

BUWOG GROUP

CONFERENCE CALL RESULTS Q1 2015/16 29 SEP 2015

A PROFITABLE
INVESTMENT

HIGHLIGHTS Q1 2015/16

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SNAPSHOT ON Q1 2015/16

Successful Q1 2015/16:

Operating result of EUR 42.5mn

Recurring FFO of EUR 23.5mn

Further decline in average interest rate from 2.14% to 2.12%

Highlights Asset Management

- Results from Asset Management: EUR 35.5mn
- Net rental yield of 5.6% (thereof 4.4% in AT and 7.3% in GER)
- Increased monthly net in-place rent of EUR 4.84/sqm
- Annualised net in-place rent of EUR 198mn

Highlights Property Sales

- Results from Property Sales EUR 9.6mn exceeded previous quarter results by 15%
- 140 units sold in Unit Sales at margin of 59% on fair value with a result of EUR 7.9mn
- 70 units sold in Block Sales at fair value margin of 19% with a result of EUR 1.8mn

Highlights Property Development

- Results from Property Development of EUR 1.7mn
- Completion of 2 projects with 103 units in Q1 2015/16
- 962 units currently under construction, total development pipeline of EUR 1.5bn

Financial result

- Predominantly influenced by positive non-cash valuation effects of EUR 73.7mn; these items are adjusted within the Recurring FFO calculation
- Decline in average interest rate from 2.14% to 2.12% with a positive Recurring FFO impact

ASSET MANAGEMENT

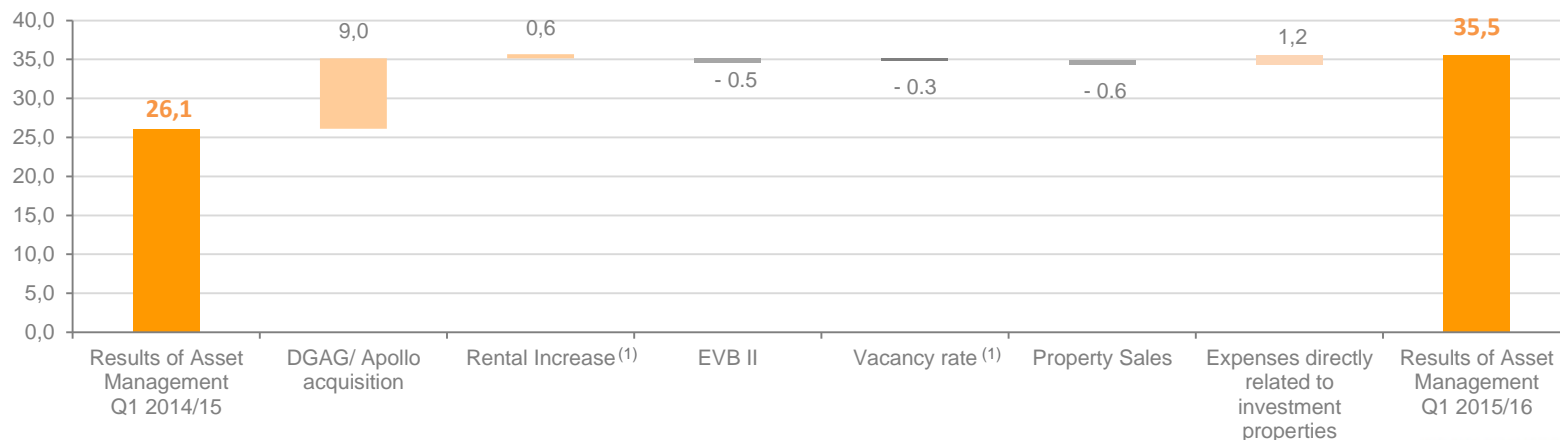
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REVIEW ASSET MANAGEMENT

Results of Asset Management

in EURmn	Q1 2015/16	Q1 2014/15	Change
Rental revenues	49.4	36.2	36%
Operating costs charged to tenants and facility management revenues	27.4	22.9	20%
Other revenues	0.2	0.2	-27%
Revenues	76.9	59.3	30%
Expenses directly related to investment property	-14.4	-10.7	35%
Operating expenses	-27.0	-22.5	20%
Results of Asset Management	35.5	26.1	36%

- 3 months DGAG and Apollo contribution in Q1 2015/16 (EUR 13.5mn) vs. 1 month only in Q1 2014/15
- Like-for-like rental increase 2.4%
- Increase of unused capex contribution from tenants (EVB II) from EUR 1.1mn in Q1 2014/15 to EUR 1.6mn in Q1 2015/16, resulting in lower rental revenues (EUR -0.5mn).
- Increased vacancy rate in Germany from 2.7% to 3% and in Austria from 5.5% to 5.6% (thereof 2.8% due to Unit Sales business)



(1) Excluding DGAG & Apollo portfolios, reflected in separate DGAG & Apollo pillar

