This document is a non-binding English language convenience translation. The only binding document is the German language offer document published on 17 November 2016.

<u>NOTE:</u>
SHAREHOLDERS OF CONWERT IMMOBILIEN INVEST SE WHOSE CORPORATE SEAT, PLACE OF RESIDENCE OR HABITUAL ABODE IS OUTSIDE THE REPUBLIC OF AUSTRIA SHOULD NOTE THE INFORMATION SET FORTH IN SECTION 7.5 OF THIS OFFER DOCUMENT.

VOLUNTARY OFFER TO ACQUIRE A CONTROLLING INTEREST

pursuant to Section 25a of the Austrian Takeover Act (*Übernahmegesetz*, ***ÜbG***)

by **Vonovia SE**

Münsterstraße 248, 40470 Dusseldorf, Germany

in future: Philippstraße 3, 44803 Bochum, Germany

to the shareholders of

conwert Immobilien Invest SE

Alserbachstrasse 32, 1090 Vienna, Austria

Acceptance Period: From 18 November 2016 until 19 December 2016

conwert Shares: ISIN AT0000697750
(New) Vonovia Shares: ISIN DE000A1ML7J1
conwert Shares Tendered for Exchange: ISIN AT0000A1PGN6
conwert Shares Tendered for Sale: ISIN AT0000A1PGP1
conwert Shares Tendered by Certain U.S. Shareholders (QIB) for Exchange: ISIN AT0000A1PGQ9
conwert Shares Tendered by Certain U.S. Shareholders (non-QIB) for Exchange: ISIN AT0000A1PGR7

Summary of the Offer

The following summary contains selected information on the Offer and should therefore only be read together with the entire offer document.

Bidder	Vonovia SE (***Vonovia***) is a *Societas Europaea* incorporated under German and European law, with its corporate seat in Dusseldorf and its business address at Münsterstraße 248, 40470 Dusseldorf, in future: Philippstraße 3, 44803 Bochum, Federal Republic of Germany, and registered with the commercial register of the Local Court (*Amtsgericht*) of Dusseldorf under registration number HRB 68115 (ISIN DE000A1ML7J1).	Section 1.1
Target Company	conwert Immobilien Invest SE (***conwert***), a *Societas Europaea* incorporated under Austrian and European law, with its corporate seat in Vienna and its business address at Alserbachstraße 32, 1090 Vienna, Republic of Austria, and registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna under registration number FN 212163 f (ISIN AT0000697750).	Section 2.1
Subject of the Offer	The acquisition of all the ordinary shares of conwert that are admitted to trading on the Official Market (*amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) including 1,576,464 conwert Treasury Shares, i.e. 101,906,213 no-par value ordinary bearer shares, each of which represents a *pro rata* share of EUR 5.00 (ISIN AT0000697750) in the registered share capital (the ***conwert Shares***) under the terms of this Offer.	Section 3.1
Choice for conwert Shareholders	conwert shareholders who are willing to accept the Offer will be granted the opportunity to choose between the Cash Offer (as defined in section 3.2) and the alternative Exchange Offer (as defined in section 3.3). conwert shareholders can therefore opt for either the Cash Offer or the alternative Exchange Offer regarding all or part of their conwert Shares. Finally, conwert shareholders can also opt to not accept any of the two offers and remain a conwert shareholder.	Section 3.3
Cash Offer	Payment of a cash purchase price of EUR 16.16 per conwert Share *cum* dividend 2016, which means that the Bidder will be entitled to any potential dividend paid by the Target Company for the	Section 3.2

	business year 2016.	
Alternative Exchange Offer	The exchange of one (1) conwert Share for 0.496645 New Vonovia Shares (this corresponds to the announced exchange ratio of 149 conwert Shares for 74 New Vonovia Shares after commercial rounding up to six decimal places) *cum* dividend 2016; therefore, the Bidder is entitled to any potential dividend paid by the Target Company for the business year 2016. Should the Settlement of the alternative exchange offer require compensation to be provided for fractional shares (*Spitzenausgleich*), the number of New Vonovia Shares delivered to a conwert shareholder as consideration will be rounded down to the nearest whole number and with the rounding difference settled in cash in the amount of such sale proceeds as are obtained by selling all the remaining New Vonovia Shares on the stock exchange at the market price prevailing at the time of sale.	Section 4
Conditions Precedent	Both the Cash Offer and the alternative Exchange Offer are subject to the following conditions precedent (see Section 4.1): (1) Reaching the statutory minimum acceptance threshold pursuant to Section 25a paragraph 2 ÜbG (see Section 4.1.1). (2) The registration of the implementation of the Vonovia Offer Capital Increases (see Section 4.1.2). (3) No significant decline in the FTSE EPRA / NAREIT Germany Index (see Section 4.1.3). (4) The registered share capital of conwert is not increased (see Section 4.1.4). (5) conwert does not distribute dividends, changes its articles of association or is liquidated (see Section 4.1.5). (6) No significant transaction of conwert (see Section 4.1.6). (7) No material adverse change in the earnings of conwert (see Section 4.1.7). (8) No significant compliance breach (see Section 4.1.8). (9) No incurrence of a loss by conwert in an amount of one half of conwert's registered share capital nor opening of any insolvency proceedings with respect to conwert (see	Section 5.1

	Section 4.1.9). The Bidder expressly reserves the right to waive the fulfilment of individual conditions precedent (see Section 4.2).	
Acceptance Period	18 November 2016 up to and including 19 December 2016, 17:00 CET and therefore 21 trading days. The Bidder reserves the right to extend the Acceptance Period.	Section 5.1
Acceptance of the Offer	Acceptance of the Offer must be declared exclusively in writing to the Custodian Bank of the relevant shareholder. Acceptance of the Offer will become effective upon receipt by a Custodian Bank of an Acceptance Declaration and will be deemed to have been declared on time provided that the Acceptance Declaration is received by the Custodian Bank of the respective conwert shareholder within the Acceptance Period and provided that no later than by 17:00 CET on the second trading day following the expiry of the Acceptance Period, (i) the re-booking has been completed (that is, the transfer from ISIN AT0000697750 to ISIN AT0000A1PGN6 of the conwert Shares Tendered for Exchange, and/or of the conwert Shares Tendered for Sale to ISIN AT0000A1PGP1), and that (ii) the Custodian Bank of the respective conwert shareholder has communicated acceptance of the Offer, including details of the number of acceptance instructions received from its clients, as well as the total number of shares referred to in the Acceptance Declarations received by the Custodian Bank during the Acceptance Period as well as the total number of conwert Shares tendered through it to the Austrian Paying Agent and the respective total amount of conwert Shares transferred to the Austrian Paying Agent. The conwert Shares Tendered for Exchange by U.S. shareholders that are deemed "Qualified Institutional Buyers" within the meaning of Rule 144A of the United States Securities Act of 1933 will be booked under ISIN AT0000A1PGQ9. conwert Shares Tendered for Exchange by other U.S. shareholders will be booked under ISIN AT0000A1PGR7.	Section 5.4
Austrian Paying Agent	UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna, Austria, registration number FN 150714 p.	Section 5.2
Exchange Agents	1. COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, Local Court (*Amtsgericht*)	Section 5.3

	of Frankfurt am Main, registration number HRB 32000 (***Exchange Agent 1***). 2. Bankhaus Neelmeyer Aktiengesellschaft, Am Markt 14-16, 28195 Bremen, Germany, Local Court (*Amtsgericht*) of Bremen, registration number HRB 4425 (***Exchange Agent 2***). The Austrian Paying Agent shall procure, in conjunction with Exchange Agent 1 and Exchange Agent 2, that the New Vonovia Shares created by the Offer Capital Increases are transferred to the securities accounts of the conwert shareholders that have accepted the alternative Exchange Offer, and that the cash purchase price for the conwert Shares tendered for sale will be remitted to the securities accounts of the conwert shareholders that have accepted the Cash Offer.	
(New) Vonovia Shares	The up to 50,611,212 ordinary shares of Vonovia SE to be issued by means of the Offer Capital Increases are referred to as the ***New Vonovia Shares***. The 466,000,624 existing ordinary shares of Vonovia (ISIN DE000A1ML7J1) are referred to as the ***Existing Vonovia Shares***. The Existing Vonovia Shares and the New Vonovia Shares are collectively referred to as the ***Vonovia Shares***. The New Vonovia Shares will be created by means of the capital increases against cash and in-kind contributions referred to in Section 7.2. The capital increases against cash and in-kind contributions that are to be implemented by the Bidder in connection with the Offer are collectively referred to as the ***Offer Capital Increases***.	Section 1.2, 3.3.2 and 7.2
Listing of the New Vonovia Shares	The New Vonovia Shares are to be listed on the regulated market segment (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) where the Existing Vonovia Shares are also currently listed.	Section 3.3.2
Settlement of the Offer	To the extent possible, the Settlement of the Cash Offer and of the Exchange Offer is to take place on the same day. The Cash Purchase Price will be paid to the holders of the conwert Shares Tendered for Sale who have accepted the Offer no later than ten trading days after the Offer becomes unconditionally binding against (*Zug um Zug*) transfer of the conwert Shares. Settlement of the Exchange Offer shall take place through the transfer of New Vonovia Shares as consideration for the conwert Shares tendered for	Section 5

	exchange. The transfer of the New Vonovia Shares by the Austrian Paying Agent to the respective Custodian Banks will take place without undue delay after the transfer of such shares by the Exchange Agents to the securities account maintained by the Austrian Paying Agent with the OeKB (*Österreichische Kontrollbank AG*) and will occur no later than within ten trading days of the Offer becoming unconditionally binding in accordance with section 4.1.	
No Trading of the Tendered conwert Shares	Insofar as conwert shareholders have submitted to their Custodian Banks written declarations accepting the Offer in respect of a certain number of conwert Shares, the conwert Shares indicated in such declaration will be re-booked under a different ISIN as either "conwert Shares Tendered for Exchange" or as "conwert Shares Tendered for Sale" in the securities account of the accepting shareholder. The conwert Shares Tendered for Exchange or for Sale will not be tradable on a stock exchange until the Settlement of the Offer has been completed.	Section 5.4
ISINs	- conwert Shares: ISIN AT0000697750 - conwert Shares Tendered for Exchange: ISIN AT0000A1PGN6 - conwert Shares Tendered for Sale: ISIN AT0000A1PGP1 - (New) Vonovia Shares: ISIN DE000A1ML7J1 - conwert Shares Tendered for Exchange by certain U.S. Shareholders (QIB): ISIN AT0000A1PGQ9 - conwert Shares Tendered for Exchange by certain U.S. shareholders (non-QIB): ISIN AT0000A1PGR7	
Squeeze-Out	So far, the Bidder has not decided whether to effect a squeeze-out under the Austrian Squeeze-Out Act (*Gesellschafter-Ausschlussgesetz*, ***GesAusG***) if the Offer should result in the Bidder holding over 90% of the registered share capital and of the conwert Shares with voting rights upon completion or at a later date.	Section 6.2
Listing / Delisting	It is the intention of the Bidder that, for the time being, conwert should remain listed on the Vienna Stock Exchange (*Wiener Börse*). However, the Bidder expressly states that in the event of a high acceptance rate of the Offer, the minimum free float requirements to admit the shares to the	Section 6.2

	Official Market (or Second Regulated Market) or to remain in the "Prime Market" segment of the Vienna Stock Exchange (*Wiener Börse*), may no longer be met.	

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Definitions

2017 Extraordinary General Meeting	Has the meaning given to such term in section 6.3.3.
2018 Convertible Bonds	Has the meaning given to such term in section 2.2.
Acceptance Declaration	Has the meaning given to such term in section 5.4.
Acceptance Period	18 November 2016 up to and including 19 December 2016, 17:00 CET, and therefore 21 trading days.
Additional Acceptance Period	The statutory additional acceptance period of three months stipulated in Section 19 paragraph 3 ÜbG.
Adler	Adler Real Estate AG with its corporate seat in Frankfurt am Main, Germany, and registered with the commercial register of the Local Court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 7287.
Austrian Paying Agent	UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna, Austria, registration number FN 150714 p, as Austrian tender and paying agent.
Authorised Capital 2015	Has the meaning given to such term in section 1.2.2.
BaFin	Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
BBG 2011	2011 Austrian Public Finance Act (*Budgetbegleitgesetz 2011*, BGBl I 2010/111).
BCA	Business Combination Agreement concluded by Vonovia and conwert on 5 September 2016 including its amendment.
Bidder	Vonovia SE.
Cash Capital Increase	Has the meaning given to such term in section 7.2.2.
Cash Offer	Has the meaning given to such term in section 3.2.
Cash Purchase Price	Has the meaning given to such term in section 3.2.
Cash Surplus Shares	Has the meaning given to such term in section 5.6.
conwert	conwert Immobilien Invest SE with its

	corporate seat in Vienna, Austria, and registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna under registration number FN 212163 f.
conwert Group	conwert together with its subsidiaries in accordance with the conwert IFRS financial statements.
conwert Shares	The 101,906,213 ordinary bearer shares with no-par value of conwert (ISIN AT0000697750), each of which represents a *pro rata* share of EUR 5.00 in the registered share capital, and each of which is a ***conwert Share***.
conwert Shares Tendered for Exchange	Has the meaning given to such term in section 5.4.
conwert Shares Tendered for Sale	Has the meaning given to such term in section 5.4.
Custodian Bank	Has the meaning given to such term in section 5.4.
ECO	ECO Business-Immobilien GmbH with its corporate seat in Vienna, Austria, and registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna under registration number FN 241364 y.
Exchange Agent 1	COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, Local Court (*Amtsgericht*) of Frankfurt am Main, registration number HRB 32000.
Exchange Agent 2	Bankhaus Neelmeyer Aktiengesellschaft, Am Markt 14-16, 28195 Bremen, Germany, Local Court (*Amtsgericht*) of Bremen, registration number HRB 4425.
Exchange Agents	Refers collectively to Exchange Agent 1 and Exchange Agent 2.
Exchange Offer	Has the meaning given to such term in section 3.3.1.
Exchange Surplus Shares	Has the meaning given to such term in section 5.6.
Existing Vonovia Shares	The existing 466,000,624 ordinary registered shares with no-par value of Vonovia (ISIN DE000A1ML7J1), each of which represents a *pro rata* share of EUR 1.00 in the registered share capital.
GrEStG	Has the meaning given to such term in section 1.6.

In-kind Capital Increase	Has the meaning given to such term in section 7.2.1.
KWG	KWG Kommunale Wohnen AG with its corporate seat in Berlin, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg under registration number HRB 160196 B.
MountainPeak	MountainPeak Trading Ltd. with its corporate seat in Nicosia, Cyprus, and registered with the commercial register of Cyprus under registration number HE342519.
New Vonovia Shares	The up to 50,611,212 ordinary shares of Vonovia SE that are to be issued by means of the Offer Capital Increases.
OeKB	Österreichische Kontrollbank AG.
Offer Capital Increases	Both the Cash and In-kind Capital Increases together.
Petrus	Petrus Advisers Investment Fund L.P. with its corporate seat in the Cayman Islands, registered with the register of the Cayman Islands under registration number QH-69749.
Petrus Option	Has the meaning given to such term in section 2.4.
Prospectus	Has the meaning given to such term in section 3.3.2.
Settlement	Has the meaning given to such term in section 5.8.
Surplus Shares	Has the meaning given to such term in section 5.6.
Target Company	conwert Immobilien Invest SE.
Tender Commitment Agreement	Has the meaning given to such term in section 2.4.
Tendered conwert Shares	Means both the conwert Shares Tendered for Exchange and the conwert Shares Tendered for Sale together.
Third-Party Bank	J.P. Morgan Securities plc, 25 Bank Street, London E14 5JP, Great Britain.
Treasury Shares	Has the meaning given to such term in section 2.3.
U.S. Shareholders	Has the meaning given to such term in section 5.7.
ÜbG	Has the meaning given to such term in section 1.3.

Vonovia	The Bidder, Vonovia SE with its corporate seat in Dusseldorf, Germany, and registered with the commercial register of the Local Court (*Amtsgericht*) of Dusseldorf under registration number HRB 68115.
Vonovia Group	Vonovia together with its subsidiaries.
Vonovia Shares	Refers collectively to the Existing Vonovia Shares and the New Vonovia Shares.
VWAP	Has the meaning given to such term in section 3.4.

1. Description of the Bidder

1.1 Current Situation and Description of the Bidder

The Bidder, Vonovia SE, is a *Societas Europaea* incorporated under German and European law, with its corporate seat in Dusseldorf and its administrative seat in Bochum, and registered with the commercial register of the Local Court (*Amtsgericht*) of Dusseldorf under registration number HRB 68115. The Vonovia Shares are listed on the regulated market segment (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under ISIN DE000A1ML7J1. Based on the value of its property portfolio, the number of residential units that belong to it and its market capitalisation, the Bidder is Germany's largest private sector residential real estate company. The Vonovia service subsidiaries offer a broad range of services in the area of real estate management and facility management. In addition, the Bidder has a large number of other special-purpose companies that hold properties.

The members of the management board of the Bidder are Rolf Buch (CEO), Prof. Dr. A. Stefan Kirsten (CFO), Klaus Freiberg (COO) and Gerald Klinck (CCO). None of the members of the management board of the Bidder hold shares in conwert.

1.2 Capital and Shareholder Structure of the Bidder

1.2.1 Registered Share Capital of the Bidder

As at 30 September 2016, the registered share capital of Vonovia amounted to EUR 466,000,624 and was divided into 466,000,624 registered ordinary shares with no-par value, with each Vonovia share (ordinary shares) representing a *pro rata* share of EUR 1.00 in the registered share capital.

1.2.2 Authorised Capital 2015

A resolution of the general meeting adopted on 30 April 2015 authorised the management board of the Bidder, with approval by the supervisory board, to increase the registered share capital by up to EUR 170,796,534 through issuing up to 170,796,534 new shares (***Authorised Capital 2015***). After being partially used, the Authorised Capital 2015 will still amount to EUR 63,257,928. On 19 October 2016 and on 26 October 2016, the management board and the supervisory board of the Bidder, acting on the basis of the aforementioned authorisation and making partial use of the Authorised Capital 2015, resolved to increase the registered share capital of the Bidder by up to EUR 50,611,212 through issuing up to 50,611,212 New Vonovia Shares against cash and/or in-kind contributions (the "up to" resolution) and with the subscription rights of shareholders of the Bidder excluded. Once the Acceptance Period ends, the management board, with the approval of the supervisory board, will adopt a further resolution (specification resolution) that will set a specific figure for the number of New Vonovia Shares that are to be issued as well as the form of contributions (cash and/or solely in-kind) – depending on the number of acceptance declarations. The specification resolution is not a condition precedent for the effectivness of this Offer and solely aims to prepare the registration of the Offer Capital Increases with the commercial register by documenting the extent of how the actual Offer Capital Increases shall be performed towards the commercial register.

In accordance with Sections 205 paragraph 5 sentence 2 in conjunction with 183a and 33a of the German Stock Corporation Act (*Aktiengesetz*, ***AktG***), an audit of the value of the conwert Shares Tendered for Exchange by a court-appointed auditor is not required. In such case, the conwert Shares to be submitted are valued at their weighted average price at which they were traded over the three months immediately preceding the date on which they were actually contributed. The registration of the implementation of the Offer Capital Increases with the commercial register of the Local Court (*Amtsgericht*) of Dusseldorf is a condition precedent for the Settlement of the Offer (section 4.1.2), as opposed to all preparatory actions required therefor on the part of the Bidder.

For the purposes of exchanging conwert Shares Tendered for Exchange in the Additional Acceptance Period (section 5.10), a second capital increase will be implemented from the Authorised Capital 2015 of the Bidder in accordance with the procedure set out in this section.

1.2.3 Shareholder Structure of the Bidder

The table below shows all the shareholders that held more than 3% of the voting rights in Vonovia as at 31 October 2016. Apart from the shareholders listed in the table below, the Bidder is not aware of any other shareholders who hold more than 3% of the voting rights of Vonovia.

Shareholders[(1)]	Share of Voting Rights in % (after rounding)
Norges Bank	7.63
BlackRock	8.33
Lansdowne Partners	5.37
Sun Life Financial	3.10

[(1)] The information contained in the table is based on the most recent voting right disclosures relating to the current registered share capital of the Bidder.

Other shareholders, including shareholders whose holdings amount to less than 3% of the total voting rights of the company hold the remaining 75,57% of the shares of the Target Company.

Vonovia is the ultimate parent company of the Vonovia Group. It is not controlled by any legal or natural person.

1.3 Parties Acting in Concert with the Bidder

Pursuant to Section 1 no. 6 of the Austrian Takeover Act (*Übernahmegesetz*, ***ÜbG***), parties acting in concert are natural or legal persons that cooperate with the Bidder on the basis of an agreement aimed at acquiring or exercising control over the Target Company. If a party holds a direct or indirect controlling interest (Section 22 paragraph 2 and 3 ÜbG) in one or more other parties, it is presumed that all of these parties are acting in a concerted manner.

According to this definition, all entities controlled by the Bidder are deemed to be parties acting in concert with the Bidder. In this context, pursuant to Section 7 no. 12 ÜbG, further information on parties acting in concert may be omitted, since such entities are not relevant for the decision to be made by the addressees of this Offer.

The material subsidiaries of the Bidder are set out in section 14.5 of the Prospectus, which constitutes an integral part of the Offer. Reference is made to the information contained therein. A copy of the Prospectus can be downloaded from the website of the Bidder (see www.vonovia-offer.de).

1.4 Shareholdings of the Bidder in the Target Company at the Time of Publication of the Offer Document

At the time of the publication of this offer document, neither the Bidder nor any party acting in concert with it holds any shares in the Target Company.

