



REPORT ON THE 1st QUARTER 2014/15

AS OF 31 JULY 2014

SUCCESSFUL BUSINESS DEVELOPMENT

- Monthly in-place rent: EUR 4.69 per sqm
- Recurring FFO: EUR 21.9 million
- Fair value: EUR 3.5 billion

EXPANSION OF THE PROPERTY PORTFOLIO

to roughly 52,500 units, or 3.6 million sqm of usable space, through the closing of the DGAG and Apollo portfolio acquisitions

THE BUWOG SHARE

- Sound increase in share price since the start of trading
- Dividend of EUR 0.69 per share for the 2013/14 financial year recommended to the Annual General Meeting

BUWOG
group

CONTENT

FOREWORD BY THE EXECUTIVE BOARD	4
OVERVIEW OF THE BUWOG GROUP	6
HIGHLIGHTS 1 ST QUARTER 2014/15	8
ASSET MANAGEMENT	10
PROPERTY SALES	16
PROPERTY DEVELOPMENT	18
INVESTOR RELATIONS	21
CONSOLIDATED INTERIM MANAGEMENT REPORT	25
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	42

BUWOG GROUP KEY FIGURES

EARNINGS DATA

		Q1 2014/15	FJ 2013/14 ¹⁾
Rental revenues	in EUR million	36.2	116.5
Results of Asset Management	in EUR million	26.1	75.9
Results of Property Sales	in EUR million	8.4	34.0
Results of Property Development	in EUR million	6.8	4.9
EBITDA	in EUR million	36.7	105.0
Revaluation result from Asset Management	in EUR million	10.7	42.7
Financial results ²⁾	in EUR million	-42.8	-11.7
EBT	in EUR million	8.2	131.5
Net profit	in EUR million	6.2	111.8
FFO	in EUR million	14.0	40.7
Recurring FFO	in EUR million	21.9	69.2
Total FFO	in EUR million	22.3	81.8
AFFO	in EUR million	20.6	75.5

ASSET AND FINANCIAL DATA

		31 July 2014	30 April 2014	Change
Balance sheet total	in EUR million	4,063.7	3,355.3	21.1%
Equity ratio	%	38.3%	46.3%	-8.0 PP
Net financial liabilities	in EUR million	1,857.0	1,010.4	83.8%
Loan to Value (LTV)	%	49.1%	35.9%	13.2 PP
EPRA Net Asset Value	in EUR million	1,758.1	1,714.3	2.6%
Net financial liabilities ^{2) 3)}	%	2.26%	2.45%	-0.19 PP
Ø Term of financial liabilities ^{2) 3)}	Years	15.0	14.6	4.6

SHARE DATA

		31 July 2014	30 April 2014
Shares outstanding	Number of shares	99,613,479	99,613,479
Market capitalisation	in EUR million	1,439.40	1,314.90
Free float	%	51%	51%
Earnings per share ^{1) 4)}	in EUR	0.06	1.12
Recurring FFO per share ^{1) 4)}	in EUR	0.22	0.69
EPRA Net Asset Value per share ⁴⁾	in EUR	17.65	17.21
Enterprise value/EBITDA ¹⁾	in EUR	-	22.1

Since the BUWOG Group was only established at the end of April 2014, the key data do not include any comparative values for Q1 2013/14. Data on the 2013/14 financial year is provided for reference purposes.

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

1) The earnings data from previous periods are presented on a pro forma basis. They show the BUWOG GmbH business, and thus reflect BUWOG Group as if it had existed for the entire financial year from 1 May 2013 to 30 April 2014.

2) Financial results are influenced by negative non-cash results from the valuation of derivatives at fair value through profit or loss (EUR -9.4 million) and by financial liabilities (EUR -23.8 million).

3) Based on the outstanding liability. The hedge for the mortgage loan (DGAG acquisition) was still in progress as of the balance sheet date.

4) Based on 99,613,479 shares

KEY PROPERTY PORTFOLIO DATA

ASSET MANAGEMENT (STANDING INVESTMENTS)		31 July 2014	30 April 2014	Change
Number of units	Quantity	52,546	33,475	57.0%
Austria	Quantity	26,076	26,250	-0.7%
Germany	Quantity	26,470	7,225	266.4%
Total floor area	in sqm	3,646,791	2,491,290	46.4%
Austria	in sqm	1,998,836	2,012,137	-0.7%
Germany	in sqm	1,647,954	479,153	243.9%
Portion of residential floor area	%	96.8%	97.1%	-0.3 PP
Total in-place rent ¹⁾	in EUR million	197	123	60.4%
Austria	in EUR million	93	93	0.3%
Germany	in EUR million	104	30	249.5%
Monthly in-place rent ¹⁾	in EUR per sqm	4.69	4.31	8.9%
Austria	in EUR per sqm	4.10	4.06	1.0%
Germany	in EUR per sqm	5.39	5.34	0.9%
Development of monthly in-place rent - like-for-like ²⁾	%	3.6%	1.8%	-
Development in Austria - like-for-like	%	3.4%	1.9%	-
Development in Germany - like-for-like	%	4.2%	1.6%	-
Vacancy rate ³⁾	%	4.2%	4.8%	-0.6 PP
Austria	%	5.1%	5.0%	0.1 PP
Germany	%	3.0%	3.6%	-0.6 PP
Fair Value ⁴⁾	in EUR million	3,504	2,526	38.7%
Austria	in EUR million	2,117	2,127	-0.5%
Germany	in EUR million	1,387	399	247.1%
Fair Value ⁴⁾	in EUR per sqm	961	1,014	-5.3%
Austria	in EUR per sqm	1,059	1,057	0.2%
Germany	in EUR per sqm	841	834	0.9%
Net Rental Yield ⁵⁾	%	5.6%	4.9%	0.7 PP
Austria	%	4.4%	4.4%	0.0 PP
Germany	%	7.5%	7.4%	0.1 PP

		Q1 2014/15	FY 2013/14
Maintenance costs	in EUR per sqm	2.4	10.6
CAPEX	in EUR per sqm	0.6	2.6

PROPERTY SALES		Q1 2014/15	FY 2013/14
Units sold	Quantity	172	2,292
thereof Unit Sales	Quantity	124	553
thereof Block Sales	Quantity	48	1,739
Margin on fair value - Unit Sales	%	62%	54%
Margin on fair value - Block Sales	%	26%	11%

PROPERTY DEVELOPMENT		Q1 2014/15	FY 2013/14
Completed total floor area	in sqm	11.214	30.663
thereof sold to third parties	in sqm	11.214	30.663
thereof transferred to investment portfolio	in sqm	-	-
Investments in property under construction	in EUR million	13	122

The use of automated calculation systems may give rise to rounding differences, above all in the "change" column

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

2) Comparison: 31 July 2013 vs. 31 July 2014

3) Based on sqm

4) Fair value was determined internally as of the balance sheet date based on the appraisals prepared by CBRE as of 30 April 2014. Changes during the first quarter resulted from increases in the CPI. The valuation as of 31 October 2014 will be prepared, as scheduled, by CBRE.

5) Annualised total in-place rent (based on monthly 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**

It is only several weeks since the publication of our 2013/14 annual report, when we informed you in detail of the founding of BUWOG AG in its current form, the start of stock exchange trading at the end of April 2014 and the successful development of business. We would now like to continue this active dialogue with you in our report on the first quarter of 2014/15.

The previously announced acquisition of the DGAG and Apollo portfolios closed during the reporting period from 1 May to 31 July 2014. These transactions expanded the BUWOG Group's portfolio to roughly 52,500 units, or approx. 3.6 million sqm of floor space. With these acquisitions, we kept the strategic promise made at the start of trading to substantially increase the share of properties in the high-return regions of Germany. The BUWOG portfolio is now distributed almost equally between Austria and Germany based on the number of units.

This strategic shift will have a substantial and sustainable effect on the profitability of the BUWOG Group. The initial signs of improvement were noted in the first quarter, even though the consolidation of the DGAG and Apollo portfolios was only recognised to earnings as of 1 July. As seen over the entire year, annualised in-place rent will rise from approx. EUR 123 million to approx. EUR 197 million. In-place rent equalled EUR 36.2 million for the first quarter of 2014/15.

The BUWOG Group generated sound performance during the reporting period: the results of asset management totalled EUR 26.1 million, the results of property sales EUR 8.4 million and the results of property development EUR 6.8 million. These developments led to EBITDA of EUR 36.7 million. Financial results of EUR -42.8 million were influenced by interest expense as well as negative non-cash effects from the measurement of derivatives (EUR -9.4 million) and financial liabilities (EUR -23.8 million) at

fair value through profit or loss. Earnings before tax equalled EUR 8.2 million and net profit EUR 6.2 million for the reporting period.

FFO indicators are used as the main criteria for evaluating the development of BUWOG's operating business because of the above-mentioned non-cash effects. Recurring FFO, which also serves as the benchmark for the dividend payment, amounted to EUR 21.9 million in the first quarter, compared with EUR 69.2 million in the full 12 months of 2013/14. In agreement with the BUWOG Group's business model, this figure does not include the proceeds from Block Sales. These proceeds are reported under total FFO, which equalled EUR 22.3 million in the first quarter of 2014/15.

We would now like to take a brief look at the most important drivers for business development in the first quarter. The Asset Management business area benefited from the above-mentioned acquisitions as well as a 3.6% improvement over the previous year in in-place rent on a like-for-like basis. This led to a slight improvement in the Net Rental Yield to 7.5%. The vacancy rate was reduced from 4.8% to 4.2% between the end of April and the end of July 2014. Our goal for the remainder of this year is to continue this trend and integrate the standing investment units in Germany under a common management platform.

The Property Sales business area contributed approx. EUR 36.7 million to the results of operations based on EUR 8.4 million from the Unit Sales of 124 apartments and two Block Sales with 48 units.

In the Property Development business area, 176 units were completed during the reporting period. Construction is currently in progress or scheduled to start on a further 1,650 units during 2014/15. The related investment volume totals approx. EUR 1.5 billion. The Property Development business area contributed EUR 6.8 million to the results of operations in the first quarter.



Ronald Roos, CFO,
Daniel Riedl, CEO

We would like to recall that BUWOG AG was established at the end of April 2014. Therefore, the key data do not include any comparative figures for the first quarter of 2013/14. Data on the 2013/14 financial year is provided for reference purposes.

Our goal for the 2014/15 financial year remains intact – against the backdrop of a year-on-year increase in maintenance expenses and investments to EUR 16 per sqm, we are targeting Recurring FFO of approx. EUR 75 million. In the Property Sales business area, we expect Unit Sales of roughly 450 to 500 apartments. The resulting proceeds will be invested to continue BUWOG's expansion in Germany if appropriate opportunities arise. The focus for Property Development lies on the continued realisation of the project pipeline in Vienna and Berlin.

The positive operating developments described above are also reflected in the price of the BUWOG share: since the start of trading at the end of July 2014, the share price has risen by 9.5% to EUR 14.45. In conclusion, we would like to take the opportunity to invite you, our shareholders, to attend the Annual General Meeting of BUWOG AG on 14 October. There you will be informed, among others, of the Group's strategic plans and be asked to vote on the recom-

mendation for payment of a EUR 0.69 dividend per share for the 2013/14 financial year.

Until then, our best regards.