STANDING INVESTMENTS

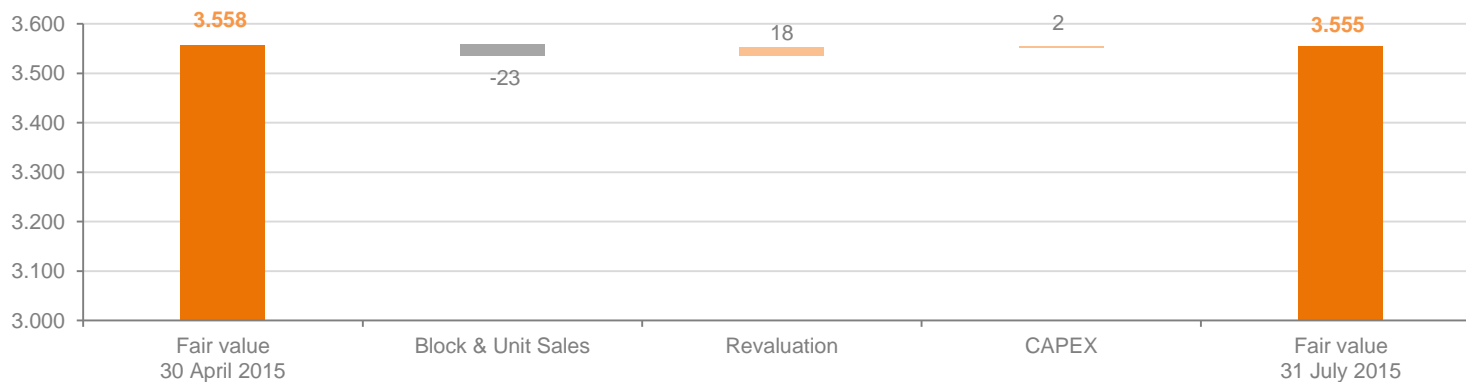
Development of Standing investments

	31 Jul 2015	30 Apr 2015	Change
Number of units	51,440	51,671	-0.4%
Total floor area (sqm)	3,562,465	3,581,028	-0.5%
Fair value (EURmn)	3,555	3,558	-0.1%
Annualised in-place rent (EUR mn)	198	198	-0.1%
Net Rental Yield	5.6%	5.6%	0.0PP
Vacancy rate	4.4%	4.2%	0.2PP

- Number of units slightly decreased due to the Property Sales business in Austria:
 - 210 units were sold in Unit and Block Sales with a fair value of EUR 23mn
- Revaluation (EUR 17.6mn) was done internally as of the balance sheet date and will be prepared by CBRE as of 31 Oct 2015. Revaluation is mainly driven by rental increase, yield compression, changes of market rents as well as changes in sales price potentials in Unit Sales.

Standing Investments

in EURmn



PROPERTY SALES

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REVIEW PROPERTY SALES

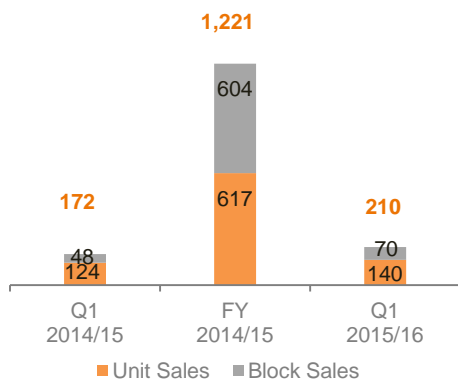
Highlights Property Sales

in EURm	Q1 2015/16	Q1 2014/15	Change
Revenues Property Sales	33.4	23.5	42%
thereof Unit Sales	22.1	21.2	4%
thereof Block Sales	11.3	2.3	>100%
Results as per income statement	9.6	8.4	15%
thereof Unit Sales	7.9	7.9	0%
thereof Block Sales	1.8	0.5	>100%
Margin on fair value (in%)	42%	58%	-16.0PP
Margin on fair value – Unit Sales	59%	62%	-3.0PP
Margin on fair value – Block Sales	19%	26%	-7.0PP

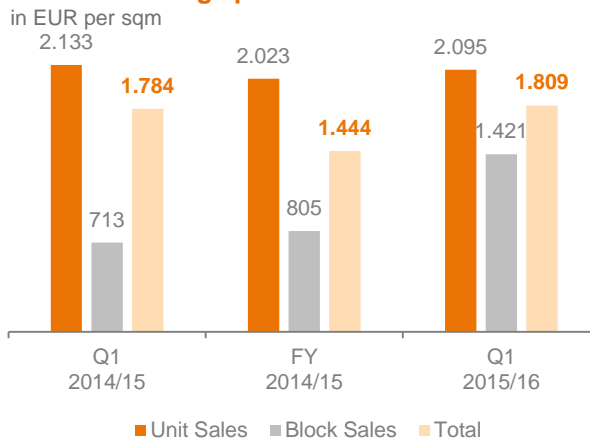
- Successful Unit Sales business in Q1 2015/16 with 140 units sold and a FV margin of approx. 59%
- Further portfolio optimisation through Block Sales (70 units with a FV margin of approx. 19%)
- Property Sales cluster contains 16,400 units with a fair value of EUR 1.6bn



