

Ad hoc announcement

BUWOG AG / Issue of Debt

BUWOG AG: Launch of a EUR 300 million 5-year Convertible Bond Offering

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BUWOG AG: Launch of a EUR 300 million 5-year Convertible Bond Offering

06.09.2016

The Management Board of BUWOG AG ("**BUWOG**" or the "**Company**") resolved today, with the consent of the Supervisory Board, to launch an offering of senior unsecured convertible bonds due 2021 (the "**Bonds**"), in an aggregate nominal amount of EUR 300 million (the "**Offering**") and a denomination of EUR 100,000 each. The Bonds will be convertible into no-par value bearer shares of BUWOG (the "**Shares**"). Pre-emptive rights of existing shareholders of BUWOG to subscribe to the Bonds have been excluded.

With this transaction, BUWOG seeks to diversify its sources of funding. The net proceeds from the issuance of the Bonds will be mainly used for growth programmes with a particular focus on expanding BUWOG's activities in the business areas Asset Management and Development in Germany. BUWOG in particular intends to strengthen its develop to hold strategy. The remainder will be used for potential refinancing measures, capex programmes and general corporate purposes.

Following the issuance of the Bonds, BUWOG's LTV will remain within its previously communicated target range and will not exceed 50%.

The Bonds will have a maturity of 5 years and will be issued and redeemed at 100% of their principal amount. The Bonds will be offered with a coupon between 0.00% and 0.25% per annum, payable semi-annually in arrear, and a conversion premium between 27.50% and 35.00% above the reference share price, being the volume-weighted average price of the Shares on the Vienna Stock Exchange between launch and pricing of the Offering. Pricing is expected to take place today following an accelerated bookbuilding process with settlement on or around September 09, 2016.

BUWOG intends to apply for the Bonds to be admitted to trading on the unregulated Third Market (MTF) of the Vienna Stock Exchange within 30 days after the closing and settlement date.

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

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

About BUWOG Group

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

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The date of admission of the convertible bonds and the shares issued upon conversion to trading may be influenced by things such as market conditions. There is no guarantee that admission will occur and you should not base your financial decisions on BUWOG AG's intentions in relation to admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the convertible bond offering. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the convertible bonds offering for the person concerned.

Goldman Sachs International is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom.

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End of Announcement