The Bidder has, however, concluded a Tender Commitment Agreement with MountainPeak Trading Ltd. (***MountainPeak***) (see section 2.4). This Tender Commitment Agreement constitutes a financial instrument under Section 91a of the Austrian Stock Exchange Act (*Börsegesetz*), and for this reason a public notification of ownership was issued on 7 September 2016. The underlying conwert Shares of the Tender Commitment Agreement will only be transferred to the Bidder if the Offer becomes effective under the terms of this offer document (see section 5). Until then, the Bidder may neither dispose of the conwert Shares nor exercise the voting rights attached to them.

In addition, the Target Company confirms that it will tender its conwert Shares in connection with the Offer.

1.5 Material Legal Relationships with the Target Company

No personal ties exist between the Bidder and the Target Company.

With the exception of the Business Combination Agreements (see section 2.5), there are no other material legal relationships between the Bidder and the Target Company.

1.6 Agreements concerning the Transfer of conwert Shares for the Event that more than 95% less 10,000 of the conwert Shares outstanding are tendered

Vonovia intends to acquire no more than 95% less 10,000 of the conwert Shares outstanding. Under the Austrian and German Real Estate Transfer Tax Acts (*Grunderwerbsteuergesetz*, ***GrEStG***), the (direct or indirect) acquisition of at least 95% of the shares in a company triggers a real estate transfer tax liability in relation to the properties that belong to such company's assets and which are located in Germany or in Austria. The tax liability would be incurred if, as a result of a high acceptance rate for the Offer, the Exchange Agents would be required to transfer conwert Shares to Vonovia in an amount that would result in Vonovia holding 95% or more of the capital of conwert. However, no such transfer obligation is assumed by the Exchange Agents under the agreement described below.

In the event that the Offer is accepted for a number of conwert Shares corresponding to more than 95% less 10,000 of the conwert Shares (Surplus Shares as defined in section 5.6), the Third-Party Bank has given an undertaking to the Bidder that it will acquire and take over such Surplus Shares without any pass-through acquisition by Vonovia.

Thus, the Exchange Agents, by way of the contribution in-kind in connection with the capital increase against contributions in-kind and/or in connection with the Cash Offer, will transfer to Vonovia no more than 95% less 10,000 of the conwert Shares. One half of any such Surplus Shares will be transferred to each of the Exchange Agents, who will then hold them on a fiduciary basis for the conwert shareholders tendering their shares in order to subsequently transfer them directly to the Third-Party Bank. Insofar as it is necessary to provide conwert shareholders with New Vonovia Shares in exchange for the Surplus Shares as offer consideration, the Exchange Agents will subscribe shares from a capital increase against cash contributions, with the resulting New Vonovia Shares then being transferred to the conwert shareholders. The cash contribution required for the subscription of such shares will be settled by the Exchange Agents with funds made available to them by the Third-Party Bank for the acquisition of the Surplus Shares (see section 7.2.2).

Vonovia may terminate the agreement with the Third-Party Bank underlying the transfer of Surplus Shares at any time. In general, the Third-Party Bank is obligated to sell Surplus Shares in an auction if Vonovia terminates the agreement, or such termination does not occur within the first three years, starting from 28 October 2016, and the Third-Party Bank makes use of its termination right. If during an auction the Third-Party Bank achieves a price that is below the acquisition price paid by the Third-Party Bank for the Surplus Shares acquired by it, Vonovia shall compensate the Third-Party Bank in cash for the difference amount between the sale proceeds and the acquisition price. The Third-Party Bank may, however, also decide to keep the Surplus Shares or to sell them outside of an auction. In such case, the Third-Party Bank would not be entitled to request payment of the difference amount. Moreover, the Third-Party Bank shall receive commission from Vonovia, the amount of which will depend on the amount paid as consideration for the acquisition of the Surplus Shares and the amount of time that will have elapsed before such shares are resold by the Third-Party Bank.

If the Third-Party Bank acquires Surplus Shares as a result of its obligations under the aforementioned agreement, such acquisition shall be carried out in its own name and for its own account. The Third-Party Bank will determine if and to what extent it will exercise the voting rights attached to the Surplus Shares at its sole discretion. The Bidder has no authority to give instructions to the Third-Party Bank concerning the Surplus Shares.

2. Description of the Target Company

2.1 The Target Company

conwert is a *Societas Europaea* incorporated under Austrian and European law, with its corporate seat in Vienna and its business address at Alserbachstrasse 32, 1090 Vienna, the Republic of Austria, and registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna under registration number FN 212163 f. At the time of the publication of this offer document, the registered share capital (*Grundkapital*) of conwert amounted to EUR 509,531,065 and is divided into 101,906,213 no-par value ordinary bearer shares, each representing a *pro rata* share of EUR 5.00 in the registered share capital. The shares are listed on the Official Market (*amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) under ISIN AT0000697750.

conwert was founded in 2001. The focus of the conwert Group is on residential properties and apartment buildings in Austria and in Germany. The conwert Group also has a smaller portfolio in Hungary and holds properties in Luxembourg and Ukraine. The business model of conwert is based on three pillars: portfolio asset management, the development or sale of real estate and the provision of real estate services for selected clients.

The Target Company directly holds 94.95% of the shares in ECO Business-Immobilien GmbH (previously: ECO Business-Immobilien AG; ***ECO***). The remaining 5.05% of ECO is held by ECO Anteilsverwaltungs GmbH, a subsidiary wholly owned by conwert. ECO is a real estate company with its corporate seat in Vienna and registered with the company register of the Commercial Court (*Handelsgericht*) of Vienna under registration number FN 241364 y. ECO's strategic focus is on office and commercial property in the core markets of Austria and Germany. In accordance with a resolution adopted by the general meeting on 22 April 2016, it was resolved to effect a squeeze-out of the minority shareholders of ECO and to transfer their shares to the principal shareholder (conwert and ECO Anteilsverwaltungs GmbH as related enterprises). This transfer was registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna on 1 June 2016, resulting in the cancellation of the admission of ECO shares to trading on the Official Market (*amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) with effect from the end of 31 May 2016 (delisting). Following the squeeze-out, the squeezed-out shareholders applied for a review of the adequateness of the cash compensation. By a resolution of the general meeting adopted on 13 July 2016, ECO Business-Immobilien AG was transformed into a limited liability company (*GmbH*) and registered with the commercial register of the Commercial Court (*Handelsgericht*) of Vienna on 19 August 2016.

In addition, the Target Company holds an equity interest of about 92.40% in KWG Kommunale Wohnen AG (***KWG***). KWG is a real estate company with its corporate seat in Berlin, Germany, and registered with the commercial register of the Local Court (*Amtsgericht*) of Charlottenburg under registration number HRB 160196 B. Its strategic focus is on the acquisition of residential portfolios and of interests held by public and private sector owners in order to actively manage and develop them. As a result of the voluntary cancellation by KWG of the inclusion of the shares of KWG in the Entry Standard segment of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Frankfurt Stock Exchange discontinued trading in the shares of KWG at the end of 20 April 2016. On 7 October 2016, a general meeting resolved to transform the legal form of KWG into that of a limited liability company (*GmbH*).

In addition, the Target Company holds a large number of other subsidiaries which – for transparency reasons – are not listed in this offer document.

2.2 2018 Convertible Bond

In August 2012, conwert issued convertible bonds in the total nominal amount of EUR 80,000,000 with a term until 2018 (***2018 Convertible Bond***). On 9 August 2016, conwert published an *ad hoc* notice announcing its intention to redeem the 2018 Convertible Bond prior to maturity in accordance with Section 5(b) of the terms and conditions of the 2018 Convertible Bond. On 30 August 2016, conwert issued a notice under the relevant terms and conditions announcing that the 2018 Convertible Bond would be redeemed.

On 26 September 2016, conwert published an *ad hoc* announcement stating that by the expiry of the conversion period on 23 September 2016, all holders of 2018 convertible bonds had exercised their right to convert their bonds into conwert Shares. The shares received by holders of convertible bonds were issued from conditional capital. The conversion of the 2018 Convertible Bond resulted in the issuance of a total of 7,312,601 new conwert Shares and the total number of conwert Shares issued therefore rose to 101,906,213 as at 28 September 2016.

Consequently, this Offer does not relate to the 2018 Convertible Bond.

2.3 Shareholder Structure of the Target Company

The table below shows all shareholders that held more than 4% of the voting rights in conwert as at 31 October 2016:

Shareholders[(1)]	**Shares held**	**Share of Voting Rights in % (after rounding)**[(2)]	**Proportion of conwert Shares in % (after rounding)**
MountainPeak Trading Ltd.	26,160,921	26.07	25.67
FIL Investment International	7,259,798	7.24	7.12
EARNEST Partners,	4,233,888	4.22	4.15

LLC			

(1) The information contained in the table is based on the most recent voting right disclosures relating to the current registered share capital of conwert.

(2) After deducting the Treasury Shares without voting rights held by conwert (and therefore based on 100,329,479 outstanding conwert shares with voting rights).

On 14 November 2016, Norges Bank has announced via notification that it holds approx. 3.46% of the shares in conwert as at 11 November 2016.

In addition, conwert holds 1,576,464 of its own shares (***Treasury Shares***), which, based on 101,906,213 conwert Shares, corresponds to a participation of about 1.55% in the registered share capital. The Treasury Shares carry no voting rights.

2.4 MountainPeak Tender Commitment

Adler Real Estate AG (***Adler***) is a stock corporation incorporated under the laws of Germany with its corporate seat in Frankfurt am Main, Germany, and registered with the commercial register of the Local Court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 7287. MountainPeak Trading is a limited liability company incorporated under the laws of Cyprus with its corporate seat in Nicosia, Cyprus, and registered with the commercial register of Cyprus under registration number HE342519. MountainPeak is a wholly-owned subsidiary of Adler. MountainPeak directly holds 26,160,921 shares with no-par value in the Target Company.

MountainPeak and Petrus Advisers Investment Fund L.P. with its corporate seat in the Cayman Islands and registered with the register of the Cayman Islands under registration number QH-69749 (***Petrus***) concluded an option agreement under which MountainPeak was entitled to acquire at least 5,000,000 and no more than 6,000,000 conwert shares from Petrus (the ***Petrus Option***). On 2 September 2016, Adler exercised the Petrus Option in full and received 2,500,000 conwert Shares on 27 September 2016 and a further 2,500,000 conwert Shares on 29 September 2016. These shares are included in the 26,160,921 conwert Shares referred to above.

On 4 September 2016, Vonovia, Adler and MountainPeak concluded a tender commitment agreement (the ***Tender Commitment Agreement***). The Tender Commitment Agreement provides that MountainPeak will participate in the takeover offer with 26,160,921 conwert Shares, which corresponds to a share of 26.07% in the current registered share capital of conwert (less the Treasury Shares), and will tender them in connection with the Exchange Offer. Should the remaining 1,000,000 conwert shares under the Petrus Option be transferred to Adler, such conwert Shares would also be tendered in connection with the Exchange Offer.

2.5 Business Combination Agreement

Vonovia and the Target Company concluded a Business Combination Agreement on 5 September 2016 and an amendment to the BCA on 31 October 2016 (the ***BCA***), in which they agreed the key parameters of the takeover offer and the transaction associated with it. In particular, the offer consideration and other terms of the takeover offer were laid down in the BCA.

In addition, it was agreed that the Target Company would accept the takeover offer in respect of the Treasury Shares on the terms set out in the takeover offer.

It was also agreed in the BCA that, at a general meeting of conwert that is expected to be convened for January, the number of members of the administrative board is to be increased to seven from five at the present time, and that a new election of administrative board members is to be held. In this regard, both managing directors have declared that they will not exercise their contractual extraordinary right of termination in the event of a change of control in relation to conwert. In return, the parties agreed that there would be no unilateral termination of the service agreements of the managing directors by the employer before the end of August 2018 (CEO) and the end of December 2018 (CFO).

The future strategic direction of the conwert Group envisaged by Vonovia anticipates the continuation of conwert Group activities in the residential sector, including the maintaining of the Austrian residential portfolio as well as further non-core disposals by the conwert Group. In the BCA, the Bidder also gave an undertaking that it would indemnify and hold harmless the Target Company in respect of any and all such land transfer tax charges as may be incurred in connection with the Offer (or in connection with any increase in the Vonovia holding in conwert subsequent to the consummation of the Offer).

3. The Offer

Conwert shareholders who are willing to accept the Offer will be granted the opportunity to choose between the Cash Offer (as defined in section 3.2) and/or the alternative Exchange Offer (as defined in section 3.3). The conwert shareholders can therefore opt, under the terms of this offer document, for either the Cash Offer and/or the alternative Exchange Offer regarding all or part of their conwert Shares.

3.1 Subject of the Offer

The Offer relates to the acquisition of all the shares of conwert admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) (ISIN AT0000697750), with each such share representing a *pro rata* share of EUR 5.00 in the registered share capital, and their acquisition under the terms of the Offer (especially section 1.6). The Treasury Shares held by conwert are expressly included in the Offer.

In the light of the foregoing paragraph, the Offer relates to the acquisition of 101,906,213 conwert Shares. This corresponds to 100% of the entire registered share capital of the Target Company.

The existing tender commitments on the part of MountainPeak and the Target Company are described in sections 2.4 and 2.5: MountainPeak will therefore accept the alternative Exchange Offer in respect of the 26,160,921 conwert Shares held by it in any event. The Target Company will tender the 1,576,464 Treasury Shares under the Offer. The Target Company has stated that it has been informed that the chairman of the conwert administrative board intends to accept the Offer in respect of the shares held by him both directly and indirectly.

3.2 Cash Offer

Under the terms of this Offer, Vonovia offers to buy conwert Shares from the holders of conwert Shares for a price of EUR 16.16 (the ***Cash Purchase Price***) per conwert share *cum* dividend 2016 (the ***Cash Offer***); therefore, the Bidder will be entitled to any potential dividend paid by the Target Company for the business year 2016.

3.3 Alternative Exchange Offer

3.3.1 Exchange Offer and Exchange Ratio

As an alternative to the Cash Offer, Vonovia offers the shareholders of conwert, by way of an exchange offer, the exchange of one (1) conwert share for 0.496645 New Vonovia Shares (this corresponds to the exchange ratio disclosed of 149 conwert shares for 74 New Vonovia

Shares after rounding up to six decimal places) *cum* dividend 2016 under the terms of this offer document (the ***Exchange Offer***); therefore, the Bidder is entitled to any potential dividend paid by the Target Company for the business year 2016.

The New Vonovia Shares carry full dividend rights as of 1 January 2016, payable in 2017, as far as an issuance of the New Vonovia Shares with retrospective dividend entitlement is legally possible.

If the multiplication of the conwert Shares tendered for exchange by a conwert shareholder accepting the Exchange Offer by the exchange ratio figure (rounded as 0.496645) does not result in a whole number (the number of New Vonovia Shares that are to be granted to the conwert shareholder), such number shall be rounded down to the next whole number. A conwert shareholder accepting the Exchange Offer will receive settlement of the difference in cash in the amount of such sale proceeds as would be obtained by selling all the remaining New Vonovia Shares, as a consequence of all roundings, on the stock exchange at the market price prevailing at the time of such sale (also see section 5.9). For example, if a conwert shareholder delivers 10 conwert Shares for exchange, it would receive 4 Vonovia Shares, and the shareholder's fractional share of 0.96645 would be sold on the stock exchange, along with all other fractional shares, at the market price prevailing at the time of sale with the sale proceeds being credited *pro rata* in cash for the account of the shareholder.

The conwert shareholders can choose between the Cash Offer and the Exchange Offer regarding all or part of their conwert Shares.

The Exchange Offer includes a premium of 23.81% calculated on the basis of the respective VWAP for the last six months for the conwert share and for the Vonovia share as at 2 September 2016 (being the last trading day prior to the public announcement of the takeover on 5 September 2016).

3.3.2 Information regarding New Vonovia Shares

Under the Exchange Offer, the conwert shareholders are offered up to 50,611,212 New Vonovia Shares as consideration. The New Vonovia Shares will be issued as registered no-par value shares with each such share representing a *pro rata* share of EUR 1.00 in the registered share capital, and will entitle their holders to full dividend rights as of 1 January 2016 (with a dividend payable for the first time in 2017), as far as an issuance of the New Vonovia Shares with retrospective dividend entitlement is legally possible. As described in greater detail in section 1.2.2, the New Vonovia Shares will be created through the Offer Capital Increases. The Existing Vonovia Shares are, and the New Vonovia Shares will be, traded electronically on the Regulated Market in Germany. The Bidder will ensure that the New Vonovia Shares are admitted to trading on the Regulated Market (*regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) shortly after registration of the implementation of the respective Offer Capital Increases. The Existing Vonovia Shares are deposited in collective safe custody with Clearstream, where the New Vonovia Shares will also be deposited.

During the six months preceding the publication of the intention to launch this Offer, a stock market price for Vonovia shares was determined on each trading day via XETRA. The average daily trading volume on XETRA for the Vonovia Shares over the six months preceding the publication of the intention to launch the Offer amounted to 1,150,121 Vonovia Shares (Source: Bloomberg). This corresponds to an average daily trading volume of approximately 0.2% of all the Vonovia Shares issued and an average of EUR 36,785,912 per day. The average daily trading volume on the Vienna Stock Exchange for conwert Shares over the six months preceding the publication of the intention to launch the Offer amounted to 189,184 conwert Shares. This corresponds to an average daily trading volume in per cent for all conwert Shares of approximately 0.2% and of EUR 2,686,540 per day (Source: Bloomberg). Thus, the absolute liquidity of the Vonovia Shares substantially exceeds that of the conwert Shares.

Detailed information regarding the economic and legal aspects of the New Vonovia Shares is available in the Bidder's prospectus, which constitutes an integral part of the Offer. The prospectus was approved by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, ***BaFin***), the competent German securities regulatory agency, on 11 November 2016 (the ***Prospectus***). In accordance with section 7 No. 10 ÜbG, reference is hereby made to the information contained therein. A copy of this Prospectus can be downloaded from the website of the Bidder (see www.vonovia-offer.de) and of BaFin (see www.bafin.de).

For more information regarding the New Vonovia Shares, conwert shareholders are referred to Appendix A of this offer document, which contains additional information about the New Vonovia Shares and the Vonovia Group. Appendix A should only be read as a non-binding summary of the Prospectus and any decision to invest in New Vonovia Shares should be based on the information contained in the Prospectus.

3.4 Determination of Consideration

Pursuant to Section 26 paragraph 1 ÜbG, the Cash Purchase Price for a security in a voluntary public takeover offer to acquire a controlling interest pursuant to Section 25a ÜbG has at least to correspond to the volume-weighted average market price (the ***VWAP***) of the relevant security over the six months preceding the date on which the Bidder's intention to launch a takeover offer is announced.

The VWAP for the six months preceding the announcement of the intention to launch an offer (5 September 2016), i.e. the period from 2 March 2016 up to and including 2 September 2016, amounts to EUR 14.20 per conwert share.

The Cash Purchase Price in the amount of EUR 16.16 per conwert share is therefore 13.80% higher than the VWAP for the six months preceding the announcement of the intention to launch an offer.

Further, pursuant to Section 26 paragraph 1 ÜbG, the cash purchase price in a voluntary public takeover offer to acquire a controlling interest pursuant to Section 25a ÜbG must not be lower than the highest cash consideration paid or agreed upon for shares in the Target Company by the Bidder or any parties acting in concert with it during the 12 months before the announcement of the launch of an offer. The same applies to the consideration for shares that a bidder or any party acting in concert with it is entitled or obliged to acquire in the future.

Neither the Bidder nor any party acting in concert with it have acquired shares in the Target Company during the 12 months preceding the announcement of the Offer or have agreed to acquire such shares, with the exception of the Tender Commitment Agreements entered into by MountainPeak and the Target Company and referred to in this offer document. As these Tender Commitment Agreements are based on the terms of the Offer and no undertaking has been given to provide any further cash consideration, they do not have the effect of increasing the Offer Price and are consistent with the terms of the Offer.

Therefore, the relevant VWAP with respect to the conwert Shares – as described above – for the six months preceding the day on which the intention of launching an offer was announced is EUR 14.20, which is the basis for determining the minimum offer price in accordance with Section 26 paragraph 1 ÜbG.

3.5 Offer Consideration in Relation to Historic Prices

The initial public offering of conwert on the Vienna Stock Exchange took place on 28 November 2002. The Cash Purchase Price is 0.09% higher than the closing price for the shares of conwert on the Vienna Stock Exchange (EUR 16.145) on 2 September 2016, the last trading day before the intention to launch an offer was announced.

The VWAPs of conwert for the 3, 6, 12 and 24 calendar months preceding the announcement of the intention to launch an offer expressed in EUR, as well as the percentage by which the Cash Purchase Price and the Exchange Offer are higher (or lower) than these values, are as follows:

	3 Months (3 June 2016 – 2 September 2016)	6 Months (3 March 2016 – 2 September 2016)	12 Months (3 September 2015 – 2 September 2016)	24 Months (3 September 2014 – 2 September 2016)
conwert VWAP	14.54	14.20	13.46	12.22
VWAP Vonovia	33.42	31.98	29.86	29.07
Cash purchase price premium (difference between cash purchase price and conwert VWAP)	11.13%	13.80%	20.06%	32.26%
Exchange alternative premium (difference between Vonovia closing price on 2 September 2016 and conwert VWAP)	20.90%	23.81%	30.62%	43.90%
Exchange alternative premium (difference between Vonovia VWAP and conwert VWAP)	14.14%	11.86%	10.18%	18.18%

Basis: average price determined on the basis of the weighted trading volumes of the shares in the Target Company.
Source: Bloomberg

Based on the six-months VWAP for the conwert Share as at 2 September 2016 (being the last trading day prior to the announcement of the intention to launch a takeover on 5 September 2016), the Exchange Offer therefore includes a premium of 23.81% in relation to the closing price of the Vonovia Shares on 2 September 2016 and is significantly higher than the historical stock market prices.

