REPORT ON THE FIRST QUARTER OF 2018A

1 MAY 2018 – 31 JULY 2018

BUSINESS DEVELOPMENT

- Recurring FFO totals EUR 34.1 million in the first quarter of 2018A
- Increase in EPRA NAV per share to EUR 26.75
- Constant results of Asset Management
- Improvement in results of Property Sales, weaker results from Property Development

PROFITABLE PROPERTY PORTFOLIO AND STRONG DEVELOPMENT PIPELINE

- Increase in monthly net cold rent to EUR 5.41 per sqm
- Development pipeline with 12,102 units
- 2,509 under construction for a year-on-year increase of 49%

BUWOG group

CONTENT

BUWOG GROUP KEY FIGURES

EARNINGS DATA		Q1 2018A	Q1 2017/18[1]	Change
Net cold rent	in EUR million	53.6	51.7	3.5%
Results of Asset Management	in EUR million	38.4	38.5	–0.2%
Results of Property Sales	in EUR million	16.3	15.8	3.0%
Results of Property Development	in EUR million	5.8	17.5	–66.7%
EBITDA[2]	in EUR million	47.7	62.8	–24.0%
Fair value adjustments of investment properties	in EUR million	0.0	0.0	n.a.
Financial results[3]	in EUR million	–15.5	–23.0	32.7%
EBT	in EUR million	31.3	38.6	–19.0%
Net profit	in EUR million	22.7	29.8	–23.6%
Earnings per share[4]	in EUR	0.18	0.28	–33.5%
FFO	in EUR million	17.7	28.3	–37.3%
Recurring FFO	in EUR million	34.1	42.1	–19.1%
Recurring FFO per share[4]	in EUR	0.27	0.39	–29.8%
Total FFO	in EUR million	34.0	44.2	–23.1%
AFFO	in EUR million	19.6	32.3	–39.3%

ASSET AND FINANCIAL DATA		31 July 2018	30 April 2018[1]	Change
Balance sheet total	in EUR million	5,542.2	5,491.5	0.9%
Equity ratio	in %	53.3%	52.9%	0.4 PP
Cash and cash equivalents	in EUR million	154.0	219.3	–29.8%
Net financial liabilities	in EUR million	1,679.0	1,593.9	5.3%
Loan-to-value (LTV)	in %	33.4%	32.8%	0.6 PP
EPRA Net Asset Value	in EUR million	3,321.6	3,268.1	1.6%
Ø Interest rate on financial liabilities	in %	2.02%	2.06%	–0.4 PP
Ø Term of financial liabilities	years	11.5	11.9	–0.4

SHARE DATA		31 July 2018	30 April 2018[1]	Change
Share price	in EUR	29.00	29.04	–0.1%
Shares issued as of the balance sheet date (excl. treasury shares)	Number of shares	124,181,576	124,149,546	0.0%
Market capitalisation	in EUR million	3,601.3	3,605.3	–0.1%
Free float[5]	in %	9.3%	95%	–85.7 PP
EPRA Net Asset Value per share[4]	in EUR	26.75	26.32	1.6%

The use of automated calculation systems may give rise to rounding differences.
1) The comparable prior year figures were adjusted (see section 2.4 to the *Consolidated interim financial statements*).
2) Results of operations adjusted to account for valuation effects and deferred periods (IFRS 5). For more details please go to chapter *Asset, financial and earnings position*.
3) Financial results are influenced by derivative financial instruments (EUR -1.9 million).
4) Base for earnings data: 124,171,828 shares; previous year 107,771,625 shares (both weighted). Base for asset data: 127,181,576 shares; previous year: 127,149,546 shares (both as of balance sheet date)
5) Information on the non-recurring presentation effect of approximately EUR 32 million from the initial application of the percentage-of completion accounting method (IFRS 15) is provided under the *Analysis of the Asset, Financial and Earnings Position* on page 40)
6) For more details please go to chapter *Investor Relations*.

KEY PROPERTY PORTFOLIO DATA

ASSET MANAGEMENT (STANDING INVESTMENTS)		31 July 2018	31 July 2017	Change
Number of units	Quantity	49,331	49,189	0.3%
Germany	Quantity	28,024	27,165	3.2%
Austria	Quantity	21,307	22,024	-3.3%
Total floor area[1]	in sqm	3,389,583	3,387,038	0.1%
Germany	in sqm	1,744,407	1,692,342	3.1%
Austria	in sqm	1,645,176	1,694,696	-2.9%
Annualised net in-place rent[2]	in EUR million	212	204	4.3%
Germany	in EUR million	126	118	7.0%
Austria	in EUR million	86	86	0.5%
Monthly net in-place rent[2]	in EUR per sqm	5.41	5.20	4.0%
Germany	in EUR per sqm	6.18	5.92	4.3%
Austria	in EUR per sqm	4.57	4.45	2.7%
Development of net in-place rent – like-for-like[3]	in %	3.1%	1.7%	1.4 PP
Germany – like-for-like	in %	3.4%	3.3%	0.1 PP
Austria – like-for-like	in %	2.3%	-0.7%	3.0 PP
Vacancy rate[4]	in %	3.5%	3.6%	-0.1 PP
Germany	in %	2.6%	2.2%	0.4 PP
Austria	in %	4.3%	5.1%	-0.8 PP
Fair value[5]	in EUR million	4,276	3,920	9.1%
Germany	in EUR million	2,372	2,009	18.1%
Austria	in EUR million	1,904	1,911	-0.4%
Fair value[5]	in EUR per sqm	1,262	1,157	9.0%
Germany	in EUR per sqm	1,360	1,187	14.6%
Austria	in EUR per sqm	1,158	1,128	2.6%
Gross rental yield[6]	in %	5.0%	5.2%	-0.2 PP
Germany	in %	5.3%	5.9%	-0.6 PP
Austria	in %	4.5%	4.5%	0.0 PP

		Q1 2018A	Q1 2017/18	Change
Maintenance expense[7]	in EUR per sqm	2.2	2.1	5.4%
Capitalization of modernisation work (CAPEX)[7]	in EUR per sqm	4.3	2.9	48.5%

PROPERTY SALES		Q1 2018A	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%
Margin on fair value – Unit Sales	in %	65%	63%	2.0 PP
Margin on fair value – Block Sales	in %	n.a.	13%	n.a.

PROPERTY DEVELOPMENT		31 July 2018	31 July 2017	Change
Units under construction	Quantity	2,509	1,680	49.3%
Total investment volume	in EUR million	3,532	2,926	20.7%

PROPERTY DEVELOPMENT		Q1 2018A	Q1 2017/18	Change
Completed units	Quantity	26	133	-80.5%
thereof defined for sale to third parties	Quantity	26	133	-80.5%
thereof defined to transfer to investment portfolio	Quantity	0	0	–

The use of automated calculation systems may give rise to rounding differences.
1) Residential floor area approx. 97%
2) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date
3) Comparison: 31 July 2018 vs. 31 July 2017 on a like-for-like basis (without changes of the portfolio and including effects of vacant units)
4) Based on sqm; vacancy adjusted by vacancy of unit sales amounts 2.3%
5) Based on the fair value of standing investments according to CBRE valuation as of 30 April 2018, minus sales plus CAPEX and additions
6) 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

We are now looking back at 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 following a quarter-on-quarter reduction in completions and sales during the first three months of 2018. 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 our 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 from Asset Management totalled EUR 38.4 million in the first quarter of 2018A. 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 project-related, lower earnings contribution of EUR 5.8 million in the first quarter of 2018A (Q1 2017/18: EUR 17.5 million). However, we significantly expanded the number of units under construction: BUWOG had 2,509 units in development as of 31 July 2018, which represents an increase of nearly 50% over the first quarter of 2017/18. The project pipeline contained 12,102 units as of that same date.

The extension period for the acceptance of the voluntary public takeover offer by Vonovia SE for shares of BUWOG AG ended on 18 June 2018. A voting rights announcement on 3 July 2018 indicated that Vonovia SE held 90.73% of the BUWOG shares. On 20 June 2018, Vonovia SE formally requested the exclusion of the remaining minority shareholders pursuant to Section 1 (1) of the Austrian Squeeze-

Herwig Teufelsdorfer, COO
Daniel Riedl, CEO
(f.l.t.r.)

out Act. Nearly two months later on 12 August 2018, after the end of the reporting period, BUWOG AG announced that its Executive Board, together with Vonovia SE as its principal shareholder, had established a price of EUR 29.05 per share as the appropriate cash settlement to be paid to the remaining minority shareholders in connection with the initiated squeeze-out. Additional details are provided under Investor Relations beginning on page 24.

Our plans for the future include the steady pursuit of our defined strategic goals, and our forecast for the abbreviated 2018 financial year remains intact. We expect Recurring FFO to total at least EUR 122 million, including a non-recurring effect of roughly EUR 32 million from the initial application of the percentage-of-completion accounting method (IFRS 15).

In the Asset Management business area, we will continue to focus on improving the quality of BUWOG's portfolio. Our activities in Property Sales will include further high-margin Unit Sales, while Property Development will concentrate on the realisation of the pipeline projects in Berlin, Hamburg and Vienna and the purchase of new sites for future projects.

We would like to thank the entire BUWOG team for their active support during the past months, which were particularly labour-intensive and eventful due to the takeover by Vonovia.

Best regards,

Daniel Riedl
CEO

Herwig Teufelsdorfer
COO

OVERVIEW OF 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. BUWOG's integrated business model stands out compared to its peer group due to the breadth and depth of its value chain as well as the optimal integration of its three areas of business, including:

- the value-oriented, sustainable management of an investment portfolio encompassing approximately 49,000 units in Germany and Austria (Asset Management)
- the development of residential properties in the three biggest German-speaking cities of Berlin, Hamburg and Vienna for immediate sale and inclusion in the BUWOG portfolio
- the profit-oriented unit sales in Austria (Unit Sales)

The BUWOG Group is in a position to take optimal advantage of market cycles and generate significant long-term profitability due to its full integration along the entire real estate value chain with clearly defined, standardised and industrialised processes.

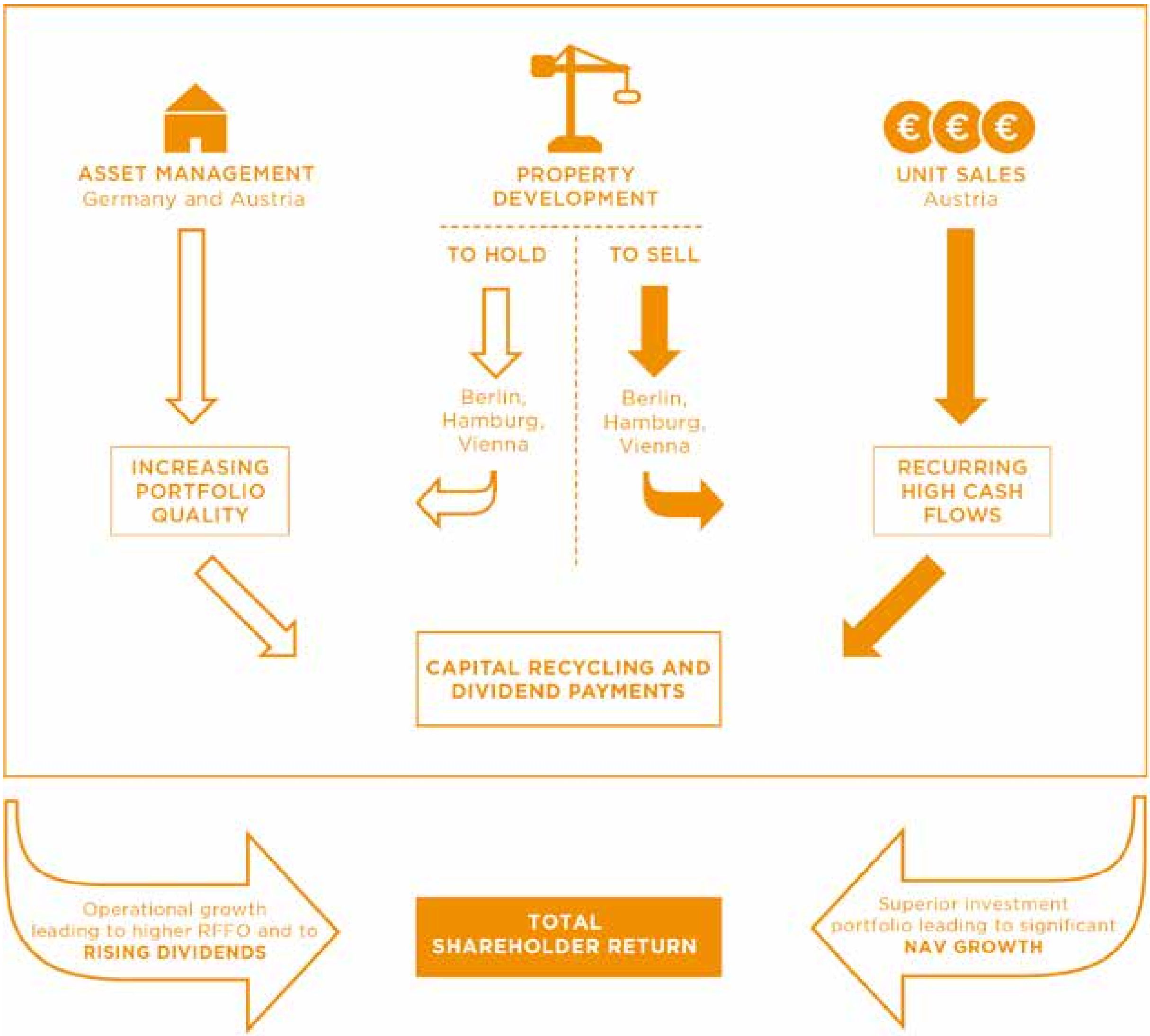
This is how the BUWOG business model combines the ongoing Asset Management business with the considerable profitability from Property Development compared to companies involved solely in property portfolios. Property Development profits from the financial strength of Asset Management while simultaneously minimising the typical exit risk of a pure property developer, because the properties completed and designated for sale can also be included in the company's own portfolio at any time.

Property Development is subdivided into the develop-to-sell and develop-to-hold businesses and is regionally focused on the three biggest German-speaking cities of Berlin, Hamburg and Vienna. Profitable and defined by significant cash flow, unit sales completes the BUWOG business model in Austria.

As part of capital recycling, the liquid assets generated from Asset Management and Unit Sales are used, among other things, for investments in the company's own property portfolio, for new and existing development projects as well as for the acquisition of real estate portfolios in Germany. Thus the company's capacity to finance itself is efficiently availed, the quality of the portfolio increases steadily, and value is created for shareholders, who also profit from a high dividend yield.

BUWOG's overriding strategic goal is to continuously increase the value of the company while, at the same time, protecting the capacity for high profit distributions based on strong cash flows. An attractive financing structure with a low average interest rate and an acceptable debt level are also essential components of the company's strategy. Further details on BUWOG's strategy are provided in the 2017/18 annual report beginning on page 11.

The generation of high Recurring FFO, which allows for an attractive dividend policy and also supports a steady growth course, is based on the three business areas: Asset Management, Property Sales and Property Development.

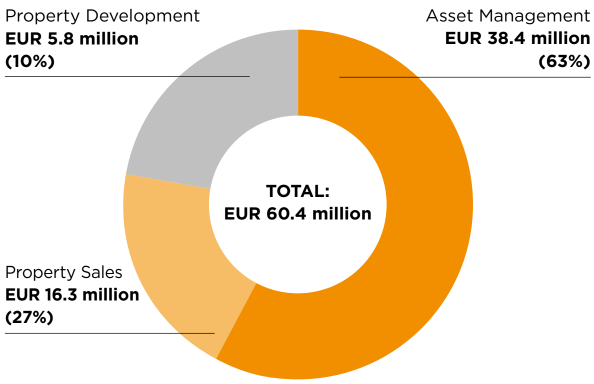


HIGHLIGHTS
FIRST QUARTER OF 2018A

BUSINESS DEVELOPMENT

- Constant results of Asset Management, increased earnings from Property Sales, weaker earnings from Property Development among others due to fewer completions
- Year-on-year decline of 19.1% in Recurring FFO to EUR 34.1 million
- Increase of 0.9% in EPRA NAV per share to EUR 26.75
- LTV at low 33.4%
- Equity ratio rises by 0.4 percentage points to 53.3%

OPERATING RESULTS[1] BY BUSINESS AREA

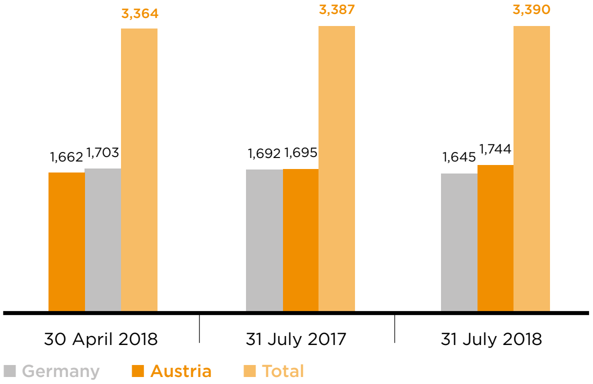


1) Results of operations before expenses not directly attributable to the business areas (EUR 14.3 million) and other operating income (EUR 0.6 million)

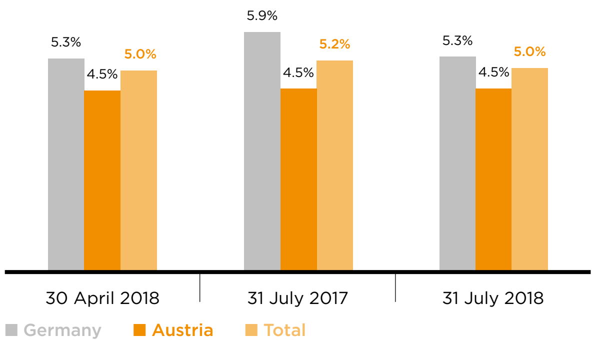
HIGHLIGHTS ASSET MANAGEMENT

- Property portfolio of 49,331 units with approx. 3.4 million sqm of total floor area as of 31 July 2018
- Monthly net in-place rent of EUR 5.41 per sqm
- Net in-place rent at 3.1% on a like-for-like basis
- Vacancy rate remains low at 3.5% -> 2.3% excluding vacancies required for unit sales
- Fair value of standing investments totals approx. EUR 4.3 billion

TOTAL FLOOR AREA
in 1,000 sqm



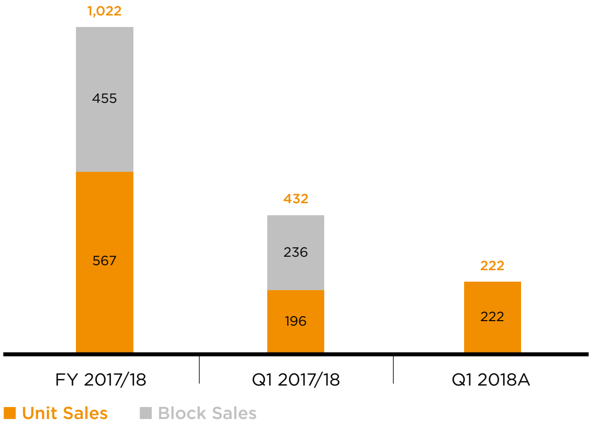
GROSS RENTAL YIELD
in %



HIGHLIGHTS PROPERTY SALES

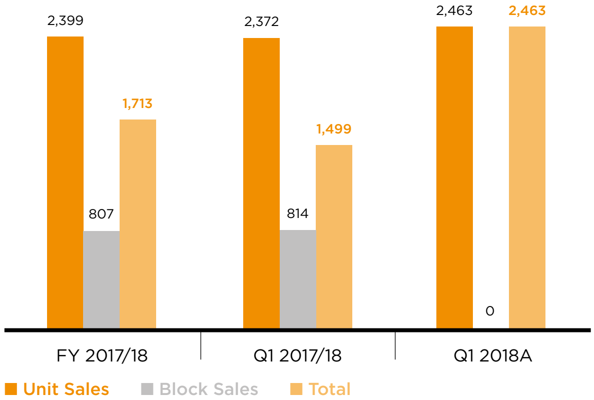
- Successful Unit Sales of 222 apartments at a margin of roughly 65% on fair value
- High future potential for individual apartment sales: the strategic Unit Sales cluster covers 10,935 apartments with a fair value of approx. EUR 1.4 billion
- Unit Sales and Block Sales clusters total 13,245 units with a fair value of approx. EUR 1.5 billion

UNITS SOLD



AVERAGE SALE PRICE

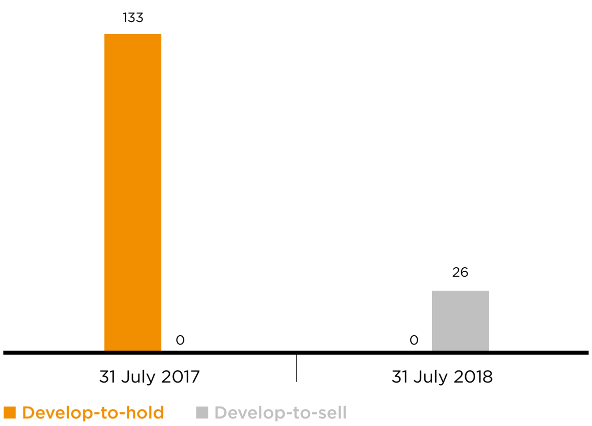
in EUR per sqm



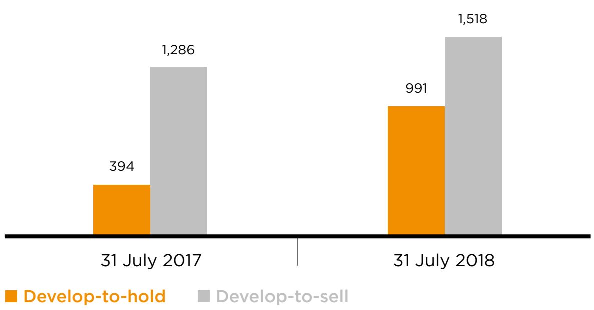
HIGHLIGHTS PROPERTY DEVELOPMENT

- Development pipeline with 12,102 units – 4,936 for develop-to-hold and 7,166 for develop-to-sell
- 2,509 units currently under construction, 49% more than in the first quarter of the previous year
- Completion of 26 units in the first quarter of 2018A, all designated for sale

COMPLETED UNITS



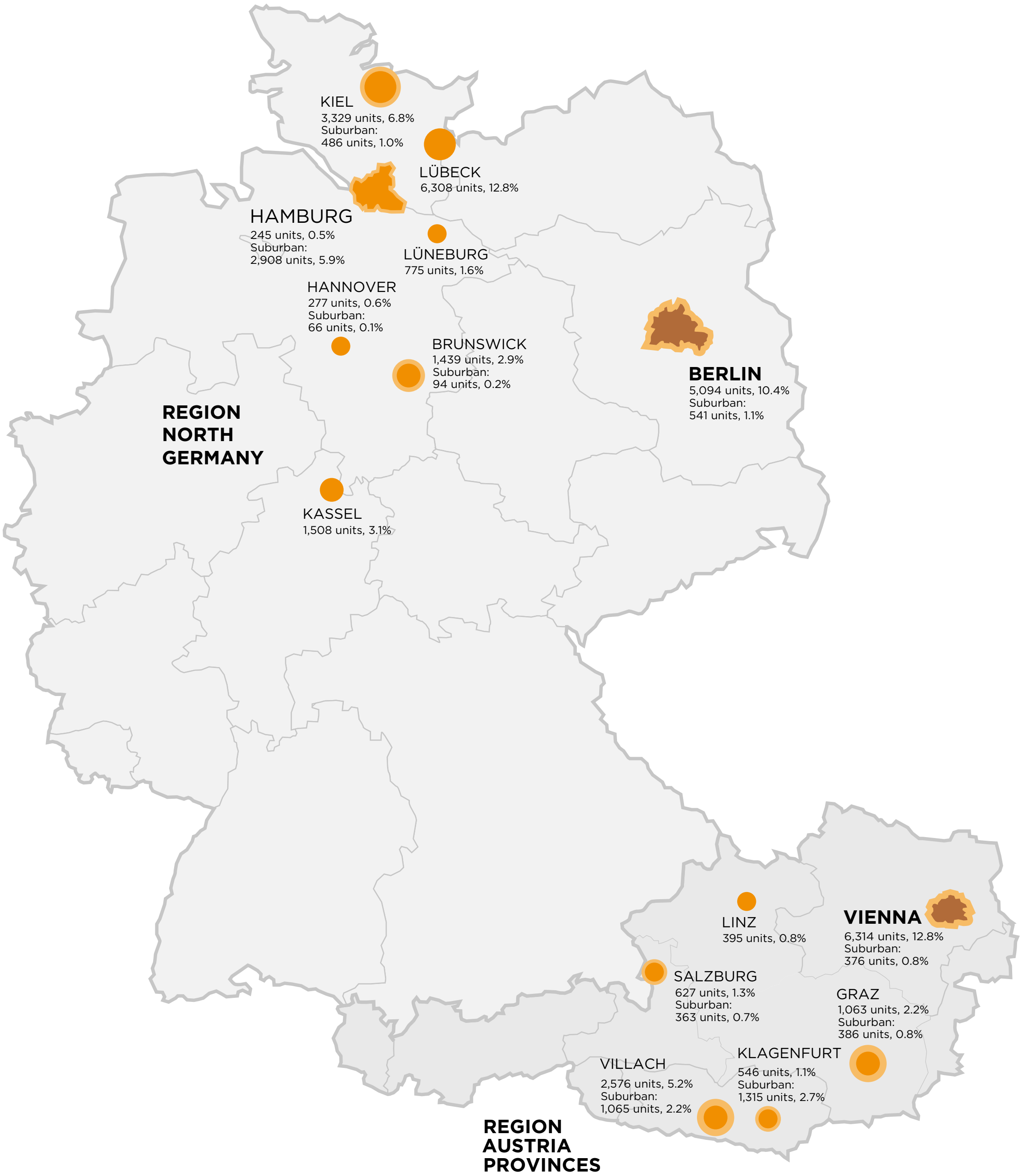
UNITS UNDER CONSTRUCTION



ASSET MANAGEMENT

BUWOG's Asset Management business area covers the rental and sustainable management of standing investments in Germany and Austria. The related activities also include the optimisation and increase in the value of these properties through maintenance and investments as well as the coordination of all owner-related internal and external services.