Daniel Riedl, FRICS
CEO

Ronald Roos
CFO

Contact

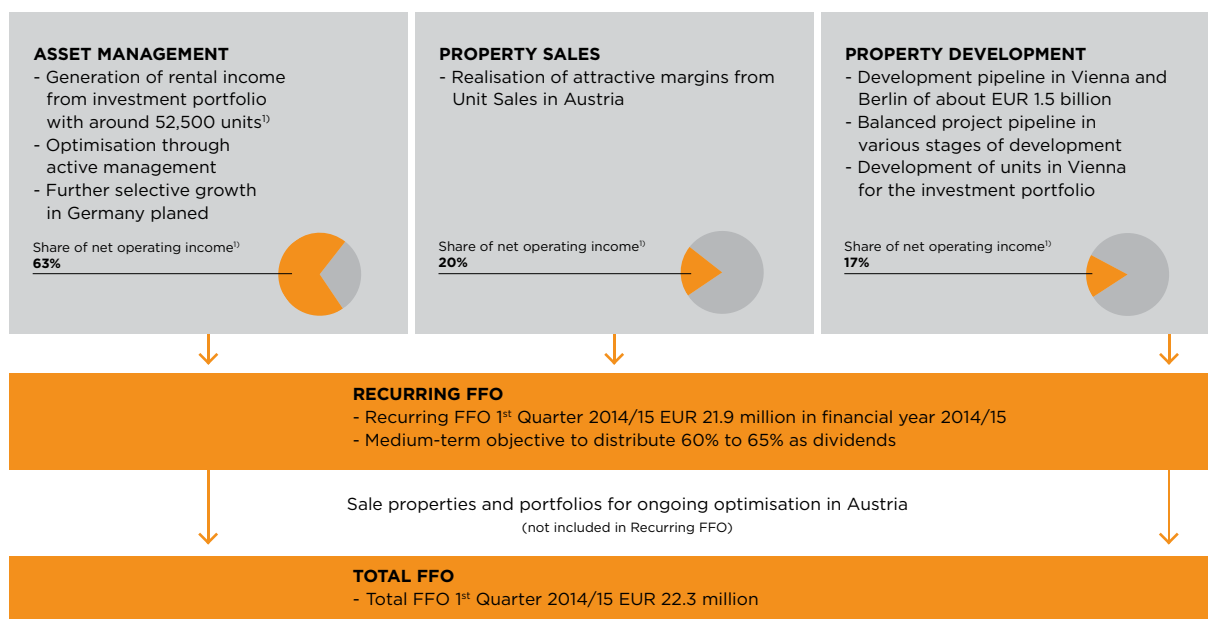
BUWOG AG
Hietzinger Kai 131, 1130 Vienna, Austria
Tel.: +43 1 878 28-1203
E-Mail: office@buwog.com



OVERVIEW OF THE BUWOG GROUP

The BUWOG Group has grown over a 60-year history to become the leading German-Austrian full-service provider in the residential property sector. The company's high-quality property portfolio comprises roughly 52,500 units, which are equally distributed between Austria and Germany. The entire value chain in the residential sector is covered by BUWOG's activities in the areas of Asset Management (sustainable portfolio management and administration), Property Sales (profitable sale of individual apartments and portfolios) and Property Development (planning and construction of new buildings). Since the end of April 2014, the shares of BUWOG AG have traded on the stock exchanges in Frankfurt, Vienna and Warsaw.

THE 3 PILLARS OF THE BUWOG GROUP BUSINESS MODEL



¹⁾ Net operating income before expenses that are not directly attributable to the business areas (EUR 6.7 million) and excluding other operating income of EUR 2.1 million.



PROFITABLE VALUE CHAIN

A fully integrated business model clearly distinguished the BUWOG Group from its peers. The generation of high Recurring FFO, which allows for an attractive dividend policy as well as steady growth, is supported by three business areas: Asset Management, Property Sales and Property Development.

ASSET MANAGEMENT

Asset Management is responsible for the sustainable, optimised management of the standing investments. Most of the revenues are generated by the rental of apartments. The focus here is on increasing rental income and optimising maintenance costs. The BUWOG Group's portfolio includes nearly 52,500 units in Austria and Germany (roughly one-half in each country) following the closing of the DGAG and Apollo portfolio acquisitions at the end of June 2014. In the key market locations in Austria and Germany, the BUWOG Group is represented with local teams.

PROPERTY SALES

The business model for Property Sales has two components: Unit Sales and Block Sales (property and portfolio transactions). It is designed to continuously and profitably optimise the BUWOG Group's standing investment portfolio through the high-margin sale of individual apartments to owner-occupiers and cycle-optimised block sales to investors. In the first quarter of 2014/15, 124 apartments were sold through Unit Sales and 48 apartments through Block Sales.

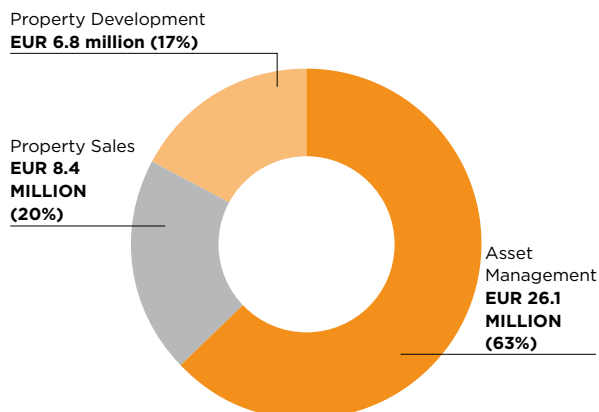
PROPERTY DEVELOPMENT

Property Development bundles the development of residential property projects for the BUWOG Group's own portfolio or for direct sale after completion. As a developer, the BUWOG Group has completed roughly 30,000 apartments in Austria since its founding. The property development business is concentrated on the heavily populated, economically strong capital cities of Vienna and Berlin. The company's development pipeline contained nearly 5,500 units at the end of July 2014 (including 700 sites as land reserves) with a total investment volume of EUR 1.5 billion.

HIGHLIGHTS

1st QUARTER 2014/15

RESULTS OF OPERATIONS¹⁾ BY BUSINESS AREAS



SUCCESSFUL BUSINESS DEVELOPMENT

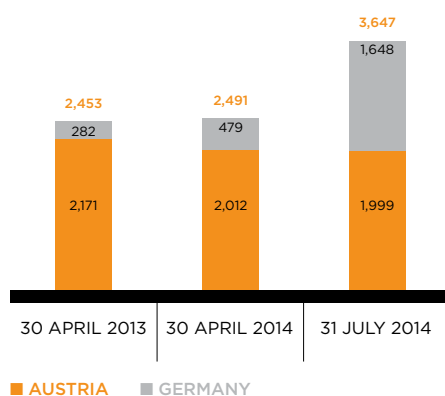
- EBITDA of EUR 36.7 million
- Net profit of EUR 6.2 million
- Recurring FFO of EUR 21.9 million
- LTV at 49.1% on lower end of 50% to 55% target corridor in spite of acquisition financing

¹⁾ Results of operations before the subtraction of costs not directly attributable to the business areas (EUR 6.7 million) and not including other operating income is EUR 2.1 million

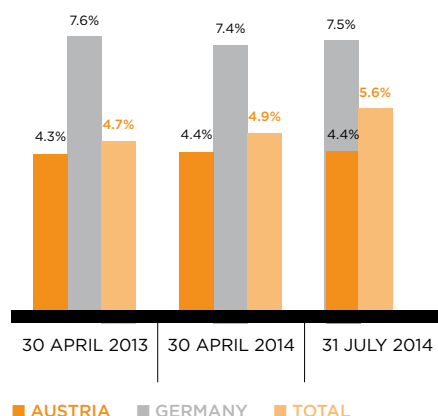
HIGHLIGHTS ASSET MANAGEMENT

- Expansion of the property portfolio to roughly 53,000 units, or approx. 3.6 million sqm of floor space, through the closing of the DGAG and Apollo portfolio acquisitions
- Increase of roughly 60% in annualised in-place rent to approx. EUR 197 million and improvement in Net Rental Yield from 4.9% to 5.6% based on return-oriented growth in Germany
- Active management of the standing investment portfolio leads, among others, to 3.6% growth in in-place rent on a like-for-like basis as of 31 July 2014

TOTAL FLOOR AREA in 1,000 sqm



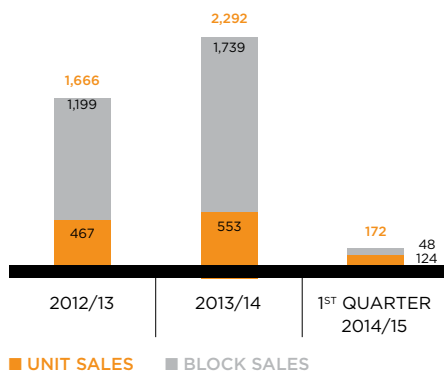
NET RENTAL YIELD



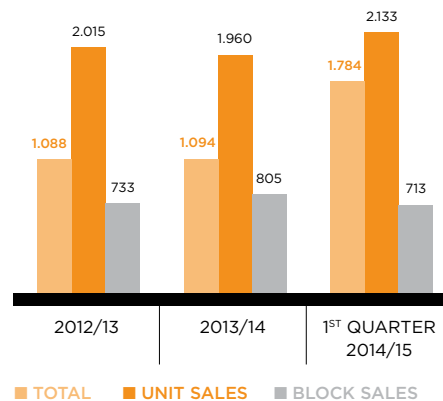
HIGHLIGHTS PROPERTY SALES

- Successful start of Unit Sales in Q1 2014/15 with 124 apartments sold (margin on fair value: approx. 62%)
- Continued portfolio optimisation through the sale of two properties with 48 units (margin on fair value: approx. 26%)

PERFORMANCE OF UNITS SOLD



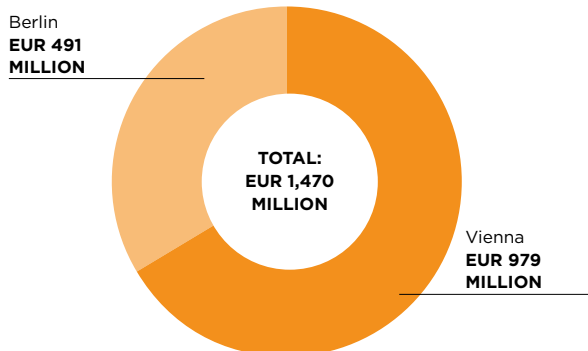
AVERAGE PRICES REALISED in EUR per sqm



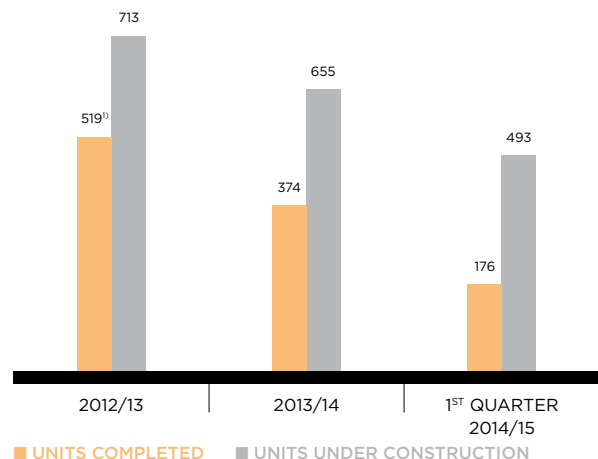
HIGHLIGHTS PROPERTY DEVELOPMENT

- 176 units completed in Q1 2014/15
- 493 units with an investment volume of approx. EUR 151 million currently under construction
- Pipeline with an investment volume of EUR 1.5 billion as of 31 July 2014

DEVELOPMENT PROJECTS by location



PROPERTY DEVELOPMENT



1) Additional 222 units of the Hellerpark geriatric center. Completed in 2013.