3.6 Valuation of the Target Company

The Bidder has not commissioned the preparation of any DCF valuation of or capitalised earnings calculations for the Target Company to determine the offer consideration. The Cash Purchase Price takes into account the statutory requirements for the minimum offer price and is based on the development of the stock market price of the conwert Shares.

3.7 Key Financial Indicators and Current Business Development of the Target Company

Key financial indicators (adjusted for capital measures where necessary) according to IFRS from the last three (consolidated) annual financial statements of the Target Company (in EUR, unless otherwise indicated):

	2015	2014	2013
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (in EUR million)	116.6	109.9	116.8
Earnings Before Interest and Taxes (EBIT) (in EUR million)	181.3	121.6	123.4
Earnings Before Taxes (EBT) (in EUR million)	100.7	(9.9)	48.7
Profit/Loss (in EUR million)	83.3	(8.9)	13.3
FFO I(1) (in EUR million)	53.4	34.8	36.2
Undiluted Earnings per Share	0.95	(0.14)	0.09
Diluted Earnings per Share	0.85	(0.14)	0.09
FFO I(1) per Share	0.64	0.42	0.44
Dividend per Share	0.35	-	0.10
Profit per Share	0.74	0.46	0.52
Book Value per Share	13.63	12.63	12.88
Undiluted EPRA NAV per Share	15.72	15.70	15.40

(1) FFO I: Earnings Before Taxes (EBT) – difference between the sale proceeds and book value of properties sold + operating expenses profit from property sales - / + property valuation result + depreciation/amortisation and impairment losses + non-cash components of the financial result and other non-cash costs + one-off effects – taxes on rental income impacting liquidity.

Target Company key financial indicators (adjusted for capital measures where necessary) as at 30 June 2016 and as at 30 June 2015 according to IFRS (in EUR, unless otherwise indicated):

	30/06/2016	30/06/2015
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (in EUR million)	51.4	59.2
Earnings Before Interest and Taxes (EBIT) (in EUR million)	146.0	61.5

Earnings Before Taxes (EBT) (in EUR million)	102.5	29.2
Profit/Loss (in EUR million)	74.9	24.5[2]
FFO I[1] (in EUR million)	39.3	25.7
Undiluted Earnings per Share	0.75	0.27[2]
Diluted Earnings per Share	0.71	0.27[2]
FFO I[1] per share	0.43	0.31
Dividend per Share	-	-
Profit per Share	0.42	0.31
Book Value per Share	14.10	12.95[2]
Undiluted EPRA NAV per share	16.00[3]	15.61[2]

[1] FFO I: Earnings Before Taxes (EBT) – difference between the sale proceeds and book value of properties sold + operating expenses profit from property sales - / + property valuation result + depreciation/amortisation and impairment losses + non-cash components of the financial result and other non-cash costs + one-off effects – taxes on rental income impacting liquidity.
[2] Subsequent adjustment of the distribution of equity among majority and minority shareholders as a result of the reallocation of a capital reserve in accordance with IAS 8.41 for 2015 in the interim report 1-6/2016.
[3] After taking into account the 4.50% 2012-2018 convertible bonds (if excluded, the undiluted EPRA NAV per share was EUR 16.40).
Source: Information provided by the Target Company

The following table shows the annual highs and annual lows of the conwert share price (in EUR):

	2015	**2014**	**2013**
Annual All-Time High Price[1]	14.04	10.56	10.43
Annual All-Time Low Price[1]	9.65	8.52	7.44

[1] Basis: Daily closing price
Source: Bloomberg

Further information about conwert, including annual financial statements, half-year and quarterly reports, is available on the website of the Target Company (www.conwert.com). The Target Company information that can be downloaded from the website does not constitute a part of this offer document.

3.8 Equal Treatment

The Bidder confirms that the consideration is the same for all conwert shareholders.

Neither the Bidder nor any party acting in concert with it has acquired any conwert Shares at a price exceeding EUR 16.16 per share within the 12 months preceding the announcement of the Offer, nor has a higher acquisition price been agreed upon.

The Bidder and the parties acting in concert with it must not make any legal declarations concerning the acquisition of securities on terms that are more favourable than those contained in this Offer until the end of the Acceptance Period or, if applicable, until the end of the Additional Acceptance Period (Section 19 paragraph 3 ÜbG), unless the Bidder improves the Offer or the Austrian Takeover Commission (*Österreichische Übernahmekommission*) grants an exemption for good cause.

If the Bidder or any party acting in concert with it nevertheless declares that it will acquire shares on terms that are more favourable than those contained in this Offer, then these more favourable terms will also apply to all other conwert shareholders even if they have already accepted the Offer.

Any improvement in the Offer shall also apply to all those shareholders who have already accepted the Offer at the time of the improvement, unless they object to doing so.

Insofar as the Bidder acquires conwert Shares during the Acceptance Period or during the Additional Acceptance Period, but outside the Offer, such transactions will be disclosed immediately, with details provided of the number of shares acquired or to be acquired as well as the consideration granted or agreed upon pursuant to the relevant provisions of Austrian law on the Internet at www.vonovia-offer.de.

If the Bidder or party acting in concert with it acquires conwert Shares within a period of nine months after the expiry of the Additional Acceptance Period, and a higher consideration is paid or agreed for such acquisition, the Bidder shall be obliged to pay the difference amount to all shareholders who have accepted this Offer pursuant to Section 16 paragraph 7 ÜbG.

The foregoing shall not apply if the Bidder or a party acting in concert with it provides a higher consideration for the conwert Shares in the event of a capital increase in connection with the exercise of statutory subscription rights or in the course of a procedure pursuant to the Austrian Squeeze-Out Act *(Gesellschafterausschlussgesetz*, ***GesAusG***).

If the Bidder resells a controlling interest in the Target Company within a period of nine months following the expiry of the Additional Acceptance Period, a *pro rata* portion of the capital gain must be paid to the shareholders of conwert that have accepted the offer pursuant to Section 16 paragraph 7 ÜbG.

Should such event giving rise to an additional payment occur, the Bidder shall provide immediate notification thereof. The Bidder shall settle the additional payment via the Austrian Paying Agent at its expense within 10 trading days of the publication of the aforementioned notification. If such additional payment event does not occur within the nine-month period, the Bidder will submit an appropriate declaration to the Austrian Takeover Commission (*Österreichische Übernahmekommission*). The Bidder's expert will review the declaration and confirm the content.

4. Conditions Precedent

4.1 Conditions Precedent

The Offer is subject to the following conditions precedent:

4.1.1 Minimum Acceptance Rate

By law (Section 25a paragraph 2 ÜbG), this Offer is subject to the condition that, at the end of the original Acceptance Period, Vonovia must have received Acceptance Declarations that account for more than 50% of the conwert Shares that are the subject of the Offer. In accordance with Section 25a paragraph 2 ÜbG, if the Bidder acquires conwert Shares in parallel to the Offer, then such shares will be added to the Acceptance Declarations.

Thus, in order to satisfy this condition precedent, the Bidder must receive Acceptance Declarations for at least 50,953,107 conwert Shares by the end of the Acceptance Period; any conwert Shares accepted by the Bidder in parallel to the Offer will be added to those Acceptance Declarations.

4.1.2 Registration of the Implementation of the Capital Increases

The Local Court (*Amtsgericht*) of Dusseldorf has registered with the commercial register the Offer Capital Increases of Vonovia from authorised capital, that the Bidder is required to file for registration with the commercial register, to the extent required by the Acceptance Declarations received by the end of the original Acceptance Period in order to settle the Offer, no later than (and including) 19 February 2017. All manadatory resolutions of the Bidder's management board and supervisory board concerning the utilisation of the Authorised Capital 2015 while excluding the subscription rights required to implement the capital increase have already been adopted and are not part of this or any other condition precedent.

4.1.3 No Significant Decrease in the FTSE EPRA/NAREIT Germany Index

During the period between the publication of this offer document and the expiry of the original Acceptance Period the closing rate of the FTSE EPRA/NAREIT Germany Index on six consecutive days will not be lower than 768 (which corresponds to a rate that is approx. 28.5% under its closing rate as of 2 September 2016 pursuant to Bloomberg); on 15 November 2016, the closing rate of the FTSE EPRA/NAREIT Germany Index was 905.83 (Source: Bloomberg).

4.1.4 No Increase in the Registered Share Capital of conwert

The registered share capital of conwert has not been increased during the period between the publication of this offer document and the expiry of the original Acceptance Period and conwert's general meeting has not adopted any resolution that, if implemented, would cause the registered share capital to increase.

4.1.5 No Dividends, Amendments to the Articles of Association or Liquidation

None of the following events has occurred in the period between the publication of this offer document and the expiry of the original Acceptance Period:

a. conwert resolves on or distributes a cash or in-kind dividend or resolves on a capital increase from own funds.

b. The general meeting of conwert resolves on an amendment of the articles of association that would (i) increase the majority requirement for all or particular resolutions of the general meeting or of other corporate bodies of conwert, or (ii) effect a change in the rights attaching to the conwert Shares or in the nature of the shares.

c. The general meeting of conwert resolves on the liquidation of conwert.

d. The general meeting resolves on a measure that is subject to majority vote of 75% or more of the votes casts to be resolved.

4.1.6 No Significant Transaction

During the period between the publication of this offer document and the expiry of the original Acceptance Period, conwert publishes no announcement stating that conwert or a conwert subsidiary has

a. sold, or undertaken to sell, assets (properties or shares) in return for a cash consideration in excess of EUR 50,000,000 in any individual case or in total to a group external third party; exempt from this condition are properties of the segments (i) non-core, or (ii) privatisation, which may be sold in any event, or (iii) properties identified by conwert as being for sale from the premium commercial segment, but, with respect to sales concerning (i), (ii) and (iii), provided that the total sum for all sale proceeds (i.e. the sum of all the cash purchase prices) from the disposals calculated from 1 July 2016 until the expiry of the original Acceptance Period is not lower than the total of the IFRS book values as at 30 June 2016 for the assets thus sold; the Austrian Takeover Commission has been provided with a list of the relevant assets prior to the publication of this offer document; or

b. acquired, or undertaken to acquire, assets (with the exception of procurements of items needed for current business operations) if (i) the consideration exceeds EUR 200,000,000 in any individual case or, in the case of portfolio transactions in total, and (ii) the consideration for the assets concerned exceeds their fair market value, or, in the case of portfolio transactions, their total fair market value, as determined by CB Richard Ellis (commissioned by conwert) prior to the acquisition or the undertaking to acquire by more than 10%.

4.1.7 No Material Adverse Change

Between the publication of this offer document and the expiry of the original Acceptance Period, conwert does not publish any announcement indicating a material adverse change of the earnings of the Target Company. A material adverse change of the earnings shall be deemed to exist if such announcement states (i) a sustainable reduction of at least EUR 5,000,000 per year in the funds from operations before results from disposals and one-off effects (referred to as "FFO I" in the conwert half-year report as at and for the period ended 30 June 2016) for the conwert Group, with the exception of effects from disposals, or (ii) a negative one-time effect of the net asset value (NAV) of conwert of at least EUR 50,000,000 (without taking into account expenses and levies related to this Offer).

4.1.8 No Significant Compliance Breach

During the period between the publication of this offer document and the expiry of the original Acceptance Period:

a. There is no conviction or indictment for a criminal act of any member of a governing body or officer of conwert or a subsidiary of conwert while any of those persons were operating in their official capacity at conwert or a subsidiary of conwert that is known to have occurred, whether under Austrian, German or any other applicable law which constitutes or would constitute an insider information in relation to conwert if not previously disclosed. Criminal acts within the meaning of this condition precedent specifically include bribery offences, corruption, breach of trust, antitrust violations, money laundering or violations of the Austrian Stock Exchange Act (*Börsegesetz*); or

b. No criminal act or administrative offence committed by any member of a governing body or officer of conwert or a subsidiary of conwert operating in their official capacity at conwert or a subsidiary of conwert is known to have occurred, whether under Austrian, German or any other applicable law which constitutes or would constitute an insider information in relation to conwert if not previously disclosed. Criminal acts and administrative offences within the meaning of this condition precedent specifically include bribery offences, corruption, breach of trust, antitrust violations, money laundering or violations of the Austrian Stock Exchange Act (*Börsegesetz*).

4.1.9 No Loss in the Amount of Half of the Registered Share Capital, No Insolvency Proceedings

During the period between the publication of this offer document and the expiry of the original Acceptance Period, no announcement has been published stating that

a. a loss has been incurred in an amount corresponding to at least one half of the registered share capital of conwert in accordance with Section 83 AktG, or

b. conwert is either insolvent, or in the process of liquidation, or that insolvency or reorganisation proceedings concerning its assets (*Konkurs- oder Sanierungsverfahren*) or proceedings under the Austrian Corporate Reorganisation Act (*Unternehmensreorganisationsgesetz*) have been initiated, or that the initiation of insolvency or proceedings has been rejected by a competent court due to lack of assets.

4.2 Waiver, Fulfilment and Non-Fulfilment of Conditions Precedent

The Bidder reserves the right to waive the fulfilment of individual conditions precedent so that they are deemed to have been fulfilled. The fulfilment of the statutory condition precedent set forth in section 4.1.1 concerning the minimum acceptance rate of more than 50% of the shares that are the subject of this Offer cannot be waived. The occurance of the condition mentioned in Section 4.1.3 (no significant decrease in the FTSE EPRA/NAREIT Germany Index) can only be waived until three trading days prior to the expiry of the Acceptance Period.

The Bidder will disclose any waiver, fulfilment or non-fulfilment of any condition precedent in the publication media referred to in section 5.13 of this offer document without undue delay. In the publication of the results of this Offer at the latest, the Bidder will announce whether or not the conditions precedent persuant to Section 4.1.1 and 4.1.3 to 4.1.9 have been fullfilled.

This Offer will become invalid if the conditions precedent set forth in section 4.1.1 as well as in sections 4.1.2 to 4.1.9 have not been fulfilled within the period specified in the respective condition precedent, unless the Bidder has waived the fulfilment of the conditions precedent set forth in sections 4.1.2 to 4.1.9 and the condition precedent set forth in section 4.1.1 has been fulfilled.

5. Acceptance and Settlement of the Offer

5.1 Acceptance Period

This Offer can be accepted between from 18 November 2016 up to and including 19 December 2016, 17:00 CET. The period for the acceptance of the Offer therefore amounts to

21 trading days. The Bidder reserves the right to extend the Acceptance Period in accordance with Section 19 paragraph 1b ÜbG.

In the event that a competing offer is made, the Acceptance Period for the Offer will be automatically extended until the end of the acceptance period for the competing offer in accordance with Section 19 paragraph 1c ÜbG unless the Bidder withdraws the Offer.

With regard to the Additional Acceptance Period, see section 5.10.

5.2 Austrian Paying Agent

The Bidder has appointed UniCredit Bank Austria AG, registered under registration number FN 150714 p, with its corporate seat in Vienna, Austria, and its business address at Schottengasse 6-8, 1010 Vienna, Austria, to administer the Settlement of the Offer, to receive acceptance declarations and to remit consideration as the Austrian Tender and Paying Agent.

5.3 Exchange Agents

The Bidder has appointed as Exchange Agents (i) COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, Local Court (*Amtsgericht*) of Frankfurt am Main, registered under registration number HRB 32000 (***Exchange Agent 1***) and (ii) Bankhaus Neelmeyer Aktiengesellschaft, Am Markt 14-16, 28195 Bremen, Germany, Local Court (*Amtsgericht*) of Bremen, registered under registration number HRB 4425 (***Exchange Agent 2***) (Exchange Agent 1 and Exchange Agent 2 are collectively referred to as the ***Exchange Agents***).

The Exchange Agents have been instructed for the purposes of executing the Offer Capital Increases in accordance with section 7.2 and of transferring the Surplus Shares to the Third-Party Bank in accordance with section 5.6, with Exchange Agent 1 being additionally instructed by the Bidder to procure admission to trading for and delivery of the global share certificate representing the New Vonovia Shares.

5.4 Acceptance of the Offer

conwert shareholders who wish to accept this Offer should contact their Custodian Bank with any questions about the technical aspects of the acceptance of the Offer and the technical aspects of settlement. The Custodian Banks will be informed separately about the procedures for the acceptance and settlement of the Offer.

conwert shareholders may only accept this Offer by declaring acceptance of the Exchange Offer and/or the Cash Offer for a specific number of conwert Shares, which number of shares is to be specified in the acceptance declaration, to the securities services provider or to the financial institution that maintains the relevant shareholder's securities deposit (the ***Custodian Bank***) (the ***Acceptance Declaration***).

The Custodian Bank will, without delay, forward the Acceptance Declaration, including details of the number of acceptance instructions received from its clients and the total number of shares referred to in the Acceptance Declarations received by the Custodian Bank during the Acceptance Period, to the Austrian Paying Agent and will re-book the conwert Shares with ISIN AT0000697750 tendered through it as "***conwert Shares Tendered for Exchange***" (in the event of acceptance of the Exchange Offer) or as "***conwert Shares Tendered for Sale***" (in the event of acceptance of the Cash Offer) and transfer them to the Austrian Paying Agent. The conwert Shares Tendered for Exchange will have ISIN AT0000A1PGN6 and the conwert Shares Tendered for Sale will have ISIN AT0000A1PGP1. The conwert Shares Tendered for Exchange by U.S. shareholders will be kept under a separate ISIN (see section 5.7).

Acceptance of the Offer will become effective and be deemed to have been submitted in due time if the Acceptance Declaration is received by the Custodian Bank within the Acceptance Period and provided that no later than by 17:00 CET on the second trading day after the expiry of the Acceptance Period, (i) the re-booking has been performed (the transfer from ISIN AT0000697750 and re-booking as ISIN AT0000A1PGN6 of the conwert Shares Tendered for Exchange and as ISIN AT0000A1PGP1 of the conwert Shares Tendered for Sale), and (ii) the Custodian Bank has communicated acceptance to the Austrian Paying Agent by specifying the number of instructions received from its clients and the total number of shares indicated in the Acceptance Declarations received by the Custodian Bank during the Acceptance Period and has transferred the corresponding total number of shares to the Austrian Paying Agent.

The Bidder advises conwert shareholders who wish to accept the Offer to contact their respective Custodian Bank at least three trading days before the end of the Acceptance Period so as to ensure timely settlement.

The Custodian Banks are requested to notify the Austrian Paying Agent promptly of the acceptance of the Offer. The conwert Shares with ISIN AT0000697750 tendered through the Austrian Paying Agent will be blocked until the Acceptance Declaration(s) is/are received.

