



Report on the first half-year 2015/16

1 May to 31 October 2015

Successful business development

- Increase of roughly 13% in results of operations (6 months) to EUR 81.7 million
- Increase in Recurring FFO (6 months) to EUR 44.3 million
- Strong balance sheet structure with LTV of 47.9% and average interest on financial liabilities of 2.12%
- Forecast for Recurring FFO in 2015/16 remains unchanged at EUR 98 to 100 million

Attractive property portfolio

- 51,049 units distributed almost equally between Austria and Germany
- Monthly net in-place-rent increased to EUR 4.85 per sqm
- Annualised net in-place-rent reaches EUR 197 million
- Fair value of standing investments increased to EUR 3.6 billion
- Net rental yield of 5.4% (Austria: 4.3% and Germany: 7.0%)

CONTENT

FOREWORD BY THE EXECUTIVE BOARD	4
OVERVIEW OF THE BUWOG GROUP	6
HIGHLIGHTS 1 ST HALF-YEAR OF 2015/16	8
ASSET MANAGEMENT	10
PROPERTY SALES	16
PROPERTY DEVELOPMENT	18
INVESTOR RELATIONS	21
CONSOLIDATED INTERIM MANAGEMENT REPORT	25
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	42
STATEMENT BY THE EXECUTIVE BOARD	65

BUWOG GROUP KEY FIGURES

EARNINGS DATA		H1 2015/16	H1 2014/15	Change
Net cold rent	in EUR million	99.1	85.2	16.4%
Results of Asset Management	in EUR million	69.7	60.7	14.8%
Results of Property Sales	in EUR million	20.6	17.6	17.1%
Results of Property Development	in EUR million	1.7	4.4	-61.0%
EBITDA adjusted ¹⁾	in EUR million	80.6	72.5	11.2%
Revaluation results of investment properties	in EUR million	113.3	35.2	>100.0%
Financial results ²⁾	in EUR million	30.0	-82.4	>100.0%
EBT	in EUR million	225.0	28.7	>100.0%
Net profit	in EUR million	177.4	20.6	>100.0%
Earnings per share ³⁾	in EUR	1.77	0.20	>100.0%
FFO	in EUR million	26.1	23.9	9.1%
Recurring FFO	in EUR million	44.3	41.3	7.3%
Recurring FFO per share ³⁾	in EUR	0.44	0.41	7.3%
Total FFO	in EUR million	46.8	41.7	12.3%
AFFO	in EUR million	39.9	35.7	11.7%

ASSET AND FINANCIAL DATA		31 October 2015	30 April 2015	Change
Balance sheet total	in EUR million	4,300.2	4,180.8	2.9%
Equity ratio	%	38.0%	36.5%	1.5 PP
Net financial liabilities	in EUR million	1,896.3	1,956.6	-3.1%
Loan-to-value (LTV)	%	47.9%	51.0%	-3.1 PP
EPRA net asset value	in EUR million	1,904.7	1,771.9	7.5%
Ø Interest rate on financial liabilities ²⁾	%	2.12%	2.14%	-0.02 PP
Ø Term of financial liabilities ²⁾	years	16.1	16.9	-4.7%

SHARE DATA		31. October 2015	30 April 2015	Change
Share price	in EUR	19.35	18.09	7.0%
Shares outstanding	Number of shares	99,613,479	99,613,479	-
Market capitalisation ³⁾	in EUR million	1,927.5	1,802.0	7.0%
Free float ⁴⁾	%	61%	51%	10 PP
EPRA net asset value per share ³⁾	in EUR	19.12	17.79	7.5%
Enterprise value/EBITDA adjusted ³⁾	x	-	19.9	-

The use of automated calculation systems may give rise to rounding differences.

1) Results of operations adjusted to account for valuation effects and deferred periods (IFRS 5) in the business areas or property sales (EUR 0.1 million) and of property development (EUR -0.6 million), revaluation of properties under construction (EUR -0.5 million) and impairment losses/revaluations (EUR -0.1 million)

2) Financial results are influenced by positive non-cash results from the valuation of financial liabilities at fair value through profit or loss (EUR 41.7 million) and by derivatives (EUR 16.2 million)

3) Based on 99,613,479 shares

4) As of 16 December 2015 the free float equates 61.3%. For more details concerning the repurchase of the exchangeable in the second quarter and the sale of shares by IMMOFINANZ AG go to chapter Investor Relations.

KEY DATA ON THE PROPERTY PORTFOLIO

ASSET MANAGEMENT (STANDING INVESTMENTS)

		31 October 2015	30 April 2015	Change
Number of units	Quantity	51,049	51,671	-1.2%
Austria	Quantity	24,497	25,101	-2.4%
Germany	Quantity	26,552	26,570	-0.1%
Total floor area	in sqm	3,533,992	3,581,028	-1.3%
Austria	in sqm	1,880,599	1,926,636	-2.4%
Germany	in sqm	1,653,393	1,654,391	-0.1%
Residential floor area in %	%	96.8%	96.8%	0.0 PP
Annualised net in-place rent ¹⁾	in EUR million	197	198	-0.5%
Austria	in EUR million	89	92	-2.9%
Germany	in EUR million	108	106	1.5%
Monthly net in-place rent ¹⁾	in EUR per sqm	4.85	4.81	0.8%
Austria	in EUR per sqm	4.17	4.20	-0.6%
Germany	in EUR per sqm	5.60	5.51	1.7%
Development of net in-place rent – like-for-like ²⁾	%	2.2%	3.2%	-1.0 PP
Austria	%	1.1%	2.9%	-1.8 PP
Germany	%	3.1%	3.4%	-0.3 PP
Vacancy rate ³⁾	%	4.2%	4.2%	0.0 PP
Austria	%	5.5%	5.5%	0.0 PP
Germany	%	2.7%	2.7%	0.0 PP
Fair Value ⁴⁾	in EUR million	3,625	3,558	1.9%
Austria	in EUR million	2,081	2,093	-0.6%
Germany	in EUR million	1,545	1,465	5.4%
Fair Value ⁴⁾	in EUR per sqm	1,026	994	3.3%
Austria	in EUR per sqm	1,106	1,086	1.9%
Germany	in EUR per sqm	934	886	5.5%
Net rental yield ⁵⁾	%	5.4%	5.6%	-0.2 PP
Austria	%	4.3%	4.4%	-0.1 PP
Germany	%	7.0%	7.3%	-0.3 PP

		H1 2015/16	H1 2014/15	Change
Maintenance costs	in EUR per sqm	4.7	4.8	-3.0%
CAPEX	in EUR per sqm	1.9	1.8	6.0%

PROPERTY SALES

		H1 2015/16	H1 2014/15	Change
Units sold	Quantity	590	315	87.3%
thereof Unit Sales	Quantity	315	267	18.0%
thereof Block Sales	Quantity	275	48	>100%
Margin on fair value – Unit Sales	%	62%	66%	-4.0 PP
Margin on fair value – Block Sales	%	11%	18%	-7.0 PP

PROPERTY DEVELOPMENT

		H1 2015/16	H1 2014/15	Change
Completed total floor area	in sqm	10,075	20,299	-50.4%
thereof sold to third parties	in sqm	10,075	14,564	-30.8%
thereof transferred to investment portfolio	in sqm	0	5,735	-

The use of automated calculation systems may give rise to rounding differences.

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

2) Comparison: 31 October 2015 vs. 31 October 2014 (incl. DGAG portfolio for 12 months) as well as 30 April 2015 vs. 30 April 2014 on a like-for-like basis (without changes of the portfolio and effects of vacant units)

3) Based on sqm

4) Based on fair value of standing investments according to CBRE valuation reports as of 30 October 2015 vs. 30. April 2015

5) Annualised net in-place rent (based on monthly net in-place rent excluding utilities as of the balance sheet date) in relation to fair value

DEAR LADIES AND GENTLEMEN, **DEAR SHAREHOLDERS OF BUWOG AG**

To briefly summarise developments during the first half of the 2015/16 financial year: the BUWOG Group is well on target. We have worked hard to meet the strategic goals we set at the initial listing in April 2014. Our property portfolio has grown since that time, the investments in projects for our development pipeline have increased and internal resources and structures were further developed and streamlined. BUWOG is well positioned – for further growth and further operating success and for the continuing optimisation of the standing investment business.

Results for the first six months of 2015/16 reflect this successful strategic focus. As of 31 October 2015, BUWOG's property portfolio contained 51,049 standing investment units with approx. 3.5 million sqm of total floor space which are divided almost equally between Germany and Austria.

Asset Management, the largest business area in the BUWOG Group, generated EUR 69.7 million of operating results during the first six months of 2015/16. Operating results in the Property Sales and Property Development business areas totalled EUR 20.6 million and EUR 1.7 million, respectively. This successful operating development was reflected in an 11% increase in "adjusted EBITDA" to EUR 80.6 million. The standing investments held by the BUWOG Group were valued by CBRE as of 31 October 2015. The substantial improvement in revaluation results which amounted to EUR 113.3 million was influenced significantly by the very positive development of the rental and transaction market. The positive financial results for the first six months 2015/16 are influenced by cash interest expenses of EUR 23.4 million as well as by positive non-cash valuation results of EUR 57.9 million. These factors resulted in very strong EBIT of EUR 25.0 million and net profit of EUR 177.4 million for the BUWOG Group in the first half of 2015/16. The average interest rate on financial liabilities remains very low in peer group comparison at 2.12% as of 31 October 2015, as is the LTV ratio 47.9%.

Funds from Operations (FFO) are the main indicator used to evaluate the development of our operating business. Recurring FFO, which also serves as the benchmark for the dividend payment, amounted to EUR 44.3 million for the reporting period and was 7.3% higher than the first half of

the previous year. In agreement with the BUWOG Group's business model, this figure does not include the proceeds from Block Sales. These proceeds are reported, as usual, under total FFO, which equalled EUR 46.8 million in the first half of 2015/16.

These operating successes are the result of a wide variety of measures, synergy effects and positive framework conditions in all three business areas of the BUWOG Group. The Asset Management business area increased operating results by EUR 9.0 million, or 15%, over the first half of 2014/15. Net in-place rent rose by 2.2% over the comparable prior year period on a like-for-like basis, while the net rental yield equalled 5.4% and the vacancy rate 4.2%.

In the Property Sales business area, 315 apartments were sold through Unit Sales in the first six months of 2015/16 at a margin of roughly 62% on fair value. The strategic portfolio optimisation and concentration were also reflected in the sale of 275 units through Block Sales at a margin on fair value of approx. 11%. Operating results generated by the Property Sales business area rose by more than 17% in total to EUR 20.6 million.

The Property Development business area, which clearly distinguishes the BUWOG Group from its competitors, completed one new construction project in Vienna and another project in Berlin with a combined total of 120 units. A further 655 units in Vienna and 485 in Berlin are currently under construction. That represents an increase of 93% over the first half of the previous year. The estimated investment volume in BUWOG's development pipeline, including land reserves, increased to approx. EUR 1.8 billion following the purchase of new property sites and illustrates the success of our stronger commitment, above all in Berlin. This business area contributed EUR 1.7 million to first half-year earnings for cyclical reasons and, based on our estimates, will improve on these results during the remainder of the current financial year.

Our strategic goals for the future remain intact: we are forecasting Recurring FFO of approx. EUR 98 million to EUR 100 million for the 2015/16 financial year. Investments and maintenance in the Asset Management business area are expected to equal maximum EUR 16 per sqm. In the Property Sales business area, Unit Sales should amount to

Daniel Riedl,
CEO



Herwig Teufelsdorfer,
COO



roughly 550 apartments each year. Activities in the Property Development business area will continue to focus on the steady realisation of the pipeline projects in Vienna and Berlin.

The development of the BUWOG share underscores the assumption that the capital market will continue to reward the pursuit of this strategy in the future. The closing price of EUR 19.35 on 31 October 2015 represents an increase of 7% over the share price on 30 April 2015. Including the EUR 0.69 dividend per share paid in October 2015, the year-on-year increase equalled nearly 36% on that date.

We see this sound development not only as confirmation of our strategy, but also as an obligation to continue the BUWOG success story with our full commitment. We invite you to accompany the BUWOG Group on this course and ensure you that we will also provide transparent and information on the latest developments in the future. In conclusion, we would like to thank the entire BUWOG team for their enthusiasm and dedication – which made these many achievements possible.

Best regards,

A handwritten signature in black ink, appearing to read 'D. Riedl'.

Daniel Riedl, CEO

A handwritten signature in black ink, appearing to read 'H. Teufelsdorfer'.

Herwig Teufelsdorfer, COO

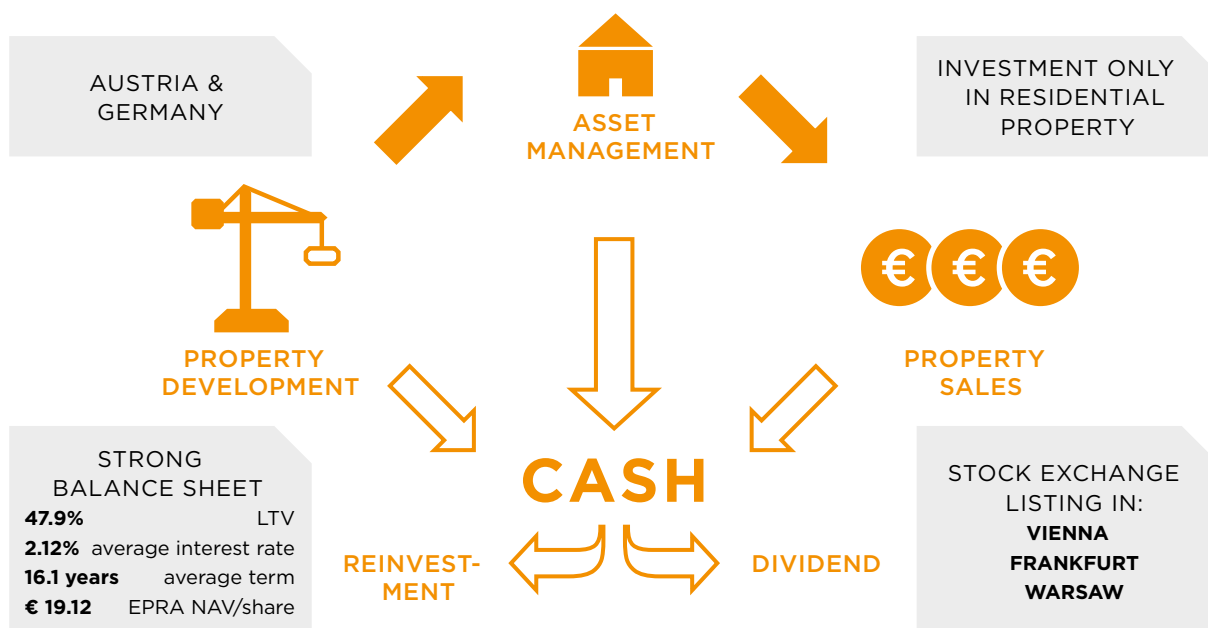
After the end of the reporting period, the Supervisory Board appointed Andreas Segal to the Executive Board of BUWOG AG as of 1 January 2016. He will take over the positions of Chief Financial Officer (CFO) and Deputy CEO. Andreas Segal will succeed the previous CFO Ronald Roos, who resigned from the Executive Board of BUWOG AG as of 9 December 2015.



OVERVIEW OF THE BUWOG GROUP

As the leading full service provider in the German-Austrian residential property sector, the BUWOG Group can look back on nearly 65 years of experience. Its high-quality portfolio covered approx. 51,000 units at the end of the first half of 2015/16 that are distributed equally between Austria and Germany. The BUWOG Group is an integrated real estate company which covers the entire residential property value chain: the professional development of new projects for sale or transfer to the standing investment portfolio (Property Development) and the value-oriented sale of individual apartments, entire buildings or portfolios (Property Sales) complement Asset Management to form a closed cycle that represents the BUWOG Group's core business.

Business model of the **BUWOG GROUP**





A PROFITABLE VALUE CHAIN

A fully integrated business model clearly distinguishes the BUWOG Group from its peers. The generation of high Recurring FFO, which allows for an attractive dividend policy as well as steady growth, is supported by the three business areas: Asset Management, Property Sales and Property Development.

ASSET MANAGEMENT

The BUWOG Group's Asset Management business area is responsible for the sustainable, optimised management of the standing investments. Most of the revenues are generated by the letting of apartments. The focus here is on increasing rental income and optimising maintenance costs. The BUWOG Group's portfolio included 51,049 units in Austria and Germany (roughly one-half in each country) as of 31 October 2015. In the key market locations in Austria and Germany, the BUWOG Group is represented with local teams (for details see page 10).

PROPERTY SALES

The business model for Property Sales has two components: Unit Sales and Block Sales (property and portfolio transactions). It is designed to continuously and profitably optimise and concentrate the BUWOG Group's standing investment portfolio through the high-margin sale of individual apartments to owner-occupiers and cycle-optimised block sales to investors. In the first six months of 2015/16, 315 apartments were sold through Unit Sales and 275 apartments through Block Sales (for details see page 16).

PROPERTY DEVELOPMENT

Property Development bundles the development of residential property projects for the BUWOG Group's own portfolio or for direct sale after completion. As a developer, the BUWOG Group has completed roughly 35,000 apartments in Austria since its founding. The property development business is concentrated in the heavily populated, economically strong capital cities of Vienna and Berlin. The company's development pipeline contained nearly 6,300 units (including land reserves for roughly 260 units) with an estimated total investment volume of approx. EUR 1.8 billion as of 31 October 2015 (for details see page 18).

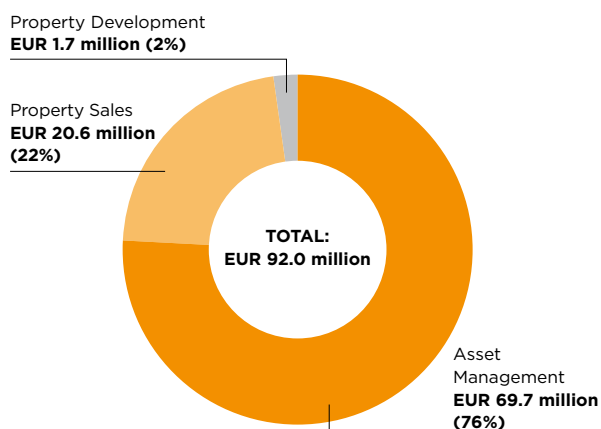
HIGHLIGHTS

FIRST HALF-YEAR 2015/16

SUCCESSFUL BUSINESS DEVELOPMENT

- Adjusted EBITDA of EUR 80.6 million
- Financial results of EUR 30.0 million, including EUR 23,4 million of cash interest expenses
- Net profit of EUR 177.4 million
- Recurring FFO of EUR 44.3 million
- Average interest rate of 2.12%
- Improvement in LTV to 47.9%

OPERATING RESULT¹⁾ BY BUSINESS AREAS



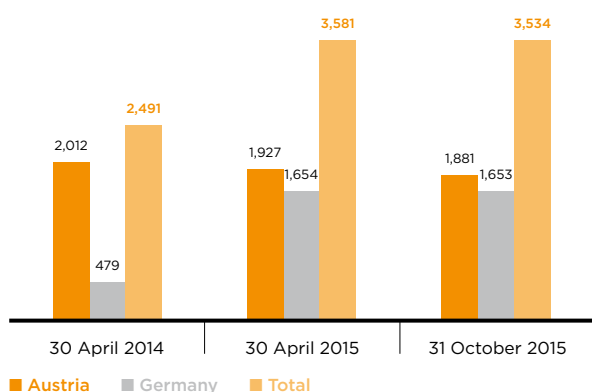
¹⁾ Results of operations before expenses not directly attributable to the business areas (EUR 15.6 million) and other operating income (EUR 5.2 million)

HIGHLIGHTS ASSET MANAGEMENT

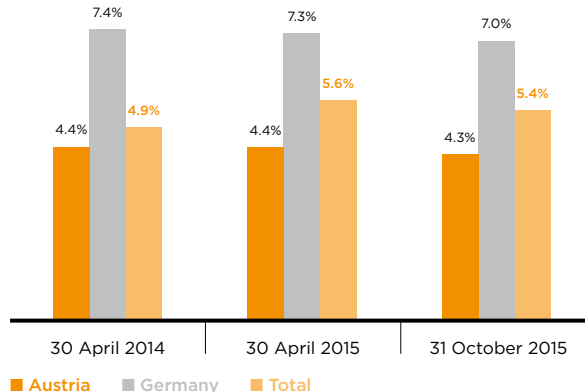
- Property portfolio of 51,049 units with approx. 3.5 million sqm of total floor space as of 31 October 2015
- Annualised net in-place rent of approx. EUR 197 million as of 31 October 2015 with a net rental yield of 5.5% for the entire portfolio
- Increase of 2.2% in net in-place rent on a like-for-like basis through active asset management (year-on-year comparison)

