

BUWOG GROUP

CONFERENCE CALL

9M 2014/15

A PROFITABLE
INVESTMENT

HIGHLIGHTS 9M 2014/15

**A PROFITABLE
INVESTMENT**

SNAPSHOT ON 9M 2014/15

Successful 9M 2014/15: Recurring FFO of EUR 71.3m
Further decline in average interest rate from 2.6% to 2.16%⁽¹⁾

<p>Highlights Asset Management</p>	<ul style="list-style-type: none"> – Result from Asset Management: EUR 95.6m – DGAG and Apollo contribution EUR 29.4m since July 2014 – Net rental yield of 5.6% – Increased annualised in-place rent of EUR 197m
<p>Highlights Property Sales</p>	<ul style="list-style-type: none"> – 9M result from Unit Sales exceeded previous year’s 9M result – 421 individual units sold at margin of 62% on fair value and a result of EUR 25.2m – 223 units sold in Block Sales at fair value margin of 26% and a result of EUR 2.8m
<p>Highlights Property Development</p>	<ul style="list-style-type: none"> – Result from Property Development of EUR 11.9m – Completion of 5 projects with 341 units in 9M 2014/15 – 690 units currently under construction, total development pipeline of EUR 1.4bn
<p>Financial result</p>	<ul style="list-style-type: none"> – Predominantly influenced by negative non-cash and one-off items of EUR -155.2m; these items are adjusted within the Recurring FFO calculation – Decline in average interest rate from 2.6% to 2.16%⁽¹⁾ with a positive FFO impact

Increase in forecast for Recurring FFO to approx. EUR 88-90m for FY2014/15

(1) From 30 April 2014 (incl DGAG and Apollo) to 31 January 2015

KEY FACTS AND FIGURES

9M 2014/15

Earning Data

Net cold rent	EUR m	134.9
Results of Asset Management	EUR m	95.6
Results of Property Sales	EUR m	28.0
Results of Property Development	EUR m	11.9
EBITDA adjusted ⁽¹⁾	EUR m	116.2
Revaluation result from Asset Management	EUR m	75.2
Financial result ⁽²⁾	EUR m	-189.4
Net profit / Earnings per share ⁽³⁾	EUR m / EUR	3.3 / 0.03
Recurring FFO / Recurring FFO per share ⁽³⁾	EUR m / EUR	71.3 / 0.72

31 January 2015

Asset and Financial Data

Balance Sheet Total	EUR m	4,176,3
Loan-to-value	%	50.8%
EPRA Net Asset Value / EPRA Net Asset Value per share ⁽³⁾	EUR m / EUR	1,726.7 / 17.33
Ø Interest rate on financial liabilities ⁽⁴⁾	%	2.16%
Ø Term of financial liabilities ⁽⁴⁾	Years	17.4
Dividend paid on 23 Oct 2014 / Dividend yield on EPRA NAV ⁽⁵⁾	EUR per share / %	0.69 / 4.0%

(1) Results of operations adjusted for valuation effects non-current assets held for sale (EUR-1.2m)

(2) Financial result characterised by negative valuation result of derivatives (approx. EUR -43m), financial liabilities (approx. EUR -96m) and convertible bond (approx. EUR-13m)

(3) Based on 99,613,479 shares

(4) Based on outstanding financial liabilities.

(5) EPRA NAV as of 31 January 2015

KEY FACTS AND FIGURES

31 January 2015

Property Data

Number of units		52,135
Austria		25,672
Germany		26,463
Annualised in-place rent ⁽¹⁾	EUR m	197
Vacancy rate	%	4.5%
Fair value ⁽²⁾	EUR m	3,550
Austria	EUR m	2,120
Germany	EUR m	1,430
Net rental yield ⁽³⁾	%	5.6%

31 January 2015

Corporate Events

Refinancing of the Convertible Bond

- Mortgage loans of EUR 330 million and average interest rate of around 1.8% on an average weighted term of 25.5 years signed with two leading Austrian banks
- Call option exercised on 2019 convertible bond with volume of EUR 260 million and coupon of 3.5%, effective per 19 January 2015

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

(2) Fair value was determined internally as of balance sheet date and the appraisals prepared by CBRE as of 31 October 2014. The valuation as of 30 April 2015 will be prepared as scheduled by CBRE.