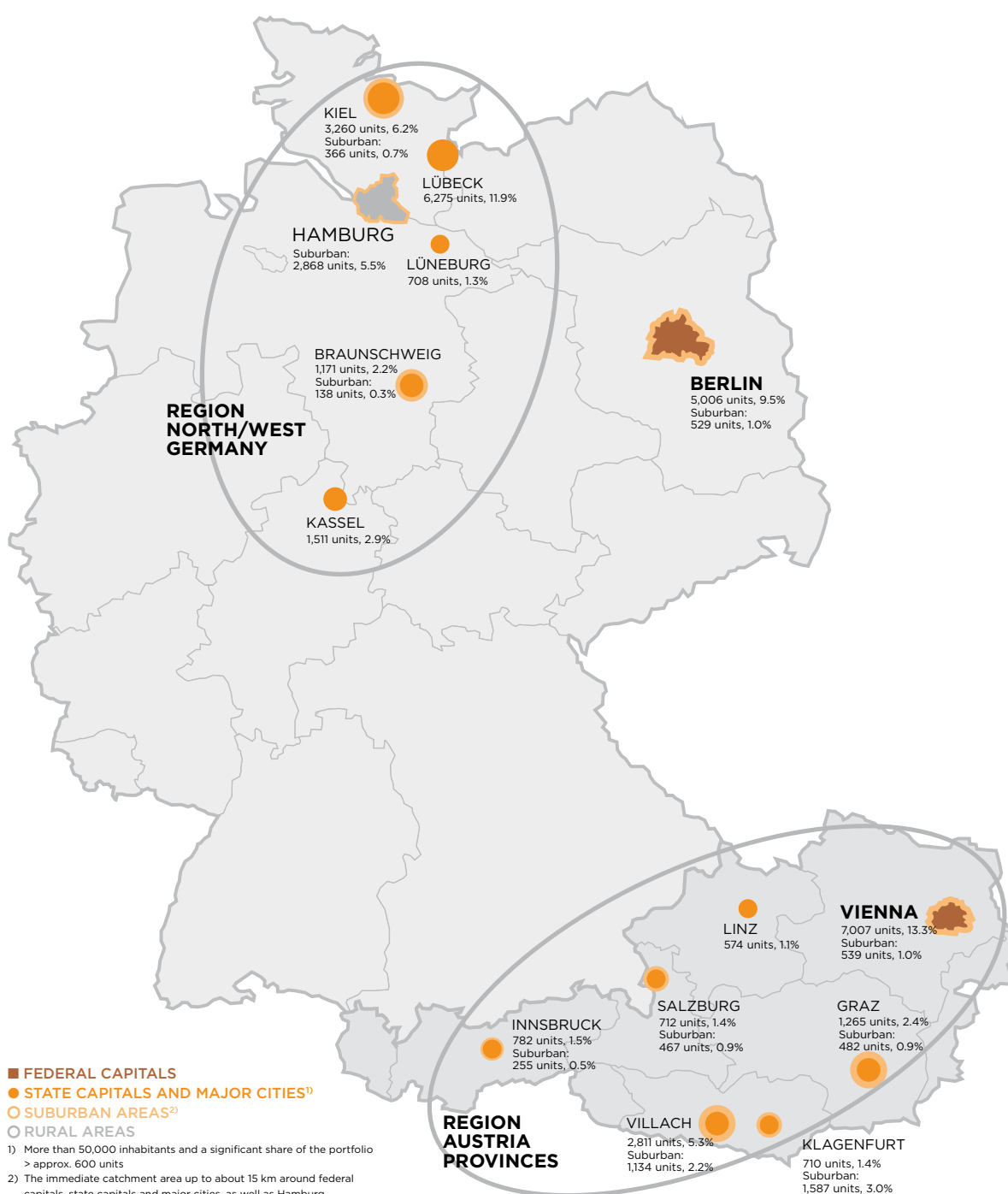
ASSET MANAGEMENT

The Asset Management business area of the BUWOG Group covers the rental and sustainable management of the standing investments in Austria and Germany as well as their optimisation and increase in value through maintenance and investments. It also includes the coordination of all owner-related internal and external services.

As the largest business area in the BUWOG Group, Asset Management generated operating income (before expenses not directly attributable to this business area and other operating income) of EUR 26.1 million in the first quarter of 2014/15.

BUWOG STANDING INVESTMENT PORTFOLIO BY REGION AS OF 31 JULY 2014

Number of units per site and percentage of total in %



Following the closing of the DGAG and Apollo portfolio acquisitions during the first quarter of 2014/15, the BUWOG Group's standing investment portfolio is now distributed almost equally between Austria and Germany. Vienna and Berlin form the regional focus: approx. EUR 1.3 billion or 38%, representing more than one-third of the standing investments of BUWOG Group based on fair value, are located in these two capital cities. The standing investments in provincial capitals and major cities (Braunschweig, Graz, Hamburg, Innsbruck, Kassel, Kiel, Klagenfurt, Linz, Lübeck, Lüneburg, Salzburg and Villach) as well as suburban areas, incl. the Hamburg region, represented approx. EUR 1.6 billion or 46% of fair value as of 31 July 2014. That means approx. EUR 2.9 billion, or 83%, of the fair value of BUWOG's standing investment portfolio is located in three regional clusters, all of which are very attractive in terms of their economic development, infrastructure and demographics.

STRUCTURE OF THE STANDING INVESTMENT PORTFOLIO BY GEOGRAPHIC CLUSTER

as of 31 July 2014

	Number of units	Total floor area in sqm	Annualised in-place rent ¹⁾ in EUR million	Monthly in-place rent ¹⁾ in EUR per sqm	Fair Value ²⁾ in EUR million	Fair Value ²⁾ in EUR per sqm	Net Rental Yield ³⁾	Vacancy rate ⁴⁾
Federal capitals	12,013	945,401	59	5.39	1,315	1,391	4.5%	3.2%
Vienna	7,007	613,219	36	5.14	1,000	1,631	3.6%	4.0%
Berlin	5,006	332,182	23	5.84	315	948	7.3%	1.9%
State capitals and major cities ⁵⁾	19,779	1,285,082	69	4.62	1,070	833	6.5%	2.8%
Suburban areas ⁶⁾	8,365	590,175	31	4.56	537	910	5.7%	4.5%
Rural areas	12,389	826,132	38	4.08	582	704	6.5%	7.0%
Total BUWOG Group	52,546	3,646,791	197	4.69	3,504	961	5.6%	4.2%
thereof Austria	26,076	1,998,836	93	4.10	2,117	1,059	4.4%	5.1%
thereof Germany	26,470	1,647,954	104	5.39	1,387	841	7.5%	3.0%

1) Based on monthly in-place rent (excluding utilities) as of reporting date

2) Based on fair value of standing investment as of 31 July 2014

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

4) Based on sqm

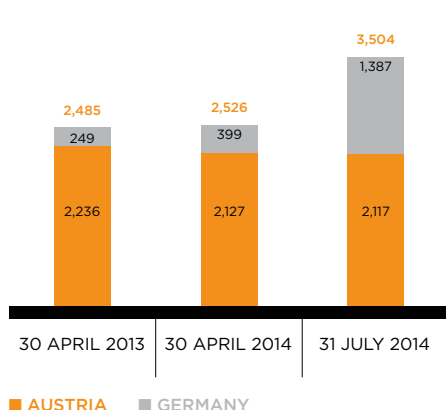
5) More than 50,000 inhabitants and a significant share of the portfolio > approx. 600 units

6) The immediate catchment area up to about 15 km around federal capitals, state capitals and major cities, as well as Hamburg

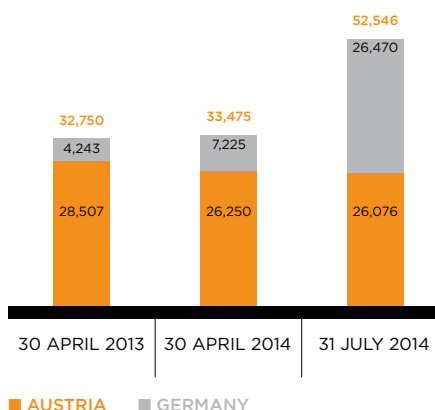
STRUCTURE OF THE STANDING INVESTMENT PORTFOLIO

The standing investment portfolio of BUWOG Group comprised 52,546 units with approx. 3.6 million sqm of floor space as of 31 July 2014 and includes both subsidised and privately financed apartments. The 46% increase in floor space since 30 April 2014 resulted primarily from the closing of two acquisitions that were signed in 2013/14: the DGAG portfolio with approx. 18,000 units and the Apollo portfolio with approx. 1,200 units. In addition to other acquisitions in Germany, a number of cycle-optimised standing investment sales took place in Austria during the reporting period. These sales involved 124 units and were concentrated in Vienna and in the provinces of Carinthia, Styria and Upper Austria. Block sales covered a further 48 units in two properties in Styria.

FAIR VALUE in EUR million



STANDING INVESTMENT PORTFOLIO



In Austria, the BUWOG Group held 26,076 units (30 April 2014: 26,250 units) with approx. 2.0 million sqm of floor space (30 April 2014: approx. 2.0 million sqm) and a combined fair value of approx. EUR 2,117 million as of 31 July 2014 (30 April 2014: EUR 2,127 million). That represents a fair value per sqm of EUR 1,059 (30 April 2014: EUR 1,057 per sqm). The monthly in-place rent equalled EUR 4.10 per sqm as of 31 July 2014 (30 April 2014: EUR 4.06 per sqm) based on a vacancy rate (basis: total area) of 5.1%, whereby 2.3 percentage points were attributable to properties that were deliberately not re-let in preparation for Unit Sales. The Net Rental Yield in the Austrian properties equalled 4.4% as of 31 July 2014 (30 April 2014: 4.4%).

The property portfolio in Germany increased significantly by roughly 19,000 units following the consolidation (i.e. the recognition in earnings and on the balance sheet) of the DGAG and Apollo portfolios. As of 31 July 2014, the BUWOG Group held 26,470 units in Germany with approx. 1.6 million sqm of total floor space (30 April 2014: 0.5 million sqm) and a fair value of approx. EUR 1,387 million (30 April 2014: EUR 399 million). The monthly in-place rent equalled EUR 5.39 per sqm at the end of the quarter (30 April 2014: EUR 5.34 per sqm). The German portfolio had a Net Rental Yield of 7.5% as of 31 July 2014 (30 April 2014: 7.4% excluding the DGAG and Apollo portfolios). The fair values of the DGAG and Apollo portfolios were recognised at the carrying amounts from the initial consolidation and in accordance with an external valuation by CBRE and any subsequent changes in value since the initial consolidation date. In the 2013/14 annual report, the DGAG and Apollo portfolios were presented at their respective purchase price. The average fair value of the standing investments in Germany equalled EUR 841 per sqm as of 31 July 2014 (30 April 2014: EUR 834 per sqm). The acquisition of the DGAG and Apollo portfolios as well as active asset management and the positive development of the market and demand reduced the vacancy rate in the German portfolio to 3.0% as of 31 July 2014 % (30 April 2014: 3.6%).