TOTAL FLOOR AREA

in 1,000 sqm



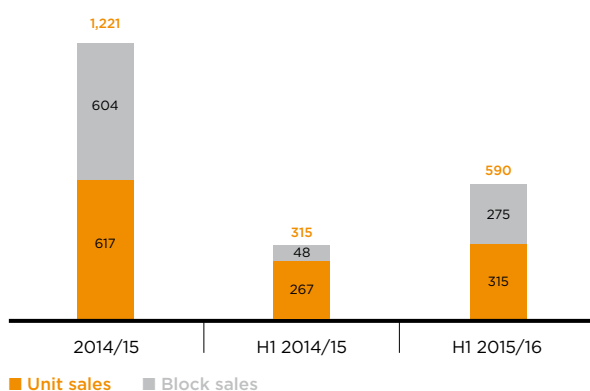
NET RENTAL YIELD



HIGHLIGHTS PROPERTY SALES

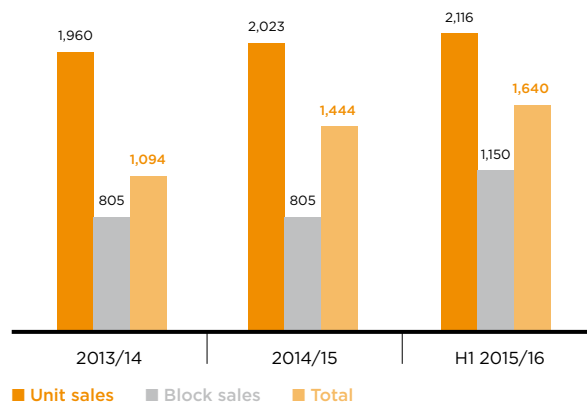
- Unit Sales: 315 sold in the first six months of 2015/16 (margin on fair value: approx. 62%)
- Block Sales: further portfolio optimisation and concentration with 275 units sold (margin on fair value: approx. 11%)

UNITS SOLD



AVERAGE PRICES REALISED

in EUR per sqm

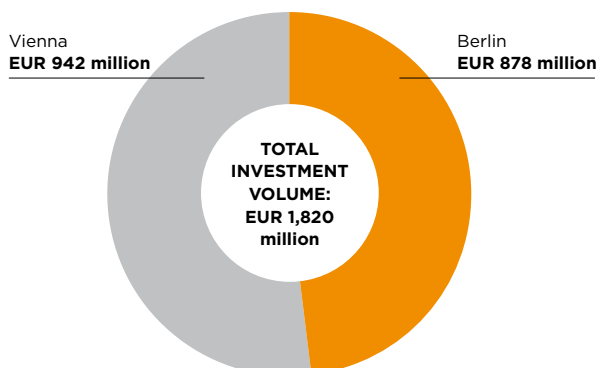


HIGHLIGHTS PROPERTY DEVELOPMENT

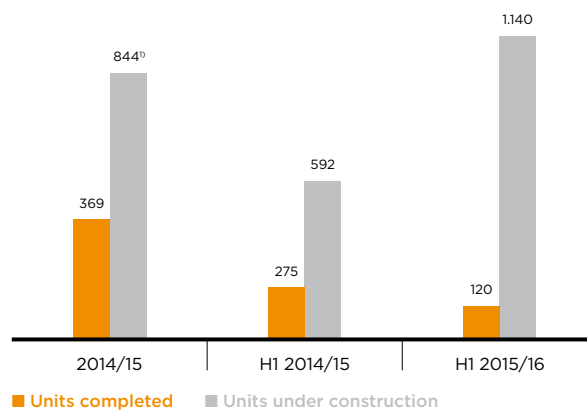
- 120 units completed in the first six months of 2015/16
- 1,140 units with an estimated investment volume of approx. EUR 378 million currently under construction
- Development pipeline with an estimated investment volume of approx. EUR 1.8 billion covering approx. 6,300 units in different stages of completion as of 31 October 2015

DEVELOPMENT PROJECTS

in EUR million by location as of 31 October 2015



COMPLETED UNITS AND UNITS UNDER CONSTRUCTION



1) As of 30 June 2015

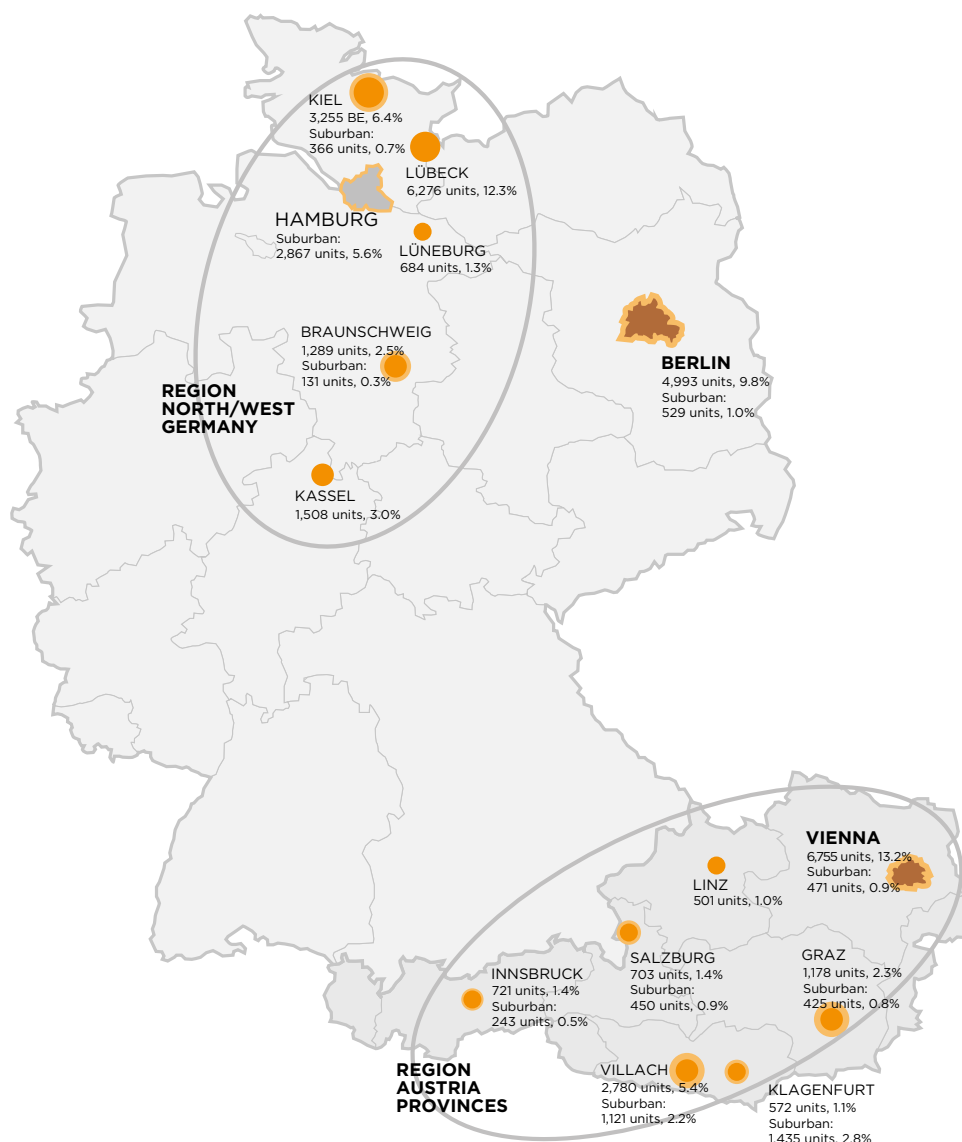
ASSET MANAGEMENT

The Asset Management business area of the BUWOG Group covers the letting and sustainable management of the standing investments in Austria and Germany as well as their optimisation and increase in value through maintenance and investments. It also includes the coordination of all owner-related internal and external services.

As the largest business area in the BUWOG Group, Asset Management generated operating income (before expenses and other operating income not directly attributable to this business area) of EUR 69.7 million in the first six months of 2015/16 (H1 2014/15: EUR 60.7 million).

THE BUWOG INVESTMENT PORTFOLIO BY REGION AS OF 31 OCTOBER 2015

Number of units per location and percentage of the total portfolio



■ Federal capitals ● State capitals and cities¹⁾ ○ Suburban regions²⁾ ○ Rural regions

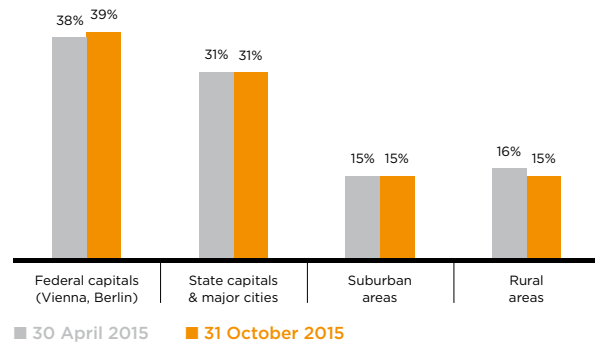
1) More than 50,000 inhabitants and constituting a significant proportion of the portfolio

2) Direct catchment area up to approx. 15 km around the federal capitals, state capitals, cities and Hamburg

The BUWOG Group's standing investment portfolio comprised 51,049 units as of 31 October 2015, including 26,552 units in Germany and 24,497 units in Austria. This portfolio is classified in four geographical cluster: federal capitals, state capitals & major cities, suburban regions and rural areas. The capital cities of Vienna and Berlin form a regional focus with a combined fair value of approx. EUR 1.4 billion or approx. 39% of the total fair value. The standing investments in the state capitals & major cities (Braunschweig, Graz, Innsbruck, Kassel, Kiel, Klagenfurt, Linz, Lübeck, Lüneburg, Salzburg and Villach) plus the surrounding regions, incl. the Hamburg suburban region, represented approx. EUR 1.7 billion or approx. 46% of the total fair value as of 31 October 2015.

FAIR VALUE

by geographic cluster (total: about EUR 3.6 billion)



In other words, approx. EUR 3.1 billion or 85% of the fair value of the BUWOG standing investment portfolio is located in urban regions which are very attractive in terms of their economic development, infrastructure and demographics.

BUWOG PORTFOLIO BY GEOGRAPHIC CLUSTER

as of 31 October 2015	Number of units	Total floor area in sqm	Annualised net in-place rent ¹⁾ in EUR million	Monthly net in-place rent ¹⁾ in EUR per sqm	Fair value ²⁾ in EUR million	Fair value ²⁾ in EUR per sqm	Net rental yield ³⁾	Vacancy rate ⁴⁾
Federal capitals	11,748	921,770	58	5.45	1,406	1,525	4.1%	3.5%
Vienna	6,755	590,082	34	5.09	1,020	1,728	3.4%	4.4%
Berlin	4,993	331,688	24	6.08	386	1,164	6.1%	1.8%
State capitals and major cities ⁵⁾	19,467	1,260,343	71	4.84	1,128	895	6.3%	2.7%
Suburban regions ⁶⁾	8,038	564,571	31	4.74	533	943	5.7%	4.7%
Rural areas	11,796	787,309	37	4.23	559	711	6.6%	7.1%
Total BUWOG Group	51,049	3,533,992	197	4.85	3,625	1,026	5.4%	4.2%
thereof Austria	24,497	1,880,599	89	4.17	2,081	1,106	4.3%	5.5%
thereof Germany	26,552	1,653,393	108	5.60	1,545	934	7.0%	2.7%

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

2) Based on fair value of standing investments according to CBRE valuation reports as of 31 October 2015

3) Annualised total net 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

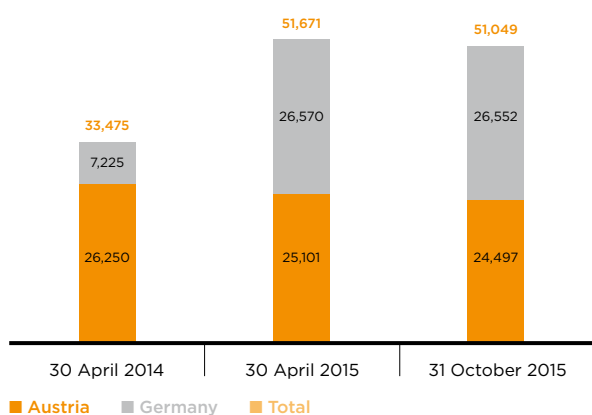
STRUCTURE OF THE STANDING INVESTMENT PORTFOLIO

The BUWOG Group's standing investment portfolio comprised 51,049 units with approx. 3.5 million sqm of total floor area as of 31 October 2015 and includes both subsidised and privately financed apartments. The 1.3% decline in the total floor area since 30 April 2015 resulted primarily from the profitable sale of units in Austria.

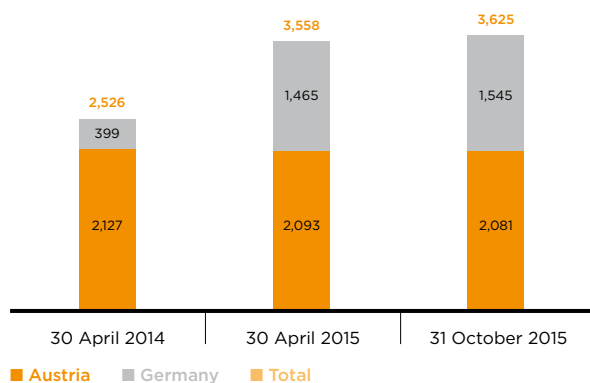
The standing investment portfolio in Austria comprised 24,497 units with a total floor area of approx. 1.9 million sqm and a fair value of approx. EUR 2,081 million as of 31 October 2015. That represents a fair value of EUR 1,106 per sqm. The monthly net in-place rent equalled EUR 4.17 per sqm as of 31 October 2015 based on a vacancy rate (basis: total area) of 5.5%, whereby 3.0 percentage points were attributable to apartments in the Unit Sales cluster. The net rental yield in the Austrian properties equalled 4.3% at the end of October 2015.

The property portfolio in Germany included 26,552 units with approx. 1.7 million sqm of floor area as of 31 October 2015. The fair value totalled approx. EUR 1,545 million on that date, which represents a fair value of EUR 934 per sqm. The monthly in-place rent equalled EUR 5.60 per sqm at the end of the third quarter based on a vacancy rate (basis: total area) of 2.7%. The net rental yield in the German properties equalled 7.0% as of 31 October 2015.

STANDING INVESTMENT PORTFOLIO



FAIR VALUE STANDING INVESTMENT PORTFOLIO in EUR million



The standing investments, new construction projects and undeveloped land owned by the BUWOG Group are valued by an independent external appraiser, CBRE Residential Valuation Germany, as of the balance sheet dates on 30 April (annual appraisal) and 31 October (half-year appraisal). The fair value of the standing investments as of the balance sheet dates on 31 July and 31 January is determined internally. The valuation as of 31 October 2015 led to the adjustment of the carrying amounts for the standing investments in Germany and Austria and to positive valuation results of approx. EUR 113.3 million for the first half of 2015/16. Additional information is provided as part of the portfolio report in the interim management report on page 28.

KEY FIGURES ON THE PROPERTY PORTFOLIO

		BUWOG Group as of 30 April 2015	BUWOG Group as of 31 October 2015	Austria as of 31 October 2015	Germany as of 31 October 2015
Number of units	Quantity	51,671	51,049	24,497	26,552
Total floor area	in sqm	3,581,028	3,533,992	1,880,599	1,653,393
Annualised net in-place rent ¹⁾	in EUR million	198	197	89	108
Monthly net in-place rent ¹⁾	in EUR per sqm	4.81	4.85	4.17	5.60
Fair value ²⁾	in EUR million	3,558	3,625	2,081	1,545
Fair value ²⁾	in EUR per sqm	994	1,026	1,106	934
Net rental yield ³⁾	%	5.6%	5.4%	4.3%	7.0%
Vacancy rate	per sqm	4.2%	4.2%	5.5%	2.7%

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

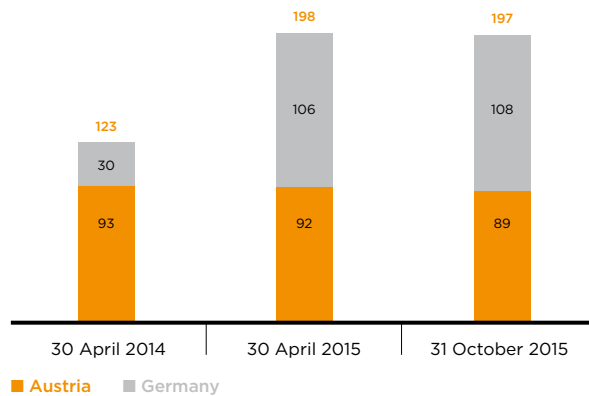
2) Based on fair value of standing investments according to CBRE valuation reports as of 30 April 2015 and 31 October 2015

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

The goal of the BUWOG Group is to continuously optimise the portfolio and individual properties through active asset management and, in this way, protect and improve the long-term generation of cash flow and earnings. The annualised net in-place rent declined slightly from approx. EUR 198 million as of 30 April 2015 to approx. EUR 197 million as of 31 October 2015 due to units sold through Property Sales. In contrast, the monthly net in-place rent rose from EUR 4.81 as of 30 April 2015 to EUR 4.85 at the end of October. The fair value of the portfolio totalled approx. EUR 3,625 million as of 31 October 2015 (30 April 2015: EUR 3,558 million). The higher increase in fair value compared with the growth in rents was responsible for a decline in the net rental yield from 5.6% to 5.4%. At 4.2%, the vacancy rate in the BUWOG Group's portfolio remained stable compared with the level on 30 April 2015.

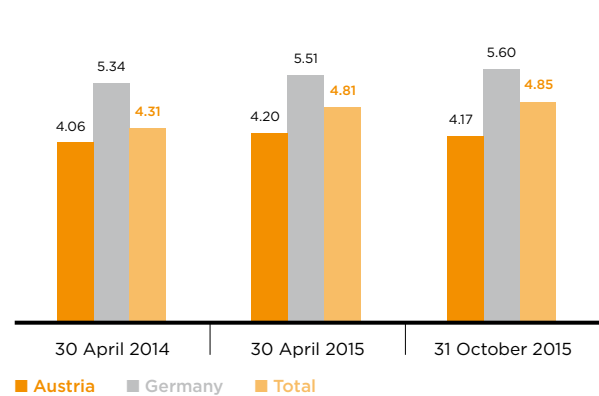
ANNUALISED NET IN-PLACE RENT

in EUR million

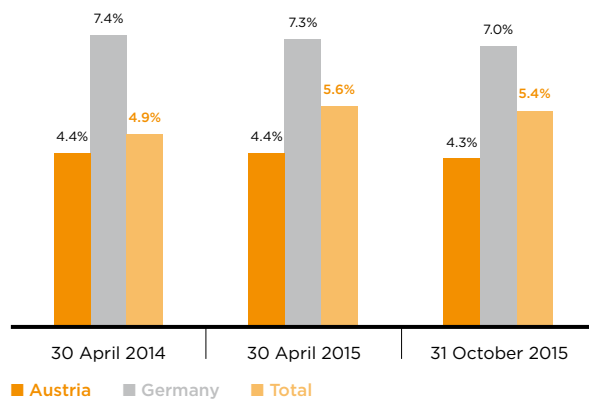


NET IN-PLACE RENT PER MONTH

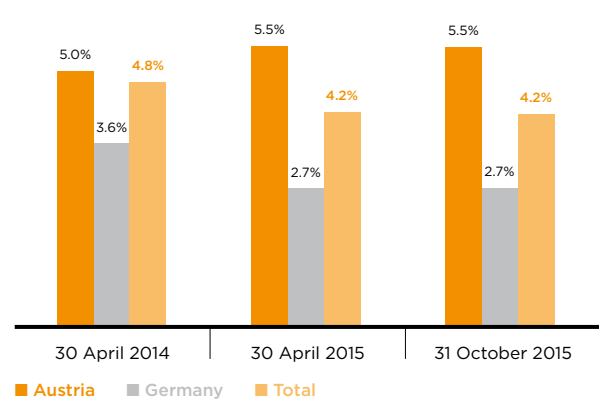
in EUR per sqm



NET RENTAL YIELD



VACANCY RATE



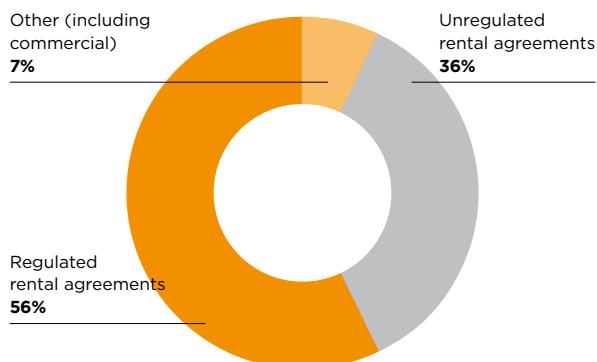
STRUCTURE OF RENTAL INCOME

The rental income recorded by the BUWOG Group is subject in part to legal regulations in Austria (e.g. the Austrian Non-profit Housing Act; "Wohnungsgemeinnützigkeitsgesetz", WGG) and in Germany (the Schleswig-Holstein Housing Allowance Act; "Wohnraumförderungsgesetz Schleswig-Holstein", §16 SHWoFG). Accordingly, the BUWOG Group distinguishes between the revenue generated by unregulated and regulated rental agreements and the revenue generated by other agreements (incl. commercial space). The graph on the right side shows the distribution as of 31 October 2015.