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

BUWOG GROUP FINANCIAL STATEMENTS

**A REWARDING
INVESTMENT**

INCOME STATEMENT

Consolidated income statement (EURm)	FY 2013/14	9M 2014/15
Rental revenues	116.5	134.9
Results of Asset Management	75.9	① 95.6
Results of Property Sales	34.0	28.0
Results of Property Development	4.9	11.9
Other operating income	4.1	4.9
Expenses not directly attributable	-21.7	-23.0
Result of operations	97.3	117.4
Other revaluation results	43.4	② 78.8
EBIT	140.7	196.2
Financial result	③ -9.2	④ -189.4
EBT	131.5	6.7
Income tax expenses	⑤ -0.7	-13.0
Deferred tax expenses	-19.0	9.6
Net profit	111.8	3.3

Comments:

- ① Thereof result for 7 months from DGAG and Apollo acquisitions of EUR 29.4m
- ② Thereof EUR 75m from valuation of investment properties and EUR 3.8m bad-will of Apollo. The valuation result is mainly driven by yield compression, rental increase and successful unit sales
- ③ Thereof net financing costs of EUR 29m, net financing revenues of EUR 6m as well as positive valuation results of EUR 13m
- ④ Thereof cash interest expenses of EUR - 35m, non-cash revaluation result of EUR -139m (derivatives and financial liabilities) and expenses due to the refinancing of the convertible bond of EUR -14.7m and other non-cash items
- ⑤ Thereof income tax of EUR -13m and one-offs from spin-off of EUR 13m

BALANCE SHEET

Consolidated Balance Sheet (EURm)	30 Apr 14	31 Jan 15
Investment properties	① 2,631.6	① 3,647.0
Properties under construction	10.9	6.6
Other assets	29.1	41.5
Non-current assets	2,671.6	3,695.1
Non-current assets held for sale	15.0	31.9
Inventories	155.1	133.6
Other current assets	② 513.6	③ 315.6
Current assets	683.7	481.2
Total assets	3,355.3	4,176.3
Equity	1,552.1	1,486.9
Liabilities from convertible bond	247.9	④ 0.0
Financial liabilities	1,136.0	⑤ 2,118.4
Deferred tax liabilities	124.0	154.3
Other non-current liabilities	54.4	121.3
Other current liabilities	240.9	295.4
Total equity and liabilities	3,355.3	4,176.3

Comments:

- ① Represents fair value of portfolios; in 2014 excl. DGAG and Apollo and in 2013 incl. DGAG and Apollo
- ② Includes receivable from convertible bond of EUR 260m and cash & cash equivalents of EUR 133m
- ③ Thereof cash & cash equivalents of EUR 186m
- ④ Refinancing of the convertible bond with mortgage loans in Q3 2014/15 resulted in a decline of liabilities from convertible bond by EUR 248m and financial expenses of EUR -14.7m
- ⑤ Including bank loans of approx. EUR 1,427m, subsidised loans of approx. EUR 691m

FUNDS FROM OPERATION

FFO / Funds from Operations (EURm)	FY 2013/14	9M 2014/15
Net profit	① 111.8	① 3.3
Results of Property Sales	-34.0	-28.0
Other financial results	-13.3	② 155.2
Fair value adjustments of investment properties	-42.7	-75.2
Fair value adjustments of properties under construction	0.6	0.0
Impairment gains/losses	1.3	0.3
Deferred taxes	19.0	-9.6
Other	-1.9	-0.1
FFO	40.7	46.0
Unit Sales result	28.5	25.2
Recurring FFO	69.2	③ 71.3
Block Sales result ¹⁾	12.6	3.0
Total FFO	81.8	74.2
CAPEX	-6.3	-9.0
AFFO	75.5	65.2

(1) Excl. a valuation effect of EUR 0.2m from non-current assets held for sale

Comments:

- ① Net profit from consolidated income statement
- ② Main adjustments on the financial result include:
 - FV valuation results of derivatives EUR -43m and financial liabilities EUR -96m
 - Expenses from convertible bond:
 - one-offs in connection with the refinancing of the convertible bond (EUR -13.1m) and
 - other non-cash expenses of EUR -1.6m
 - Other non cash items (EUR -1.6m)
- ③ Positive development leads to increase of guidance to EUR 88m- EUR 90m for FY 2014/15

COMMENTS ON 9M 2014/15 PROPERTY SALES

Positive earnings & FFO contribution from Property Sales

Overview Property Sales in EUR million	Unit sales	Block sales	Total
Sales of Property	67.9	14.6	82.5
FV of sold properties	-40.9	-11.3	-52.1
Expenses from property sales	-1.9	-0.3	-2.2
FFO contribution	25.2	2.8	28.0
<i>Margin on fair value</i>	<i>62%</i>	<i>26%</i>	<i>54%</i>

- 421 units were sold through Unit Sales with a Recurring FFO contribution of approx. EUR 25.2m in 9M 2014/15
- 223 units were sold through Block Sales with a Total FFO contribution of approx. EUR 2.8m in 9M 2014/15

Positive cash flow from Property Sales

Cash Flow from Property Sales in EUR million	Unit sales	Block sales	Total
Sales of Property	67.9	14.6	82.5
Debt repayment	-13.8	-1.1	-14.9
Expenses from property sales	-1.9	-0.3	-2.2
CF from Unit Sales	52.2	13.2	65.4

- Within the business area Property Sales the Unit Sales business generated a positive cash flow of EUR 52.2m in 9M 2014/15
- The Block Sales business generated a positive cash flow of EUR 13.2m in 9M 2014/15
- **Contribution to Total FFO of EUR 28m despite freeing up cash of EUR 65.4m**

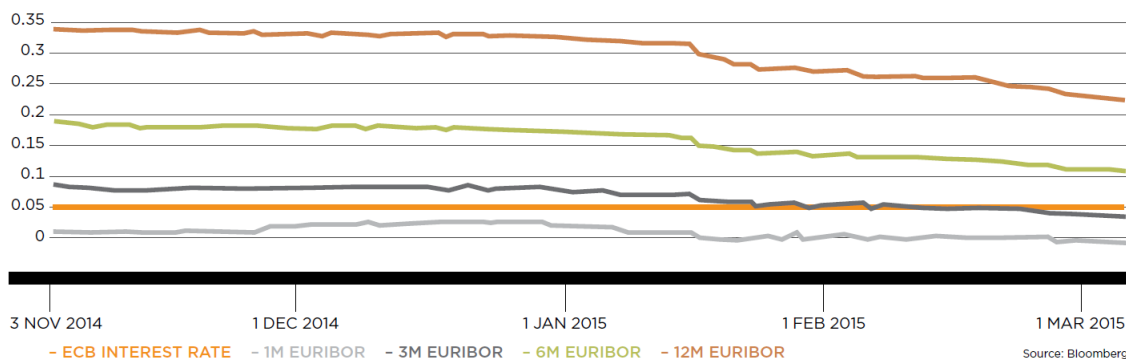
COMMENTS ON 9M 2014/15 FINANCIAL RESULTS

Financial result predominantly influenced by negative non-cash and one-off items (EUR 155.2m)

- 1 Negative non-cash result from **valuation of derivatives and financial liabilities (EUR 139m)** due to fair value accounting (driven by lower reference interest rate):

DEVELOPMENT OF EURIBOR REFERENCE INTEREST RATES

November 2014 to March 2015, in %



- The Fair value valuation leads to a negative result of approx. EUR -96m due to high share of fair value based financial liabilities (37% of outstanding financial liabilities, i.e. EUR 808m)
- Fair value result of approx. EUR -43m from derivatives that hedge floating rate based financial liabilities of nominal EUR 1,041m

- 2 Negative result of **EUR -14.7m relating to the convertible bond**, thereof EUR -13.1m from refinancing of the convertible bond in Q3 2014/15 (EUR 10.5m non-cash and EUR 2.6m one-off items) and EUR 1.6 from effective interest method
- 3 Other non-cash items of EUR -1.6m



Non-cash items as well as one-offs are adjusted within the Recurring FFO calculation

COMMENTS ON 9M 2014/15 FINANCIAL RESULTS - REFINANCING

Refinancing of the convertible bond

- Refinancing of the convertible bond of EUR 260m with mortgage loans with average interest rate of around 1.8% (after locking in the interest rate swap)
- Interest rate successfully reduced by 1.7% from 3.5% to 1.8%



savings of approx. EUR 4.4 m p.a.