BUWOG INVESTMENT PORTFOLIO BY REGION AS OF 31 JULY 2018
Number of units per location and percentage of the total portfolio



■ Federal capitals ● State capitals and major cities[1] ○ Suburban regions[2]

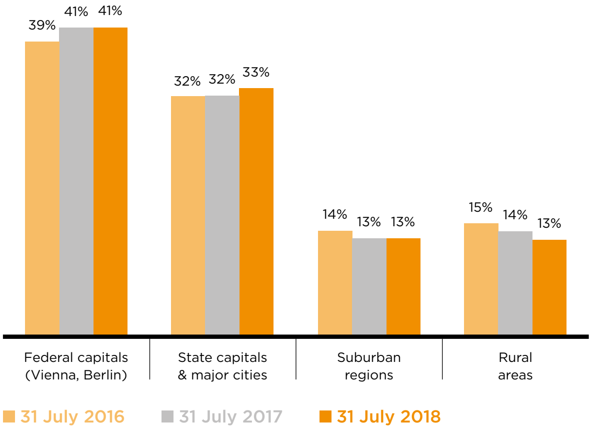
1) More than 50,000 inhabitants and a significant share of the portfolio
2) The immediate catchment area up to about 15 km around federal capitals, state capitals and major cities

Asset management, the largest business area in the BUWOG Group, generated operating income (before expenses and other operating income not directly attributable to this business area) of EUR 38.4 million in the first quarter of the abbreviated 2018 financial year (Q1 2017/18: EUR 38.5 million).

The BUWOG Group's standing investment portfolio comprised 49,331 units as of 31 July 2018. The portfolio is classified in four geographical clusters within these two countries: federal capitals, state/provincial capitals & major cities, suburban regions and rural areas. The capital cities of Vienna and Berlin form the regional focus with a combined fair value of approximately EUR 1.7 billion or 41% of the total fair value at the end of the reporting period. The standing investments in the state and provincial capitals and in the major cities and surrounding regions represented approximately EUR 2.0 billion or 46% of the total fair value. In other words, approximately EUR 3.7 billion or 87% of BUWOG's standing investment portfolio based on fair value is located in urban regions which are very attractive in terms of their economic development, infrastructure and demographics.

FAIR VALUE

by geographic cluster (total: approx EUR 4,3 billion)



KEY FIGURES ON THE PROPERTY PORTFOLIO BY REGIONAL CLUSTER

as of 31 July 2018	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	Gross rental yield[3]	Vacancy rate[4]
Federal capitals	11,408	897,108	62	5.97	1,749	1,949	3.6%	3.1%
Vienna	6,314	556,268	35	5.49	1,055	1,897	3.4%	3.4%
Berlin	5,094	340,840	27	6.74	693	2,034	3.9%	2.5%
State capitals and major cities[5]	19,207	1,228,014	79	5.55	1,411	1,149	5.6%	2.9%
Suburban regions[6]	7,600	522,939	32	5.23	550	1,051	5.8%	3.3%
Rural areas	11,116	741,521	39	4.62	567	765	6.9%	4.9%
Total BUWOG Group	**49,331**	**3,389,583**	**212**	**5.41**	**4,276**	**1,262**	**5.0%**	**3.5%**
thereof Germany	28,024	1,744,407	126	6.18	2,372	1,360	5.3%	2.6%
thereof Austria	21,307	1,645,176	86	4.57	1,904	1,158	4.5%	4.3%

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date
2) Based on the fair value of standing investments according to CBRE valuation as of 30 April 2018, minus sales plus CAPEX and additions
3) Annualised total net in-place rent (based on monthly net 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

KEY DATA ON THE STANDING INVESTMENT PORTFOLIO AS OF 31 JULY 2018

The BUWOG Group's standing investment portfolio comprised 49,331 units, which have a total floor area of approximately 3.4 million sqm and a fair value of approximately EUR 4.3 billion, or EUR 1,262 per sqm. The monthly net in-place rent in the standing investment portfolio amounted to EUR 5.41 per sqm based on a vacancy rate (basis: total floor area) of 3.5%, and the gross rental yield equalled 5.0%.

The property portfolio in Germany included 28,024 standing investment units, which have a total floor area of approximately 1.7 million sqm and a fair value of EUR 2.4 billion, or EUR 1,360 per sqm. The monthly in-place rent equalled EUR 6.18 per sqm based on a vacancy rate (basis: total floor area) of 2.6%. The gross rental yield in the German properties equalled 5.3%.

The standing investment portfolio in Austria comprised 21,307 units with a total floor area of approximately 1.6 million sqm and a fair value of approximately EUR 1.9 billion or EUR 1,158 per sqm. The monthly net in-place rent equalled EUR 4.57 per sqm based on a vacancy rate (basis: total area) of 4.3%, whereby 2.0% of the vacancies were attributable to apartments in the Unit Sales cluster. The gross rental yield in the Austrian properties equalled 4.5%.

OVERVIEW OF THE STANDING INVESTMENT PORTFOLIO BY SEGMENT

		BUWOG Group as of 31 July 2017	BUWOG Group as of 31 July 2018	Austria as of 31 July 2018	Germany as of 31 July 2018
Number of units	Quantity	49,189	49,331	21,307	28,024
Total floor area	in sqm	3,387,038	3,389,583	1,645,176	1,744,407
Annualised net in-place rent[1]	in EUR million	204	212	86	126
Monthly net in-place rent[1]	in EUR per sqm	5.20	5.41	4.57	6.18
Fair value[2]	in EUR million	3,920	4,276	1,904	2,372
Fair value[2]	in EUR per sqm	1,157	1,262	1,158	1,360
Gross rental yield[3]	in %	5.2%	5.0%	4.5%	5.3%
Vacancy rate	per sqm	3.6%	3.5%	4.3%	2.6%

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date
2) Based on the fair value of standing investments according to CBRE valuation as of 30 April 2018, minus sales plus CAPEX and additions
3) Annualised total net in-place rent (based on monthly net in-place rent excluding utilities as of the reporting date) in relation to fair value

Activities in the first quarter of 2018A included the transfer of rights and obligations for a standing investment portfolio in Germany which contains residential and commercial properties in the metropolitan areas of Hannover and Bremen and in Kiel, Lübeck and Lüneburg. The acquisition covered 693 residential units, 32 commercial units and 386 parking spaces.

ACQUISITIONS FOR THE STANDING INVESTMENT PORTFOLIO

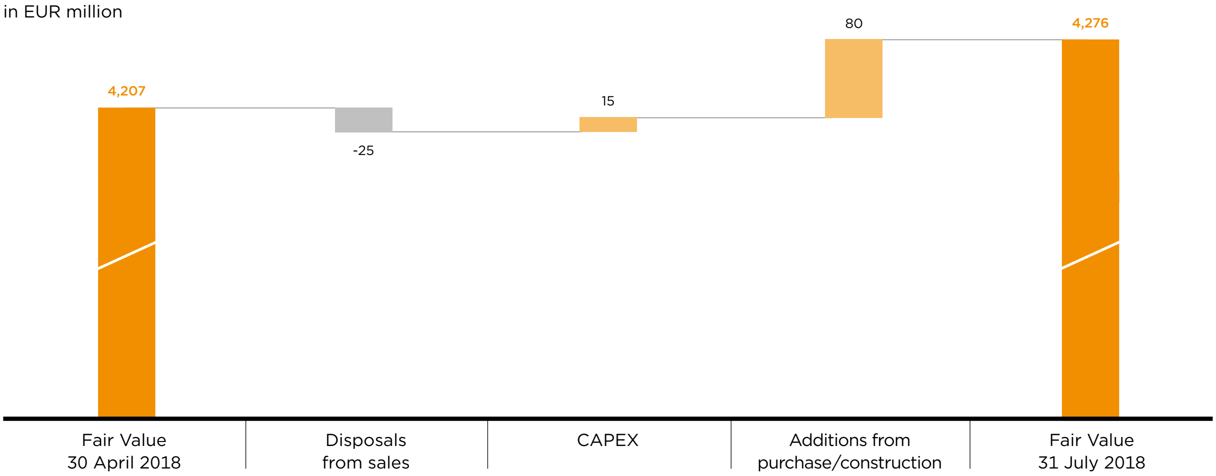
		Number of units	Total floor area in sqm	Annualised net in-place rent[1] in EUR thousand	Monthly net in-place rent[1] in EUR per sqm	Fair value[2] in EUR per sqm	Gross rental yield[3]	Vacancy rate[4]
Hannover, Bremen, Kiel/ Lübeck/Lüneburg	Several locations	725	41,294	3,429	7.36	1,772	4.7%	6.0%
Total I (Closing as per 31 July 2018)		**725**	**41,294**	**3,429**	**7.36**	**1,772**	**4.7%**	**6.0%**
Total II (including acquisitions after 31 July 2018)		**725**	**41,294**	**3,429**	**7.36**	**1,772**	**4.7%**	**6.0%**

1) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date
2) Based on fair value
3) Annualised total net in-place rent (based on monthly net in-place rent excluding utilities as of the reporting date) in relation to purchase price
4) Based on sqm

DEVELOPMENT OF THE FAIR VALUE OF THE STANDING INVESTMENT PORTFOLIO

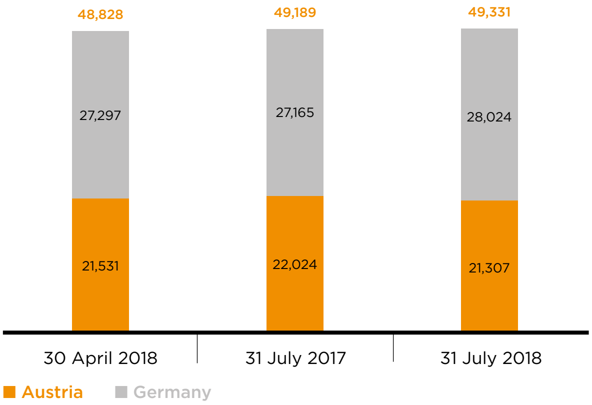
The development of fair value was based on the fair value of EUR 4,207 million as of 30 April 2018, which was adjusted to reflect properties sold and purchased as well as capitalised modernisation expenditures. As of 31 July 2018, the fair value of BUWOG's standing investment portfolio totalled EUR 4,276 million. The following graph shows the development of fair value since 30 April 2018.

DEVELOPMENT OF FAIR VALUE STANDING INVESTMENT PORTFOLIO
in EUR million



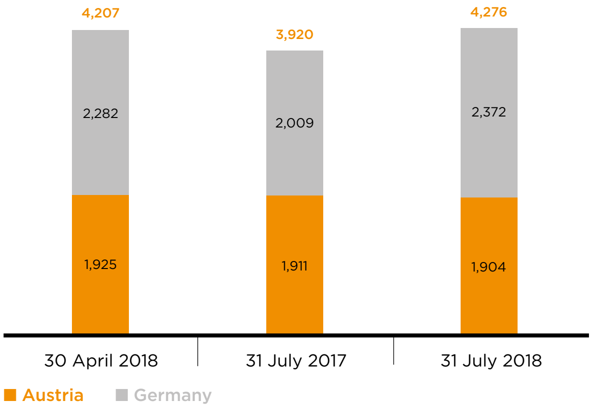
The values in the above graph are not scaled.

NUMBER OF UNITS



FAIR VALUE STANDING INVESTMENT PORTFOLIO

in EUR million



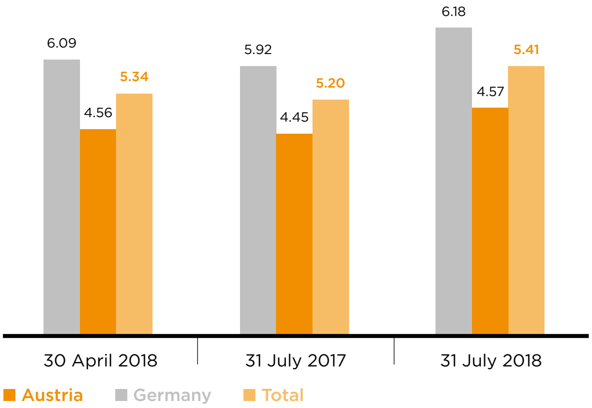
ANNUALISED NET IN-PLACE RENT

Annualised net in-place rent rose from EUR 208.4 million as of 30 April 2018 to EUR 212.4 million as of 31 July 2018. In Austria, the decline of EUR 0.3 million from EUR 86.7 million as of 30 April 2018 to EUR 86.4 million resulted primarily from Unit Sales. In Germany, the annualised net in-place rent rose by EUR 4.3 million over the level on 30 April 2018 to EUR 126.0 million. The positive development in the German portfolio was also reflected in an improvement in the monthly net in-place rent from EUR 6.09 to EUR 6.18 per sqm. The monthly in-place rent in the Austrian properties increased from EUR 4.56 to EUR 4.57 per sqm.

BUWOG's gross rental yield equalled 5.0% as of 31 July 2018 (30 April 2018: 5.0%), whereby the different development of the yields in Germany (5.3%; 30 April 2018: 5.3%) and Austria (4.5%; 30 April 2018: 4.5%) is directly related to the above-mentioned effects from fair value adjustments and rental increases.

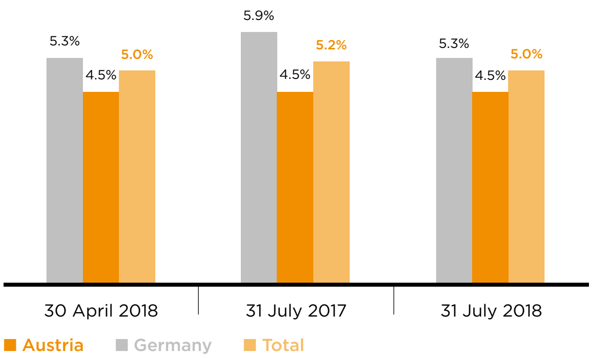
NET IN-PLACE RENT PER MONTH

in EUR per sqm



GROSS RENTAL YIELD

in %

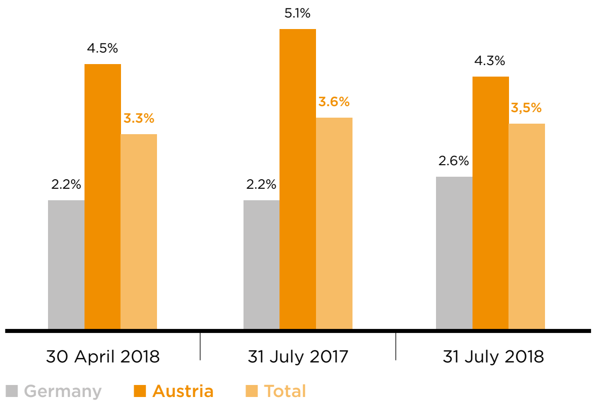


DEVELOPMENT OF VACANCIES

The vacancy rate in the BUWOG properties, based on total floor area, increased over the level on 30 April 2018 to 3.5% as of 31 July 2018. After an adjustment of 1.2% for the vacancies required for the strategic Unit Sales cluster (30 April 2018: 1.3%), the adjusted vacancy rate (i.e. excluding the vacancies in apartments designated for Unit Sales) equalled only 2.3% (30 April 2018: 2.1%). The vacancy rate in the German portfolio rose to 2.6% for seasonal reasons (30 April 2018: 2.2%). It has remained stable at a low level, above all, due to the active rental of modernised vacant apartments in the core regions of Lübeck, Kiel, Kassel and Berlin. In Berlin, the BUWOG Group also benefited from the ongoing strong demand for rental apartments. The vacancy rate in the Austrian portfolio declined to 4.3% as of 31 July 2018 (30 April 2018: 4.5%). It equalled 3.4% in BUWOG's Vienna properties, whereby

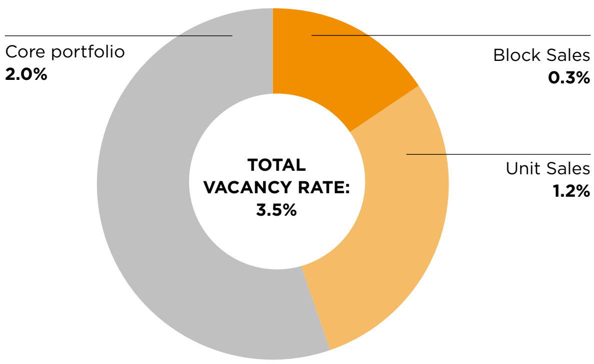
3.3% are attributable to the apartments held vacant in preparation for strategic Unit Sales. The adjusted vacancy rate for the core properties in Vienna currently equals 0.1%. The vacancy rate in Carinthia remained nearly stable in comparison with 30 April 2018 at 5.2%, whereby 1.3% are attributable to the strategic Unit Sales cluster.

VACANCY RATE



VACANCY RATE BY STRATEGIC CLUSTER

Basis total floor area, as of 31 July 2018



LIKE-FOR-LIKE RENTAL GROWTH

A like-for-like analysis of BUWOG's standing investment portfolio – i.e. excluding the effects of changes in the portfolio (in other words, portfolio transactions) and including the effects of changes in vacancies – shows an increase of 3.1% in rental income as of 31 July 2018 (30 April 2018: 2.8%). The calculation of the increase in rents is based on 97.9% of all standing investment units held by the BUWOG Group.

The like-for-like growth in rental income from the German properties equalled 3.4% (30 April 2018: 4.0%) and resulted primarily from the conclusion of new leases at higher rents and increases in the rents generated by standing investments in Lübeck, Kassel, Berlin, Brunswick and Lüneburg. Like-for-like rents in the Austrian portfolio increased by 2.3% year-on-year as of 31 July 2018 (30 April 2018: increase of 0.7%). BUWOG also intends to take full advantage of the opportunities to increase rents in specific portfolio properties in Germany and Austria in the future, depending on the feasibility in the respective regional rental market and legal restrictions arising from the rent models.

LIKE-FOR-LIKE RENTAL GROWTH BY RENTAL AGREEMENT

as of 31 July 2018	Number of units	Occupied floor area in sqm 31 July 2017	Net in-place rent per month in EUR million[3] 30 July 2017	Occupied floor area in sqm 31 July 2018	Net in-place rent per month in EUR million[3] 31 July 2018	Like-for-like rental growth
Unregulated rental agreements Germany	17,969	1,032,703	6.0	1,033,107	6.3	4.2%
Regulated rental agreements Germany	8,891	570,099	3.2	568,838	3.3	1.9%
Total Germany	**26,860**	**1,602,802**	**9.3**	**1,601,945**	**9.6**	**3.4%**
Unregulated rental agreements Austria (incl. reasonable rents pursuant to WGG and MRG)[1]	1,684	130,173	0.7	125,293	0.7	2.1%
Regulated rental agreements Austria (incl. other provisions under WGG)[2]	19,249	1,394,905	5.7	1,382,970	5.8	2.4%
Total Austria	**20,933**	**1,525,078**	**6.4**	**1,508,263**	**6.5**	**2.3%**
Other (incl. commercial)	516	98,238	0.7	106,137	0.8	3.5%
Total BUWOG Group	**48,309**	**3,226,118**	**16.4**	**3,216,345**	**16.8**	**3.1%**

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 Follow-up Rent (prev. Burgenland guidelines -30%)
3) Based on monthly net in-place rent (excluding utilities) as of the balance sheet date

Details on the various legal regulations governing the determination of rents for BUWOG's standing investment portfolio in Germany and Austria and the structure of rental income is provided under *Asset Management – The Investment Portfolio's Rent Models* in the 2017/18 annual report on pages 30ff.

MAINTENANCE AND MODERNISATION

The BUWOG Group invested a total of EUR 21.7 million in its portfolio properties in Germany and Austria during the first quarter of 2018A (Q1 2017/18: EUR 16.8 million). These funds were directed to reactive maintenance, to prepare apartments for new rentals, for contributions to maintenance reserves in properties designated for privatisation and for major maintenance and modernisation measures (including the special CAPEX programme). That corresponds to an average of EUR 6.4 per sqm (Q1 2017/18: EUR 5.0 per sqm). Non-capitalisable maintenance expenses amounted to EUR 7.3 million (Q1 2017/18: EUR 7.1 million) or EUR 2.2 per sqm (Q1 2017/18: EUR 2.1 per sqm), while the capitalisable modernisation measures (CAPEX) totalled EUR 14.4 million (Q1 2017/18: EUR 9.8 million) or EUR 4.3 per sqm (Q1 2017/18: EUR 2.9 per sqm). The resulting capitalisation rate equalled 66.4% (Q1 2017/18: 57.9%) of the total expenditures. A special CAPEX programme with a volume of EUR 55 million was launched in Germany during the 2016/17 financial year and covered a total of EUR 43.7 million by the end of the first quarter of 2018A (2016/17 financial year: EUR 32.5 million).

MAINTENANCE AND MODERNISATION

	Q1 2018A	Q1 2017/18	Change
Total maintenance expense and modernisation in EUR million	**21.7**	**16.8**	**28.9%**
Maintenance expense in EUR million	7.3	7.1	2.8%
Capitalisation of modernisation work (CAPEX) in EUR million	14.4	9.8	47.9%
Capitalisation rate in %	**66.4%**	**57.9%**	**8.5 PP**
Average total floor space in 1,000 sqm [1)]	3,387	3,395	–0.2%
Total maintenance expense and modernisation in EUR per sqm	**6.4**	**5.0**	**29.2%**
Maintenance expense in EUR per sqm	2.2	2.1	3.0%
Capitalisation of modernisation work (CAPEX) in EUR per sqm	4.3	2.9	48.2%

The use of automated calculation systems may give rise to rounding differences.
1) Average weighted total floor space, including increases from acquisitions and reductions from sales

BUWOG focus

ASSET FOCUS
RESIDENTIAL

REGIONAL FOCUS
GERMANY/AUSTRIA

FUNCTIONAL FOCUS
FULL-SERVICE PROVIDER

Asset Management

- Continuous enhancement of rental income and portfolio quality through active asset management and the long-term increase of Recurring FFO
- Further improvement of cost-effectiveness in property management, maintenance and modernisation
- Expansion of the German property portfolio to optimise yields and value through the develop-to-hold strategy and selective portfolio acquisitions
- Steady consolidation of the property portfolio by focusing on strategic core regions and selective block sales
- Development to hold in Berlin, Vienna and Hamburg

BUWOG strategy

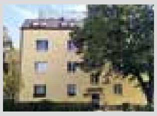
MINIMISE RISK
Stable rental income
High occupancy rates

HIGH UPSIDE POTENTIAL
Portfolio optimisation

PROPERTY SALES

The Property Sales business model is based on Unit Sales and Block Sales. Its primary goal is the profitable optimisation and streamlining of BUWOG's standing investment portfolio through the high-margin sale of individual units, individual properties and portfolios. Through the high-margin sale of apartments from the Austrian portfolio, the Property Sales business area makes a steady, sizeable contribution to Recurring FFO and generates significant cash flows. These liquid assets are invested in further growth through the acquisition of properties for the Asset Management business area and additional land for new construction projects by the Property Development business area.

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 EUR 16.3 million in the first quarter of 2018A (Q1 2017/18: EUR 15.8 million).

	Unit Sales	Block Sales
Examples from the portfolio	 Vienna, Elisabethallee 43  Vienna, Hütteldorfer Strasse 122  Villach Millesistrasse 50	 Leoben, Schellhofgasse 1  Böckstein, Bergherrenstrasse 3–13  Villach, Frühlingsstrasse 18–22
Key Facts	■ Sale in selected regions, primarily to owner-occupiers as a result of turnover ■ High profitability – Margins on fair value >50% – Long-term contribution to Recurring FFO – High liquidity inflow ■ Optimal mix of internal and external sales channels	■ Sale of portfolios or properties in strategically less relevant areas, mainly rural regions, or areas of lesser importance ■ Portfolio consolidation and optimisation through profitable and cycle-optimised sales ■ Optimal mix of internal and external sales channels
Contribution to **Recurring FFO**	✔ **Long-term contribution to profit from ongoing unit sales**	✘ **Opportunistic block sales with adequate margins**

UNIT SALES

A total of 222 units were sold during the first quarter of 2018A (Q1 2017/18: 196 units) at a margin of roughly 65% on fair value (Q1 2017/18: 63%). The margin on fair value represents the NOI from Unit Sales after the deduction of all external transaction costs and directly attributable personnel and operating expenses in relation to the book value of the sold units (i.e. the carrying amount as reported on the income statement minus the fair value adjustments of sold properties). These sales were concentrated in Vienna (72 units), Carinthia (51 units) and Salzburg (48 units). The average sale price rose substantially from EUR 2,372 per sqm in the first quarter of 2017 to EUR 2,3463 per sqm in the first quarter of 2018A.

The Unit Sales portfolio cluster contained 10,935 units as of 31 July 2018 (31 July 2017: 11,428 units), which are all located in Austria and identified as suitable for individual sale over the medium- and long-term. Of these units, 6,127 are located in Vienna, 1,901 in Carinthia and 2,907 in the other Austrian provinces where BUWOG is active. The Unit Sales portfolio cluster had a fair value of approximately EUR 1.4 billion as of 31 July 2018 (31 July 2017: EUR 1.4 billion) and a gross rental yield of 3.5% (31 July 2017: 3.6%).

The Property Sales business area is focused on the long-term, profitable optimisation of the standing investment portfolio through high-margin Unit Sales in Austria. This safeguards sustainable and significant earnings contributions to Recurring FFO and the generation of free cash flow for the internal financing of further growth.