Additional information on the applicable legal regulations in Austria and Germany is provided in the section on BUWOG's Rent Models in the 2014/15 annual report (page 59 ff).

PORTFOLIO STRUCTURE BY TYPE OF RENTAL AGREEMENT

Net in-place rent, as of 31 October 2015



PORTFOLIO STRUCTURE BY TYPE OF RENTAL AGREEMENT

as of 31 October 2015	Occupied floor area in sqm	Annualised net in-place rent in EUR million	Proportion of annualised net in-place rent	Net in-place rent per sqm in EUR ³⁾
Unregulated rental agreements Austria (incl. Reasonable rents pursuant to WGG and MRG) ¹⁾	127,890	8.2	4%	5.31
Regulated rental agreements Austria (incl. Other provisions under WGG) ²⁾	1,590,483	73.1	37%	3.83
Unregulated rental agreements Germany	965,345	64.3	33%	5.55
Regulated rental agreements Germany	593,625	38.0	19%	5.33
Other (incl. commercial)	107,965	13.5	7%	10.43
Total	3,385,308	197.1	100%	4.85

1) Reasonable rents under WGG includes properties for which subsidies received have already been repaid and for which indexing can be individually agreed

2) Coast-covering rent and Burgenland guidelines -30%

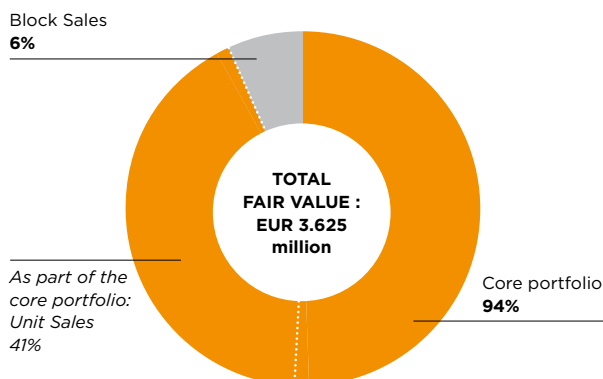
3) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

MEDIUM-TERM STRATEGY FOR THE STANDING INVESTMENT PORTFOLIO

The properties in BUWOG's standing investment portfolio are assigned to three clusters for medium- and long-term management: (a) the core portfolio, (b) the Unit Sales portfolio (current and planned sales of individual apartments) and (c) the Block Sales portfolio (the sale of apartment buildings or portfolios at favourable conditions over the medium-term to support the cycle-optimised adjustment of the portfolio). The graph on the right side shows the cluster allocation as of 31 October 2015:

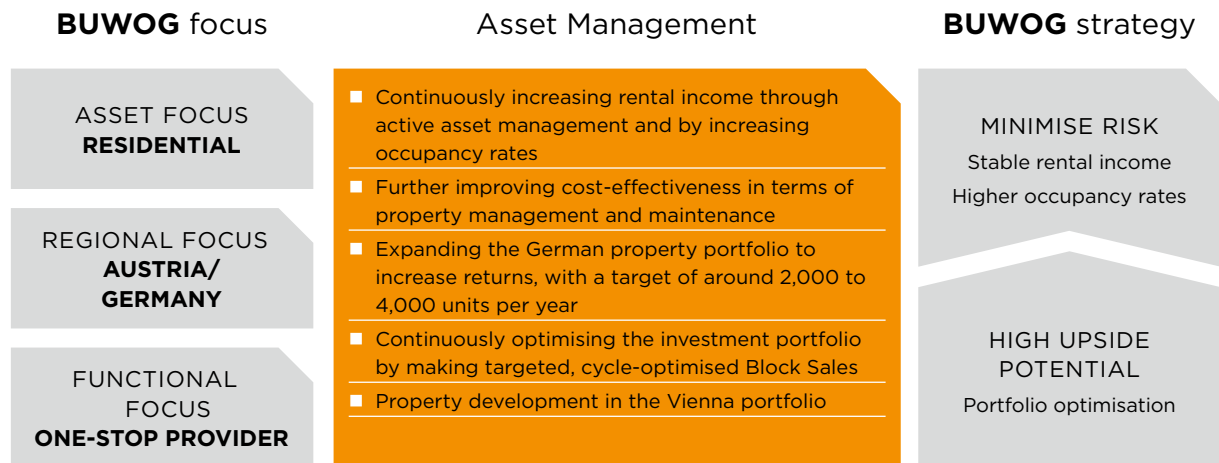
STRATEGIC PORTFOLIO CLUSTER SPLIT BY FAIR VALUE

as of 31 October 2015



STRATEGY AND OUTLOOK

The strategy defined by the BUWOG Group's Asset Management business area is to hold and develop a low-risk portfolio of properties with high occupancy at attractive locations in national and provincial capitals, major cities and the related suburban regions. The primary objective of this strategy is to generate stable cash flows.



PROPERTY SALES

The Property Sales business model is based on Unit Sales and Block Sales (property and portfolio sales). It is designed to continuously and profitably improve the return on the BUWOG Group's investment portfolio through the sale of individual units, primarily to owner-occupiers as a result of turnover, or through cycle-optimised Block Sales to investors. In this business area, the BUWOG Group pursues a clearly defined strategy that is based on an in-depth analysis of the overall portfolio. This strategy involves the routine identification and reclassification to the Unit Sales cluster of standing investments that are suitable for the sale of individual units over the medium- to long-term. Block Sales cover entire buildings or portfolios, primarily in rural areas, independent of the occupancy. These assets are sold at a profit to investors in order to optimise and concentrate the portfolio.

The Property Sales business area generated results of operations (before expenses not directly attributable to this business area and other operating income of BUWOG Group) totalling approx. EUR 20.6 million in the first six months of 2015/16 (H1 2014/15: EUR 17.6 million).

Cluster	Unit Sales	Block Sales
Examples from the portfolio		
Key facts	<ul style="list-style-type: none"> ■ Sales in selected regions primarily to owner-occupiers as a result of turnover ■ Optimal mix of internal and external sales channels ■ Track record with high profitability <ul style="list-style-type: none"> -> Fair value margins >50% -> Long-term contribution to recurring FFO 	<ul style="list-style-type: none"> ■ Sale of portfolios or properties ■ Cycle-optimised Block Sales in rural locations for portfolio optimisation ■ Optimal mix of internal and external sales channels
Contribution to recurring FFO	 Long-term profit contribution from Unit Sales	 Opportunistic Block Sales with appropriate margins

UNIT SALES

A total of 314 apartments from the Austrian portfolio were sold through Unit Sales in the first six months of 2015/16. These units were located primarily in Vienna (117 units), Carinthia (67 units) and Styria (41 units). One standing investment from the Germany portfolio was also sold during the reporting period. These transactions had a margin of roughly 62% on fair value (H1 2014/15: 66%) and contributed EUR 18.2 million to Recurring FFO (H1 2014/15: EUR 17.3 million).

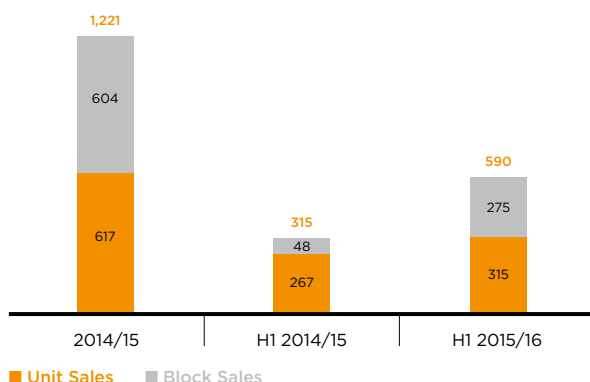
The Unit Sales strategic portfolio cluster contained 13,416 units in Austria as of 31 October 2015, whereby 6,144 are located in Vienna and 7,272 in the other Austrian provinces. Plans call for the sale of these units over the medium- and long-term.

BLOCK SALES (SALE OF BUILDINGS AND PORTFOLIOS)

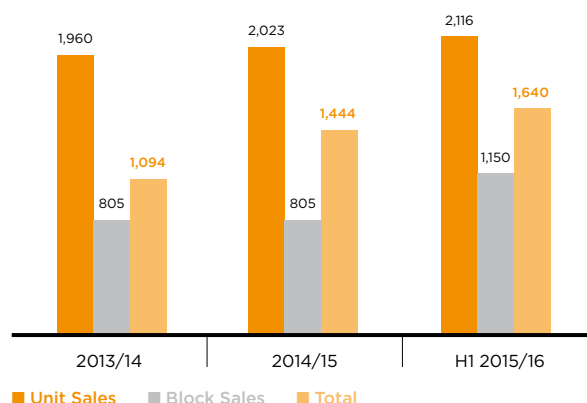
Block Sales for the first six months of 2015/16 included 275 units through seven transactions (buildings) -151 units in Lower Austria, 53 units in Carinthia, 44 units in Vienna and 19 units in Salzburg - as well as four supermarket retail units in Vienna. The resulting margin on fair value equalled approx. 11% (H1 2014/15: 18%). The comparatively high average prices in the first half of 2015/16 were influenced, above all, by the high square metre selling price for the four supermarket units (EUR 2,579 per sqm) and a property in Vienna (EUR 1,545 per sqm). Block Sales contributed EUR 2.5 million to total FFO for the reporting period (H1 2014/15: EUR 0.2 million).

The Block Sales cluster included 3,290 units as of 31 October 2015, whereby 498 are located in Vienna, 1,497 in Carinthia, 1,112 in the other Austrian provinces and 183 in Germany.

UNITS SOLD

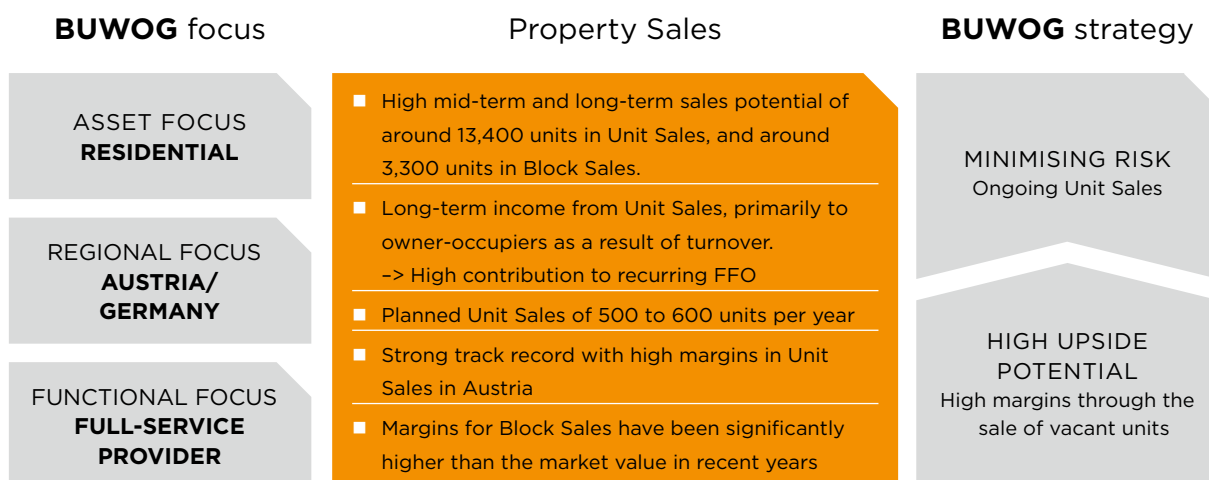


AVERAGE PRICES ACHIEVED in EUR per sqm



STRATEGY AND OUTLOOK

The BUWOG Group will continue its strategy to actively sell specific units. The following graph shows the focal points of this strategy:



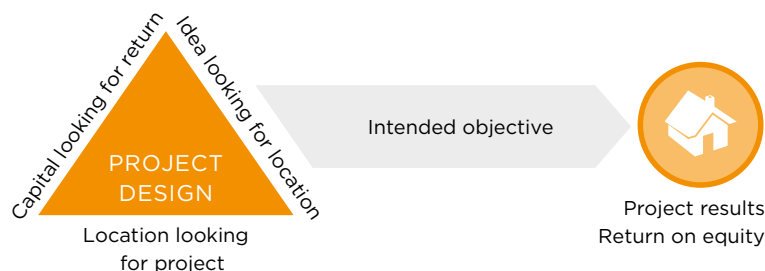
PROPERTY DEVELOPMENT

In the Property Development business area, the BUWOG Group bundles the development of residential properties for its own portfolio or for direct sale after completion. The current regional focus is on the demographically and economically strong capital cities of Vienna and Berlin. Local teams with long-standing experience and in-depth knowledge of the markets make the BUWOG Group one of the leading residential property developers in these two cities.

Success formula

Promising location

- + Marketable products
 - + Optimal financing structure
 - + Timely realisation
- = High-quality BUWOG properties










The Property Development business area generated results of operations (before expenses not directly attributable to this business area and other operating income) of EUR 1.7 million in the first six months of 2015/16 (H1 2014/15: EUR 4.4 million). A total of 120 units were completed during the reporting period. As of 31 October 2015, BUWOG's project pipeline included roughly 6,290 units with an estimated total investment volume of approx. EUR 1.8 billion.

ADDED VALUE THROUGH PROJECT DEVELOPMENT

The BUWOG Group selects from a range of different development models based on an analysis of the relevant market and demand situation prior to project realisation. Residential projects in the privately financed sector are carried out for private and institutional investors and owner-occupiers. Subsidised residential properties are sold as subsidised condominium apartments or rented out in keeping with the applicable subsidy regulations. These subsidised rental apartments are generally held by the BUWOG Group for at least ten years, after which they remain in the investment portfolio or are sold through margin-oriented transactions (see the Property Sales business area starting on page 16).

The following product development matrix shows the various models in the BUWOG development pipeline based on the focus regions of Vienna and Berlin.

PRODUCT DEVELOPMENT MATRIX as of 31 October 2015

Vienna (3,629 units)	Subsidised rental apartments Standing investment portfolio	Subsidised owner-occupied apartments Regional customers	Privately financed owner-occupied apartments Regional customers	Investment apartments National customers	Global exit Institutional investors and foundations
	■ Units: 1,052 ■ Total floor area: 78.978 sqm	■ Units: 104 ■ Total floor area: 7.828 sqm	■ Units: 2,212 ■ Total floor area: 173.693 sqm	■ Units: 72 ■ Total floor area: 4,502 sqm	■ Units: 189 ■ Total floor area: 40,300 sqm
					
	"Am Otterweg", 88 subsidised units of 120 total units	Wiener Strasse, Schwechat 43 units of 44 total units, completed in 7/2015	Pfarrwiesengasse, 126 units	"Sky 6", Gombrichgasse, 41 pension units out of 44 total units	"7Central" Lindengasse, 30 units, completed in 1/2015
			Owner-occupied apartments Regional customers		Global exit Institutional investors and foundations
Berlin (2,661 units)			■ Units: 2,661 ■ Total floor area: 227,502 sqm		Pipeline currently does not contain any planned global exits
					
			"Westendpark", 116 units		"Quartier am Pankepark", 52 units; completed in 5/2015
Total 6,290 units					

The product development matrix includes around 260 units to be allocated to land reserves in Austria.

Vienna. A new construction project with 44 units and 3,524 sqm of total floor area was completed during the first six months of 2015/16. As of 31 October 2015, nine development projects with a total of 655 units and a total estimated investment volume of approx. EUR 205 million were under construction. Construction is also scheduled to start on a further five development projects with roughly 580 units during the current financial year. The development pipeline in Vienna and the suburban areas included 36 projects with 3,629 units and an estimated investment volume of approx. EUR 942 million as of 31 October 2015.

Berlin. The BUWOG Group is currently realising a number of projects at established, sought-after locations and in the emerging eastern districts of the capital city with good development and value appreciation potential. In the first six months of 2015/16, a new construction project with 52 units and 3,810 sqm of floor space as well as three urban villas with 24 units and 2,650 sqm of floor space were completed. Four projects (two in Charlottenburg-Wilmersdorf and two in Berlin-Köpenick) with 485 units and an estimated investment volume of approx. EUR 174 million were under construction as of 31 October 2015. In 2015/16 construction is also scheduled to start on a further development projects with roughly 240 units.

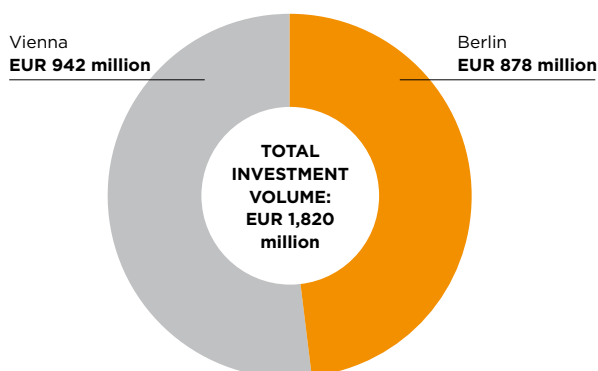
The large-scale “52 Grad Nord” project in the Regattastrasse in Berlin-Köpenick will be realised in several stages, with construction starting at different times. The cornerstone ceremony for the first stage of construction was held in September 2015, and further sections will follow from 2016/17 to 2021/22. The development pipeline in Berlin included 2,661 units with an estimated investment volume of approx. EUR 878 million as of 31 October 2015.

In the first half of 2015/16, the BUWOG Group signed agreements for the purchase of a site in Berlin-Mitte and a site in Berlin-Niederschöneweide.

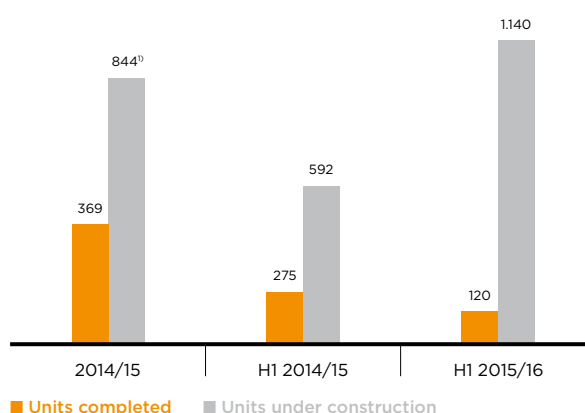
The following overview shows the regional classification of the development projects as well as the units completed and under construction.

DEVELOPMENT PROJECTS

in EUR million by location as of 31 October 2015



COMPLETED UNITS AND UNITS UNDER CONSTRUCTION



1) As of 30 June 2015

STRATEGY AND OUTLOOK

The strategy of BUWOG Group in the Property Development business area is concentrated on the market-oriented, continuous realisation of the residential property development projects currently in progress or in the planning stage in Vienna and Berlin.

The most important elements of this strategy are shown on the following diagram.



INVESTOR RELATIONS

The BUWOG Group successfully continued its positive operating performance from the 2014/15 financial year throughout the first half of 2015/16. The international stock markets followed a highly volatile to slightly declining course during the reporting period, above all due to the crisis in Greece, weaker-than-expected economic indicators from China, the "VW exhaust data scandal", the unclear effects of the refugee crisis and the still unconfirmed increase in US interest rates. These factors placed the major stock indexes under pressure and led to high volatility. The ATX, the leading index of the Vienna Stock Exchange, fell by nearly 6.8% and closed the month of October 2015 at 2,420.7 points. In contrast, the MDAX rose by 3.1% from 20,540.95 points to 21,174.53 points during this same period. The IATX, the Austrian real estate index which includes BUWOG AG as well as five other Austrian companies in this sector, increased by 3.1% to roughly 240 points. At the European level, the EPRA Developed Europe branch index rose by 4.6% from 2,237 points to 2,341 points.

The BUWOG share has been included in the ATX, the leading index of the Vienna Stock Exchange, since 22 September 2014, and is currently weighted at 3.4%. In the IATX, which serves as the base value for all options and futures contracts traded on the Vienna Stock Exchange and all stocks listed in the Vienna Prime Market, the BUWOG share is currently weighted at 25.3%. The BUWOG share has also been included in the branch-specific FTSE EPRA/NAREIT Developed Europe Index since 7 May 2014, a recognised worldwide benchmark and the most widely used index for listed real estate companies. In June 2014 the BUWOG share was also added to the VÖNIX Sustainability Index, which features listed companies that are considered to be leaders in terms of their social and environmental performance. The BUWOG share was also included in the GPR 250 Index as of 21 September 2015.

For the successful listing following the spin-off in April 2014 and the positive development of the company's share, BUWOG received the CEE Capital Market Award in the category "Top Foreign Company Listing on a CEE Stock Exchange" in Warsaw on 17 September 2015 from an international jury in cooperation with the consulting firm PwC.