Refinancing of pension liabilities (after the balance sheet date)

- Refinancing of pension liabilities of EUR 35m with mortgage loans with average interest rate of around 1.8% (after locking in the interest rate swap)
- Interest rate successfully reduced by 1.6% from 3.4% to 1.8%



savings of approx. EUR 0.6m p.a.



Decline of the average interest rate from 2.62% to 2.16% result in total savings of approx. EUR 9.5m p.a. ⁽¹⁾

(1) Based on outstanding financial liabilities as of 31Jan15

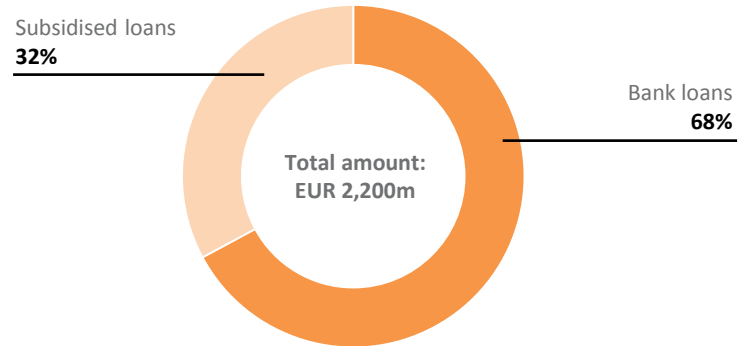
COMMENTS ON 9M 2014/15 FINANCIAL RESULTS - MATURITY

Key Facts

- LTV 50.8%
- Average maturity 17.4 years
- Average interest rate: 2.16%
- Diverse lending group with more than 50 banks