		BUWOG Group as of 30 April 2014	BUWOG Group as of 31 July 2014	Austria as of 31 July 2014	Germany as of 31 July 2014
Units	Quantity	33,475	52,546	26,076	26,470
Floor area	in sqm	2,491,290	3,646,791	1,998,836	1,647,954
Annualised in-place rent ¹⁾	in EUR million	123	197	93	104
Monthly in-place rent ¹⁾	in EUR per sqm	4.31	4.69	4.10	5.39
Fair Value ²⁾	in EUR million	2,526	3,504	2,117	1,387
Fair Value ²⁾	in EUR per sqm	1,014	961	1,059	841
Net Rental Yield ³⁾	%	4.9%	5.6%	4.4%	7.5%
Vacancy rate ⁴⁾	%	4.8%	4.2%	5.1%	3.0%

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

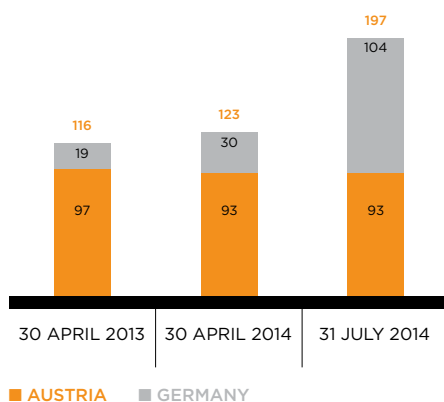
2) Based on fair value of standing investments as of 31 July 2014

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

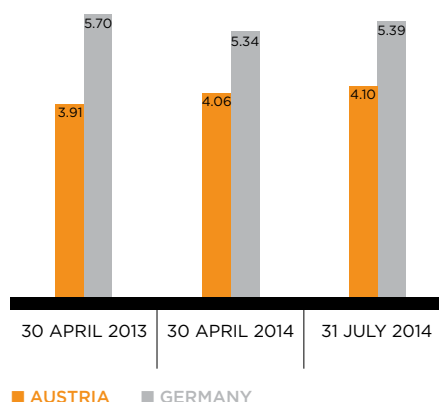
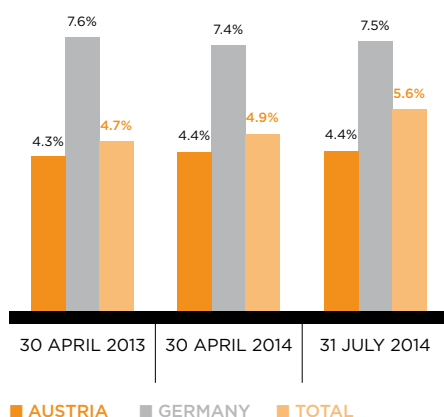
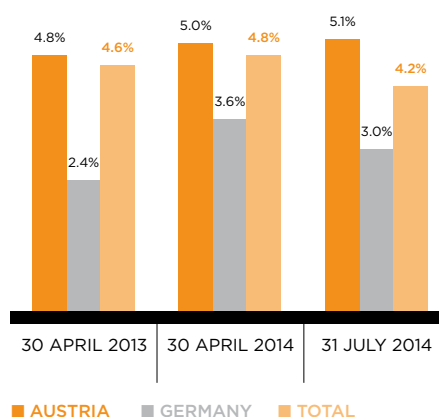
Through active asset management, the BUWOG Group works to continuously optimise the portfolio and the individual properties and, in this way, safeguard the generation of cash flow and earnings over the long-term. The strategic portfolio expansion in Germany underscores BUWOG's strategy to establish a position as the leading full-service provider in the residential properties sector in Austria and Germany. All key success parameters improved substantially during the previous year and the reporting period. The fair value of the portfolio rose from approx. EUR 2.5 billion as of 30 April 2014 to approx. EUR 3.5 billion at the end of the first quarter of 2014/15. Annualised in-place rent increased from approx. EUR 123 million to EUR 197 million, and the monthly in-place rent per sqm rose from EUR 4.31 to EUR 4.69. The Net Rental Yield grew from 4.9% to 5.6%, and the vacancy rate in the portfolio was reduced from 4.8% as of 30 April 2014 to 4.2%.

ANNUALISED IN-PLACE RENT

in EUR million

**MONTHLY IN-PLACE RENT**

in EUR per sqm

**NET RENTAL YIELD****VACANCY RATE****EXPANSION OF THE PORTFOLIO IN THE 1ST QUARTER OF 2014/15**

The acquisition of the DGAG and Apollo portfolios, which was described in the 2013/14 annual report, closed during the first quarter of 2014/15 (i.e. the benefits and obligations were formally transferred to the BUWOG Group). These transactions are therefore included in BUWOG's accounting (i.e. recognised to earnings and included on the balance sheet) for the reporting period. An overview of the two acquisitions and key data is provided in the following section:

DGAG portfolio, North-Western Germany

- 18,039 units
- Total floor space: 1,089,266 sqm
- Average rent per sqm: EUR 5.40
- Net Rental Yield: 7.4%
- Vacancy rate: 2.7%
- Main locations: Lübeck, Kiel, greater Hamburg area, Braunschweig
- Takeover: 27 June 2014 (recognised to earnings as of 1 July 2014)
- Takeover of the management platform with roughly 300 employees in key locations
- Activities of the management platform are focused on decentralised operational property management

The BUWOG Group signed the contract for the acquisition of the DGAG portfolio on 12 February 2014 and formally closed this transaction on 27 June 2014 (recognised to earnings as of 1 July 2014). The acquisition took place in the form of several share deals. The properties in this portfolio are concentrated in the provinces of Schleswig-Holstein (approx. 990,000 sqm), Lower Saxony (approx. 85,000 sqm) and the greater Hamburg area, which represent the BUWOG Group's preferred growth region in North-Western Germany. The purchase price for these properties totalled approx. EUR 892 million (EUR 819 per sqm). The BUWOG Group financed the transaction through mortgage loans of EUR 399 million (nominal value) granted by a consortium headed by BerlinHyp AG, the acceptance of subsidised loans with a nominal value of approx. EUR 203 million and the proceeds from the EUR 260 million convertible bond (nominal value) issued in April 2014.

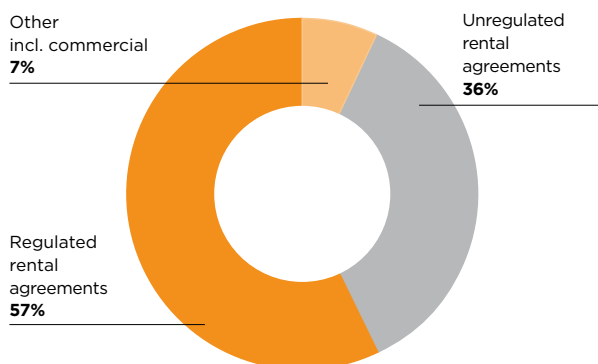
Apollo portfolio, Berlin and the surrounding area

- 1,206 units
- Total floor space: 79,553 sqm
- Average rent per sqm: EUR 4.75
- Net Rental Yield: 7.5%
- Vacancy rate: 4.0%
- Main locations: Berlin-Kaulsdorf and Strausberg
- Takeover: 1 July 2014

Additional details on the expansion of the portfolio are provided in section 3.2 of the notes on page 53.

PORTFOLIO STRUCTURE BY TYPE OF RENTAL AGREEMENT

Basis in-place rent as of 31 July 2014

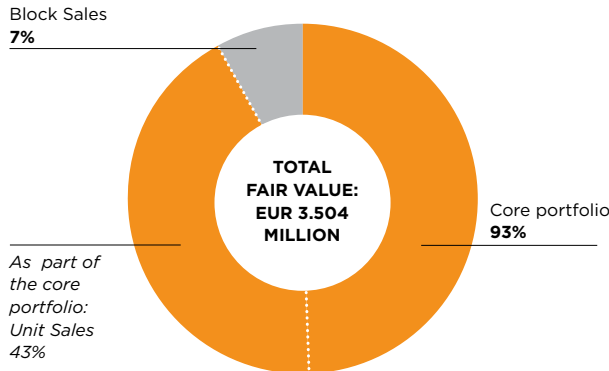


STRUCTURE OF RENTAL INCOME

The rental income recorded by the BUWOG Group is subject in part to legal regulations in Austria (e.g. the Austrian Non-profit Housing Act; Wohnungsgemeinnützigkeitsgesetz, WGG) and in Germany (the Schleswig-Holstein Housing Allowance Act; Wohnraumförderungsgesetz Schleswig-Holstein, §16 SHWoFG). Accordingly, the BUWOG Group distinguishes between the revenue generated by unregulated and regulated rental agreements and the revenue generated by other agreements (incl. commercial space). The graph shows the distribution as of 31 July 2014.

Additional information on the legal regulations applicable in Austria and Germany is provided in the section on "BUWOG rental models" in the 2013/14 annual report.

STRATEGIC PORTFOLIO CLUSTER SPLIT BY FAIR VALUE

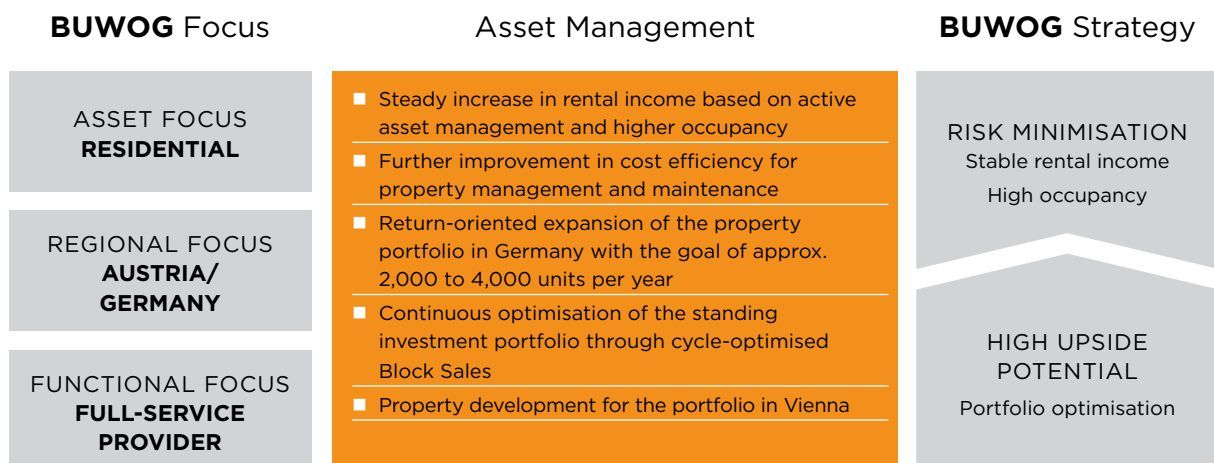


MEDIUM-TERM STRATEGY FOR THE STANDING INVESTMENT PORTFOLIO

The properties in BUWOG's standing investment portfolio are assigned to three clusters for management purposes: (a) the core portfolio, (b) the Unit Sales portfolio (current and planned sales of individual apartments) and (c) the Block Sales portfolio (the sale of apartment buildings or portfolios at favourable conditions over the medium-term to support the cycle-optimised adjustment of the portfolio). The cluster allocation is shown in the table.

STRATEGY AND OUTLOOK

BUWOG's Asset Management business area will continue to pursue its strategy for the maintenance and development of a low-risk portfolio by holding and further developing high-occupancy properties at attractive locations in national and provincial capitals. This strategy is based on the generation of stable cash flows.



