



conwert
Investor Presentation on
Vonovia Offer

+ 5 September 2016

Key terms of Vonovia's proposal

<p>Terms</p>	<ul style="list-style-type: none"> + An all share offer with a cash alternative as required by Austrian law: <ul style="list-style-type: none"> + All share offer: Exchange ratio of 149 conwert shares for 74 Vonovia shares implying a price of €17.58¹ per conwert share <ul style="list-style-type: none"> + 23.8% premium to conwert's 6-month VWAP² of €14.20, 20.9% premium to conwert's 3-month VWAP³ of €14.54, 8.9% premium to conwert's last close of €16.15, 8.8% premium to cash offer + conwert shareholders to participate further in synergy realization through share consideration + All cash offer: €16.16 in cash, slightly above the pre-announcement share price of conwert of €16.15 <ul style="list-style-type: none"> + 13.8% above legally required 6-month conwert VWAP² of €14.20, 11.1% premium to conwert's 3-month VWAP³ of €14.54 + 3.3% premium to EPRA NAV⁴ conwert of €15.65, 0.1% premium to last close of conwert of €16.15
<p>Structure</p>	<ul style="list-style-type: none"> + All share or all cash voluntary public tender offer + Adler committed to tender its 26.2mm shares + Tendered shares are envisaged to be tradeable
<p>Transaction financing⁵</p>	<ul style="list-style-type: none"> + Implied FV of conwert at acquisition of €2.9bn based on share consideration + Intended equity consideration of €1.8bn (in kind and full conversion of convertible bonds) <ul style="list-style-type: none"> + Approximately 51mm Vonovia shares required from available authorised capital + Max cash consideration of €1.6bn, sufficient resources available to finance any cash component
<p>Transaction features</p>	<ul style="list-style-type: none"> + The offer will be subject to reaching the minimum acceptance threshold of 50% + 1 share + In addition, the offer will include other standard conditions, including, in particular: <ul style="list-style-type: none"> + Antitrust approvals from German and Austrian competition authorities + MAC clause, no drop of FTSE EPRA/NAREIT Germany Index >20% + New Vonovia shares to be listed on the Frankfurt stock exchange, and to have dividend entitlement for full year 2016⁶
<p>High degree of transaction certainty</p>	<ul style="list-style-type: none"> + Business combination agreement signed + Tender commitment from Adler for ~26% of fully diluted number of shares⁷

Source: Bloomberg, Vonovia company info, conwert H1 2016 report

¹ Based on closing prices of September 2, 2016 and exchange ratio of 0.497; ² 6-month VWAP based on volume weighted average share price for the period between 3 Mar 2016 until 2 Sep 2016; ³ 3-month VWAP based on volume weighted average share price for the period between 3 Jun 2016 until 2 Sep 2016; ⁴ LR EPRA NAV adjusted for convertible dilution and dividend payment; ⁵ Based on 100% acceptance rate, full conversion of convertible bonds creating additional 7.3m conwert shares resulting in a total shares (incl. treasury shares) of 101.9m; ⁶ Planned Vonovia 2016 dividend of €1.05 per share (to be paid in 2017); ⁷ Based on fully diluted NOSH including treasury shares

