

Vienna, 28 September 2017

BUWOG AG: Results for the first three months of 2017/18

- **Successful first quarter: year-on-year increase of 63.6% in Recurring FFO to EUR 44.2 million**
- **Earnings contribution of EUR 18.7 million from Property Development significantly stronger than the first quarter of the previous year**
- **Improvement in EPRA Net Asset Value per share to EUR 24.15**
- **LTV at low level of 38.5%**
- **Recurring FFO: forecast of at least EUR 125 million in 2017/18 confirmed**

The BUWOG Group, a German-Austrian residential property corporation, has followed a record 2016/17 financial year with an extraordinarily successful first quarter of 2017/18.

Recurring FFO rose by a sound 63.6% year-on-year to EUR 44.2 million in the first three months of 2017/18.

Earnings before tax of EUR 37.1 million and net profit of EUR 29.2 million were lower than the first quarter of the previous financial year. This decline is attributable to the special appraisal of the portfolio properties in Germany commissioned by BUWOG in Q1 2016/17 to reflect the dynamic market development in that country and the resulting high fair value adjustments in the comparable prior period. A separate valuation by an external appraiser was not carried out in the first quarter of the reporting year. The next appraisal of the entire BUWOG portfolio is scheduled for the end of the first half of 2017/18 (i.e. 31 October 2017).

The EPRA net asset value, which focuses primarily on the presentation of the sustainable assets positions, improved over the level on 30 April 2017 to EUR 24.15 per share.

The successful development in the first quarter of 2017/18 was supported by dynamic new construction in the Property Development business area and high margin Unit Sales in Austria.

The earnings contribution by the Asset Management business area reflected the comparable prior year period at approx. EUR 38.5 million. Rental income was slightly lower, above all due to Unit Sales and Block Sales in Austria, but earnings remained at a constant high level in this largest business area of the BUWOG Group. The monthly net in-place rent improved during the first three months of 2017/18 to EUR 5.20 per sqm (Q1 2016/17: EUR 5.18 per sqm) with like-for-like rental growth of 1.7%.

Furthermore, BUWOG increased the investments in its portfolio properties by substantial 28% per sqm year-on-year to improve quality.

Earnings in the Property Sales business area rose by more than 64% year-on-year to approx. EUR 15.8 million (Q1 2016/17: EUR 9.6 million). This improvement was supported by the Unit Sales of 196 apartments at a high margin of 63% on fair value (Q1 2016/17: 57%). Unit Sales contributed EUR 13.8 million to Recurring FFO (Q1 2016/17: EUR 9.6 million). A total of 236 standing investment units were sold through Block Sales during the first quarter at a margin of 13% on fair value (Q1 2016/17: 6%).

The Property Development business area was further intensified and generated strong net operating income of EUR 18.7 million in the first quarter of 2017/18 (Q1 2016/17: EUR –0.9 million). Earnings were influenced by the transfer of the exclusive “Pfarrwiesengasse 23” project in the Döbling district of Vienna and the early completion of the “Southgate” mixed residential project, also in Vienna. In the first quarter of 2017/18, 156 units were transferred to the buyers and recognised to income and 133 units were completed. The 1,680 units under construction as of 31 July 2017 illustrate the successful continuation of BUWOG’s course to develop apartments for sale and for its own portfolio in Berlin, Hamburg and Vienna.

A future project site in Berlin-Kreuzberg was purchased during the first quarter of 2017/18. The BUWOG Group’s development pipeline contained 10,096 units with a total investment volume of approximately EUR 2.9 billion as of 31 July 2017.

The defensive financing structure of the BUWOG Group was further improved during the first quarter of 2017/18. The average interest rate on financial liabilities and the loan-to-value ratio (LTV) remained low at 1.79% and 38.5%, respectively (31 July 2016: 44.1%). The further optimisation of the LTV was based on the broadening of the equity base through the successful cash capital increase at the beginning of June 2017.

Based on the successful development of business in the first quarter, the Executive Board confirms its forecast for Recurring FFO at least EUR 125 million in the full 2017/18 financial year.

The report by BUWOG AG on the first quarter of 2017/18 is now available for download on the company’s website under <https://www.buwog.com/en/investor-relations/financial-reports>

Key Data

Earnings data		Q1 2017/2018	Q1 2016/17	Change
Net cold rent	in EUR million	51.7	52.7	-1.9%
Results of Asset Management	in EUR million	38.5	38.5	0.0%
Results of Property Sales	in EUR million	15.8	9.6	64.1%
Results of Property Development	in EUR million	18.7	-0.9	>100.0%
EBITDA	in EUR million	64.1	39.2	63.3%
Financial results	In EUR million	-25.8	-83.0	68.9%
Net profit	in EUR million	29.2	83.9	-65.1%
Recurring FFO	in EUR million	44.2	27.0	63.6%
Recurring FFO per share	in EUR	0.41	0.27	51.5%

Asset and financial data		31 July 2017	30 April 2017	Change
Balance sheet total	in EUR million	5,258.9	5,019.7	4.8%
Loan-to-value (LTV)	%	38.5%	44.1%	-5.5 PP
EPRA Net Asset Value	in EUR million	2,710.9	2,384.8	13.7%

Share data		31 July 2017	30 April 2017	Change
Share price	in EUR	24.84	24.79	0.2%
EPRA Net Asset Value per share	in EUR	24.15	23.90	1.0%

Key Property Portfolio Data

Asset Management (Standing Investments)		31 July 2017	30 April 2017	Change
Number of units	Quantity	49,189	49,597	-0.8%
Monthly net in-place rent	in EUR per sqm	5.20	5.18	0.4%
Vacancy rate	%	3.6%	3.4%	0.2 PP
Fair Value	in EUR per sqm	3,920	3,942	-0.6%
Gross Rental Yield	%	5.2%	5.2%	0,0 PP

Property Sales		Q1 2017/18	Q1 2016/17	Change
Units sold	Quantity	432	155	>100%
thereof Unit Sales	Quantity	196	154	27.3%
thereof Block Sales	Quantity	236	1	>100%

Property Development		31 July 2017	31 July 2016	Change
Units under construction	Quantity	1,680	1,369	22.7%
Total investment volume	in EUR million	2,926	2,541	15.1%
Completed units	Quantity	133	25	>100%

On the BUWOG Group

The BUWOG Group has grown over a 66-year history to become the leading German-Austrian full-service provider in the residential property sector. The company's property portfolio covers approx. 49,200 units in Germany and Austria. The entire value chain in the residential sector is covered by BUWOG's activities in the areas of Asset Management, Property Sales and Property Development. The BUWOG share has been listed on the stock exchanges in Frankfurt am Main, Vienna (ATX) and Warsaw since the end of April 2014.

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