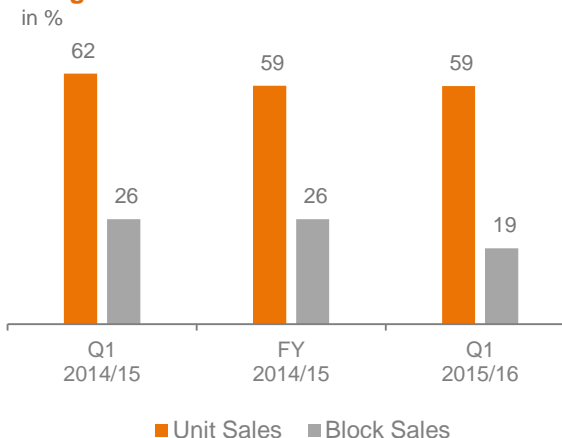
Units sold



Realised average price



Margin on fair value



REVIEW PROPERTY SALES

Property Sales – FFO contribution

in EURmn	Unit Sales	Block Sales	Total
Revenues Property Sales	22.1	11.3	33.4
FV of sold properties	-13.4	-10.0	-23.3
Expenses from property sales	-0.8	-0.1	-1.0
FFO contribution	7.9	1.2	9.1

- Unit Sales: 140 units sold with a Recurring FFO contribution of approx. EUR 7.9mn in Q1 2015/16
- Block Sales: 70 units sold with a Total FFO contribution of approx. EUR 1.2mn in Q1 2015/16

Positive cash flow from Property Sales⁽¹⁾

in EURmn	Unit Sales	Block Sales	Total
Revenues Property Sales	22.1	11.3	33.4
Debt repayment	-5.5	-5.1	-10.6
Expenses from property sales	-0.8	-0.1	-1.0
CF from Property Sales	15.8	6.0	21.9

- Within the business area Property Sales the Unit Sales business generated a positive cash flow of EUR 15.8mn in Q1 2015/16
- The Block Sales business generated a positive cash flow of EUR 6.0mn in Q1 2015/16

Contribution to Total FFO of EUR 9.1mn and freeing up cash of EUR 21.9mn

(1) Excluding changes in receivables relating to property sales

PROPERTY DEVELOPMENT

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PROPERTY DEVELOPMENT

Highlights



Skytower, Vienna (under construction)



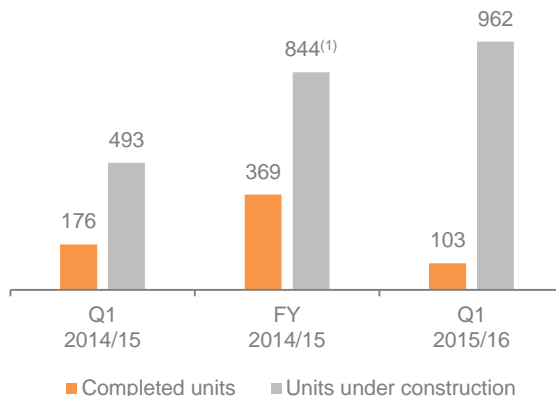
52 Grad Nord, Berlin (under construction)



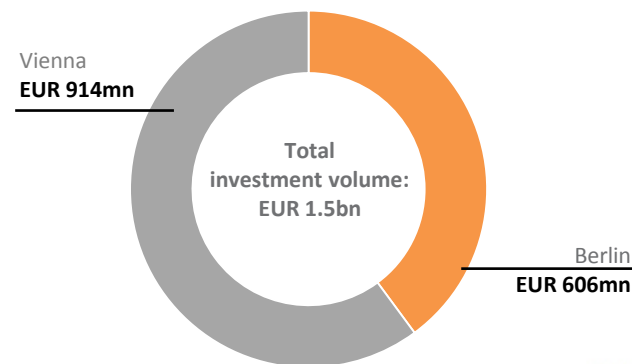
Quartier am Pankepark, Berlin (completed)

- Completion of 103 units during Q1 2015/16
- Additional 11 projects with 962 units and an investment volume of approx. EUR 287mn are under construction
- Property Development in Berlin is being intensified; currently three projects are under construction
- Purchase of 3 land sites in Berlin with targeted approx. 490 units and a total investment volume of approx. EUR 160mn in Q1 2015/16
- As of 31 July 2015 the development pipeline of BUWOG Group included approx. 5,500 units with a total investment volume of approx. EUR 1.5bn

Property Development activity as of 31 July 2015



Investment value of development projects as of 31 July 2015



REVIEW PROPERTY DEVELOPMENT

Progress of Development Projects

as of 31 July 2015	No of projects	No of units	Floor area (in sqm)	Investment volume in EURmn	
Vienna					
Currently under construction	8	570	46,188	135.4	} Development projects within inventories
Planned construction start in FY 2015/16	6	660	55,943	189.8	
In planning stage (construction start from FY 2016/17)	15	1,840	153,862	468.0	} Property projects within investment properties (pipeline projects)
Land reserves	6	553	43,432	121.2	
Total	35	3,623	299,425	914.4	
Berlin					
Currently under construction	3	392	40,280	152.0	} Development projects within inventories
Planned construction start in FY 2015/16 ⁽¹⁾	3	431	33,621	119.3	
In planning stage (construction start from FY 2016/17) ⁽¹⁾	2	1,058	90,752	335.2	} Property projects within investment properties (pipeline projects)
Land reserves ⁽¹⁾	0	0	0	0.0	
Total	8	1,881	164,654	606.5	

(1) The Regattastr. Project will be carried out in several phases with different dates for the respective beginning of construction. The first construction phase will commence in FY 2015/16

Vienna:

- 1 new construction project with a total of 44 units was **completed** within Q1 2015/16
- 8 new projects with 570 units are currently **under construction**. The construction start of 6 projects with approx. 660 units is planned in FY 2015/16
- The total **development pipeline** in Vienna and its suburban area comprises 3,623 units with an investment volume of approx. EUR 914mn

Berlin:

- 59 units were **completed and transferred** within Q1 2015/16
- 3 new projects with 392 units are currently **under construction**. The construction start of 3 projects with 431 units is planned in FY2015/16
- The total **development pipeline** in Berlin comprises 1,881 units with an investment volume of approx. EUR 606mn

REVIEW PROPERTY DEVELOPMENT

Results of Property Development – segment split

in EURmn	Austria	Germany	Total
Sale of real estate inventories	7.4	15.2	22.6
Cost of real estate inventories sold	-5.2	-12.8	-18.0
Other expenses from sale of real estate inventories	-0.4	-1.0	-1.4
Real estate development expenses	-1.1	-1.0	-2.1
Revaluation of properties under construction	0.0	0.0	0.0
Results of properties sold and available for sale	0.6	0.0	0.6
Results of Property Development	1.3	0.4	1.7

Austria / Vienna:

- Result of Property Development in Austria mainly related to the sales of completed projects in FY 2014/15:
 - Lindengasse EUR 2.7mn
 - Missindorfstraße EUR 1.8mn
 - Rosa-Jochmann-Ring EUR 1.4mn
 - Linzer Straße EUR 0.8mn
- Real estate development expenses also include non-capitalised expenses for projects under construction and projects with a planned construction start in FY2015/16 and following years

Germany / Berlin:

- The development result in Germany was mainly influenced by the sale of one development project:
 - Legacy project Quartier am Pankepark project with 52 units was sold for EUR 11.8mn via a global exit with terms already agreed before acquisition
 - Additionally, 7 units of the Westendpark project were sold for EUR 3.4mn
- Real estate development expenses also include non-capitalised expenses for projects under construction and projects with a planned construction start in FY2015/16 and following years.
- Purchase of 3 land sites in Q1 2015/16

FINANCIAL RESULT

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FINANCIAL RESULT

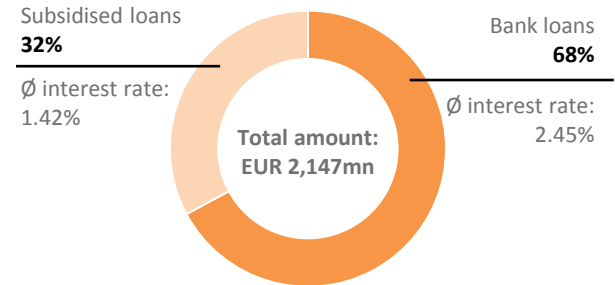
Highlights

Decline in average interest rate from 2.14% to 2.12% with a positive Recurring FFO impact

- Financial result Q1 2015/16 predominantly influenced by positive non-cash items of EUR 73.7mn; these items are adjusted within the Recurring FFO calculation

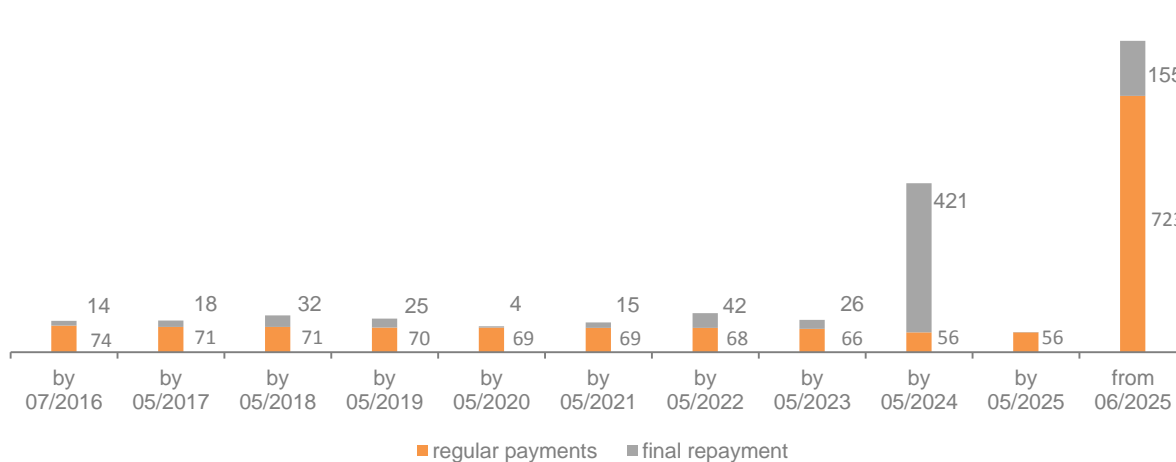
Structure of amount outstanding

by type of financing



Debt Maturity Profile

Basis: outstanding liabilities in EURmn p.a. as per 31 July 2015



Key facts & KPIs

Total amount	EUR 2.1bn
LTV	47.9%
Ø maturity	16.5 yrs
Lock in period	13.9 yrs
Ø interest rate	2.12%
Loan structure	
Hedged & Fixed interest loans	86%
Variable interest loans	14%