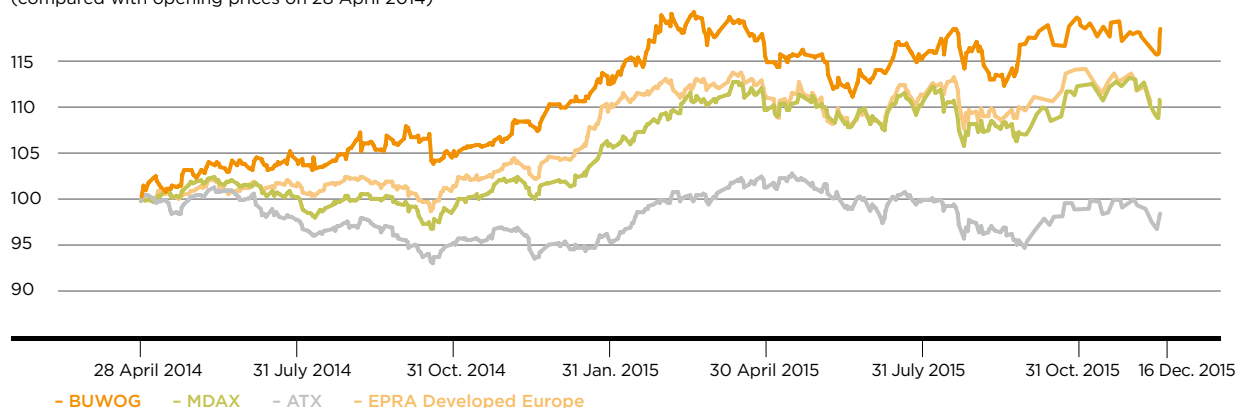
DEVELOPMENT OF THE BUWOG SHARE

The BUWOG share started trading at an initial price of EUR 13.00 in April 2014 and has risen steadily with relatively low volatility since that time. With a closing price of EUR 19.35 on 30 October 2015, the share price increased by roughly 49% since its initial listing – supported by the generally positive development of the real estate sector – and clearly outperformed the relevant benchmark indexes. BUWOG AG shareholders have been able to participate in an increase of approx. EUR 770 million in value, or 59% including the two EUR 0.69 dividends per share distributed in October 2014 and October 2015, from the start of trading to the end of the second quarter on 31 October 2015.

During the reporting period from 1 May to 31 October 2015, the price of the BUWOG share rose by approx. 7.0% or 10.8% including the EUR 0.69 dividend per share paid in October 2015. This performance also represents an increase of approx. 31%, or approx. 36% including the dividend, over the share price on 31 October 2014

COMPARATIVE PERFORMANCE OF THE BUWOG SHARE

(compared with opening prices on 28 April 2014)



(EUR 14.73). The BUWOG share traded slightly over the EPRA NAV per share of EUR 19.12 on 31 October 2015, above all due to capital market developments outside the influence of BUWOG AG.

The BUWOG share followed the sideward trend on the capital market after the end of the first six months of 2015/16.

REFERENCE DATA FOR BUWOG SHARES

ISIN	AT00BUWOG001
WKN	A1XDYU
Bloomberg Ticker	BWO GR, BWO AV, BWO PW
Official Market	Frankfurt Stock Exchange (Prime Standard), Vienna Stock Exchange (Prime Market), Warsaw Stock Exchange (Main Market)

SHAREHOLDER STRUCTURE

As of 31 October 2015 the investment held by IMMOFINANZ AG was reduced to 38.7% of the 99,613,479 shares issued. The free float component equalled 61.3% of the BUWOG shares on that date.

On 17 September 2015, IMMOFINANZ AG repurchased the exchangeable bond (XS1108672988) for its shares in BUWOG AG which was originally placed on 4 September 2014. The bondholders were given two options: a cash payment plus a premium or the delivery of the number BUWOG shares defined by the issue conditions plus a premium. This bond had a nominal volume of EUR 375.0 million, a coupon of 1.5% per year and an exchange price of EUR 16.26 after the payment of the dividend for the 2013/14 financial year. Therefore, the conversion price was substantially lower than the market price of the BUWOG share. The exchangeable bond was scheduled for redemption on 11 September 2019, with a put option on 11 September 2017. The full conversion of the exchangeable bond on 31 October 2015 would have resulted in the transfer of approx. 23.1 million BUWOG shares previously existing and currently held by IMMOFINANZ AG to the bondholders. IMMOFINANZ AG regained free disposal over these shares with the repurchase of the exchangeable bond and subsequently placed approx. 8.5 million of these BUWOG shares on 15 September 2015 through an accelerated bookbuilding process.

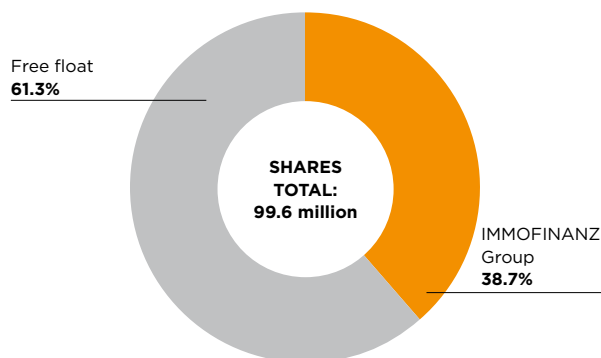
A further 1.8 million BUWOG shares were transferred to the bondholders who chose to receive the delivery of shares. The repurchase of the exchangeable bond by IMMOFINANZ AG and the following share placement increased the free float of BUWOG AG to approx. 61.3%. After the completion of this transaction, IMMOFINANZ held 38.5 million BUWOG shares. BUWOG AG plans to commission a new survey of its shareholder structure during the current financial year and after the reallocation of the shares on the market. The graph on page 23 shows the current shareholder structure of BUWOG AG.

IMMOFINANZ AG also issued two convertible bonds (CB 2017 XS0332046043 and CB 2018 XS0592528870) before the spin-off of BUWOG AG, which carry rights to the BUWOG shares previously existing and currently held by IMMOFINANZ AG. The conversion of the CB 2017 would lead to the transfer of roughly 0.1 million BUWOG shares previously existing and currently held by IMMOFINANZ AG to the bondholders based on the current exchange ratio, while the conversion of the CB 2018 would lead to the transfer of approx. 7.5 million BUWOG shares to the CB 2018 bondholders based on the current exchange ratio. However, the conversion of the CB 2017 (XS0332046043) appears highly unlikely at the present time due to the current price of the IMMOFINANZ and BUWOG shares. The full conversion of the CB 2018 (XS0592528870) would, based on current information, lead to the transfer of a total of approx. 7.5 million BUWOG shares previously existing and currently held by IMMOFINANZ AG to the bondholders. This would increase the free float of the BUWOG share from the present level of roughly 61.3% to approx. 69%. These bonds do not represent a dilution risk for BUWOG shareholders.

Based on a report dated 9 September 2015, the investment in share capital held by JP Morgan Chase & Co equals approx. 4.9% of the outstanding shares. All voting rights announcements are published on a timely basis under www.buwog.com.

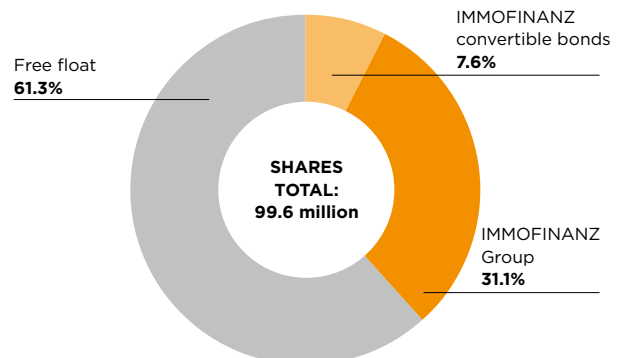
SHAREHOLDER STRUCTURE OF BUWOG AG

as of 18 September 2015



PRO FORMA SHAREHOLDER STRUCTURE OF BUWOG AG

following potential exercise of the conversion rights



DIVIDEND POLICY

The Executive Board of BUWOG AG is committed, above all, to protecting the interests of its shareholders – and this commitment includes providing an appropriate return on their investment from the cash flows generated by the company. Over the long-term, the Executive Board plans to recommend the payment of dividends equalling approx. 60% to 65% of Recurring FFO to the Annual General Meeting of BUWOG AG. The Executive Board is targeting a dividend that reflects the distribution made in October 2014 and October 2015, i.e. EUR 0.69 per share, until the defined pay-out ratio is reached. A further increase in the dividend should then reflect the growth in the company's Recurring FFO. That represents a return of approx. 3.6% on the company's EPRA Net Asset Value as of 31 October 2015 and a return of 3.6% based on the closing share price on 16 December 2015. It also makes the BUWOG share one of the highest-yielding real estate shares in Europe and offers shareholders a potential for growth through a potential increase in the property portfolio and higher income, above all through Property Development.

FINANCIAL CALENDAR

21 December 2015	Publication of the H1 Report for 2015/16
13 January 2016	Deutsche Bank Small & Midcap Conference, London
20 January 2016	Kepler Cheuvreux/Unicredit 15th German Corporate Conference, Frankfurt
28 January 2016	Erste Group Austria, CEE & Turkey Conference 2016, London
18 February 2016	Baader Bank/Vienna Stock Exchange: Austrian Conference, Amsterdam
10 March 2016	11th HSBC Real Estate Conference, Frankfurt
24 March 2016	Publication of the 9M Report for 2015/16
27 April 2016	Vienna Stock Exchange: Stock Exchange Information Day, Innsbruck
10 May 2016	Vienna Stock Exchange: Stock Exchange Information Day, Klagenfurt

ANALYST COVERAGE

Analyses by well-known financial institutions and research experts represent an important source of information and basis for decision-making, especially for institutional investors. BUWOG AG maintains a regular dialogue with these experts, and the following institutions currently publish analyses on the BUWOG share:

ANALYSTS' RECOMMENDATIONS

Institution	Date	Target price	Recommendation
Baader Bank	15 December 2015	EUR 20.60	Buy
Barclays	17 September 2015	EUR 21.40	Overweight
Berenberg	10 December 2015	EUR 22.00	Buy
Deutsche Bank	15 June 2015	EUR 21.50	Buy
Erste Bank	1 October 2015	EUR 21.50	Accumulate
HSBC	8 April 2015	EUR 23.00	Buy
Kepler Cheuvreux	30 September 2015	EUR 22.00	Buy
Raiffeisen Centrobank	1 October 2015	EUR 22.00	Buy

The average target price in the research reports published in 2015 is EUR 21.75, which is approx. 13% over the share price on 16 December 2015 (EUR 19.32). As a member of EPRA, the leading European association of listed property companies, BUWOG is committed to their standards for accounting transparency and underscores its credibility by pursuing a demand for professionalism and excellence.

CONTACT

Holger Lueth, Head of Investor Relations & Corporate Finance

E-Mail: holger.lueth@buwog.com

Tel.: +43 1 87828-1203, Fax: +43 1 87828-5203



CONSOLIDATED INTERIM MANAGEMENT REPORT

THE MARKET ENVIRONMENT

MODERATE GROWTH FOR THE GLOBAL ECONOMY

According to a June 2015 report by the World Bank, the global economy is still faced with central challenges that include political unrest, declining raw material prices, the uncertain outcome of the Greek crisis and low interest rates as well as the increasing flow of refugees and the related pressure on national economies. The major Asian and Latin American countries continue to serve as a key driver for global growth, even though their GDP performance has slowed. Forecasts by the World Bank indicate that the 2.6% increase in 2014 will be followed by 2.8% in 2015 and 3.3% in 2016. The USA is expected to see modest GDP growth of 2.7% in 2015 and 2.8% in 2016 (2014: +2.4%). The effects of the measures implemented by the Chinese Central Bank as a reaction to the capital market turbulence in August 2015 still remain to be seen.

WEAK BUT STEADY GROWTH IN THE EURO ZONE

An autumn 2015 report by the European Commission points to an improvement in the European economy. Supported by private consumption, the ECB's monetary measures and lower energy costs, most of the EU member states have recently gained substantial momentum despite the increasing stress in the global economy. GDP forecasts for the EU-28 member countries show an increase of 1.9% in 2015 and 2.0% in 2016 (2014: 1.4%). Expectations are particularly high for Ireland, Poland and Romania with estimates clearly over 3.0%. The projections for the Eurozone remain subdued: the 0.9% increase in 2014 is expected to be followed by GDP growth of 1.6% in 2015 and 1.8% in 2016. The positive effects from stronger domestic demand, low interest rates and higher real income will be contrasted by new challenges that include weaker global trade and geopolitical tensions.

GERMANY

Stronger consumption by private households and low inflation have allowed the Germany economy to continue its growth course despite the tense global economic environment. The domestic economy was relatively subdued in October despite stable unemployment of only 4.5% and a low inflation rate of 0.2%. In its autumn 2015 forecast, the European Commission is estimating growth (real GDP) of 1.7%, respectively 1.9% in 2016. The inflation rate is expected to equal 0.2% in 2015 and 1.0% in 2016. The German economy also remained robust after the reporting period, despite a decline in exports to China and the "VW exhaust data scandal". The exact effects of the introduction of a minimum wage and the intended broadening of the income base on private consumption are still uncertain.

Real estate prices on the housing market in Germany have risen substantially over the past five years, primarily as a result of increasing demand. As a result of pressure on the political sector, the Federal Cabinet approved a rental price cap for specific housing markets at the end of September 2014. In Berlin, the rental prices on new leases have been limited to a maximum of 10% over the local average since June 2015. In Schleswig-Holstein as well as in Kassel, both locations of the BUWOG, the rental price cap is effective as from November 2015. It is expected to be effective in Braunschweig as well. Current estimates place the share of BUWOG's standing investments units in Germany that are subject to this rental price cap or likely to be near term, at approx. 28%.

AUSTRIA

The Austrian economy is still influenced by slightly higher unemployment, rising budgetary expenditures for commitments in the banking sector and the low willingness of companies to invest. Based on the consumer price index, the annual inflation rate fell from 1.0% in 2015 to 0.7% at the end of October. The unemployment rate, calculated in accordance with international standards, declined from 6.0% to 5.6% during this same period. The comparable figure for the EU-28 is, however, substantially higher at 9.3%. The 0.4% increase in the economy during 2014 is expected to be followed by growth of 0.6% in 2015 and 1.5% in 2016, as indicated by the European Commission's autumn forecast. The European Commission estimates inflation at 0.9% in 2015 and 1.8% in 2016. The influence of counter-financing measures from the 2015/16 tax reform and the refugee issue on public and private sector spending and economic growth in 2016 is difficult to estimate at the present time.

The Austrian housing market has been characterised for many years by an increase in the population, a further reduction in the average household size and continuing urbanisation. For example: current estimates for the Vienna market show a demand overhang of roughly 14,000 units from 2015 to 2025. In addition to private developers, the city of Vienna is also working to counter this trend with subsidised housing units.

DEVELOPMENT OF KEY INTEREST RATES

There have been no signs of a possible interest rate hike in Europe since the last cut to a record low of 0.05% in September 2014, despite increasing rumours of an upcoming reversal in the current low-interest policy by the US Federal Reserve. In the ECB meeting on 3 December 2015, the interest rate for the deposit facility was adjusted from -0.2% to -0.3%. The interest rates for the peak refinancing facility remained unchanged at a historical low. The key reference interest rates (1-, 3-, 6- and 12-month EURIBOR) continued to decline during the first half of 2015/16, with the strongest changes in the short-term segment: for example, the 3-month EURIBOR fell more than 100% below the level on 30 April 2015 from -0.005% to -0.068% (>100%).

The quantitative easing programme launched by the ECB at the beginning of 2015 to stimulate the economy and raise inflation to the Maastricht level of 2% was expanded by EUR 360 billion to approx. EUR 1.5 trillion at the ECB meeting on 3 December 2015. The term of the programme was also extended for at least six months to spring 2017.

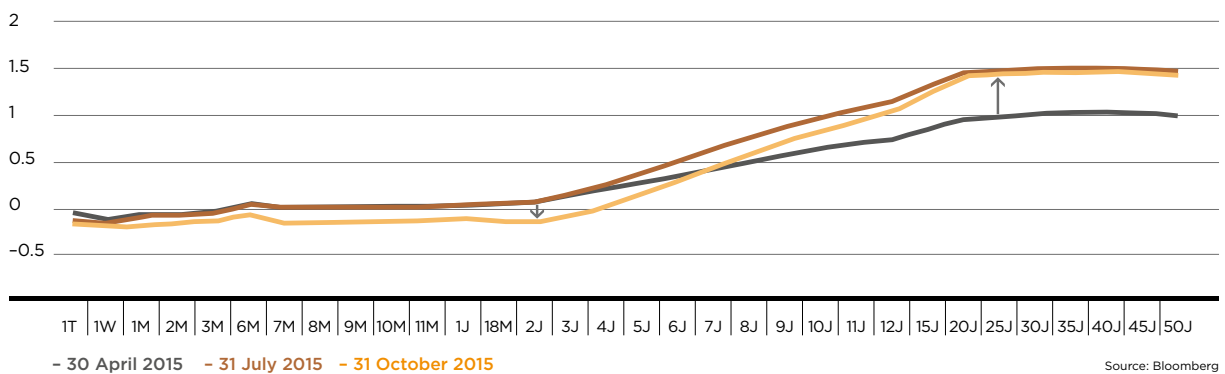
DEVELOPMENT OF THE EUR-SWAP CURVE

The development of the EUR-SWAP curve has an effect on the BUWOG Group through its influence on cash interest payments and, above all, on non-cash financial results. A low EUR-SWAP curve lead, among others, to lower costs for hedges of long-term financing and variable interest loans, but also have a negative effect on non-cash financial results through the valuation of financial instruments and derivatives at fair value through profit or loss.

There was a significant shift in the development of the EUR-SWAP curve during the first half of 2015/16. The changes are split into two components, as is illustrated by the following graph. A further flattening of the EUR-SWAP curve can be seen in the short- and medium-term segments, while the long-term segment shows a substantial increase since 30 April 2015. This increase in long-term EUR-SWAP curve had a very positive effect on non-cash financial results due to BUWOG's defensive risk profile with a balanced, long-term financing structure and an average term of 16.1 years for financial liabilities. Information concerning the effects on the BUWOG Group's earnings is provided in the "Analysis of the asset, financial and earnings position" on page 38.

DEVELOPMENT OF THE EUR-SWAP CURVE

30 April 2015 to 31 July 2015 to 31 October 2015, in %



PORTFOLIO REPORT

The core business of the BUWOG Group covers the letting and management of a diversified, risk-optimised and sustainable portfolio of standing investments (Asset Management), the Unit Sales and Block Sales of inventory apartments at the highest possible margins (Property Sales) and the development and construction of attractive and easily marketable residential projects with a focus on Vienna and Berlin (Property Development). These activities are designed to maximise profitability along the entire value chain – from the in-house development of new construction projects to the optimisation of the standing investments through active asset management and the cycle-optimised sale of new construction projects and portfolio units.

The following information is based on 31 October 2015, the balance sheet date for the first half of the 2015/16 financial year. Comparative figures in parentheses refer to values as of 30 April 2015, unless indicated otherwise. Additional information on the respective carrying amounts is provided in section 2 (Significant Accounting Policies) of the notes to the BUWOG consolidated financial statements as of 30 April 2015.

THE PROPERTY PORTFOLIO OF THE BUWOG GROUP

The structure of the portfolio report reflects the balance sheet classification of the investment properties: standing investments that generate rental income, pipeline projects (new construction projects and land reserves) and other tangible assets (property used by BUWOG) as well as investment properties under construction for the core portfolio, non-current properties held for sale (standing investments) and property inventories (development projects).

The property portfolio of the BUWOG Group is reported on the balance sheet under non-current and current assets. The following tables reconcile the property assets reported as of 31 October 2015 with the presentation in this portfolio report:

PROPERTY PORTFOLIO

As of 31 October 2015 in EUR million

Non-current assets	3,725.6	Investment properties	3,696.4	Standing investments	3,625.2
				Pipeline projects	71.2
		Other tangible assets	7.0	Owner-occupied properties ¹⁾	7.0
		Investment properties under construction	22.2	Build in inventory	22.2
Current assets	241.4	Non-current assets held for sale	0.3	Standing investments	0.3
				Pipeline projects	0.0
		Inventories	241.1	Development projects	241.1
Total portfolio BUWOG Group	3,967.0		3,967.0		3,967.0

Data includes rounding differences

1) Incl. furniture, fixtures and office equipment

The BUWOG Group's portfolio had a carrying amount (fair value) of EUR 3,967.0 million as of 31 October 2015 (EUR 3,846.2 million). Of this total, EUR 3,625.4 million (EUR 3,558.0 million) or 91.4% (92.5%) represent standing investments and non-current properties available for sale (standing investments). The carrying amount of the active new development projects (inventories) amounts to EUR 241.1 million (EUR 197.6 million) and corresponds to 6.1% (5.1%) of the BUWOG Group's portfolio.

