biggest residential real estate company in Germany

According to the Bidder, Vonovia is the largest German housing company in the private sector in terms of market value of the portfolio and the number of residential units. At an international level, Vonovia is the second largest listed real estate company in continental Europe, measured by the portfolio's value.

According to the Bidder, acquisitions are constantly made in order to increase the value for the shareholders by leveraging on economies of scale and synergies. During the 2015 financial year, GAGFAH and SÜDEWO were acquired and in the years before, acquisitions of DeWAG, Franconia and the Vitus Group were carried out.

Due to an comprehensive acquisition strategy of the past, the leveraging of synergy potentials seems very likely. Hence, the acceptance of the exchange offer opens up the possibility to leverage on future synergies.

- k) New Vonovia Shares eligible for dividend

In its statement, the Administrative Board points out that the New Vonovia Shares are fully eligible for a dividend. At the same time, shareholders accepting the exchange offer forgo dividends distributed by the Target Company.

With regard to the amount of dividend expected by the Administrative Board, it should be noted that the dividend level is not fixed, but based on current expectations published by the company.

l) The expected increase in rental income of the Bidder for 2017 exceeds that of the Target Company

Growth forecasts with regard to rental prices in the first 3 quarters of 2016 have been stated in both, the Bidder's and the Target Company's reports and presentations. The Bidder has explicitly disregarded any effects arising from the takeover of the Target Company. In the analysts' presentation of 3 November 2016, an increase between 3.5 and 3.7% is reported.

In its presentation of results of the first 3 quarters 2016 on 23 November 2016, the Target Company announced an expected increase in rental prices by 3%.

m) The rating of the Bidder exceeds that of the Target Company

According to Standard & Poor's, the Bidder's investment grade is higher than that of the Target Company. The corresponding opinion of the rating agency was published on 6 September 2016, which is after the announcement of the Bidder's intention to launch an offer.

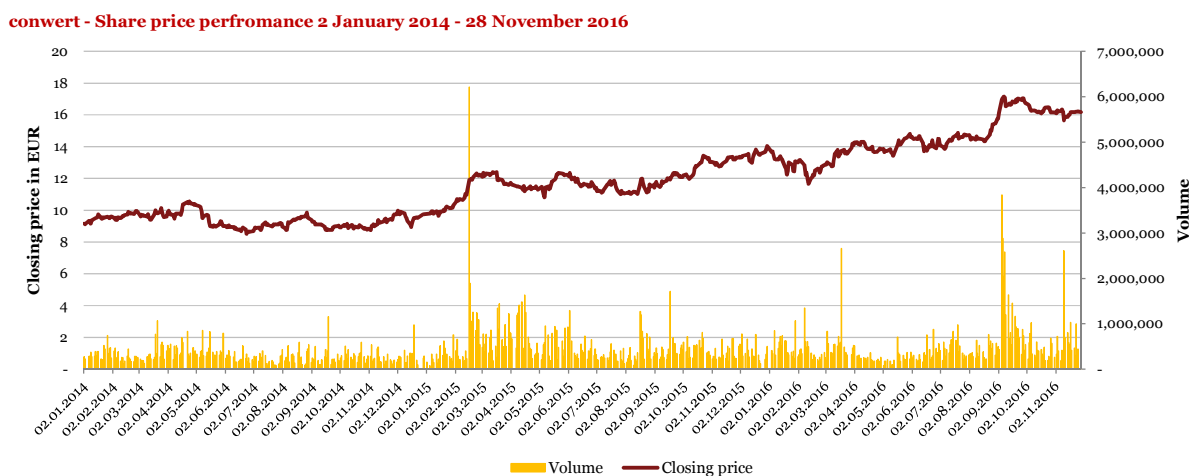
- The main arguments for declining the offer can be summarised as follows

a) Waiver of potential price gains because of a positive development of the Target Company's share

The development of the Target Company's share price shows a steady upward tendency since the beginning of 2013 as demonstrated in the figure below. Currently the cash offer is below the closing price of the Target Company on 28 November 2016 (EUR 16.18) and below the maximum price of FY 2016 (EUR 17.39) as of September 5, 2016.