BUWOG focus

ASSET FOCUS
RESIDENTIAL

REGIONAL FOCUS
AUSTRIA

FUNCTIONAL FOCUS
FULL-SERVICE PROVIDER

Unit Sales

- Sustainable sales proceeds from Unit Sales, largely from vacancies to third parties for their own direct use
  -> high contribution to Recurring FFO
  -> high liquidity inflow
- Strong track record with high margins in Unit Sales in Austria
- Planned sale of around 550 to 600 units per year
- High medium- and long-term sales potential for 10,935 units in Unit Sales
- Sustainability of the sales pipeline for Unit Sales through the develop-to-hold strategy with around 100 to 200 units per year

BUWOG strategy

MINIMISE RISK
Ongoing unit sales

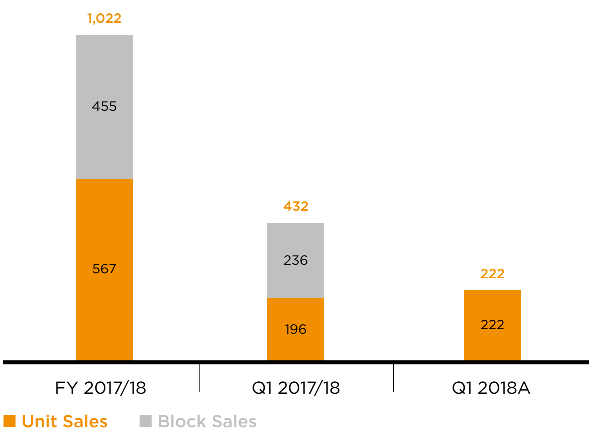
HIGH UPSIDE POTENTIAL
Continuing high margins through sales

BLOCK SALES

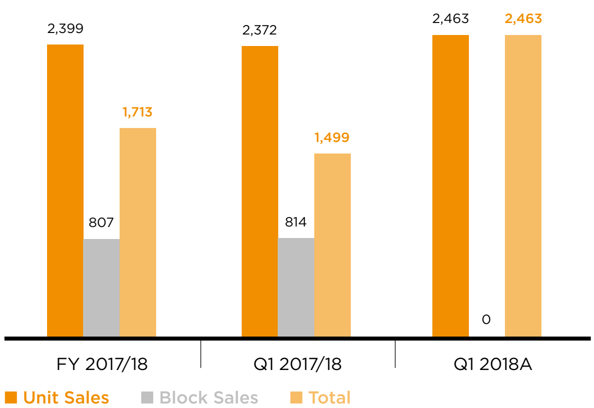
BUWOG's property portfolio is focused on urban locations in the capital cities of Vienna and Berlin as well as regional capitals and major cities in northern Germany. As part of the "capital recycling" strategy, selected block sales are carried out to optimise and consolidate the portfolio. The resulting liquid funds are then invested in selected core regions of Germany in order to generate higher returns. As part of this active portfolio management, BUWOG continuously evaluates the sale of individual apartments and larger portfolio components in Germany and Austria. The planned sale of nearly 3,900 units at a number of locations in northern Germany has reached an advanced stage, but the successful conclusion of this project is dependent on the final negotiations, the conclusion of a purchase contract and the fulfilment of the related conditions. There were no Block Sales in the first quarter of 2018A. Additional details can be found under *Sale of portfolio properties* on page 32 in the consolidated interim management report.

The strategic Block Sales cluster included 2,310 units as of 31 July 2018 (31 July 2017: 2,507 units), whereby 1,530 units area located in Carinthia, 888 in the other Austrian provinces and 89 in Vienna.

UNITS SOLD



AVERAGE SALE PRICE
in EUR per sqm



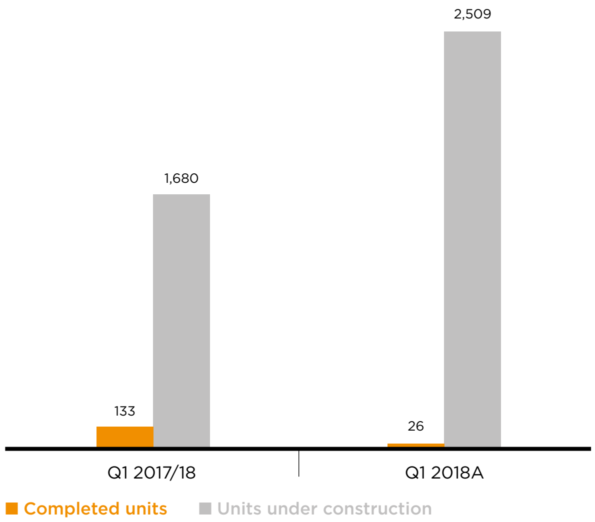
PROPERTY DEVELOPMENT

BUWOG bundles the realisation of attractive development projects for its own portfolio and the construction of residential properties for sale in the Property Development business area. Development activities are currently focused on the major cities Vienna, Berlin and Hamburg. This reflects the strong demographic and economic parameters of these cities, combined with BUWOG's many years of experience in the development of residential properties and extensive market knowledge. The BUWOG Group is active in the property development and asset management sectors of the three largest German-speaking cities.

OVERVIEW OF THE FIRST THREE MONTHS OF THE 2018A FINANCIAL YEAR

In the first three months of the abbreviated 2018 financial year, 26 units were completed (Q1 2017: 133 units). Changes in the development pipeline result from the completion of units, from the purchase of land and from progress on development projects. As of 31 July 2018, the development pipeline included 12,102 planned units.

COMPLETED UNITS AND UNDER CONSTRUCTION



The number of units under construction increased further over the level on 30 April 2018. A total of 2,509 units were under construction as of 31 July 2018.

LAND PURCHASES IN THE FIRST THREE MONTHS OF 2018A

The BUWOG Group acquired five sites in Vienna during the first three months of the abbreviated 2018 financial year. Plans call for the construction of 1,316 units at these locations with an estimated total investment volume of EUR 413 million.

Locations	Signing	Closing	Number of planned units	Expected total floor area in sqm	Total investment volume in EUR million[1]	Fair value 30 April 2018 in EUR million[2]	Strategy
"Marina Tower"[3], Vienna Austria	07/2018	07/2018	252	23,245	111.9	–	to-sell
"Marina Plaza"[4], Vienna Austria	07/2018	07/2018	409	27,500	140.1	–	to-sell
"Gatterburggasse", Vienna Austria	07/2018	–	134	8,518	54.3	–	to-sell
"Breitenlee", Vienna Austria	07/2018	–	328	19,680	65.3	–	to-hold and to-sell
"Linke Wienzeile", Vienna Austria	07/2018	07/2018	193	10,304	41.7	–	to-hold
Total (as of 31 July 2018)			**1,316**	**89,247**	**413**	**0**	

1) Total investment volume excluding calculated interests
2) The pipeline projects are valued by CBRE twice each year as of 31 October and 30 April.
3) Marina Tower was acquired within the framework of a joint venture. BUWOG holds 51% of the shares and included this company through full consolidation. The presentation in the above table represents 51% of the total project.
4) Marina Plaza was acquired within the framework of a joint venture. BUWOG holds 50% of the shares and consolidated this company at equity. The presentation in the above table represents 50% of the total project.

Torhaus II, Berlin

PRODUCT DEVELOPMENT MATRIX

The project development pipeline contained 12,102 units as of 31 July 2018: 4,936 units are under construction for BUWOG's portfolio and 7,166 units for sale.

Details on the regional distribution of the pipeline and on the individual types of development are shown in the following product development matrix.

PRODUCT DEVELOPMENT MATRIX as of 31 July 2018

Property Development	Develop-to-Hold	Develop-to-Sell	
	Subsidised privately financed rentals	Privately financed condominiums	Others
Vienna 5,340 units	**Investment portfolio** Units: 1,883 Total floor area: 131,076 sqm  Vorgartenstrasse, 169 units	**Regional customers** Units: 3,434 Total floor area: 238,070 sqm  Grinzinger Allee, 45 units	**Institutional investors and foundations** Units: 23 Total floor area: 20,366 sqm  Seestadt Aspern, one unit
Berlin 5,677 units	**Investment portfolio** Units: 2,437 Total floor area: 178,045 sqm  „Neumarien", 215 units	**Regional customers** Units: 3,159 Total floor area: 242,800 sqm  "The One", 240 units	**Institutional investors and foundations** Units: 81 Total floor area: 4,687 sqm  „Geyer-Medienhöfe", Harzer Strasse, 81 units
Hamburg 1,085 units	**Investment portfolio** Units: 616 Total floor area: 49,670 sqm	**Regional customers** Units: 435 Total floor area: 34,525 sqm	**Institutional investors and foundations** Units: 34 Total floor area: 10,309 sqm
Total 12,102 units	4,936 units	7,028 units	138 units

DEVELOP-TO-HOLD

OVERVIEW OF THE FIRST THREE MONTHS OF THE 2018A FINANCIAL YEAR

During the first three months of 2018A, construction started on 193 standing investment units with a total investment volume of EUR 41.7 million. The develop-to-hold pipeline included 4,936 units as of 31 July 2018 with a total investment volume of EUR 1,216 million.

OUTLOOK

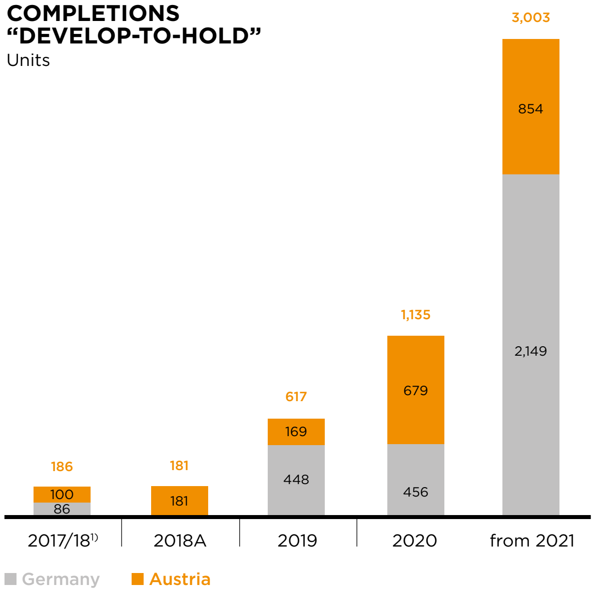
The BUWOG Group plans to complete 181 units during the abbreviated 2018 financial year.

The graph on planned completions for the develop-to-hold pipeline in Germany and Austria illustrates the growth of the Property Development business area and the intensification of develop-to-hold activities in Germany.

A total of 448 units are currently under construction in Germany, and construction is set to begin on 490 units during the remainder of the abbreviated 2018 financial year. In addition, a further 2,115 units are currently in the planning process. The develop-to-hold pipeline in Germany totals 3,053 units and represents a total investment volume of EUR 896 million.

The pipeline in Austria covers 1,883 units with a total investment volume of EUR 320 million, whereby 543 units are now under construction. Construction is scheduled to start on a further 194 units in 2018A. The remaining units are currently in the planning stage, with construction scheduled to start during or after 2019.

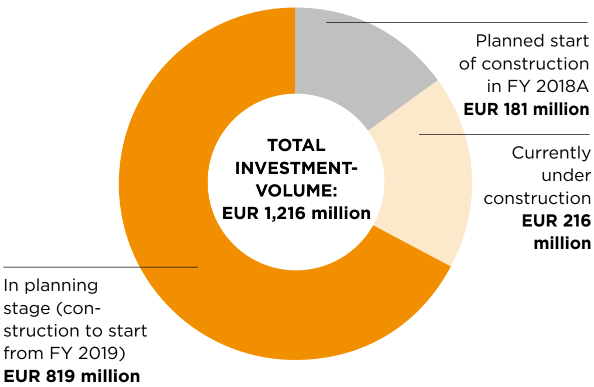
COMPLETIONS "DEVELOP-TO-HOLD"
Units



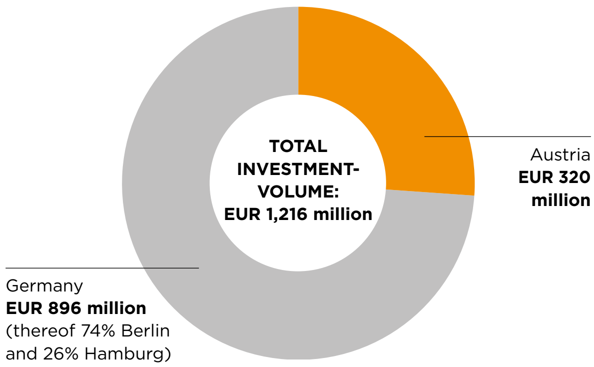
During project development delays may occur due to unforeseeable factors (e.g. extended approval processes as a result of bureaucracy). Completion times may therefore be postponed.

1) thereof 136 completed in Q3

DEVELOPMENT PROJECTS "DEVELOP-TO-HOLD"
by implementation stage, as of 31 July 2018



DEVELOPMENT PROJECTS "DEVELOP-TO-HOLD"
by segments as of 31 July 2018



DEVELOP-TO-SELL

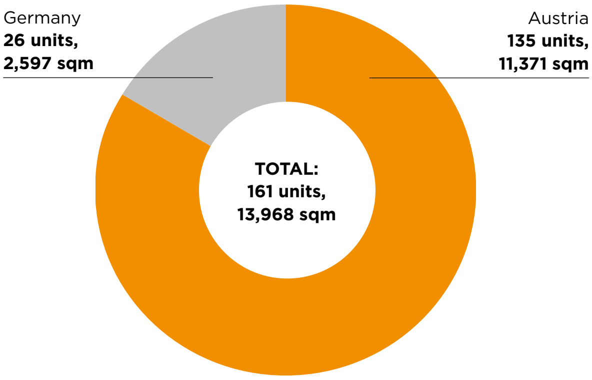
OVERVIEW OF THE FIRST THREE MONTHS OF THE 2018A FINANCIAL YEAR

In the first three months of 2018A, 161 units (26 in Berlin and 135 in Vienna) were completed for sale to third parties.

The average selling prices realised in the first three months of 2018A amounted to EUR 4,343 per sqm in Germany. In Austria, a differentiation is made between investors and owner-occupiers: the prices paid by investors for apartments do not include value added tax. The average selling price equalled EUR 3,365 per sqm for an investment apartment and EUR 3,584 for an owner-occupied apartment in the first quarter.

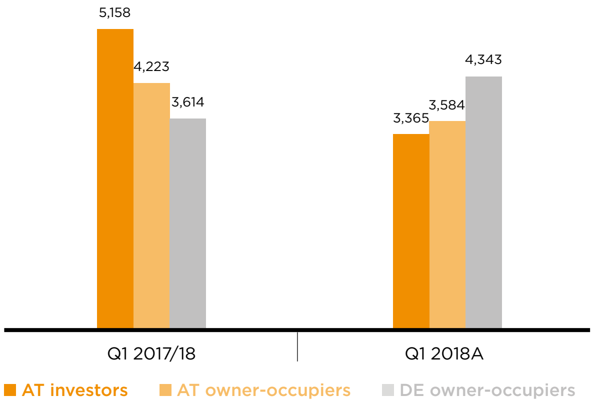
UNITS TRANSFERRED TO BUYERS Q1 2018A

Number of units and sqm



AVERAGE SALE PRICE

in EUR per sqm



Wien, Sagedergasse

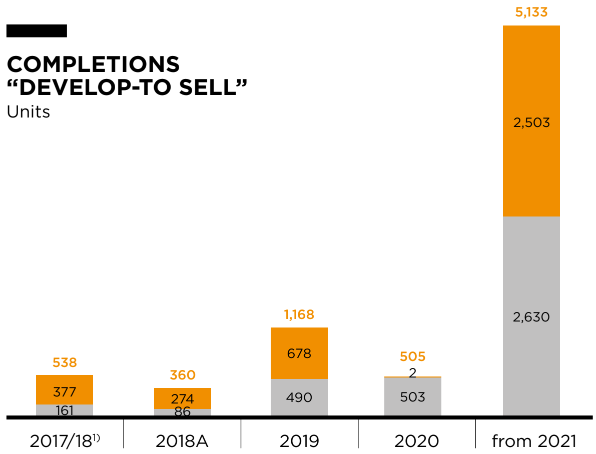
OUTLOOK

The graph on the right illustrates the completion schedule for the develop-to-sell pipeline in Germany and Austria. The realisation of development projects can be influenced by unforeseen factors which include, for example, extended approval processes. The exact completion dates can therefore differ from these estimates.

BUWOG plans to complete 360 units for the develop-to-sell pipeline in 2018A: 86 units in Berlin and 274 units in Vienna.

COMPLETIONS "DEVELOP-TO SELL"

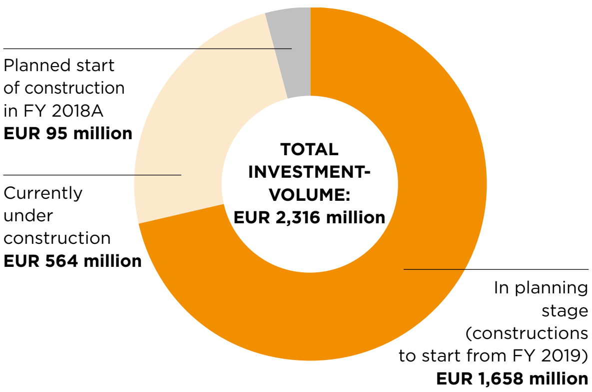
Units



1) thereof 270 competed in Q3

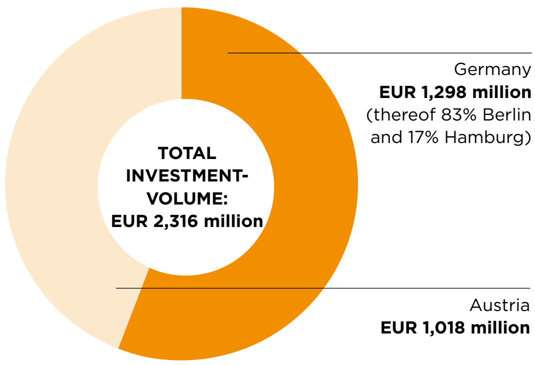
DEVELOPMENT PROJECTS "DEVELOP-TO-SELL"

by implementation stage as of 31 July 2018



DEVELOPMENT PROJECTS "DEVELOP-TO-SELL"

by segments as of 31 July 2018



BUWOG focus

ASSET FOCUS
RESIDENTIAL

REGIONAL FOCUS
BERLIN/HAMBURG/ VIENNA

FUNCTIONAL FOCUS
FULL-SERVICE PROVIDER

Property Development

- Strategy for differentiation from the peer group and creation of added value through project development
- Focus on securing considerable profitability and minimisation of risk
- Development pipeline in Berlin, Hamburg and Vienna with an investment volume around EUR 3.5 billion
- Balanced project pipeline in various stages of development
- Strong internal sales structures in Vienna and Berlin for condominium sales
- Profitable division for generating Recurring FFO and for strengthening the company's own portfolio

BUWOG strategy

MINIMISE RISK
Approx. 65 years of development experience

HIGH UPSIDE POTENTIAL
High margins from property development

INVESTOR RELATIONS

Developments on the international stock markets remained positive during the reporting period in spite of the uncertainty connected with US economic policies, global conflicts and elections in Europe. Positive impulses were provided by the sound growth in key industrial countries, a strong US labour market and good corporate indicators. The ATX, the leading index of the Vienna Stock Exchange, rose by 1.6% during the reporting period and closed at 3,421 points at the end of July 2018. The MDAX increased by 2.5% from 26,285 to 26,950 points during this same period.

The BUWOG share was removed from the ATX in June 2018 following the successful takeover offer by Vonovia SE and the announcement of a planned squeeze-out. The same applies to the IATX, which serves as the base value for the options and futures contracts traded on the Vienna Stock Exchange and the real estate shares listed in the Vienna Prime Market. Following the takeover offer by Vonovia SE and that company's announced intention to complete a squeeze-out, the BUWOG share was also removed from the branch-specific FTSE EPRA/NAREIT Developed Europe Index, a recognised worldwide benchmark and the most widely used index for listed real estate companies. BUWOG is also no longer part of the VÖNIX Sustainability Index.

TAKEOVER OFFER BY VONOVIA SE

On 18 December 2017, Vonovia SE announced a cash offer to BUWOG shareholders for the purchase of their shares. The offer documents were published by Vonovia SE on 5 February 2018 and covered a voluntary public takeover offer for all outstanding shares and convertible bonds of BUWOG AG. The BUWOG shareholders who accepted the offer received EUR 29.05 in cash per share. During the legally stipulated initial acceptance period, Vonovia SE also offered a cash payment of EUR 115,753.65 for each convertible bond with a nominal value of EUR 100,000. On 15 March 2018, Vonovia SE successfully ended the original acceptance period for the takeover offer to BUWOG AG shareholders. The statutory minimum acceptance threshold of 50% plus one share required to complete the takeover offer was exceeded on 12 March 2018. As of 26 March 2018, Vonovia SE held a total of 83,279,967 BUWOG shares which represented 74.19% of the voting rights. BUWOG shareholders who had not yet accepted the offer could tender their remaining shares during the statutory extension period, which ended on 18 June 2018.

Through further market purchases of 703,127 BUWOG AG shares and the exercise of the conversion option for the 2,988 convertible bonds delivered in connection with the takeover offer (total nominal value: EUR 298,800,000), Vonovia SE acquired an additional 11,904,382 zero par value bearer shares at a proportional amount of EUR 1.00 each in share capital. Vonovia SE held 77.24% of the voting rights as of 30 April 2018 and had increased its investment to approximately 90.73% of the BUWOG shares according to the last voting right announcement dated 3 July 2018. The remaining shares are held in free float. All voting rights announcements are published on a timely basis under www.buwog.com.

On 20 June 2018, Vonovia SE officially requested the squeeze-out of the remaining minority shareholders. BUWOG AG issued an announcement on 12 August 2018 indicating that its Executive Board, together with Vonovia SE as its principal shareholder, had established a price of EUR 29.05 per share as the appropriate cash settlement to be paid to the remaining minority shareholders in connection with the initiated squeeze-out.

DEVELOPMENT OF THE BUWOG SHARE DURING THE REPORTING PERIOD

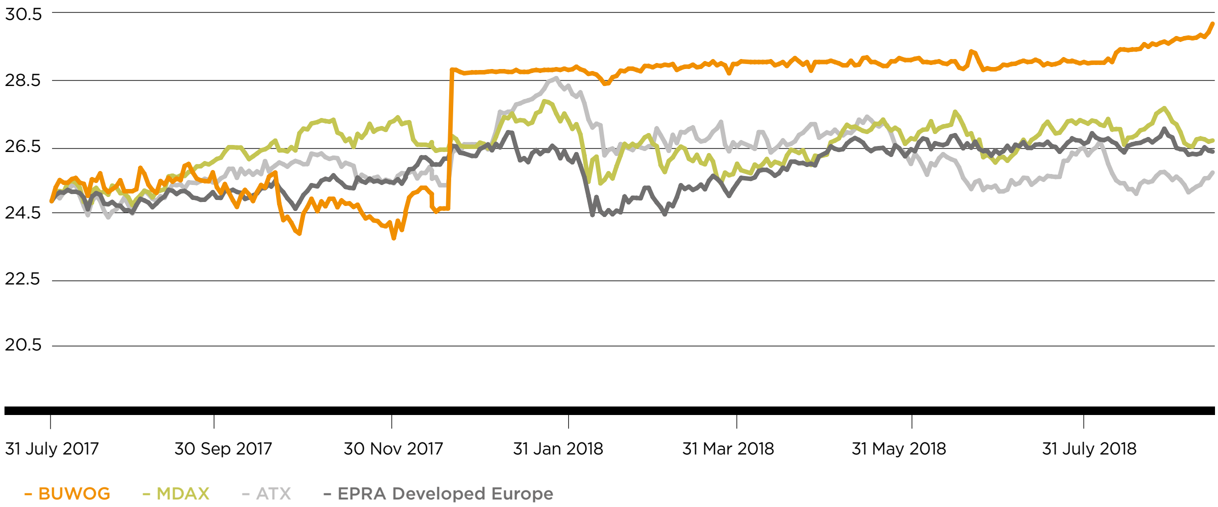
With a closing price of EUR 29.00 on 31 July 2018, the BUWOG share outperformed the relevant branch indexes during the reporting period. This development was again significantly influenced by the Vonovia SE takeover offer on 18 December 2017. The BUWOG share continued to trade clearly above the EPRA NAV per share of EUR 26.75 as of 31 July 2018.

REFERENCE DATA FOR THE BUWOG SHARE

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)

COMPARATIVE PERFORMANCE OF THE BUWOG SHARE

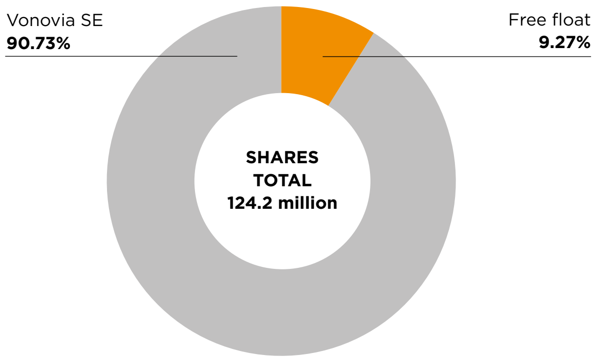
(compared with opening prices on 31 July 2017), in EUR



SHAREHOLDER STRUCTURE

Vonovia SE held 112.7 million BUWOG shares, representing 90.73% of the voting rights, as of 31 July 2018. All voting rights announcements are reported on a timely basis under www.buwog.com.

SHAREHOLDER STRUCTURE AS OF 31 JULY 2018



BUWOG CONVERTIBLE BOND 2016 (ISIN AT0000A1NQH2)

BUWOG AG prematurely called the remaining convertible bond certificates (nominal value: EUR 100,000) as of 10 August 2018.

ISIN convertible bond	AT0000A1NQH2
Convertible bond due, excluding interest	2021
Adjusted conversion price as of 16 May 2017 (EUR)	31.22

CURRENT DIVIDEND POLICY

The Executive Board's top priorities include the protection of shareholders' interests and the generation of an appropriate return on investment. The Annual General Meeting of BUWOG AG on 2 October 2018 will be asked to approve a dividend of EUR 0.69 per share. As of 31 July 2018, that represents a return equal to 2.6% of the EPRA net asset value and 2.3% based on the closing price of EUR 30.20 on 14 September 2018.

Information on the analysts' recommendations and the current financial calendar can be found on our website under www.buwog.com.

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CONSOLIDATED INTERIM MANAGEMENT REPORT

MARKET ENVIRONMENT

CONTINUED GROWTH FOR THE GLOBAL ECONOMY

The global economy continued its steady expansion in 2018 but, according to an estimate by the World Bank, will also face fundamental challenges this year. The recent introduction of reciprocal tariffs by the USA and China, and the USA and the EU, are generally viewed as a danger for the economic outlook and have a significant inherent potential for weakening growth. A further negative factor is the still unclear framework for Great Britain's exit from the EU which, however, would only have an adverse effect over the medium-term.

SLIGHT WEAKNESS IN EUROPE

The strong growth rates in the Eurozone during the past five quarters were followed by slightly lower momentum in the first half of 2018. This slowdown was the result of weakness in global trade during the first half of 2018 as well as temporary factors in individual countries. However, the general conditions for sustained growth remain favourable: according to IfW Kiel, low interest rates and moderately expansive financial policies should provide continued support for the economy and the expansion of production. Developments on the Eurozone labour market remain positive. The unemployment rate in the 28 EU member states dropped from 7.7% in the previous year to 7.0% in May 2018. The number of unemployed persons in the EU-28 fell to 1.8 million in year-on-year comparison, which represents the highest level of employment since August 2008. The declining trend in unemployment has also produced the first signs of a general wage increase in the Eurozone. IfW Kiel is forecasting consumer price inflation of 1.7% annually for the period from 2018 to 2020.