PROPERTY SALES

The Property Sales business model covers two areas: Unit Sales (the sale of individual apartments to owner-occupiers) and Block Sales (the sale of buildings and portfolios to investors). These activities are designed to continuously optimise the profitability of the standing investment portfolio. The BUWOG Group pursues a clearly defined strategy in this business area. Individual vacant, generally subsidised units from the Unit Sales cluster, primarily at central locations in Austria, are sold over the medium- and long-term at attractive margins when BUWOG Group estimates that their full potential value has been reached. Block sales involve entire buildings or portfolios in rural areas, independent of the occupancy. These assets are sold to investors on a cycle-optimised basis when they are no longer in line with the regional orientation defined by the portfolio strategy.

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 approx. EUR 8.4 million in the first quarter of 2014/15. The earnings contribution from Unit Sales, which is considered part of BUWOG's Recurring FFO because it is sustainable and independent of the cycles, amounted to EUR 7.9 million. Block Sales contributed EUR 0.5 million to Total FFO for the reporting period.

Cluster	Unit Sales	Block Sales
Portfolio examples	 Vienna, Zeillergasse Vienna, Apostelgasse Salzburg, Rudolf-Biebl-Strasse	 Leoben, Max-Tendler-Strasse Leibnitz, Schulweg
Key facts	<ul style="list-style-type: none"> ■ Sales to tenants in selected regions ■ Highly profitable business with strong sustainable contribution to Recurring FFO ■ Optimal mix of internal and external sales channels ■ Track record with high profitability, margins to fair value over 50% 	<ul style="list-style-type: none"> ■ Sale of properties or portfolios ■ Block sales in rural locations to optimise the portfolio ■ Optimal mix of internal and external sales channels ■ Margins on Block Sales significantly over fair value in recent years
Contribution to Recurring FFO	 Sustainable revenues from Unit Sales	 Opportunistic Block Sales with acceptable margins

UNIT SALES

A total of 124 apartments were sold through Unit Sales in the first quarter of 2014/15. These transactions contributed EUR 7.9 million to Recurring FFO and had a margin of 62% on fair value.

The strategic portfolio cluster Unit Sales comprised 5,585 units in Vienna, 7,835 units in the other Austrian provinces and 63 units in Germany as of 31 July 2014. Plans call for the sale of these units over the medium- and long-term.

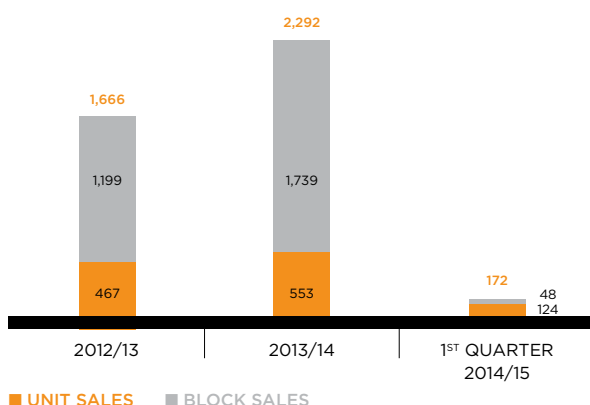
BLOCK SALES (SALE OF BUILDINGS AND PORTFOLIOS)

Residential units, which are not classified under the core portfolio or Unit Sales from a profitability perspective, are allocated to Block Sales if they are no longer strategically relevant. This cluster includes 539 units in Vienna, 1,667 in Carinthia, 1,692 units in the other Austrian provinces and 120 units in Germany. For these properties, the medium-term sale to local private investors with a focus on sustainable yields and stable cash flow is more expedient than the sale of the individual units. These sales are designed to optimise the BUWOG Group's portfolio.

In the first quarter of 2014/15, 48 units were sold through two Block Sales. The margin on the corresponding fair value equalled roughly 26%.

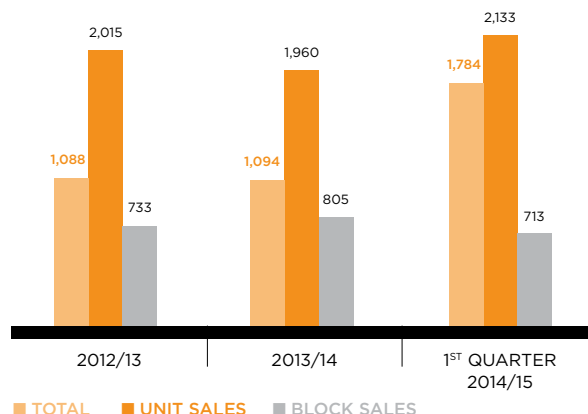
Block Sales in the previous year were characterised by the special effects from the sale of a portfolio with 1,135 units in Upper Austria. In 2012/13 a portfolio with roughly 760 units in Carinthia and Styria was sold. These portfolio sales took place within the framework of the strategic expansion in Germany.

UNITS SOLD



AVERAGE PRICES REALISED

in EUR per sqm



STRATEGY AND OUTLOOK

The BUWOG Group will continue its strategy of actively selling defined units in the coming years. The following graph shows the focal points of this strategy.

BUWOG Focus

**ASSET-FOCUS
RESIDENTIAL**

**REGIONAL FOCUS
AUSTRIA/GERMANY**

**FUNCTIONAL FOCUS
FULL-SERVICE
PROVIDER**

Property Sales

- Substantial medium- & long-term potential for approx. 13,500 Unit Sales & approx. 4,000 Block Sales
- Sustainable proceeds from Unit Sales & higher contribution to Recurring FFO
- Unit Sales projected to total roughly 500 per year
- Strong track record with high margins on Unit Sales in Austria
- Margins on Block Sales significantly over fair value in recent years

BUWOG Strategy

RISK MINIMISATION
Sustainable unit sales

**HIGH UPSIDE
POTENTIAL**
High margins through sale of subsidised units

PROPERTY DEVELOPMENT

The BUWOG Group's Property Development business area develops residential projects for the company's own portfolio or for direct sale after completion. These activities cover the entire property development value chain – from the purchase of land to planning and approval processes up to the completion and marketing of projects. This business area focuses on the demographically and economically strong capital cities of Vienna and Berlin. Based on its many years of experience and excellent market knowledge, the BUWOG Group is one of the leading project developers in the residential sector of both cities.

The BUWOG Group's strategy in the Property Development business area is focused on the market-orientated and continuous realisation of residential property development projects. The primary objective is not to generate volume, but to ensure high profitability in line with the respective risk situation. At the same time, the BUWOG Group has started to expand its pipeline through the ongoing acquisition of attractive sites for future development opportunities. The location, project size, marketability and profitability represent the most important selection criteria for development projects.

The Property Development business area generated results of operations (before expenses not directly attributable to this business area and other operating income) of EUR 6.8 million in the first quarter of 2014/15. This high contribution to earnings from project development is a unique selling proposition of the BUWOG Group compared to other listed property companies, which focus mainly on renting and trading in apartments, but are generally not involved in development.

VARIOUS MARKET-ORIENTED DEVELOPMENT MODELS

The BUWOG Group uses various implementation models depending on the relevant market and demand situation (see the information in the management report starting on page 27), which are methodically analysed prior to project realisation. In the privately financed sector, residential projects are carried out for private and institutional investors, owner-occupiers and the company's own rental portfolio. The properties in the subsidised residential housing market are sold as subsidised condominium apartments or rented out in keeping with the applicable subsidy regulations. These subsidised rental apartments are held in the BUWOG Group's investment portfolio for at least seven to ten years before they are sold through Unit Sales or Block Sales transactions (see the Property Sales business area starting on page 16).

An overview of the product development matrix based on the focus regions of Vienna and Berlin is provided on the following page.

Product Development Matrix

Vienna (3,928 units)	Subsidised rental apartments Standing investment portfolio ■ Units: 1,183 ■ Residential space: 88,978 sqm  Breitenfurter Strasse, 134 units	Subsidised owner-occupied apartments Regional customers ■ Units: 161 ■ Residential space: 12,787 sqm  Wiener Strasse, Schwechat 44 units	Owner-occupied apartments Regional customers ■ Units: 1,823 ■ Residential space: 153,425 sqm  Pfarrwiesengasse, 131 units	Investment apartments National customers ■ Units: 713 ■ Residential space: 44,944 sqm  Universumstrasse, 50 units, Completed in 6/2014	Global exit Institutional investors and foundations ■ Units: 48 ■ Residential space: 35,054 sqm  Boschstrasse, 41 units, Completed in 5/2014
			Owner-occupied apartments Regional customers ■ Units: 1,540 ■ Residential space: 141,094 sqm  Westendpark, 124 units		Global exit Institutional investors and foundations ■ Units: 52 ■ Residential space: 3,810 sqm  Scharnhorststrasse, 52 units
Berlin (1,592 units)					
Total 5,500 units	The product development matrix comprises roughly 700 units that are allocated to land reserves.				

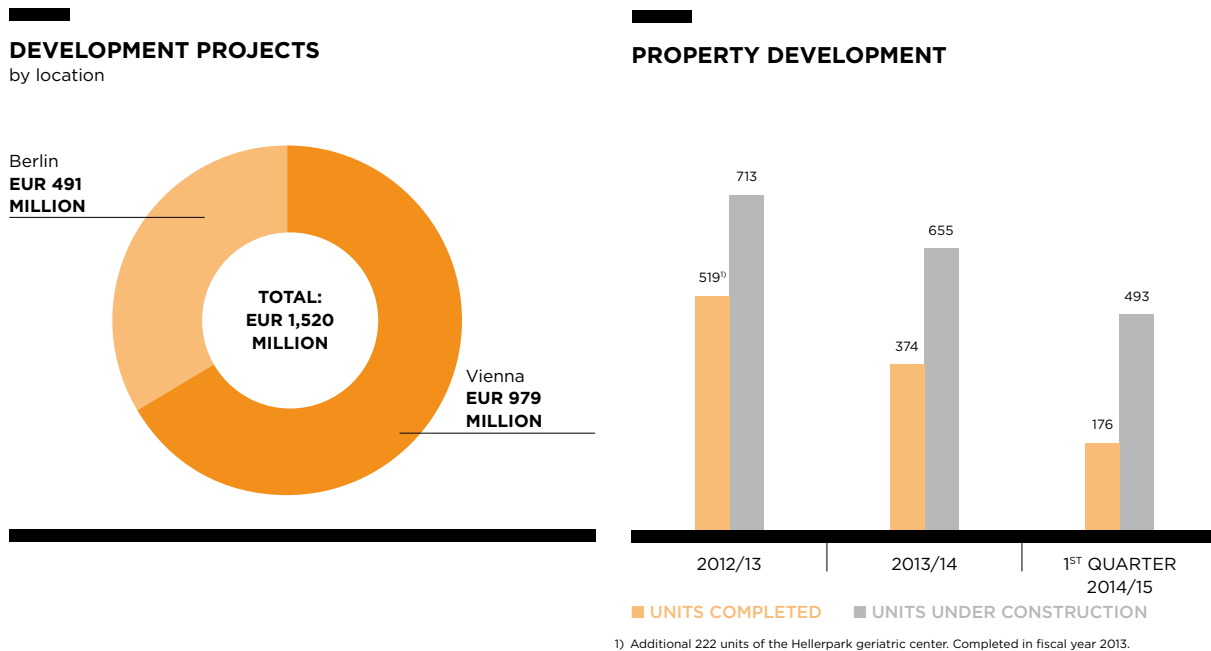
Vienna. Three new construction projects with a total of 176 units (102 investment apartments and 74 freely financed owner-occupied apartments) and 11,214 sqm of floor space were completed in Vienna during the first quarter of 2014/15. The new construction projects at Gombrichgasse near the main railway station (district 10) with 85 units and Boschstrasse (district 19) with 41 units were completed in May 2014. Construction on the Universumstrasse project (district 12) with 50 units was completed in June 2014. Despite the challenging conditions on the Vienna real estate market, the BUWOG Group was able to secure a number of sites in the first quarter for the realisation of further residential projects.