REVIEW FINANCIAL RESULT

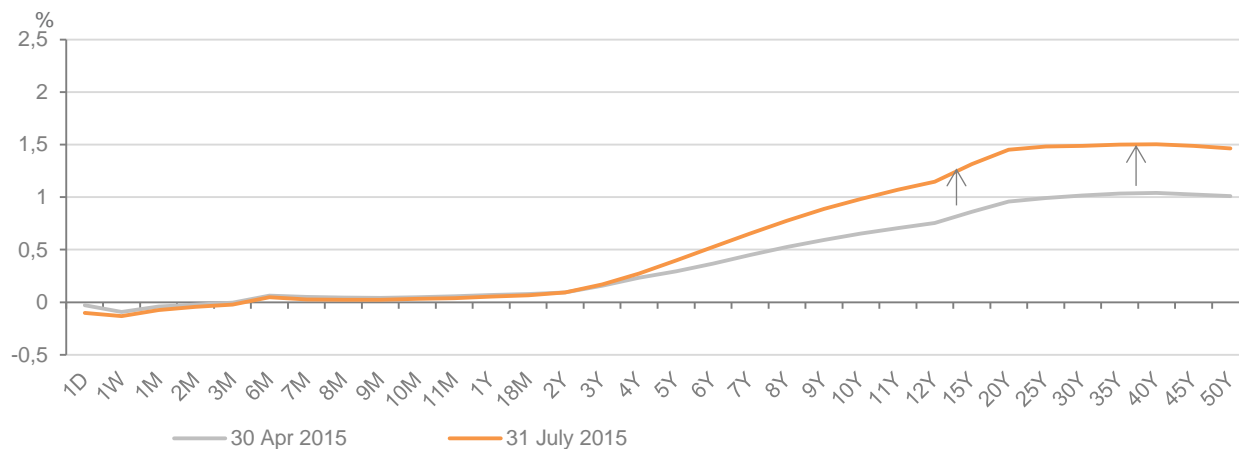
Financial result predominantly influenced by positive non-cash items (EUR 73.7mn)

in EURmn	Q1 2015/16
Interest expenses - cash	-10.3
FV valuation of derivatives	23.3
FV valuation of loans	52.2
Non-cash valuation @amortised costs	-1.8
Other	-0.4
Financial result	63.0
thereof non-cash	73.7

- ① Positive non-cash result from valuation of derivatives and financial liabilities (EUR 75.5mn) due to fair value accounting (driven by lower reference interest rate)
- ② Negative valuation effect from financial instruments at amortised costs, i.e. in particular non-subsidised loans which are measured at amortised cost rather than fair value

Development of the EUR swap curve

30 April 2015 to 31 July 2015



Non-cash items are adjusted within the Recurring FFO calculation

ANNUAL RESULTS - KEY FACTS AND FIGURES

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INCOME STATEMENT

Consolidated income statement

in EURmn		Q1 2015/16	Q1 2014/15	Change
Rental revenues		49.4	36.2	36%
Results of Asset Management	①	35.5	26.1	36%
Results of Property Sales		9.6	8.4	15%
Results of Property Development	②	1.7	6.8	-74%
Other operating income		3.6	2.1	74%
Expenses not directly attributable		-8.1	-6.7	20%
Result of operations		42.5	36.7	16%
Other revaluation results	③	17.6	14.3	23%
EBIT		60.1	51.0	18%
Financial result	④	63.0	-42.8	> - 100%
EBT		123.1	8.2	>100%
Income tax expenses		-3.8	-4.1	-8%
Deferred tax expenses	⑤	-22.7	2.1	> -100%
Net profit		96.6	6.2	>100%
EBITDA adj. ⁽¹⁾		41.7	37.1	12%

(1) Results of operations adjusted to account for valuation effects and deferred periods (IFRS 5) in the business area Property Sales (EUR -0.5mn) and Property Development (EUR -0.6mn) as well as impairment losses/revaluations (EUR 0.4mn)

Comments:

- ① In Q1 2014/15 DGAG and Apollo results contributed for 1 month only
- ② Q1 2015/16 is mainly driven by one Global Exit in Berlin at low margin due to a legacy project with terms agreed prior to acquisition; as well as several partial sales of units, which were completed in other quarters of FY 2014/15.
- ③ All EUR 17.6mn from valuation of investment properties. Revaluation was done internally and is mainly driven by rental increase, changes in market rents, yield compression, increase of sales price potentials
- ④ Predominantly influenced by non-cash valuation effects (driven by increasing interest rate). Cash interest expenses amounted to EUR -10.3mn in Q1 2015/16 compared to EUR -10.1mn in Q1 2014/15.
- ⑤ Deferred tax expenses are influenced by fair value valuation of standing investments, loans and derivatives.