Substantial downside risks for this forecast could materialise from the further intensification of current international trade conflicts, a sharp decline in the economies of key trading partners like the USA or China, the uncertain outcome of the Brexit negotiations and geopolitical tensions.

GERMANY

The German economy continued its growth course during the reporting period, but at a slightly slower pace. GDP growth fell to 0.3% in the first quarter of 2018. According to an analysis by IfW Kiel, the current high capacity utilisation in a number of sectors is creating increasing problems for companies to continue the expansion of production at the same high speed.

The reporting period saw a further dynamic increase in the disposable income and consumption of private households. The sound condition of the employment market is driving gross wages and salaries. The Federal Labour Office reported an unemployment rate of 5.0% in June 2018 (basis: the civilian labour force), which represents a year-on-year decrease of 0.5 percentage points. Consumer price inflation is expected to continue at a moderate rate. In August 2018, prices at the consumer level rose by 2.1% over August 2017.

The upward trend on the German residential property market has continued into the second half of 2018. Despite the high level of construction, the demand for housing is expected to substantially exceed the supply over the long-term. A further increase is expected not only in the purchase prices for condominiums, but also in rents. For 2018, CBRE is projecting a transaction volume similar to 2017 based on individual takeovers and medium-sized portfolios which are currently up for sale. Investments in residential property portfolios totalled EUR 6.8 billion alone in the first quarter of 2018, whereby forward purchases and the forward funding of new construction projects were responsible for EUR 1.8 billion. Additionally, there is no end in sight to the upward trend in purchase prices for multi-family dwellings, residential property portfolios and residential development projects. The stable economic environment in Germany and the growing political uncertainty in other European countries will lead to a further influx of international investors on the German residential property market during the coming year.

AUSTRIA

The Austrian economy grew by 0.7% quarter-on-quarter from April to June 2018 according to a flash estimate by WIFO, with both domestic and foreign demand serving as the main drivers. The demand for investments remained strong, but export activity weakened slightly. Private consumption continued to increase based on the positive development of the labour market and the growth in employment and incomes in recent years.

The unemployment rate declined further during the reporting period. WIFO placed the seasonally adjusted unemployment rate at 7.7% (Austrian calculation method) in May 2018. The average unemployment rate in the EU is almost as low as in the boom phase prior to the financial market and economic crisis, but exceeds this level in Austria. At 2% in June 2018, the inflation rate reflected the average of recent months.

Prices on the residential property market in Austria continued to accelerate during the first quarter of 2018. According to the Austrian National Bank (OeNB), prices in Austria (excluding Vienna) rose by 7.3% year-on-year. Vienna recorded an increase of 10% in the prices for new condominium apartments, and the consumer price index shows a year-on-year increase of 4.1% in rents (excluding operating costs).

This continuing high demand has led to an increase in new construction. The higher number of building permits is an indicator for the growing momentum in housing construction on the Austrian market. An estimate by CBRE shows an increase in the volume of residential property investments to EUR 550 million in 2017.

DEVELOPMENT OF KEY INTEREST RATES

The ECB's key interest rate remained constant at 0.00% throughout the reporting period. The main refinancing rate and the interest rate for the peak financing facility and deposit facility were also unchanged at 0.00%, 0.25% and –0.40%. At the ECB Council meeting on 14 June 2018, a decided was taken to end the quantitative easing (QE) programme which was introduced in early 2015 to stimulate the economy and increase inflation to the Maastrict target of “close to but below” 2%. Monthly bond purchases by the ECB are expected to remain constant at EUR 30 billion up through September and then decline by half by the end of the year. The termination of the QE programme will again move key interest rates into the foreground of monetary policy management. The expected increase in interest rates by the US Federal Reserve has not materialised to date – the prime rate remains at 1.75% to 2.00%, at least for the time being, and represents the level set on 13 June 2018.

Developments on the international stock, currency and financial markets during the first quarter of 2018 were influenced, among others, by the trade dispute with the USA, political tensions in Italy and the slow implementation of the results from the Brexit referendum as well as the continuing negative effects of migration on the political situation. The key reference interest rates (1-, 3-, 6- and 12-month EURIBOR) continued to decline during the first three months of 2018. For example, the 6-month EURIBOR fell from –0.271% to –0.268% in the short-term range as of 31 July 2018.

DEVELOPMENT OF THE EUR-SWAP CURVE

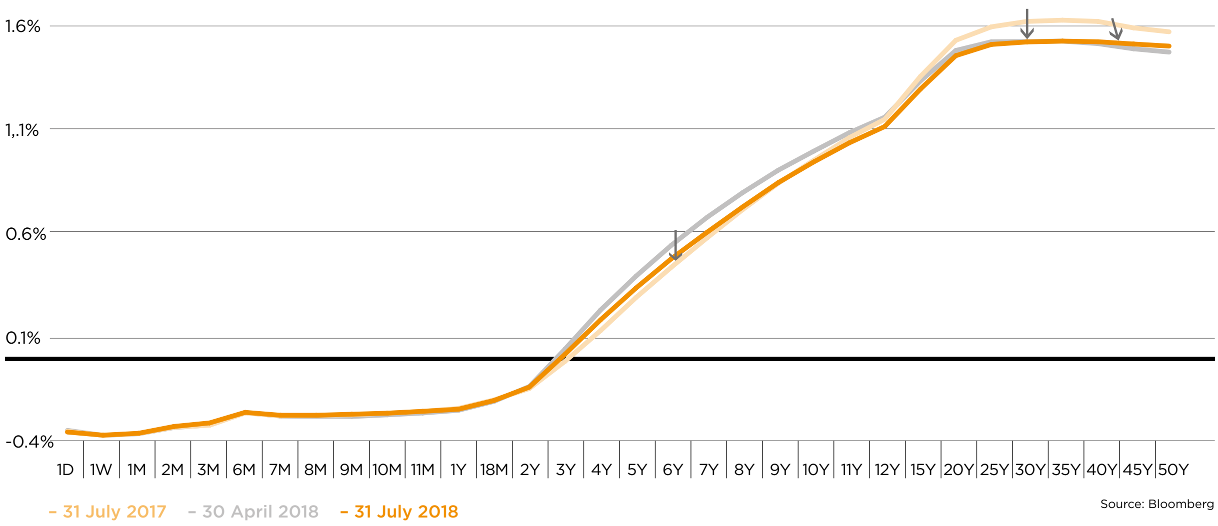
The development of the EUR-swap curve has an effect on the BUWOG Group through its influence on cash interest payments and non-cash financial results. A low EUR-swap curve leads, among others, to lower hedging costs for long-term financing and variable interest loans, but has a negative effect on non-cash financial results through the valuation of derivatives at fair value through profit or loss as long as the applicable interest rate is higher than the swap rates on the balance sheet date.

A slight change in the EUR-swap curve was visible during the first three months of 2018, with movements on the long end.

In view of BUWOG's defensive risk profile with a balanced, long-term financing structure and an average term of 11.5 years for financial liabilities, the increase in the EUR-swap curve principally has a positive effect on non-cash financial results. An improvement in the credit standing of the BUWOG Group leads to a contrary effect in the measurement of fair value. Further details are provided under the *Analysis of the asset, financial and earnings position* on page 36.

DEVELOPMENT OF THE EUR-SWAP CURVE

Comparison 31 July 2017 to 30 April 2018 and 31 July 2018



PORTFOLIO REPORT

The core activities of the BUWOG Group cover the following: the rental and management of a diversified, risk-optimised and sustainably oriented portfolio of standing investments (Asset Management); the development of highly marketable projects as "develop-to-hold" and "develop-to-sell" with a focus on Berlin, Hamburg and Vienna (Property Development); and the sale of individual portfolio units at high margins to fair value (Unit Sales). BUWOG's primary strategic goal is to realise a steady increase in the value of the company and, at the same time, generate strong cash flow to support the distribution of high dividends.

The following information is based on the portfolio values as of 31 July 2018. The comparative figures in parentheses refer to the values as of 30 April 2018, unless otherwise indicated. Information on the carrying amounts is provided under note 2 *Accounting policies* in the consolidated financial statements as of 30 April 2018.

The BUWOG Group's standing investments, new construction projects and undeveloped land are valued by the independent external specialists at CBRE Germany/Austria as of 30 April and 31 October. An external appraisal was not carried out as of 31 July 2018, and the next external appraisal by an independent specialist is scheduled for 31 October 2018.

THE BUWOG GROUP'S PROPERTY PORTFOLIO

The classification of BUWOG's properties in this portfolio report is based on the balance sheet structure: standing investments that generate rental income, pipeline projects (sites for new construction projects and land reserves), other tangible assets (properties used directly by the BUWOG Group), properties under construction for the standing investment portfolio, non-current assets held for sale (standing investments) and real estate inventories (development projects).

The carrying amount of the BUWOG Group's portfolio totalled EUR 5,048.0 million as of 31 July 2018 (EUR 4,881.2 million). Standing investments and non-current assets held for sale represent the major component at EUR 4,276.5 million (EUR 4,206.6 million). The active new construction development projects (real estate inventories) have a carrying amount of EUR 312.2 million (EUR 276.6 million). The pipeline projects (investment properties) have a combined carrying amount of EUR 245.0 million (EUR 245.7 million). The carrying amount of the new buildings, which are reported as investment property under construction and are designated for BUWOG's portfolio, amounted to EUR 192.3 million (EUR 133.4 million). The other tangible assets, which include properties used directly by the BUWOG Group, total EUR 22.0 million (EUR 18.9 million).

BUWOG's property portfolio is classified under non-current and current assets on the balance sheet. The following charts reconcile the balance sheet values as of 31 July 2018 with the presentation in this portfolio report:

PROPERTY PORTFOLIO
as of 31 July 2018 in EUR million

Non-current assets	**4,735.8**	Investment properties	4,521.5	**Standing investments**	**4,276.5**
				Pipeline projects	245.0
		Other tangible assets	22.0	Properties used directly by the BUWOG Group[1)]	22.0
		Investment properties under construction	192.3	Construction for the BUWOG portfolio	192.3
Current assets	**312.2**	Non-current assets held for sale	0.0	**Standing investments**	**0.0**
		Real estate inventories	312.2	Pipeline projects	189.9
				Development projects	122.3
Total portfolio BUWOG Group	**5,048.0**		**5,048.0**		**5,048**

Data includes rounding differences
1) Incl. furniture, fixtures and office equipment

PROPERTY PORTFOLIO BY FAIR VALUE

as of 31 July 2018	Units	Standing investments in EUR million	Pipeline projects in EUR million	Properties used by the BUWOG Group in EUR million[1]	Construction for BUWOG portfolio in EUR million	Real estate inventories in EUR million	Property portfolio in EUR million	Share
Germany	28,024	2,372.2	193.9	1.0	130.1	107.5	2,804.7	55.6%
Austria	21,307	1,904.3	51.1	21.0	62.1	204.8	2,243.3	44.4%
BUWOG Group	**49,331**	**4,276.5**	**245.0**	**22.0**	**192.3**	**312.2**	**5,048.0**	**100.0%**

Data includes rounding differences
1) Incl. furniture, fixtures and office equipment

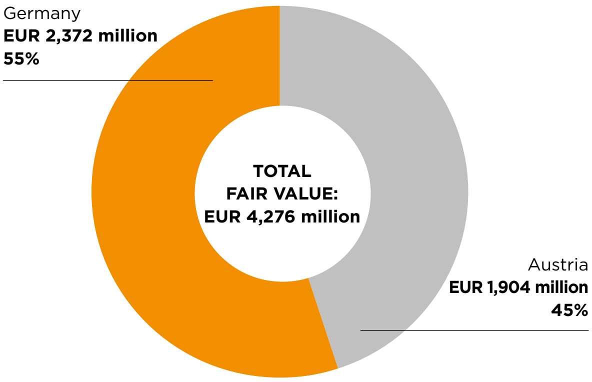
INVESTMENT PROPERTIES – STANDING INVESTMENTS (ASSET MANAGEMENT BUSINESS AREA)

The BUWOG Group holds standing investments for the purpose of generating regular rental income. The property portfolio in Germany and Austria included 49,331 standing investment units (48,828 units), which had a fair value of EUR 4,276.5 million as of 31 July 2018 (EUR 4,206.5 million) and represented 84.7% (84.5%) of the total property portfolio (incl. development projects). The standing investment portfolio is carried at fair value in accordance with IAS 40.

Vienna and Berlin as well as the provincial and state capitals, major cities and related suburban regions represented the locations for roughly 87% of the fair value of the BUWOG Group's standing investment portfolio and roughly 77% of the standing investment units as of 31 July 2018. The graph on the right shows the regional distribution of this portfolio.

The annualised contractual net in-place rent from the standing investments, including parking areas, totalled EUR 212.4 million as of 31 July 2018 (EUR 208.4 million). This represents an average net in-place rent of EUR 5.34 per sqm (EUR 5.18 per sqm) and a gross rental yield (annualised net in-place rent in relation to fair value as of the balance sheet date) of 5.0% (5.0%). The vacancy rate is determined on the basis of total floor area and equalled 3.5% as of 31 July 2018 (3.3%).

REGIONAL STRUCTURE OF THE PROPERTY PORTFOLIO BY FAIR VALUE
as of 31 July 2018



On a like-for-like basis (i.e. after the deduction of the effects of portfolio transactions and the inclusion of changes in vacancies), the rental income generated by BUWOG's portfolio properties rose by 3.1% as of 31 July 2018. The like-for-like increase in rents equalled 3.4% in the German portfolio and 2.3% in the Austrian portfolio.

SALE OF PORTFOLIO PROPERTIES (PROPERTY SALES BUSINESS AREA)

Unit Sales are the main driver for the generation of sustainable revenues and contributions to Recurring FFO in BUWOG's Property Sales business area. A total of 222 standing investment units in Germany and Austria were sold through individual apartment sales during the first three months of 2018A (Q1 2017/18: 432 units). These transactions generated revenues of EUR 41.8 million (Q1 2017/18: EUR 52.0 million) and net operating income (NOI) of EUR 16.3 million (Q1 2017/18: EUR 15.8 million).

There were no Block Sales during the reporting period (Q1 2017/18: 236 units).

INVESTMENT PROPERTY – PIPELINE PROJECTS (PROPERTY DEVELOPMENT BUSINESS AREA)

In addition to standing investments, the balance sheet position investment property includes pipeline projects which are carried at fair value in accordance with IAS 40. Pipeline projects are defined as undeveloped land reserves and new projects in planning whose construction is scheduled to start more than six months after the balance sheet date. BUWOG reviews these projects regularly for development and realisation options.

PIPELINEPROJECTS FAIR VALUE

as of 31 July 2018	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
Germany	193.2	0.0	0.0	0.7	193.9	79.1%
Austria	47.1	2.2	0.0	1.8	51.1	20.9%
Total	**240.3**	**2.2**	**0.0**	**2.5**	**245.0**	**100.0%**

OTHER TANGIBLE ASSETS

The other tangible assets had a combined carrying amount of EUR 22.0 million (EUR 18.9 million). These assets consist primarily of office properties used by the BUWOG Group in Vienna (Hietzinger Kai 131) and Villach (Tiroler Strasse 17) as well as the tangible assets currently under construction for BUWOG's future customer and administrative centre in Vienna.

INVESTMENT PROPERTY UNDER CONSTRUCTION – CONSTRUCTION FOR THE PORTFOLIO (ASSET MANAGEMENT / PROPERTY DEVELOPMENT BUSINESS AREAS)

Investment property under construction includes subsidised and market rent apartments in Austria and Germany that are currently under construction or whose construction will begin within the next six months as part of development for BUWOG's core portfolio.

NON-CURRENT ASSETS HELD FOR SALE (ASSET MANAGEMENT BUSINESS AREA)

Properties classified as non-current assets held for sale and accounted for in accordance with IFRS 5 must be covered by specific plans as of 31 July 2018 which make their sale likely in the near future. No properties met these criteria as of 31 July 2018.

REAL ESTATE INVENTORIES – DEVELOPMENT PROJECTS (PROPERTY DEVELOPMENT BUSINESS AREA)

Subsidised and privately financed development projects that are current under construction or completed are reported on the balance sheet as real estate inventories (current assets) and accounted for at amortised cost or the lower net realisable value in accordance with IAS 2. The fair value of these real estate inventories totalled EUR 312.2 million as of 31 July 2018 (EUR 326.9 million).

FINANCING

The BUWOG Group successfully arranged financing with a total volume of EUR 30.7 million[1] for its standing investments at an average interest rate of 1.30% in the first three months of the abbreviated 2018 financial year. Project financing was also concluded for a total volume of EUR 30 million[2] at an average interest rate of 0.83%.

The following table summarises the key financing indicators as of 31 July 2018:

FINANCING INDICATORS

	Outstanding liability in EUR million	Share of outstanding liability	Ø Interest rate	Ø Term in years
Bank liabilities	**1,521**	**79%**	**2.09%**	**9.7**
thereof Austria	718	37%	2.24%	14.2
thereof Germany	803	42%	1.95%	5.7
Local authorities	**399**	**21%**	**1.74%**	**18.2**
thereof Austria	398	21%	1.74%	18.3
thereof Germany	0	0%	3.00%	0.3
Total	**1,920**	**100%**	**2.02%**	**11.5**

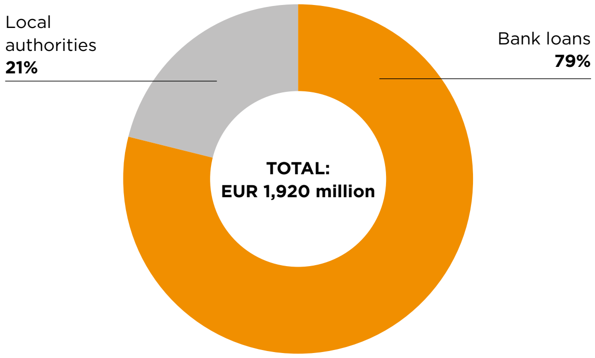
Data may include rounding differences.

FINANCING STRUCTURE

The financial liabilities held by the BUWOG Group include liabilities to credit institutions and liabilities to local authorities and development banks. The outstanding volume of these financial liabilities, which are denominated entirely in Euros, totalled approximately EUR 1,920 million as of 31 July 2018. The net financial liabilities of EUR 1,679 million in relation to the carrying amount of the total portfolio (EUR 5,026 million) represent a loan-to-value ratio of 33.4%. The increase resulted from a 5.3% rise in net financial liabilities. Additional details on the calculation of the LTV are provided under *Loan to value* on page 42.

As of 31 July 2018, 23% (basis: outstanding liability) of financial liabilities represented low-interest subsidised loans and bank liabilities with annuity subsidies. Additional details are provided in the section on the *Analysis of the asset, financial and earnings position* (page 36) and under note 2.4.4 of the consolidated financial statements as of 30 April 2018.

STRUCTURE OF THE AMOUNT OUTSTANDING UNDER FINANCIAL LIABILITIES
as of 31 July 2018



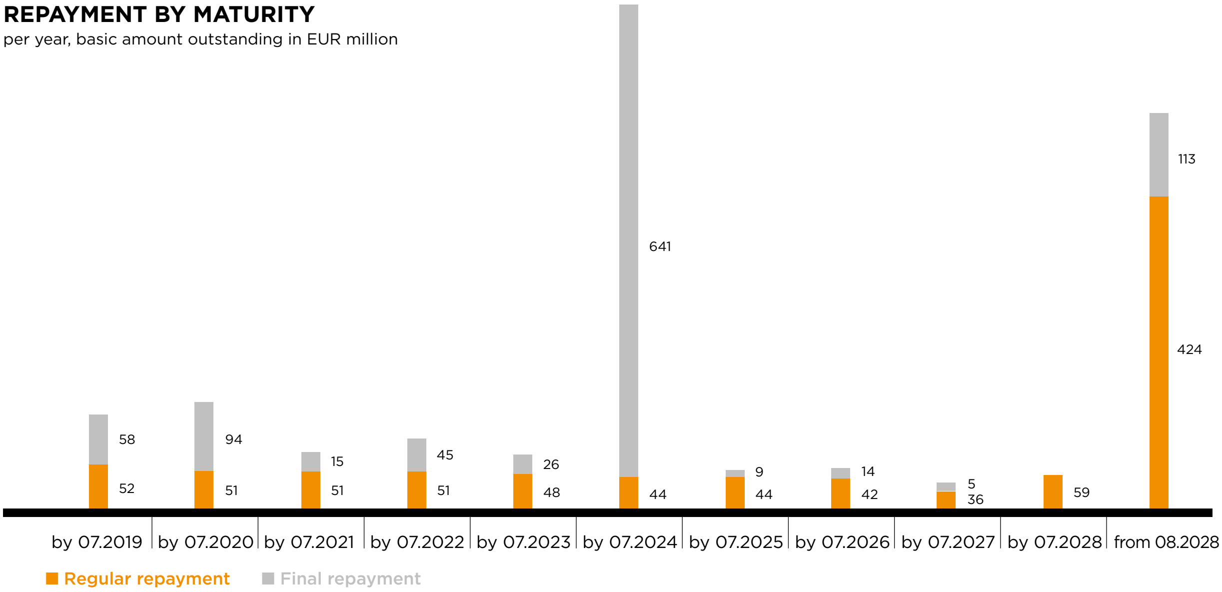
1) As of 31 July 2018, EUR 8 million had not been transferred.
2) As of 31 July 2018, EUR 30 million had not been transferred due to the progress on construction.

REPAYMENT STRUCTURE

The long-term nature of BUWOG's core business is also reflected in the activities to develop and maintain a long-term, balanced financing structure as a means of protecting the risk profile. Most of the financing contracts meet this goal. The average term equals 11.5 years and the fixed interest period 9.2 years. The repayment structure, including refinancing transactions and the restructuring of the credit portfolio, is shown below:

REPAYMENT BY MATURITY

per year, basic amount outstanding in EUR million



Data can include rounding differences.

INTEREST RATE STRUCTURE

In keeping with the long-term nature of BUWOG's financing structure, roughly 89% of the financing contracts were hedged against interest rate risk through fixed interest rate agreements and/or interest rate swaps as of 31 July 2018. The weighted average nominal interest rate equalled 2.02% on 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 three months of the abbreviated 2018 financial year, respectively the balance sheet date on 31 July 2018. The disclosures and information on the comparable prior year period in 2017/18 and the balance sheet date on 30 April 2018 are presented in brackets. The term Net Operating Income (NOI) per business area is used in the following as a synonym for the earnings generated by each business area.

EARNINGS POSITION

CONDENSED INCOME STATEMENT

in EUR million	Q1 2018A	Q1 2017/18[1]	Change
NOI Asset Management	38.4	38.5	–0.2%
NOI Property Sales[2]	16.3	15.8	3.0%
NOI Property Development	5.8	17.5	–66.7%
Other operating income	0.6	0.7	–13.5%
Expenses not directly attributable	–14.3	–10.7	–32.8%
Results of operations	**46.8**	**61.6**	**–24.1%**
Other valuation results	0.0	0.0	n.a.
Operating profit (EBIT)	**46.8**	**61.6**	**–24.1%**
Financial results	–15.5	–23.0	32.7%
Earnings before tax (EBT)	**31.3**	**38.6**	**–19.0%**
Net profit	**22.7**	**29.8**	**–23.6%**
Net profit per share[3] in EUR	**0.18**	**0.28**	**–33.5%**

The use of automated calculation systems may give rise to rounding differences.
1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).
2) Including of adaption IFRS 5 EUR 0.0 million (EUR 1.7 million)
3) Base shares 124,171,828 previous year: 107,771,625 shares (weighted average)

Asset Management. This business area generated NOI of EUR 38.4 million in the first quarter of the abbreviated 2018 financial year (EUR 38.5 million), which represents an NOI margin of 71.6% (74.4%). The decline is attributable to an increase in the expenses for investment properties as well as operating expenses and expenses from third party property management. Income recorded by the Asset Management business area consists of net cold rent of EUR 49.9 million (EUR 47.9 million) from residential properties and other rental income of EUR 3.7 million (EUR 3.8 million). These two items form the indicator “net in-place rent” and show the revenue contribution by Asset Management to the BUWOG Group’s total revenue. In Germany, an improvement in the net in-place rent led to an increase in rental income. The net in-place rent in the Austria segment remained stable.

The income from Asset Management also includes operating costs passed on to tenants, third-party management revenues and revenues from the management of BUWOG’s own properties in Austria totalling EUR 28.8 million (EUR 28.2 million) as well as other revenues. These revenues are contrasted by EUR 14.7 million (EUR 13.7 million) of expenses directly related to investment properties and EUR 29.4 million (EUR 27.8 million) of operating expenses and expenses from third-party management.

OVERVIEW OF ASSET MANAGEMENT

in EUR million	Q1 2018A	Q1 2017/18	Change
Residential rental income	49.9	47.9	4.2%
Other rental income	3.7	3.8	-4.5%
Rental revenues	**53.6**	**51.7**	**3.5%**
Operating costs charged to tenants and third party property management revenues	28.8	28.2	2.3%
Other revenues	0.0	0.0	n.a.
Revenues	**82.4**	**79.9**	**3.1%**
NOI Asset Management	**38.4**	**38.5**	**-0.2%**
NOI margin Asset Management	**71.6%**	**74.4%**	**-2.7 PP**

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

Property Sales. NOI of EUR 16.3 million was recorded by the Property Sales business area in the first three months of 2018A (EUR 15.8 million). Including the IFRS 5 fair value adjustments, adjusted NOI in this business area equalled EUR 16.3 million (EUR 15.9 million). These results reflected the sale of 222 apartments through Unit Sales at a margin of roughly 65% on fair value. There were no Block Sales during the first three months of 2018A. The IFRS 5 adjustments reported in the following table include the fair value adjustments to non-current assets held for sale, which equalled EUR -1.7 million in the comparable prior year period and EUR 1.8 million from previous years. This valuation effect was eliminated in the calculation of NOI, EBITDA and Total FFO.

The major parameters for classification as Unit Sales (part of Recurring FFO) and Block Sales (the sale of individual properties and portfolios) are shown below:

OVERVIEW OF PROPERTY SALES

	Q1 2018A	Q1 2017/18	Change
Sales of units in numbers	**222**	**432**	**-48.6%**
thereof Unit Sales	222	196	13.3%
thereof Block Sales	0	236	-100.0%
Revenues Property Sales in EUR million	**41.8**	**52.0**	**-19.5%**
thereof Unit Sales in EUR million	41.8	35.9	16.5%
thereof Block Sales in EUR million	0.0	16.1	-100.0%
NOI Property Sales in EUR million	**16.3**	**15.8**	**3.0%**
Adaption IFRS 5 current year	0.0	-1.7	100.0%
Adaption IFRS 5 previous year	0.0	1.8	-100.0%
NOI Property Sales in EUR million adjusted	**16.3**	**15.9**	**2.2%**
thereof Unit Sales in EUR million	16.4	13.8	18.4%
thereof Block Sales in EUR million	-0.1[1]	2.1	>-100.0%
Margin on fair value	**65%**	**42%**	**22.5 PP**
thereof Unit Sales	65%	63%	2.0 PP
thereof Block Sales	0%	13%	-13.4 PP

The use of automated calculation systems may give rise to rounding differences.
1) In Q1 2018A this item consists entirely of selling costs.