Anticipated transaction timeline¹

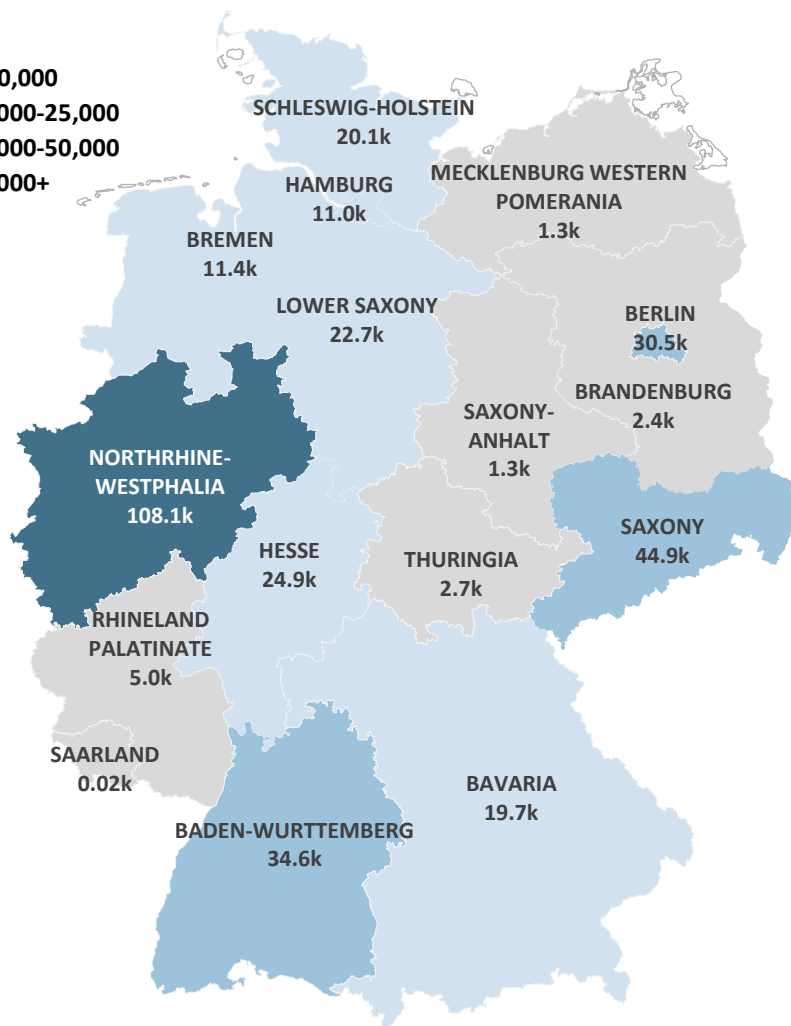
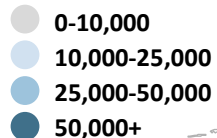
Time table		
	+ 05-Sep-2016	Announcement of the intention to make a voluntary take-over offer Support from conwert board and management Commitment from Adler to tender all its conwert shares
	+ 17-Nov-2016	Publication of offer document
	+ 18-Nov-2016	Start of the acceptance period
	+ 19-Dec-2016	End of the acceptance period
	+ 22-Dec-2016	Publication of results of acceptance period
	+ End of Dec 2016	Start of secondary acceptance period
	+ Early Jan 2017	Payment and settlement
	+ Second half of Jan 2017	conwert EGM
	+ Mar 2017	End of secondary acceptance period
	+ Apr 2017	Payment and settlement secondary acceptance period

¹ Indicative expected dates only as published by Vonovia

Vonovia at a Glance

Geographic footprint

Units



True national footprint with 340k apartments and €23.8bn gross asset value

Company overview

- + First and only real estate company in German Blue Chip Index DAX (more than €16bn market cap)
- + Highly liquid stock with 92% free float
- + Regulated German rental market safeguards high cash-flow visibility for top and bottom line
- + Rock-solid fundamental business with unique add-on strategy via industrialized approach, leveraging economies of scale and increasingly driving additional income streams through extension business
- + Proven track record of sustainable, growing FFO and dividends
- + Defensive asset class in Europe's strongest economy
- + All assets and transactions denominated in Euro only

	2015	2016(E)	Growth
Rental income	€1,415m	€1,530m - €1,550m	+~9%
FFO 1	€608m	€740m - €760m	+~23%
FFO 1 (€/share)	€1.30	€1.59 - €1.63	+~23%
DPS	€0.94	At least €1.05 (to be proposed to AGM)	+12%

Why the conwert board supports the offer subject to legal review

- + The consideration offered by Vonovia is attractive
 - + The share price offer is a 8.9% premium over last trading, a 23.8% premium over 6 months VWAP and 12.3% premium to LR NAV²
 - + Last trading price of conwert is a 52 week high
 - + Vonovia offer 52.9% above last public offer by Deutsche Wohnen in February 2015
- + An acceptance of the share offer would provide the following potential benefits for conwert shareholders:
 - + Investment in the largest residential player in Europe (€23.8bn GAV) and a DAX-30 company
 - + Access to a highly liquid and high free float stock (market cap >€15bn)
 - + Enhanced credit worthiness with a BBB+ rated corporate with strong access to capital markets
 - + Combined company to benefit from c.€12mm of synergies expected to be achieved by the end of 2018
 - + conwert shareholders to profit from higher dividend estimated at additional c.€0.07 of dividend per share for conwert shareholders ¹
- + In addition, in accordance with Austrian law, there is a cash alternative of €16.16 per share, slightly above the pre-announcement share price of conwert of €16.15 and at a 13.8% premium to the 6-months-VWAP
 - + The cash offer represents a technical price floor to the offer at pre-announcement share price
- + Based on assessment of valuation supported by a fairness opinion issued by J.P. Morgan we support the proposed transaction subject to legal review and have signed a Business Combination Agreement with Vonovia

Source: Company information, Factset, Bloomberg

¹ Assuming all shareholders accept the share offer; a Vonovia dividend of €1.05 per share and conwert dividend of €0.45 per share based on 60% payout of €75mm FFO for 2016

² Fully diluted NAV per share post dividend payment