5.5 Declarations by conwert Shareholders

By accepting the Cash Offer and/or the Exchange Offer pursuant to section 5.4, each conwert shareholder declares implicitly that:

(i) the shareholder accepts the Cash Offer and/or the Exchange Offer of the Bidder to conclude a purchase agreement and/or an exchange agreement for the number of conwert Shares indicated in the shareholder's Acceptance Declaration in accordance with section 5.8 and with the remaining provisions of this offer document as well as instructs and authorises the shareholder's Custodian Bank and the Austrian Paying Agent to re-book the conwert Shares referred to in the Acceptance Declaration to ISIN AT0000A1PGP1 (for conwert Shares Tendered for Sale) or to ISIN AT0000A1PGN6 (for conwert Shares Tendered for Exchange) on the basis of the respective Acceptance Declaration;

(ii) the shareholder instructs and authorises its Custodian Bank, via OeKB, to transfer the tendered conwert Shares in respect of which the shareholder accepts the Cash Offer and/or the Exchange Offer to the securities account of the Austrian Paying Agent for the purpose of the Settlement;

(iii) the shareholder instructs and authorises the shareholder's Custodian Bank to instruct and authorise the Austrian Paying Agent to transfer title to the conwert Shares to the Bidder in respect of which the shareholder accepts the Cash Offer and/or Exchange Offer in equal parts to Exchange Agent 1 (rounded up to whole shares) and to Exchange Agent 2 (rounded down to whole shares) immediately prior to the registration of the implementation of the relevant Offer Capital Increases subject to the materialisation of the conditions precedent (with the exception of registration of the implementation of the Offer Capital Increases and insofar as the Bidder does not waive one or more conditions precedent) via OeKB and with the proviso that these conwert Shares shall be held in trust and then transferred and assigned conditional upon the registration of the Offer Capital Increase(s), to the extent the shareholder has accepted the Exchange Offer, or by paying of the Cash Purchase Price to the Austrian Paying Agent, to the extent the shareholder has accepted the Cash Offer;

(iv) the shareholder, if it has accepted the Exchange Offer, authorises and instructs the Exchange Agents, via the Austrian Paying Agent, to contribute to the Bidder, along with all other conwert Shares tendered for exchange, the conwert Shares tendered by it as a contribution in-kind in respect of 0.496645 New Vonovia Shares for each conwert Share tendered (subject to the transfer of title to Surplus Shares to the Third-Party Bank, see section 5.6), including in each case all such rights attached thereto at the time of Settlement, conditional upon the registration of the Offer Capital Increase(s) and to accept the offer consideration (New Vonovia Shares) in their capacity as trustees with the proviso that the offer consideration shall be transferred to the Austrian Paying Agent (also see section 7.2.1); the Austrian Paying Agent shall, for its part, transfer the offer consideration (New Vonovia Shares) directly or through OeKB to the Custodian Bank, and the Custodian Bank will credit the New Vonovia Shares that (subject to the rules concerning fractional shares (*Aktienspitzen*) contained in section 5.5) relate to the conwert Shares Tendered for Exchange, to the securities account of the conwert shareholder;

(v) the shareholder, if it has accepted the Cash Offer, authorises and instructs, via the Austrian Paying Agent, the Exchange Agents to transfer the conwert Shares tendered for sale, along with all other conwert Shares tendered for sale (subject to the transfer of title to Surplus Shares to the Third-Party Bank, see section 5.6), including, in each case, all such rights that are attached thereto at the time of the Settlement, to the Bidder conditional upon payment of the Cash Purchase Price to the Austrian Paying Agent; the Austrian Paying Agent shall, for its part, transfer the Cash Purchase Price, directly or through OeKB, to the Custodian Bank, and the Custodian Bank shall credit the Cash Purchase Price (subject to the provisions concerning Surplus Shares, see section 5.6) in respect of each of the conwert Shares Tendered for Sale, to the securities account of the conwert shareholder;

(vi) the shareholder instructs and authorises its Custodian Bank to cancel the conwert Shares Tendered for Sale or the conwert Shares Tendered for Exchange against crediting the Cash Purchase Price or the New Vonovia Shares;

(vii) the shareholder instructs and authorises its Custodian Bank to transfer its fractional shares (*Aktienspitzen*) in respect of New Vonovia Shares to the securities account of the Austrian Paying Agent and to instruct and authorise, via the shareholder's Custodian Bank, the Austrian Paying Agent to sell its fractional shares (*Aktienspitzen*) in respect of New Vonovia Shares (along with other fractional shares in the form of whole New Vonovia Shares) that already have been or will be re-booked from its Custodian Bank to the securities account with the Austrian Paying Agent in accordance with this offer document;

(viii) the shareholder – if it has accepted the Exchange Offer – consents to and accepts that proceeds credited to it for fractional shares (*Aktienspitzen*) in respect of New Vonovia Shares will be determined on the basis of the average proceeds accruing from the sale of the fractional shares (*Aktienspitzen*) (representing entire New Vonovia Shares) per New Vonovia Share obtained by the Austrian Paying Agent for its account from the disposal of the whole New Vonovia Shares representing the fractional shares (*Aktienspitzen*) and thereby accepts that the shareholder is not entitled to require the execution of a sell order at a particular price;

(ix) the shareholder consents to and accepts that during the period commencing on the date of the re-booking of the conwert Shares as specified in the Acceptance Declaration to

ISIN AT0000A1PGN6 (for conwert Shares Tendered for Sale) or to ISIN AT0000A1PGP1 (for conwert Shares Tendered for Exchange) and ending on the date of receipt of the Cash Purchase Price and/or the New Vonovia Shares, it will not be able to dispose of the conwert Shares tendered (ISIN AT0000697750) and shall only have a claim in respect of the delivery of such number of New Vonovia Shares or for payment of the Cash Purchase Price in accordance with this offer document;

(x) the shareholder confers powers of attorney, instructs and authorises its Custodian Bank, the Austrian Paying Agent and the Exchange Agents, via the Austrian Paying Agent, and in doing so exempts them from the prohibition on self-dealing (*Selbstkontrahieren*) pursuant to Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*, *BGB*) and expressly permits self-dealing (*In-Sich Geschäfte*) under Austrian law, to take all such actions as may be expedient or necessary for the Settlement of this Offer and to issue and receive declarations, especially in respect of the transfer of title to the conwert Shares to the Exchange Agents;

(xi) the shareholder instructs and authorises its Custodian Bank and possible intermediate custodians to instruct and authorise the Austrian Paying Agent to convey to the Exchange Agents, on an on-going basis, information with respect to the number of conwert Shares re-booked to ISIN AT0000A1PGN6 (in the case of conwert Shares Tendered for Exchange) or to ISIN AT0000A1PGP1 (in the case of conwert Shares Tendered for Sale) delivered to the Austrian Paying Agent; as well as

(xii) its conwert Shares shall, at the time of the transfer of title, be solely owned by it and shall be free and clear of any third party rights.

The declarations, instructions, orders and authorisations referred to in paragraphs (i) to (xii) above are issued irrevocably in the interests of a smooth and expeditious settlement of this Offer. They shall lapse in the event that the exchange or purchase agreement which has come into existence as a result of the acceptance of the Offer is validly rescinded in accordance with section 5.12 or the Offer shall be deemed void in accordance with section 4.2.

5.6 Surplus Shares

In the event that, under the terms of the Offer, this Offer is accepted for more than 95% less 10,000 of the conwert Shares, after deducting any conwert Shares already held or subsequently acquired by Vonovia, the Exchange Agents shall be obliged to transfer any conwert Shares in excess thereof (the ***Surplus Shares***) to J.P. Morgan Securities plc, 25 Bank Street, London E14 5JP, Great Britain (the ***Third-Party Bank***) without any pass-through acquisition by Vonovia. Insofar as conwert shareholders have tendered conwert Shares for exchange and this gives rise to Surplus Shares (the ***Exchange Surplus Shares***), the New Vonovia Shares required as offer consideration for the Exchange Surplus Shares shall be created by means of one or more Cash Capital Increase(s) against the provision of the requisite cash by the Third-Party Bank (see section 7.2.2). Insofar as conwert shareholders have tendered conwert Shares for sale and this gives rise to Surplus Shares (the ***Cash Surplus Shares***), the cash required to provide the offer consideration for the Cash Surplus Shares will be provided by the Third-Party Bank.

In submitting an Acceptance Declaration in accordance with section 5.4, each accepting conwert Shareholder declares its acceptance that

(i) for purposes connected with the Offer Capital Increases, the Exchange Agents may contribute to Vonovia as a contribution in-kind no more than 95% less 10,000 of the conwert Shares while taking into account the conwert Shares Tendered for Sale and after deducting any conwert Shares already held by Vonovia;

(ii) the Exchange Agents may transfer title in the conwert Shares to Vonovia to no more than 95% less 10,000 of the conwert Shares outstanding Tendered for Sale while taking into account the conwert Shares Tendered for Exchange and after deducting any conwert Shares already held or subsequently acquired by Vonovia;

(iii) title to the Exchange Surplus Shares will be transferred by the Exchange Agents in their capacity as trustees of the respective conwert shareholders to the Third-Party Bank with the proviso that the Exchange Agents will only effect such transfer of title if (a) the Third-Party Bank has made available to Vonovia a sum in an amount corresponding to the issue price of the New Vonovia Shares to be created as offer consideration for each Exchange Surplus Share through an respective Cash Capital Increase and (b) the implementation of the respective Cash Capital Increase has been registered with the commercial register, and

(iv) title in the Cash Surplus Shares will be transferred by the Exchange Agents in their capacity as trustees of the respective conwert shareholders to the Third-Party Bank with the proviso that the Exchange Agents will only effect such transfer if the Austrian Paying Agent receives a sum per Cash Surplus Share from the Third-Party Bank that corresponds to the Cash Purchase Price under the Cash Offer.

5.7 Acceptance of the Exchange Offer by U.S. Shareholders

The New Vonovia Shares that will be transferred to the conwert shareholders as consideration under the Exchange Offer were, in particular, not registered according to the provisions of the United States Securities Act of 1933. The New Vonovia Shares may therefore be neither offered nor sold to conwert shareholders who have their place of residence, seat or habitual abode in the United States of America (***U.S. Shareholders***), as well as agents, trustees, custodians or any other persons representing a U.S. Shareholder, unless in the opinion of the Bidder (based on an opinion issued by a capital markets lawyer) there is an exemption from the registration obligation pursuant to the United States Securities Act of 1933 (e.g. securities may, in particular, be offered to "Qualified Institutional Buyers", as defined in Rule 144A of the United States Securities Act of 1933) or the transaction does not fall within the scope of the registration obligation pursuant to the United States Securities Act of 1933. If, in the opinion of the Bidder (based on an opinion issued by a capital markets lawyer), the New Vonovia Shares may not be offered or transferred to a U.S. Shareholder as well as to agents, trustees, custodians or any other persons representing a U.S. Shareholder in accordance with the provisions of the United States Securities Act of 1933, a U.S. Shareholder that has validly accepted the alternative Exchange Offer shall receive the corresponding amount of cash in euros deriving from the sale of the respective number of New Vonovia Shares in lieu of the number of New Vonovia Shares to which the shareholder is entitled. Otherwise, the provisions of this offer document apply accordingly to U.S. Shareholders.

With the Acceptance Declaration, each conwert shareholder

(i) who confirms in his Acceptance Declaration that it (a) is located in the United States of America or (b) acts as an agent, trustee, custodian or otherwise for a U.S. Shareholder;

(ii) who provides in its Acceptance Declaration an address in the United States of America or who has such an address;

(iii) who provides in its Acceptance Declaration the name and address of a person in the United States of America to whom the exchange consideration and/or documents in connection with the Offer should be sent; or

(iv) whose Acceptance Declaration was received in an envelope stamped in the United States of America or for other reasons was evidently sent from the United States of America,

irrevocably instructs and authorises (i) its Custodian Bank as well as (ii) the Austrian Paying Agent, via its Custodian Bank and any intermediate Custodian Banks, to sell the number of New Vonovia Shares to which it would be entitled in connection with the Exchange Offer and, immediately upon Settlement of the Offer in accordance with section 5.9, to be credited with the corresponding proceeds of the sale in euros without delay following settlement of the sell order. The sale will take place on the stock exchange at the respective market price. The Bidder and the Austrian Paying Agent give no guarantee that a specific price will be realised through the sale via stock exchange.

The instruction does not apply if, in the opinion of the Bidder (based on an opinion issued by a capital markets lawyer), the New Vonovia Shares may be offered and sold to the relevant conwert shareholder by way of an exemption from the registration requirements pursuant to the United States Securities Act of 1933 (e.g. securities may, in particular, be offered to Qualified Institutional Buyers, as defined in Rule 144A of the United States Securities Act of 1933). The conwert Shares tendered for exchange by Qualified Institutional Buyers, as defined in Rule 144A of the United States Securities Act of 1933, will be booked under ISIN AT0000A1PGQ9.

5.8 Legal Consequences of Acceptance

By accepting the Offer, any accepting shareholder and the Bidder enter into a conditional agreement in respect of the sale of the conwert Shares tendered for sale and/or in respect of the exchange of the conwert Shares tendered for exchange entailing an obligation to transfer the conwert Shares tendered for sale and/or for exchange to the Exchange Agents appointed by the Bidder on the terms set out in this offer document. The aim of the conditional purchase and/or exchange agreements is to bring about the acquisition of no more than 95% less 10,000 of the conwert Shares outstanding by Vonovia and the acquisition of any Surplus Shares by the Third-Party Bank after deducting any conwert Shares already held or subsequently acquired by Vonovia.

Moreover, by accepting this Offer, the accepting conwert shareholders irrevocably issue the instructions, orders, authorisations and powers of attorney set forth in sections 5.5 and 5.6 and, in the case of the acceptance of the Exchange Offer by U.S. Shareholders, those set forth in section 5.7 of this offer document and make the declarations set forth in the aforementioned sections of this offer document.

Upon fulfilment of the conditions precedent or their waiver, each respective title transfer agreement shall become unconditional. Performance of the agreement by transfer of title (*dinglicher Vollzug*) (***Settlement***) will be completed following the fulfilment (or waiver) of all the conditions precedent but no earlier than upon Settlement in accordance with section 5.9. With the transfer of title to the tendered conwert Shares, all rights and claims associated therewith will be transferred to the Bidder, or, in the case of Surplus Shares, to the Third-Party Bank.

5.9 Payment and Settlement of the Offer

To the extent possible, the Settlement of the Cash Offer and of the Exchange Offer will take place on the same day.

The Cash Purchase Price will be paid to the holders of the conwert Shares tendered for Sale who have accepted the Offer no later than ten trading days after this Offer becomes unconditionally binding in accordance with section 5.5(v) against transfer of the conwert Shares. Settlement will therefore take place no later than on 3 March 2017.

Settlement of the Exchange Offer shall take place through the delivery of New Vonovia Shares as consideration for the conwert Shares Tendered for Exchange. With the transfer of the New Vonovia Shares by the Austrian Paying Agent to the securities account of the respective conwert shareholder, the Bidder will have fulfilled its obligation to deliver New Vonovia Shares to the conwert shareholders under the Exchange Offer. The respective Custodian Bank will transfer the New Vonovia Shares to each conwert shareholder concerned. The transfer of the New Vonovia Shares by the Austrian Paying Agent to the respective Custodian Bank will take place without undue delay after the transfer of such shares by the Exchange Agents to the securities account maintained by the Austrian Paying Agent with OeKB, and will to occur no later than within ten trading days of this Offer becoming unconditionally binding.

If fractional shares (*Aktienspitzen*) in respect of New Vonovia Shares arise from the exchange ratio deriving from the exchange consideration, no shareholder rights shall attach thereto, so that rounding to full shares (so-called compensation for fractional shares (*Spitzenausgleich*)) will be necessary. Fractional shares (*Aktienspitzen*) will only be settled in cash at the prevailing stock market price for the Vonovia Shares. After the fractional shares (*Aktienspitzen*) in respect of the New Vonovia Shares that have been allocated are transferred to the securities account kept by the Austrian Paying Agent with OeKB, the Austrian Paying Agent will compulsorily combine such fractional shares (*Aktienspitzen*) into whole shares and sell them via the stock exchange promptly. The proceeds to be credited to the respective conwert shareholder will be determined on the basis of the average sale proceeds obtained for the fractional shares (*Aktienspitzen*) (representing whole New Vonovia Shares) and then – within ten banking days of the booking of the New Vonovia Shares to the securities accounts of the conwert shareholders accepting the Exchange Offer in the course of the Settlement – will be disbursed to the eligible conwert shareholders that tendered conwert Shares for exchange in accordance with the fractional shares (*Aktienspitzen*) allocated to them. Because of the use of different booking systems by Custodian Banks, slight rounding differences may arise with regard to the distribution of the sale proceeds resulting from the liquidation of the fractional shares (*Aktienspitzen*).

The Bidder will ensure that the New Vonovia Shares are admitted to trading on the Regulated Market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse)* shortly after registration of the implementation of the respective Offer Capital Increases. The New Vonovia Shares will be transferred to the securities accounts held by the Custodian Banks of the respective conwert shareholder at Clearstream or OeKB after the expiry of the Acceptance Period, but not before the registration of the implementation of the respective Offer Capital Increases and the admission to trading on the regulated market (*Regulierter Markt*) (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The Exchange Agents hereby offer to transfer the title to the securities in a way that does not require the Exchange Agents' receipt of the acceptance by the former conwert shareholder who has tendered conwert Shares. After the admission of the New Vonovia Shares to the Regulated Market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the New Vonovia Shares are also intended to be admitted to exchange trading on the regulated market of the Luxembourg Stock Exchange. However, the admission to the regulated market of the Luxembourg Stock Exchange will have no influence on the Settlement of this Offer.

5.10 Additional Acceptance Period

conwert shareholders intending to accept the Offer during the Additional Offer Period should contact their Custodian Bank with any queries.

The Acceptance Period for all conwert shareholders who have not accepted the Offer within the original Acceptance Period will be extended pursuant to Section 19 paragraph 3 ÜbG for three months from the announcement (publication) of the result.

The provisions and statements contained in section 5 shall apply *mutatis mutandis* to the acceptance of the Offer during the Additional Acceptance Period, provided that conwert Shares tendered during such period will receive a separate ISIN and will be designated "conwert Shares Tendered for Sale during the Additional Acceptance Period" and "conwert Shares Tendered for Exchange during the Additional Acceptance Period".

Holders of conwert Shares that only accept the Offer during the statutory Additional Acceptance Period pursuant to Section 19 paragraph 3 ÜbG will receive the offer consideration no later than ten trading days after the end of the Additional Acceptance Period. Settlement will be effected in accordance with section 5. For the sake of clarity, it is hereby expressly stated that the transfer of the consideration for the conwert Shares tendered in the Additional Acceptance Period will no longer be subject to the closing conditions set forth in section 4.1.

5.11 Settlement Fees

The Bidder shall bear all fees and costs levied by the Austrian Custodian Banks that are directly connected with the Settlement of the Offer, but in a maximum amount of EUR eight (8) per deposit. The Austrian Custodian Banks shall thus receive a one-off lump-sum payment in the amount of EUR eight (8) per deposit to cover all costs, if any, including but not limited to commission and expenses, and are requested to contact the Austrian Paying Agent.

Neither the Bidder nor any party acting in concert with it assumes any liability in relation to a conwert Shareholder or a third party for any expenses, costs, taxes, stamp duties or other similar levies and taxes in connection with the acceptance and Settlement of the Offer in Austria or abroad. Such shall be borne by the conwert shareholders themselves.

Any taxes related to the acceptance and Settlement of the Exchange Offer and/or the Cash Offer shall be borne by each respective conwert shareholder itself.

5.12 Withdrawal Rights of the Shareholders in the Case of Competing Offers

If a competing offer is launched during the term of the Offer, shareholders may, pursuant to Section 17 ÜbG, withdraw their acceptance declarations no later than four trading days before the expiry of the original Acceptance Period.

The declaration of withdrawal must be made in writing and should be sent to the Austrian Paying Agent.

Pursuant to Section 19c paragraph 1 lit c ÜbG, the Bidder expressly reserves the right to withdraw from the Offer in the event that another bidder presents a public offer for the shares of the Target Company.

5.13 Announcements and Publication of the Result

The result of the Offer will be published without undue delay after expiry of the Acceptance Period as an announcement in the official gazette of the newspaper Wiener Zeitung, as well as on the websites of the Bidder (www.vonovia-offer.de), the Target Company (www.conwert.com) and the Austrian Takeover Commission (*Österreichische Übernahmekommission*) (www.takeover.at).

The same shall also apply to all other declarations and notices of the Bidder relating to the Offer.

6. Future Participation and Business Policy

6.1 Reasons for the Offer

The portfolios of Vonovia and conwert are an appropriate fit geographically and complement each other strategically. The conwert portfolio includes high value properties in important German cities and regions and, in the opinion of the Bidder, their value could be further increased by means of the Bidder's management platforms, through modernisation measures and as a result of the effects of economies of scale.

The purpose of the Offer is to combine the complementary property portfolios of Vonovia and conwert. As a result of the combination and the integration of conwert's German property portfolio, Vonovia will further develop its presence in the cities of Leipzig, Berlin, Potsdam and Dresden, which are experiencing dynamic growth. Moreover, the German-speaking metropolis Vienna will be added to the mere FRG portfolio.

The Bidder therefore expects that the acquisition of the Target Company will result in the realisation of significant potential for synergies that will ultimately benefit both groups of shareholders.

6.2 Future Business Policy

The successful completion of the takeover offer would enable Vonovia to further enhance its position as, in its opinion, Germany's leading residential real estate company with a portfolio that currently consists of approximately 340,000 residential units with a total value of approx. EUR 24 billion.

The integration of conwert is expected to result in the leveraging of potential synergies, especially as a result of the joint administration and management of German residential units, the further modernisation of the building stock, the expansion of the value chain and the optimisation of cost structures. In particular, Vonovia intends to take over the management of the German properties of the conwert Group, while taking into account its economic interests on standard market terms.

The aim of the Bidder is to integrate conwert into the tried and tested national management platform and thus leverage the potential for value creation. Because of its good positioning, conwert will retain its presence on the Austrian market.

It is the intention of the Bidder that, for the time being, conwert should remain listed on the Vienna Stock Exchange (*Wiener Börse*). However, the Bidder expressly states that in the event of a high acceptance rate of the Offer, the minimum free float requirements to admit the shares to the Official Market (*amtlicher Handel*) (or Second Regulated Market) or to remain in the "Prime Market" segment of the Vienna Stock Exchange (*Wiener Börse*), may no longer be met. Legally, a delisting from the Official Market (*amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) is required if the statutory listing requirements according to Section

66a paragraph 1 no. 7 of the Austrian Stock Exchange Act (*Börsegesetz*) (in particular the minimum statutory free float) are no longer fulfilled. The possible termination of trading on the stock market or re-listing in a different market segment could be expected to severely restrict the liquidity of the shares and the setting of market prices for them.

The Bidder also reserves the right to implement a voluntary change in the market segment.

Should the Bidder hold less than 90% but more than 75% plus one share of the registered share capital and of the shares with voting rights following the completion of this Offer, it would be possible to legally effect structural and capital measures under corporate law. Should the Bidder hold more than 90% of the registered share capital and of the shares with voting rights of the Target Company following the completion of the Offer or at some later point in time, a squeeze-out (*Gesellschafterausschluss*) under the Austrian Squeeze-Out Act (*Gesellschafterausschlussgesetz, GesAusG*) would be legally possible, which could then lead to the squeeze-out of the remaining conwert shareholders and to the delisting of the conwert Shares. The Bidder has not yet made any decisions with regard to a change in the market segment, structural and capital measures under corporate law or a squeeze-out.

6.3 Effects on Employment and Headquarters

6.3.1 Headquarters

The Bidder does not have a presence in Austria at present and consequently also does not have a branch operating on that market. In particular in light of this, it is intended to essentially retain the current structure of conwert: conwert's Vienna headquarters are to be kept and Austrian properties are to be managed by conwert.

6.3.2 Employment

conwert already launched a programme to reduce overcapacity in the past, and the Bidder understands that conwert is successfully implementing the programme and is achieving progress. The Bidder currently sees no need for any job cuts other than those resulting from the measures already planned. Thus, plans to scale back personnel are not a priority within the context of the takeover, although combining existing structures is being considered in connection with the integration of the Target Company's property holdings, especially in Germany. No changes to the executive management of the Target Company are currently being planned. However, the Bidder intends to appoint the majority of the members of the administrative board (cf. section 6.3.3).