On current trends, price gains and any dividends would be waived. The analysts' reports indicate as well that the share price of the Target Company could still rise in the future. A shareholder would forego these price gains by accepting the Bidder's offer.

Figure 17: Stock price performance and volume traded (in EUR)



Source: conwert Immobilien Invest SE, Bloomberg, PwC analysis

b) Attainment of synergies by holding shares of Target Company

In its statement, the Administrative Board points out that synergies between the Bidder and the Target Company are possible. In case the Bidder's offer is successful, shareholders who do not accept the offer and remain shareholders of the Target Company could benefit from these synergies.

c) Restrictions with regard to trading of shares

According to the offer document, the shares of the Target Company submitted for sale or exchange are not tradeable until the offer is settled.

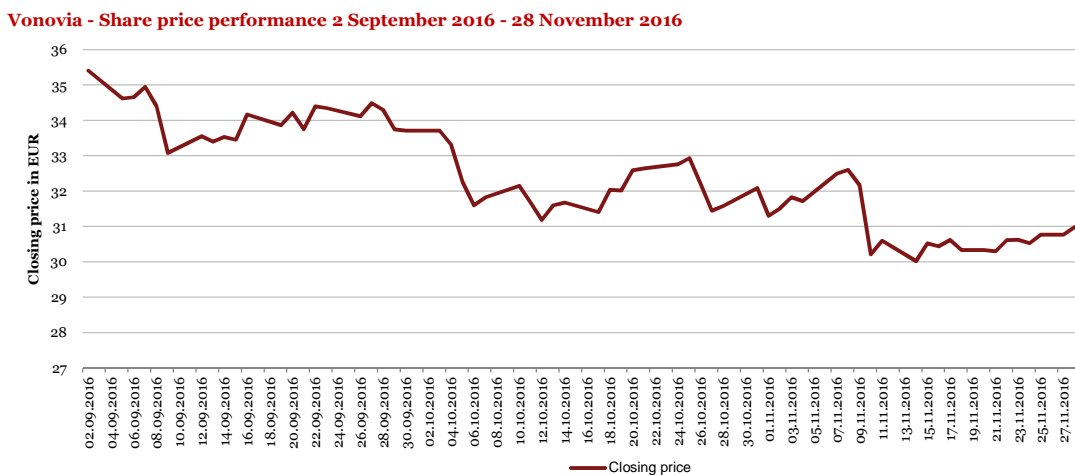
Due to the necessary preparatory steps for the execution of the offer, as set out in the offer document (the fulfilment of the conditions precedent), the day of settlement of the offer may be delayed until 3 March 2017. This would normally support the argument of a late acceptance of the offer. At the same time, however, pursuant to § 25a TA, the minimum acceptance threshold of more than 50 per cent has to be reached by the end of the original acceptance period (19 December 2016); otherwise the offer fails.

In addition, the following aspects must be taken into account when considering the exchange offer:

d) The share price of the Bidder has fallen since the offer was published

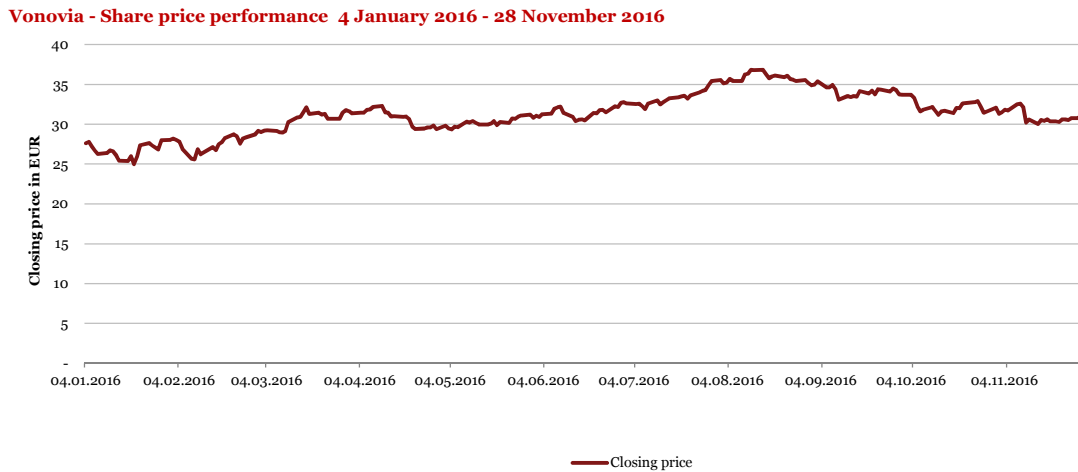
As demonstrated in the following figure, the share price of the Bidder has declined since the beginning of September 2016 and, therefore, since the intention to launch an offer was published. While the Vonovia share was at EUR 35.40 on 2 September 2016, the closing price was only EUR 30.99 on 28 November 2016, thus it declined by 12.47%. Across the entire year 2016, the share price of EUR 27.61 has risen by approximately 12.24%.