The development pipeline in Vienna included 3,928 units with an investment volume of approx. EUR 979 million as of 31 July 2014. Of this total, five projects in districts 3, 7, 11 and 14 in Vienna and one project in Schwechat with a total of 237 units and an investment volume of approx. EUR 62 million are currently under construction.

Berlin. The BUWOG Group is currently realising a number of projects in the emerging districts in the eastern area of this city and in the established western regions. The development pipeline in Berlin covered 1,592 units with an investment volume of approx. EUR 491 million as of 31 July 2014. Of this total, three projects (two in Charlottenburg-Wilmersdorf and one in Berlin-Mitte) with 256 units and an investment volume of approx. EUR 89 million are currently under construction. The large-scale Regattastrasse project will be

realised in several stages, with construction starting at different times. Construction on the first section will begin in 2014/15 and further sections are scheduled to follow beginning in 2015/16.

The following overview shows the regional classification and distribution as well as the amount of units completed or under construction.



STRATEGY AND OUTLOOK

The strategy of BUWOG Group in the Property Development business area is concentrated on the market-oriented, continuous realisation of residential property development projects in Vienna and Berlin. The most important elements of this strategy are shown on the following diagram.



INVESTOR RELATIONS

The BUWOG share has traded on the Frankfurt Stock Exchange (Prime Standard) and the Vienna Stock Exchange (Prime Market) since 28 April 2014 and on the Warsaw Stock Exchange (Main Market) since 29 April 2014 following the spin-off from IMMOFINANZ AG. The listing on these three markets reflects the presence of BUWOG AG in its home markets of Austria and Germany and forms the basis for good comparability with the peer group. The positive development of BUWOG's business was also reflected in the share price during the first quarter, with an increase at the Vienna Stock Exchange of 9.7% to EUR 14.45 as of 31 July 2014.

THE CAPITAL MARKET ENVIRONMENT

Developments on the international and, above all, European capital markets during the reporting period were influenced by the growing political tensions in Ukraine. At the same time, the European Central Bank (ECB) intensified its expansive monetary policy through further interest rate cuts (for detailed information, see page 26).

The major stock indexes followed solid development in the first months of 2014 with increasing weakness during the summer. The DAX fell by over 2% from 9,612 points at the beginning of May to 9,408 points at the end of July 2014. The decline in the ATX, the leading index of the Vienna Stock Exchange, was even stronger with an 8.5% drop from May to 2,310 points at the end of July. The EURO STOXX 50 Index recorded better performance, declining by only 0.8% from May to the end of July 2014. The FTSE EPRA/NAREIT Developed Europe Index, a benchmark index for BUWOG AG, rose by slightly more than 4% to 18.9 points during the reporting period.

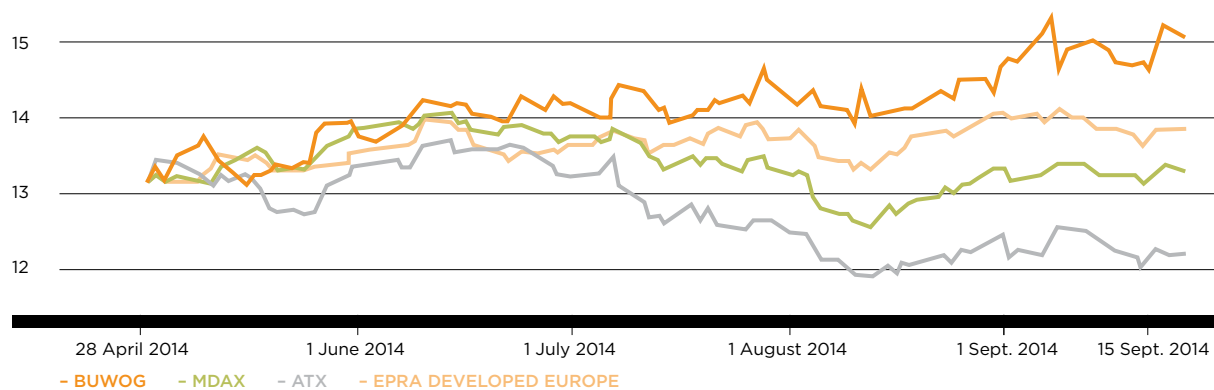
DEVELOPMENT OF THE BUWOG SHARE

The BUWOG share rose from an initial price of EUR 13.00 at the start of trading in Frankfurt on 28 April 2014 to close at EUR 14.45 on 31 July 2014. A total of 17.2 million BUWOG shares (single-count) were traded in Frankfurt, Vienna and Warsaw between the initial listing date and the end of July. The resulting average daily turnover equalled 260,600 shares. Up to 31 July 2014 not a single closing price was lower than the initial share price of EUR 13.00. The price of the BUWOG share rose by 11.3% in Frankfurt, 9.7% in Vienna and 5.3% in Warsaw from the initial listing date to 31 July.

BUWOG AG shares were granted fast-track entry into the FTSE EPRA/NAREIT Developed Europe Index on 7 May 2014 only a few days after the initial listing. This industry-specific index is recognised as a worldwide benchmark and is the most commonly used index for listed property companies. In June 2014, BUWOG shares were also included in the VÖNIX Sustainability Index, which features listed companies that are considered to be leaders in terms of their social and environmental performance. BUWOG AG shares were weighted at 19.7% in the IATX (Austrian real estate index) as of 31 July 2014, which represents the base value for options and futures contracts traded on the Vienna Stock Exchange and contains all real estate shares listed on the Vienna Prime Market. As of 22 September 2014 the BUWOG share was added to the ATX, the leading index of the Vienna Stock Exchange, where it is weighted at 2.4%.

BUWOG AG SHARE PERFORMANCE IN COMPARISON

(indexed using opening price on BUWOG AG Share as of 28 April 2014, in EUR)



REFERENCE DATA FOR BUWOG SHARES

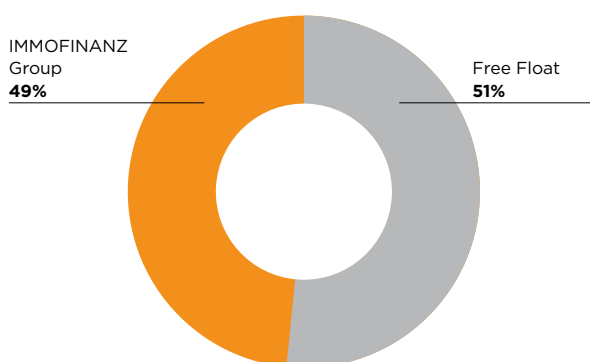
ISIN	AT00BUWOG001
WKN	A1XDYU
Bloomberg Ticker	BWO GR
	BWO AV
	BWO PW
Official Market	Frankfurt Stock Exchange (Prime Standard)
	Vienna Stock Exchange (Prime Market)
	Warsaw Stock Exchange (Main Market)

SHAREHOLDER STRUCTURE

The spin-off and subsequent deconsolidation of BUWOG AG reduced the investment held by IMMOFINANZ AG to 49% of the 99,613,479 shares issued. BUWOG AG had not received any disclosures of voting rights from other shareholders as of 31 July 2014, and 51% of the shares can therefore be classified as free float. Since the EUR 260 million, 3.5% convertible bond issued by BUWOG AG was subscribed in full by IMMOFINANZ AG, a complete conversion in the future would raise the number of shares outstanding to 113,348,291. That would increase the pro forma holding of IMMOFINANZ AG to 55%. However, a change of this type in the shareholder structure is unlikely from the current perspective for the following reasons: the conversion period for the bond only begins on 28 January 2015; the conversion price is significantly higher than the market price at the present time; and BUWOG AG is currently working to arrange refinancing for the convertible bond.

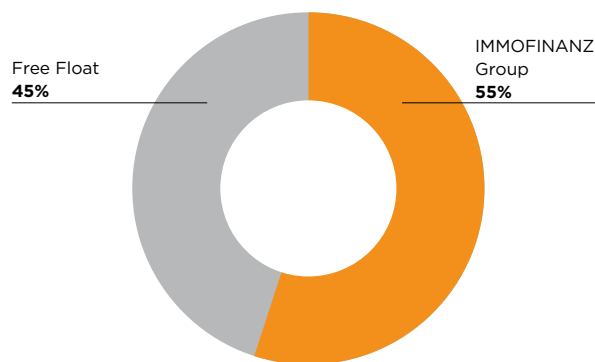
SHAREHOLDER STRUCTURE OF BUWOG AG

as of 31 July 2014



PRO FORMA SHAREHOLDER STRUCTURE OF BUWOG AG

following potential exercise of the conversion rights



IMMOFINANZ AG issued an exchangeable bond (XS1108672988) for shares in BUWOG AG after the end of the reporting period. The exchangeable bond has a volume of EUR 375 million, a coupon of 1.5% per year and an exchange price of EUR 17.03. The exchange price represents a premium of 15% over the reference price of EUR 14.81 (based on the volume weighted average price of the BUWOG share on the Vienna Stock Exchange between the start and close of trading on 4 September 2014). The exchangeable bond was issued and will be redeemed at 100% of the nominal value. The bond has a term ending on 11 September 2019, with a put option on 11 September 2017. BUWOG AG expects the bond issued by IMMOFINANZ AG will have a positive influence on the liquidity of the BUWOG share.

DIVIDEND POLICY

The Executive Board of BUWOG AG is committed, above all, to protecting the interests of its shareholders – and this commitment includes providing an appropriate return on their investment from the cash flows generated by the company. Conditional on the approval of the Annual General Meeting of BUWOG AG, the Executive Board plans to recommend the payment of dividends equalling approx. 60%–65% of Recurring FFO over the long-term. As part of this dividend policy and to allow shareholders to participate in the extraordinary success of the 2013/14 financial year, which was supported by strategic portfolio acquisitions, the Executive Board will propose that the Annual General Meeting approve a dividend payment for the 2013/14 financial year equal to approx. 4% of the company's EPRA Net Asset Value as of 30 April 2014. That represents a recommended dividend of EUR 0.69 per share. The resulting return of 4.8% based on the EUR 14.45 closing price on 31 July 2014 makes the BUWOG share one of the highest-yielding real estate shares in Europe. Based on the discount to the latest average target price of EUR 16.67 in the analysts' recommendations, the BUWOG share also has a potential for an increase of 13.3%.

FINANCIAL CALENDAR

23.9.2014 – 25.9.2014	Goldman Sachs/Berenberg Conference in Munich
23.9.2014 – 25.9.2014	Baader-Bank Conference in Munich
24.9.2014 – 25.9.2014	EPRA Annual Conference in London
29.9.2014	Publication of the quarterly report for the period from 1 May to 31 July 2014
7.10.2014 – 8.10.2014	Erste Bank Conference in Stegersbach
14.10.2014	1st Annual General Meeting
15.10.2014	Ex-dividend date
23.10.2014	Dividend payment date
22.12.2014	Publication of the six-monthly report for the period from 1 May to 31 October 2014
31.3.2015	Publication of the quarterly report for the period from 1 November 2014 to 31 January 2015

Analyses by well-known financial institutions and research experts represent an important source of information and basis for decision-making, especially for institutional investors. BUWOG AG maintains a regular dialogue with these experts and, as of 31 July 2014, the following institutions had published analyses of BUWOG AG shares:

Institution	Date	Target price	Recommendation
Kepler Cheuvreux	19.9.2014	EUR 17.50	Buy
Erste Bank	16.9.2014	EUR 17.80	Buy
Raiffeisen Centrobank	11.6.2014	EUR 15.00	Hold
Baader Bank	2.9.2014	EUR 14.70	Hold
HSBC	2.7.2014	EUR 18.00	Overweight
Barclays	24.7.2014	EUR 17.00	Overweight

As a member of EPRA, the leading European association of listed property companies, BUWOG is committed to upholding the association's standards for accounting transparency and underscores its credibility in striving for professionalism and excellence.

