

# PRESS RELEASE

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## **Deutsche Wohnen AG announces voluntary public tender offer for convert Immobilien Invest SE**

- **Deutsche Wohnen intends to offer €11.50 in cash per Conwert share for all outstanding shares**
- **Premium of approximately 21.5 percent over the volume weighted average price over the past six months for the Conwert shares**
- **Haselsteiner Familien-Privatstiftung as well as Karl Ehlerding and family have committed to tender about 25 percent of their directly and indirectly held Conwert shares**
- **Good strategic add-on for the Deutsche Wohnen portfolio and its focus on metropolitan areas**
- **Conwert will gain excellent access to debt and equity capital markets through Deutsche Wohnen**
- **Offer will have a minimum acceptance threshold of 50 percent + 1 share of all outstanding shares**
- **Offer will also be extended to convertible bonds issued by Conwert**
- **Simultaneously, anticipatory mandatory offer for all outstanding shares of ECO, a subsidiary of Conwert intended**

**Berlin, 15 February 2015.** Today, based on resolutions by its Board of Management and Supervisory Board, Deutsche Wohnen AG (“Deutsche Wohnen”) announced that it intends to make a voluntary public tender offer to acquire all outstanding convert Immobilien Invest SE’s (“Conwert”) shares and convertible bonds.

Deutsche Wohnen, one of the leading listed real estate companies in Germany and Europe, intends to make a cash offer of €11.50 per Conwert share for all outstanding shares. Conwert’s biggest shareholder, the Haselsteiner Familien-Privatstiftung (“HFP”), endorses the offer by Deutsche Wohnen and has committed to participating in the tender offer with a directly or indirectly held stake of approximately 19 percent of the issued share capital. Thereby HFP reduces its holdings in Conwert to a share of 5.1 percent (fully diluted). In addition to HFP, the investor Karl Ehlerding as well as other members of the Ehlerding family plan to tender the entirety of their shares

including options amounting to 6.6 percent of the outstanding share capital (thereof 1.2 percent in the grace period).

Deutsche Wohnen intends to take over strategic leadership of Conwert through the offer announced today and thereby targets reaching a majority stake. Accordingly, the offer is conditional upon a minimum acceptance threshold of 50 percent + 1 share of all outstanding shares.

Michael Zahn, CEO of Deutsche Wohnen, commented: “After difficult years, Conwert is facing major challenges. We want to be a strong partner and reorganize the company financially and operationally. We are making a fair offer to the shareholders and are pleased to have two biggest shareholders tender their shares into the cash offer.”

### **Transaction emphasizes Deutsche Wohnen portfolio and acquisition strategy**

Deutsche Wohnen has a portfolio strategy which is focused on German urban centers and metropolitan areas – so-called Core+ and Core regions. It currently owns approximately 149,000 residential and commercial units, primarily in Berlin, the Rhine-Main area, the Rhineland, Dresden and Hanover. The Deutsche Wohnen real-estate portfolio has an average vacancy rate of 2.4 percent. Thus, the company is one of the most efficient and operationally strongest in the German residential real estate market.

Approximately 25,000 residential units or about 90 percent of Conwert’s residential portfolio are located in Germany. About half of the residential holdings are located in the Core+ and Core regions of Berlin, Potsdam, Dresden, Vienna and Leipzig. The Conwert portfolio shows a good fit with the strategy of Deutsche Wohnen. The intention to integrate the management of Conwert’s properties will allow Deutsche Wohnen to further expand their managed holdings in attractive metropolitan regions and to also diversify its portfolio.

After the successful completion of the transaction, Deutsche Wohnen intends to undertake a further review of Conwert’s property portfolio, which may lead to a sale of non-core holdings over the short to medium term.

Simultaneously with the tender offer to the holders of Conwert shares, Deutsche Wohnen intends to issue an anticipatory mandatory offer for all outstanding ECO Business-Immobilien AG (“ECO”) shares of which Conwert is not the holder. Deutsche Wohnen intends to pay a cash offer price of €6.35 per ECO share. Currently, Conwert holds approximately 95.8 percent of ECO, which is focused on the active management of office properties.

In the view of Deutsche Wohnen, ECO does not fit in its long-term strategy. Deutsche Wohnen is thus planning to sell ECO after finalizing its takeover of Conwert.

### **Significant expenses due to restructuring requirements**

The offer price of €11.50 per Conwert share represents approximately 28.2 percent premium or 21.5 percent premium over the volume-weighted average price over the past three years and six months, respectively. Compared to the last price prior to the tender offer, the offer is equal to a premium of approximately 5 percent. Michael Zahn states: "Considering the restructuring risks and the significant expenses related to the implementation of the transaction as well as the optimization of Conwert, the shareholders are receiving a fair price for their shares."