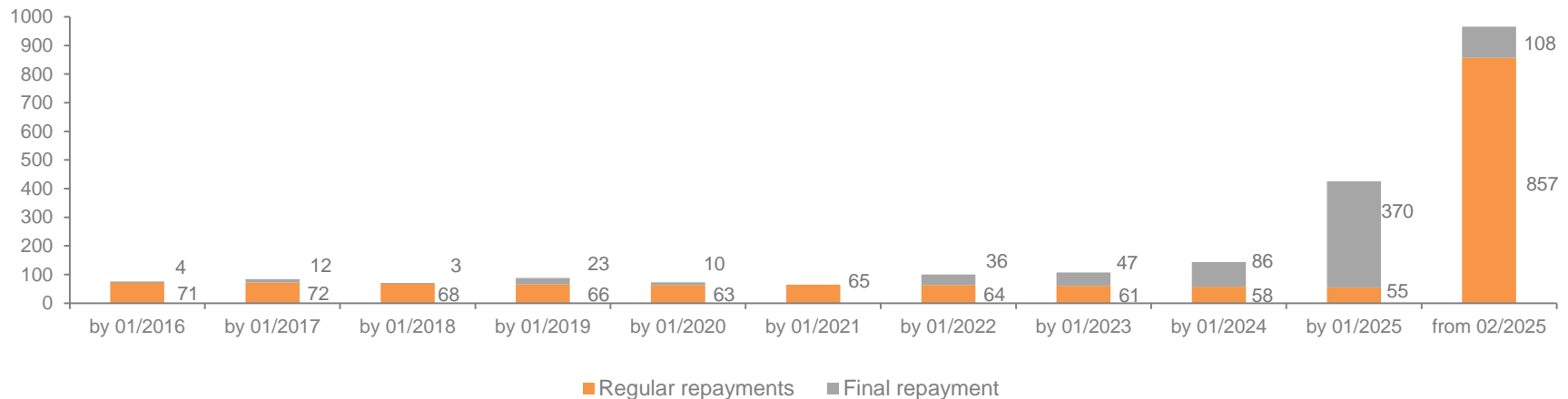
Structure of amount outstanding

by type of financing



Debt Maturity Profile

Basis p.a.: Outstanding liabilities in EURm as per 31 January 2015



CAPITAL MARKET POSITIONING

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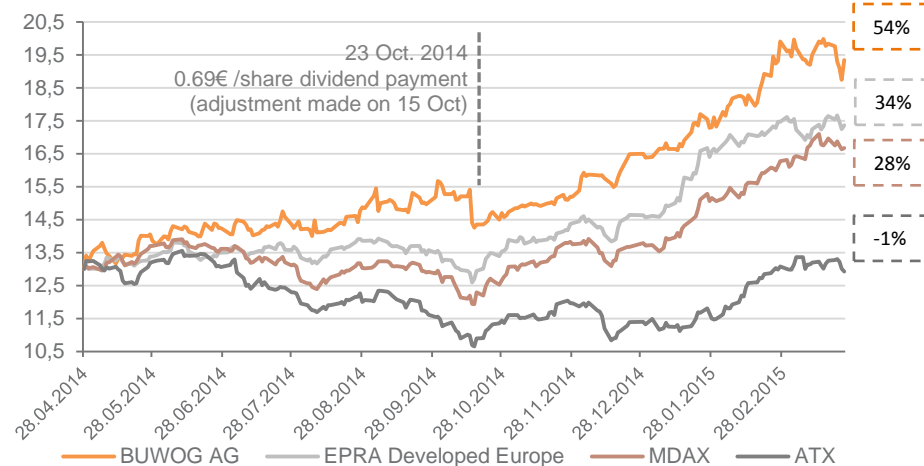
CAPITAL MARKET POSITIONING



Comments on BUWOG capital market performance

- Current share price of EUR 19.35 (as of 27 March 2015) represents 54% (incl. dividend) increase to first trading price on 28 April 2014
- Current share price represents 12% premium to last reported EPRA NAV/share
- Daily average trading volume since listing date of approx. 211,000 shares, i.e. EUR 3.2m respectively

BUWOG vs relevant indices⁽¹⁾ (28 Apr 2014 – 27 Mar 2015)



Source: Thomson Reuters

¹ Rebased on Buwog 28 Apr 2014 IPO price

Analyst coverage

Institution	Date	Target price	Recommendation
Berenberg	05/01/2015	EUR 19.00	Buy
Kepler Cheuvreux	27/02/2015	EUR 21.50	Buy
Erste Bank	24/02/2015	EUR 21.00	Accumulate
Baader Bank	02/09/2014	EUR 14.70	Hold
Barclays	24/07/2014	EUR 17.00	Overweight
HSBC	03/11/2014	EUR 18.70	Overweight
Raiffeisen Centrobank	22/10/2014	EUR 15.35	Hold
Average target price since Nov 2014		EUR 20.05	

Financial calendar

17/04/2015	Raiffeisen Centrobank Institutional Investor Conference (Zuers)
30/04/2015	End of financial year 2014/15
17/06/2015	Deutsche Bank, Swiss and Austrian Conference 2015 (Berlin)
31/08/2015	Publication of FY 2014/15 results
13/10/2015	AGM

