

Ad hoc announcement

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BUWOG AG: Successful placement of EUR 300 million 5-year Convertible Bonds

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BUWOG AG: Successful placement of EUR 300 million 5-year Convertible Bonds

06.09.2016

BUWOG AG ("**BUWOG**" or the "**Company**") announces the successful placement of senior unsecured convertible bonds due 2021 in an aggregate nominal amount of EUR 300 million (the "**Bonds**") and a denomination of EUR 100,000 each. The Bonds are initially convertible into 9,554,140 no-par value bearer shares of BUWOG, representing approximately 9.58% of the current outstanding share capital of BUWOG. Pre-emptive rights of existing shareholders of BUWOG to subscribe to the Bonds have been excluded.

Following today's bookbuilding process, it was determined that the Bonds bear no interest; the initial conversion premium was fixed at 35% above the reference share price of EUR 23.2592, corresponding to an initial conversion price of EUR 31.40. The Bonds will have a maturity of 5 years and will be issued and redeemed at 100% of their principal amount.

If not previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at par on September 09, 2021 (the "**Maturity Date**"). The Company will have the right to elect to settle redemption of the Bonds on the Maturity Date entirely in cash, shares or with a combination of cash and shares. In addition, BUWOG will be entitled to redeem the Bonds from September 30, 2019 in accordance with the terms and conditions if the stock exchange price of the shares of BUWOG exceeds 130% of the then applicable conversion price over a certain time period. BUWOG will also have the option to settle conversions of the Bonds in cash - in whole or in part.

With this transaction, BUWOG seeks to diversify its sources of funding. The net proceeds from the issuance of the Bonds will be mainly used for growth programmes with a particular

focus on expanding BUWOG's activities in the business areas Asset Management and Property Development in Germany. BUWOG in particular intends to strengthen its develop to hold strategy. The remainder will be used for potential refinancing measures, capex programmes and general corporate purposes.

Settlement is expected on or around September 09, 2016. BUWOG intends to apply for the Bonds to be admitted to trading on the unregulated Third Market (MTF) of the Vienna Stock Exchange within 30 days after the closing and settlement date.

The Bonds were offered only to institutional investors outside the U.S. in reliance on Regulation S (Category 1) under the United States Securities Act of 1933 as amended, as well as outside, Canada, Australia, Japan, South Africa or any other jurisdiction in which offers or sales of the securities would be prohibited by applicable law.

Deutsche Bank, Goldman Sachs International and Société Générale Corporate & Investment Banking were acting as Joint Bookrunners for the placement of the Bonds. Berenberg & Kempen & Co. were acting as Co-Managers.

About BUWOG Group

BUWOG Group is the leading German-Austrian full-service provider in the residential property business and now looks back on 65 years of expertise. Its property portfolio encompasses approximately 51,058 units and is distributed evenly in Germany and Austria. In addition to asset management (sustainable leasing and portfolio management), the entire value chain of the residential sector is covered by the sales (profitable sale of individual flats as well as properties and portfolios) and development (planning and construction of new buildings in Vienna, Berlin and Hamburg) segments. The shares of BUWOG AG have been listed on the Frankfurt, Vienna and Warsaw stock exchanges since the end of April 2014.

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