PROPERTY PORTFOLIO BY FAIR VALUE

as of 31 October 2015	Units	Standing Investments in EUR million	Pipeline projects in EUR million	Owner occupied properties in EUR million ¹⁾	Build in inventory in EUR million	Development projects in EUR million	Property portfolio in EUR million	Share
Austria	24,497	2,080.7	46.3	6.3	22.2	140.1	2,295.6	57.9%
Germany	26,552	1,544.7	24.9	0.7	0.0	101.1	1,671.4	42.1%
BUWOG Group	51,049	3,625.4	71.2	7.0	22.2	241.1	3,967.0	100.0%

Data includes rounding differences

1) Incl. furniture, fixtures and office equipment

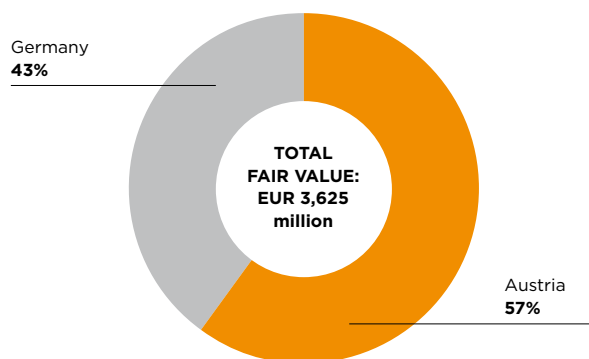
INVESTMENT PROPERTIES - STANDING INVESTMENTS (ASSET MANAGEMENT BUSINESS AREA)

The BUWOG Group's standing investment portfolio in Austria and Germany comprised 51,049 units as of 31 October 2015 (51,671 units), which represent a fair value of EUR 3,625.4 million (EUR 3,558.0 million) or 91% (93%) of the total property portfolio (incl. development projects). The standing investments are accounted at fair value in accordance with IAS 40 and also include investment properties reclassified as held for sale in accordance with IFRS 5.

An analysis of the standing investment portfolio by regional cluster shows roughly 85% of the fair value and 77% of the units in the capital cities of Vienna and Berlin, in provincial capitals and major cities and in the respective suburban areas including Hamburg. The following graph shows the regional distribution of the fair value of the standing investments in BUWOG's two core markets:

REGIONAL STRUCTURE OF THE PROPERTY PORTFOLIO BY FAIR VALUE

as of 31 October 2015



The annualised contractual net in-place rent from the standing investments, including parking areas, totalled approx. EUR 197 million as of 31 October 2015 (EUR 198 million). This represents an average net in-place rent of EUR 4.85 per sqm (EUR 4.81 per sqm) and a net rental yield (annualised net in-place rent in relation to fair value as of the balance sheet date) of approx. 5.4% (5.6%). The vacancy rate is determined on the basis of the usable space and equalled 4.2% as of 31 October 2015 (4.2%). On a like-for-like basis (i.e. excluding the effects of changes in the portfolio, portfolio transactions and vacancies), the rents generated by the BUWOG Group's portfolio properties rose by 2.2% during the first half of 2015/16. The like-for-like increase in rents from the German portfolio equalled 3.1%, while the Austrian portfolio recorded a like-for-like increase of 1.1%. In comparison with the annual valuation as of 30 April 2015, the value of the standing investment portfolio rose by approx. EUR 113.3 million in the first half of 2015/16 (H1 2014/15: EUR 35.2 million). This increase is reported on the income statement under revaluation results.

The BUWOG Group invested approx. EUR 23.5 million (H1 2014/15: EUR 21.7 million) in maintenance and refurbishments for new rentals and for value-increasing capital expenditure (CAPEX) in the first six months of 2015/16. This corresponds to an average of EUR 6.6 per sqm (H1 2014/15: EUR 6.6 per sqm). Maintenance investments amounted to EUR 16.6 million (H1 2014/15: EUR 15.7 million) or EUR 4.7 per sqm (H1 2014/15: EUR 4.8 per sqm). CAPEX totalled EUR 6.9 million (H1 2014/15: EUR 6.0 million) or EUR 1.9 per sqm (H1 2014/15: EUR 1.8 per sqm). The CAPEX capitalisation rate equalled 29% (H1 2014/15: 28%). In line with its active asset management approach, the BUWOG Group continues to focus on sustainable, return-driven maintenance and CAPEX measures in order to realise opportunities for value appreciation in the portfolio properties.

PORTFOLIO OVERVIEW OF STANDING INVESTMENTS BY REGIONAL CLUSTER

as of 31 October 2015	Number of units	Total floor area in sqm	Annualised net in-place rent ¹⁾ in EUR million	Monthly net in-place rent ¹⁾ in EUR per sqm	Fair value ²⁾ in EUR million	Fair value ²⁾ in EUR per sqm	Net rental yield ³⁾	Vacancy rate ⁴⁾
Federal capitals	11,748	921,770	58	5.45	1,406	1,525	4.1%	3.5%
Vienna	6,755	590,082	34	5.09	1,020	1,728	3.4%	4.4%
Berlin	4,993	331,688	24	6.08	386	1,164	6.1%	1.8%
State capitals and major cities ⁵⁾	19,467	1,260,343	71	4.84	1,128	895	6.3%	2.7%
Suburban regions ⁶⁾	8,038	564,571	31	4.74	533	943	5.7%	4.7%
Rural areas	11,796	787,309	37	4.23	559	711	6.6%	7.1%
Total BUWOG Group	51,049	3,533,992	197	4.85	3,625	1,026	5.4%	4.2%
thereof Austria	24,497	1,880,599	89	4.17	2,081	1,106	4.3%	5.5%
thereof Germany	26,552	1,653,393	108	5.60	1,545	934	7.0%	2.7%

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

2) Based on fair value of standing investments according to CBRE valuation reports as of 31 October 2015

3) Annualised total net 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

SALE OF PORTFOLIO PROPERTIES (PROPERTY SALES BUSINESS AREA)

Unit Sales represent the main source of sustainable revenues in the Property Sales business area. In the first six months of 2015/16, 315 units (H1 2014/15: 267 units) were sold in Austria and Germany for approx. EUR 49.4 million (H1 2014/15: approx. EUR 44.4 million) and a margin on fair value of approx. 62% (H1 2014/15: 66%). These sales contributed EUR 18.2 million (H1 2014/15: EUR 17.4 million) to Recurring FFO. A total of 275 units (H1 2014/15: 48 units) in Lower Austria, Carinthia, Salzburg and Berlin were sold in block sales during the reporting period as part of the cycle-optimised streamlining and concentration of the portfolio. These sales generated (property and portfolio sales) proceeds of EUR 26.4 million (H1 2014/15: EUR 2.3 million) and had a margin on fair value of around 11% (H1 2014/15: 18%). The contribution to total FFO amounted to EUR 2.5 million (H1 2014/15: EUR 0.2 million).

INVESTMENT PROPERTIES - PIPELINE PROJECTS (PROPERTY DEVELOPMENT BUSINESS AREA)

The balance sheet item investment properties covers both standing investments and pipeline projects, which are carried at fair value in accordance with IAS 40. Pipeline projects are defined as undeveloped land reserves and new construction projects in planning whose construction is scheduled to begin more than six months after the balance sheet date. The projects are regularly reviewed internally at BUWOG for development and realisation options. As of 31 October 2015, BUWOG's pipeline projects had a combined carrying amount of EUR 71.2 million (EUR 68.6 million).

PORTFOLIO OVERVIEW OF STANDING INVESTMENTS BY REGIONAL CLUSTER

as of 31 October 2015	Property Development new building projects starting > 6 months in EUR million	Property Development land reserves in EUR million	Property Development Non-current assets held for sale in EUR million	Asset Management land reserves in EUR million	Total pipeline projects in EUR million	Share in total pipeline
Austria	40.9	3.1	0.0	2.3	46.3	65.0%
Germany	24.2	0.0	0.0	0.7	24.9	35.0%
Total	65.1	3.1	0.0	3.0	71.2	100.0%

OTHER TANGIBLE ASSETS

The carrying amount of the other tangible assets totalled EUR 7.0 million (EUR 7.4 million). These assets consist primarily of the office buildings owned and occupied by the BUWOG Group in Vienna (Hietzinger Kai 131) and Villach (Tiroler Strasse 17) with a total carrying amount of EUR 5.7 million (EUR 6.0 million).

INVESTMENT PROPERTIES UNDER CONSTRUCTION - BUILD IN INVENTORIES**(ASSET MANAGEMENT BUSINESS AREA)**

Investment properties under construction include subsidised rental properties in Austria that are currently under construction or whose construction is scheduled to begin during the next six months as part of property development for the BUWOG core portfolio. These development projects had a combined carrying amount of EUR 22.2 million as of 31 October 2015 (EUR 14.6 million). The development projects under construction at the end of the reporting period included "Am Otterweg" and "Southgate" in Vienna with a total of 362 units (including 166 subsidised rental apartments).

NON-CURRENT ASSETS HELD FOR SALE - STANDING INVESTMENTS**(ASSET MANAGEMENT & PROPERTY DEVELOPMENT BUSINESS AREAS)**

The properties classified as non-current assets held for sale and accounted for in accordance with IFRS 5 represent properties for which specific sale plans had been approved as of 31 October 2015 and whose near-term sale is expected. The carrying amount of these properties totals EUR 0.3 million (EUR 5.8 million).

INVENTORIES - DEVELOPMENT PROJECTS (PROPERTY DEVELOPMENT BUSINESS AREA)

The development of subsidised or privately financed owner-occupied apartments and investment apartments for local customers, institutional investors and foundations is a key focus of the BUWOG Group's activities in the Property Development business area. The regional focus currently lies on the capital cities of Vienna and Berlin, the two largest cities in the German-speaking countries, where the demand for owner-occupied apartments is strong. In both of these cities, the BUWOG Group is represented by established, experienced teams and efficient internal sales structures.

These development projects, which are currently under construction or already completed, are reported as inventories under current assets on the balance sheet and accounted for at their production cost or the lower net realisable value in accordance with IAS 2. These inventories had a carrying amount of EUR 241.1 million as of 31 October 2015 (EUR 197.6 million).

PROPERTY VALUATION

The interim consolidated financial statements of the BUWOG Group as of 31 October 2015 were prepared in accordance with International Financial Reporting Standards (IFRS), which include the application of the fair value method. The determination of fair value requires the regular appraisal of the investment properties by independent experts. The valuation of the property portfolio follows the best practices recommendations of the European Public Real Estate Association (EPRA) for the application of the fair value method as defined in IFRS. The BUWOG Group views the ongoing determination and transparent presentation of fair value as an important internal controlling instrument, which also allows for the realistic external evaluation of the investment properties.

The standing investments, new construction projects and undeveloped land held by the BUWOG Group are valued by an independent external appraiser, CBRE Residential Valuation Germany, as of 30 April and 31 October each year.

CBRE is one of the leading residential property appraisers in Germany and Austria. The company valued roughly 850,000 residential units in 2014, which had a total volume of approx. EUR 48 billion. With nearly 52,000 employees in 372 offices throughout the world (excluding affiliated companies and subsidiaries), CBRE provides property services for a wide range of owners and investors. CBRE uses a discounted cash flow (DCF) model to appraise the Austrian real estate holdings, which has been adapted to include the special features of the Austrian Non-Profit Housing Act ("Wohnungsgemeinnützigkeitsgesetz - WGG"; in particular, cost-covering rent and Burgenland guidelines -30%) and the Unit Sales from these holdings. This model takes into account the long-term subsidy maturities, interest rate increases and the long-term revenues realisable on Unit Sales through detailed cash flows, which are set for a period of 80 years. If the sale of apartments in a property is the most economically feasible option, an individual rate for the sales is included in the valuation. The proceeds achievable on sale are determined by the sales comparison approach and incorporated in the DCF model on an accrual basis.

A standardised discounted cash flow (DCF) model is used for the German standing investments. The residual value method is used for property under construction (project development), and the comparative value method is used for undeveloped land in Germany and Austria (for future project developments).

CBRE valued the entire property portfolio of the BUWOG Group as of 31 October 2015. The resulting fair values of the properties and land have a direct influence on the net asset value (NAV) and therefore represent an important factor for evaluating the financial position of the BUWOG Group.

DEVELOPMENT OF FAIR VALUE IN THE FIRST HALF OF 2015/16

As of 31 October 2015, the standing investments measured according to the fair value model (excluding properties held for sale -> standing investments as defined in IFRS 5) had a carrying amount of EUR 3,625.2 million (EUR 3,552.2 million) and the pipeline projects had a fair value of EUR 71.2 million (EUR 68.6 million). This resulted in a total fair value of EUR 3,696.4 (EUR 3,620.8 million) for the BUWOG Group. Revaluation results therefore amounted to EUR 113.3 million for the first half of 2015/16 (H1 2014/15: EUR 35.2 million). The substantial improvement in revaluation results was influenced significantly by sound growth in the fair value of the German properties, which was based on the very positive development of the rental market with higher market rents and an increase in new rentals as well as a further rise in transaction prices and the resulting yield compression (the purchase prices for apartment buildings are rising faster than the relevant rents). In the Austrian properties, the increase in fair value resulted primarily from sustainably higher prices realisable in the strategic Unit Sales cluster.

FINANCING

The BUWOG Group was able to refinance or extend the loans for various standing investments and development projects as scheduled in the first half of 2015/16. Project financing was also concluded for various development properties in Vienna and Berlin. BUWOG successfully continued to finance at sustainable, advantageous conditions and thereby further strengthened the Recurring FFO that will be available for future dividends and investments.

The following table summarises the key financing parameters as of 31 October 2015:

FINANCING PARAMETERS

	Amount outstanding in EUR million	Share	Ø interest rate	Ø term in years
Bank liabilities	1,474	68%	2.43%	13.2
thereof Austria	821	38%	2.26%	17.7
thereof Germany	653	30%	2.65%	7.5
Local authorities/subsidised loans	686	32%	1.44%	22.4
thereof Austria	480	22%	1.48%	20.4
thereof Germany	206	10%	1.36%	27.2
Total	2,160	100%	2.12%	16.1

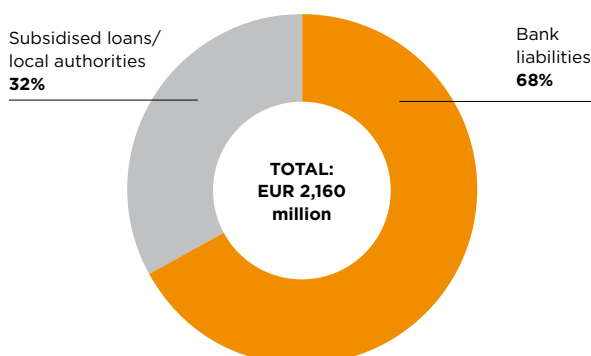
FINANCING STRUCTURE

The BUWOG Group's financial liabilities include liabilities to banks, liabilities to local authorities and subsidised loans. The outstanding financial liabilities are denominated solely in Euros and totalled approx. EUR 2,160 million as of 31 October 2015. This represents a loan-to-value ratio (LTV) of 47.9% based on the total carrying amount (IFRS) of the portfolio. Additional information on the calculation of LTV is provided in the section "Loan to Value" on page 39.

As of 31 October 2015, 36% (basis: outstanding liability) of the financial liabilities represented low-interest subsidised loans or bank liabilities with annuity subsidies that are carried at fair value through profit or loss. Additional details are provided in the "Analysis of the asset, financial and earnings position" (page 35) and in section 2.4.4 of the consolidated financial statements as of 30 April 2015.

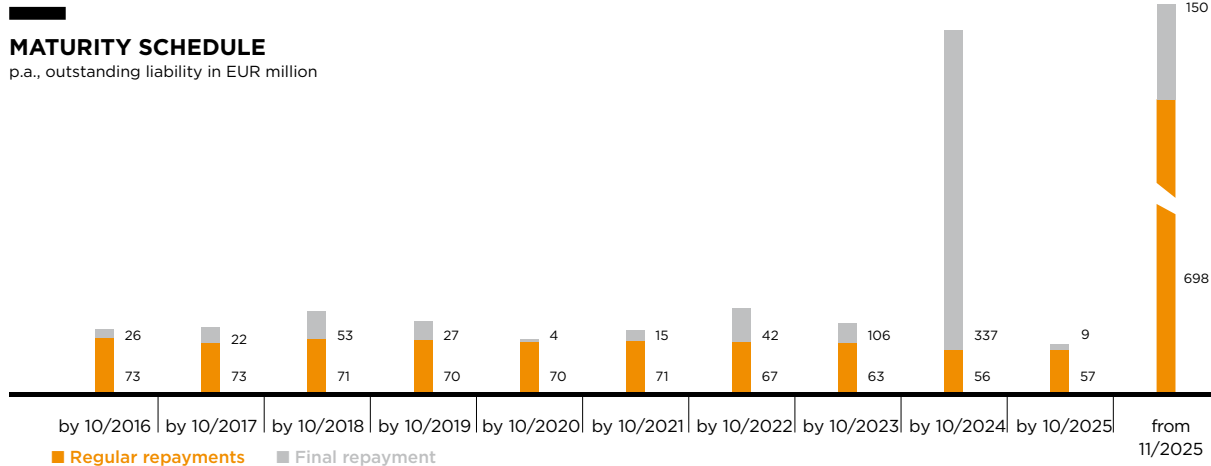
STRUCTURE OF OUTSTANDING FINANCIAL LIABILITIES

as of 31 October 2015



REPAYMENT STRUCTURE

In keeping with the long-term nature of its core business, the BUWOG Group works to develop and maintain a long-term, balanced financing structure to safeguard its defensive risk profile. Most of the financing contracts are based on long-term agreements. The average residual term is approx. 16.1 years. The repayment structure by maturity is as follows:



INTEREST RATE STRUCTURE

In line with the long-term nature of the financing structure, roughly 86% of the Group's financing contracts were hedged against the risk of interest rate changes through fixed interest rate agreements and/or interest rate swaps as of 31 October 2015. The weighted average nominal interest rate equalled 2.12% as of that date.

ANALYSIS OF THE ASSET, FINANCIAL AND EARNINGS POSITION

The following analysis of the asset, financial and earnings position is based on the first six months of the 2015/16 financial year and the first six months of the 2014/15 financial year.

EARNINGS POSITION

CONDENSED INCOME STATEMENT

in EUR million	H1 2015/16	H1 2014/15	Change
Results of Asset Management	69.7	60.7	14.8%
Results of Property Sales	20.6	17.6	17.1%
Results of Property Development	1.7	4.4	-61.0%
Other operating income	5.2	3.6	44.3%
Expenses not directly attributable	-15.6	-14.1	-10.9%
Results of operations	81.7	72.3	13.0%
Other revaluation results	113.3	38.8	>100.0%
Operating profit (EBIT)	195.0	111.1	75.6%
Financial results	30.0	-82.4	>100.0%
Earnings before tax (EBT)	225.0	28.7	>100.0%
Net profit	177.4	20.6	>100.0%
Net profit per share¹⁾ in EUR	1.77	0.20	>100.0%

1) On the basis of 99,613,479 shares

Asset Management. The results generated by the Asset Management business area rose by 14.8% year-on-year, above all due to the acquisition of the DGAG property portfolio (closing on 27 June 2014) and the acquisition of the Apollo property portfolio and management platform (closing for both transactions on 1 July 2014). The first half of 2014/15 only included the rental income from the DGAG and Apollo portfolios for four months, but the first half of 2015/16 includes this income for the full six-month period.

Income from the Asset Management business area comprises net cold rent of EUR 93.3 million (EUR 80.8 million) from the residential properties and other rental income of EUR 5.8 million (EUR 4.4 million), which results primarily from the rental of office, retail and parking space. These two items form the earnings indicator "net in-place rent" and represent the revenue contribution of the Asset Management business area to total revenues. In addition, income from Asset Management includes operating costs passed on to tenants and third-party management revenues of EUR 54.8 million (EUR 50.8 million) and other revenues of EUR 0.1 million (EUR 0.9 million). These revenues are contrasted by expenses from investment properties (including maintenance costs of EUR 16.7 million for the own portfolio) totalling EUR 30.5 million (EUR 27.5 million) and expenses for operating costs and third-party management of EUR 53.8 million (EUR 48.7 million).

MAINTENANCE AND MODERNISATION OF INVESTMENT PROPERTIES

	H1 2015/16	H1 2014/15	Change
Maintenance in EUR million ¹⁾	16.6	15.7	5.8%
Modernisation (CAPEX) in EUR million	6.9	6.0	15.7%
Average total floor area in 1,000 sqm ²⁾	3,557.5	3,260.7	9.1%
Maintenance and investment in EUR per sqm	6.6	6.6	-0.5%
Maintenance in EUR per sqm	4.7	4.8	-3.0%
Investment (CAPEX) in EUR per sqm	1.9	1.8	6.0%

The use of automated calculation systems may give rise to rounding differences.

1) Maintenance costs of own real estate portfolio (excl. rental of leased real estate)

2) Average weighted floor area taking into account increases and reductions from purchases and sales

Property Sales. In the first six months of 2015/16, the Property Sales business area generated income of EUR 20.6 million (EUR 17.6 million) from the sale of investment properties and adjustments to the fair value of properties classified as held for sale. This represents a significant increase of 17.1% over the previous year.