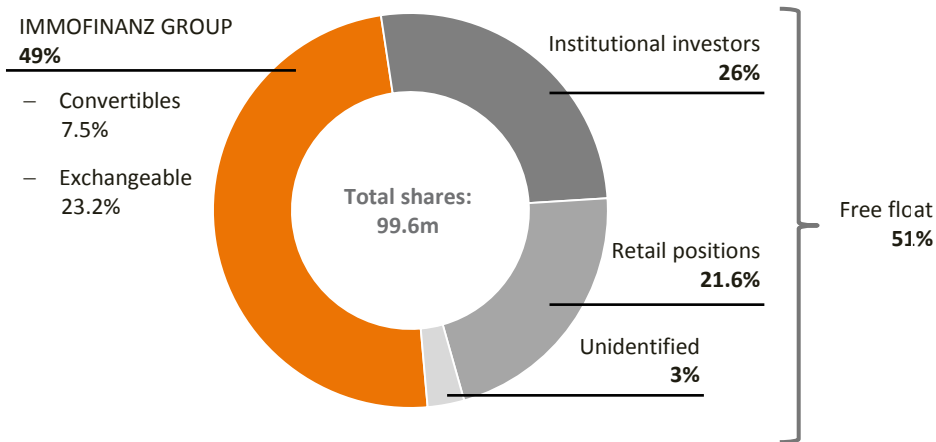
SHAREHOLDER STRUCTURE

Comments on BUWOG's shareholder structure

- Currently 99.6m BUWOG shares outstanding, thereof 49% BUWOG shares are held by IMMOFINANZ GROUP and 51% can be classified as free float
- Within the free float approx. 29% are institutional and other investors and approx. 22% are private investors
- The shareholder structure is characterised by a majority of investors from Continental Europe (approx. 68%)

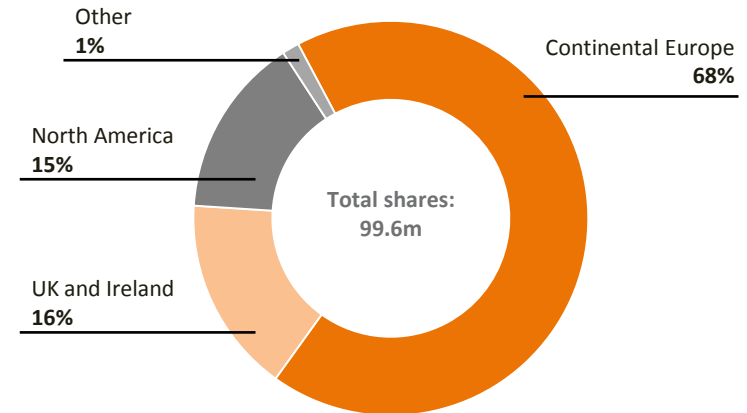
Shareholder Structure

March 2015



Shareholder Structure

March 2015



OUTLOOK

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Financial Calendar

- 17 April 2015 Raiffeisen Centrobank Institutional Investor Conference (Zuers)
- 30 April 2015 End of the FY 2014/15
- 17 June 2015 Deutsche Bank, Swiss and Austrian Conference 2015 (Berlin)
- 31 August 2015 Publication of FY2015/15 results

Guidance for FY 2014/15

- Expected Recurring FFO of approx. EUR 88-90m for FY 2014/15
- Continue stable dividend distribution policy

Strategy agenda for FY 2015/16

- Further expand and optimise the portfolio
- Grow in German portfolio by 2,000-4,000 units financed by capital recycling from property sales

APPENDIX

A PROFITABLE INVESTMENT

ASSET MANAGEMENT

BUWOG Group portfolio split

as of 31 January 2015

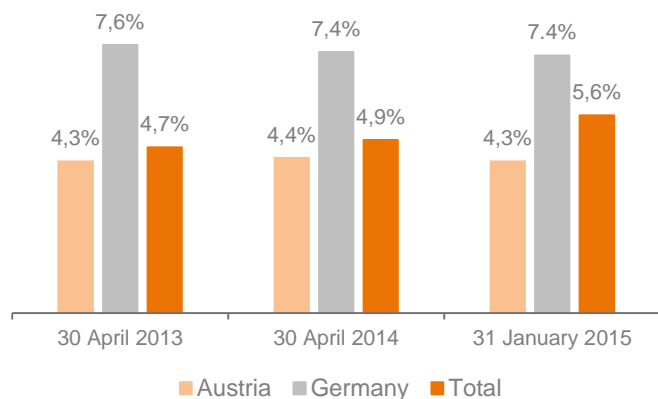
	Austria	Germany	Total
Number of units	25,672	26,463	52,135
Total floor area (sqm)	1,968,252	1,647,975	3,616,227
Fair value (EUR m)	2,120	1,430	3,550
Annualised net cold rent (EUR m)	92	105	197
Net Rental Yield	4.3%	7.4%	5.6%
Vacancy rate	5.7%	3.0%	4.5%