Figure 18: Development of the stock exchange prices of the Bidder from 2 September 2016 to 28 November 2016 (in EUR)



Source: Capital IQ, PwC Analysis

Figure 19: Development of the stock exchange prices of the Bidder from 4 January 2016 to 28 November 2016 (in EUR)



Source: Capital IQ, PwC analysis

The decline in the share price of the Bidder has a negative effect on the exchange offer compared to the cash offer. As shown in figure 3 under section V ("Determination of the offer price") on page 10, the value of converted shares of the Target Company in New Vonovia Shares has been mostly below the offer price since the beginning of October.

e) Increased risk for Bidder's investment portfolio possible

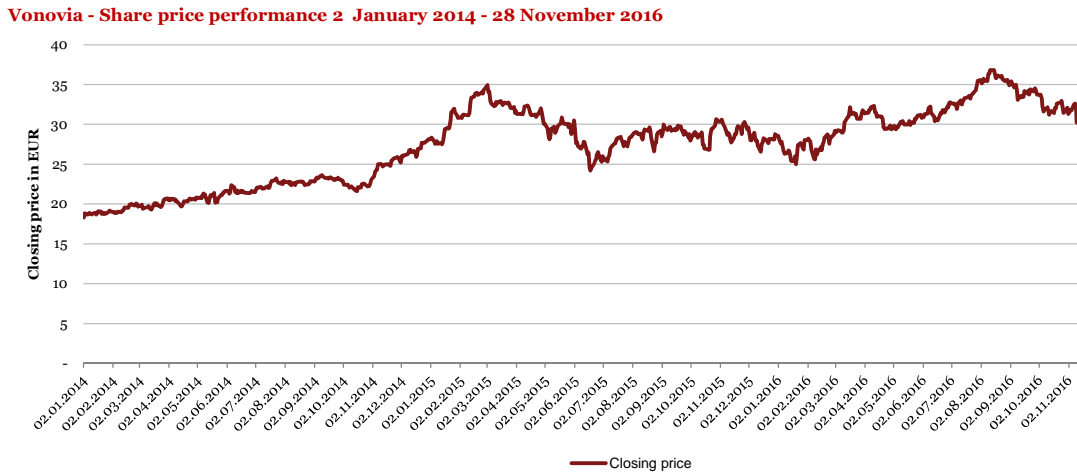
The Administrative Board points out that the risk profile of the Target Company could differ from the risk profile of the Bidder. Therefore, shareholders who accept the exchange offer assume the risk of future price developments of the Bidder's share. In this context, the Administrative Board draws attention to the prospectus which the Bidder has prepared in connection with the issuance of the New Vonovia Shares, which will be used for the exchange. However, the Administrative Board points out that an assessment of the risks associated with an investment in shares of the Bidder cannot be made. As independent experts appointed by the Target Company, we are not making an assessment of this prospectus too.

f) Development of the Bidder's share price uncertain

As demonstrated in Figure 20, a general statement concerning the development of the share price of the Bidder is difficult.

