

Vienna, 21 December 2017

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

- **Year-on-year increase of 32.4% in Recurring FFO to EUR 76.3 million**
- **EPRA-NAV/share rises by 4.0% to EUR 24.87 (after dividend payment)**
- **Strong net profit of EUR 180.4 million**
- **Substantial year-on-year growth in earnings contribution from Property Development to EUR 30.3 million**
- **Strong fair value adjustments of EUR 148.6 million**

BUWOG AG continued its successful business development during the first half of the 2017/18 financial year. All three business areas recorded a year-on-year improvement in earnings, with particularly strong growth in Property Development – the business area which covers the company's new residential construction activities. Recurring FFO, BUWOG's central management indicator, rose by 32.4% year-on-year to EUR 76.3 million. EPRA NAV per share equalled EUR 24.87 as of 31 October 2017, for an increase of 4.0% since the end of the previous financial year (EUR 23.90).

Fair value adjustments for the first six months of 2017/18 totalled EUR 148.6 million and reflect, in particular, the high yield compression as well as the continuing upward trend for market rents in the core regions of Germany.

The Asset Management business area contributed EUR 80.4 million to earnings for the reporting period, which represents an increase over the EUR 78.5 million recorded in the first half of the previous financial year. The monthly net in-place rent improved slightly during the first half of 2017/18 to EUR 5.23 per sqm (30 April 2017: EUR 5.18) with like-for-like rental growth equalling 1.8%. The gross rental yield equalled 5.0% and the vacancy rate 3.9% (2.7%, excl. the vacancies required for unit sales).

Earnings in the Property Sales business area rose by 9.7% year-on-year to EUR 28.0 million in the first six months of 2017/18. These results were supported by Unit Sales of 366 apartments with a high margin of 63% on fair value.

The Property Development business area was further intensified and generated strong net operating income of EUR 30.3 million in the first half of 2017/18. Earnings were influenced, above all, by the transfer of the exclusive "Pfarrwiesengasse 23" project (Vienna), the "Southgate" project (Vienna) and the "Seefeld I" project (Berlin). A total of 204 units were transferred and recognised to income during the reporting period. As of 31 October 2017, the development pipeline held 10,227 units.

BUWOG's financing structure was further optimised during the first half of 2017/18. The equity ratio rose by 5.1 percentage points to 44.8%, among others, as a result of the EUR 305.6 million cash capital increase with subscription rights that was carried out at the beginning of June. Two key indicators remained low as of 31 October 2017: the average interest rate at 1.79% and the loan-to-value ratio at 38.8% (30 April 2017: 44.1%).

After the end of the reporting period on 31 October 2017, BUWOG received an investment grade rating of "BBB+ with stable outlook" from Standard & Poor's. In addition, Vonovia SE issued an announcement after the end of the reporting period that it intends to make a voluntary takeover offer for all outstanding shares and convertible bonds of BUWOG AG. Transparent information on both these subjects can be found on the BUWOG website under www.buwog.com.

The report by BUWOG AG on the first half 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		H1 2017/2018	H1 2016/17	Change
Net cold rent	in EUR million	104.8	104.4	0.4%
Results of Asset Management	in EUR million	80.4	78.5	2.5%
Results of Property Sales	in EUR million	28.0	25.5	9.7%
Results of Property Development	in EUR million	30.3	2.1	>100.0%
EBITDA	in EUR million	106.7	86.4	23.5%
Financial results	In EUR million	-42.9	-84.9	49.5%
Net profit	in EUR million	180.4	146.2	23.4%
Recurring FFO	in EUR million	76.3	57.6	32.4%
Recurring FFO per share	in EUR	0.69	0.58	20.1%

Asset and financial data		31 October 2017	30 April 2017	Change
Balance sheet total	in EUR million	5,348.8	5,019.7	6.6%
Loan to value (LTV)	%	38.8%	44.1%	-5.3 PP
EPRA net asset value	in EUR million	2,791.5	2,384.8	17.1%

Share data		31 October 2017	30 April 2017	Change
Share price	in EUR	24.76	24.79	-0.1%
EPRA net asset value per share	in EUR	24.87	23.90	4.0%

Key data on the property portfolio

Asset Management		31 October 2017	30 April 2017	Change
Number of units	Quantity	48,941	49,597	-1.3%
Monthly net in-place rent	in EUR per sqm	5.23	5.18	1.0%
Vacancy rate	%	3.9%	3.4%	0.5 PP
Fair value of standing investments	in EUR million	4,078	3,942	3.4%
Gross rental yield	%	5.0%	5.2%	-0.2 PP

Property Sales		H1 2017/2018	H1 2016/17	Change
Units sold	Quantity	794	342	>100%
thereof Unit Sales	Quantity	366	341	7.3%
thereof Block Sales	Quantity	428	1	>100%

Property Development		31 October 2017	30 April 2017	Change
Units under construction	Quantity	2,133	1,472	44.9%
Total investment volume	in EUR million	2,971	2,932	1.3%
		H1 2017/2018	H1 2016/17	Change
Completed units	Quantity	274	184	48.9%

On the BUWOG Group

The BUWOG Group is the leading German-Austrian full-service provider in the residential property sector and can now look back on 66 years of experience. The property portfolio includes roughly 49,000 standing investment units in Germany and Austria. BUWOG covers the entire value chain in the residential sector with its three business areas: Asset Management, Property Sales and Property Development. The shares BUWOG AG have been listed on the exchanges in Frankfurt am Main, Vienna (ATX) and Warsaw since the end of April 2014.

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