During the offer period Deutsche Wohnen intends to make a cash offer of €111,868 per nominal €100,000 convertible bond with maturity date in 2016 and €119,295 per nominal €100,000 convertible bond with maturity date in 2018. During the grace period the cash offer price is expected to amount to €107,376 per nominal €100,000 convertible bond with maturity date in 2016 and €102,041 per nominal €100,000 convertible bond with maturity date in 2018.

In the recent past, Deutsche Wohnen has proven its extensive acquisition capabilities, most recently in the complete acquisition and integration of GSW Immobilien AG. Prior to that, Deutsche Wohnen had already successfully integrated the portfolios of GEHAG and BauBeCon.

Overall, the environment for a structural reset is good: The market environment and financing conditions are good, demand for residential and commercial property is generally high. This setting offers Conwert a good opportunity to benefit from the support of a strong partner. In the event of a successful consummation of the takeover, Conwert would share into the well-established access to substantially more advantageous refinancing conditions that Deutsche Wohnen enjoys.

### **Bridge financing and capital increase**

Deutsche Wohnen has the financial capacity needed to implement the transaction. The financing of the transaction will be realized by means of a bridge financing facility of around €900 million provided by the advising banks as well as free liquidity. In the course of 2015, the bridge financing facility is meant to be fully refinanced by a capital increase. Deutsche Wohnen will also adhere to its forecast loan-to-value-ratio (LTV) of approximately 50 percent by year-end 2015.



Further details on the tender offer will be included as part of the offer document to be submitted to the Austrian Takeover Commission. Deutsche Wohnen expects the release of the offer documentation in the coming weeks.

Goldman Sachs and UBS are acting as financial advisors of Deutsche Wohnen. Sullivan & Cromwell LLP and Schönherr Rechtsanwälte GmbH are acting as legal advisers.

The offer will be subject to standard conditions.

### **About Deutsche Wohnen**

Deutsche Wohnen is one of the largest publicly listed real estate companies in Germany and Europe with a business focus on managing and developing its residential property portfolio. As at 30 September 2014 the portfolio comprised a total of 148,900 units, of which 146,800 are residential units and 2,100 commercial properties. The company is listed in the Deutsche Börse's MDAX and is also included in the leading indices EPRA/NAREIT and GPR 100.

### **Disclaimer**

This announcement is for information purposes only and neither constitutes an invitation to sell, nor an offer to purchase, Conwert or ECO securities. The final terms and further provisions regarding the public takeover offer will be disclosed in the offer document once it will have been approved by the Austrian Takeover Commission (Übernahmekommission). Investors and holders of Conwert or ECO securities are strongly recommended to read the offer document and all announcements in connection with the public takeover offer as they contain or will contain important information.

The offer will be made exclusively under the laws of Austria, especially under the Austrian Takeover Act ("Takeover Act"). The offer will not be executed according to the provisions of jurisdictions (including the jurisdictions of Australia and Japan) other than those of Austria. Thus, no other announcements, registrations, admissions or approvals of the offer outside of Austria have been filed, arranged for or granted. Holders of Conwert or ECO securities cannot rely on having recourse to provisions for the protection of investors in any jurisdiction other than such provisions of Austria.

To the extent permissible under applicable law or regulation, and in accordance with Austrian market practice, Deutsche Wohnen or its brokers may purchase, or conclude agreements to purchase, Conwert or ECO securities, directly or indirectly, outside of the scope of the public takeover offer, before, during or after the acceptance or any additional acceptance period. This applies to other securities that are directly convertible into, exchangeable for, or exercisable for

Conwert or ECO securities. These purchases may be completed via the stock exchange at market prices or outside the stock exchange at negotiated conditions. Any information on such purchases will be disclosed as required by law or regulation in Austria or any other relevant jurisdiction.

To the extent any announcements in this document contain forward-looking statements, such statements do not represent facts and are characterized by the words "will", "expect", "believe", "estimate", "intend", "aim", "assume" or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of Deutsche Wohnen and the persons acting together with Deutsche Wohnen. Such forward-looking statements are based on current plans, estimates and forecasts, which Deutsche Wohnen and the persons acting together with Deutsche Wohnen have made to the best of their knowledge, but which they do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by Deutsche Wohnen or the persons acting together with Deutsche Wohnen. It should be kept in mind that the actual events or consequences may materially differ from those contained in or expressed by such forward-looking statements.