FUNDS FROM OPERATIONS

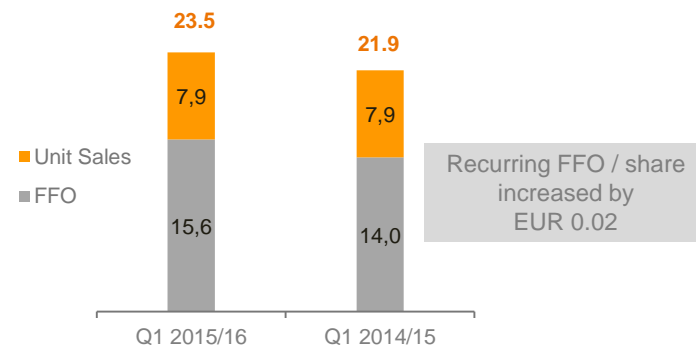
Funds from Operations

in EURmn	Q1 2015/16	Q1 2014/15	Change
Net profit	① 96.6	6.2	>100%
Results of Property Sales	-9.6	-8.4	15%
Other financial result	② -73.7	31.9	> -100%
Fair value adjustments of investment properties	-17.6	-10.7	65%
Impairment losses/revaluations	0.4	-3.0	> -100%
Deferred taxes	22.7	-2.1	> -100%
Other	③ -3.1	0.0	>100%
FFO	15.6	14.0	12%
Unit Sales result	7.9	7.9	0%
Recurring FFO	④ 23.5	21.9	7%
Block Sales result ¹⁾	1.2	0.5	>100%
Total FFO	24.7	22.3	11%
CAPEX	-2.4	-1.7	38%
AFFO	22.3	20.6	8%
Recurring FFO / share (in EUR)	0.24	0.22	7%

(1) including valuation effect from non-current assets held for sale, Block Sales in 2014/15, with cash effect Q1 2015/16 of EUR -0.5mn.

Recurring FFO development

in EURmn



Comments:

- ① Impact of 2 months DGAG and Apollo consolidation and positive financial result
- ② Adjustment of non-cash items (mainly positive valuation effects of loans and derivatives totalling EUR 75.5mn vs. negative effects from valuation of loans at amortised cost totalling EUR -1.8mn)
- ③ Adjustment of received commission for liabilities incurred EUR -1.2mn and one-off item in connection with a previous acquisition (refunding of RETT) EUR -2.0mn
- ④ Positive development mainly due to active Asset Management

BALANCE SHEET

Consolidated Balance Sheet

in EURmn		31 Jul 15	30 Apr 15	Change
Investment properties	①	3,619.2	3,620.8	0%
Properties under construction		18.3	14.6	26%
Other assets		36.6	43.7	-16%
Non-current assets		3,674.1	3,679.1	4%
Non-current assets held for sale		5.7	5.8	-3%
Inventories	②	206.2	197.6	4%
Cash and cash equivalents	③	204.4	149.2	37%
Other current assets ⁽¹⁾		139.0	149.2	-7%
Current assets		555.2	501.7	11%
Total assets ⁽¹⁾		4,229.3	4,180.8	1%
Equity		1,621.0	1,524.3	6%
Liabilities from convertible bond		0.0	0.0	
Financial liabilities	④	2,048.4	2,105.4	-3%
Deferred tax liabilities		175.5	159.3	10%
Other non-current liabilities		101.0	122.1	-17%
Other current liabilities ⁽¹⁾		283.3	269.7	5%
Total equity and liabilities ⁽¹⁾		4,229.3	4,180.8	1%

(1) Change in comparative information: The initial application of IFRIC 21 led to an increase of EUR 3.5mn in trade and other receivables and trade and other liabilities.

Comments:

- ① Mainly influenced by revaluation of EUR 17.6mn and Property Sales of EUR -23mn
- ② Inventories contain development projects with 962 units that are currently under construction and 1,091 units with a planned construction start in FY 2015/16
- ③ Driven by positive cash flow (EUR 55.2mn) due to successful Asset Management and high yield Property Sales business
- ④ Includes ordinary bank loans of approx. EUR 1,405mn and subsidised loans of approx. EUR 643mn