Highlights Asset Management

- Property portfolio of 52,135 units and 3.6m sqm total floor area due to acquisition of DGAG and Apollo portfolio as per January 2015
- 61% increase of annualised net cold rent to EUR 197m, as well as improvement of Net Rental Yield from 4.9% to 5.6% due to growth of German portfolio
- Active management leads to an increase of net cold rent by 3.4% on a like-for-like basis 31 January 2015 vs. 31 January 2014
- Vacancy rate decreased by 30bps q-o-q given high occupancy rate in DGAG portfolio

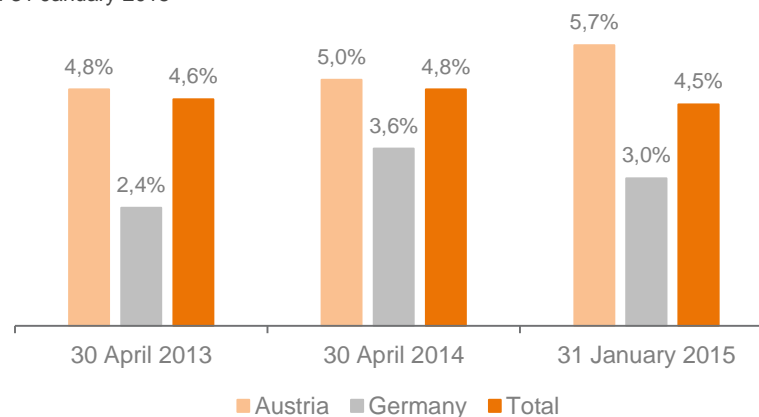
Net Rental Yield

as of 31 January 2015



Vacancy rates

as of 31 January 2015



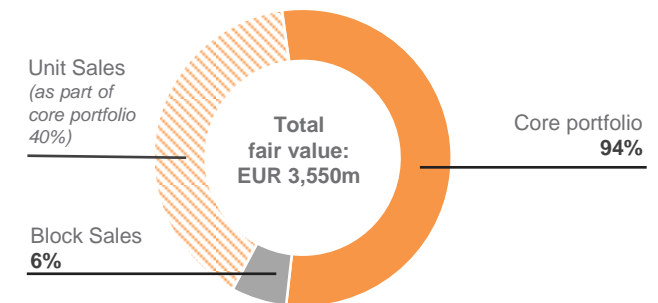
PROPERTY SALES

Highlights Property Sales in 9M 2014/15

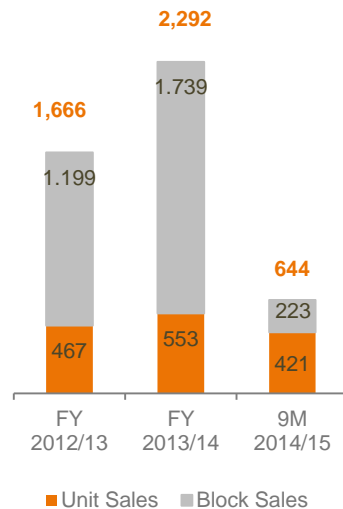
- Unit Sales:
On track with 421 sold units at a margin of approx. 62% on fair value in 9M 2014/15
- Block Sales:
Disposal of 223 units at a margin of approx. 26% on fair value