The Bidder states that issues such as the anticipated impact of the Offer on employees (jobs, employment conditions, the future of sites) are also to be addressed in the statement that is still to be published by the administrative board of the Target Company in accordance with Section 14 ÜbG.

6.3.3 Administrative Board

All current members of the conwert administrative board have declared that they are ready to tender their resignations in the event that the Offer is successful.

In the event that the Offer is successfully completed, the Bidder therefore intends, in the spirit of good corporate governance, to effect new appointments to the conwert administrative board to reflect the new shareholder structure, i.e. that Vonovia is the majority shareholder as well as the fact that there will probably continue to be minority shareholders.

In this regard, the parties to the BCA have agreed that an extraordinary general meeting of conwert should likely be convened in January 2017 (the ***2017 Extraordinary General Meeting***) to increase the number of members of the administrative board of the Target

Company from five to seven and to hold a new election for all members of the administrative board. Consequently, four suitable individuals designated by the Bidder should be proposed for election to the administrative board. Should there be no increase in the number of members of the administrative board, there should continue to be five members and then three suitable individuals designated by the Bidder should be elected to the conwert administrative board. Hence, at the 2017 Extraordinary General Meeting, the Bidder intends to ensure that the individuals designated by it form a majority of the administrative board and, further, to support the other members nominated for election to the administrative board by the management of conwert, so that in the future the minority shareholders of the Target Company will be represented on the administrative board as well.

6.4 Transparency of the Bidder's Commitments to the Target Company's Representatives

Neither the Bidder, nor persons acting in concert with the Bidder, have granted, offered, or promised any pecuniary benefits to remaining or departing members of the administrative board of the Target Company in connection with the Offer.

7. Further Information

7.1 Financing of the Cash Offer

Based on the offer of a Cash Purchase Price of EUR 16.16 per conwert Share and taking into account the expected transaction and handling costs, the Bidder is looking at a total (cash) financing volume for the Offer of about EUR 1.25 billion (after taking into account the MountainPeak tender commitment under section 2.4) if all conwert shareholders accept the Cash Offer. Vonovia has sufficient funds for financing the Cash Offer in respect of all the conwert Shares covered by the Offer and has ensured that these funds will be available in due time for the fulfilment of the Offer.

7.2 Availability of the New Vonovia Shares for the Exchange Offer

7.2.1 In-kind Capital Increase

The Bidder shall create the New Vonovia Shares required for the consummation of the Exchange Offer by way of an in-kind capital increase from the Authorised Capital 2015 and excluding the statutory subscription rights of shareholders (the ***In-kind Capital Increase***). The resolutions on the implementation were adopted by the management board and the supervisory board of the Bidder on 19 October and 26 October 2016. To become effective, the implementation of the In-kind Capital Increase requires registration with the commercial register of the Bidder kept by the Local Court (*Amtsgericht*) of Dusseldorf. The execution of this Offer is subject to the condition precedent that the In-kind Capital Increase is registered with the commercial register.

The conwert Shares offered for exchange are to be contributed to Vonovia in the form of a contribution in-kind. The conwert shareholders shall receive New Vonovia Shares in exchange for these conwert Shares. Only the Exchange Agents for the conwert shareholders retained for the purposes of settling the Offer are permitted to subscribe the New Vonovia Shares. The subscription rights of Vonovia shareholders are excluded.

The conwert shareholders accepting the Exchange Offer shall transfer their conwert Shares to the Exchange Agent subject to a condition precedent. The Exchange Agents shall then contribute up to 95% less 10,000 of the conwert Shares outstanding and held by them on a fiduciary basis to Vonovia as a contribution in-kind and shall subscribe the New Vonovia

Shares created by the In-kind Capital Increase. Any Surplus Shares shall be transferred to the Third-Party Bank. Following the registration of the implementation of the In-kind Capital Increase with the commercial register of the Bidder at the Local Court (*Amtsgericht*) of Dusseldorf, the Exchange Agent shall transfer the newly created New Vonovia Shares in accordance with the exchange ratio via the Austrian Paying Agent to the conwert shareholders having accepted the Exchange Offer.

Fractional shares (*Aktienspitzen*) shall be liquidated by the Austrian Paying Agent. The proceeds deriving from the liquidation of the fractional shares shall be credited for the account of the relevant conwert shareholders on a *pro rata* basis (see section 5.4).

The maximum size of the In-kind Capital Increase has been measured in such a manner as to ensure that a sufficient number of New Vonovia Shares can be issued for all conwert Shares tendered for exchange on the basis of the exchange ratio of 0.496645 New Vonovia Shares for one (1) conwert share and on the assumption that all the conwert Shares outstanding will be tendered. The size of the In-kind Capital Increases thus amounts to up to EUR 48,075,684, which corresponds to 48,075,684 New Vonovia Shares.

7.2.2 Cash Capital Increase

In the event that the Offer acceptance rate reaches a level that would result in Vonovia holding conwert Shares in excess of 95% less 10,000 conwert Shares (Surplus Shares), the corresponding New Vonovia Shares that the conwert shareholders are entitled to under the Offer in exchange for the conwert Shares tendered for Exchange shall not be created by way of the In-kind Capital Increase but by way of a Cash Capital Increase from Authorised Capital 2015 with the statutory subscription rights of the shareholders excluded (the ***Cash Capital Increase***). The resolutions on implementation were adopted by the management board and the supervisory board of the Bidder on 19 October and 26 October 2016.

To enable the Exchange Agents to deliver New Vonovia Shares to the conwert shareholders under the terms of the Offer in respect of Exchange Surplus Shares as well, there is, in addition to an In-kind Capital Increase, the possibility of resolving a Cash Capital Increase from Authorised Capital 2015 that, to the extent required, would be subscribed by the Exchange Agents against cash contributions.

The maximum size of the Cash Capital Increase has been measured in such a manner as to ensure that, on the basis of the exchange ratio and on the assumption that all the conwert Shares outstanding or possibly still newly created conwert Shares will be tendered, a sufficient number of New Vonovia Shares can be delivered to cover the exchange consideration to be provided for those conwert Shares tendered for exchange that exceed the cut-off threshold (95% less 10,000 conwert Shares). The maximum size of the Cash Capital Increase thus amounts to 2,535,528 New Vonovia Shares, which therefore corresponds to about 5% of the maximum volume of the Offer Capital Increases. Thus, the maximum number of shares issued under the Offer Capital Increases will not exceed 50,611,212 shares in total.

Under an agreement dated 28 October 2016, the Third-Party Bank has given an undertaking to the Bidder that it will provide the funds potentially required for the cash contributions related to the Cash Capital Increase and to therefore provide the Exchange Agents with sufficient funds in the amount of about EUR 89,757,692. In return, the Third-Party Bank shall receive the Surplus Shares.

7.2.3 Capital Increases following the Expiry of the Additional Acceptance Period

Depending on the number of Acceptance Declarations submitted during the original Acceptance Period and during the Additional Acceptance Period, an In-kind Capital Increase and/or Cash Capital Increase shall also be implemented following the expiry of the Additional Acceptance Period. Please refer to sections 7.2.1 und 7.2.2 which, correspondingly, also apply to these Offer Capital Increases.

7.3 Tax Information

Income taxes and any other taxes, which are not deemed to be transaction costs, will not be borne by the Bidder.

The following information is of relevance to conwert shareholders that are tax resident in Austria or are subject to a limited tax liability in Austria. The following information shall only give a general overview of the implications with regard to Austrian income tax legislation arising directly from the sale of the conwert Shares for cash and the exchange of conwert Shares for New Vonovia Shares. No information can be given on the taxation of individual conwert shareholders. The summary is based on Austrian domestic tax laws in force and as applied in practice at the time the Offer was published. Provisions of Austrian tax law, their interpretation and application by Austrian tax authorities may change at short-term notice, possibly with retroactive effect.

In view of the complexity of Austrian tax legislation, conwert shareholders are therefore advised to consult their tax advisors about the tax consequences of the acceptance of the Cash Offer or Exchange Offer. Only such tax advisors are in a position to adequately take into account the special tax situation of the individual shareholder.

7.3.1 Natural Persons

The acceptance of the Cash Offer constitutes a disposal by conwert shareholders. The exchange of shares for other shares is also considered a disposal and acquisition of shares under Austrian tax law. The fair market value of the shares acquired (exchanged) is recognised as the acquisition cost.

If the conwert Shares are held as private property by a natural person with an unlimited tax liability in Austria, the following applies with regard to the tax consequences of the acceptance of the Cash Offer or Exchange Offer and/or the associated disposal in each case:

If the conwert Shares were acquired against payment after 31 December 2010 (so-called "New Holdings" (*Neubestand*)), the realisation process connected with the acceptance of the Offer generally gives rise to a tax liability in accordance with Section 27 paragraph 3 of the Austrian Income Tax Act (*Einkommenssteuergesetz*, *EStG*). The tax base of the capital gains in principle amounts to the sale proceeds less the acquisition costs incurred by the respective shareholder. No other associated expenses can be treated as tax deductible expenses. The resulting income is subject to a special tax rate of 27.5%.

If the disposal is realised by a domestic custodian agent or by a domestic paying agent, the income tax is collected by way of withholding tax (*Kapitalertragsteuer*). The income tax liability of the conwert shareholder in respect of such investment income (*Einkünfte aus Kapitalvermögen*) is extinguished with the deduction of the withholding tax in the amount of 27.5%. If no Austrian withholding tax is collected (because the custodian agent is located abroad, for example), the income received by the shareholder is to be declared in the shareholder's tax returns and taxed in accordance with applicable general principles. The resulting income tax in such a case is also subject to a special tax rate of 27.5%. The setting off of losses incurred on disposal is subject to considerable restrictions.

Instead of the special rate of taxation, income can be taxed using the progressive rate of taxation upon application (so-called "regular taxation option" (*Regelbesteuerungsoption*)). If the effective tax rate is less than 27.5% in the context of tax assessment, the income subject to the special tax rate can in principle be taxed applying the progressive rate of taxation by way of tax assessment. The regular taxation option can only be exercised in respect of all income that is subject to the special tax rate.

conwert Shares that were acquired against payment up to and including 31 December 2010 (so-called "Old Holdings" (*Altbestand*)) are essentially subject to the previous taxation regime applicable to speculative transactions within the meaning of Section 30 of the Austrian Income Tax Act (*Einkommenssteuergesetz, EStG*) in the version of the 2011 Austrian Public Finance Act (*Budgetbegleitgesetz 2011, BGBl I 2010/111*) (the ***BBG 2011***). In such a case, the acceptance of the Cash Offer or the Exchange Offer will not give rise to a tax liability because of the expiry of the one-year speculation period in accordance with Section 30 of the Austrian Income Tax Act (*Einkommenssteuergesetz, EStG*) (old version). Old Holding shares that meet the conditions set forth in Section 31 of the Austrian Income Tax Act (*Einkommenssteuergesetz, EStG*) in the version of the BBG 2011 (rule applicable if the vendor's holding has amounted to at least one per cent within the past five years) are, however, subject to taxation. If such holdings referred to in Section 31 of the Austrian Income Tax Act (*Einkommenssteuergesetz, EStG*) in the version of the BBG 2011 were, however, acquired before 1 January 2011, they are exempt from the withholding tax obligation.

In the case of conwert Shares held as business assets, acceptance of the Offer will give rise to a tax liability irrespective of whether the shares are treated as New Holdings or as Old Holdings. The applicable rate of taxation is 27.5%. No obligation in respect of deduction of withholding tax only exists in the case of New Holding shares if a domestic custodian agent or paying agent is involved and realises the disposal.

7.3.2 Corporate Shareholders

Both income and capital gains realised by corporations with an unlimited tax liability in Austria qualify as commercial profits (*Einkünfte aus Gewerbebetrieb*). Capital gains realised from the sale of shares are therefore subject to the 25% corporate income tax rate.

Losses from the disposal of shares held as fixed assets may be offset against business profits of the business year of the sale and the following six business years on a *pro rata* basis (i.e. one seventh per business year), provided that the alienator proves that the loss is not connected to the use of income (e.g. a dividend distribution) by the Target Company. Losses realised on the sale of shares which are held as current assets are, however, tax deductible in their full amount for the year in which the shares were sold. Losses in respect of fixed assets can be deducted immediately insofar as hidden reserves from the disposal of other holdings held as fixed assets have been realised with taxable effect during the same accounting period.

7.3.3 Partnerships

Partnerships as such are not taxable. If the conwert Shares, held by an Austrian partnership, are sold, the profits or losses from such disposals are attributed to the individual partners. The tax treatment of capital gains or losses depends on whether the respective partner is an individual person or corporation as well as on whether the individual partner has an unlimited or limited tax liability in Austria.

7.3.4 Roll-over Relief

The exchange of conwert Shares for New Vonovia Shares is not a tax-neutral contribution under Article III of the Austrian Reorganisation Tax Act (*Umgründungssteuergesetz)* as the requirements in respect of application set forth in the act are not met.

7.3.5 Non-Austrian Resident Shareholders

Shareholders that are not resident for tax purposes in Austria under Austrian taxation law are only subject to tax on capital gains realised in connection with the acceptance of the Cash Offer or Exchange Offer if they (or their predecessors in the case of a gratuitous acquisition) at any time during the five years preceding the sale or exchange of shares held a holding of 1% or more in the Target Company. In such case, they are exempt from the withholding tax. The shareholders are therefore required to disclose the income in their tax returns.

Austria can, however, be prevented from the exercise of the right of taxation as a result of treaty provisions. However, in the case of shareholders tax-resident in a country that has entered into a double taxation treaty with Austria, the capital gains may frequently not be taxed in Austria under the respective double taxation treaty. The tax implications then depend on the taxation regime in the country of residence of the respective shareholder. If the conwert Shares are held as business assets of a permanent establishment in Austria, the same principles generally apply, both on the basis of the provisions of inter-state agreements as well as of treaties, with respect to the taxation of capital gains, as in the case of a shareholder that is resident for tax purposes in Austria and holds the shares as a business asset.

7.4 Applicable Law and Jurisdiction

The present Offer and its Settlement, in particular the concluded purchase, exchange and title transfer agreements for shares, as well as non-contractual claims arising from or in connection with this Offer, are governed exclusively by Austrian law, under the exclusion of the conflict of laws rules of Austrian private international law and UN sales law. The foregoing does not apply to all legal issues connected with the Bidder's Offer Capital Increases, including the implementation, transfer of title and booking of the conwert Shares to the account of the Bidder and the transfer of title to the Surplus Shares to the Third-Party Bank, all of which are subject to German law.

The competent court in 1010 Vienna shall have exclusive jurisdiction, except in the case of consumer contracts.

7.5 Restriction of Publication

Other than in compliance with applicable law, the publication, dispatch, distribution, dissemination or granting access to this offer document or other documents connected with the Offer outside the Republic of Austria is not permitted. The Bidder does not assume any responsibility for any violation of the above-mentioned provision. In particular, the Offer is not being made, directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction, nor may it be accepted in or from the United States of America other than as expressly set forth herein. Further, this Offer is not being made, directly or indirectly, in Australia or Japan, nor may it be accepted in or from Australia or Japan. This offer document does not constitute a solicitation to offer shares in the Target Company in or from any jurisdiction where it is prohibited to make such offer or solicitation or where it is prohibited to launch an offer by or to certain individuals. Shareholders who come into possession of the offer document outside the Republic of Austria and/or who wish to accept the offer outside the Republic of Austria are advised to inform themselves of the relevant applicable legal provisions and to comply with them. The Bidder does not assume any responsibility in connection with an acceptance of the Offer outside of the Republic of Austria.

7.6 German Version to Govern

This offer document was prepared in a German version. The only binding and authoritative document is the German language offer document. This English convenience translation of the offer document is provided for information purposes only and is not binding.

7.7 Advisors to the Bidder

The following advisors to the Bidder were, *inter alia*, engaged:

- As legal advisor to the Bidder and as representative of the Bidder vis-à-vis the Austrian Takeover Commission:

  Freshfields Bruckhaus Deringer LLP
  Attorneys at Law
  Seilergasse 16
  1010 Vienna
  Austria

- As advisor to the Bidder and independent expert according to Section 9 ÜbG:

  KPMG Alpen-Treuhand GmbH
  Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
  Porzellangasse 51
  1090 Vienna
  Austria

- As financial advisors to and investment bank for the Bidder:

  Kempen & Co N.V.
  Beethovenstraat 300
  1077 WZ Amsterdam
  The Netherlands

7.8 Further Information

For information regarding the Settlement of the Offer, please contact UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna, Austria, E-Mail: 8473_Issuer_Services@unicreditgroup.at.

Further information can be obtained from the website of the Bidder (www.vonovia-offer.de), the Target Company (www.conwert.com) and the Austrian Takeover Commission (*Österreichische Übernahmekommission*) (www.takeover.at). Any information on these websites is not part of this offer document.

7.9 Information on the Bidder's Expert

On 20 September 2016, the Bidder designated KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, registration number FN 269874 z, Porzellangasse 51, 1090 Vienna, Austria, as its expert pursuant to Section 9 ÜbG.

Bochum, on 17 November 2016

Vonovia SE

Rolf Buch	Dr. A. Stefan Kirsten

Confirmation by the Expert pursuant to Section 9 ÜbG

According to our investigation pursuant to Section 9 paragraph 1 of the Austrian Takeover Act (*Übernahmegesetz*, "ÜbG"), we have come to the conclusion that the voluntary public takeover offer to acquire a controlling interest pursuant to Section 25a ÜbG made by Vonovia SE as bidder to the shareholders of conwert Immobilien Invest SE as the target company is complete and complies with applicable law, and in particular the statements made with respect to the offered considerationare in compliance with legal requirements.

The bidder has the necessary financial means to completely fulfil all terms and obligations under the offer in due time.

Vienna, on 17 November 2016

KPMG Alpen-Treuhand GmbH,
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Additional information regarding the New Vonovia Shares and the Vonovia Group

Detailed information regarding the legal and economic aspects of the New Vonovia Shares are contained in the prospectus of the bidder. Such prospectus has been approved by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*), the competent German securities regulatory agency, on 11 November 2016. The below summary represents the section "summary of the prospectus" of the prospectus. A copy of the prospectus can be downloaded from the website of the bidder (www.vonovia-offer.de) and of BaFin (www.bafin.de).

SUMMARY

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary of this Prospectus (the "**Prospectus**") contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".*

A. Introduction and Warnings.

A.1 Warnings.	This summary should be read as an introduction to this Prospectus. Any decision to invest should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, it might be necessary, under the national legislation of the member states of the European Economic Area, for the plaintiff investor to bear the costs of translating the Prospectus before the legal proceedings are initiated. Vonovia SE (until September 3, 2015 Deutsche Annington Immobilien SE), with its registered office at Münsterstraße 248, 40470 Düsseldorf, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Düsseldorf under the register number HRB 68115 (the "**Company**", and, together with its consolidated subsidiaries, "**Vonovia**" or the "**Group**"), have assumed responsibility for this summary including any translations thereof pursuant to section 5 para. 2b no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who have assumed responsibility for the summary, including any translation thereof, or who have caused its publication (*von denen der Erlass ausgeht*), can be held liable if this summary were to be deemed misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or if it does not provide, when read together with the other parts of this Prospectus, all necessary key information.
A.2 Information regarding the subsequent use of the prospectus.	Not applicable. Consent regarding the use of the Prospectus for a subsequent resale or placement of the shares has not been granted.

B. Issuer.

B.1 Legal and commercial name.	The Company's legal name is Vonovia SE. On April 30, 2015, the general shareholders' meeting resolved to change the Company's legal name from "Deutsche Annington Immobilien SE" to "Vonovia SE". This change was registered in the commercial register on August 19, 2015. The Company is the Group's holding company; the Group primarily operates under the commercial name "Vonovia".
B.2 Domicile, legal form, legislation under which the issuer operates, country of incorporation.	The Company has its registered office at Münsterstraße 248, 40470 Düsseldorf, Germany, and is registered in the commercial register of the local court (*Amtsgericht*) of Düsseldorf, Germany, under HRB 68115. The Company is a European company (*Societas Europaea–SE*) incorporated in Germany and governed by European and German law.
B.3 Current operations and principal business activities and principal markets in which the issuer competes.	Following completion of the takeover of Gagfah S.A. ("**Gagfah**", and together with its consolidated subsidiaries the "**Gagfah Group**") comprising a portfolio of approximately 143,400 residential units and approximately 1,700 commercial units on March 6, 2015 (the "**Gagfah Takeover**"), Vonovia considers itself, based on its internal market analysis, Germany's largest private-sector residential real estate company in terms of fair value of its portfolio and number of residential units owned. In addition, Vonovia considers itself the second largest listed real estate company in continental Europe in terms of fair value of its portfolio. By completion of the Gagfah Takeover in March 2015, Vonovia increased the Group's portfolio to approximately 343,000 residential units. On June 14, 2015, the Company entered into a share purchase agreement with an investor group for the indirect acquisition of Süddeutsche Wohnen GmbH ("**SÜDEWO**") together with its affiliated companies (the "**SÜDEWO Group**"), comprising a portfolio of approximately 19,400 residential units, which was closed on July 8, 2015 ("**SÜDEWO Takeover**"), increasing the Group's portfolio to approximately 363,000 residential units. On April 1, 2015, Vonovia completed the acquisition of approximately 5,100 additional residential units and approximately 210 commercial units as well as approximately 2,000 garages and parking spaces from various companies of CitCor Residential Group, a joint venture of Citigroup Property Investors and CORPUS SIREO. As soon as 2014, Vonovia had exploited new opportunities for growth of its portfolio by acquiring, under a share purchase agreement with the shareholders of DeWAG Holdings S.à r.l. and DeWAG LT Holdings S.à r.l., companies comprising approximately 11,300 managed residential units ("**DeWAG Acquisition**" and the acquired companies together "**DeWAG**"). In addition, Vonovia expanded its portfolio by 30,000 residential units by acquiring certain companies of the Vitus Real Estate Group ("**Vitus Group**") on October 1, 2014 (together the "**Vitus Group Takeover**"). Approximately 9,600 of these 30,000 residential units were subsequently resold to a subsidiary of LEG Immobilien AG. As of September 30, 2016, the Group's portfolio comprised 337,720 residential units, 86,318 garages and parking spaces and 3,471 commercial units with an aggregate fair value of EUR 23.94 billion. Most properties in the Group's portfolio are multi-family residential buildings. In addition, 59,534 residential units are managed by the Group for other

owners. The Group's portfolio is dispersed throughout Germany and its locations are spread across 720 towns and municipalities.