The following table shows the key parameters for the classification between Unit Sales (part of Recurring FFO) and Block Sales (property and portfolio sales):

OVERVIEW OF PROPERTY SALES

	H1 2015/16	H1 2014/15	Change
Sales of units in numbers	590	315	87.3%
thereof Unit Sales	315	267	18.0%
thereof Block Sales	275	48	>100.0%
Results as per income statement in EUR million ¹⁾	20.6	17.6	17.1%
thereof Unit Sales in EUR million	18.2	17.3	4.9%
thereof Block Sales in EUR million	2.5	0.2	>100.0%
Margin on fair value	39%	60%	-21.0 PP
Margin on fair value – Unit Sales	62%	66%	-4.0 PP
Margin on fair value – Block Sales	11%	18%	-7.0 PP

1) First half of 2014/15 including income of EUR 0.1 million from the sale of land (pipeline projects)

Property Development. This business area generated operating results of EUR 1.7 million in the first half of 2015/16 (EUR 4.4 million). A total of 120 units (275 units) were completed. The decline in comparison with the first six months of the previous year is cycle-related.

Expenses that are not directly attributable to the business areas amounted to EUR 15.6 million (EUR 14.1 million). These expenses consist primarily of personnel costs of EUR 6.2 million, legal, auditing and consulting fees of EUR 3.2 million as well as IT and communications expenses of EUR 1.6 million. An important factor in this development was the takeover of the management platform in Germany with roughly 300 employees, which was included on a proportional basis for six months in the reporting period but only four months in the previous year.

ADJUSTED EBITDA

in EUR million	H1 2015/16	H1 2014/15	Change
Results of operations	81.7	72.3	13.0%
Impairment losses/revaluations	-0.1	0.0	-
Adjustment to fair value of investment properties under construction	-0.5	0.0	>-100.0%
Adaption IFRS 5 previous year	-0.0	0.0	-
Adaption IFRS 5 current year	-0.5	0.2	>-100.0%
EBITDA adjusted	80.6	72.5	11.2%

Other valuation results consist primarily of fair value adjustments totalling EUR 113.3 million (EUR 35.2 million) to investment properties. Additional information is provided in the consolidated interim financial statements under section 5.4 Revaluation of properties.

Financial results of EUR 30.0 million (EUR -82.4 million) include cash interest expenses of EUR 23.4 million as well as positive non-cash results from the measurement of derivatives (EUR 16.2 million) and financial liabilities (EUR 41.7 million) at fair value through profit and loss.

The financial liabilities carried at fair value represent low-interest subsidised loans and bank liabilities with annuity subsidies, which are related to property subsidies and tied to specific conditions (rental price restrictions). In order to avoid a difference between the carrying amount and the valuation of the properties ("capped" rental income due to the subsidies) and the financial liability, the decision was taken to carry these low-interest loans at fair value through profit or loss. Based on the high share of the loans carried at fair value (36% of the outstanding financial liabilities) and the increase in the reference interest rate during the first six months of 2015/16, the valuation as of 31 October 2015 led to positive non-cash results of EUR 41.7 million. The results from the fair value measurement of derivatives, which hedge floating rate financial liabilities with a nominal value of approx. EUR 963.0 million against interest rate risk, totalled EUR 16.2 million.

These non-cash valuation effects have no influence on Recurring FFO.

Information on the development of interest rates is provided under "The Market Environment" on page 26.

Transition to FFO. Funds From Operations (FFO) represents an essential management indicator for BUWOG. An explanation of the calculation methodology is provided in the IFRS consolidated financial statements as of 30 April 2015.

FFO

in EUR million	H1 2015/16	H1 2014/15	Change
Net profit	177.4	20.6	>100.0%
Results of Property Sales	-20.6	-17.6	-17.1%
Other financial results	-53.9	57.7	>-100.0%
Fair value adjustments of investment properties	-113.8	-35.1	>-100.0%
Impairment losses/revaluations	-0.1	-1.3	94.1%
Deferred taxes	39.3	-0.4	>100.0%
Other	-2.2	0.1	>-100.0%
FFO	26.1	23.9	9.1%
Unit Sales result	18.2	17.4	4.7%
Recurring FFO	44.3	41.3	7.3%
Block Sales result ²⁾	2.6	0.5	>100.0%
Total FFO	46.8	41.7	12.3%
CAPEX	-6.9	-6.0	-15.7%
AFFO	39.9	35.7	11.7%
Recurring FFO per share in EUR basic ¹⁾	0.44	0.41	7.3%
Total FFO per share in EUR basic ¹⁾	0.47	0.41	13.5%

1) On the basis of 99,613,479 shares

2) Excluding valuation effect from non-current assets held for sale EUR -0.1 million (EUR 0.2 million)

ASSET POSITION

The reclassification of selected balance sheet positions as of 30 April 2015 is explained in section of the notes to the consolidated interim financial statements under section 2.4 Change in comparative information.

CONDENSED BALANCE SHEET

in EUR million	31 October 2015	30 April 2015	Change
Investment properties	3,696.4	3,620.8	2.1%
Investment properties under construction	22.2	14.6	52.4%
Other tangible assets	7.0	7.4	-5.9%
Inventories	241.1	197.6	22.1%
Non-current assets held for sale	0.3	5.8	-95.7%
Intangible assets	7.1	7.0	1.2%
Trade and other receivables	129.3	150.6	-14.1%
Other financial assets	19.1	18.9	1.5%
Deferred tax assets	0.4	7.1	-93.7%
Income tax receivables	3.7	2.0	87.8%
Cash and cash equivalents	173.4	149.2	16.3%
Assets	4,300.2	4,180.8	2.9%
Equity	1,633.3	1,524.3	7.2%
Financial liabilities	2,069.7	2,105.4	-1.7%
Trade and other liabilities	350.9	343.8	2.1%
Provisions	16.1	16.6	-2.5%
Deferred tax liabilities	192.0	159.3	20.5%
Income tax liabilities	38.1	31.1	22.3%
Financial liabilities held for sale	0.0	0.4	-100.0%
Equity and liabilities	4,300.2	4,180.8	2.9%

Information on the investment properties, properties under construction, inventories and non-current assets held for sale is provided in the portfolio report, in the respective disclosures in the notes to the consolidated financial statements as of 30 April 2015.

Information on the development of cash and cash equivalents can be found in the section on “Financial position” in this management report.

EPRA NAV. This indicator is calculated in accordance with the recommendations of the European Public Real Estate Association (EPRA). An explanation of the calculation methodology is provided in the IFRS consolidated financial statements as of 30 April 2015. The increase in EPRA NAV over the level at the end of the 2014/15 financial year is attributable primarily to operating results and the positive results from the valuation of investment properties, financial liabilities and derivatives as well as the development of operating results.

EPRA NAV

in EUR million	31 October 2015	30 April 2015	Change
Equity before non-controlling interests	1,622.9	1,515.4	7.1%
Goodwill	-5.6	-5.6	0.0%
Inventories (carrying amount)	-241.1	-197.6	-22.1%
Inventories (fair value)	270.8	212.6	27.4%
Properties owned by BUWOG (carrying amount)	-5.7	-6.0	4.5%
Properties owned by BUWOG (fair value)	10.4	9.5	9.3%
Positive market value of derivative financial instruments	0.0	0.0	-
Negative market value of derivative financial instruments	54.3	70.5	-23.0%
Deferred tax assets on investment properties	-0.2	-1.0	83.0%
Deferred tax liabilities on investment properties (adjusted) ¹⁾	220.4	195.4	12.8%
Deferred taxes on property inventories	-8.1	-4.1	-98.5%
Deferred taxes on derivative financial instruments	-13.2	-17.2	23.3%
EPRA NAV basic (balance sheet date)	1,904.7	1,771.9	7.5%
Total floor area	3,533,992	3,581,028	-1.3%
EPRA NAV in EUR per sqm	539.0	494.8	8.9%
EPRA NAV basic (balance sheet date)	1,904.7	1,771.9	7.5%
Shares issued as of the balance sheet date (excl. Treasury shares)	99,613,479	99,613,479	0.0%
EPRA NAV per share in EUR basic (balance sheet date)	19.12	17.79	7.5%

¹⁾ Adjustment for deferred tax liabilities arising in connection with potential property sales of over EUR 30.7 million (prior year: EUR 30.7 million)

Loan to Value (LTV). Net liabilities in relation to the fair value (carrying amount) of the BUWOG Group's portfolio (LTV) fell from 51.0% as of 30 April 2015 to 47.9% as of 31 October 2015. The decline was based on the increase in the value of the property portfolio, which resulted from the external half-year appraisals as of that same date.

LOAN TO VALUE RATIO

(incl. sale of certain financing, financial amounts) in EUR million	31 October 2015	30 April 2015	Change
Non-current financial liabilities	1,977.2	2,016.0	-1.9%
Current financial liabilities	92.5	89.4	3.4%
Financial liabilities held for sale	0.0	0.4	-100.0%
Financial liabilities	2,069.7	2,105.8	-1.7%
Cash and cash equivalents	-173.4	-149.2	-16.3%
Net financial liabilities	1,896.3	1,956.6	-3.1%
Investment properties	3,696.4	3,620.8	2.1%
Investment properties under construction	22.2	14.6	52.4%
Non-current assets held for sale	0.3	5.8	-95.7%
Inventories	241.1	197.6	22.1%
Carrying amount overall portfolio	3,960.0	3,838.8	3.2%
Loan to value ratio	47.9%	51.0%	-3.1 PP

FINANCIAL POSITION

CONDENSED CASH FLOW STATEMENT

in EUR million	H1 2015/16	H1 2014/15	Change
Cash flow from operating activities	33.8	40.7	-16.9%
Cash flow from investing activities	75.3	-288.9	>100.0%
Cash flow from financing activities	-84.8	203.2	>-100.0%
Cash flow	24.3	-44.9	>100.0%

Cash flow from operating activities is generated primarily by lettings. The decline of approx. 17% in comparison with the first six month of the previous year resulted from intensified activities in property development.

The positive cash flow from investing activities is attributable, above all, to purchase price payments from the sale of properties.

The negative cash flow from financing activities resulted, above all, from dividend payment of EUR 68.7 million for the financial year 2015/16, ongoing repayments and interest payments. These items are contrasted by an increase on long-term financing.

OUTLOOK

BUWOG AG can look back on a successful first half of 2015/16 from an operational standpoint. Our goal for the 2015/16 financial year remains intact with Recurring FFO of approx. EUR 98 million to EUR 100 million. Investments and maintenance in the Asset Management business area are expected to equal maximum EUR 16 per sqm. In the Property Sales business area, Unit Sales should amount to roughly 550 apartments each year. Activities in the Property Development business area will continue to focus on the steady realisation of the project pipeline in Vienna and Berlin.

SUBSEQUENT EVENTS

In the third quarter of 2015/16 the name of BUWOG's subsidiary ESG (Wohnungsgesellschaft mbH Villach) was changed to BUWOG Süd GmbH. Most of the portfolio properties in Carinthia and Styria, which contain more than 10,000 units, are bundled in this company. The change in the name is intended, among others, to increase clarity and provide easier access to the services of the BUWOG Group for the tenants in these regions.

After the end of the reporting period, the Supervisory Board appointed Andreas Segal to the Executive Board of BUWOG AG as of 1 January 2016. He will take over the positions of Chief Financial Officer (CFO) and Deputy CEO. Andreas Segal will succeed the previous CFO Ronald Roos, who resigned from the Executive Board of BUWOG AG as of 9 December 2015.

Andreas Segal, 46, was most recently the CFO at Deutsche Wohnen AG and deputy supervisory board chairman of GSW Immobilien AG. Before he accepted the position at Deutsche Wohnen AG, he was employed as co-CEO and CFO at GSW Immobilien AG. Between 2003 and 2006 Mr Segal was a member of management at ProMarkt Handels GmbH in Berlin and managing director of Wegert Holding GmbH, a private asset management firm. Additional stages of his career path included activities in the international capital market business at Commerzbank and as a lawyer specialising in corporate finance and tax law. Mr Segal has training in banking and an intermediate diploma in business administration and concluded his legal training with the second state examination. He is also a graduate of the advanced management programme at Harvard Business School.





CONSOLIDATED INTERIM FINANCIAL STATEMENTS BUWOG GROUP

CONTENT

CONSOLIDATED INCOME STATEMENT	44
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	45
CONSOLIDATED BALANCE SHEET	46
CONSOLIDATED CASH FLOW STATEMENT	47
STATEMENT OF CHANGES IN EQUITY	48
1. GENERAL PRINCIPLES	50
2. BASIS OF PREPARATION	50
2.1 Initial application of standards and interpretations	50
2.2 Standards and interpretations adopted by the EU, but not yet applied	51
2.3 Standards and interpretations announced, but not yet adopted by the EU	51
2.4 Change in comparative information	51
3. SCOPE OF CONSOLIDATION	53
3.1 Development of the scope of consolidation	53
3.2 Initial consolidations	53
4. SEGMENT REPORTING	53
5. NOTES TO THE CONSOLIDATED INCOME STATEMENT	56
5.1 Expenses directly related to investment property	56
5.2 Other operating income	56
5.3 Other not directly attributable expenses	56
5.4 Revaluation of properties	56
5.5 Financial results	57
5.6 Income taxes	57
5.7 Earnings per share	57
6. NOTES TO THE CONSOLIDATED BALANCE SHEET	58
6.1 Investment properties and investment properties under construction	58
6.2 Trade and other receivables	58
6.3 Equity	58
6.4 Financial liabilities	59
6.5 Trade and other liabilities	59
6.6 Information on financial instruments	60
6.6.1 Classification of financial instruments by IAS 39 categories	60
6.6.2 Hierarchy of fair values of financial instruments	62
7. TRANSACTIONS WITH RELATED PARTIES	64
8. SUBSEQUENT EVENTS AFTER 31 OCTOBER 2015	64
STATEMENT BY THE EXECUTIVE BOARD	65

CONSOLIDATED INCOME STATEMENT

in TEUR	Notes	H1 2015/16	H1 2014/15 ¹⁾	Q2 2015/16	Q2 2014/15 ¹⁾
Residential rental income		93,295.9	80,806.1	46,725.6	46,721.6
Other rental income		5,830.0	4,384.3	3,031.3	2,283.9
Rental income		99,125.9	85,190.4	49,756.9	49,005.5
Operating costs charged to tenants and third party property management revenues		54,787.5	50,757.4	27,293.2	27,875.3
Other revenues		85.9	948.7	7.6	727.9
Revenues		153,999.3	136,896.5	77,057.7	77,608.7
Expenses directly related to investment property	5.1	-30,543.1	-27,527.8	-16,128.4	-16,822.5
Operating expenses and expenses from third party property management		-53,761.8	-48,679.2	-26,759.7	-26,218.0
Results of Asset Management		69,694.4	60,689.5	34,169.6	34,568.2
Sale of properties		75,795.6	49,053.3	42,397.5	25,530.3
Carrying amount of sold properties		-75,795.6	-49,053.3	-42,397.5	-25,530.3
Other expenses from property sales		-2,003.6	-1,396.4	-1,043.4	-739.0
Revaluation of properties sold and available for sale	5.4	22,635.8	19,022.8	12,029.2	10,005.1
Results of Property Sales		20,632.2	17,626.4	10,985.8	9,266.1
Sale of real estate inventories		34,339.7	40,698.6	11,781.1	3,499.7
Cost of real estate inventories sold		-27,267.0	-30,566.6	-9,284.2	-2,582.2
Other expenses from sale of real estate inventories		-2,336.7	-2,320.5	-948.9	-1,331.9
Other real estate development expenses		-4,135.7	-3,397.1	-2,082.3	-1,992.4
Revaluation of properties under construction	5.4	498.8	-15.4	498.8	-15.4
Results of properties sold and available for sale		614.5	0.0	0.0	0.0
Results of Property Development		1,713.6	4,399.0	-35.5	-2,422.2
Other operating income	5.2	5,233.9	3,626.6	1,629.6	1,560.0
Other not directly attributable expenses	5.3	-15,583.8	-14,057.5	-7,530.2	-7,345.6
Results of operations		81,690.3	72,284.0	39,219.3	35,626.5
Revaluation of investment properties	5.4	113,310.1	35,159.1	95,683.9	24,460.6
Gain from a bargain purchase		0.0	3,615.9	0.0	0.0
Other revaluation results		113,310.1	38,775.0	95,683.9	24,460.6
Operating profit (EBIT)		195,000.4	111,059.0	134,903.2	60,087.1
Financing costs		-25,465.7	-26,543.6	-13,985.0	-14,453.1
Financing income		548.3	2,859.2	365.2	369.1
Other financial results		54,956.2	-58,672.9	-19,314.7	-25,500.1
Financial results	5.5	30,038.8	-82,357.3	-32,934.5	-39,584.1
Earnings before tax (EBT)		225,039.2	28,701.7	101,968.7	20,503.0
Income tax expenses	5.6	-8,323.7	-8,501.7	-4,526.2	-4,386.9
Deferred tax income/expenses	5.6	-39,295.2	386.5	-16,575.1	-1,721.7
Net profit		177,420.3	20,586.5	80,867.4	14,394.4
Thereof attributable to owners of the parent company		175,836.4	20,311.9	79,245.8	14,029.6
Share of non-controlling interests		1,583.9	274.6	1,621.6	364.8
Basic earnings per share in EUR	5.7	1.77	0.20	0.80	0.14
Diluted earnings per share in EUR	5.7	1.76	0.20	0.79	0.14

1) The comparable prior year figures were adjusted (see section 2.4).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	H1 2015/16	H1 2014/15	Q2 2015/16	Q2 2014/15
Net profit	177,420.3	20,586.5	80,867.4	14,394.4
Items which will not be reclassified to the income statement in the future				
Revaluation of defined benefit obligations	0.0	0.0	0.0	0.0
Income taxes attributable to items which will not be subsequently reclassified to the income statement	0.0	0.0	0.0	0.0
Total items which will not be reclassified to income statement in the future	0.0	0.0	0.0	0.0
Total comprehensive income	177,420.3	20,586.5	80,867.4	14,394.4
Thereof attributable to owners of the parent company	175,836.4	20,311.9	79,245.8	14,029.6
Share of non-controlling interests	1,583.9	274.6	1,621.6	364.8

CONSOLIDATED BALANCE SHEET

in TEUR	Notes	31 October 2015	30 April 2015 ¹⁾
Investment properties	6.1	3,696,410.1	3,620,762.6
Investment properties under construction	6.1	22,217.1	14,578.0
Other tangible assets		6,968.1	7,401.4
Intangible assets		7,094.1	7,011.6
Trade and other receivables	6.2	3,770.1	3,389.8
Other financial assets		19,140.0	18,862.8
Deferred tax assets		442.2	7,060.7
Non-current assets		3,756,041.7	3,679,066.9
Trade and other receivables	6.2	125,546.1	147,171.4
Income tax receivables		3,730.0	1,985.7
Non-current assets held for sale		250.0	5,849.6
Inventories		241,147.6	197,572.8
Cash and cash equivalents		173,442.4	149,153.2
Current assets		544,116.1	501,732.7
ASSETS		4,300,157.8	4,180,799.6
Share capital		99,613.5	99,613.5
Capital reserves		1,297,505.8	1,297,169.4
Accumulated other equity		-1,296.8	-1,296.8
Retained earnings		227,055.5	119,952.4
		1,622,878.0	1,515,438.5
Non-controlling interests		10,445.6	8,861.7
Equity	6.3	1,633,323.6	1,524,300.2
Financial liabilities	6.4	1,977,203.0	2,015,986.6
Trade and other liabilities	6.5	102,920.3	115,056.5
Tax liabilities		78.9	157.9
Provisions		6,819.2	6,862.0
Deferred tax liabilities		191,994.8	159,276.1
Non-current liabilities		2,279,016.2	2,297,339.1
Financial liabilities	6.4	92,510.1	89,437.6
Trade and other liabilities	6.5	247,995.7	228,713.2
Tax liabilities		37,982.0	30,956.8
Provisions		9,330.2	9,694.6
Financial liabilities held for sale		0.0	358.1
Current liabilities		387,818.0	359,160.3
LIABILITIES		4,300,157.8	4,180,799.6

1) The comparable prior year figures were adjusted (see section 2.4).