CONTACT



Holger Lueth

Head of Investor Relations & Corporate Finance

E-Mail: holger.lueth@buwog.com

Tel.: +43 1 878 28-1203

Fax: +43 1 878 28-5203

CONSOLIDATED INTERIM MANAGEMENT REPORT

THE ECONOMIC ENVIRONMENT & DEVELOPMENT OF FINANCIAL MARKETS

MEDIUM-TERM GROWTH SHADOWED BY POLITICAL UNREST

Recent forecasts by the World Bank point to a short-term slowdown in global economic growth, which is a direct result of the uncertain outcome of the political unrest in Ukraine and the unknown extent of the imposed sanctions. However, the medium-term estimates issued by the World Bank in June 2014 remain basically intact. Global economic output, based on real GDP, increased by 2.4% in 2013 and is projected to rise by 3.2% and 3.4%, respectively in 2014 and 2015. The emerging markets in Eastern Asia, the Pacific region and Latin America are expected to serve as key drivers for growth. Economic development in Europe is currently shadowed by the above-mentioned political uncertainty, and the resulting effects on the regional economy cannot be reliably estimated at the present time.

ECONOMIC INDICATORS AT A GLANCE

	GDP growth rate 2013	Forecast GDP growth rate 2014	Forecast GDP growth rate 2015	Unemployment rate in July 2014	Annual inflation rate in July 2014 ¹⁾	Gross national debt to GDP in 2013	Deficit/surplus to GDP in 2013
EU 28	0.1%	1.5%	2.0%	10.2%	0.6%	87.1%	-3.3%
Euro zone (18 countries)	-0.4%	1.2%	1.8%	11.5%	0.4%	92.6%	-3.0%
Austria	0.4%	1.5%	1.8%	4.9%	1.7%	74.5%	-1.5%
Germany	0.4%	1.8%	2.0%	4.9%	0.8%	78.4%	-

1) Preliminary

Source: European Commission

DIFFERENT DEVELOPMENTS IN EUROPE

The European Union (EU 28) emerged from the previous year's recession with slight GDP growth of 0.1% in 2013, and the European Commission is expecting further stabilisation or growth in 2014 and 2015. The forecasts for 2014 were reduced slightly from 1.6% to 1.5%, above all due to the crisis in Ukraine, but the original estimate of 2.0% for 2015 was retained. However, there are still substantial differences between the 28 member states. Austria and, above all, Germany established a position as stability anchors during the financial crisis, while the recovery in the Euro zone remains slow. The effects of the financial market crisis are still visible, and fiscal policies in most of the member states call for spending reductions. Sovereign debt in the Euro zone equalled 92.6% of the gross domestic product, which underscores the need for budget consolidation measures. The Euro zone recorded a 0.4% decline in economic output for 2013, but the European Commission is projecting growth of 1.2% and 1.8%, respectively, for the Euro zone in 2014 and 2015. Nonetheless, it is difficult to estimate the scope and duration of the political conflict between Ukraine and Russia and the resulting influence on economic development in Europe. The reciprocal sanctions imposed by the EU and Russia will have a negative effect, above all on the export and energy sectors.

AUSTRIA AND GERMANY

Forecasts for the development of the Austrian economy currently present a mixed picture. The European Commission raised its growth expectations slightly from 1.5% to 1.6% in its autumn 2014 forecast, while the Austrian Institute of Economic Research (WIFO) recently issued a slight downward revision. As the reasons for

this change, WIFO indicated the negative effects of the EU and Russian sanctions on exports as well as growing weakness in private consumption. The signs of an economic slowdown – above all in the industrial sector – are also increasing in Germany. The European Commission has not yet issued an official revision to its previous expectations for the German economy, which originally pointed to GDP growth of 1.8% in 2014 and 2.0% in 2015.

DEVELOPMENTS ON THE FINANCIAL MARKETS

The political unrest in Ukraine and the ongoing conflicts in the Arabian countries were reflected in growing uncertainty on the international capital markets, but the latest default by Argentina did not lead to any notable reactions.

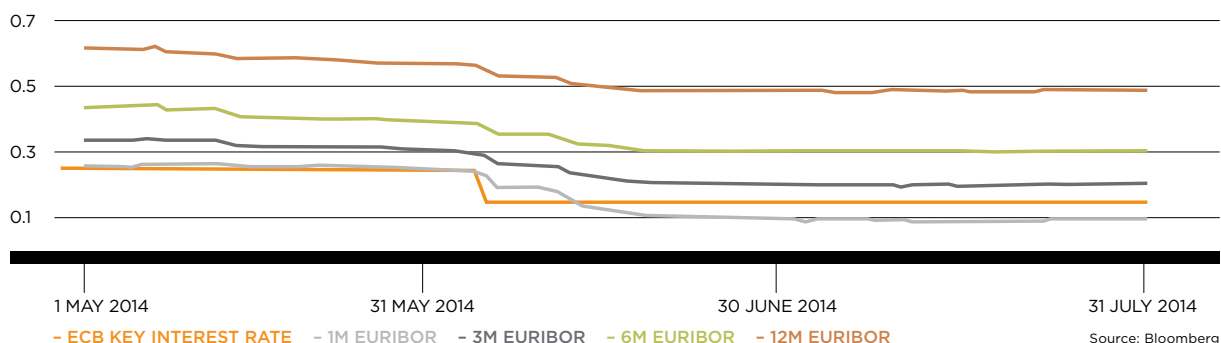
The European Central Bank (ECB) has also influenced developments on the European capital markets through its recent monetary policy decisions. The main refinancing rate for Euro system transactions was reduced by 10 basis points to 0.15% in June 2014, and a further cut to 0.05% was announced after the end of the reporting period at the beginning of September 2014. The interest rate for the marginal lending facility was reduced by 35 basis points to 0.40% in June 2014 and by a further 10 basis points to 0.30% in September 2014. At the same time, the interest rate for the deposit facility was cut by 10 basis points to -0.10% in June 2014 and by a further 10 basis points to -0.20% in September 2014. With these adjustments, the ECB is attempting to increase lending as a means of stimulating the economy in the current low inflation environment. One special feature of these actions is the first-time introduction of negative interest rates for the deposit facility, which are intended to support increased bank lending to companies and households. However, it is questionable whether this step will produce the desired effects: bank deposits with the ECB currently total only EUR 30 billion, compared with roughly EUR 800 billion in mid-2012. Many banks are increasingly turning to other alternatives, e.g. government bonds, as more profitable investment vehicles for their funds.

KEY INTEREST RATES

The reference interest rates (1-, 3-, 6- and 12-month EURIBOR) reacted to the historic interest rate cuts with a sharp drop during the reporting period. For example, the 3-month EURIBOR fell by 20% from 0.301% to 0.242% within six banking days and levelled off at 0.208% at the end of June, for a 30% decline compared with the value before the interest rate cut on 5 June 2014. The 6-month EURIBOR fell by 20% within roughly two weeks from a level of 0.386% on 4 June 2014. The EURIBOR rates then moved slightly sideward up to the end of the reporting period, whereby a further reduction was noted at the beginning of September 2014 in reaction to the ECB's monetary policy steps.

DEVELOPMENT OF EURIBOR REFERENCE INTEREST RATES

1 May – 31 July 2014, in %



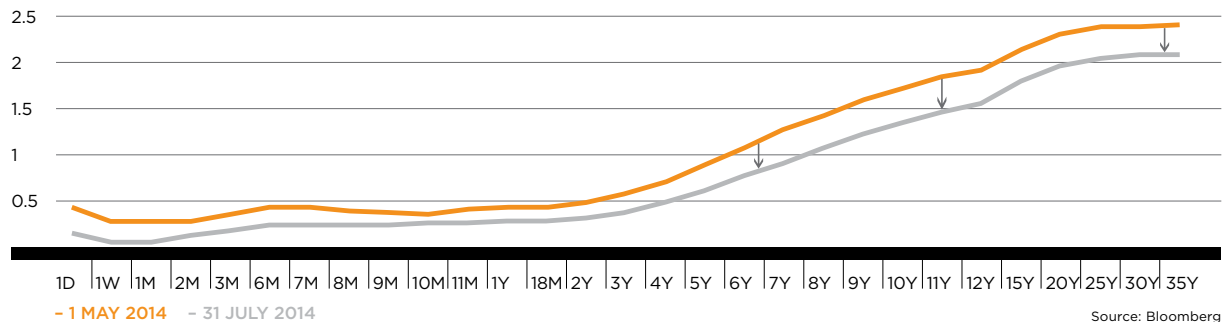
Long-term rates also fell to a new low during the reporting period. The SWAP curve flattened further during the first quarter of BUWOG's 2014/15 financial year from 1 May to 31 July 2014, which made long-term financing available at substantially more favourable rates. Within three months, the ten-year SWAP rate fell by 20% and the five-year SWAP rate by 30%.

These interest rate developments have two major effects on companies: conservative investments become less attractive due to the historically low interest rates. This is contrasted by more favourable forms of debt financing, assuming an appropriate credit standing. In addition, flatter interest rate curves have a significant

influence on the valuation results of derivatives and the valuation of financial instruments at fair value through profit or loss. Information concerning the effects on the BUWOG Group's earnings is provided in the "Analysis of the asset, financial and earnings position" on page 35.

DEVELOPMENT OF THE EUR-SWAP CURVE

1 May – 31 July 2014, in %



DEVELOPMENT OF THE PROPERTY MARKETS

THE RESIDENTIAL MARKET IN AUSTRIA

Data published by Statistik Austria show a 0.6% year-on-year increase in the Austrian population to 8.5 million in 2013, with roughly 3.7 million persons living in private households. More than one-third currently represent single person households – and the trend is rising rapidly. Rental apartments comprise more than 40% of all primary residences, although there are major regional differences. Rental apartments made up nearly 80% of the total market in Vienna in 2013, but the comparable figure for the other Austrian provinces ranged from 17% to just under 40%. The main reason for the high tenant share is the dominance of subsidised social housing on the rental market. The last survey in 2012 placed 60% of all rented apartments in this segment: 19% council apartments and 41% apartments subject to the regulations of the Austrian Non-Profit Housing Act (Wohnungsgemeinnützigkeitsgesetz, WGG).

Building permits were granted for roughly 12,300 apartments in Austria during the first quarter of 2014 according to Statistik Austria, whereby this figure excludes the units created through expansion, extension and conversion in existing buildings in Vienna. The comparable figure for the 12 months of 2013 is roughly 59,000 units.

According to the latest rental index published by the Austrian Federal Economic Chamber in spring 2014, government-subsidised rents in Austria currently range from approx. EUR 5.8 per sqm in Carinthia to EUR 9.1 per sqm in Vienna. Compared to the previous year, Vorarlberg recorded the largest increase at 5.2%, followed by Tyrol at 4.5% and Styria at 4.1%.

According to surveys by the Austrian Federal Economic Chamber, the price of newly-constructed owner-occupied apartments in Austria currently ranges from an average of EUR 1,580 per sqm in Burgenland to EUR 3,750 per sqm in Vienna, though location can make an enormous difference. In 2013, the largest price increases for new apartments were seen in Vorarlberg and Styria.