Strategic portfolio cluster split

fair value as of 31 January 2015

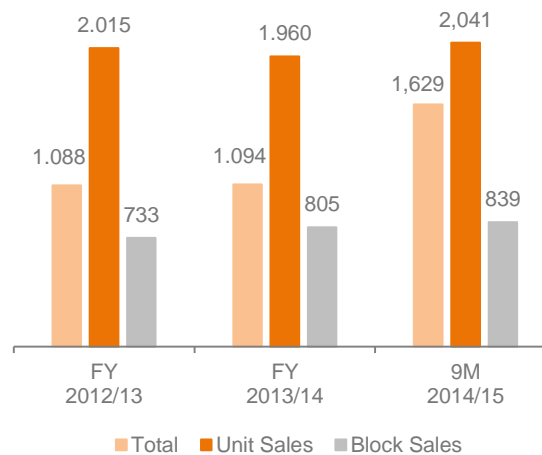


Units sold



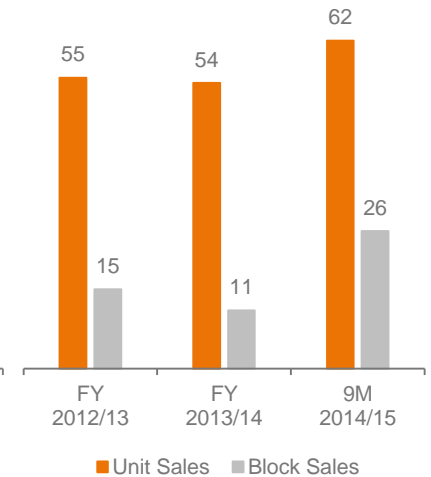
Realised average price

in EUR per sqm



Margin on fair value

in %



PROPERTY DEVELOPMENT

Comments

- The project pipeline is balanced with respect to the different development stages
- Pipeline reflects an increasing proportion of owner-occupied and private investor demand
- In the long term, target is to reach a 50/50 portfolio split between Austria and Germany due to large growth in Germany

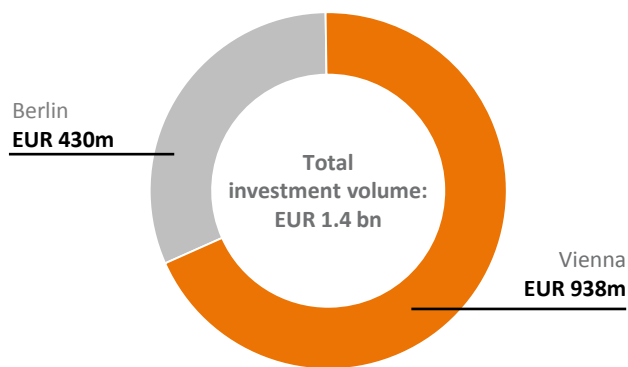
Property Portfolio as of 31 January 2015 (in EURm)

Non – current assets	Investment properties	3,647	Standing investment	3,528
			Pipeline projects ⁽¹⁾	119
	Other tangible assets	8	Owner- occupied properties	8
	Investment properties under construction	7	Build in inventory	7
Current assets	Non-current assets held for sale	32	Standing investments	22
			Pipeline projects	10
	Inventories	134	Development projects	134
Total portfolio		3,827		3,827

(1) thereof EUR 3m for standing investments

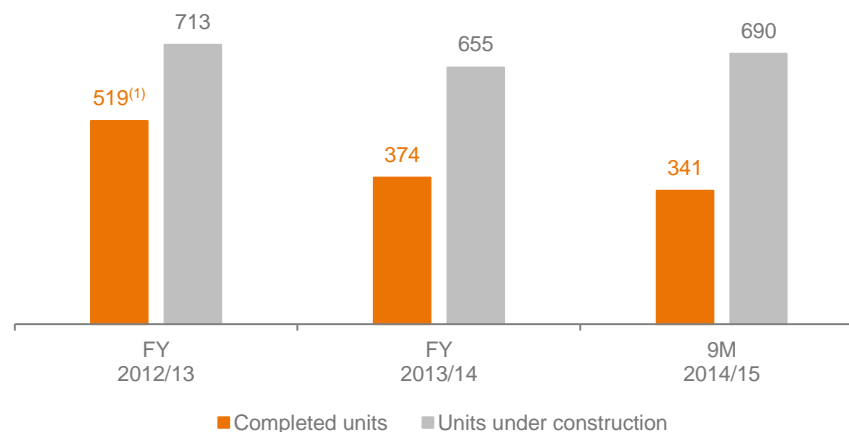
Investment value of development projects

as of 31 January 2015



Property development activity

as of 31 January 2015



(1) Excl. 222 units in Hellerpark geriatric medical center completion in FY2012/13

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Stock Symbols

Frankfurt Stock Exchange:
Vienna Stock Exchange:
Warsaw Stock Exchange:
ISIN:

BWO GR
BWO AV
BWO PW
AT00BUWOG001