Property Development. Two sub-segments are responsible for the activities in this business area: develop-to-sell and develop-to-hold. The development pipeline contained 12,102 planned units as of 31 July 2018. Recurring FFO totalled EUR 34.1 million for the first three months of the abbreviated 2018 financial year. The 19.1% reduction in this indicator resulted from an earnings decline in this business area which was caused by higher up-front costs and fewer completions and sales during the reporting period. The NOI margin from Property Development equalled 11.5% in the first quarter of 2018A (21.6%). The decline in the NOI Margin is explained primarily by increased acquisitions in the first quarter of 2018A and the related up-front costs for projects. However, these activities significantly expanded the project pipeline and will have a positive effect on the margin in the future.

OVERVIEW OF PROPERTY DEVELOPMENT

	Q1 2018A	Q1 2017/18[1]	Change
Sold units	**161**	**156**	**3.2%**
thereof Germany	26	91	-71.4%
thereof Austria	135	65	>100.0%
Revenues Property Development in EUR million	**50.4**	**80.9**	**-37.7%**
thereof Germany in EUR million	21.0	20.5	2.6%
thereof Austria in EUR million	29.4	60.5	-51.3%
NOI Property Development in EUR million	**5.8**	**17.5**	**-66.7%**
Adjustment to fair value of investment properties under construction	0.0	0.0	n.a.
NOI Property Development adjusted in EUR million	**5.8**	**17.5**	**-66.7%**
thereof Germany in EUR million	-0.9	3.4	>-100.0%
thereof Austria in EUR million	6.8	14.1	-52.1%
NOI margin Property Development adjusted	**11.5%**	**21.6%**	**-10.1 PP**
thereof Germany	-4.5%	16.4%	-20.9 PP
thereof Austria	23.0%	23.3%	-0.4 PP

The use of automated calculation systems may give rise to rounding differences.
1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).

Expenses not directly attributable. Expenses that are not directly attributable to the three business areas amounted to EUR 14.3 million in the first three months of 2018A (EUR 10.7 million). They consist primarily of personnel expenses totalling EUR 7.4 million (EUR 4.3 million), legal, auditing and consulting fees of EUR 2.1 million (EUR 2.2 million) and IT and communications costs of EUR 1.1 million (EUR 1.6 million). The increase in personnel expenses resulted primarily from a severance payment to Executive Board member Herwig Teufelsdorfer and a provision for retention bonuses to employees.

Results of operations. The results of operations totalled EUR 46.8 million (EUR 61.6 million). EBITDA equalled EUR 47.7 million (EUR 62.8 million) after an adjustment for non-cash effects, effects related to other accounting periods and the valuation of property under construction and property held for sale.

EBITDA

in EUR million	Q1 2018A	Q1 2017/18[1]	Change
Results of operations	**46.8**	**61.6**	**–24.1%**
Impairment losses/revaluations	1.0	1.0	–7.7%
Adjustment to fair value of investment properties under construction	0.0	0.0	n.a.
Adaption IFRS 5 previous year	0.0	1.8	–100.0%
Adaption IFRS 5 current year	0.0	–1.7	100.0%
EBITDA[2]	**47.7**	**62.8**	**–24.0%**
EBITDA Asset Management	**28.2**	**30.7**	**–8.4%**
EBITDA Property Sales[2]	**15.9**	**15.6**	**1.4%**
thereof Unit Sales	16.0	13.6	17.9%
thereof Block Sales	–0.1	2.1	>-100.0%
EBITDA Property Development	**3.7**	**16.4**	**–77.6%**

The use of automated calculation systems may give rise to rounding differences.
1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).
2) Results of operations adjusted to account for valuation effects from period-based shifts (IFRS 5)

Other valuation results. The BUWOG properties were not appraised as of 31 July 2018.

Financial results. Financial results of EUR -15.5 million (EUR –23.0 million) include cash interest expenses of EUR –8.2 million (EUR –8.7 million) as well as non-cash results from the fair value measurement through profit or loss of derivatives at EUR -1.9 million (EUR -6.9 million). The non-cash valuation effects have no impact on Recurring FFO. Additional information on the development of interest rates is provided under *Market Environment.*

Recurring FFO. The key performance indicator used by the BUWOG Group to evaluate the operation business is Funds From Operations (FFO), whereby a differentiation is made between Recurring FFO (which excludes the results of Block Sales), Total FFO (which includes the results of Block Sales) and AFFO (which is adjusted for capitalised value-enhancing measures, CAPEX). Recurring FFO reflects the business model of the BUWOG Group, which is based on sustainable, long-term experience in three business areas: Asset Management, Property Development and Property Sales (excluding the results of Block Sales). Group net profit for the first three months of 2018A represents the starting point for the calculation in the following table.

Recurring FFO amounted to EUR 34,1 million for the first three months of 2018A. The year-on-year decline of 19.1% was based on the weaker earnings for project-related reasons from Property Development. The non-recurring presentation effect from the conversion to IFRS 15 (percentage-of-completion method) amounts to EUR 32.0 million in the Property Development business area (cumulative up to 1 May 2018). Added to the above amount of EUR 34.1 million, Recurring FFO totals EUR 66.1 million and is within the range of the previously issued guidance of EUR 122.0 million for the abbreviated 2018 financial year.

FFO

in EUR million	Q1 2018A	Q1 2017/18[1)]	Change
Net profit	22.7	29.8	-23.6%
Results of Property Sales	-16.3	-15.8	-3.0%
Other financial results	5.6	12.0	-53.3%
Fair value adjustments of investment properties[2)]	0.0	0.0	n.a.
Impairment losses/revaluations	1.0	1.0	-7.7%
Deferred taxes	0.6	-1.1	>100.0%
Other	4.1	2.3	74.7%
FFO	**17.7**	**28.3**	**-37.3%**
Unit Sales result	16.4	13.8	18.3%
Recurring FFO	**34.1**	**42.1**	**-19.1%**
Block Sales result	-0.1	2.1	>-100.0%
Total FFO	**34.0**	**44.2**	**-23.1%**
Recurring FFO per share in EUR basic[3)]	0.27	0.39	-29.8%
Total FFO per share in EUR basic[3)]	0.27	0.41	-33.2%
Recurring FFO	**34.1**	**42.1**	**-19.1%**
CAPEX	-14.4	-9.8	-47.9%
AFFO	**19.6**	**32.3**	**-39.3%**
Recurring FFO incl. non-recurring presentation effect from the conversion to IFRS 15	**66.1**	**n.a.**	**-**

The use of automated calculation systems may give rise to rounding differences.
1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).
2) No appraisal of the investment properties was carried out as of 31 July 2018.
3) Basis for earnings data: 124,171,828 shares (107,771,625) weighted average

Other financial results of EUR -2.5 million (EUR -7.6 million) were adjusted for the following items to develop the total amount of EUR -5.6 million (EUR -12.0 million): results of EUR -3.1 million (EUR -3.8 million) from the valuation of financial liabilities and other financial assets at amortised cost, ancillary cash expenses of EUR 0.0 million (EUR 0.1 million) for current borrowings and an increase of EUR 0.0 million (EUR -0.7 million) in interest expense, calculated according to the effective interest rate method, for the convertible bond which was issued during the comparable prior year period.

Impairment losses/revaluations include EUR 1.0 million (EUR 0.8 million) of depreciation, amortisation and impairment losses to intangible and other tangible assets as well as expenses of EUR 0.0 million (EUR 0.3 million) from the valuation of real estate inventories.

The position "other" includes personnel expenses of EUR 0.6 million (EUR 0.2 million), operating expenses of EUR 0.7 million (EUR 1.7 million) for project-related and non-recurring items, costs of EUR 0.0 million (EUR 0.6 million) for an employee event and income of EUR 0.2 million (EUR 0.1 million) from insurance compensation. Also included here are a severance payment of EUR 2.2 million for Executive Board member Herwig Teufelsdorfer and a provision of EUR 0.9 million for retention bonuses to employees.

The Block Sales result was adjusted by a valuation effect (IFRS 5) of EUR 0.0 million as of 31 July 2018 (EUR 1.8 million).

ASSET POSITION

CONDENSED BALANCE SHEET

in EUR million	31 July 2018	30 April 2018[1]	Change
Investment property	4,521.5	4,452.3	1.6%
Investment property under construction	192.3	133.4	44.2%
Other tangible assets	22.0	18.9	16.6%
Intangible assets	16.9	17.3	-2.7%
Trade and other receivables	201.6	240.3	-16.1%
Other financial assets	12.9	13.5	-4.5%
Deferred tax assets	0.0	0.0	n.a.
Non-current assets held for sale	0.0	0.0	n.a.
Income tax receivables	11.0	14.6	-25.2%
Real estate inventories	312.2	276.6	12.9%
Contract assets	87.0	105.3	-17.5%
Cash and cash equivalents	154.0	219.3	-29.8%
Investments accounted for at equity	10.9	0.0	n.a.
Assets	**5,542.2**	**5,491.5**	**0.9%**
Equity	2,954.2	2,904.4	1.7%
Liabilities from convertible bonds	0.2	1.2	-83.3%
Financial liabilities	1,833.0	1,812.0	1.2%
Trade payables and other liabilities	372.1	397.0	-6.3%
Income tax liabilities	16.9	12.4	35.8%
Provisions	15.8	15.2	4.3%
Deferred tax liabilities	350.0	349.3	0.2%
Financial liabilities held for sale	0.0	0.0	n.a.
Equity and liabilities	**5,542.2**	**5,491.5**	**0.9%**

1) The comparative data were adjusted (see note 2.4 in the consolidated interim financial statements).

Information on the investment properties, properties under construction, real estate inventories and non-current assets held for sale is provided in the portfolio report and in the respective disclosures in the notes to the consolidated interim financial statements as of 31 July 2018.

EPRA NAV. This indicator is calculated in accordance with the recommendations of the European Public Real Estate Association (EPRA). The EPRA NAV concept is used to show the fair value of net assets on a long-term basis and to give investors an impression of the company's sustainable asset position. In the first three months of 2018A, the EPRA NAV rose from EUR 26.32 per share to EUR 26.75 per share.

EPRA NAV

in EUR million	31 July 2018	30 April 2018[1]	Change
Equity before non-controlling interests	2,915.4	2,878.5	1.3%
Goodwill	-5.6	-5.6	0.0%
Inventories (carrying amount)[1]	-312.2	-276.6	-12.9%
Inventories (fair value)	349.1	289.0	20.8%
Properties owned by BUWOG (carrying amount)	-20.2	-17.1	-18.4%
Properties owned by BUWOG (fair value)	23.3	21.6	8.0%
Positive market value of derivative financial instruments	0.0	-0.0	n.a.
Negative market value of derivative financial instruments	46.0	44.3	3.8%
Deferred tax assets on investment properties	-0.8	-0.0	>-100.0%
Deferred tax liabilities on investment properties (adjusted)[2]	344.7	345.9	-0.4%
Deferred taxes on property inventories	-8.7	-3.4	>-100.0%
Deferred taxes on derivative financial instruments	-9.3	-8.5	-8.9%
EPRA NAV basic (balance sheet date)	**3,321.6**	**3,268.1**	**1.6%**
Shares issued as of the balance sheet date (excl. treasury shares)	124,181,576	124,149,546	0.0%
EPRA NAV per share in EUR basic (balance sheet date)	**26.75**	**26.32**	**1.6%**

1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).
2) No appraisal of the investment properties was carried out as of 31 July 2018.
3) Adjustment for deferred tax liabilities arising in connection with potential property sales of EUR 46.7 million (EUR 45.2 million)

Loan-to-Value (LTV). Net liabilities in relation to the fair value (carrying amount) of the BUWOG Group's portfolio (LTV) rose from 32.8% as of 30 April 2018 to 33.4% and resulted from an increase of 5.3% in net financial liabilities.

LOAN-TO-VALUE RATIO

in EUR million	31 July 2018	30 April 2018[1]	Change
Non-current financial liabilities	1,727.5	1,069.4	61.5%
Current financial liabilities	105.5	742.6	–85.8%
Financial liabilities held for sale	0.0	0.0	n.a.
Liabilities from convertible bonds	0.0	1.2	–100.0%
Financial liabilities	**1,833.0**	**1,813.1**	**1.1%**
Cash and cash equivalents	–154.0	–219.3	29.8%
Net financial liabilities	**1,679.0**	**1,593.9**	**5.3%**
Investment properties	4,521.5	4,452.3	1.6%
Investment properties under construction	192.3	133.4	44.2%
Non-current assets held for sale	0.0	0.0	n.a.
Inventories	312.2	276.6	12.9%
Carrying amount overall portfolio	**5,026.0**	**4,862.2**	**3.4%**
Loan-to-value ratio	**33.4%**	**32.8%**	**0.6 PP**

1) The comparative data were adjusted (see note 2.4 in the Consolidated interim financial statements).

FINANCIAL POSITION

CASH FLOW STATEMENT

in EUR million	Q1 2018A	Q1 2017/18[1]	Change
Gross cash flow	31.1	41.6	–25.3%
Cash flow from operating activities	3.5	44.0	–92.0%
Cash flow from investing activities	–78.3	–52.6	–48.9%
Cash flow from financing activities	9.5	240.2	–96.0%
Cash flow	**–65.2**	**231.6**	**>-100.0%**

1) The comparable prior year figures were adjusted (see section 2.4 to the Consolidated interim financial statements).

Gross cash flow totalled EUR 31.1 million (EUR 41.6 million) after an adjustment for non-cash effects like the fair value adjustment of investment properties, the fair value measurement of financial instruments, depreciation, amortisation and other positions. The year-on-year reduction of EUR 10.5 million resulted from the decline in operating earnings. The net cash outflows from net working capital positions amounted to EUR 27.6 million (previous year: net cash inflows of EUR 2.4 million). Cash flow from operating activities fell from EUR 44.0 million to EUR 3.5 million.

Cash flow from investing activities was negative at EUR –78.3 million and increased in relation to the previous year (EUR –52.6 million). Cash outflows totalled EUR 103.0 million (EUR 68.5 million) and involved investments in property assets, properties under construction, the purchase of other non-current assets and the acquisition of equity-accounted investments. These cash outflows were contrasted by cash inflows of EUR 23.8 million (EUR 15.2 million) from the sale of non-current assets.

Cash flow from financing activities declined to EUR 9.5 million (EUR 240.2 million). Included here in 2018A are cash inflows of EUR 16.2 million from the change in the stake held in a subsidiary. The comparable prior year period was influenced by the capital increase with cash inflows of EUR 298.4 million. These items were contrasted by cash flows of EUR +1.4 million (EUR -49.2 million) from financial liabilities and EUR 8.2 million (EUR 9.0 million) of interest and dividends paid.

OUTLOOK

In view of the ongoing low interest rate environment, the BUWOG Group plans to maintain a balance sheet structure which supports an increased focus on growth – also as a member company of Vonovia SE – in its three core business areas: Asset Management in Austria and Property Development in Germany and Austria. BUWOG's previous strategy to improve the quality of the portfolio will also be implemented as part of the new corporation, above all by concentrating the standing investment portfolio in Austria on Vienna and other strong socio-demographic locations and continuing the develop-to-hold strategy followed by Property Development in Germany and Austria.

BUWOG AG pursues an active portfolio management approach and regularly analyses the opportunities and risks in its portfolio locations. The goal is to improve the portfolio quality, not only through acquisitions and develop-to-hold properties. The sale of individual units and larger portfolio components in Germany and Austria can make an important contribution to improving the portfolio quality and recycling capital into more profitable investments. BUWOG's active portfolio management also includes regularly evaluating the sale of individual units and larger portfolio segments in Germany and Austria. The planned sale of nearly 3,900 units at a number of locations in northern Germany has reached an advanced stage, but the successful conclusion of this project is dependent on the final negotiations, the conclusion of a purchase contract and the fulfilment of the related conditions.

The Executive Board expects a contribution of approximately EUR 74 million to Recurring FFO from Asset Management and Unit Sales in the abbreviated 2018 financial year based on like-for-like growth of 2.0% to 2.5% in rental income and constant, high-margin Unit Sales of roughly 400 apartments during this eight-month period. The Property Development business area is expected to contribute approximately EUR 48 million to Recurring FFO in the abbreviated 2018 financial year. This assumption includes a non-recurring effect of roughly EUR 32 million from the initial application of the percentage-of-completion accounting method. Under this method, earnings are not recognised to the income statement when a property is completed and transferred to the buyer but, in the event of a sale, on a pro rata basis during the entire completion period.

The forecast by the Executive Board for the abbreviated 2018 financial year ending on 31 December 2018 remains intact, with Recurring FFO expected to total EUR 122 million.

There have been no significant changes in the opportunity/risk profile since the end of the 2017/18 financial year which would lead to indications of new opportunities or risks for the BUWOG Group. Individual minor adjustments are discussed in the applicable sections of this report, including the section on the development of business. The information provided under the Risk Report in the 2017/18 annual report is still valid.

SUBSEQUENT EVENTS

Information on relevant events occurring after the balance sheet date on 31 July 2018 is provided in the consolidated interim financial statements under note 8. *Subsequent events.*

CONSOLIDATED INTERIM FINANCIAL STATEMENTS BUWOG GROUP

CONTENT

CONSOLIDATED INCOME STATEMENT

in TEUR	Notes	Q1 2018A	Q1 2017/18[1)]
Residential rental income		49,898.1	47,888.4
Other rental income		3,658.9	3,833.1
Rental income		**53,557.0**	**51,721.5**
Operating costs charged to tenants and third party property management revenues		28,816.4	28,177.2
Other revenues		36.5	6.7
Revenues	**5.1**	**82,409.9**	**79,905.4**
Expenses directly related to investment property	5.2	–14,650.8	–13,651.5
Operating expenses and expenses from third party property management		–29,374.3	–27,790.4
Results of Asset Management		**38,384.8**	**38,463.5**
Sale of properties	5.1	41,814.7	51,953.8
Carrying amount of sold properties		–41,814.7	–51,953.8
Other expenses from property sales		–536.4	–361.8
Fair value adjustments of properties sold	5.7	16,790.7	14,470.5
Fair value adjustments of properties held for sale	5.7	0.0	1,668.3
Results of Property Sales	**5.3**	**16,254.3**	**15,777.0**
Sale of real estate inventories	5.1	50,405.4	80,914.1
Cost of real estate inventories sold		–37,529.5	–59,871.4
Other expenses from sale of real estate inventories		–2,190.3	–1,101.4
Other real estate development expenses		–4,875.5	–2,468.6
Fair value adjustments of properties under construction	5.7	0.0	0.0
Results of Property Development	**5.4**	**5,810.1**	**17,472.7**
Other operating income	5.5	583.8	675.3
Other not directly attributable expenses	5.6	–14,272.4	–10,749.7
Results of operations		**46,760.6**	**61,638.8**
Fair value adjustments of investment properties	5.7	0.0	0.0
Maintenance and improvement contributions received		0.0	0.0
Other valuation results		**0.0**	**0.0**
Operating profit (EBIT)		**46,760.6**	**61,638.8**
Financing costs		–13,266.3	–15,571.8
Financing income		308.5	163.3
Other financial results		–2,520.7	–7,589.7
Financial results	**5.8**	**–15,478.5**	**–22,998.2**
Earnings before tax (EBT)		**31,282.1**	**38,640.6**
Income tax expenses	5.9	–7,975.9	–9,990.7
Deferred tax income/expenses	5.9	–584.2	1,107.4
Net profit		**22,722.0**	**29,757.3**
Thereof attributable to:			
Owners of the parent company		**22,774.8**	**29,727.0**
Non-controlling interests		**–52.8**	**30.3**
Basic earnings per share in EUR	**5.10**	**0.18**	**0.28**
Diluted earnings per share in EUR	**5.10**	**0.18**	**0.27**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR	Q1 2018A	Q1 2017/18[1)]
Net profit	**22,722.0**	**29,757.3**
Items which will not be reclassified to the income statement in the future		
Remeasurement of defined benefit obligations	0.0	0.0
Income taxes attributable to items which will not be subsequently reclassified to the income statement	0.0	0.0
Total items which will not be reclassified to income statement in the future	**0.0**	**0.0**
Total comprehensive income	**22,722.0**	**29,757.3**
Thereof attributable to:		
Owners of the parent company	**22,774.8**	**29,727.0**
Non-controlling interests	**–52.8**	**30.3**

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

CONSOLIDATED BALANCE SHEET

in TEUR	Notes	31 July 2018	30 April 2018[1)]	1 May 2017[1)]
Investment property	6.1	4,521,504.7	4,452,276.5	4,203,921.9
Investment property under construction	6.1	192,257.8	133,361.5	56,300.0
Other tangible assets		22,021.4	18,878.3	14,948.0
Intangible assets		16,860.2	17,326.2	14,607.2
Trade and other receivables	6.2	9,208.9	79,245.0	1,686.6
Other financial assets		11,967.3	12,537.5	14,191.7
Investments accounted for at equity		10,940.0	0.0	0.0
Deferred tax assets		40.8	0.0	173.3
Non-current assets		**4,784,801.1**	**4,713,625.0**	**4,305,828.7**
Trade and other receivables	6.2	192,357.6	161,100.6	126,047.2
Contract assets	6.3	86,954.1	105,346.1	25,659.2
Income tax receivables		10,954.4	14,649.6	3,941.8
Other financial assets		896.0	925.6	968.6
Non-current assets held for sale		0.0	0.0	15,661.1
Real estate inventories		312,240.9	276,583.3	318,315.3
Cash and cash equivalents		154,017.4	219,260.4	211,397.2
Current assets		**757,420.4**	**777,865.6**	**701,990.4**
ASSETS		**5,542,221.5**	**5,491,490.6**	**5,007,819.1**
Share capital		124,181.6	124,149.5	99,773.5
Capital reserves		1,914,960.9	1,900,919.6	1,299,687.1
Accumulated other equity		-1,439.5	-1,439.5	-1,295.8
Retained earnings		877,658.1	854,883.3	645,578.9
		2,915,361.1	2,878,512.9	2,043,743.7
Non-controlling interests		38,862.2	25,861.5	21,670.4
Equity	**6.4**	**2,954,223.3**	**2,904,374.4**	**2,065,414.1**
Liabilities from convertible bonds	6.5	0.0	1,162.8	287,987.5
Financial liabilities	6.6	1,727,534.4	1,069,361.9	1,784,152.8
Trade payables and other liabilities	6.7	119,561.8	116,544.2	120,670.7
Provisions		6,391.3	6,421.6	6,543.3
Deferred tax liabilities		349,989.1	349,331.8	284,319.9
Non-current liabilities		**2,203,476.6**	**1,542,822.3**	**2,483,674.2**
Liabilities from convertible bonds	6.5	194.3	0.0	0.0
Financial liabilities	6.6	105,485.9	742,616.0	101,277.6
Trade payables and other liabilities	6.7	252,499.4	280,471.1	320,385.9
Tax liabilities		16,894.7	12,444.8	28,843.3
Provisions		9,447.3	8,762.0	8,077.0
Financial liabilities held for sale		0.0	0.0	147.0
Current liabilities		**384,521.6**	**1,044,293.9**	**458,730.8**
EQUITY AND LIABILITIES		**5,542,221.5**	**5,491,490.6**	**5,007,819.1**

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

CONSOLIDATED CASH FLOW STATEMENT

in TEUR	Notes	Q1 2018A	Q1 2017/18[1)]
Earnings before tax (EBT)		31,282.1	38,640.6
Fair value adjustments/depreciation/gain from a bargain purchase		–15,567.4	–14,296.9
Gains/losses from disposal of non-current assets		0.0	–19.6
Gain/loss on the fair value measurement of financial instruments		1,904.9	6,908.2
Income taxes received/paid		169.1	–5,171.3
Net financing costs		12,957.8	15,408.5
Other non-cash income/expense		353.7	140.1
Gross cash flow		**31,100.2**	**41,609.6**
Changes in:			
Trade and other receivables		–8,718.4	–1,743.2
Contractual assets		2,452.5	2,403.9
Real estate inventories		–5,604.1	24,542.4
Trade payables		–10,327.4	–7,293.2
Provisions		654.9	386.9
Prepayments on the sale of apartments		15,733.9	–26,797.0
Miscellaneous other liabilities		–21,750.1	10,890.2
Cash flow from operating activities		**3,541.5**	**43,999.6**
Acquisition of/Investments in investment property incl. prepayments		–47,681.0	–57,910.6
Acquisition of/Investments in property under construction		–41,542.9	–8,819.8
Acquisition of/Investments in other tangible assets		–2,547.3	–1,586.5
Acquisition of intangible assets		–334.2	–204.1
Acquisition of investments accounted for at equity		–10,940.0	0.0
Disposal of non-current assets		23,760.8	15,219.3
Cash inflows from other financial assets		881.9	721.1
Interest received		102.6	9.1
Cash flow from investing activities		**–78,300.1**	**–52,571.5**
Cash inflows from long-term financing	6.8	40,698.1	9,957.0
Cash inflows from capital increase		0.0	305,556.3
Cash outflows for transaction costs for capital increase		0.0	–7,167.0
Cash inflows arising from changes of the ownership interests in subsidiaries		16,241.8	0.0
Cash inflows/outflows from short-term financing	6.8	–29,572.5	–40,081.3
Cash outflows for long-term financing	6.8	–9,699.4	–19,042.2
Cash outflows for derivative financial instruments		–3,318.4	–3,371.5
Interest paid and cash outflows for other financing expenses		–4,834.0	–5,355.4
Payments of dividends to non-controlling interests		0.0	–300.8
Cash flow from financing activities		**9,515.6**	**240,195.1**
Change in cash and cash equivalents		**–65,243.0**	**231,623.2**
Cash and cash equivalents at the beginning of the period		219,260.4	211,397.2
Cash and cash equivalents at the end of the period		154,017.4	443,020.4
Change in cash and cash equivalents		**–65,243.0**	**231,623.2**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TEUR	Share capital	Capital reserves
Balance on 30 April 2018 as previously reported	**124,149.5**	**1,900,919.6**
Effects from the retrospective application of IFRS 15	0.0	0.0
Effects from the retrospective application of IFRS 9	0.0	0.0
Balance on 30 April 2018 adjusted	**124,149.5**	**1,900,919.6**
Payment of dividends	0.0	0.0
Capital increase from convertible bonds	32.1	1,070.2
Increase in scope of consolidation	0.0	0.0
Structural changes	0.0	12,971.1
Transactions with owners	**32.1**	**14,041.3**
Net profit	0.0	0.0
Other comprehensive income	0.0	0.0
Total comprehensive income	**0.0**	**0.0**
Balance on 31 July 2018	**124,181.6**	**1,914,960.9**

in TEUR	Share capital	Capital reserves
Balance on 30 April 2017 as previously reported	**99,773.5**	**1,299,687.1**
Effects from the retrospective application of IFRS 15	0.0	0.0
Effects from the retrospective application of IFRS 9	0.0	0.0
Balance on 1 May 2017 adjusted	**99,773.5**	**1,299,687.1**
Payment of dividends	0.0	0.0
Capital increase	12,471.7	286,082.5
Structural changes	0.0	0.0
Transactions with owners	**12,471.7**	**286,082.5**
Net profit	0.0	0.0
Other comprehensive income	0.0	0.0
Total comprehensive income	**0.0**	**0.0**
Balance on 31 July 2017	**112,245.2**	**1,585,769.6**

Accumulated other equity IAS 19R	Retained earnings	Total	Non-controlling interests	**Total equity**
–1,439.5	**773,101.2**	**2,796,730.8**	**25,598.5**	**2,822,329.3**
0.0	22,855.2	22,855.2	200.3	**23,055.5**
0.0	58,926.9	58,926.9	62.7	**58,989.6**
–1,439.5	**854,883.3**	**2,878,512.9**	**25,861.5**	**2,904,374.4**
0.0	0.0	0.0	0.0	**0.0**
0.0	0.0	1,102.3	0.0	**1,102.3**
0.0	0.0	0.0	9,782.8	**9,782.8**
0.0	0.0	12,971.1	3,270.7	**16,241.8**
0.0	**0.0**	**14,073.4**	**13,053.5**	**27,126.9**
0.0	22,774.8	22,774.8	–52.8	**22,722.0**
0.0	0.0	0.0	0.0	**0.0**
0.0	**22,774.8**	**22,774.8**	**–52.8**	**22,722.0**
–1,439.5	**877,658.1**	**2,915,361.1**	**38,862.2**	**2,954,223.3**

Accumulated other equity IAS 19R	Retained earnings	Total	Non-controlling interests	**Total equity**
–1,295.8	**576,449.4**	**1,974,614.2**	**21,195.3**	**1,995,809.5**
0.0	7,772.2	7,772.2	434.7	**8,206.9**
0.0	61,357.3	61,357.3	40.4	**61,397.7**
–1,295.8	**645,578.9**	**2,043,743.7**	**21,670.4**	**2,065,414.1**
0.0	0.0	0.0	–300.8	**–300.8**
0.0	0.0	298,554.2	0.0	**298,554.2**
0.0	0.0	0.0	0.0	**0.0**
0.0	**0.0**	**298,554.2**	**–300.8**	**298,253.4**
0.0	29,727.0	29,727.0	30.3	**29,757.3**
0.0	0.0	0.0	0.0	**0.0**
0.0	**29,727.0**	**29,727.0**	**30.3**	**29,757.3**
–1,295.8	**675,305.9**	**2,372,024.9**	**21,399.9**	**2,393,424.8**

1. GENERAL PRINCIPLES

BUWOG AG is an Austrian residential property investor and developer with core markets in Germany and Austria. The company headquarters are located at A-1130 Vienna, Hietzinger Kai 131. Vonovia SE, Bochum, Germany, has been the parent company of the BUWOG Group since 26 March 2018.

