

Vienna, 25 September 2018

BUWOG AG: Results for the first three months of the abbreviated 2018 financial year

- **Recurring FFO totals EUR 34.1 million**
- **Increase in EPRA NAV per share to EUR 26.75**
- **49% increase in apartments under construction (2,509 units)**
- **Expansion of new development pipeline to 12,102 units in Berlin, Vienna and Hamburg**

The residential property specialist BUWOG AG, in which the German Vonovia SE holds an investment of over 90%, is now looking back on the first quarter of the abbreviated 2018 financial year. This reflects a decision by the Extraordinary General Meeting of BUWOG AG on 4 May 2018 to convert the financial year to the calendar year.

Recurring FFO, the most important indicator for BUWOG, fell by roughly 19% year-on-year to EUR 34.1 million. The decline resulted, above all, from a lower earnings contribution by Property Development which was caused by the purchase of additional sites and related up-front project costs as well as fewer completions than in the first quarter of 2017/18. This decrease is contrasted by a nearly unchanged, strong contribution from Asset Management and by a higher earnings contribution from Property Sales.

The EPRA Net Asset Value, which primarily illustrates the sustainable asset positions, has improved from EUR 26.32 per share to EUR 26.75 per share since 30 April 2018. In addition, the equity ratio rose by 0.4 percentage points to 53.3%. The average interest rate on financial liabilities was somewhat lower at 2.02% (30 April 2018: 2.06%), while the loan-to-value ratio remains low despite a slight increase of 0.6 percentage points to 33.4%.

The earnings contribution by Asset Management totalled EUR 38.4 million in the first quarter of 2018A and reflected the high prior year level (Q1 2017/18: EUR 38.5 million). The monthly net in-place rent per square metre improved by 4.0% to EUR 5.41, with like-for-like rental growth amounting to 3.1%. The gross rental yield equalled 5.0% and the vacancy rate declined by 0.1 percentage points to 3.5% (2.3% excl. vacancies required for unit sales). The fair value of the standing investments rose by 9.1% year-on-year to approximately EUR 4.3 billion. As of 31 July 2018, the BUWOG Group's property portfolio covered 49,331 units, which represents a slight increase of 0.3% over the level on 31 July 2017.

Earnings in the Property Sales business area rose by 3.0% to EUR 16.3 million in the first quarter of 2018A. These results were supported, in particular, by an increase of 13.3% in Unit Sales at a higher margin of 65% on fair value. There were no Block Sales during the reporting period. The Unit Sales and Block Sales clusters have 13,245 units in total with a fair value of approximately EUR 1.5 billion.

The Property Development business area, which clearly distinguishes BUWOG from its competitors, recorded a lower earnings contribution of EUR 5.8 million, as mentioned above, in the first quarter of 2018A (Q1 2017/18: EUR 17.5 million). However, BUWOG significantly expanded the number of units under construction: 2,509 units were in development as of 31 July 2018, which represents an increase of approx. 49% over the first quarter of 2017/18. The project pipeline contained 12,102 units as of that same date.

Daniel Riedl, CEO of BUWOG AG, commented on the first quarter results as follows: "With our strong development pipeline of 12,102 units and a year-on-year increase of 49% in the number of units under construction as of 31 July 2018, BUWOG's Property Development business area is right on target in spite of these weaker first-quarter results. We also recorded constant, strong earnings from Asset Management and higher earnings from Property Sales."

The report by BUWOG AG on the first quarter of the abbreviated 2018 financial year is now available for download on the company's website under <https://www.buwog.com/en/investor-relations/financial-reports>.

Key Data

Earnings data		Q1 2018R	Q1 2017/18*	Change
Net cold rent	in EUR mill.	53.6	51.7	3.5%
Results of Asset Management	in EUR mill.	38.4	38.5	-0.2%
Results of Property Sales	in EUR mill.	16.3	15.8	3.0%
Results of Property Development	in EUR mill.	5.8	17.5	-66.7%
EBITDA	in EUR mill.	47.7	62.8	-24.0%
Financial results	In EUR million	-15.5	-23.0	32.7%
Net profit	in EUR mill.	22.7	29.8	-23.6%
Recurring FFO	in EUR mill.	34.1	42.1	-19.1%
Recurring FFO per share	in EUR	0.27	0.39	-29.8%

Asset and financial data		31 July 2018	30 April 2018*	Change
Balance sheet total	in EUR mill.	5,542.2	5,491.5	0.9%
Loan to value (LTV)	%	33.4%	32.8%	0.6 PP
EPRA Net Asset Value	in EUR mill.	3,321.6	3,268.1	1.6%

Share data		31 July 2018	30 April 2018*	Change
Share price	in EUR	29.00	29.04	-0.1%
EPRA Net Asset Value per share	in EUR	26.75	26.32	1.6%

Key data on the property portfolio

Asset Management		31 July 2018	31 July 2017	Change
Number of units	Quantity	49,331	49,189	0.3%
Monthly net in-place rent	in EUR per sqm	5.41	5.20	4.0%
Vacancy rate	%	3.5%	3.6%	-0.1 PP
Fair value of standing investments	in EUR mill.	4,276	3,920	9.1%
Gross rental yield	%	5.0%	5.2%	-0.2 PP

Property Sales		Q1 2018R	Q1 2017/18	Change
Units sold	Quantity	222	432	-48.6%
thereof Unit Sales	Quantity	222	196	13.3%
thereof Block Sales	Quantity	0	236	-100.0%

Property Development		31 July 2018	31 July 2017	Change
Units under construction	Quantity	2,509	1,680	49.3%
Total investment volume	in EUR mill.	3,532	2,926	20.7%
		Q1 2018R	Q1 2017/18	Change
Completed units	Quantity	26	133	-80.5%

*The comparative data were adjusted (see note 2.4 in the consolidated interim financial statements for Q1 2018A).

On the BUWOG Group

The BUWOG Group is the leading German-Austrian full-service provider in the residential property sector and can now look back on 67 years of experience. The property portfolio includes roughly 49,300 standing investment units in Germany and Austria. BUWOG covers the entire value chain in the residential sector with its three business areas: Asset Management, Property Sales and Property Development. The shares of BUWOG AG have been listed on the exchanges in Frankfurt am Main, Vienna and Warsaw since the end of April 2014. The principal shareholder of BUWOG AG is Vonovia SE, the leading residential property company in Germany, which is listed in the DAX 30.

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