Based on this expanded market position in Germany following the Gagfah Takeover, Vonovia will have access to an even greater number of households and their consumption patterns and thus to further sales potential. Furthermore, Vonovia believes it is ideally positioned to take a leading role in increasing consolidation of the German real estate sector. All of the Group's properties and business operations are located in Germany and benefit from the growth of the German economy in general and the growth of the German real estate market.

In addition, Vonovia believes that it will benefit from the demographic trend towards one- and two-person households and an ageing population (*Source: BBSR Regional Planning 2035* and *Bertelsmann 2014*). Given the national average living area per household of 69.4 sqm in rented apartments and of 121.9 sqm in owner-occupied apartments as of January 1, 2013 (*Source: Federal Statistical Office, Housing*), Vonovia believes that, with the average unit size of 62 sqm and two to three rooms per unit in its portfolio, it is well-positioned to meet the increasing demand for units tailored to smaller households. In addition, the German residential real estate market is characterized by low tenant mobility and the long-term nature of contractual relationships, both of which contribute to make the residential rental business more stable. As of September 30, 2016, Vonovia's vacancy rate was 2.8%, and the monthly in-place rent amounted to approximately EUR 5.94 per sqm per month.

In managing its portfolio, Vonovia follows a structured approach and has a track record in value creation. Since March 31, 2015, Vonovia has classified its properties into three portfolios: (i) "Strategic", which includes the sub-portfolios "Operate", "Upgrade Buildings" and "Optimize Apartments", (ii) "Non-Strategic" (locations and properties not strictly necessary for the Group's strategic development), and (iii) "Privatize and Non-Core" which includes the sub-portfolios "Privatize" and "Non-Core". Each of the portfolios is subject to a set of specific strategic actions.

The "Strategic" portfolio represented approximately 91% of the Groups' portfolio by fair value as of September 30, 2016. The "Strategic" portfolio includes locations with clearly above-average development potential, for which Vonovia pursues a managing strategy of value creation. The "Non-Strategic" portfolio represented approximately 2% of the Group's portfolio by fair value as of September 30, 2016. It includes locations and properties, including locations and properties of Gagfah's portfolio ("**Gagfah Portfolio**") identified in connection with the current comprehensive portfolio strategy assessment that are not deemed strictly necessary for the Group's strategic development, an assessment that is reviewed on an ongoing basis. The Non-Strategic portfolio offers further disposal potential for the Group. The portfolio "Privatize and Non-Core" represented approximately 7% of the Group's portfolio by fair value as of September 30, 2016. The "Privatize" sub-portfolio represented approximately 6% of the Group's portfolio by fair value as of September 30, 2016 and comprises condominiums and single-family homes which are intended to be sold to private owner-occupants and smaller capital investors. Vonovia aims to sell these units over the long term at average prices of at least 20% above fair value. As of September 30, 2016, Vonovia considers approximately 1% of the total residential building portfolio by fair value as its non-core properties. Those properties are assigned to the "Non-Core" sub-portfolio which includes buildings situated at locations with below average growth prospects in the medium to long term. Vonovia intends to sell those buildings at prices around fair value.

Apart from operational value generation, Vonovia intends to add value with respect to its "Strategic" assets through a dedicated investment program, which is mainly based on energy-efficient modernizations of buildings, the modernization of individual apartments for senior living and high-standard refurbishments in markets where fully refurbished apartments deliver a rental premium. Vonovia applies strict criteria when selecting investment opportunities and concentrates primarily on those projects that promise a disproportionate increase in property value. This is generally achieved by balancing the following three factors:

- Tenant perspective: Affordability and fit-for-purpose measures;
- Technical perspective: Mix of necessary and value-creating measures; and
- Economic perspective: Adequate returns.

Using a well-balanced mix of local and centralized operational structures, Vonovia conducts its business in an efficient, integrated and industrialized manner. While the processes that capture economies of scale are performed on a centralized basis, processes that require in-depth knowledge of an individual local market or that require personal customer contact are currently performed through the Group's 38 local business units ("**Business Units**" and each a "**Business Unit**"). Those Business Units are organized in six regional units.

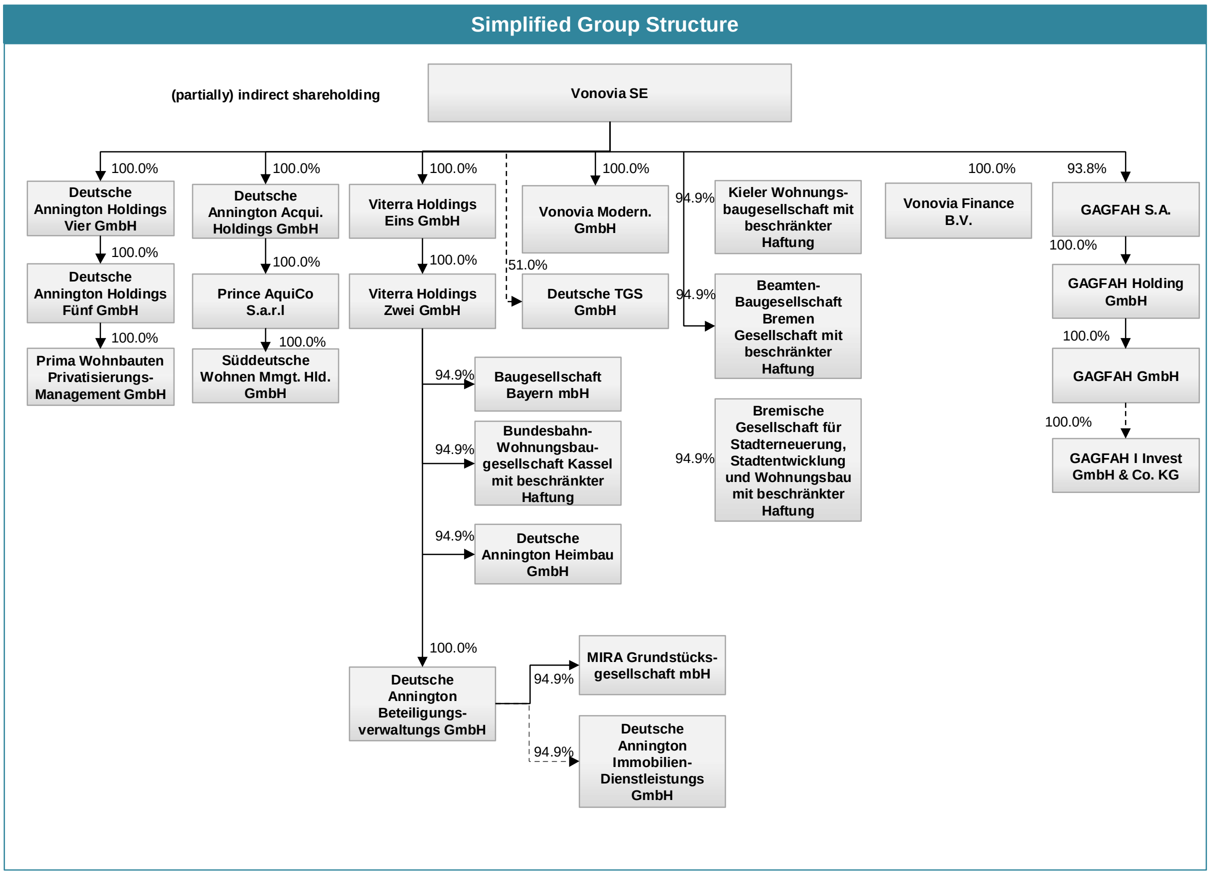
The Group capitalizes on its size in order to complement its property rental activities with value-added services to improve customer satisfaction. In fiscal year 2011, the Group started to insource certain functions in the rental business previously performed by third parties ("**Insourcing**") and established its own caretaker organization and its own craftsmen organization. Vonovia's craftsmen organization comprises Deutsche TGS GmbH ("**TGS**"), a joint venture with B&O Service & Messtechnik AG ("**B&O**") and other companies controlled by Vonovia (together the "**Craftsmen Organization**"). As of September 30, 2016, the entire Craftsmen Organization had 3,439 employees. The caretaker organization performs services on-site and, as of September 30, 2016, had 728 employees.

B.4a Description of the most significant recent trends affecting the issuer and the industries in which it operates.	The Group and the entire German real estate industry are strongly affected by current and expected demographic trends, particularly, a population that will decline in the long term, an increase in the number of households coupled with a reduction in average household size and an ageing population. These trends have led and will likely continue to lead to increased demand for living space for one- or two-person households and/or for senior citizens. With the high influx of refugees from conflict regions in the Middle East, immigration in Germany reached again a new level in 2015. Although not all persons seeking asylum will stay permanently in Germany, large part of such persons will have to be integrated in the German real estate market in coming years.

The Group, as well as the industry, are also affected by economic developments in Germany. Vonovia generates income from two main sources: rental income and income from property sales, both of which are influenced by the market prices for real estate on the local level, which in turn reflect rent levels, vacancy rates and other factors, including market expectations. These factors have had a positive impact on the German residential real estate industry and thus also on the results of the Group during the past years.

B.5. Description of the group and the issuer's position within the group.

The Company is the holding company of the Group and conducts its business primarily through its relevant subsidiaries. The following diagram provides an overview (in simplified form) of the Company's significant subsidiaries taking into account the relevant successive interests (*durchgerechneter Beteiligungsanteil*) as of September 30, 2016. The shareholdings presented also include shareholdings in affiliated companies pursuant to sections 15 et seq. of the German Stock Corporation Act (*Aktiengesetz*). The shareholdings presented below are rounded to one decimal point. The dotted lines denote (partially) indirect shareholdings.



B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights or have control over the issuer.

As of the date of the Prospectus, the following shareholders directly or indirectly have a notifiable interest in the Company's registered shares and voting rights. The percentage values shown in the table below are based on the number of voting rights last notified to the Company by the respective shareholder in relation to the Company's share capital as of the date of this Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Company without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable thresholds have been reached or crossed:

Shareholders	Direct or indirect interest in Vonovia SE (in %) Share of voting rights
BlackRock[(1)]	8.33
Norges Bank[(2)]	7.63
Lansdowne Partners[(3)]	5.37
Sun Life Financial[(4)]	3.10
Total	24.43

(1) A total of 8.33% of the voting rights in the Company are attributed to BlackRock, Inc. pursuant to section 22 WpHG (reference date: October 27, 2016).

(2) A total of 7.63% of the voting rights in the Company are attributed to Norges Bank pursuant to section 22 WpHG (reference date: August 19, 2016).

(3) A total of 5.37% of the voting rights in the Company are attributed to Lansdowne Partners International Ltd. pursuant to section 22 WpHG (reference date: November 26, 2015), and in this connection, the percentage of voting rights attributable to Landsdowne Partners (UK) LLP is 5.37% (reference date: November 26, 2015).

(4) Sun Life Financial Inc.; Sun Life Global Investments Inc., Sun Life Assurance Company of Canada–U.S. Operations Holdings, Inc., Sun Life Financial (U.S.) Holdings, Inc., Sun Life Financial (U.S.) Investments LLC and Sun Life of Canada (U.S.) Financial Services Holdings, Inc. are each attributed 3.10% of the voting rights pursuant to section 22 para. 1 sent. 1 no. 6 in conjunction with sent. 2 WpHG. Massachusetts Financial Services Company (MFS) is attributed 2.89% of voting rights in the Company pursuant to section 22 para. 1 sent. 1 no. 6 in conjunction with sent. 2 WpHG and 0.20% (a total of 3.10%) pursuant to section 22 para. 1 sent. 1 no. 6 in conjunction with sent. 2 WpHG (reference date in each case: March 11, 2015).

Different voting rights. Not applicable. Each of the Company's shares carries one vote at the general shareholders' meeting of the Company. There are no existing restrictions on voting rights.

Direct or indirect control over the issuer and the nature of such control. Not applicable. The Company is controlled by none of its shareholders.

B.7 Selected key historical financial information. The financial information contained in the following tables is extracted or derived from the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015, 2014 and 2013 and the unaudited condensed interim consolidated financial statements of the Company as of and for the nine month period ended September 30, 2016. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). Additional information included in this Prospectus has been taken from the audited stand-alone financial statements of the Company for the fiscal year ended December 31, 2015, which were prepared in accordance with the German Commercial Code ("**German GAAP**").

KPMG AG Wirtschaftsprüfungsgesellschaft, Essen, Germany ("**KPMG**"), has audited and issued an unqualified auditor's report with respect to the consolidated financial statements for the fiscal years ended December 31, 2015, 2014 and 2013, and the stand-alone financial statements of the Company for the fiscal year ended December 31, 2015. Furthermore, KPMG issued a report of an audit review in respect of the unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016. The Company's unaudited condensed interim consolidated financial statements as of and for the nine-month period ended September 30, 2016 were prepared in accordance with section 37w para. 2 no. 1 and 2, para. 3 and 4 of the German Securities Trading Act (*Wertpapierhandelsgesetz - WpHG*) and in accordance with IFRS.

Where financial data in the following tables is labelled "audited", this means that it has been extracted from the audited consolidated financial statements or stand-alone financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited consolidated financial statements mentioned above but was taken or derived from either the unaudited condensed interim consolidated financial statements or the accounting or controlling records. All of the financial data presented in the text and tables below are shown in millions of euro (in EUR million), except as otherwise stated. In order to ensure that figures given in the text and the tables sum up to the totals given, the numbers are commercially rounded to the nearest whole number or to such number that facilitates the summing up. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal point unless stated otherwise. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial data, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but is or has been rounded to zero.

Selected Financial Data

Selected Consolidated Income Statement Data

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
	(unaudited*)) (in EUR million)		(audited) (in EUR million)		
Income from property letting	1,640.3	1,470.3	2,035.3	1,138.4	1,048.3
Other income from property management	29.1	21.3	28.2	18.2	19.3
Income from property management	**1,669.4**	**1,491.6**	**2,063.5**	**1,156.6**	**1,067.6**
Income from disposal of properties	988.2	315.6	726.0	287.3	353.5
Carrying amount of properties sold	(953.9)	(288.9)	(658.7)	(243.4)	(325.8)
Revaluation of assets held for sale	37.9	24.4	51.7	25.1	24.3
Profit on disposal of properties	**72.2**	**51.1**	**119.0**	**69.0**	**52.0**
Net income from fair value adjustments of investment properties	–	–	1,323.5	371.1	553.7
Capitalized internal expenses	227.7	115.1	174.9	85.6	42.0
Cost of materials	(790.6)	(683.0)	(972.5)	(542.6)	(502.8)
Personnel expenses	(267.1)	(234.5)	(359.7)	(184.6)	(172.1)
Depreciation and amortization	(16.4)	(7.3)	(13.4)	(7.4)	(6.8)
Other operating income	70.5	60.1	73.1	65.3	45.8
Other operating expenses	(166.7)	(171.8)	(263.5)	(152.4)	(104.2)

Financial income	22.4	3.5	8.0	8.8	14.0
Financial expenses	(366.0)	(300.2)	(418.4)	(280.3)	(299.6)
Profit before tax	**455.4**	**324.6**	**1,734.5**	**589.1**	**689.6**
Income tax	(177.1)	(131.1)	(739.8)	(179.4)	(205.4)
Profit for the period	**278.3**	**193.5**	**994.7**	**409.7**	**484.2**
Attributable to:					
Vonovia's shareholders	*182.7*	*159.3*	*923.5*	*401.4*	*480.2*
Vonovia's hybrid capital investors	*22.4*	*22.4*	*40.0*	*1.2*	*–*
Non-controlling interests	*73.2*	*11.8*	*31.2*	*7.1*	*4.0*

*) Taken from the unaudited condensed interim consolidated financial statements of the Company for the nine-month period ended September 30, 2016.

Selected Consolidated Balance Sheet Data

	As of September 30,	**As of December 31,**		
	2016	**2015**	**2014**	**2013**
	(unaudited*))	**(audited)**		
	(in EUR million)	**(in EUR million)**		
Non-current assets	27,344.0	26,678.6	12,980.0	10,352.6
Current assets	1,618.0	4,280.5	1,779.2	740.2
Total assets	**28,962.0**	**30,959.1**	**14,759.2**	**11,092.8**
Equity attributable to Vonovia's shareholders	10,356.5	10,620.5	4,932.6	3,805.5
Equity attributable to the hybrid capital investors	1,031.5	1,001.6	1,001.6	–
Non-controlling interests	319.4	244.8	28.0	12.5
Total equity	**11,707.4**	**11,866.9**	**5,962.2**	**3,818.0**
Non-current liabilities	16,311.8	17,405.0	8,292.9	6,830.7
Current liabilities	942.8	1,687.2	504.1	444.1
Total liabilities	**17,254.6**	**19,092.2**	**8,797.0**	**7,274.8**
Total equity and liabilities	**28,962.0**	**30,959.1**	**14,759.2**	**11,092.8**

*) Taken from the unaudited condensed interim consolidated financial statements of the Company for the nine-month period ended September 30, 2016.

Consolidated Cash Flow Statement Data

	For the nine-month period ended September 30,		**For the fiscal year ended December 31,**		
	2016	**2015**	**2015**	**2014**	**2013**
	(unaudited*))		**(audited)**		
	(in EUR million)		**(in EUR million)**		
Cash flow from operating activities	636.7**)	446.5**)	689.8***)	453.2****)	259.6
Cash flow from investing activities	326.5	(3,079.3)	(3,239.8)	(1,177.9)****)	171.3
Cash flow from financing activities	(2,953.0)	1,580.2	4,093.1	1,741.7	(353.2)

*) Taken from the unaudited condensed interim consolidated financial statements of the Company for the nine-month period ended September 30, 2016.

**) Contains, for the nine-month period ended September 30, 2016, no cash-effective transaction costs for the acquisition of shares in consolidated companies (2015: EUR 44.9 million).

***) Contains, for fiscal year 2015, cash-effective transaction costs for the acquisition of shares in consolidated companies in an amount of EUR 42.0 million (2014: EUR 10.1 million).

****) In fiscal year 2014, the cash flow from investing activities contained EUR 10.1 million of transaction costs for the acquisition of consolidated companies, which now are shown under cash flow from operating activities.

Additional Key Figures

Vonovia believes that the key performance indicators described in this section constitute the most important indicators for measuring the operating and financial performance of the Company's business.

Vonovia expects the performance measures Adjusted EBITDA, NAV, the LTV-Ratio, FFO 1, AFFO and FFO 2 (as defined below) (together "**Performance Measures**") to be of use for potential investors. Vonovia believes that the Performance Measures are useful in evaluating the Group's operating performance, the net value of the Group's property portfolio, the level of the Group's indebtedness and of cash flow generated by the Group's residential real estate business, and because a number of companies, in particular companies in the real estate business, also publish these figures as key performance indicators. However, the Performance Measures are not recognized as measures under either IFRS or German GAAP and should not be considered as substitutes for figures on net assets, results before taxes, net earnings, cash flow from operating activities or other income statement, cash flow or balance sheet data, as determined in accordance with IFRS, or as measures of profitability or liquidity. The Performance Measures do not necessarily indicate whether cash flow will be available or sufficient for the Group's cash requirements, nor is any such measure indicative of the Group's historical operating results. The Performance Measures are not meant to be indicative of future results. Because not all companies calculate these Performance Measures in the same way, the Group's presentation of the Performance Measures is not necessarily comparable with similarly-titled measures used by other companies.

The following table presents a summary of certain additional key figures for the periods presented:

	As of and for the nine-month period ended September 30,		**As of and for the fiscal year ended December 31,**		
	2016	**2015**	**2015**	**2014**	**2013**
	(unaudited*) and in EUR million, unless stated otherwise)		**(unaudited*) and in EUR million, unless stated otherwise)**		
Rental income	1,156.1**)	1,019.4**)	1,414.6***)	789.3***)	728.0***)
Adjusted EBITDA(1)	897.8	733.5	1,028.7	553.5	470.1
FFO 1(2)	571.6	440.4	608.0	286.6	223.5
thereof attributable to Vonovia's shareholders	*536.2*	*402.9*	*555.5*	*275.1*	*218.4*
thereof attributable to Vonovia's hybrid capital investors	*30.0*	*22.9(8)*	*33.0(8)*	–	–
thereof attributable to non-controlling interests	*5.4*	*14.6*	*19.5*	*11.5*	*5.1*
FFO 2(2)	604.0	466.3	662.1	336.7	251.2
AFFO(2)	524.3	359.7	520.5	258.3	203.5
FFO 1 (excluding maintenance)(2)	755.7	608.2	850.2	431.7	360.0
EPRA NAV(3)	13,735.8	12,662.4	13,988.2	6,578.0	5,123.4
LTV-Ratio (in % and at end of period)(4)	47.1	49.7	46.9	49.3	48.1
Modernization and maintenance (in EUR /sqm per year)(5)	23.83	23.67	33.04	29.12	19.95
Number of employees at end of period	7,074**)	6,125**)	6,368***)	3,850***)	2,935***)
Number of units sold	21,922	5,322	15,174	4,081	6,720
thereof Privatize	*2,150*	*1,748*	*2,979*	*2,238*	*2,576*

	As of and for the nine-month period ended September 30,		As of and for the fiscal year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited*) and in EUR million, unless stated otherwise)		(unaudited*) and in EUR million, unless stated otherwise)		
thereof Non-Core	*19,772*	*3,574*	*12,195*	*1,843*	*4,144*
Vacancy rate (in %)[(6)]	2.8	3.4	2.7	3.4	3.5
Monthly in-place rent (in EUR /sqm)[(7)]	5.94	5.69	5.75	5.58	5.40

*) Taken or derived from the Company's accounting records or internal management reporting systems.
**) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016 or derived from the Company's accounting records or internal management reporting systems.
***) Audited.