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, Berlin and Hamburg).

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 July 2018 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with EC Regulation 1606/2002. These condensed 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 Group as of 30 April 2018. Additional information on the standards which require mandatory application by the BUWOG Group as of 1 May 2018, in particular IFRS 15 and IFRS 9, is provided in notes 2.1 *Initial application of standards and interpretations* and 2.4 *Change in comparative information.*

The Extraordinary General Meeting of BUWOG AG on 4 May 2018 approved the conversion of the financial year to the calendar year beginning on 1 January 2019. This conversion will take place through the creation of an abbreviated financial year from 1 May 2018 to 31 December 2018 (hereafter designated as 2018A).

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 abbreviated 2018 financial year:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for BUWOG
New standards and interpretations			
IFRS 15	Revenue from Contracts with Customers	28 May 2014 (22 September 2016)	1 May 2018
IFRS 9	Financial Instruments	24 July 2014 (22 November 2016)	1 May 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	8 December 2016 (28 March 2018)	1 May 2018
Changes to standards and interpretations			
IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers	12 April 2016 (31 October 2017)	1 May 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions	20 June 2016 (26 February 2018)	1 May 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	12 September 2016 (3 November 2017)	1 May 2018
IAS 40	Transfers of Investment Property	8 December 2016 (14 March 2018)	1 May 2018
Various standards	Annual Improvements to IFRSs 2014 – 2016 Cycle	8 December 2016 (7 February 2018)	1 May 2018

IFRS 15 *Revenue from Contracts with Customers / Clarifications to IFRS 15 Revenue from Contracts with Customers*

The IASB published IFRS 15 *Revenue from Contracts with Customers* in May 2014. It provides an extensive framework for determining whether and at what amount revenue should be recognised and also determines the timing of recognition. The recognition of revenue and the transfer of the promised goods or services to the customer under IFRS 15 should reflect the amount of consideration which the company expects to receive in exchange for these goods or services. Beginning on 1 May 2018 revenue will be recognised at a certain point in time or over time (comparable to the logic underlying IAS 11 Construction Contracts) when the customer obtains control over the goods or services – in contrast to the presentation in these financial statements, where the recognition of revenue is based on the transfer of risks and rewards. IFRS 15 also includes more extensive application guidelines and disclosure requirements than the previous rules.

The most important types of revenue for the BUWOG Group under IFRS 15 are as follows: operating costs charged to tenants, third party management revenues and other revenues in the Asset Management business area; revenue from the sale of properties in the Property Sales business area; and revenue from the sale of real estate inventories in the Property Development business area. There will be no effect on the recognition of rental income because it does not fall under the scope of application of IFRS 15; this income is currently covered by IAS 17, but will fall under the scope of application of IFRS 16 as of 1 January 2019.

An analysis of operating costs led to the conclusion that the BUWOG Group can continue to recognise the revenue from operating costs and operating expenses in accordance with the principal method because it is responsible for the selection of the suppliers/service providers, acts as the contracting authority towards these firms and carries the inventory risk. Since the current method can be retained without change, the application of IFRS 15 will have no effect on the period-based recognition of revenue from operating costs.

The sale of properties by the Property Sales business area and the sale of real estate inventories by the Property Development business area were previously recognised when the material risks and rewards were transferred. The new standard replaces the previous standards IAS 18 *Revenue* and IAS 11 *Construction Contracts* as well as the related interpretations. IFRS 15 has no effect on the recognition of revenue from properties sold by the Property Sales business area, which will still be recognised on the date control is transferred (transfer of the material risks and rewards).

Contracts for the sale of real estate inventories that were concluded "off plan" or during the construction stage were previously recognised under IAS 18 when the criteria defined by IFRIC 15 were met and the related revenues were recognised when the apartment was transferred. IFRS 15 requires the recognition of revenue when the customer takes control over the product or service. The period-based recognition of revenue is permitted by IFRS 15.35c, among others, when a company produces an asset that has no alternative use and also has an enforceable right to payment for the performance completed to date. The notarial certification of purchase contracts concluded with customers confirms the specification of a distinct real estate inventory (housing unit/parking space) and the BUWOG Group is not entitled to transfer a different unit than the one listed in the purchase contract without breaching the existing contract. That represents a contractual limitation on use for the BUWOG Group. The notarised purchase contract also represents a legal entitlement to payment for previous performance. The most important payment terms for the sale of apartments by the Property Development business are defined by the German Brokerage and Developer Ordinance (MaBV Makler- und Bauträgerverordnung) and the Austrian Developer Contract Act (BTVG Bauträgervertragsgesetz). For sales in Germany, the payment terms normally used by the BUWOG Group are based on the instalment plan standardised in Section 3 para. 2 of the German Brokerage and Developer Ordinance. Customers make payments directly to the BUWOG Group in line with the progress of construction. Moreover, the customers are contractually obliged to submit a bank financing commitment for the entire purchase price or the BUWOG Group has the right to withdraw from the contract. In Austria, the BUWOG Group normally uses the instalment plan provided by Section 10 para. 2 no. 2 of the Developer Contract Act, Customers are required to deposit the entire purchase price in a trust account, and the trustee transfers instalment payments to the BUWOG Group in line with the progress of construction. The contracts used by the Property Development business area for the sale of apartments do not include any extraordinary return or withdrawal rights and are therefore based on relevant legal regulations. The BUWOG Group recognises revenue from the sale of real estate inventories over time, beginning on the date the purchase contracts are signed and notarised. This results in the proportional, period-based recognition of revenue and cost of goods sold as well as the recognition of contractual assets and liabilities over the term of the construction project and the stage of completion. In accordance with IFRS 15.39, the progress of construction and the percentage of completion must be determined as of each balance sheet date in order to allocate the period-based revenue to the individual reporting periods. BUWOG has selected an input-oriented procedure to determine the progress of construction. Input-oriented procedures measure the progress of construction by comparing the factor input up to the balance sheet with the total factor input expected for the entire project. The cost-to-cost method establishes the progress of construction by comparing the project costs capitalised up to the balance sheet date with the estimated total capitalisable costs for the entire project. The new rules defined by IFRS 15 also call for the recognition as an asset of the incremental costs incurred to obtain a contract with a customer and the amortisation of these costs on a systematic basis consistent with the transfer of the related goods or services to the customer.

The BUWOG Group has decided to apply IFRS 15 retrospectively, with full restatement under IFRS 15 of all contracts with customers in the Property Development business area. Accordingly, the provisions of IFRS 15 will be applied in full to the comparative periods and the cumulative amount of the adjustments resulting from the initial application will be recognised to retained earnings as of 1 May 2017.

As of 1 May 2017, 895 (AT 277; DE 618) units fell under the scope of application of period-based revenue recognition. Notarised purchase contracts were available for 38% (AT 36%; DE 39%), resp. 338 (AT 100; DE 238) of these units. The effect on equity from the change in the accounting method applied to these contracts is estimated at EUR 8.2 million as of 1 May 2017 and comprises the recognition of contractual assets totalling EUR 25.7 million, a reduction of EUR 37.2 million in real estate inventories, a decline of EUR 23.0 million in trade payables and other liabilities and an increase of EUR 3.3 million in deferred taxes. The balance sheet total will be reduced by EUR 11.6 million.

As of 30 April 2018, 1,483 (AT 482; DE 1,001) units fell under the scope of application of period-based revenue recognition. Notarised purchase contracts were available for 67% (AT 73%; DE 63%), resp. 988 (AT 353; DE 635) of these units. Net profit for the 2017/18 financial year was therefore increased by EUR 14.8 million. The cumulative effect on equity as of 30 April 2018 therefore totalled EUR 23.1 million and comprises EUR 105.3 million for the recognition of contractual assets and contract preparation costs, a reduction of EUR 101.0 million in real estate inventories, a decline of EUR 27.7 million in trade payables and other liabilities and an increase of EUR 9.0 million in deferred taxes. The balance sheet total was increased by EUR 4.4 million.

The total effect on net profit for the first three months of the 2017/18 financial year from the retrospective application of IFRS 15 equalled EUR -0.8 million and included the following adjustments:

- Period-based revenues of EUR 28.4 million (AT EUR 13.6 million; DE EUR 14.8 million) were recognised. In contrast, revenues of EUR 31.2 million (AT EUR 9.5 million; DE EUR 21.7 million) from the previous transfer of units were reversed; these revenues were recorded as contractual assets in the opening balance sheet as of 1 May 2017 at EUR 26.4 million and reported as period-based revenues of EUR 4.8 million. The adjustment led to a change of EUR -2.9 million (AT EUR 4.0 million; DE EUR -6.9 million) in revenues from the sale of real estate inventories.
- Corresponding to revenues from the sale of real estate inventories, the cost of the sold for these inventories was also adjusted. Period-based cost of goods sold totalling EUR –21.9 million (AT EUR -9.7 million; DE EUR -12.2 million) were initially recognised, and cost of goods sold totalling EUR 23.3 million (AT EUR 6.1 million; DE EUR 17.2 million) from the previous transfer of units were reversed to reflect the fact that real estate inventories were reduced by EUR -19.5 million as of 1 May 2017 and EUR -3.8 million were reported as period-based cost of goods sold for the first quarter. This adjustment led to a change of EUR 1.4 million (AT EUR -3.5 million; DE EUR 4.9 million) in the cost of sales for sold real estate inventories.
- The recognition, respectively amortisation of contract preparation costs led to a reduction of EUR 0.2 million (AT EUR 0.0 million; DE EUR 0.2 million) in other expenses from the sale of real estate inventories.
- The adjustment of the above-mentioned positions resulted in deferred tax income of EUR 0.4 million.

Additional information is provided in note 2.4 *Change in comparative information*.

The estimate of the percentage of completion is particularly important for the period-based recognition of revenue. This calculation is based on estimates of the capitalisable future contract costs as well as actually incurred contract costs. Although the estimates include all information available as of the balance sheet date, changes after that date are possible.

IFRS 9 *Financial Instruments*

The publication of the final version of IFRS 9 *Financial Instruments* replaced the accounting treatment of financial instruments in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The BUWOG Group applied the new standard beginning in May 2018 together with the restatement of the prior year amounts. The cumulative effects resulting from this restatement as of 1 May 2017 were included in equity.

Financial assets are now classified depending on the business model in which the instruments are held. The contractual cash flows are classified in three valuation categories and subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

The requirements for financial liabilities were essentially transferred from IAS 39. The main difference involves the recognition of changes in the value of financial liabilities carried at fair value. These changes must be split: the component attributable to the company's own credit risk must be recognised in other comprehensive income, while the remaining part of the change in value is recognised in profit or loss.

IFRS 9.7.2.9 letter b and IFRS 9.7.2.10 letter c. include an option for the transition from IAS 39 to IFRS 9 which permits the recognition at amortised cost of financial assets and financial liabilities carried at fair value under the fair value option. A retrospective change in classification involves the initial (historical) recognition of financial assets and financial liabilities based on the fair value applicable at that time. Any difference between the fair value and the amount to be paid or received on maturity is recorded under equity. Subsequent measurement includes the amortisation of this difference through profit or loss over the term of the financial asset or financial liability based on the effective interest rate method. The BUWOG Group elected to utilise this option and record financial assets (assumption of liabilities) and financial liabilities (amounts due to financial institutions and public authorities) at amortised cost.

The effect on equity as of 1 May 2017 equalled EUR +46.3 million and resulted from the following adjustments:

- Derecognition as of 1 May 2017 of differences recognised for assumed liabilities and financial liabilities of the fair value option (EUR -13.6 million)
- Recognition according to the effective interest rate method of amortised differences from assumed liabilities and financial liabilities (EUR +76.2 million)
- Recognition of accrued interest not recognised in previous periods (EUR -1.3 million)
- Related restatement of deferred taxes (EUR -15.0 million)

Equity was adjusted by a further EUR +0.2 million as of 30 April 2018 based on the following amounts:

- Derecognition of valuation effects recognised in 2017/18 from the application of the fair value option to assumed liabilities and financial liabilities (EUR +12.0 million)
- Proportional amortisation of the difference from assumed liabilities and financial liabilities for 2017/18 (EUR -11.5 million)
- Change in interest accruals (EUR +0.1 million)
- Related restatement of deferred taxes (EUR -0.4 million)

Therefore, the total effect on equity as of 30 April 2018 equalled EUR +46.5 million.

The total effect on net profit for the first three months of 2017/18 equalled EUR +2.6 million and resulted from the following adjustments:

- Derecognition of valuation effects recognised in the first quarter from the application of the fair value option to assumed liabilities and financial liabilities (EUR +6.8 million)
- Proportional amortisation of the difference from assumed liabilities and financial liabilities for the first three months of 2017/18 (EUR -2.5 million)
- Change in interest accruals (EUR -0.9 million)
- Related restatement of deferred taxes (EUR -0.8 million)

There are no further material effects from the new classification requirements.

For financial liabilities which were modified but not derecognised in the past, the amortised cost as defined in IAS 39 was carried forward based on an adjusted effective interest rate. Changes in the present value resulting from the modification of a loan which do not lead to derecognition of the related financial liability are now recognised to profit or loss as income or expense. The effect on equity as of 1 May 2017 equalled EUR +15.4 million and comprised the derecognition of expenses recognised in 2016/17 from the release of costs for the procurement of funds (EUR +0.3 million), an adjustment to the carrying amount of modified financial liabilities (EUR +16.4 million) and deferred taxes (EUR -1.3 million, thereof EUR +2.9 million from previously unrecognised deferred tax assets). As of 30 April 2018, equity was also adjusted by a total of EUR -2.8 million to reflect the following: the derecognition of expenses recorded in 2017/18 from the release of costs for the procurement of funds (EUR +0.9 million), the carryforward of the book values of modified financial liabilities based on the effective interest rate method (EUR -3.2 million) and deferred taxes (EUR -0.6 million, thereof EUR -1.2 million from previously unrecognised deferred tax assets). Therefore, the total effect on equity as of 30 April 2018 equalled EUR +12.6 million.

Net profit for the first three months of 2017/18 was adjusted by a total of EUR -1.2 million based on the following amounts: the derecognition of expenses recorded in the first quarter from the release of costs for the procurement of funds (EUR +0.2 million), the carryforward of the book values of modified financial liabilities based on the effective interest rate method (EUR -0.8 million) and deferred taxes (EUR -0.6 million, thereof EUR -0.7 million from previously unrecognised deferred tax assets).

The adjustment of earnings also led to the following adjustments of liabilities to non-controlling interests with put rights: EUR +0.1 million as of 1 May 2017, EUR 0.0 million as of 31 July 2017 and EUR 0.0 million as of 30 April 2018. These liabilities are reported as part of trade payables and other liabilities.

IFRS 9 also replaces the IAS 39 model of “incurred losses” with a future-oriented model of “expected losses” which requires discretionary judgment as to the extent the expected losses will be influenced by changes in future factors. The new impairment model is applicable to financial assets carried at amortised cost or at FVOCI. For the BUWOG Group, the changed requirements are related primarily to trade receivables, other financial assets, other financial receivables and cash and cash equivalents. The determination of impairment for the expected credit losses on trade receivables and the contractual assets recognised in accordance with IFRS 15 is based on a simplified approach which covers the entire term. The calculation for all other financial instruments is based on the general impairment approach, under which impairment reflects the default within a period of 12 months when the quality of the loan has not changed significantly since initial recognition. If the credit risk has increased significantly or there are objective indications of impairment, an impairment loss must be recognised for the entire term. This resulted in an effect of EUR -0.2 million on equity as of 1 May 2017; there were no material changes in equity as of 31 July 2017 or 30 April 2018.

No further material effects are expected to result from the new valuation requirements.

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 31 December 2018 and were not applied prematurely by the BUWOG Group:

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for BUWOG
New standards and interpretations			
IFRS 16	Leases	13 January 2016 (31 October 2017)	1 January 2019
Changes to standards and interpretations			
IFRS 9	Prepayment Features with Negative Compensation	12 October 2017 (22 March 2018)	1 January 2019

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:

Standard	Content	Published by the IASB	Expected mandatory application for BUWOG
New standards and interpretations			
IFRS 14	Regulatory Deferral Accounts	30 January 2014	1)
IFRS 17	Insurance contracts	18 May 2017	1 January 2021
IFRIC 23	Uncertainty over Income Tax Treatments	7 June 2017	1 January 2019
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	2)
IAS 28	Long-term Interests in Associates and Joint Ventures	12 October 2017	1 January 2019
Various standards	Annual Improvements to IFRSs 2015 – 2017 Cycle	12 December 2017	1 January 2019
IAS 19	Plan Amendments, Curtailments or Settlements	7 February 2018	1 January 2019
Various standards	Changes in references to the IFRS Framework Concept	29 March 2018	1 January 2020

1) Interim standard IFRS 14 Regulatory Deferral Accounts will not be adopted by the European Union.
2) The initial application of this revised standard has been postponed for an indefinite period.

2.4 CHANGE IN COMPARATIVE INFORMATION

Additional information on the change in comparative information is provided in note 2.1 *Initial application of standards and interpretations*.

CONSOLIDATED INCOME STATEMENT

in TEUR	Q1 2017/18 Reported	Adjustments IFRS 15	Adjustments IFRS 9	Q1 2017/18 Adjusted
Residential rental income	47,888.4	0.0	0.0	47,888.4
Other rental income	3,833.1	0.0	0.0	3,833.1
Rental income	**51,721.5**	**0.0**	**0.0**	**51,721.5**
Operating costs charged to tenants and third party property management revenues	28,177.2	0.0	0.0	28,177.2
Other revenues	6.7	0.0	0.0	6.7
Revenues	**79,905.4**	**0.0**	**0.0**	**79,905.4**
Expenses directly related to investment property	-13,651.5	0.0	0.0	-13,651.5
Operating expenses and expenses from third party property management	-27,790.4	0.0	0.0	-27,790.4
Results of Asset Management	**38,463.5**	**0.0**	**0.0**	**38,463.5**
Sale of properties	51,953.8	0.0	0.0	51,953.8
Carrying amount of sold properties	-51,953.8	0.0	0.0	-51,953.8
Other expenses from property sales	-361.8	0.0	0.0	-361.8
Fair value adjustments of properties sold	14,470.5	0.0	0.0	14,470.5
Fair value adjustments of properties held for sale	1,668.3	0.0	0.0	1,668.3
Results of Property Sales	**15,777.0**	**0.0**	**0.0**	**15,777.0**
Sale of real estate inventories	83,795.8	-2,881.7	0.0	80,914.1
Cost of real estate inventories sold	-61,294.1	1,422.7	0.0	-59,871.4
Other expenses from sale of real estate inventories	-1,329.9	228.5	0.0	-1,101.4
Other real estate development expenses	-2,468.6	0.0	0.0	-2,468.6
Results of Property Development	**18,703.2**	**-1,230.5**	**0.0**	**17,472.7**
Other operating income	675.3	0.0	0.0	675.3
Other not directly attributable expenses	-10,749.7	0.0	0.0	-10,749.7
Results of operations	**62,869.3**	**-1,230.5**	**0.0**	**61,638.8**
Fair value adjustments of investment properties	0.0	0.0	0.0	0.0
Maintenance and improvement contributions received	0.0	0.0	0.0	0.0
Other valuation results	0.0	0.0	0.0	0.0
Operating profit (EBIT)	**62,869.3**	**-1,230.5**	**0.0**	**61,638.8**
Financing costs	-11,676.6	0.0	-3,895.2	-15,571.8
Financing income	71.0	0.0	92.3	163.3
Other financial results	-14,190.5	0.0	6,600.8	-7,589.7
Financial results	**-25,796.1**	**0.0**	**2,797.9**	**-22,998.2**
Earnings before tax (EBT)	**37,073.2**	**-1,230.5**	**2,797.9**	**38,640.6**
Income tax expenses	-9,990.7	0.0	0.0	-9,990.7
Deferred tax income/expenses	2,146.5	396.7	-1,435.8	1,107.4
Net profit	**29,229.0**	**-833.8**	**1,362.1**	**29,757.3**
Thereof attributable to:				
Owners of the parent company	**28,963.0**	**-595.2**	**1,359.2**	**29,727.0**
Non-controlling interests	**266.0**	**-238.6**	**2.9**	**30.3**

CONSOLIDATED BALANCE SHEET

in TEUR	30 April 2017 Reported	Adjustments to opening balance sheet Adjustments IFRS 15	 Adjustments IFRS 9	1 May 2017 Reported
Investment property	4,203,921.9	0.0	0.0	4,203,921.9
Investment property under construction	56,300.0	0.0	0.0	56,300.0
Other tangible assets	14,948.0	0.0	0.0	14,948.0
Intangible assets	14,607.2	0.0	0.0	14,607.2
Trade and other receivables	1,686.6	0.0	0.0	1,686.6
Other financial assets	14,222.5	0.0	–30.8	14,191.7
Deferred tax assets	173.3	0.0	0.0	173.3
Non-current assets	**4,305,859.5**	**0.0**	**–30.8**	**4,305,828.7**
Trade and other receivables	126,047.2	0.0	0.0	126,047.2
Contract assets	0.0	25,659.2	0.0	25,659.2
Income tax receivables	3,941.8	0.0	0.0	3,941.8
Other financial assets	1,265.3	0.0	–296.7	968.6
Non-current assets held for sale	15,661.1	0.0	0.0	15,661.1
Real estate inventories	355,531.4	–37,216.1	0.0	318,315.3
Cash and cash equivalents	211,397.2	0.0	0.0	211,397.2
Current assets	**713,844.0**	**–11,556.9**	**–296.7**	**701,990.4**
ASSETS	**5,019,703.5**	**–11,556.9**	**–327.5**	**5,007,819.1**
Share capital	99,773.5	0.0	0.0	99,773.5
Capital reserves	1,299,687.1	0.0	0.0	1,299,687.1
Accumulated other equity	–1,295.8	0.0	0.0	–1,295.8
Retained earnings	576,449.4	7,772.2	61,357.3	645,578.9
	1,974,614.2	7,772.2	61,357.3	2,043,743.7
Non-controlling interests	21,195.3	434.7	40.4	21,670.4
Equity	**1,995,809.5**	**8,206.9**	**61,397.7**	**2,065,414.1**
Liabilities from convertible bonds	287,987.5	0.0	0.0	287,987.5
Financial liabilities	1,844,645.6	0.0	–60,492.8	1,784,152.8
Trade payables and other liabilities	120,550.7	0.0	120.0	120,670.7
Provisions	6,543.3	0.0	0.0	6,543.3
Deferred tax liabilities	264,856.0	3,267.3	16,196.6	284,319.9
Non-current liabilities	**2,524,583.1**	**3,267.3**	**–44,176.2**	**2,483,674.2**
Financial liabilities	118,826.6	0.0	–17,549.0	101,277.6
Trade payables and other liabilities	343,417.0	–23,031.1	0.0	320,385.9
Tax liabilities	28,843.3	0.0	0.0	28,843.3
Provisions	8,077.0	0.0	0.0	8,077.0
Financial liabilities held for sale	147.0	0.0	0.0	147.0
Current liabilities	**499,310.9**	**–23,031.1**	**–17,549.0**	**458,730.8**
EQUITY AND LIABILITIES	**5,019,703.5**	**–11,556.9**	**–327.5**	**5,007,819.1**

in TEUR	30 April 2018 Reported	Adjustments to comparative period Adjustments IFRS 15	Adjustments IFRS 9	30 April 2018 Reported
Investment property	4,452,276.5	0.0	0.0	4,452,276.5
Investment property under construction	133,361.5	0.0	0.0	133,361.5
Other tangible assets	18,878.3	0.0	0.0	18,878.3
Intangible assets	17,326.2	0.0	0.0	17,326.2
Trade and other receivables	79,245.0	0.0	0.0	79,245.0
Other financial assets	12,554.8	0.0	–17.3	12,537.5
Non-current assets	**4,713,642.3**	**0.0**	**–17.3**	**4,713,625.0**
Trade and other receivables	161,100.6	0.0	0.0	161,100.6
Contract assets	0.0	105,346.1	0.0	105,346.1
Income tax receivables	14,649.6	0.0	0.0	14,649.6
Other financial assets	1,085.7	0.0	–160.1	925.6
Real estate inventories	377,566.9	–100,983.6	0.0	276,583.3
Cash and cash equivalents	219,260.4	0.0	0.0	219,260.4
Current assets	**773,663.2**	**4,362.5**	**–160.1**	**777,865.6**
ASSETS	**5,487,305.5**	**4,362.5**	**–177.4**	**5,491,490.6**
Share capital	124,149.5	0.0	0.0	124,149.5
Capital reserves	1,900,919.6	0.0	0.0	1,900,919.6
Accumulated other equity	–1,439.5	0.0	0.0	–1,439.5
Retained earnings	773,101.2	22,855.2	58,926.9	854,883.3
	2,796,730.8	22,855.2	58,926.9	2,878,512.9
Non-controlling interests	25,598.5	200.3	62.7	25,861.5
Equity	**2,822,329.3**	**23,055.5**	**58,989.6**	**2,904,374.4**
Liabilities from convertible bonds	1,162.8	0.0	0.0	1,162.8
Financial liabilities	1,119,758.5	0.0	–50,396.6	1,069,361.9
Trade payables and other liabilities	116,540.4	0.0	3.8	116,544.2
Provisions	6,421.6	0.0	0.0	6,421.6
Deferred tax liabilities	323,203.7	8,993.1	17,135.0	349,331.8
Non-current liabilities	**1,567,087.0**	**8,993.1**	**–33,257.8**	**1,542,822.3**
Financial liabilities	768,525.2	0.0	–25,909.2	742,616.0
Trade payables and other liabilities	308,157.2	–27,686.1	0.0	280,471.1
Tax liabilities	12,444.8	0.0	0.0	12,444.8
Provisions	8,762.0	0.0	0.0	8,762.0
Current liabilities	**1,097,889.2**	**–27,686.1**	**–25,909.2**	**1,044,293.9**
EQUITY AND LIABILITIES	**5,487,305.5**	**4,362.5**	**–177.4**	**5,491,490.6**