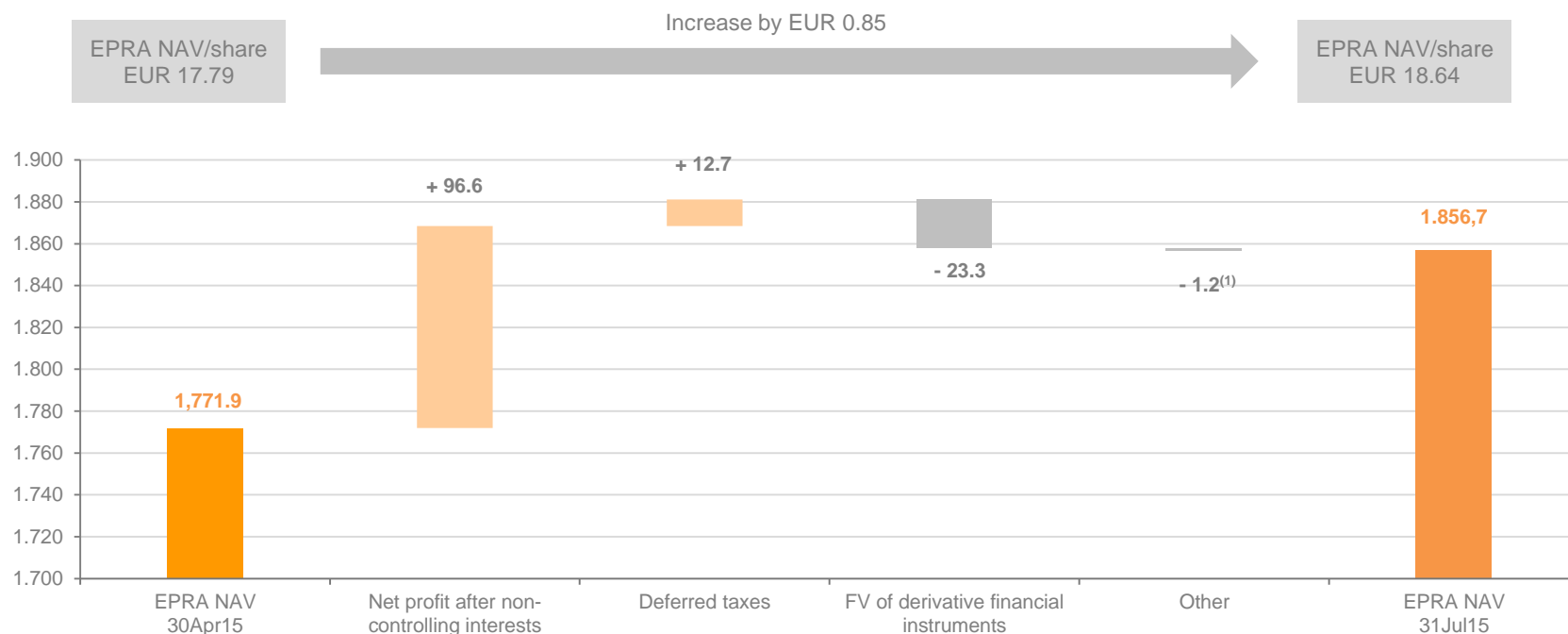
EPRA NAV

Comments

- Q1 2015/16 EPRA NAV was mainly influenced by the net profit, amounting to EUR 96.6mn
- Deferred taxes decreased due to valuation result (investment properties, loans and derivatives)
- Adjustment for the fair value valuation effect of derivatives

EPRA NAV

in EURmn



(1) Mainly relating to changes in the fair value of inventory (EUR – 1.4mn) and properties owned by BUWOG (EUR 0.1mn)

GUIDANCE FY 2015/16

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GUIDANCE CONFIRMED



Recurring FFO to approx. EUR 98-100mn for FY 2015/16

Dividend target: EUR 0.69/share

APPENDIX

A PROFITABLE INVESTMENT

FINANCIAL CALENDAR

Financial Calendar

05 Oct 2015	Erste Group Investor Conference Stegersbach, Austria
13 Oct 2015	Annual General Meeting of BUWOG AG
14 Oct 2015	Ex-dividend date
22 Oct 2015	Dividend payment day
19 Nov 2015	Raiffeisen Centrobank/Vienna Stock Exchange: Austrian Day 2015, Warsaw
23 Nov 2015	Vienna Stock Exchange/Erste Group: Austrian & CEE Investor Conference New York, USA
21 Dec 2015	Publication of H1 report 2015/16
24 Mar 2016	Publication of 9M report 2015/16

STATISTICS OF STANDING INVESTMENT PORTFOLIO AS OF 30 APR 2015

	Number of units	Percentage of total units	Floor area at period end (sqm)	Annualised in-place rent (TEUR) (1)	Monthly in-place rent (EUR per sqm) (1)	Fair Value (TEUR) (2)	Percentage of total Fair Value	Fair Value (EUR per sqm) (2)	Net rental yield (3)	Vacancy rate (4)
Federal capitals	11.918	23,1%	938.451	59.576	5,48	1.354.636	38,1%	1.443	4,4%	3,4%
Wien	6.922	13,4%	606.442	36.044	5,19	1.012.766	28,5%	1.670	3,6%	4,5%
Berlin	4.996	9,7%	332.010	23.532	5,99	341.870	9,6%	1.030	6,9%	1,4%
state capitals and major cities (5)	19.599	37,9%	1.268.631	70.510	4,76	1.096.281	30,8%	864	6,4%	2,6%
Lübeck	6.280	12,2%	363.913	23.687	5,54	320.041	9,0%	879	7,4%	2,2%
Kiel	3.255	6,3%	195.657	13.015	5,65	180.998	5,1%	925	7,2%	1,8%
Villach	2.799	5,4%	200.213	8.263	3,52	121.235	3,4%	606	6,8%	2,4%
Kassel	1.511	2,9%	107.316	5.267	4,26	64.680	1,8%	603	8,1%	4,0%
Braunschweig	1.289	2,5%	77.508	5.036	5,47	69.526	2,0%	897	7,2%	1,1%
Graz	1.206	2,3%	90.790	4.074	3,86	95.210	2,7%	1.049	4,3%	3,2%
Innsbruck	736	1,4%	53.845	2.311	3,68	68.521	1,9%	1.273	3,4%	2,8%
Salzburg	708	1,4%	46.507	2.202	4,00	64.850	1,8%	1.394	3,4%	1,3%
Lüneburg	706	1,4%	51.067	3.090	5,45	39.870	1,1%	781	7,7%	7,5%
Klagenfurt	579	1,1%	43.107	1.783	3,64	26.690	0,8%	619	6,7%	5,2%
Linz	530	1,0%	38.709	1.781	3,96	44.660	1,3%	1.154	4,0%	3,2%
suburban areas (6)	8.172	15,8%	575.406	30.919	4,70	537.551	15,1%	934	5,8%	4,7%
Hamburg	2.867	5,5%	176.540	11.438	5,44	181.048	5,1%	1.026	6,3%	0,7%
Klagenfurt	1.501	2,9%	108.568	4.589	3,80	86.125	2,4%	793	5,3%	7,4%
Villach	1.129	2,2%	88.006	3.562	3,80	63.638	1,8%	723	5,6%	11,3%
Berlin	529	1,0%	33.987	1.891	5,10	21.210	0,6%	624	8,9%	9,0%
Wien	508	1,0%	42.025	2.092	4,29	54.500	1,5%	1.297	3,8%	3,3%
Salzburg	458	0,9%	35.764	2.231	5,31	50.830	1,4%	1.421	4,4%	2,1%
Graz	435	0,8%	32.749	1.746	4,54	27.785	0,8%	848	6,3%	2,2%
Kiel	366	0,7%	28.777	1.935	5,84	22.750	0,6%	791	8,5%	4,1%
Innsbruck	246	0,5%	21.088	949	3,81	24.600	0,7%	1.167	3,9%	1,7%
Braunschweig	133	0,3%	7.901	487	5,30	5.065	0,1%	641	9,6%	3,1%
Rural Areas	11.982	23,2%	798.539	37.150	4,18	569.464	16,0%	713	6,5%	7,3%
Rural Areas Austria	7.344	14,2%	518.824	20.040	3,53	351.507	9,9%	678	5,7%	8,7%
Rural Areas Germany	4.638	9,0%	279.715	17.111	5,35	217.957	6,1%	779	7,9%	4,7%
Total Austria	25.101	48,6%	1.926.636	91.667	4,20	2.092.917	58,8%	1.086	4,4%	5,5%
Total Germany	26.570	51,4%	1.654.391	106.488	5,51	1.465.015	41,2%	886	7,3%	2,7%
Total	51.671	100,0%	3.581.028	198.155	4,81	3.557.932	100,0%	994	5,6%	4,2%