(1) "**Adjusted EBITDA**" is the result before interest, taxes, depreciation, amortization, write-ups and write-downs (including income from other, operating investments) adjusted for items that are not related to the period, that recur irregularly and that are atypical for business operation and adjusted for net income from fair value adjustments of investment properties. Non-recurring items comprise the development of new fields of business and business processes, acquisition projects, expenses for refinancing and equity increases (where not treated as capital procurement costs), expenses for the preparation of the Company's initial public offering, as well as expenses for preretirement part-time work arrangements and severance payments. The following table shows the calculation of the Adjusted EBITDA for the periods presented:

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited*) (in EUR million)		(audited, unless stated otherwise) (in EUR million)		
Profit for the period	**278.3**	**193.5**	**994.7**	**409.7**	**484.2**
Financial result	354.1	297.8	414.0	274.9	288.3
Income tax	177.1	131.1	739.8	179.4	205.4
Depreciation and amortization	16.4	7.3	13.4	7.4	6.8
Net income from fair value adjustments of investment properties	–	–	(1,323.5)	(371.1)	(553.7)
= EBITDA IFRS)**	**825.9**	**629.7**	**838.4**	**500.3**	**431.0**
Non-recurring items (unaudited)	70.3	103.6	209.4	54.0	48.4
Thereof					
*Business model optimization/development of new fields of business **)(a)*	*14.5*	*5.4*	*11.3*	*1.6*	*4.8*
*Acquisition costs incl. integration costs**)(b)*	*33.4*	*81.4*	*179.8*	*43.2*	*2.3*
*Refinancing and equity measures**) (c)*	*2.2*	*0.6*	*0.7*	*1.2*	*20.4*
*Severance payments/preretirement part-time work arrangements**)*	*20.2*	*16.2*	*17.6*	*8.0*	*20.9*
Period adjustments from assets held for sale[(d)]	11.2	0.6	(18.7)	(0.3)	(9.0)
Financial income from investments in other real estate companies[(e)]	(9.6)	(0.4)	(0.4)	(0.5)	(0.3)
Adjusted EBITDA (unaudited))**	**897.8**	**733.5**	**1,028.7**	**553.5**	**470.1**

*) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016, unless stated otherwise.
**) Taken or derived from the Company's accounting records or internal management reporting systems.
(a) Includes separation of property management from asset management, establishment of the customer care center and down-sizing of regional staff, centralization and standardization of the property management process and restructuring of sales forces, start-up costs incurred in connection with the establishment of the caretaker organization and Craftsmen Organization.
(b) Includes takeover costs and one-time expenses in connection with acquisitions, such as HR measures relating to the integration process.
(c) Includes preparations of the initial public offering of the Company's shares, costs related to the restructuring of the collateralized real estate funding notes that were issued and sold by German Residential Asset Note Distributor P.L.C. ("**GRAND**"), and other cost of refinancing and equity to the extent not taken against liabilities or equity.
(d) Adjustments are made in order to disclose profit and revenue in the period in which they are incurred in the case of sales transactions which are notarized prior to the reporting date but recognized (disposal) after the reporting date because in such case a gain from disposal must be taken into account as revaluation already as of the reporting date whereas the corresponding revenue is recognized in the following period.
(e) Transfer of the item financial income from investments in other real estate companies from Adjusted EBITDA to FFO 1 in management reporting as from January 1, 2016, corresponding adjustment of prior-year figures.

(2) Funds from operations ("**FFO**") is an indicator of available cash flow from operating activities. In addition to Adjusted EBITDA, recurring cash net interest expense from non-derivative financial instruments and current income taxes are included in FFO. While the indicator is not determined on the basis of any specific international accounting standard, it can be seen as a complement to other indicator earnings figures determined in accordance with IFRS. The Group differentiates between: "**FFO 1**" (Adjusted EBITDA for the respective periods adjusted for Adjusted EBITDA Sales, net interest expenses excluding non-recurring items (e.g. transaction costs, prepayment penalties, commitment interest including income from investments) and current income taxes Rental); "**FFO 1 (excluding maintenance)**" (FFO 1 adjusted for maintenance expenses); "**AFFO**" (investment-adjusted FFO 1 corresponds to FFO 1 reduced by capitalized maintenance ("Capitalized maintenance")); and "**FFO 2**" (corresponds to FFO 1 plus Adjusted EBITDA Sales and adjusted for current income taxes on sales).

The following table shows the calculation of FFO 1, AFFO, FFO 1 (excluding maintenance), and FFO 2:

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited*))		(unaudited*), unless stated otherwise)		
	(in EUR million)		(in EUR million)		
Adjusted EBITDA[(a)]	897.8	733.5	1,028.7	553.5	470.1
Adjusted EBITDA Sales	(65.5)	(34.1)**)	(71.1)***)	(50.1)***)	(27.7)***)
Adjusted EBITDA Other	6.9	2.5	4.4	2.8	1.1
Adjusted EBITDA Extension	(45.1)	(24.4)	(37.6)	(23.6)	(10.5)
Adjusted EBITDA Rental	794.1	677.5	924.4	482.6	433.0
Adjusted EBITDA Extension	45.1	24.4	37.6	23.6	10.5
Adjusted EBITDA Other	(6.9)	(2.5)	(4.4)	(2.8)	(1.1)
Interest Expense FFO[(b)]	(249.1)	(251.4)	(339.4)	(208.8)	(210.4)
Current income taxes FFO 1[(c)]	(11.6)	(7.6)	(10.2)	(8.0)**)	(8.5)**)
FFO 1	**571.6**	**440.4**	**608.0**	**286.6**	**223.5**
thereof attributable to Vonovia's shareholders	*536.2*	*402.9*	*555.5*	*275.1*	*218.4*
thereof attributable to Vonovia's hybrid capital investors	*30.0*	*22.9*[(e)]	*33.0*[e)]	-	-
Thereof attributable to non-controlling interests	*5.4*	*14.6*	*19.5*	*11.5*	*5.1*
Capitalized maintenance[(d)]	(47.3)	(80.7)	(87.5)	(28.3)	(20.0)
FFO 1 (excluding maintenance)	**755.7**	**608.2**	**850.2**	**431.7**	**360.0**
Maintenance expenses	(184.1)	(167.8)**)	(242.2)***)	(145.1)***)	(136.5)***)
Adjusted EBITDA Sales	65.5	34.1**)	71.1***)	50.1***)	27.7***)
Current income taxes Sales	(33.1)	(8.2)	17.0	–	–
AFFO	**524.3**	**359.7**	**520.5**	**258.3**	**203.5**
Capitalized maintenance[(d)]	47.3	80.7	87.5	28.3	20.0
Maintenance expenses	184.1	167.8**)	242.2***)	145.1***)	136.5***)
FFO 2 (FFO 1 incl. Adjusted EBITDA Sales/current income taxes Sales)	**604.0**	**466.3**	**662.1**	**336.7**	**251.2**

*) Taken or derived from the Company's accounting records or internal management reporting systems.

**) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016.

***) Audited.

(a) Adjusted earnings before interest, taxes, depreciation, amortization, write-ups and write-downs. For the calculation of Adjusted EBITDA, please refer to footnote (1) above.

(b) Refers to the balance of interest paid and interest received for the period excluding non-recurring items, including income from investments.

(c) Refers to current income taxes as recorded in the Group's consolidated income statement (excluding prior-year income taxes and deferred taxes). Vonovia does not take the tax-relevant cash flow items into account to determine funds from operation as these fluctuate significantly from period to period and are impacted by irregularly recurring effects.

(d) Refers to investments that are designed to preserve the value of the respective property without intra-Group profits.

(e) Reflects the pro-rata amount from the closing of the Gagfah Takeover on March 6, 2015 until September 30, 2015 or, as the case may be, December 31, 2015 of the 4.0% interest on EUR 1.0 billion under the hybrid bond issued in December 2014.

(3) EPRA NAV (net asset value) is used as an indicator of the Group's long-term equity and is calculated based on the equity of the Company's shareholders excluding the fair value of derivative financial instruments (net) and deferred taxes on investment properties, properties held for sale and derivative financial instruments. From fiscal year 2014 onwards, the Company aligned its EPRA NAV presentation with that of its peers by following the EPRA Best Practice Guidelines more closely, in

particular with respect to its treatment of deferred taxes. Under the new approach only deferred taxes on investment properties, properties held for sale and derivative financial instruments are excluded, while fair value of derivative financial instruments takes into account deferred interest from cash flow hedges. In this context, the EPRA NAV for fiscal year 2013 was restated in order to align it with the new approach used from fiscal year 2014 onwards.

The following table shows the calculation of the EPRA NAV according to the new approach as of the dates presented:

	As of September 30,		As of December 31,		
	2016	2015	2015	2014	2013[(a)]
	(unaudited*)) (in EUR million)		(unaudited, unless stated otherwise) (in EUR million)		
Equity attributable to Vonovia's shareholders	10,356.5**)	9,853.7**)	10,620.5***)	4,932.6***)	3,805.5***)
Deferred taxes on investment properties/properties held for sale	3,293.5	2,697.6	3,241.2*)	1,581.0*)	1,276.6*)
Fair value of derivative financial instruments[(b)]	114.2	150.5	169.9	88.1	56.3
Deferred taxes on derivative financing instruments	(28.4)**)	(39.4)**)	(43.4)	(23.7)	(15.0)
EPRA NAV	**13,735.8**	**12,662.4**	**13.988.2**	**6,578.0**	**5,123.4**
Goodwill	(2,718.9)	(2,636.6)	(2,714.7)***)	(106.0)***)	–
Adjusted EPRA NAV	**11,016.9**	**10,025.8**	11,273.5	**6,472.0**	**5,123.4**

*) Taken or derived from the Company's accounting records or internal management reporting systems.

**) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016.

***) Audited.

(a) Figures for fiscal year 2013 have been restated in order to align them to the EPRA NAV definition used in fiscal year 2014. This leads to an increase of EPRA NAV as of December 31, 2013 by EUR 341.2 million, of which EUR 339.6 million are related to the new treatment of deferred taxes (as described above) and EUR 1.6 million related to taking into account deferred interest from cash flow hedges (as described above).

(b) Adjusted for effects from cash flow hedges.

(4) The LTV-Ratio is the ratio of the nominal amount of financial liabilities, less foreign currency effects, cash and cash equivalents, receivables from the sale of properties plus purchase prices of outstanding acquisitions, to the sum of investment properties, owner-occupied properties, assets held for sale and investments in other real estate companies. The following table shows the calculation of the LTV-Ratio as of the dates presented:

	As of September 30,		As of December 31,		
	2016	2015	2015	2014	2013
	(unaudited*)) (in EUR million)		(audited, unless stated otherwise) (in EUR million)		
Non-derivative financial liabilities	13,000.0	12,232.3	14,939.9	6,664.8	5,594.8
Less: Foreign currency effects	(155.5)	(154.7)	(179.4)	(84.0)	14.7*)
Less: Cash and cash equivalents	(1,118.1)	(512.2)	(3,107.9)	(1,564.8)	(547.8)
Less: Receivables from the sale of properties	(233.1)	(51.9)	(330.0)	(49.8)	(90.5)
Plus: Funds held for Franconia purchase	–	–	–	322.5*)	–
Plus: Funds held for Gagfah purchase	–	–	–	1,000.0*)	–
Plus: Funds held for acquisition portfolios	–	–	134.9*)	–	–
Adjusted Net Debt *)	**11,493.3**	**11,513.5**	**11,457.5**	**6,288.7**	**4,971.2**
Fair value of the real estate portfolio	**23,851.1**	**23,148.7**	**24,157.7**	**12,759.1**	**10,326.7**
Plus: Fair value of outstanding acquisitions *)	–	–	240.0	–	–
Plus: Investments in other real estate companies *)	545.4	0.9	13.7	0.9	0.9
Adjusted fair value of the real estate portfolio *)	**24,396.5**	**23,149.6**	**24,411.4**	**12,760.0**	**10,326.7**
LTV-Ratio (in % and at end of period)*)	**47.1**	**49.7**	**46.9**	**49.3**	**48.1**

*) Unaudited. Taken or derived from the Company's accounting records or internal management reporting systems.

(5) Modernization and maintenance per sqm is the quotient of the total modernization and maintenance including work performed by insourced Craftsmen Organization and the total living area. The following table shows the calculation of modernization and maintenance for the periods presented.

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited*)) (in EUR million, unless stated otherwise)		(unaudited*), unless stated otherwise) (in EUR million, unless stated otherwise)		
Maintenance expenses	184.1	167.8**)	242.2***)	145.1***)	136.5***)
Capitalized maintenance(a)	48.0	81.3	88.5	28.7	21.1
Modernization(b)	284.6	219.0	355.6	171.7	70.8
Total cost of modernization and maintenance(c)	**516.7**	**468.1**	**686.3**	**345.5**	**228.4**
Total average living area (in thousand sqm) (unaudited)	**21,685**	**19,777**	**20,773**	**11,864**	**11,449**

*) Taken or derived from the Company's accounting records or internal management reporting systems.
**) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016.
***) Audited.
(a) Refers to investments that are designed to preserve the value of the respective property without intra-Group profits.
(b) Refers to investments that are designed to increase the value of the respective property and as a rule trigger the statutory right to increase rents with respect to the modernized unit within the applicable legal framework or reduce vacancy.
(c) Total cost of modernization and maintenance includes intra-Group profits of the Company's own Craftsmen Organization (September 30, 2016: EUR 36.1 million; September 30, 2015: EUR 20.9 million, and December 31, 2015: EUR 31,0 million; December 31, 2014: EUR 18.7 million, and December 31, 2013: EUR 11.6 million), with EUR 0.7 million as of September 30, 2016, EUR 0.5 million as of September 30, 2015, and EUR 1.0 million as of December 31, 2015, EUR 0.4 million as of December 31, 2014, and EUR 1.1 million as of December 31, 2013 attributable to Capitalized maintenance and EUR 5.8 million as of September 30, 2016, EUR 2.6 million as of September 30, 2015, and EUR 3.8 million as of December 31, 2015, EUR 2.0 million as of December 31, 2014, and EUR 0.0 million as of December 31, 2013 attributable to Modernization.

(6) Number of vacant residential units as of September 30, 2016 and 2015 and as of December 31, 2015, 2014 and 2013, divided by total number of residential units owned on the respective date.

(7) In-place rent (per month in EUR per sqm) is defined as the current gross rental income per month for rented residential units as agreed in the corresponding tenancy agreements as of December 31, 2015, 2014 and 2013 and as of September 30, 2016 and 2015, before deduction of non-transferable ancillary costs, divided by the living area of the rented residential units. The in-place rent is often also referred to as "net cold rent".

(8) Reflects the pro-rata amount from the closing of the Gagfah Takeover on March 6, 2015 until September 30, 2015 or, as the case may be, December 31, 2015 of the 4.0% interest on EUR 1.0 billion under the hybrid bond issued in December 2014.

Segments

Since the end of 2015, the Group has reported in accordance with IFRS 8 about three segments: Rental, Extension and Sales. In the following, selected financial data of the three segments are presented for the nine-month periods ended September 30, 2016 and September 30, 2015 and for the fiscal years 2015, 2014 and 2013 on the basis of segment reporting currently in effect. In contrast to the presentation in the fiscal year 2015 and in the fiscal years 2014 and 2013, services in the Extension segment that are performed by third parties are reported in fiscal year 2016 as internal income provided that Group companies of the Company are responsible for managing these services.

As financial income from investments in other real estate companies are reported outside of Adjusted EBITDA since January 1, 2016, prior-year figures have been presented on a comparable basis.

The Rental segment comprises core business activities aimed at the value-enhancing management of the Group's properties. With a strategy of sustainability and profitability, the business activities are focused on increasing the value of the Company. Adjusted EBITDA

Rental is calculated by deducting maintenance expenses and operating expenses from rental income generated ("**Adjusted EBITDA Rental**").

The new Extension segment comprises business activities which are aimed at the expansion of Vonovia's core business to include additional property-related services and were previously allocated to the Rental segment. At present, these include the following business activities and service units: the TGS Craftsmen Organization; the organization for the care and maintenance of the residential environment of the rental units; provision of cable television to tenants; condominium administration for own residential properties and for third parties; metering services for measuring the consumption of water and heating; and insurance services for own residential properties and for third parties. By reporting this segment separately, Vonovia intends to emphasize its differentiation strategy and present its related activities with adequate transparency. The Adjusted EBITDA Extension is calculated by deducting operating expenses from segment income ("**Adjusted EBITDA Extension**").

The Sales segment comprises all activities relating to the sale of residential and other units. These activities include the sale of single units from the "Privatize" portfolio cluster as well as the sale of entire buildings or plots of land from the "Non-Strategic" and "Non-Core" portfolio clusters, which are presented by Vonovia together as Non-Core sales. Adjusted EBITDA Sales is calculated by deducting all operating expenses incurred in connection with sales activities from profit on disposal of properties generated by the Group and by adjusting profit on disposal of properties for certain reclassification and timing effects ("**Adjusted EBITDA Sales**"). Adjusted EBITDA Sales is adjusted to neutralize these effects.

The following table shows the Group's Adjusted EBITDA Rental, Adjusted EBITDA Extension, Adjusted EBITDA Sales and Adjusted EBITDA Other for the periods presented:

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	2015	2015	2014	2013[(1)]
	(unaudited[*)])		(audited)	(unaudited, unless stated otherwise)	
	(in EUR million)		(in EUR million)		
Rental segment					
Rental income	1,156.1	1,019.4	1,414.6	789.3	728.0
Maintenance expenses	(184.1)	(167.8)	(242.2)	(145.1)[**)]	(136.5)[**)]
Operating expenses[(2)]	(177.9)	(174.1)	(247.6)	(161.6)	(158.5)
Adjusted EBITDA Rental [(3)]	**794.1**	**677.5**	**924.8**	**482.6**	**433.0**
Extension segment					
Income	574.4	291.6	428.7	211.1	141.4
thereof external income	91.6	38.5	*59.3*	*28.9*	*21.0*
Thereof internal income	482.8	253.1	*369.4*	*182.2*	*120.4*
Operating expenses	(529.3)	(267.2)	(391.1)	(187.5)	(130.9)
Adjusted EBITDA Extension[(3)]	**45.1**	**24.4**	**37.6**	**23.6**	**10.5**
Sales segment					
Income from disposal of properties	988.2	315.6	726.0	287.3	353.5
Carrying amount of assets sold	(953.9)	(288.9)	(658.7)	(243.4)	(325.8)
Revaluation of assets held for sale	37.9	24.4	51.7	25.1	24.3

	For the nine-month period ended September 30,		For the fiscal year ended December 31,		
	2016	2015	2015	2014	2013[(1)]
	(unaudited[*)])		(audited)	(unaudited, unless stated otherwise)	
	(in EUR million)		(in EUR million)		
Profit on disposal of properties (IFRS)	**72.2**	**51.1**	119.0	**69.0**	**52.0**
Revaluation (realized) of assets held for sale[(4)]	(37.9)	(24.4)	(51.7)	(25.1)	(24.3)
Revaluation from disposal of assets held for sale[(1);(4)] (unaudited)	49.1	25.0	33.0	24.8	15.3
Adjusted profit from disposal of properties (unaudited)	**83.4**	**51.7**	**100.3**	**68.7**	**43.0**
Selling costs	(17.9)	(17.6)	(29.2)	(18.6)	(15.3)
Adjusted EBITDA Sales[(3)]	**65.5**	**34.1**	**71.1**	**50.1**	**27.7**
Adjusted EBITDA Other[(3);(5)]	**(6.9)**	**(2.5)**	**(4.4)**	**(2.8)**	**(1.1)**

*) Taken from the Company's unaudited condensed interim consolidated financial statements for the nine-month period ended September 30, 2016.

**) Audited.

(1) Taken or derived from the Company's accounting records or internal management reporting systems.

(2) Includes all expenses for the Rental segment which cannot be allocated to maintenance expenses. In addition, Vonovia includes other income from property management which is offset by costs, such as public-sector rent supplements. Correction of property management costs for the nine-month period ended September 30, 2015 from the former amount of EUR (151.8) million to EUR (174.1) million due to the resegmentation of the Extension segment. Correction of property management costs for 2014 from the former amount of EUR (140.3) million to EUR (161.6) million in operating expenses due to the resegmentation of the Extension segment, including a transfer of the item financial income from investments in other real estate companies in the amount of EUR (0.5) million from Adjusted EBITDA to FFO 1. Correction of property management costs for 2013 from the former amount of EUR (148.8) million to EUR (158.5) million in operating expenses due to the resegmentation of the Extension segment.