Although the share price has developed positively over the last two and a half years, it has also repeatedly experienced setbacks (in some cases severe). In particular, expected sales resulting from processing the takeover procedure and the exchange offer (e.g., the acceptance of the exchange offer by certain U.S. shareholders or the sale of the share fractions as described in the offer) may have an effect on the Bidder's share price.

Figure 20: Development of the stock exchange prices of the Bidder from 2 January 2014 to 28 November 2016 (in EUR)



Source: Capital IQ, PwC analysis

g) Additional costs for the US-based shareholders

The Administrative Board highlights special regulations contained in the offer document implying that US-based shareholders will receive their sales proceeds only after the settlement.

h) Pre-payment risk at exchange

The Administrative Board points out that due to the complexity of the exchange procedure described in the offer involves a pre-payment risk and that the consideration is not paid simultaneously.

i) Restricted on the spot tradability of New Vonovia Shares possible

The Administrative Board points out that in case the authorisation of New Vonovia Shares delays in time and therefore disadvantages regarding tradability might occur. Shareholders who have accepted the exchange offer may therefore be in a situation where they cannot react to market movements by selling New Vonovia Shares.

j) Costs from the recovery of possible share tops

The offer document describes how share tops from non-round share ratios are used in the form of New Vonovia Shares. Shareholders who accept the exchange offer may incur any additional costs resulting from the recovery of share tops which are not directly traded by themselves.

k) Timely issue of the New Vonovia Shares is jeopardized under certain circumstances

Upon acceptance of the exchange offer, it is not entirely ruled out that the New Vonovia Shares will not be issued by the Bidder before the 2017s' Annual General Meeting and thus shareholders' rights cannot be exercised. In this case, the shareholders cannot exercise their voting rights in respect of these shares and not benefit from dividend rights.

I. Shares held by the Administrative Board of the Target Company

On 29 November 2016, the members of the Administrative Board and the Board of Directors provided us with the following information regarding the shares they hold in the Target Company:

From a current perspective, Dr. Proschofsky will accept the offer.

Mr. Hohlbein and Mr. Kandler will accept the offer.

Mr. Hoffmann and Mr. Lehner do not hold shares in the Target Company.

Dr. Beck and Mr. Doll will accept the offer.

J. Assessment of the opinion of the Administrative Board

On 29 November 2016, the Administrative Board of the Target Company made a recommendation to accept the cash offer. In addition, arguments for or against the acceptance of the offer were presented.

In the course of our activity as independent expert of the Target Company we have analysed the statement of the Board of Directors. In our opinion, the arguments put forward for or against the acceptance of the offer are conclusive and appropriate to enable the shareholders of the Target Company to make an independent assessment whether to accept or reject the offer.

K. Conclusion of the assessment

As a result of our activity as independent experts according to § 13 TA we express the following assessment regarding the statement of the Administrative Board of the Target Company according to § 14 TA on the voluntary public takeover offer in accordance with § 25a TA by Vonovia SE on the purchase of up to 101,906,213 shares of convert Immobilien Invest SE:

We consider the offer submitted by the Bidder to be in compliance with applicable law. The information about the economic situation of the Target Company contained in the offer document is in accordance with the documents and information presented to us. The Administrative Board of the Target Company recommends to accept the cash offer and in its statement sets out arguments for and against an acceptance of the offer.

We find the arguments presented by the Administrative Board for and against an acceptance of the offer plausible, transparent and conclusive. In our opinion, they are appropriate to make an assessment of the offer by shareholders of the Target Company.

The offer price of EUR 16.16 per share exceeds the average market price of the shares (with the respective weighted trading volumes) during the last 6 months before publication of the Bidder's intention to launch this offer. The offer price lies above the closing rate of EUR 16.15 of 2 September 2016, the last trading day before the publication of the Bidder's intention to launch this offer. The offer price lies within a value range per share derived by means of multipliers of comparable listed companies and transactions. Based on the information provided to us and the analyses performed by us, we consider the offer price of EUR 16.16 to be appropriate.

Dr. Christine Catasta
Auditor

Mag. Miklós Révay

PwC Wirtschaftsprüfung GmbH

Vienna, 30 November 2016