SEGMENT REPORTING

in TEUR	Germany Q1 2017/18 Reported	Adjustments IFRS 15	Adjustments IFRS 9	Adjusted
Residential rental income	27,658.9	0.0	0.0	27,658.9
Other rental income	2,076.7	0.0	0.0	2,076.7
Rental income	**29,735.6**	**0.0**	**0.0**	**29,735.6**
Operating costs charged to tenants and third party property management revenues	16,116.1	0.0	0.0	16,116.1
Other revenues	6.4	0.0	0.0	6.4
Revenues	**45,858.1**	**0.0**	**0.0**	**45,858.1**
Expenses directly related to investment property	–9,140.4	0.0	0.0	–9,140.4
Operating expenses and expenses from third party property management	–15,224.7	0.0	0.0	–15,224.7
Results of Asset Management	**21,493.0**	**0.0**	**0.0**	**21,493.0**
Sale of properties	111.4	0.0	0.0	111.4
Carrying amount of sold properties	–111.4	0.0	0.0	–111.4
Other expenses from property sales	–9.9	0.0	0.0	–9.9
Fair value adjustments of properties sold	22.3	0.0	0.0	22.3
Results of Property Sales	**12.4**	**0.0**	**0.0**	**12.4**
Sale of real estate inventories	27,354.3	–6,896.7	0.0	20,457.6
Cost of real estate inventories sold	–20,464.3	4,953.1	0.0	–15,511.2
Other expenses from sale of real estate inventories	–711.8	221.6	0.0	–490.2
Other real estate development expenses	–1,094.1	0.0	0.0	–1,094.1
Results of Property Development	**5,084.1**	**–1,722.0**	**0.0**	**3,362.1**
Other operating income	378.7	0.0	0.0	378.7
Other not directly attributable expenses	–2,598.2	0.0	0.0	–2,598.2
Results of operations	**24,370.0**	**–1,722.0**	**0.0**	**22,648.0**
Fair value adjustments of investment properties	0.0	0.0	0.0	0.0
Maintenance and improvement contributions received	0.0	0.0	0.0	0.0
Gain from a bargain purchase	0.0	0.0	0.0	0.0
Other valuation results	**0.0**	**0.0**	**0.0**	**0.0**
Operating profit (EBIT)	**24,370.0**	**–1,722.0**	**0.0**	**22,648.0**

	Austria			
	Q1 2017/18			
in TEUR	Reported	Adjustments IFRS 15	Adjustments IFRS 9	Adjusted
Residential rental income	20,229.5	0.0	0.0	20,229.5
Other rental income	1,756.4	0.0	0.0	1,756.4
Rental income	**21,985.9**	**0.0**	**0.0**	**21,985.9**
Operating costs charged to tenants and third party property management revenues	12,061.1	0.0	0.0	12,061.1
Other revenues	0.3	0.0	0.0	0.3
Revenues	**34,047.3**	**0.0**	**0.0**	**34,047.3**
Expenses directly related to investment property	–4,511.1	0.0	0.0	–4,511.1
Operating expenses and expenses from third party property management	–12,565.7	0.0	0.0	–12,565.7
Results of Asset Management	**16,970.5**	**0.0**	**0.0**	**16,970.5**
Sale of properties	51,842.4	0.0	0.0	51,842.4
Carrying amount of sold properties	–51,842.4	0.0	0.0	–51,842.4
Other expenses from property sales	–351.9	0.0	0.0	–351.9
Fair value adjustments of properties sold	14,448.2	0.0	0.0	14,448.2
Fair value adjustments of properties held for sale	1,668.3	0.0	0.0	1,668.3
Results of Property Sales	**15,764.6**	**0.0**	**0.0**	**15,764.6**
Sale of real estate inventories	56,441.5	4,015.0	0.0	60,456.5
Cost of real estate inventories sold	–40,829.8	–3,530.3	0.0	–44,360.1
Other expenses from sale of real estate inventories	–618.1	6.8	0.0	–611.3
Other real estate development expenses	–1,374.5	0.0	0.0	–1,374.5
Results of Property Development	**13,619.1**	**491.5**	**0.0**	**14,110.6**
Other operating income	179.3	0.0	0.0	179.3
Other not directly attributable expenses	–2,235.6	0.0	0.0	–2,235.6
Results of operations	**44,297.9**	**491.5**	**0.0**	**44,789.4**
Fair value adjustments of investment properties	0.0	0.0	0.0	0.0
Maintenance and improvement contributions received	0.0	0.0	0.0	0.0
Gain from a bargain purchase	0.0	0.0	0.0	0.0
Other valuation results	**0.0**	**0.0**	**0.0**	**0.0**
Operating profit (EBIT)	**44,297.9**	**491.5**	**0.0**	**44,789.4**

The initial application of IFRS 9 and IFRS 15 did not lead to any changes in the prior year amounts reported in the column “Holding company/Transition to consolidated financial statements”.

3. SCOPE OF CONSOLIDATION

These consolidated interim financial statements include BUWOG AG as well as 39 (Q1 2017/18: 34) domestic and 90 (Q1 2017/18: 89) foreign companies in which BUWOG Group directly or indirectly holds the majority of voting rights or can exercise legal or actual control. In addition, two foreign joint ventures were included through proportionate consolidation and one domestic joint venture was included at equity.

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 quarter of the abbreviated 2018 financial year:

Scope of consolidation	Full consolidation	Joint ventures Proportionate consolidation	Joint ventures At equity	Total
Balance on 30 April 2018	**126**	**2**	**0**	**128**
Initially included	4	0	1	5
Liquidations	0	0	0	0
Balance on 31 July 2018	**130**	**2**	**1**	**133**

3.2 INITIAL CONSOLIDATIONS

The following subsidiaries were initially consolidated during the first quarter of the abbreviated 2018 financial year:

Segment	Country	Headquarters	Company	Interest in capital	Type of consolidation	Consolidation date
Founding/acquisition of companies without businesses						
Austria	AT	Vienna	BUWOG – Schnirchgasse 11 Alpha GmbH	99.98%	F	1 June 2018
Austria	AT	Vienna	BUWOG – Linke Wienzeile 280 GmbH	99.99%	F	31 July 2018
Austria	AT	Vienna	MARINA TOWER Holding GmbH	50.99%	F	31 July 2018
Austria	AT	Vienna	MARINADECK Betriebs GmbH	50.99%	F	31 July 2018
Austria	AT	Vienna	MARINA CITY Entwicklungs GmbH	49.99%	E	31 July 2018

F = Full consolidation
E = Joint venture at equity

For the companies without business operations which were initially consolidated as of 31 July 2018, the acquisition costs for the assets and liabilities represent preliminary values.

3.3 STRUCTURAL CHANGES

Segment	Country	Headquarters	Company	Interest in capital before	Interest in capital after
Change in the interest in subsidiaries					
Germany	DE	Kiel	BUWOG – Schleswig-Holstein GmbH (formerly: BUWOG – Flensburg Umland GmbH)	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Hamburg-Süd GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Kiel Meimersdorf GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Berlin Wohnen GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Gartenfeld Wohnen GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Berlin Wohnen II GmbH (formerly: Jahnstraße 15 Vermögensverwaltungs GmbH)	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Grundstücks- und Betriebs GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Berlin Wohnen III GmbH	100.00%	94.90%
Germany	DE	Kiel	BUWOG – Niedersachsen/Bremen GmbH (formerly: BUWOG – Braunschweig II GmbH)	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Heidestraße Development GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Goethestraße GmbH	100.00%	94.90%
Germany	DE	Berlin	Blitz B14-347 GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Lückstraße Development GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Parkstraße Development GmbH (formerly: aptus Heidestraße GmbH)	100.00%	94.90%
Germany	LU	Luxembourg	Indian Ridge Investments S.A.	100.00%	94.84%
Germany	DE	Berlin	BUWOG – Harzer Straße Develpment GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Mariendorfer Weg Development GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Weidenbaumsweg Development GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Gartenfeld Development GmbH	100.00%	94.90%
Germany	DE	Berlin	BUWOG – Jahnstraße Development GmbH (formerly: Jahnstraße Living GmbH)	100.00%	94.90%

3.4 NON-CONSOLIDATED SUBSIDIARIES

Germany	Country	Headquarters	Company
Germany	DE	Berlin	Marina Spreestraße GbR

Additional information is provided in the notes to the consolidated financial statements as of 30 April 2018.

4. SEGMENT REPORTING

The reportable segments of the BUWOG Group are classified according to regional criteria based on the location of the properties.

SEGMENTS

in TEUR	Germany Q1 2018A	Germany Q1 2017/18[1]	Austria Q1 2018A	Austria Q1 2017/18[1]
Residential rental income	29,604.2	27,658.9	20,293.9	20,229.5
Other rental income	2,179.0	2,076.7	1,479.9	1,756.4
Rental income	**31,783.2**	**29,735.6**	**21,773.8**	**21,985.9**
Operating costs charged to tenants and third party property management revenues	16,360.2	16,116.1	12,456.2	12,061.1
Other revenues	22.4	6.4	14.1	0.3
Revenues	**48,165.8**	**45,858.1**	**34,244.1**	**34,047.3**
Expenses directly related to investment property	–9,358.5	–9,140.4	–5,292.3	–4,511.1
Operating expenses and expenses from third party property management	–15,861.0	–15,224.7	–13,513.3	–12,565.7
Results of Asset Management	**22,946.3**	**21,493.0**	**15,438.5**	**16,970.5**
Sale of properties	0.0	111.4	41,814.7	51,842.4
Carrying amount of sold properties	0.0	–111.4	–41,814.7	–51,842.4
Other expenses from property sales	–1.9	–9.9	–534.5	–351.9
Fair value adjustments of properties sold	0.0	22.3	16,790.7	14,448.2
Fair value adjustments of properties held for sale	0.0	0.0	0.0	1,668.3
Results of Property Sales	**–1.9**	**12.4**	**16,256.2**	**15,764.6**
Sale of real estate inventories	20,987.4	20,457.6	29,418.0	60,456.5
Cost of real estate inventories sold	–16,791.3	–15,511.2	–20,738.2	–44,360.1
Other expenses from sale of real estate inventories	–1,588.7	–490.2	–601.8	–611.3
Other real estate development expenses	–3,551.7	–1,094.1	–1,323.8	–1,374.5
Fair value adjustments of properties under construction	0.0	0.0	0.0	0.0
Results of Property Development	**–944.3**	**3,362.1**	**6,754.2**	**14,110.6**
Other operating income	199.2	378.7	312.7	179.3
Other not directly attributable expenses	–3,122.1	–2,598.2	–774.1	–2,235.6
Results of operations	**19,077.2**	**22,648.0**	**37,987.5**	**44,789.4**
Fair value adjustments of investment properties	0.0	0.0	0.0	0.0
Maintenance and improvement contributions received	0.0	0.0	0.0	0.0
Other valuation results	**0.0**	**0.0**	**0.0**	**0.0**
Operating profit (EBIT)	**19,077.2**	**22,648.0**	**37,987.5**	**44,789.4**
Financial results				
Earnings before tax (EBT)				
Income tax expenses				
Deferred tax income/expenses				
Net profit				
Investments in non-current segment assets	**131,646.5**	**16,948.0**	**59,865.1**	**8,039.5**
	31 July 2018	30 April 2018[1]	31 July 2018	30 April 2018[1]
Investment property	2,566,085.0	2,476,655.9	1,955,419.7	1,975,620.7
Investment property under construction	130,141.2	87,521.4	62,116.6	45,840.0
Other tangible assets	1,026.5	980.2	4,808.3	4,866.5
Non-current segment assets	**2,697,252.7**	**2,565,157.5**	**2,022,344.6**	**2,026,327.2**
Non-current assets held for sale	0.0	0.0	0.0	0.0
Real estate inventories	107,487.5	110,393.5	204,753.4	166,189.8
Current segment assets	**107,487.5**	**110,393.5**	**204,753.4**	**166,189.8**
Segment assets	**2,804,740.2**	**2,675,551.0**	**2,227,098.0**	**2,192,517.0**

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

Total reportable segments		Holding company/Transition to consolidated financial statements		BUWOG Group	
Q1 2018A	Q1 2017/18[1]	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18[1]
49,898.1	47,888.4	0.0	0.0	49,898.1	47,888.4
3,658.9	3,833.1	0.0	0.0	3,658.9	3,833.1
53,557.0	**51,721.5**	**0.0**	**0.0**	**53,557.0**	**51,721.5**
28,816.4	28,177.2	0.0	0.0	28,816.4	28,177.2
36.5	6.7	0.0	0.0	36.5	6.7
82,409.9	**79,905.4**	**0.0**	**0.0**	**82,409.9**	**79,905.4**
–14,650.8	–13,651.5	0.0	0.0	–14,650.8	–13,651.5
–29,374.3	–27,790.4	0.0	0.0	–29,374.3	–27,790.4
38,384.8	**38,463.5**	**0.0**	**0.0**	**38,384.8**	**38,463.5**
41,814.7	51,953.8	0.0	0.0	41,814.7	51,953.8
–41,814.7	–51,953.8	0.0	0.0	–41,814.7	–51,953.8
–536.4	–361.8	0.0	0.0	–536.4	–361.8
16,790.7	14,470.5	0.0	0.0	16,790.7	14,470.5
0.0	1,668.3	0.0	0.0	0.0	1,668.3
16,254.3	**15,777.0**	**0.0**	**0.0**	**16,254.3**	**15,777.0**
50,405.4	80,914.1	0.0	0.0	50,405.4	80,914.1
–37,529.5	–59,871.3	0.0	0.0	–37,529.5	–59,871.4
–2,190.5	–1,101.5	0.2	0.0	–2,190.3	–1,101.4
–4,875.5	–2,468.6	0.0	0.0	–4,875.5	–2,468.6
0.0	0.0	0.0	0.0	0.0	0.0
5,809.9	**17,472.7**	**0.2**	**0.0**	**5,810.1**	**17,472.7**
511.9	558.0	71.9	117.3	583.8	675.3
–3,896.2	–4,833.8	–10,376.2	–5,915.9	–14,272.4	–10,749.7
57,064.7	**67,437.4**	**–10,304.1**	**–5,798.6**	**46,760.6**	**61,638.8**
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0
0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
57,064.7	**67,437.4**	**–10,304.1**	**–5,798.6**	**46,760.6**	**61,638.8**
				–15,478.5	**–22,998.2**
				31,282.1	**38,640.6**
				–7,975.9	–9,990.7
				–584.2	1,107.4
				22,722.0	**29,757.3**
191,511.6	**24,987.5**	**3,194.8**	**639.1**	**194,706.4**	**25,626.7**
31 July 2018	30 April 2018[1]	31 July 2018	30 April 2018	31 July 2018	30 April 2018[1]
4,521,504.7	4,452,276.6	0.0	0.0	4,521,504.7	4,452,276.5
192,257.8	133,361.4	0.0	0.0	192,257.8	133,361.5
5,834.8	5,846.7	16,186.6	13,031.6	22,021.4	18,878.3
4,719,597.3	**4,591,484.7**	**16,186.6**	**13,031.6**	**4,735,783.9**	**4,604,516.3**
0.0	0.0	0.0	0.0	0.0	0.0
312,240.9	276,583.3	0.0	0.0	312,240.9	276,583.3
312,240.9	**276,583.3**	**0.0**	**0.0**	**312,240.9**	**276,583.3**
5,031,838.2	**4,868,068.0**	**16,186.6**	**13,031.6**	**5,048,024.8**	**4,881,099.6**

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1 CLASSIFICATION OF REVENUES IN ACCORDANCE WITH IFRS 15

in TEUR	Germany Q1 2018A	Germany Q1 2017/18[1)]	Austria Q1 2018A	Austria Q1 2017/18[1)]	Total Q1 2018A	Total Q1 2017/18[1)]
A. Split by segment and revenues						
1. Revenue from contracts with customers as per IFRS 15	**37,370.0**	**36,691.5**	**83,703.0**	**124,360.3**	**121,073.0**	**161,051.8**
Sale of real estate inventories	20,987.4	20,457.6	29,418.0	60,456.5	50,405.4	80,914.1
Sale of properties	0.0	111.4	41,814.7	51,842.4	41,814.7	51,953.8
Revenues from operating expenses	13,463.4	13,419.7	12,456.2	10,593.0	25,919.6	24,012.7
Revenues from third party management	2,896.8	2,696.4	0.0	1,468.1	2,896.8	4,164.5
Other revenues	22.4	6.4	14.1	0.3	36.5	6.7
2. Other revenues	**31,783.2**	**29,735.6**	**21,773.8**	**21,985.9**	**53,557.0**	**51,721.5**
Rental income (IAS 17)	31,783.2	29,735.6	21,773.8	21,985.9	53,557.0	51,721.5
A. Total	**69,153.2**	**66,427.1**	**105,476.8**	**146,346.2**	**174,630.0**	**212,773.3**
B. Split of rental income as per IFRS 15						
Revenue from contracts with customers at a point in time	111.6	5,802.2	59,518.1	98,718.0	59,629.6	104,520.2
Revenue from contracts with customers over time	37,258.4	30,889.3	24,184.9	25,642.3	61,443.4	56,531.6
B. Total	**37,370.0**	**36,691.5**	**83,703.0**	**124,360.3**	**121,073.0**	**161,051.8**

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

Of the revenues from the sale of real estate inventories totalling TEUR 50,405.4 (Q1 2017/18: TEUR 80,914.1), TEUR 17,778.4 (Q1 2017/18: TEUR 52,559.7) were realised at a point in time and TEUR 32,627.0 (Q1 2017/18: TEUR 28,354.4) were realised over time. In addition to the revenues from the sale of real estate inventories, revenues from operating costs of TEUR 25,919.6 (Q1 2017/18: TEUR 24,012.7) and revenues from third party management of TEUR 2,896.8 (Q1 2017/18: TEUR 4,164.5) were realised over time.

5.2 EXPENSES DIRECTLY RELATED TO INVESTMENT PROPERTY

in TEUR	Q1 2018A	Q1 2017/18
Maintenance	–7,310.9	–7,105.5
Expenses from asset management	–2,367.8	–2,403.4
Owners expenses	–1,797.5	–1,839.4
Vacancies	–873.9	–727.9
Write-off of receivables from asset management	–257.5	–520.5
Other expenses	–2,043.2	–1,054.8
Total	**–14,650.8**	**–13,651.5**

5.3 RESULTS OF PROPERTY SALES

The results of property sales total TEUR 16,254.3 (Q1 2017/18: TEUR 15,777.0) and comprise TEUR 16,350.0 (Q1 2017/18: TEUR 13,817.2) from Unit Sales and TEUR -95.7 (Q1 2017/18: TEUR 291.5) from Block Sales and TEUR 0.0 (Q1 2017/18: TEUR 1,668.3) from the fair value adjustment of investment properties held for sale.

5.4 RESULTS OF PROPERTY DEVELOPMENT

The initial application of IFRS 15 (see note 2.1 *Initial application of standards and interpretations*) had an effect on the results of property development. The prior year amounts were adjusted accordingly (see note 2.4 *Change in comparative Information*).

Write-downs to inventories amounted to TEUR 0.0 for the first quarter of the abbreviated 2018 financial year (Q1 2017/18: TEUR 260.1).

5.5 OTHER OPERATING INCOME

in TEUR	Q1 2018A	Q1 2017/18
Income from derecognised liabilities	46.0	36.3
Insurance compensation	225.0	127.8
Miscellaneous	312.8	511.2
Total	**583.8**	**675.3**

5.6 OTHER NOT DIRECTLY ATTRIBUTABLE EXPENSES

in TEUR	Q1 2018A	Q1 2017/18
Personnel expenses	–7,443.5	–4,296.8
Legal, auditing and consulting fees	–2,136.5	–2,218.3
IT and communications	–1,100.3	–1,582.8
Advertising and Marketing	–744.2	–487.4
Amortisation and depreciation	–967.9	–789.0
Cost of valuation reports	–145.0	–240.0
Miscellaneous	–1,735.0	–1,135.4
Total	**–14,272.4**	**–10,749.7**

Personnel expenses consist primarily of wages, salaries and expenses for statutory social security contributions as well as other employee-related costs. They are allocated to the individual business areas (Asset Management, Property Sales and Property Development) wherever possible. In cases where direct allocation is not possible, the personnel expenses are reported under other not directly attributable expenses.

Personnel expenses include costs of TEUR 44.1 for share-based remuneration agreements with cash settlement from the Long-Term-Incentive Programme 2017 (Q1 2017/18: TEUR 387.2), a provision of TEUR 2,160.0 for termination payments to Executive Board member Herwig Teufelsdorfer and a provision of TEUR 867.5, including ancillary payroll costs, for retention bonuses to employees.

Other not directly attributable expenses of TEUR 14,272.4 (Q1 2017/18: TEUR 10,749.7) include operating costs of TEUR 680.4 (Q1 2017/18: TEUR 1,706.1) and personnel expenses of TEUR 613.1 (Q1 2017/18: TEUR 172.4) for project related and other non recurring expenses as well as expenses of TEUR 0.0 (Q1 2017/18: TEUR 594.3) for employee events.

5.7 FAIR VALUE ADJUSTMENTS OF PROPERTIES

The gains and losses from fair value adjustments are classified as follows:

	Investment property		Investment property under construction		Properties sold and held for sale	
in TEUR	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18
Revaluation gains	0.0	0.0	0.0	0.0	16,790.7	16,138.8
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**16,790.7**	**16,138.8**

The gains from fair value adjustments are classified as follows by country:

	Investment property		Investment property under construction		Properties sold and held for sale	
in TEUR	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18
Germany	0.0	0.0	0.0	0.0	0.0	22.3
Austria	0.0	0.0	0.0	0.0	16,790.7	16,116.5
Total	**0.0**	**0.0**	**0.0**	**0.0**	**16,790.7**	**16,138.8**

The losses from fair value adjustments are classified as follows by country:

in TEUR	Investment property		Investment property under construction		Properties sold and held for sale	
	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18	Q1 2018A	Q1 2017/18
Germany	0.0	0.0	0.0	0.0	0.0	0.0
Austria	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

The property portfolio was not appraised as of 31 July 2018, similar to the comparable prior year closing date. The next valuation by an independent external appraiser is scheduled for 31 October 2018.

5.8 FINANCIAL RESULTS

in TEUR	Q1 2018A	Q1 2017/18[1)]
Cash financing costs	–8,152.4	–8,726.9
Current interest accruals	–1,827.2	–2,167.9
Gain/loss on financial liabilities carried at amortised cost	–3,230.6	–3,976.1
Convertible bonds – increase in interest according to the effective interest rate method	–1.2	–680.5
Other non-cash financing costs	–54.9	–20.3
Financing costs	**–13,266.3**	**–15,571.8**
Cash financing income	102.6	9.1
Current interest accruals	1.5	13.0
Gain/loss on other financial assets carried at amortised cost	204.4	141.2
Financing income	**308.5**	**163.3**
Valuation of derivative financial instruments:	–1,904.9	–6,908.2
Interest rate swaps	–1,904.9	8,425.7
Embedded derivatives in the convertible bonds	0.0	–15,333.9
Other	–615.8	–681.5
Other financial results	**–2,520.7**	**–7,589.7**
Total	**–15,478.5**	**–22,998.2**

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

Cash financing costs of TEUR 8,152.4 (Q1 2017/18: TEUR 8,726.9) comprise interest paid of TEUR 4,601.7 (Q1 2017/18: TEUR 5,179.6), cash outflows of TEUR 3,318.4 (Q1 2017/18: TEUR 3,371.5) for derivative financial instruments and cash outflows of TEUR 232.3 (Q1 2017/18: TEUR 175.8) for other current financing costs.

The cash financing income of TEUR 102.6 (Q1 2017/18: TEUR 9.1) resulted primarily from interest received on financial assets.