(1) Based on monthly in-place rent (excluding utilities) as of reporting date

(2) Based on fair value of standing investments according to CBRE valuation reports as of 30 April 2015

(3) Annualised in-place rent (based on monthly in-place rent excluding utilities as of the reporting date) in relation to fair value

(4) Based on sqm

(5) More than 50,000 inhabitants and a significant share of the portfolio

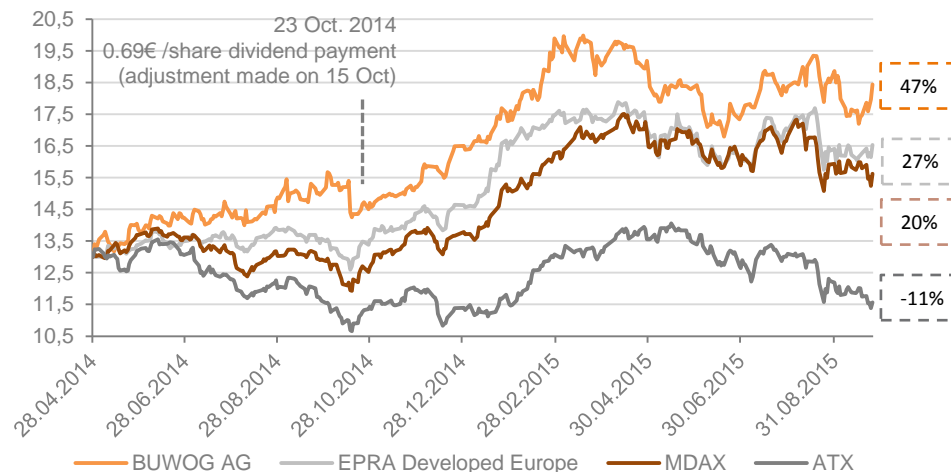
(6) The immediate catchment area up to about 15 km around federal capitals, state capitals and major cities, as well as Hamburg

CAPITAL MARKET POSITIONING

Comments on BUWOG capital market performance

- Current share price of EUR 18.45 (as of 25 Sept 2015) represents 47% (incl. dividend) increase to first trading price on 28 April 2014
- Current share price represents
 - 1% discount to last reported EPRA NAV/share
 - 13.7% discount to analysts' average target price
- Daily average trading volume since listing date of approx. 194,000 shares, i.e. EUR 3.4mn respectively

BUWOG vs relevant indices⁽¹⁾ (28 Apr 2014 – 25 Sep 2015)



Analyst coverage

Institution	Date	Target price	Recommendation
Baader Bank	18/09/2015	EUR 18.00	Hold
Barclays	17/09/2015	EUR 21.40	Overweight
Berenberg	01/09/2015	EUR 22.00	Buy
Deutsche Bank	15/06/2015	EUR 21.50	Buy
Erste Bank	03/07/2015	EUR 21.00	Accumulate
HSBC	08/04/2015	EUR 23.00	Buy
Kepler Cheuvreux	27/02/2015	EUR 21.50	Buy
Raiffeisen Centrobank	22/10/2014	EUR 15.35	Hold
Average target price since 2015		EUR 21.20	

Source: Thomson Reuters¹
Rebased on Buwog 28 Apr 2014 IPO price

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Stock Symbols

Frankfurt Stock Exchange:
Vienna Stock Exchange:
Warsaw Stock Exchange:
ISIN:

BWO GR
BWO AV
BWO PW
AT00BUWOG001