Vienna, 31 August 2018

BUWOG AG: Results for the 2017/18 Financial Year

- **Key indicator – Recurring FFO – increases by 10.4% to a new record level of EUR 129.4 million**
- **Successful expansion of new residential construction: earnings contribution by Property Development more than doubled to EUR 57.7 million, new construction pipeline grew by 7%, increase of nearly 60% in units under construction and 19.1% in completed units**
- **Further improvement of 8.2% in EPRA NAV per share to EUR 25.85**
- **Fair value adjustments of EUR 242.0 million to property portfolio according to CBRE**

The residential property specialist BUWOG AG, in which the German Vonovia SE holds an investment of over 90%, completed a very successful financial year in 2017/18. Based on the company's most important indicator, Recurring FFO, BUWOG can look back on the most successful year in its history. Recurring FFO rose by 10.4% to EUR 129.4 million and exceeded BUWOG's FFO guidance of at least EUR 125 million. EPRA NAV per share increased by a further 8.2% to EUR 25.85.

"We extended our successful track record for rentals and the management of our portfolio properties. BUWOG's impressive growth in the area of new residential construction also underscores our commitment to the development and construction of new housing. The high-margin trend in the Property Sales business area continued, but the volume of sales from the Austrian portfolio declined. In 2017/18 there were no major deals like the sale of the Tyrolean portfolio in the previous year", explained BUWOG CEO Daniel Riedl.

The results of Asset Management totalled EUR 157.3 million in 2017/18, for a slight year-on-year increase of 0.3%. The standing investment portfolio covered 48,828 units with roughly 3.4 million sqm as of 30 April 2018. Although the total number of units declined slightly (2016/17: 49,597), BUWOG added 100 units in Vienna and, for the first time, also 86 rental apartments in Berlin to the portfolio through its develop-to-hold activities during the past year. The monthly net in-place rent per sqm rose by 3.2% to EUR 5.34 and by 2.8% on a like-for-like basis as of 30 April 2018.

The fair value of the standing investments increased by 6.7% to approximately EUR 4.2 billion according to the appraisal by CBRE. The fair value adjustments to investment property totalled EUR 242.0 million as of 30 April 2018.

The earnings contribution by the Property Sales business area (sale of properties from the BUWOG portfolio) declined by 6.2% to EUR 41.6 million in 2017/18 (2016/17: EUR 44.3 million). In Unit Sales, a total of 567 standing investments were sold at a high margin of roughly 62% on fair value.

Property Development, BUWOG's third business area, recorded outstanding performance in the construction of new apartments. Earnings in this segment more than doubled to EUR 57.7 million (2016/17: EUR 28.3 million). Completions rose by 19.1% to 722 units in 2017/18. The development pipeline grew by 7% to 10,847 units with an estimated total investment volume of EUR 3.2 billion and was further expanded through the acquisition of four new sites in 2017/18. The number of units under construction rose by 59% year-on-year to 2,340 units as of 30 April 2018. BUWOG's stated goal is to further increase new apartment construction, also under the new principal shareholder Vonovia SE.

BUWOG also continued its conservative financing strategy during the 2017/18 financial year. The average interest rate on financial liabilities equalled 2.06% as of 30 April 2018 based on an average term of 11.9 years. The loan to value ratio (LTV) declined to 33.7% (2016/17: 44.1%). Net debt declined substantially in 2017/18 due to the successful cash capital increase, the conversion of convertible bonds and an increase in the carrying amount of investment property based on fair value adjustments as of 30 April 2018.

The annual report by BUWOG AG on the 2017/18 financial year is now available for download on the company‘s website under https://www.buwog.com/en/investor-relations/financial-reports

Key Data

Earnings data		2017/18	2016/17	Change
Net cold rent	in EUR mill.	210.9	214.4	–1.7%
Results of Asset Management	in EUR mill.	157.3	156.9	0.3%
Results of Property Sales	in EUR mill.	41.6	44.3	–6.2%
Results of Property Development	in EUR mill.	57.7	28.3	>100.0%
EBITDA	in EUR mill.	170.6	188.1	–9.3%
Financial results	in EUR mill.	–83.0	–69.3	–19.8%
Net profit	in EUR mill.	279.3	366.7	–23.8%
Recurring FFO	in EUR mill.	129.4	117.2	10.4%
Recurring FFO per share	in EUR	1.16	1.17	–1.2%

Asset and financial data		30 April 2018	30 April 2017	Change
Balance sheet total	in EUR mill.	5,487.3	5,019.7	9.3%
Loan to value (LTV)	%	33.7%	44.1%	–10.4 PP
EPRA Net Asset Value	in EUR mill.	3,209.5	2,384.8	34.6%

Share data		30 April 2018	30 April 2017	Change
Share price	in EUR	29.04	24.79	17.1%
EPRA Net Asset Value per share	in EUR	25.85	23.90	8.2%

Key data on the property portfolio

Asset Management		30 April 2018	30 April 2017	Change
Number of units	Quantity	48,828	49,597	–1.6%
Monthly net in-place rent	in EUR/sqm	5.34	5.18	3.2%
Vacancy rate	%	3.3%	3.4%	–0.1 PP
Fair value of standing investments	in EUR mill.	4,207	3,942	6.7%
Gross rental yield	%	5.0%	5.2%	–0.2 PP

Property Sales		FY 2017/18	FY 2016/17	Change
Units sold	Quantity	1,022	1,731	–41.0%
thereof Unit Sales	Quantity	567	614	–7.7%
thereof Block Sales	Quantity	455	1,117	–59.3%

Property Development		30 April 2018	30 April 2017	Change
Units under construction	Quantity	2,340	1,472	59.0%
Total investment volume	in EUR mill.	3,191	2,932	8.8%
		FY 2017/18	**FY 2016/17**	**Change**
Completed units	Quantity	722	606	19.1%

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 67 years of experience. The property portfolio includes roughly 48,800 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 and Warsaw since the end of April 2014. The principal shareholder of BUWOG AG is Vonovia SE, the leading residential property company in Germany, which is listed in the DAX 30.

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