(3) Vonovia uses Adjusted EBITDA Rental, Adjusted EBITDA Extension and Adjusted EBITDA Sales as indicators of segment profitability in accordance with IFRS 8. Because not all companies calculate Adjusted EBITDA in the same way, these indicators as used by the Company are not necessarily comparable with similarly or comparably-titled measures used by other companies. Adjusted EBITDA Rental, Adjusted EBITDA Extension, Adjusted EBITDA Sales and Adjusted EBITDA Other together equal Adjusted EBITDA of the Group.

(4) Adjustments are made in order to disclose profit and revenue in the period in which they are incurred in the case of sales transactions which are notarized prior to the reporting date but recognized (disposal) after the reporting date because in such case a gain from disposal must be taken into account as revaluation already as of the reporting date whereas the corresponding revenue is recognized in the following period.

(5) Since the Extension segment also includes capitalizable services as Adjusted EBITDA, these effects are eliminated in the Adjusted EBITDA Other.

Significant changes to the issuer's financial condition and operating results during or subsequent to the period covered by the relevant historical financial information.

Nine-Month Periods Ended September 30, 2016 and 2015

Rental income significantly increased by 13.4% from EUR 1,019.4 million in the first nine months of 2015 to EUR 1,156.1 million in the first nine months of 2016. This increase was primarily due to the Gagfah and SÜDEWO Takeovers and the direct and indirect acquisition of approximately 5,100 residential units and approximately 210 commercial units from CitCor Residential Group, a joint venture of Citigroup Property Investors and CORPUS SIREO ("**CitCor**") (together the "**Franconia Takeover**" or "**Franconia**"). Not considering the portfolios acquired within the scope of the Gagfah, Franconia and SÜDEWO Takeovers, rental income amounted to EUR 640.6 million in the first nine months of 2016, down slightly from the level recorded in the first nine months of 2015 (EUR 649.5 million) as a result of disposals.

Income from disposal of properties increased by 213.1% from EUR 315.6 million in the first nine months of 2015 to EUR 988.2 million in the first nine months of 2016. This was mainly due to a significant increase in the number of units sold from 5,322 units in the first nine months of 2015 to 21,922 units in the first nine months of 2016.

Fiscal Years 2015 and 2014

Rental income significantly increased by 79.2% from EUR 789.3 million in 2014 to EUR 1,414.6 million in 2015. This increase was primarily due to the Gagfah, Franconia and SÜDEWO Takeovers. The Gagfah Portfolio, the Franconia Portfolio and the SÜDEWO Portfolio contributed EUR 479.3 million, EUR 14.5 million and EUR 52.3 million, respectively, towards the Company's rental income in 2015.

Income from disposal of properties increased by 152.7% from EUR 287.3 million in 2014 to EUR 726.0 million in 2015. This was mainly due to an increase in the number of units sold from 4,081 units in 2014 to 15,174 units in 2015.

Profit for the period increased by 142.8% from EUR 409.7 million in 2014 to EUR 994.7 million in 2015 due to an increase in the net income from fair value adjustments of investment properties to EUR 1,323.5 million in 2015 (2014: EUR 371.1 million).

Fiscal Years 2014 and 2013

Rental income slightly increased by 8.4% from EUR 728.0 million in fiscal year 2013 to EUR 789.3 million in fiscal year 2014, with the portfolio acquired within the scope of the DeWAG Acquisition and the portfolio acquired within the scope of the Vitus Takeover (excluding the residential units sold on October 9, 2014 by Vonovia to a subsidiary of LEG Immobilien AG) contributing EUR 45.8 million and EUR 19.8 million, respectively. Excluding the effects of the DeWAG Acquisition and the Vitus Group Takeover, rental income in fiscal year 2014 would have amounted to EUR 723.7 million.

Income from disposal of properties decreased by 18.7% from EUR 353.5 million in fiscal year 2013 to EUR 287.3 million in fiscal year 2014. This was mainly due to a reduction in the number of units sold from 6,720 in fiscal year 2013 to 4,081 in fiscal year 2014. The significant reduction in the number of units sold resulted from more stringent profitability standards and, accordingly, a planned reduction in sales volume.

Total equity increased by 56.2% from EUR 3,818.0 million as of December 31, 2013 to EUR 5,962.2 million as of December 31, 2014, primarily due to the capital increase against contribution in cash in March 2014 and the capital increase against contribution in kind in October 2014.

Recent Developments

On September 5, 2016, the Company announced its intention to take over conwert Immobilien Invest SE ("**conwert**") through a voluntary public takeover offer by way of an alternative cash and exchange offer to the shareholders of conwert ("**conwert Shareholders**") ("**Takeover Offer**"). The Takeover Offer is intended to be launched on November 17, 2016 by publication of an offer document under Austrian law (the "**Offer Document**"). The consideration will be an alternative offering consisting of a Share Component or a Cash Component: as consideration, the conwert Shareholders will be offered to receive either 74 new registered no-par value shares, each representing a notional value of EUR 1.00 of the share capital, with dividend rights – to the extent legally permissible – as from fiscal year 2016 for every 149 conwert Shares or, as a legally required alternative, a cash payment of EUR 16.16 for each tendered conwert Share. The Management Board resolved in a decision of principle on October 19, 2016, with the consent of the Supervisory Board of October 26, 2016, to implement capital increases using the Authorized Capital 2015 in a maximum amount of up to EUR 50,611,212.00 by issuing up to 50,611,212 new ordinary registered no-par value shares, each representing a notional value of EUR 1.00 of the share capital, with the exclusion of shareholders' subscription rights. These capital increases for the creation of the up to 50,611,212 new shares of the Company to be admitted to trading ("**V Offer Shares**") are expected to be implemented against contribution in kind up to a number that corresponds to 95% (rounded to whole shares) less 10,000 shares of the respective outstanding conwert Shares and, in the event that more than 95% less 10,000 shares of the respective outstanding conwert Shares will be tendered, against cash contribution.

The Group expects an increase in residential in-place rent for fiscal year 2016 of between 3.0% and 3.2% on a like-for-like basis. In addition, Vonovia expects that the vacancy rate will decline to around 2.5% at the end of fiscal year 2016. The expected increase in the residential in-place rent (like-for-like) and the decline in the vacancy rate are expected to result in rental income of more than EUR 1.5 billion.

Excluding the effects of the Takeover Offer, Vonovia expects that it will be able to further increase its EPRA NAV per share in comparison with the previous year by the end of the fiscal year 2016. The value of EPRA NAV is to a significant extent determined by the valuation of the investment properties at their fair values. As no sufficiently valid data basis for key valuation parameters was available as of September 30, 2016, the fair values were not adjusted in the third quarter of 2016. Based on the development of the parameters already available and the currently very positive development of the residential property market in Germany, the Company expects the 2016 financial statements to reflect a significant appreciation. Based on preliminary estimates, the Company expects that it will be able to increase its EPRA NAV per share by the end of the fiscal year 2016 from EUR 30.02 as of December 31, 2015 to approximately EUR 36 as of December 31, 2016. For fiscal year 2016, the NAV (goodwill adjusted) per share is expected to move from EUR 24.19 as of December 31, 2015 to approximately EUR 30 as of December 31, 2016. These expectations are based on the current forecast of the effects from the valuation of the investment properties and the capitalization of modernization costs in a total amount of between approximately EUR 3.5 billion and approximately EUR 3.9 billion as compared to December 31, 2015. Since the valuation of the investment properties has not yet been completed as of the date of publication of the Prospectus, the currently forecasted effects from the valuation of the investment properties may change in the course of the ongoing valuation.

Save as disclosed above, there has been no significant change to the Group's financial condition and operating results during the period from September 30, 2016 until the date of the Prospectus.

B.8 Selected key pro forma financial information.	Not applicable. The Company has prepared no pro forma financial information.
B.9 Profit forecast and estimate.	For fiscal year 2016, the Company's Management Board expects FFO 1 of Vonovia to be in the range of approximately EUR 760 million. The anticipated amounts include the relevant share attributable to the Franconia, Gagfah and SÜDEWO Takeovers completed by the Company in 2015 and the acquisition portfolio Q1 2016 as well as the disposals of larger portfolios in connection with the implementation of the portfolio optimization strategy. The profit forecast does not include effects from the intended acquisition of conwert Immobilien Invest SE ("**conwert**").
B.10 Qualifications in the audit report on the historical information.	Not applicable. The auditor's reports on the historical financial information included in this Prospectus have been issued without qualification.
B.11 Insufficiency of the issuer's working capital for its present requirements.	Not applicable. The Company is of the opinion that the Group is in a position to meet the payment obligations that become due within the next twelve months.
C. Securities.	
C.1 Description of the type and the class of the securities being admitted to trading, including any securities identification number.	The up to 50,611,212 V Offer Shares to be admitted to trading are ordinary registered no-par value shares (*Stückaktien*), each representing a notional value of EUR 1.00 of the share capital with full dividend rights – to the extent legally permissible – as from January 1, 2016.
Securities identification number.	The securities identification numbers of the V Offer Shares are as follows: International Securities Identification Number (ISIN): DE000A1ML7J1 German Securities Identification Number (WKN): A1ML7J Common Code: 094567408 Ticker Symbol: VNA
C.2 Currency.	Euro.
C.3 Number of shares issued and fully paid.	The Company's share capital currently amounts to EUR 466,000,624.00. It is divided into 466,000,624 ordinary registered no-par value shares (*Stückaktien*). The share capital has been fully paid up.
Notional value.	Each of the shares of the Company represents a notional share value of EUR 1.00 of the Company's share capital.
C.4 Rights attached to the securities.	Each of the Company's shares carries one vote at the general shareholders' meeting of the Company. There are no existing restrictions on voting rights. The Company's shares carry full dividend rights – to the extent legally permissible – as from January 1, 2016.

C.5 Description of any restrictions on the free transferability of the securities.	Not applicable. The Company's shares are freely transferable in accordance with the legal requirements for ordinary registered shares. There are no prohibitions or restrictions on disposals with respect to the transferability of the Company's shares.
C.6 Application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are to be traded.	Application is intended to be made for admission of the V Offer Shares to be created to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) and for their admission to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). In accordance with Austrian takeover legislation, the Takeover Offer must be completed in several steps. As soon as the Takeover Offer has become unconditional, the respective consideration must be transferred to the accepting Shareholders. According to its current information the Company expects that the Takeover Offer, to the extent it is accepted by conwert Shareholders during the initial offer period, will be completed immediately after the expiry of the initial offer period in the first half of January 2017. To the extent that the Takeover Offer is accepted by conwert Shareholders during the additional three-month period following the initial offer period, the transaction will be completed after the end of this additional period. As the Takeover Offer must be completed in stages, it is planned, similarly, to apply to the Frankfurt Stock Exchange for admission to trading on the basis of the approved prospectus in individual stages, in accordance with the closing of the Takeover Offer.
C7. Dividend policy.	In fiscal year 2013, no distributions of profits or reserves were made to shareholders of the Company for the prior fiscal years. For fiscal year 2013, the Company resolved at the annual ordinary general shareholders' meeting held on May 9, 2014 for the first time the distribution of a dividend of EUR 0.70 per share, representing approximately 70% of FFO 1 (as defined below) in an amount of EUR 168.2 million for the fiscal year 2013 and a dividend yield of 3.9% as of December 31, 2013. FFO 1 is an indicator derived from FFO (Funds from Operations), which is commonly used in the real estate industry. In order to determine FFO 1, the Adjusted EBITDA for the respective periods is adjusted for operating income from sales activities, net interest expenses excluding special items (which include income from investments) and current income taxes. For fiscal year 2014, the Company resolved at the annual ordinary general shareholders' meeting held on April 30, 2015 to distribute a dividend of EUR 0.78 per share (an increase of 11.4% compared to the dividend distributed for fiscal year 2013) corresponding to an amount of EUR 276.2 million and representing a dividend yield of 2.8% as of December 31, 2014. For fiscal year 2015, the Company resolved at the annual ordinary general shareholders' meeting held on May 12, 2016 to distribute a dividend of EUR 0.94 per share. The amount of EUR 0.94 is an

amount that has been adjusted for the effects of the capital increase with subscription rights in July 2015 through which 107.5 million new shares were created. Due to the capital increase with subscription rights which allowed the new shares to be purchased at a discount, all key figures per share have been adjusted to make them comparable to the values including the capital increase with subscription rights (theoretical ex-rights price ("**TERP**") adjustment). The adjustment factor is calculated based on the last share price prior to deduction of subscription rights (EUR 26.46) divided by the assumed share price following the issue of the new shares (TERP) (EUR 25.18). The assumed share price following a capital increase with subscription rights (TERP, in turn, is calculated by determining the arithmetic mean of the prices of new and old shares and dividing this by the total number of new and old shares. This results in an adjustment factor of 1.051. Based on the TERP adjusted values, the dividend in the amount of EUR 0.94 represents an increase of 27% compared to the previous year and a dividend yield of 3.3% as of December 31, 2015.

In principle, the Company intends to continue to distribute a dividend in an amount representing approximately 70% of its FFO 1. FFO 1 is expected to increase by approximately 25% to approximately EUR 760 million compared to 2015, corresponding to an expected FFO 1 per share of approximately EUR 1.63. The current guidance with regard to the dividend proposed to be distributed for the year 2016 amounts to EUR 1.12 per share.

Since the Company does not itself conduct any operative business, its ability to pay dividends depends on its operating subsidiaries making profits, generating cash flows alongside the profit and distributing those to the Company.

D. Risks.	The market price of the Company's shares could fall if any of the following risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could materially adversely affect the Group's business, financial condition, cash flow and results of operations. The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing or the significance or degree of the risks or the scope of any potential harm to the Group's business, financial condition, cash flow or results of operations. The risks mentioned herein may materialize individually or cumulatively.
D.1 Key risks specific to the issuer and its industry.	**Risks Related to the Group's Market Environment** The Group's business is dependent on economic and demographic developments in Germany and in the regional sub-markets where its properties are located. Further, the slow recovery of the global economy, the economic downturn in China, falling oil prices, the persistent euro crisis, the vote in the referendum of the United Kingdom to leave the European Union ("Brexit") and the spreading of regional conflicts (e.g. in Ukraine) may result in limited access to debt and equity financing and possible defaults by the Group's counterparties. In addition, a rise of the currently low interest rates could have adverse effects on the German real estate market and on

Vonovia. Finally, the recent increase in prices for real estate and the increasing consolidation in the real estate market makes the Group's growth through acquisitions more difficult.

Risks Related to the Takeover Offer for conwert

The integration of conwert may not be successful or involve higher costs than expected, the synergies and economies of scale may not be realized or only to a small extent, the fixed exchange ratio under the Takeover Offer does not reflect current market changes, the financing of the Takeover Offer may fail, the Takeover Offer may have an adverse effect on the financial liabilities of conwert and the terms of other agreements and there may arise disputes with the remaining minority shareholders of conwert producing an adverse effect.

Risks Related to the Group's Business

Vonovia is exposed to risks arising from the Group's business, in particular from the structural condition of its properties, from the various disposal, acquisition and investment activities of the Group and the contractual obligations and restrictions assumed in connection with these activities, from the Group's insourcing strategy, from a lack of insurance cover in the event of losses, from the challenge to hire qualified employees to fill vacant key positions, from increases of interest rates on publicly subsidized loans and from substantial pension obligations and other employee benefit obligations.

Risks Related to the Gagfah Takeover

There can be no assurance that the corporate integration that remains to be completed will proceed as smoothly as expected or within the expected period of time, which would increase the opportunity costs for Vonovia; expected synergies in connection with the integration of the Gagfah Group may not be realized as planned or at all.

Risks Related to the Valuation of the Group's Properties

Real estate valuation is inherently subjective, subject to uncertainties and based on assumptions. Vonovia may be required to adjust the current fair values of its investment properties and to recognize significant losses, especially if interest rates change, the market conditions deteriorate or the rent levels or vacancy rates develop unfavorably.

Financial Risks

Due to its substantial level of debt, Vonovia is, dependent on its ability to refinance significant amounts in the future, which may be difficult or expensive. In order to be able to raise such level of debt financing, Vonovia must maintain its current investment grade rating. If the Company or other Group companies breach financial covenants or other provisions, Vonovia may be required to pay higher interest or fully repay the relevant financial instrument before it becomes due. A deterioration of the profitability of its subsidiaries could have adverse effects on the Company's surplus revenues and thus on possible future dividend payments.

Regulatory and Legal Risks

Rent increases, terminations by the landlord and evictions are, under German tenancy law, difficult or impossible in some cases, which may result in losses for the Company. The Group's business is subject to the general regulatory and legal framework in Germany. Accordingly, any changes thereof to the disadvantage of the Company could have material consequences. Standardized tenancy agreements used by Vonovia may, due to frequent changes in the legal framework, not always be up-to-date and, therefore, a review by a court could find that some terms are no longer valid.

Tax Risks

Vonovia is subject to the general tax environment in Germany. The Group's tax burden in relation to the future tax treatment of dividend payments, current or future tax assessments, tax audits or court proceedings may increase due to changes in tax laws or changes in the application or interpretation thereof.

A transfer of 95% or more of the shares in the Company or in a subsidiary within a five-year period may trigger German real estate transfer tax (*Grunderwerbsteuer*) ("RETT").

The tax authorities might not accept all tax deductions for interest payments in the past due to uncertainties regarding German regulation of earning stripping rules. Further, the Group's tax burden may increase as a consequence of the acquisition of the Gagfah Shares and other past acquisitions of real estate portfolios or a future change in the Company's shareholder structure and/or corporate structure.

Taxable capital gains arising out of sale of real property may not be completely offset by tax transfer of built-in gains.

Vonovia may, due to past or future changes in its ownership structure, not be able to make use of its tax loss carry-forwards and interest carry-forwards.

Significant reorganizations that the Group has undergone in the past may result in an additional tax burden.

Vonovia is subject to certain tax risks in connection with the refinancing of the GRAND securitization.

It cannot be ruled out that the fiscal authorities will not recognize the existence of a VAT consolidated group for some entities of Vonovia.

It cannot be ruled out that the fiscal authorities will not recognize the application of the extended reduction of trade income for some entities of Vonovia.

Vonovia is subject to possible future changes in the taxation of enterprises in Germany and in the European Union.

Any of the aforementioned risks may have material adverse effects on the Group's business, financial condition, cash flows and results of operation.

D.3 Key risks specific to the securities.	**Risks Related to the Shares and the Listing** Future capital measures could lead to a substantial dilution of shareholders’ interests, i.e., a reduction in the value of the shares and voting rights, in the Company. Any future sales of the Company’s shares by a major shareholder of the Company could depress the market price of the shares. The share price and trading volume of the Company’s shares may fluctuate significantly, which can result in substantial losses. The Company’s ability to pay dividends depends on a variety of factors. Dividends paid in the past are not necessarily indicative of future dividend payments, and the Company’s dividend policy may change. The rights of shareholders in a European company may differ from the rights of shareholders in companies organized under the laws of other jurisdictions.
E. Offer.	
E.1 Total net proceeds.	Not applicable. This Prospectus does not relate to an offer of shares.
Estimate of the total expenses of the offer and listing, including estimated expenses charged to the investor by the issuer.	The total expenses relating to the listing of the shares are expected to amount to approximately EUR 1.34 million. No expenses for the listing will be charged to the investors by the Company or the listing agent.
E.2a Reasons for the offer.	Not applicable. This Prospectus does not relate to an offer of shares.
Use of proceeds, estimated net amount of the proceeds.	Not applicable. This Prospectus does not relate to an offer of shares. Accordingly, there are no proceeds for the Company or for any shareholders of the Company.
E.3 Offer conditions.	Not applicable. This Prospectus does not relate to an offer of shares.
E.4 Interests material to the offer including conflicting interests.	Kempen & Co N.V., Amsterdam (“**Kempen**”) is advising Vonovia as to the Takeover Offer pursuant to a consultancy agreement. Kempen has an interest in the registration of the capital increases through the issuance of the V Offer Shares and the admission of the V Offer Shares to trading because these are necessary steps for the completion of the Takeover Offer and because the fees to be paid to Kempen pursuant to the consultancy agreement wholly or partially depend on the completion of the Takeover Offer. The conwert Shareholders who receive V Offer Shares in accordance with the provisions of the Offer Document as consideration for conwert Shares tendered by them in connection with the Takeover Offer have an interest in admission of the V Offer Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange. In connection with the admission of the V Offer Shares, UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna, Austria, as

	Settlement Agent has a contractual relationship with the Company. After admission of the V Offer Shares to trading, the Settlement Agent will receive a settlement fee from the Company. COMMERZBANK Aktiengesellschaft, Germany and Bank Neelmeyer AG as Exchange Trustees have an interest in the registration of the capital increases through the issuance of the V Offer Shares and the admission of the V Offer Shares to trading because these are necessary steps for the completion of the Takeover Offer and because the fees to be paid to them partially depend on the completion of the Takeover Offer. The Company, which in accordance with the provisions of the Offer Document delivers V Offer Shares as consideration for the conwert Shares tendered by conwert Shareholders in connection with the Exchange Offer, has an interest in the admission of the V Offer Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The Company is not aware of any other interests or (potential) conflicts of interest which could be material to the issue.
E.5 Name of the person or entity offering to sell the security.	Not applicable. This Prospectus does not relate to an offer of shares.
Lock-up agreement: the parties involved; indication of the period of the lock-up.	Not applicable. There are no lock-up agreements with regard to the issued shares of the Company as of the date of the Prospectus or the V Offer Shares.
E.6 Amount and percentage of immediate dilution resulting from the offer.	Not applicable. This Prospectus does not relate to an offer of shares.
E.7 Estimated expenses charged to the investor by the issuer.	Not applicable. No expenses will be charged to the investor by the issuer.