Vienna, 19 April 2018

BUWOG AG: application of new IFRS 15 rules in Property Development starting in the 2018/19 financial year

- **Outlook for Recurring FFO of EUR 150 million for FY 2018/19 based on the previous accounting rules confirmed**
- **In addition – expected positive impact on Recurring FFO of around EUR 30 million as a result of the new regulations required for BUWOG**
- **At the same time, expected dilutive effect on Recurring FFO per share through the acquisition of around 12 million new BUWOG shares by majority shareholder Vonovia SE from the conversion of the convertible bond**

As laid out in detail in its Annual Report 2016/17, BUWOG Group will, on the basis of the for BUWOG Group mandatory new rules and regulations of IFRS 15, recognise sales of real estate inventories in its business area Property Development proportionally and period-based. Thus, revenues and costs of goods sold as well as contractual assets and liabilities will be recognised period-based and proportional to the duration of the respective project and its respective stage of completion (percentage-of-completion method).

For its financial year 2018/19, BUWOG Group expects a positive impact – merely accountingwise - on the Recurring FFO in the amount of approx. EUR 30mn in addition to its previously communicated outlook of EUR 150mn on the basis of the previously applicable accounting practice. At the same time, the company expects a dilutive effect on Recurring FFO per share to result from Vonovia's conversion of the convertible bond. Vonovia SE subscribed to 11,904,382 new BUWOG shares from the convertible bond on 19 April 2018.

Daniel Riedl, CEO of the BUWOG Group, explains: "The Property Development business area, which distinguishes BUWOG from its competitors significantly, is developing according to plan with steadily increasing contributions to FFO, high completion rates and a strong pipeline for new construction. As communicated on several occasions, we have been dealing with the required changes to the percentage-of-completion method for some time now. For example, in the past when customers purchased condominiums from us during the construction phase, at BUWOG the resulting revenues were only reported in the income statement after the completion of the project and transfer of the

condominium. Beginning with the 2018/19 financial year, these revenues will be recognised upon the signing of the contract and depending on the project's stage of completion. Thus in the accounting the presentation of the results from new construction will be different, but this will not change our development strategy or the liquidity which the company generates from development."

About the BUWOG Group

The BUWOG Group is the leading German-Austrian full-service provider in the residential property business and now looks back on 67 years of expertise. Its property portfolio encompasses more than 48,800 units and is located in Germany and Austria. In addition to Asset Management, the entire value chain of the residential sector is covered by Property Sales and Property Development. The shares of BUWOG AG have been listed on the stock exchanges in Frankfurt am Main, Vienna (ATX) and Warsaw since the end of April 2014.

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