The non-cash result from the measurement of derivatives included under other financial results is attributable to the different development of the underlying interest rate curve in the first quarter of the abbreviated 2018 financial year and the comparable prior year period.

Ancillary financing costs of TEUR 0.0 (Q1 2017/18: TEUR 116.6) for borrowings arranged during the reporting period will be distributed over the terms of the respective loans based on the effective interest rate method.

5.9 INCOME TAXES

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

in TEUR	Q1 2018A	Q1 2017/18[1]
Income tax expenses	–7,975.9	–9,990.7
Deferred tax income/expenses	–584.2	1,107.4
Total	**–8,560.1**	**–8,883.3**

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

5.10 EARNINGS PER SHARE

	Q1 2018A	Q1 2017/18[1]
Weighted average number of shares (basic)	124,171,828	107,771,625
Diluting effect stock options	44,624	395,446
Weighted average number of shares (diluted)	124,216,452	108,167,071
Net profit excl. non-controlling interests in EUR (basic)	22,774,800	29,727,000
Net profit excl. non-controlling interests in EUR (diluted)	22,774,800	29,727,000
Basic earnings per share in EUR	**0.18**	**0.28**
Diluted earnings per share in EUR	**0.18**	**0.27**

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

The calculation of diluted earnings per share for the reporting period and the previous year did not include any diluting effects from the convertible bonds. In the previous year, these effects would have increased earnings per share. Diluting effects are only included in earnings per share when they lead to lower earnings per share or a higher loss per share.

6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 INVESTMENT PROPERTY AND INVESTMENT PROPERTY UNDER CONSTRUCTION

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

in TEUR	Investment property	Investment property under construction
Balance on 1 May 2018	**4,452,276.5**	**133,361.5**
Additions	145,847.7	45,547.8
Disposals	–41,814.7	0.0
Fair value adjustments	16,790.7	0.0
Reclassification	–51,595.5	13,348.5
Reclassification IFRS 5	0.0	0.0
Balance on 31 July 2018	**4,521,504.7**	**192,257.8**

The additions to investment property include modernisation expenditures (CAPEX) of TEUR 14,423.4 (Q1 2017/18: TEUR 9,752.9) and other additions of TEUR 131,424.3 (Q1 2017/18: TEUR 4,644.2).

The reclassifications represent transfers from investment property to investment property under construction and transfers to real estate inventories.

6.2 TRADE AND OTHER RECEIVABLES

in TEUR	31 July 2018	Thereof remaining term under 1 year	Thereof remaining term over 1 year	30 April 2018
Trade accounts receivable				
Rents receivable	4,250.5	4,250.5	0.0	5,329.8
Miscellaneous	3,399.0	3,399.0	0.0	4,766.4
Total trade accounts receivable	**7,649.5**	**7,649.5**	**0.0**	**10,096.2**
Accounts receivable from joint operations	**377.0**	**377.0**	**0.0**	**327.5**
Other financial receivables				
Restricted funds	75,041.3	75,041.3	0.0	68,013.2
Outstanding purchase price receivables – sale of properties	79,387.2	79,387.2	0.0	56,757.4
Fair value of derivative financial instruments (receivables)	0.0	0.0	0.0	6.0
Miscellaneous	7,897.3	6,146.8	1,750.5	7,247.5
Total other financial receivables	**162,325.8**	**160,575.3**	**1,750.5**	**132,024.1**
Other non-financial receivables				
Tax authorities	12,296.1	12,296.1	0.0	9,396.2
Prepayments made for land purchases	7,458.4	0.0	7,458.4	77,482.7
Accrued property taxes	2,527.9	2,527.9	0.0	3,964.2
Miscellaneous	8,931.8	8,931.8	0.0	7,054.7
Total other non-financial receivables	**31,214.2**	**23,755.8**	**7,458.4**	**97,897.8**
Total	**201,566.5**	**192,357.6**	**9,208.9**	**240,345.6**

6.3 CONTRACTUAL ASSETS

in TEUR	31 July 2018	30 April 2018	1 May 2017
Receivables from the realisation of revenue on development projects over time	129,575.3	132,027.7	48,288.9
Prepayments received on these projects	–43,610.0	–27,686.1	–23,031.1
Assets recognised for costs incurred to fulfil contracts	988.8	1,004.5	401.4
Total contract assets	**86,954.1**	**105,346.1**	**25,659.2**

6.4 EQUITY

Based on a decision by the Executive Board on 15 May 2017 and 2 June 2017 and the approval of the Supervisory Board on 15 May 2017 and 2 June 2017, share capital was increased from EUR 99,773,479 by EUR 12,471,685 based on an authorisation of the annual general meeting on 7 March 2014 (authorised capital). This capital increase was recorded in the company register on 3 June 2017. Following the capital increase, share capital was divided into 112,245,164 no par value shares. The issue price equalled EUR 24.50 per share. Transaction costs of TEUR 9,336.1, less the tax benefit of TEUR 2,334.0, i.e. TEUR 7,002.1 in total, were offset against capital reserves.

Vonovia SE exchanged convertible bonds issued by BUWOG AG with a nominal value of EUR 298,800,000 based on a conversion declaration issued on 16 April 2018. This transaction increased the number of BUWOG shares outstanding by 11,904,382 to 124,149,546 as of 17 April 2018.

A total of 32,030 new BUWOG shares were issued as of 29 May 2018 (following a further conversion of the convertible bond 2016-2021). This increased the number of BUWOG shares outstanding by 32,030 to a total of 124,181,576 as of 29 May 2018 and also represents a similar increase of EUR 32,030.00 in share capital to EUR 124,181,576.00.

The sale of shares in the subsidiaries listed in note 3.3 *Structural changes* led to cash inflows of TEUR 16,241.8 from the purchase prices. After the transfer of TEUR 3,270.7 to non-controlling interests, TEUR 12,971.1 was recorded to capital reserves.

6.5 LIABILITIES FROM CONVERTIBLE BONDS

The following table shows the remaining terms of the liabilities from convertible bonds:

in TEUR	31 July 2018	Thereof remaining term under 1 year
Convertible bonds 2016 – 2021	194.3	194.3

BUWOG AG issued non-subordinated, unsecured five-year convertible bonds on 6 September 2016 (ISIN: AT0000A1NQH2). The bonds have a term ending in 2021 and a total nominal value of EUR 300 million with a denomination of EUR 100,000.00. The subscription rights of BUWOG shareholders were excluded. These bonds were initially convertible into 9,554,140 zero par value bearer shares, which represented approx. 9.58% of the share capital outstanding at that time. The book building process set the initial conversion premium at 35% over the reference price of EUR 23.2592 with a zero coupon. The initial conversion price therefore equalled EUR 31.40. The convertible bonds have a term of five years and will be redeemed at 100% of the nominal value. The bond terms include a cash settlement option for BUWOG AG.

Following the conversion into shares of BUWOG AG (see note 6.4 *Equity*), two convertible bonds with a nominal value of EUR 200,000.00 were outstanding as of 31 July 2018.

The reconciliation of the nominal amount of the convertible bonds to the carrying amount is shown below:

in TEUR	
Issue amount of convertible bonds 2016 – 2021	300,000.0
Transaction costs	–3,037.5
Separation of the embedded derivatives	–10,691.2
Net amount	**286,271.3**
Interest growth using the effective interest rate method	1,716.2
Carrying amount on 30 April 2017	**287,987.5**
Interest growth using the effective interest rate method	2,605.3
Increase in converted convertible bonds to nominal value	9,370.0
Conversion into shares of BUWOG AG	–298,800.0
Carrying amount on 30 April 2018	**1,162.8**
Interest growth using the effective interest rate method	1.2
Increase in converted convertible bonds to nominal value	30.3
Conversion into shares of BUWOG AG	–1,000.0
Carrying amount on 31 July 2018	**194.3**

6.6 FINANCIAL LIABILITIES

The following table shows the composition and remaining term of the financial liabilities as of 31 July 2018:

in TEUR	31 July 2018	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2018[1)]
Amounts due to financial institutions	1,484,597.6	94,373.5	272,367.8	1,117,856.3	1,457,150.5
Amounts due to local authorities	348,422.7	11,112.4	65,469.9	271,840.4	354,827.4
Total	**1,833,020.3**	**105,485.9**	**337,837.7**	**1,389,696.7**	**1,811,977.9**

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

As of 31 July 2018, amounts due to financial institutions with a carrying amount of TEUR 1,383,504.6 (30 April 2018: TEUR 1,367,122.2) and amounts due to local authorities with a carrying amount of TEUR 337,983.8 (30 April 2018: TEUR 340,003.8) were collateralised through recording in the land register.

The violation of the information covenants as of 30 April 2018 was remedied in Q1 2018A and the reclassification as of 30 April 2018 from non-current to current financial liabilities was reversed as of 31 July 2018. The involved loan was never called.

The major conditions of financial liabilities as of 31 July 2018 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	1.75%	411,438.7	
	EUR	floating	1.06%	1,109,574.3	
Total amounts due to financial institutions				**1,521,013.0**	**1,484,597.6**
Amounts due to local authorities	**EUR**	**fixed**	**1.74%**	**398,893.1**	**348,422.7**
Total					**1,833,020.3**

6.7 TRADE PAYABLES AND OTHER LIABILITIES

in TEUR	31 July 2018	Thereof remaining term under 1 year	Thereof remaining term over 1 year	30 April 2018[1)]
Trade payables	**10,083.6**	**9,855.3**	**228.3**	**20,411.0**
Trade payables from joint operations	**207.1**	**207.1**	**0.0**	**131.8**
Other financial liabilities				
Fair value of derivative financial instruments (liabilities):	45,993.5	33.0	45,960.5	44,259.3
Interest rate swaps	45,960.5	0.0	45,960.5	44,061.5
Embedded derivatives in the convertible bonds	33.0	33.0	0.0	197.8
Property management	16,714.5	16,714.5	0.0	15,957.0
Deposits and guarantees received	31,564.6	31,564.6	0.0	30,535.5
Maintenance and improvement amounts received	40,382.4	4,040.1	36,342.3	40,015.4
Outstanding purchase prices (share deals)	5,381.2	5,381.2	0.0	5,381.2
Liabilities from financial contributions	105,244.6	98,461.9	6,782.7	106,228.0
Miscellaneous	108,053.1	77,805.1	30,248.0	124,551.6
Total other financial liabilities	**353,333.9**	**234,000.4**	**119,333.5**	**366,928.0**
Other non-financial liabilities				
Tax and other public authorities	7,913.3	7,913.3	0.0	8,978.5
Prepayments received on apartment sales	158.0	158.0	0.0	348.0
Prepayments received for rents and operating costs	254.2	254.2	0.0	58.8
Miscellaneous	111.1	111.1	0.0	159.2
Total other non-financial liabilities	**8,436.6**	**8,436.6**	**0.0**	**9,544.5**
Total	**372,061.2**	**252,499.4**	**119,561.8**	**397,015.3**

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

6.8 CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

in TEUR	Non-current financial liabilities	Current financial liabilities	Liabilities from convertible bonds	Total liabilities from financing activities
Carrying amount on 30 April 2018	**1,069,361.9**	**742,616.0**	**1,162.8**	**1,813,140.7**
Changes through cash flows	**30,998.7**	**–29,572.5**	**0.0**	**1,426.2**
Cash inflows	40,698.1	19,460.7	0.0	60,158.8
Cash outflows	–9,699.4	–49,033.2	0.0	–58,732.6
Non-cash changes	**627,173.8**	**–607,557.6**	**–968.5**	**18,647.7**
Reclassification[1)]	627,874.7	–627,874.7	0.0	0.0
Interest growth using the effective interest rate method	2,869.4	336.9	1.2	3,207.5
Increase in converted convertible bonds to nominal value	0.0	0.0	30.3	30.3
Conversion into shares of BUWOG AG	0.0	0.0	–1,000.0	–1,000.0
Changes from the acquisition of subsidiaries	0.0	18,535.7	0.0	18,535.7
Other changes	–3,570.3	1,444.5	0.0	–2,125.8
Carrying amount on 31 July 2018	**1,727,534.4**	**105,485.9**	**194.3**	**1,833,214.6**

1) The transfer as of 30 April 2018 which resulted from the violation of an information covenant was reversed in Q1 2018A following the submission of the required data.

There were no cash inflows from derivative financial instruments in 2017/18, only the cash outflows shown on the cash flow statement.

6.9 INFORMATION ON FINANCIAL INSTRUMENTS

6.9.1 Classes and valuation categories of financial instruments

in TEUR

ASSETS	Carrying amount of financial assets 31 July 2018	Carrying amount not falling under IFRS 9 31 July 2018	Carrying amount total 31 July 2018	Fair value total 31 July 2018	Carrying amount total 30 April 2018[1)]	Fair value total 30 April 2018
Trade and other receivables	**170,352.3**	**31,214.2**	**201,566.5**	**201,566.5**	**240,345.6**	**240,345.6**
Trade accounts receivable	7,649.5	0.0	7,649.5	7,649.5	10,096.2	10,096.2
Accounts receivable from joint operations	377.0	0.0	377.0	377.0	327.5	327.5
Derivatives	0.0	0.0	0.0	0.0	6.0	6.0
Other receivables	162,325.8	31,214.2	193,540.0	193,540.0	229,915.9	229,915.9
Other financial assets	**12,863.3**	**0.0**	**12,863.3**	**15,414.8**	**13,463.1**	**16,066.8**
Securities and other investments	8.7	0.0	8.7	8.7	8.7	8.7
Originated loans	12,854.6	0.0	12,854.6	15,406.1	13,454.4	16,058.1
Cash and cash equivalents	**154,017.4**	**0.0**	**154,017.4**	**154,017.4**	**219,260.4**	**219,260.4**
TOTAL ASSETS	**337,233.0**	**31,214.2**	**368,447.2**	**370,998.7**	**473,069.1**	**475,672.8**

in TEUR

LIABILITIES	Carrying amount of financial assets 31 July 2018	Carrying amount not falling under IFRS 9 31 July 2018	Carrying amount total 31 July 2018	Fair value total 31 July 2018	Carrying amount total 30 April 2018[1)]	Fair value total 30 April 2018
Liabilities from convertible bonds	**194.3**	**0.0**	**194.3**	**194.3**	**1,162.8**	**1,188.1**
Financial liabilities	**1,833,020.3**	**0.0**	**1,833,020.3**	**1,941,720.5**	**1,811,977.9**	**1,914,883.3**
Amounts due to financial institutions	1,484,597.6	0.0	1,484,597.6	1,530,721.4	1,457,150.5	1,499,291.0
Other financial liabilities	348,422.7	0.0	348,422.7	410,999.1	354,827.4	415,592.3
Trade payables and other liabilities	**363,624.6**	**8,436.6**	**372,061.2**	**372,061.2**	**397,015.3**	**397,015.3**
Trade payables	10,083.6	0.0	10,083.6	10,083.6	20,411.0	20,411.0
Trade payables from joint operations	207.1	0.0	207.1	207.1	131.8	131.8
Derivatives	45,993.5	0.0	45,993.5	45,993.5	44,259.3	44,259.3
Miscellaneous other liabilities	307,340.4	8,436.6	315,777.0	315,777.0	332,213.2	332,213.2
Financial liabilities held for sale	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL LIABILITIES	**2,196,839.2**	**8,436.6**	**2,205,275.8**	**2,313,976.0**	**2,210,156.0**	**2,313,086.7**

1) The comparable prior year figures were adjusted (see note 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 2018.

The following table shows the original valuation category under IAS 39 and the valuation category under IFRS 9 as well as the carrying amounts as of 30 April 2018 under IAS 39 and IFRS 9 for each class of financial assets and financial liabilities.

in TEUR

ASSETS	Valuation category IAS 39	Valuation category IFRS 9	Carrying amount IAS 39 30 April 2018	Carrying amount IFRS 9 30 April 2018
Trade and other receivables			**142,447.8**	**142,447.8**
Trade accounts receivable	L&R	AC	10,096.2	10,096.2
Accounts receivable from joint operations	L&R	AC	327.5	327.5
Derivatives	HFT	FA@FV/P&L	6.0	6.0
Other receivables	L&R	AC	132,018.1	132,018.1
Other financial assets			**13,640.5**	**13,463.1**
Securities and other investments	AFS	FA@FV/P&L	8.7	8.7
Originated loans	FA@FV/P&L; L&R	AC	13,631.8	13,454.4
Cash and cash equivalents	L&R	AC	**219,260.4**	**219,260.4**
TOTAL ASSETS			**375,348.7**	**375,171.3**

in TEUR

LIABILITIES	Valuation category IAS 39	Valuation category IFRS 9	Carrying amount IAS 39 30 April 2018	Carrying amount IFRS 9 30 April 2018
Liabilities from convertible bonds	FLAC	FLAC	**1,162.8**	**1,162.8**
Financial liabilities			**1,888,283.7**	**1,811,977.9**
Amounts due to financial institutions	FL@FV/P&L; FLAC	FLAC	1,475,669.8	1,457,150.5
Other financial liabilities	FL@FV/P&L; FLAC	FLAC	412,613.9	354,827.4
Trade payables and other liabilities			**389,744.2**	**387,470.8**
Trade payables	FLAC	FLAC	20,411.0	20,411.0
Trade payables from joint operations	FLAC	FLAC	131.8	131.8
Derivatives	HFT	FL@FV/P&L	44,259.3	44,259.3
Miscellaneous other liabilities	FLAC	FLAC	324,942.1	322,668.7
Financial liabilities held for sale	FLAC	FLAC	**0.0**	**0.0**
TOTAL LIABILITIES			**2,279,190.7**	**2,200,611.5**

AC: financial assets measured at amortised cost
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

6.9.2 Hierarchy of fair values of financial instruments

in TEUR

31 July 2018	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Securities and other investments	0.0	0.0	8.7	8.7
Held for trading				
Derivatives	0.0	45,993.5	0.0	45,993.5

Hierarchy of fair values of financial instruments – previous year

in TEUR

30 April 2018	Level 1	Level 2	Level 3	Total[1)]
Financial assets available for sale				
Securities and other investments	0.0	0.0	8.7	8.7
Held for trading				
Derivatives	0.0	44,253.3	0.0	44,253.3

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

The following table shows the reconciliation of the opening and closing balances on 31 July 2018 for the financial instruments classified under level 3.

RECONCILIATION OF THE FINANCIAL INSTRUMENTS CLASSIFIED UNDER LEVEL 3

in TEUR	Securities and other investments
Balance on 1 May 2017	**190.3**
Additions/Disposals	–181.6
Balance on 30 April 2018	**8.7**
Balance on 1 May 2018	**8.7**
Additions/Disposals	0.0
Balance on 31 July 2018	**8.7**

Valuation procedures and input factors used to determine the fair values of financial instruments:

Level	Financial instruments	Valuation method	Significant input factors
2	Derivatives (interest-rate swaps)	Net present value method	Interest rate curves observable in the market, probability of default, default rate, exposure at time of default
2	Embedded derivatives in the convertible bonds	Net present value method	Interest rate curves observable in the market, probability of default, default rate, exposure at time of default, market price of the convertible bonds

The derivative financial instruments held by the BUWOG Group are carried at their fair value. The fair value of the interest rate swaps is established with a DCF model in accordance with IFRS 13. Future cash flows are determined by interest rate modelling through the Hull-White one-factor model, specifically in the form of a Monte Carlo simulation. This model is defined by swaption volatilities and caplet volatilities. The major input parameters were defined as of the balance sheet date and comprise the Euro interest rate curve, historical EURIBOR fixings and caplet and swaption volatility matrices. Bloomberg served as the source for the market data.

The following three parameters are required to calculate the Credit Value Adjustment (CVA) and the Debt Value Adjustment (DVA): Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The Probability of Default is derived from the Credit Default Swap spreads (CDS spreads) of the relevant counterparty. Interest rate swaps with a positive fair value represent receivables for the BUWOG Group and, in this case, a CVA calculation is carried out to calculate the amount of the receivable. The probability of default for the counterparties is required for this calculation. The counterparties for BUWOG's derivative transactions are normally larger financial institutions with individually traded CDSs, these indicators can usually be taken over directly from external sources (data source: Bloomberg). If the counterparty does not have a separately traded CDS, the market CDS spread for a comparable bank (ideally with the same external rating) is used as an approximation. These benchmarks represent level 1 and 2 input factors in the fair value measurement hierarchy.

Interest rate swaps with a negative fair value represent a liability for BUWOG Group, and a DVA calculation is carried out to calculate the amount of the liability. The Bloomberg function DRSK was used to calculate a separate Probability of Default for the BUWOG Group. This function uses current parameters from listed companies to determine a potential five-year CDS model. The calculation of the BUWOG-specific CDS was based on various parameters that include market capitalisation and share price volatility. The BUWOG-specific CDS was then allocated proportionately to the various terms based on the CDS model and, in this way, used to match the respective maturities. Since the significant input parameters used to develop the CDS spread are observable on the market, the interest rate swaps were allocated to level 2 on the fair value hierarchy.

The Loss Given Default (LGD) is the relative value that is lost at the time of the default. The BUWOG Group used a standard market LGD to calculate the CVA and DVA. The Exposure at Default (EAD) represents the expected amount of the asset or liability at the time of default and is calculated using a Monte Carlo simulation.

The derivatives embedded in the convertible bonds are measured on the basis of available market quotations for the convertible bonds. The fair value of these derivatives is calculated as the difference between the quoted prices for the convertible bonds and the constructed fair value of the underlying transaction (i.e. the bonds). The fair value of the underlying transaction represents the present value of the redemption. In addition, the fair value of the derivatives determined on this basis is validated by an option pricing model.

For the valuation of derivative financial instruments, the estimation of the default risk includes assumptions for the probability of default, loss rate and the outstanding amount at the time of expected default. An increase in the probability of default and the loss rate will reduce the fair value of a derivative with a positive exposure (receivable) and reduce the liability for a derivative with a negative outstanding amount (liability); a decrease in the probability of default and loss rate leads to the opposite effect.

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 July 2018:

DERIVATIVES/INTEREST RATE SWAPS

	Variable element	Fair value as of 31 July 2018 in EUR	Reference value as of 31 July 2018 in EUR	Fixed interest rate in %	Maturity
Interest rate of 0.5%-3%					
Interest rate swap (Helaba)	3-M-Euribor	–106,987	8,331,480	0.63	30 April 2024
Interest rate swap (Berlin Hyp)	3-M-Euribor	–110,346	5,276,720	0.69	30 April 2024
Interest rate swap (Berlin Hyp)	3-M-Euribor	–3,659,967	182,710,780	0.72	30 April 2024
Interest rate swap (Helaba)	3-M-Euribor	–3,623,884	179,656,020	0.72	30 April 2024
Interest rate swap (UniCredit Bank Austria)	3-M-Euribor	–2,413,024	100,590,000	0.84	28 February 2025
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	–2,489,813	127,912,500	0.99	2 January 2025
Interest rate swap (UniCredit Bank)	3-M-Euribor	–465,193	15,769,200	1.03	30 April 2021
Interest rate swap (UniCredit Bank)	3-M-Euribor	–1,232,247	28,911,900	1.17	31 January 2023
Interest rate swap (Deka Bank)	3-M-Euribor	–159,319	3,522,000	1.39	31 December 2021
Interest rate swap (Deka Bank)	3-M-Euribor	–882,489	19,506,000	1.39	31 December 2021
Interest rate swap (UniCredit Bank)	3-M-Euribor	–1,129,695	12,548,400	2.13	29 September 2023
Interest rate swap (Hypo Steiermark)	6-M-Euribor	–2,443,154	18,500,000	2.50	31 December 2036
Interest rate swap (UniCredit Bank Austria)	6-M-Euribor	–3,441,797	24,662,484	2.51	28 November 2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	–2,561,488	20,552,070	2.51	28 November 2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	–3,155,683	24,662,484	2.54	30 November 2036
Interest rate swap (BAWAG)	6-M-Euribor	–1,258,052	9,375,000	2.85	31 December 2030
Interest rate swap (Hypo Steiermark)	6-M-Euribor	–2,848,766	14,108,000	2.99	30 September 2039
Number of derivatives: 17		**–31,981,904**	**796,595,038**		
Interest rate of 3%-4.5%					
Interest rate swap (Hypo Steiermark)	6-M-Euribor	–1,355,459	7,363,000	3.01	30 September 2039
Interest rate swap (Hypo Steiermark)	6-M-Euribor	–3,349,588	22,102,000	3.09	30 September 2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	–5,982,892	42,119,000	3.11	30 September 2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	–3,290,609	23,166,000	3.11	30 September 2031
Number of derivatives: 4		**–13,978,548**	**94,750,000**		
Total derivatives: 21		**–45,960,452**	**891,345,038**	**1.32**	

7. TRANSACTIONS WITH RELATED PARTIES

Vitus Eckert, member of the Supervisory Board of Vonovia SE, is a shareholder in the law firm of Eckert Fries Prokopp Rechtsanwälte GmbH, Baden near Vienna. This law firm did not provide any legal advising services for member companies of the BUWOG Group during the first quarter of the abbreviated 2018 financial year. The terms of these fees, especially the hourly rates, reflect standard market conditions.

The BUWOG Group provides management services for Serone International Ltd. Vitus Eckert, member of the Supervisory Board of Vonovia SE, serves on a corporate body of Serone International Ltd. The terms for these services reflect standard market conditions.

One member of the Supervisory Board is a tenant in an apartment owned by the BUWOG Group. A member of the Executive Board purchased an apartment from the BUWOG Group during the first quarter of the abbreviated 2018 financial year. The transactions reflected standard market conditions.

8. SUBSEQUENT EVENTS AFTER 31 JULY 2018

No significant events occurred after the balance sheet date which would have had a material influence on the asset, financial or earnings position of the BUWOG Group.

Vienna, 25 September 2018

The Executive Board of BUWOG AG

Daniel Riedl
CEO

Herwig Teufelsdorfer
COO

STATEMENT BY THE EXECUTIVE BOARD

We confirm to the best of our knowledge that these consolidated interim financial statements as of 31 July 2018, 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 three 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, 25 September 2018

The Executive Board of BUWOG AG

Daniel Riedl
CEO

Herwig Teufelsdorfer
COO

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The materials in this report may contain statements related to our future business and financial performance and future events or developments involving BUWOG that may constitute forward-looking statements. These statements may be identified by words such as “expect”, “look forward to”, “anticipate”, “intend”, “plan”, “believe”, “seek,” “estimate”, “will”, “project”, “target” or words of similar meaning. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of BUWOG’s management, of which many are beyond BUWOG’s control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in disclosures, in particular in the chapter Risks in the Annual Report. Should one or more of these or other risks or uncertainties materialise, or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of BUWOG may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. BUWOG neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.