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	Notes	H1 2015/16	H1 2014/15
Earnings before tax (EBT)		225,039.2	28,701.7
Revaluation/depreciation/gain from a bargain purchase		-135,686.6	-55,983.5
Gains/losses from disposal of non-current assets		140.0	-280.6
Gain/loss on the fair value measurement of financial instruments		-57,905.4	58,822.5
Income taxes paid		-2,990.4	-2,028.2
Net interest		24,917.3	21,567.6
Results of deconsolidation		0.0	-292.2
Other non-cash income/expense		2,805.8	-88.5
Gross cash flow		56,319.9	50,418.8
Changes in:			
Trade and other receivables		-1,973.3	7,116.7
Inventories		-38,827.5	6,804.7
Trade payables		8,485.8	-10,426.6
Provisions		-407.1	2,104.6
Other liabilities		10,203.3	-15,320.2
Cash flow from operating activities		33,801.1	40,698.0
Acquisition of/Investments in investment property	6.1	-14,777.7	-13,878.8
Acquisition of/Investments in property under construction	6.1	-7,272.6	-1,543.8
Net cash outflow on acquisition of subsidiaries		0.0	-328,309.0
Acquisition of other tangible assets		-175.4	-290.9
Acquisition of intangible assets		-452.5	-135.2
Net cash flow on disposal of subsidiary		0.0	-1,173.3
Disposal of non-current assets		95,923.3	54,449.0
Cash inflows from other financial assets		1,769.9	1,634.7
Interest received		280.8	386.4
Cash flow from investing activities		75,295.8	-288,860.9
Cash inflows from long-term financing		100,050.5	592,841.7
Cash outflows/Cash inflows from short-term financing		-263.7	703.4
Cash outflows for long-term financing		-93,921.7	-560,908.7
Cash outflows for derivative financial instruments		-7,269.3	-3,326.9
Interest paid		-14,670.2	-17,347.8
Payment of dividends		-68,733.3	-68,733.3
Cash inflows for convertible bond		0.0	260,000.0
Cash flow from financing activities		-84,807.7	203,228.4
Change in cash and cash equivalents		24,289.2	-44,934.6
Cash and cash equivalents at the beginning of the period		149,153.2	132,947.4
Cash and cash equivalents at the end of the period		173,442.4	88,012.8
Change in cash and cash equivalents		24,289.2	-44,934.6

STATEMENT OF CHANGES IN EQUITY

in TEUR	Share capital	Capital reserves
Balance on 30 April 2015	99,613.5	1,297,169.4
Payment of dividends	0.0	0.0
Equity-settled share-based payment	0.0	336.4
Transactions with owners	0.0	336.4
Net profit	0.0	0.0
Other income	0.0	0.0
Total comprehensive income	0.0	0.0
Balance on 31 October 2015	99,613.5	1,297,505.8

in TEUR	Share capital	Capital reserves
Balance on 30 April 2014	99,613.5	1,445,989.3
Payment of dividends	0.0	0.0
Changes in reserves	0.0	-80,000.0
Earnings of non-controlling interests related to put option	0.0	0.0
Transactions with owners	0.0	-80,000.0
Net profit	0.0	0.0
Other income	0.0	0.0
Total comprehensive income	0.0	0.0
Balance on 31 October 2014	99,613.5	1,365,989.3

Accumulated other equity IAS 19R	Retained earnings	Total	Non-controlling interests	Total equity
-1,296.8	119,952.4	1,515,438.5	8,861.7	1,524,300.2
0.0	-68,733.3	-68,733.3	0.0	-68,733.3
0.0	0.0	336.4	0.0	336.4
0.0	-68,733.3	-68,396.9	0.0	-68,396.9
0.0	175,836.4	175,836.4	1,583.9	177,420.3
0.0	0.0	0.0	0.0	0.0
0.0	175,836.4	175,836.4	1,583.9	177,420.3
-1,296.8	227,055.5	1,622,878.0	10,445.6	1,633,323.6

Accumulated other equity IAS 19R	Retained earnings	Total	Non-controlling interests	Total equity
-373.7	-1,064.3	1,544,164.8	7,938.5	1,552,103.3
0.0	-68,733.3	-68,733.3	0.0	-68,733.3
0.0	80,000.0	0.0	0.0	0.0
0.0	-340.5	-340.5	0.0	-340.5
0.0	10,926.2	-69,073.8	0.0	-69,073.8
0.0	20,311.9	20,311.9	274.6	20,586.5
0.0	0.0	0.0	0.0	0.0
0.0	20,311.9	20,311.9	274.6	20,586.5
-373.7	30,173.7	1,495,402.8	8,212.9	1,503,615.7

1. GENERAL PRINCIPLES

BUWOG AG is an Austrian residential property investor and developer with core markets in Austria and Germany. The company headquarters are located at A-1130 Vienna, Hietzinger Kai 131. BUWOG AG is the parent company of the BUWOG Group.

The business activities of the BUWOG Group cover the following areas

- Asset Management (portfolio management and administration)
- Property Sales (the sale of individual apartments and portfolios) and
- Property Development (the planning and construction of residential buildings with a focus on Vienna and Berlin).

The shares of BUWOG AG are admitted for trading on the Prime Standard market of the Frankfurt Stock Exchange, the Prime Market of the Vienna Stock Exchange and the Main Market of the Warsaw Stock Exchange ("Rynek podstawowy").

2. BASIS OF PREPARATION

The consolidated interim financial statements of BUWOG AG as of 31 October 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with EC Regulation 1606/2002. These consolidated interim financial statements were prepared in accordance with the rules set forth in IAS 34.

Information on the IFRS and significant accounting policies applied by BUWOG AG in preparing the consolidated interim financial statements is provided in the consolidated financial statements of BUWOG AG as of 30 April 2015.

These consolidated interim financial statements of BUWOG AG were neither audited nor reviewed by an auditor.

The consolidated interim financial statements are presented in thousands of Euros (TEUR, rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentages.

2.1 INITIAL APPLICATION OF STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations require mandatory application beginning with the 2015/16 financial year:

INITIAL APPLICATION OF STANDARDS AND INTERPRETATIONS

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for BUWOG
New standards and interpretations			
IFRIC 21	Levies	20 May 2013 (13 June 2014)	1 May 2015
Changes to standards and interpretations			
IAS 19	Employee Contributions	21 November 2013 (17 December 2014)	1 May 2015
Various standards	Annual Improvements to IFRSs 2010 – 2012 Cycle	12 December 2013 (17 December 2014)	1 May 2015
Various standards	Annual Improvements to IFRSs 2011 – 2013 Cycle	12 December 2013 (18 December 2014)	1 May 2015

The initial application of IFRIC 21 resulted in receivables of TEUR 914,8 from accrued property taxes and liabilities to the tax and other public authorities. Details on the change in comparative information resulting from the initial application of IFRIC 21 is provided in section 2.4 Change in comparative information.

2.2 STANDARDS AND INTERPRETATIONS ADOPTED BY THE EU, BUT NOT YET APPLIED

The following new or revised standards and interpretations had been adopted by the EU as of the balance sheet date, but did not require mandatory application in the financial year ending on 30 April 2016 and were not applied prematurely by the BUWOG Group:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for BUWOG
Changes to standards and interpretations			
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	6 May 2014 (24 November 2015)	1 May 2016
IAS 16, 38	Clarification of Acceptable Methods of Depreciation and Amortisation	12 May 2014 (2 December 2015)	1 May 2016
IAS 16, 41	Agriculture: Bearer Plants	30 June 2014 (23 November 2015)	1 May 2016

2.3 STANDARDS AND INTERPRETATIONS ANNOUNCED, BUT NOT YET ADOPTED BY THE EU

The following new or revised standards and interpretations had been announced by the balance sheet date, but have not yet been adopted by the EU and are therefore not applicable:

STANDARDS AND INTERPRETATIONS ANNOUNCED, BUT NOT YET ADOPTED BY THE EU

Standard	Content	Published by the IASB	Expected mandatory application for BUWOG
New standards and interpretations			
IFRS 9	Financial Instruments, amendments to IFRS 9 and IFRS 7, Mandatory Effective Date and Transition Disclosures, and amendments to IFRS 9, IFRS 7 and IAS 39, Hedge Accounting	24 July 2014	1 May 2018
IFRS 14	Regulatory Deferral Accounts	30 January 2014	1 May 2016
IFRS 15	Revenue from Contracts with Customers	28 May 2014	1 May 2018
Changes to standards and interpretations			
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and an Associate or Joint Venture	11 September 2014	1 May 2016
IAS 27	Equity Method in Separate Financial Statements	12 August 2014	1 May 2016
IFRS 10, IFRS 12, IAS 28	Investment Entities: Application of Consolidation Exemption	18 December 2014	1 May 2016
IAS 1	Disclosure Initiative	18 December 2014	1 May 2016
Various standards	Annual Improvements to IFRSs 2012 - 2014 Cycle	25 September 2014	1 May 2016

2.4 CHANGE IN COMPARATIVE INFORMATION

A change in internal reporting (see below) led to adjustments between two sub-positions under rental income (residential rental income and other rental income) and between expenses directly related to investment property and operating expenses and expenses from third party property management. With regard to the sub-positions under rental income, the adjusted values for the second quarter of the 2014/15 financial year are presented for comparative purposes:

CONSOLIDATED INCOME STATEMENT

in TEUR	H1 2014/15		H1 2014/15
	Reported	Adjustments	Adjusted
Rental income			
Residential rental income	82,114.8	-1,308.7	80,806.1
Other rental income	3,075.6	1,308.7	4,384.3
Results of Asset Management			
Expenses directly related to investment property	-25,750.8	-1,777.0	-27,527.8
Operating expenses and expenses from third party property management	-50,456.2	1,777.0	-48,679.2

The initial application of IFRIC 21 led to an increase of TEUR 3,531.5 in trade and other receivables (Other non-financial receivables – Accrued property taxes) and trade and other liabilities (Other non-financial liabilities – Tax and other public authorities). In addition, (accrued) liabilities of TEUR 13,033.7, which were previously reported under current provisions, were reclassified to trade and other liabilities (Other financial liabilities – Miscellaneous). In addition, accruals of TEUR 2.099.0 that were previously recorded under tax liabilities were reclassified to provisions.

CONSOLIDATED BALANCE SHEET

in TEUR	30 April 2015		30 April 2015
	Reported	Adjustments	Adjusted
Current assets			
Trade and other receivables	143,639.9	3,531.5	147,171.4
Current liabilities			
Trade and other liabilities	212,148.0	16,565.2	228,713.2
Tax liabilities	33,055.8	-2,099.0	30,956.8
Provisions	20,629.3	-10,934.7	9,694.6

Following a change in internal reporting, the following amounts from the first quarter of 2014/15 were reclassified in the segment reporting to improve comparability with the reporting period:

- Germany segment: the administrative expenses that cannot be charged to tenants, which were previously reported under operating expenses and expenses from third party property management, were reclassified to expenses directly related to investment property. Rental income was also reclassified in the Germany segment (between residential rental income and other rental income). This also led to adjustments under these items on the income statement (see above).
- Austria segment: the expenses for central services, which were previously allocated to this segment and reported under other not directly attributable expenses, were reclassified to the column "Holding company/Transition to consolidated financial statements".

SEGMENT REPORTING

in TEUR	H1 2014/15		H1 2014/15
	Reported	Adjustments	Adjusted
Segment Austria			
Other not directly attributable expenses	-7,333.2	3,980.7	-3,352.5
Segment Germany			
Residential rental income	40,356.5	-1,308.7	39,047.8
Other rental income	520.9	1,308.7	1,829.6
Expenses directly related to investment property	-13,654.3	-1,777.0	-15,431.3
Operating expenses and expenses from third party property management	-25,221.9	1,777.0	-23,444.9
Holding company/Transition to consolidated financial statements			
Other not directly attributable expenses	-2,074.4	-3,980.7	-6,055.1

3. SCOPE OF CONSOLIDATION

In addition to BUWOG AG, these consolidated interim financial statements include 34 domestic and 83 foreign companies in which BUWOG Group directly or indirectly holds the majority of voting rights or can exercise legal or actual control.

3.1 DEVELOPMENT OF THE SCOPE OF CONSOLIDATION

The following table shows the changes in the scope of consolidation for the BUWOG Group during the first half of 2015/16:

Scope of consolidation	Full consolidation
Balance on 30 April 2015	111
Initially included	7
Balance on 31 October 2015	118

3.2 INITIAL CONSOLIDATIONS

The following subsidiaries were initially consolidated during the first half of 2015/16:

Segment	Country	Head- quarters	Company	Direct stake	Consolidation date
Founding/acquisition of companies without businesses					
Germany	DE	Berlin	aptus Heidestraße GmbH	100.00%	31 July 2015
Austria	AT	Vienna	BUWOG Deutschland II GmbH	100.00%	31 August 2015
Austria	AT	Vienna	asperm Seestadt U-Bahnquartier Baufeld 1 Holding GmbH	99.98%	30 September 2015
Austria	AT	Vienna	asperm Seestadt U-Bahnquartier Baufeld 1 Entwicklungs-GmbH	99.98%	30 September 2015
Germany	DE	Kiel	BUWOG Flensburg Umland GmbH	100.00%	30 September 2015
Germany	DE	Kiel	BUWOG Hamburg-Süd GmbH	100.00%	31 October 2015
Germany	DE	Kiel	BUWOG Kiel Meimersdorf GmbH	100.00%	31 October 2015

4. SEGMENT REPORTING

The reportable segments of the BUWOG Group are classified according to regional criteria based on the location of the properties. With regard to the changes in comparative information for segment reporting, see section 2.4 Changes in comparative information.

SEGMENTS

in TEUR	Austria		Germany	
	H1 2015/16	H1 2014/15 ¹⁾	H1 2015/16	H1 2014/15 ¹⁾
Residential rental income	41,575.0	41,758.3	51,720.9	39,047.8
Other rental income	3,110.3	2,554.7	2,719.7	1,829.6
Rental income	44,685.3	44,313.0	54,440.6	40,877.4
Operating costs charged to tenants and third party property management revenues	24,064.8	25,120.7	30,722.7	25,636.7
Other revenues	36.1	558.8	49.8	389.9
Revenues	68,786.2	69,992.5	85,213.1	66,904.0
Expenses directly related to investment property	-11,764.6	-12,096.5	-18,778.5	-15,431.3
Operating expenses and expenses from third party property management	-24,002.0	-25,234.3	-29,759.8	-23,444.9
Results of Asset Management	33,019.6	32,661.7	36,674.8	28,027.8
Sale of properties	74,957.1	49,053.3	838.5	0.0
Carrying amount of sold properties	-74,957.1	-49,053.3	-838.5	0.0
Other expenses from property sales	-1,969.2	-1,312.2	-34.4	-84.2
Revaluation of properties sold and available for sale	22,607.6	19,022.8	28.2	0.0
Results of Property Sales	20,638.4	17,710.6	-6.2	-84.2
Sale of real estate inventories	11,057.4	40,170.3	23,282.3	528.3
Cost of real estate inventories sold	-7,916.9	-30,251.7	-19,350.1	-314.9
Other expenses from sale of real estate inventories	50.8	-1,329.8	-2,387.5	-990.7
Other real estate development expenses	-2,220.6	-1,654.8	-1,915.1	-1,742.3
Revaluation of properties under construction	498.8	-15.4	0.0	0.0
Results of properties sold and available for sale	614.5	0.0	0.0	0.0
Results of Property Development	2,084.0	6,918.6	-370.4	-2,519.6
Other operating income	432.3	665.9	2,353.2	351.2
Other not directly attributable expenses	-2,238.7	-3,352.5	-4,483.4	-4,649.9
Results of operations	53,935.6	54,604.3	34,168.0	21,125.3
Revaluation of investment properties	37,946.2	12,221.9	75,363.9	22,937.2
Gain from a bargain purchase	0.0	0.0	0.0	3,615.9
Other revaluation results	37,946.2	12,221.9	75,363.9	26,553.1
Operating profit (EBIT)	91,881.8	66,826.2	109,531.9	47,678.4
Financial results				
Earnings before tax (EBT)				
Income tax expenses				
Deferred tax income/expenses				
Net profit				
Investments in non-current segment assets	16,419.5	11,848.2	5,804.8	3,574.4
	31 October 2015	30 April 2015	31 October 2015	30 April 2015
Investment properties	2,126,777.7	2,128,519.0	1,569,632.4	1,492,243.6
Investment properties under construction	22,217.1	14,578.0	0.0	0.0
Other tangible assets	6,273.9	6,698.6	690.4	702.8
Non-current segment assets	2,155,268.7	2,149,795.6	1,570,322.8	1,492,946.4
Non-current assets held for sale	250.0	5,090.0	0.0	759.6
Inventories	140,054.5	119,368.6	101,093.1	78,204.2
Current segment assets	140,304.5	124,458.6	101,093.1	78,963.8
Segment assets	2,295,573.2	2,274,254.2	1,671,415.9	1,571,910.2

1) The comparable prior year figures were adjusted (see section 2.4).

Total reportable segments		Holding company/Transition to consolidated financial statements		BUWOG Group	
H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15 ³⁾	H1 2015/16	H1 2014/15 ³⁾
93,295.9	80,806.1	0.0	0.0	93,295.9	80,806.1
5,830.0	4,384.3	0.0	0.0	5,830.0	4,384.3
99,125.9	85,190.4	0.0	0.0	99,125.9	85,190.4
54,787.5	50,757.4	0.0	0.0	54,787.5	50,757.4
85.9	948.7	0.0	0.0	85.9	948.7
153,999.3	136,896.5	0.0	0.0	153,999.3	136,896.5
-30,543.1	-27,527.8	0.0	0.0	-30,543.1	-27,527.8
-53,761.8	-48,679.2	0.0	0.0	-53,761.8	-48,679.2
69,694.4	60,689.5	0.0	0.0	69,694.4	60,689.5
75,795.6	49,053.3	0.0	0.0	75,795.6	49,053.3
-75,795.6	-49,053.3	0.0	0.0	-75,795.6	-49,053.3
-2,003.6	-1,396.4	0.0	0.0	-2,003.6	-1,396.4
22,635.8	19,022.8	0.0	0.0	22,635.8	19,022.8
20,632.2	17,626.4	0.0	0.0	20,632.2	17,626.4
34,339.7	40,698.6	0.0	0.0	34,339.7	40,698.6
-27,267.0	-30,566.6	0.0	0.0	-27,267.0	-30,566.6
-2,336.7	-2,320.5	0.0	0.0	-2,336.7	-2,320.5
-4,135.7	-3,397.1	0.0	0.0	-4,135.7	-3,397.1
498.8	-15.4	0.0	0.0	498.8	-15.4
614.5	0.0	0.0	0.0	614.5	0.0
1,713.6	4,399.0	0.0	0.0	1,713.6	4,399.0
2,785.5	1,017.1	2,448.4	2,609.5	5,233.9	3,626.6
-6,722.1	-8,002.4	-8,861.7	-6,055.1	-15,583.8	-14,057.5
88,103.6	75,729.6	-6,413.3	-3,445.6	81,690.3	72,284.0
113,310.1	35,159.1	0.0	0.0	113,310.1	35,159.1
0.0	3,615.9	0.0	0.0	0.0	3,615.9
113,310.1	38,775.0	0.0	0.0	113,310.1	38,775.0
201,413.7	114,504.6	-6,413.3	-3,445.6	195,000.4	111,059.0
				30,038.8	-82,357.3
				225,039.2	28,701.7
				-8,323.7	-8,501.7
				-39,295.2	386.5
				177,420.3	20,586.5
22,224.3	15,422.6	1.4	0.0	22,225.7	15,422.6
31 October 2015	30 April 2015	31 October 2015	30 April 2015	31 October 2015	30 April 2015
3,696,410.1	3,620,762.6	0.0	0.0	3,696,410.1	3,620,762.6
22,217.1	14,578.0	0.0	0.0	22,217.1	14,578.0
6,964.3	7,401.4	3.8	0.0	6,968.1	7,401.4
3,725,591.5	3,642,742.0	3.8	0.0	3,725,595.3	3,642,742.0
250.0	5,849.6	0.0	0.0	250.0	5,849.6
241,147.6	197,572.8	0.0	0.0	241,147.6	197,572.8
241,397.6	203,422.4	0.0	0.0	241,397.6	203,422.4
3,966,989.1	3,846,164.4	3.8	0.0	3,966,992.9	3,846,164.4

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1 EXPENSES DIRECTLY RELATED TO INVESTMENT PROPERTY

in TEUR	H1 2015/16	H1 2014/15 ¹⁾
Maintenance	-16,731.8	-15,683.8
Other expenses from asset management	-4,914.8	-4,046.8
Operating costs charged to building owners	-3,468.1	-3,136.0
Vacancies	-1,988.9	-1,073.4
Write-off of receivables from asset management	-1,502.5	-774.9
Other expenses	-1,937.0	-2,812.9
Total	-30,543.1	-27,527.8

1) The comparable prior year figures were adjusted (see section 2.4).

5.2 OTHER OPERATING INCOME

in TEUR	H1 2015/16	H1 2014/15
Refund of property transfer tax	2,012.5	0.0
Guarantee commission	2,426.5	2,410.7
Gains/losses from deconsolidation	0.0	292.2
Miscellaneous	794.9	923.7
Total	5,233.9	3,626.6

5.3 OTHER NOT DIRECTLY ATTRIBUTABLE EXPENSES

in TEUR	H1 2015/16	H1 2014/15
Personnel expenses	-6,229.0	-4,335.1
Legal, auditing and consulting fees	-3,249.0	-2,847.8
IT and communications	-1,589.4	-1,254.7
Advertising and Marketing	-1,083.4	-1,155.1
Amortisation and depreciation	-873.4	-850.7
Cost of valuation reports	-310.8	-546.5
Guarantee commission related to acquisition of land	-245.5	-772.0
Miscellaneous	-2,003.3	-2,295.6
Total	-15,583.8	-14,057.5

5.4 REVALUATION OF PROPERTIES

The revaluation gains and losses are classified as follows:

in TEUR	Investment properties		Investment properties under construction		Properties sold and available for sale	
	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15
Revaluation gains	142,938.9	47,405.3	561.6	168.0	22,635.8	19,292.1
Impairment losses	-29,628.8	-12,246.2	-62.8	-183.4	0.0	-269.3
Total	113,310.1	35,159.1	498.8	-15.4	22,635.8	19,022.8

The revaluation gains are classified as follows by country:

in TEUR	Investment properties		Investment properties under construction		Properties sold and available for sale	
	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15
Austria	65,447.4	21,277.8	561.6	168.0	22,607.6	19,292.1
Germany	77,491.5	26,127.5	0.0	0.0	28.2	0.0
Total	142,938.9	47,405.3	561.6	168.0	22,635.8	19,292.1

The revaluation losses are classified as follows by country:

in TEUR	Investment properties		Investment properties under construction		Properties sold and available for sale	
	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15	H1 2015/16	H1 2014/15
Austria	-27,501.2	-9,055.9	-62.8	-183.4	0.0	-269.3
Germany	-2,127.6	-3,190.3	0.0	0.0	0.0	0.0
Total	-29,628.8	-12,246.2	-62.8	-183.4	0.0	-269.3

The fair value of the standing investments as of 31 October 2015 was determined by an independent external appraiser (CBRE).

5.5 FINANCIAL RESULTS

in TEUR	H1 2015/16	H1 2014/15
Financing costs	-25,465.7	-26,543.6
Financing income	548.3	2,859.2
Valuation of derivative financial instruments	16,228.6	-17,444.5
Valuation of financial instruments at fair value through profit or loss (fair value option)	41,676.8	-40,707.8
Other	-2,949.2	-520.6
Other financial results	54,956.2	-58,672.9
Total	30,038.8	-82,357.3

The non-cash results from the measurement of derivatives included under other financial results and the non-cash valuation results from financial instruments carried at fair value through profit or loss (fair value option) are attributable to the different development of the underlying interest rate curves in the first half of 2015/16 and the comparable prior year period.

5.6 INCOME TAXES

This item includes income taxes paid or owed by Group companies as well as provisions for deferred taxes.

in TEUR	H1 2015/16	H1 2014/15
Income tax expenses	-8,323.7	-8,501.7
Deferred tax income/expenses	-39,295.2	386.5
Total	-47,618.9	-8,115.2

5.7 EARNINGS PER SHARE

	H1 2015/16	H1 2014/15
Weighted average number of shares (basic)	99,613,479	99,613,479
Diluting effect share options	207,973	0
Weighted average number of shares (diluted)	99,821,452	99,613,479
Net profit excl. non-controlling interests in EUR	175,836,400	20,311,900
Basic earnings per share in EUR	1.77	0.20
Diluted earnings per share in EUR	1.76	0.20

6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION

The following table shows the development of the fair value of investment properties and investment properties under construction:

in TEUR	Investment properties	Investment properties under construction
Balance on 1 May 2015	3,620,762.6	14,578.0
Additions	14,777.7	7,272.6
Disposals	-69,963.5	0.0
Revaluation	136,077.3	498.8
Reclassification	-3,647.1	-132.3
Reclassification IFRS 5	-1,596.9	0.0
Balance on 31 October 2015	3,696,410.1	22,217.1

Details on revaluation results are provided in section 5.4 Revaluation of properties.

6.2 TRADE AND OTHER RECEIVABLES

in TEUR	31 October 2015	Thereof remaining term under 1 year	Thereof remaining term over 1 year	30 April 2015 ¹⁾
Trade accounts receivable				
Rents receivable	3,592.8	3,592.8	0.0	3,366.9
Miscellaneous	3,094.6	2,696.8	397.8	3,919.4
Total trade accounts receivable	6,687.4	6,289.6	397.8	7,286.3
Other financial receivables				
Restricted funds	25,871.9	25,871.9	0.0	24,809.3
Outstanding purchase price receivables – sale of properties	63,201.9	63,201.9	0.0	84,777.4
Miscellaneous	25,324.7	21,952.4	3,372.3	29,258.0
Total other financial receivables	114,398.5	111,026.2	3,372.3	138,844.7
Other non-financial receivables				
Tax authorities	1,701.1	1,701.1	0.0	898.7
Prepayments made for land purchases	5,614.4	5,614.4	0.0	0.0
Accrued property taxes	914.8	914.8	0.0	3,531.5
Total other non-financial receivables	8,230.3	8,230.3	0.0	4,430.2
Total	129,316.2	125,546.1	3,770.1	150,561.2

¹⁾ The comparable prior year figures were adjusted (see section 2.4).

Miscellaneous other financial receivables include TEUR 17,546.1 (30 April 2015: TEUR 20,181.6) of receivables due from IMMOFINANZ Group. This amount also includes a receivable for the final settlement payment resulting from the dissolution of the tax group with IMMOFINANZ AG.

6.3 EQUITY

These consolidated interim financial statements include compensation costs of TEUR 336,4 for the fair value of share options granted in connection with the Long-Term Incentive Programme 2014, which were charged to the capital reserves.

6.4 FINANCIAL LIABILITIES

The following table shows the composition and remaining term of the financial liabilities as of 31 October 2015:

in TEUR	31 October 2015	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2015
Amounts due to financial institutions	1,428,638.1	63,009.6	292,329.5	1,073,299.0	1,408,388.5
thereof secured by collateral	1,350,551.4	57,591.7	274,817.6	1,018,142.1	1,326,199.1
thereof not secured by collateral	78,086.7	5,417.9	17,511.9	55,156.9	82,189.4
Amounts due to local authorities	640,961.5	29,403.2	121,759.7	489,798.6	696,922.7
Other financial liabilities	113.5	97.3	16.2	0.0	113.0
Total	2,069,713.1	92,510.1	414,105.4	1,563,097.6	2,105,424.2

The major conditions of financial liabilities as of 31 October 2015 are as follows:

CONDITIONS OF FINANCIAL LIABILITIES

	Currency	Interest rate fixed/floating	Average interest rate	Nominal value of remaining liability in TEUR	Balance in TEUR
	EUR	fixed	2.65%	202,222.2	
	EUR	floating	1.33%	1,272,017.7	
Total amounts due to financial institutions				1,474,239.9	1,428,638.1
Liabilities with local authorities	EUR	fixed	1.44%	686,062.0	640,961.5
Other					113.5
Total					2,069,713.1

6.5 TRADE AND OTHER LIABILITIES

in TEUR	31 October 2015	Thereof remaining term under 1 year	Thereof remaining term over 1 year	30 April 2015 ¹⁾
Trade liabilities	31,955.7	31,921.4	34.3	23,469.8
Other financial liabilities				
Fair value of derivative financial instruments (liabilities)	54,302.7	0.0	54,302.7	70,531.2
Property management	1,731.0	1,731.0	0.0	2,502.1
Deposits and guarantees received	25,601.2	25,601.2	0.0	24,296.2
Maintenance and improvement amounts received	32,996.4	7,571.0	25,425.4	30,159.9
Outstanding purchase prices (share deals)	2,350.7	2,350.7	0.0	2,271.2
Liabilities from financial contributions	106,259.7	106,259.7	0.0	107,958.7
Miscellaneous	53,772.7	30,614.8	23,157.9	49,812.8
Total other financial liabilities	277,014.4	174,128.4	102,886.0	287,532.1
Other non-financial liabilities				
Tax and other public authorities	7,720.0	7,720.0	0.0	9,977.3
Prepayments received on apartment sales	24,526.2	24,526.2	0.0	14,506.5
Prepayments received for rents and operating costs	9,699.7	9,699.7	0.0	8,284.0
Total other non-financial liabilities	41,945.9	41,945.9	0.0	32,767.8
Total	350,916.0	247,995.7	102,920.3	343,769.7

1) The comparable prior year figures were adjusted (see section 2.4).

Miscellaneous other financial liabilities with a remaining term of less than one year included TEUR 0.0 due to IMMOFINANZ Group as of 31 October 2015 (30 April 2015: TEUR 31.5).

6.6 INFORMATION ON FINANCIAL INSTRUMENTS

6.6.1 Classification of financial instruments by IAS 39 categories

in TEUR

ASSETS	FA@FV/P&L			L&R	Non-FI	Carrying amount on 31 October 2015	Fair value on 31 October 2015
	AFS	Fair value option	HFT				
	Fair value not recognised in profit or loss	Fair value recognised in profit or loss	Fair value recognised in profit or loss				
Trade and other receivables	0.0	0.0	0.0	121,085.9	8,230.3	129,316.2	129,316.2
Trade accounts receivable	0.0	0.0	0.0	6,687.4	0.0	6,687.4	6,687.4
Other receivables	0.0	0.0	0.0	114,398.5	8,230.3	122,628.8	122,628.8
Other financial assets	2.1	10,350.2	0.0	8,787.7	0.0	19,140.0	22,317.7
Securities	2.1	0.0	0.0	0.0	0.0	2.1	2.1
Originated loans	0.0	10,350.2	0.0	8,787.7	0.0	19,137.9	22,315.6
Cash and cash equivalents	0.0	0.0	0.0	173,442.4	0.0	173,442.4	173,442.4
TOTAL ASSETS	2.1	10,350.2	0.0	303,316.0	8,230.3	321,898.6	325,076.3

LIABILITIES	FL@FV/P&L		FLAC	Non-FI	Carrying amount on 31 October 2015	Fair value on 31 October 2015
	Fair value option	HFT				
	Fair value recognised in profit or loss	Fair value recognised in profit or loss				
Amortised cost				Not within the scope of IFRS 7 ¹⁾		
Financial liabilities	709,375.9	0.0	1,360,337.2	0.0	2,069,713.1	2,111,027.8
Amounts due to financial institutions	100,234.2	0.0	1,328,403.9	0.0	1,428,638.1	1,468,396.0
Other financial liabilities	609,141.7	0.0	31,933.3	0.0	641,075.0	642,631.8
Trade and other liabilities	0.0	54,302.7	254,667.4	41,945.9	350,916.0	350,916.0
Trade liabilities	0.0	0.0	31,955.7	0.0	31,955.7	31,955.7
Derivatives	0.0	54,302.7	0.0	0.0	54,302.7	54,302.7
Miscellaneous other liabilities	0.0	0.0	222,711.7	41,945.9	264,657.6	264,657.6
Financial liabilities held for sale	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	709,375.9	54,302.7	1,615,004.6	41,945.9	2,420,629.1	2,461,943.8

AFS: available for sale

FA@FV/P&L: financial assets at fair value through profit or loss

FL@FV/P&L: financial liabilities at fair value through profit or loss

HFT: held for trading

L&R: loans and receivables

FLAC: financial liabilities measured at amortised cost

Non-FI: non-financial assets/liabilities

Classification of financial instruments by IAS 39 categories – previous year

in TEUR

	FA@FV/P&L		L&R	Non-FI	Carrying amount on 30 April 2015 ¹⁾	Fair value on 30 April 2015
	AFS	Fair value option				
	Fair value not recognised in profit or loss	Fair value recognised in profit or loss				
ASSETS						
Trade and other receivables	0.0	0.0	146,131.0	4,430.2	150,561.2	150,561.2
Trade accounts receivable	0.0	0.0	7,286.3	0.0	7,286.3	7,286.3
Other receivables	0.0	0.0	138,844.7	4,430.2	143,274.9	143,274.9
Other financial assets	1.5	9,565.9	9,295.4	0.0	18,862.8	23,114.3
Securities	1.5	0.0	0.0	0.0	1.5	1.5
Originated loans	0.0	9,565.9	9,295.4	0.0	18,861.3	23,112.8
Cash and cash equivalents	0.0	0.0	149,153.2	0.0	149,153.2	149,153.2
TOTAL ASSETS	1.5	9,565.9	304,579.6	4,430.2	318,577.2	322,828.7

	FL@FV/P&L		FLAC	Non-FI	Carrying amount on 30 April 2015 ¹⁾	Fair value on 30 April 2015
	Fair value option	HFT				
	Fair value recognised in profit or loss	Fair value recognised in profit or loss				
LIABILITIES						
Financial liabilities	776,985.7	0.0	1,328,438.5	0.0	2,105,424.2	2,127,198.8
Amounts due to financial institutions	107,108.7	0.0	1,301,279.8	0.0	1,408,388.5	1,428,160.2
Other financial liabilities	669,877.0	0.0	27,158.7	0.0	697,035.7	699,038.6
Trade and other liabilities	0.0	70,531.2	240,470.7	32,767.8	343,769.7	343,769.7
Trade liabilities	0.0	0.0	23,469.8	0.0	23,469.8	23,469.8
Derivatives	0.0	70,531.2	0.0	0.0	70,531.2	70,531.2
Miscellaneous other liabilities	0.0	0.0	217,000.9	32,767.8	249,768.7	249,768.7
Financial liabilities held for sale	169.9	0.0	188.2	0.0	358.1	358.1
TOTAL LIABILITIES	777,155.6	70,531.2	1,569,097.4	32,767.8	2,449,552.0	2,471,326.6

AFS: available for sale
FA@FV/P&L: financial assets at fair value through profit or loss
FL@FV/P&L: financial liabilities at fair value through profit or loss
HFT: held for trading
L&R: loans and receivables
FLAC: financial liabilities measured at amortised cost
Non-FI: non-financial assets/liabilities

¹⁾ The comparable prior year figures were adjusted (see section 2.4).

The fair values were determined on the basis of recognised valuation methods. Additional information is provided in the consolidated financial statements as of 30 April 2015.

6.6.2 Hierarchy of fair values of financial instruments

in TEUR

31 October 2015	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Securities	0.0	0.0	2.1	2.1
Financial assets at fair value through profit or loss				
Fair value option				
Originated loans	0.0	0.0	10,350.2	10,350.2
Financial liabilities at fair value through profit or loss				
Fair value option				
Amounts due to financial institutions	0.0	0.0	100,234.2	100,234.2
Other financial liabilities	0.0	0.0	609,141.7	609,141.7
Held for trading				
Derivatives	0.0	54,302.7	0.0	54,302.7

Hierarchy of fair values of financial instruments – previous year

in TEUR

30 April 2015	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Securities	0.0	0.0	1.5	1.5
Financial assets at fair value through profit or loss				
Fair value option				
Originated loans	0.0	0.0	9,565.9	9,565.9
Financial liabilities at fair value through profit or loss				
Fair value option				
Amounts due to financial institutions	0.0	0.0	107,108.7	107,108.7
Other financial liabilities	0.0	0.0	669,877.0	669,877.0
Financial liabilities held for sale	0.0	0.0	169.9	169.9
Held for trading				
Derivatives	0.0	70,531.2	0.0	70,531.2

The following table shows the reconciliation of the opening and closing balances on 31 October 2015 for the financial instruments classified under level 3.

RECONCILIATION OF THE FINANCIAL INSTRUMENTS CLASSIFIED UNDER LEVEL 3

in TEUR	Securities	Originated loans	Financial liabilities	Financial liabilities held for sale
Balance on 1 May 2015	1.5	9,565.9	-776,985.7	-169.9
Recognised in profit or loss	0.0	-1,511.3	43,188.1	0.0
Additions/disposals	0.6	2,295.6	24,421.7	169.9
Balance on 31 October 2015	2.1	10,350.2	-709,375.9	0.0

A change in the market interest rate influences the valuation of originated loans, interest rate derivatives and financial liabilities that are associated with property subsidies and recognised at fair value. Net present value methods based on the DCF model, which are also used to value derivatives and financial liabilities, determine fair value by discounting future cash flows with current interest rate curves. Rising interest rates result in a higher discount factor and a reduction in the negative present value of the derivatives or financial liabilities. Additional information is presented in the consolidated financial statements as of 30 April 2015.

The following table shows the market values and conditions of all derivative financial instruments purchased to hedge interest rate risk and held as of 31 October 2015:

DERIVATIVES

	Variable element	Fair value as of 31 October 2015 in EUR	Reference value as of 31 October 2015 in EUR	Fixed in- terest rate in %	Maturity
Interest rate of 0.5%-3%					
Interest rate swap (Berlin Hyp)	3-M-Euribor	-1,803,933	195,397,574	0.72	30 April 2024
Interest rate swap (Helaba)	3-M-Euribor	-1,854,483	188,789,926	0.72	30 April 2024
Interest rate swap (Bank Austria)	3-M-Euribor	-1,365,897	104,055,000	0.84	28 February 2025
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-2,608,924	132,975,000	0.99	2 January 2025
Interest rate swap (HVB)	3-M-Euribor	-694,432	16,777,000	1.03	30 April 2021
Interest rate swap (HVB)	3-M-Euribor	-1,493,954	30,769,400	1.17	31 January 2023
Interest rate swap (Deka Bank)	3-M-Euribor	-234,289	3,760,000	1.39	31 December 2021
Interest rate swap (Deka Bank)	3-M-Euribor	-1,297,587	20,823,000	1.39	31 December 2021
Interest rate swap (LBB)	3-M-Euribor	-1,525,425	13,417,400	2.13	29 September 2023
Interest rate swap (HVB)	6-M-Euribor	-2,949,623	21,500,000	2.50	31 December 2036
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-3,969,070	27,405,594	2.51	30 November 2036
Interest rate swap (Bank Austria)	6-M-Euribor	-3,327,989	22,837,995	2.51	30 November 2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-4,093,897	27,405,594	2.54	30 November 2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-1,705,535	11,625,000	2.85	31 December 2030
Interest rate swap (BAWAG)	6-M-Euribor	-3,239,975	15,091,000	2.99	30 September 2039
Number of derivatives: 15		-32,165,014	832,629,483		
Interest rate of 3%-4.5%					
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-1,605,465	7,876,000	3.01	30 September 2039
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-4,379,584	24,579,000	3.09	30 September 2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-8,413,868	46,839,000	3.11	30 September 2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-4,627,656	25,762,000	3.11	30 September 2031
Number of derivatives: 4		-19,026,574	105,056,000		
Interest rate above 4.5%					
Interest rate swap (Hypothesenbank Frankfurt)	6-M-Euribor	-3,111,114	25,270,000	4.58	30 June 2018
Number of derivatives: 1		-3,111,114	25,270,000		
Total derivatives: 20		-54,302,701	962,955,483	1.43	

The following discount rates were used to value financial liabilities and originated loans:

DISCOUNT RATES

in %	BUWOG Group excl. DGAG portfolio	DGAG portfolio
	31 October 2015	31 October 2015
Up to 30 April 2017	0.254%	1.750%
Up to 30 April 2018	0.377%	1.753%
Up to 30 April 2020	0.909%	1.925%
Up to 30 April 2022	1.274%	2.184%
Up to 30 April 2024	2.130%	2.451%
Up to 30 April 2027	2.736%	2.681%
Up to 30 April 2033	3.112%	3.057%
As of 1 May 2033	3.277%	3.222%

7. TRANSACTIONS WITH RELATED PARTIES

The Chairman of the Supervisory Board, Vitus Eckert, is a shareholder in the law firm of Eckert Fries Prokopp Rechtsanwälte GmbH, Baden near Vienna. This law firm charged fees of EUR 13,002.69 for legal advice to BUWOG Group companies in the first half of 2015/16. The terms of these fees, especially the hourly rates, reflect standard market conditions.

Information on the de-domination agreement and other service relationships with IMMOFINANZ AG is provided in the consolidated financial statements as of 30 April 2015. The receivables and liabilities due from/to member companies of IMMOFINANZ Group are shown in sections 6.2 Trade and other receivables and 6.5 Trade and other liabilities.

8. SUBSEQUENT EVENTS AFTER 31 OCTOBER 2015

The Supervisory Board of BUWOG AG appointed Andreas Segal to the Executive Board as of 1 January 2016, where he will assume the positions of Chief Financial Officer (CFO) and Deputy CEO. Andreas Segal succeeds the previous CFO Ronald Roos, who resigned from the Executive Board of BUWOG AG on 9 December 2015.

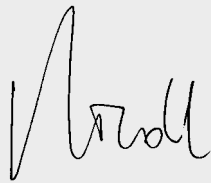
The BUWOG Group acquired an approx. 60,000 sqm site in Berlin (Schöneweide, Treptow-Köpenick District) during November. Plans call for the construction of an urban quarter with up to 800 housing units at this location.

STATEMENT BY THE EXECUTIVE BOARD

We confirm to the best of our knowledge that these consolidated interim financial statements as of 31 October 2015, which were prepared in accordance with the rules for interim financial reporting defined by International Financial Reporting Standards (IFRS) as adopted by the European Union, provide a true and fair view of the asset, financial and earnings position of the BUWOG Group. Furthermore, we confirm that the group management report provides a true and fair view of the development of business as well as the results of operations and position of the BUWOG Group during the first six months of the financial year and the principal opportunities and risks for the expected development of the BUWOG Group during the remainder of the financial year.

Vienna, 21 December 2015

The Executive Board of BUWOG AG



Daniel Riedl, CEO



Herwig Teufelsdorfer, COO

IMPRINT

BUWOG AG
Hietzinger Kai 131
1130 Vienna, Austria

Tel.: +43 (0)1/878 28-1130
Fax: +43 (0)1/878 28-5299
www.buwog.com
office@buwog.com

Consulting, Concept and Design

Mensalia Unternehmensberatungs GmbH, www.mensalia.at

Published with ns.publish by Multimedia Solutions AG, Zurich

Photos

BUWOG Group, Klemens Horvath (page: 5), Stephan Huger (pages: 1, 6/7, 41, 42), Martina Draper (page: 40)

Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. Automatic data processing can lead to apparent mathematical errors in the rounding of numbers or percentage rates. This report is published in German and English, and can be downloaded from the investor relations section of the BUWOG website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in BUWOG AG.