Vienna. The residential market in Vienna has seen a significant increase in rental and property prices during recent years. In the heavily developed, popular inner city districts, new construction projects are only possible in isolated cases. Even major projects with several thousand residential units – for example, the projects currently under realisation near the new Central Railway Station (district 10) and the former Aspern Airfield (district 22) – will not significantly ease the situation on the new construction market due to the strong demand and the steady growth in both the population and the number of households. The increase in the value of portfolio apartments and the use of land reserves will therefore become more important in this environment. Building permits were granted for roughly 2,400 apartments in Vienna during the first quarter of 2014 according to Statistik Austria, whereby this figure does not include the units created through expansion, extension and conversion in existing buildings. The comparable figure for the 12 months of 2013 is roughly 12,200 units.

The demand for rental apartments continued to rise in 2013 and was accompanied by an increase in prices because of the limited supply and the still low level of new construction. This trend remained unchanged during the first half of 2014 according to Statistik Austria, but contrary developments were noted in individual provinces. There are significant price differences in the owner-occupied segment in Vienna depending on the location. According to the 2013 Market Report by Colliers International, the realisable prices in the first district ranged from EUR 6,000 to EUR 26,000 per sqm, while prices in the outlying districts began as low as EUR 2,000 per sqm.

THE RESIDENTIAL MARKET IN GERMANY

A survey published by the Federal Statistical Office indicates that Germany had roughly 40.7 million households and 80.5 million inhabitants in 2012. Single person households comprise roughly 41% of the total, and the trend is rising. Roughly 43% of the households are owner-occupied apartments or single-family houses. Owner-occupied properties represent approx. 31% of the households in the former GDR and Berlin, but 46% in the West German provinces. The moderate rise of in-place rent on the German market continued during 2013. The price for a benchmark apartment (new construction, 60-80 sqm, higher quality standard) in Western Germany increased by a nominal 3.3% or EUR 0.26 per sqm, while the provinces in the eastern part of the country recorded slightly lower growth of 2.7%. As these developments show, the increase in rental prices again outpaced the consumer price index. Inflation-adjusted rents in Western and Eastern Germany rose by 1.7% and 1.1%, respectively.

The spring 2014 report by the Council of Real Estate Experts indicates that the development of purchase prices for owner-occupied apartments is lagging behind rental price trends. Prices in this segment have risen steadily since 2010: the price of a benchmark apartment rose by 3.3% year-on-year in the western provinces during 2013, but by 4.4% in the eastern provinces (although from a lower starting point). Both indicators are below the 2005 and 2006 price levels, even after an adjustment for inflation.

According to LBS Research, a year-on-year increase of roughly 12% in apartment completions is to be expected in Germany during 2014. That represents approx. 2.8 units per 1,000 residents and will still not be sufficient to satisfy the high demand, above all in major cities like Berlin.

Agreement on rental price caps in Germany. In accordance with the coalition agreement, the Federal Minister for Justice and Consumer Protection announced an agreement with the heads of the two coalition parties after the end of the reporting period on 23 September 2014 over so-called rental price caps. The most important regulations are summarised in the following and are expected to take effect during the first half of 2015. In areas with an overextended housing market, which are to be defined by the individual provinces, the rental prices for re-letting will be limited to a maximum of 10% over the local level in the future. Excluded from this regulation are newly constructed buildings and the initial rental after comprehensive modernisation. Modernisation is considered comprehensive when its scope justifies classification as new construction. This can generally be assumed when the investment equals roughly one-third of the cost for a comparable newly built apartment. Furthermore, re-letting can still be based on an admissible, agreed rental price. Landlords will therefore not be forced to rent vacant apartments below the previous price level. Qualified rental price indexes, which are based on scientific criteria and regularly published for most of the major cities, will be used to define the local rental prices. If such an index is not available, comparable rental price databases issued by the landlord and tenant associations as well as similar statistical surveys of local rents can be used. The provinces have five years starting with the enactment of the regulation, i.e. presumably in 2015, to issue an official directive defining the areas covered by the rental price caps. These directives will be effective after 2020 up to the end of the period defined in the regulation, i.e. for a maximum of five years. In addition to this regulation, a rule for real estate brokers is expected to take effect in 2015. The party who commissioned the broker and in whose interests he/she operates will be responsible for the costs, i.e. the landlord will no longer be able to pass these costs on to the tenant.

Berlin. The residential market in Berlin was also heavily influenced by economic and population growth in 2013. Net immigration has recently totalled 41,000 persons per year and raised the population to over 3.4 million. Immigration has been strongest in the city centre and adjacent districts. Berlin has roughly two million households, with 54% consisting of a single person. The development of the apartment stock is below average in comparison with the growth in the number of households and will lead to an increase in the supply shortage over the coming years.

The average rental price for new leases rose by nearly 8% year-on-year to EUR 8.20 per sqm in 2013. The rents for newly constructed apartments average approx. EUR 10.5 per sqm, or roughly one-third higher than for older apartments.

The average price for owner-occupied apartments rose by 8.7% in 2013 to EUR 2,570 per sqm, according to an estimate by Jones Lang LaSalle. The price for newly constructed apartments averaged approx. EUR 3,500 per sqm in 2013, which is nearly 3.6% over the previous year.

Region North-West. Developments in the North-West Region, i.e. in the cities of Kassel, Kiel and Lübeck, were stable, but the increase through new construction was limited.

The Kassel city administration's current rental index reports a range of EUR 6.8 to EUR 8.3 per sqm for non-subsidised newly constructed apartments. The prices for newly rented portfolio apartments are lower at EUR 6.0 to EUR 8.0 per sqm. For rental apartments in average locations and average standards, the current rental index for Lübeck shows a price range of EUR 5.73 per sqm for buildings dating back to the 1980s to EUR 8.50 per sqm for buildings constructed during the last 20 years (based on the age of the building). The current rental index for Kiel specifies an in-place rent of approx. EUR 7.0 per sqm for an average apartment built during the last 20 years and relet during the last four years.

Hamburg is expected to experience a significant market upturn in 2014. The vacancy rate currently equals roughly 1%, and housing will remain in short supply despite the increase in construction activity. The steady increase in rents on the Hamburg market since 2007 was followed by stagnation at an average of EUR 10.7 per sqm in 2013. Rents in sought-after locations north of the Elbe currently range from EUR 12 to EUR 14 per sqm, compared with approx. EUR 8 per sqm in the Harburg and Bergedorf districts. Newly constructed apartments in the HafenCity are bringing premium rents of over EUR 17 per sqm, while the average rent for newly constructed apartments is approx. EUR 13.1 per sqm.

In contrast to the rental market, the prices for owner-occupied apartments remained on a strong upward trend in 2013. Purchase prices rose by an average of 6.0% to EUR 3,420 per sqm. The prices in sought-after city-centre locations range from EUR 3,000 to EUR 5,000 per sqm, while the lower limit for locations in outlying areas is substantially lower at EUR 2,000 per sqm.

PORTFOLIO REPORT

The core business of BUWOG Group covers the rental of a diversified, risk-optimised and sustainable portfolio of standing investments, the unit sales of inventory apartments at attractive margins and the development and construction of easily marketable residential projects with a focus on Vienna and Berlin. These business activities are designed to maximise profitability along the entire value chain – from the in-house development of new construction projects to the optimisation of inventories through active asset management and the cycle-optimised sale of new construction projects and portfolio units.

The following information is based on the portfolio values at the end of the first quarter of the 2014/15 financial year, i.e. 31 July 2014. The comparable prior year figures in brackets refer to the balance sheet date on 30 April 2014, unless indicated otherwise. Additional information on the balance sheet carrying values is provided under “Significant Accounting Policies” in section 2 of the notes to the BUWOG consolidated financial statements as of 30 April 2014.

The residential properties, new construction projects and undeveloped land held by the BUWOG Group are valued by the external, independent experts at CBRE Residential Valuation Germany as of the balance sheet dates on 30 April and 31 October. The fair value of the standing investments as of 31 July 2014 was based on internal estimates, whereby the recognised adjustments result primarily from an increase in the consumer price index.

THE PROPERTY PORTFOLIO OF THE BUWOG GROUP

The structure of the portfolio report reflects the balance sheet classification of the investment properties – standing investments that generate rental income and pipeline projects (new construction projects and

land reserves) – as well as investment properties under construction for the core portfolio, non-current properties held for sale (standing investments) and property inventories (projects under development and realisation).

The carrying amount (fair value) of the BUWOG Group's portfolio totalled EUR 3,790.3 million as of 31 July 2014 (EUR 2,820.5 million). Of this total, EUR 3,503.5 million (EUR 2,526.1 million) or 92.4% (89.5%) represent standing investments and non-current properties held for sale. The active new construction and development projects (inventories) have a combined carrying amount of EUR 138.8 million (EUR 155.1 million), which corresponds to 3.7% (5.5%) of the total portfolio.

The property portfolio of the BUWOG Group is reported on the balance sheet under non-current and current assets. The following tables reconcile the property assets reported as of 31 July 2014 with the presentation in this portfolio report:

PROPERTY PORTFOLIO

31 July 2014 in EUR million

Non-current assets	3,636.6	Investment properties		Standing investments	3,488.5
		3,616.5		Pipeline projects	128.0
		Other tangible assets		Owner-occupied properties ¹⁾	8.3
		8.3		Build in inventory	11.8
Investment properties under construction		11.8			
Current assets	153.8	Non-current assets held for sale		Standing investments	15.0
		15.0		Development projects	138.8
Inventories		138.8			
Total portfolio BUWOG Group	3,790.3	3,790.3		3,790.3	

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

PROPERTY PORTFOLIO BY FAIR VALUE

	Units	Units in EUR million	Pipeline projects in EUR million	Owner-occupied properties ¹⁾ in EUR million	Build in inventory in EUR million	Development projects in EUR million	Property portfolio in EUR million	Share
Austria	26,076	2,117.0	103.7	7.2	11.8	78.5	2,318.2	61%
Germany	26,470	1,386.5	24.3	1.1	0.0	60.3	1,472.1	39%
BUWOG Group	52,546	3,503.5	128.0	8.3	11.8	138.8	3,790.3	100%

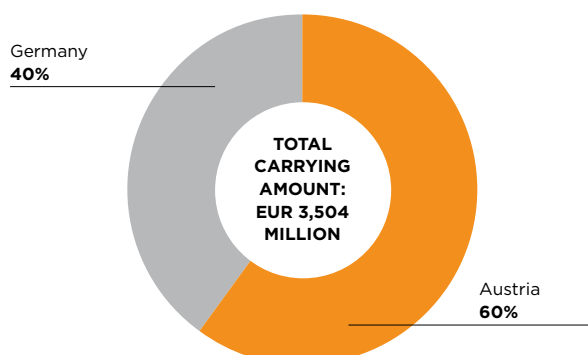
Data includes rounding differences 1) Incl. furniture, fixtures and office equipment

INVESTMENT PROPERTIES - STANDING INVESTMENTS (ASSET MANAGEMENT BUSINESS AREA)

The BUWOG Group's standing investment portfolio in Austria and Germany comprised 52,546 units as of 31 July 2014 (33,475 units), which represent a fair value of EUR 3,504 million (EUR 2,526 million) or 92% (90%) of the total investment portfolio (incl. development projects). The standing investments are accounted for at fair value in accordance with IAS 40 and also include investment properties reclassified as held for sale in accordance with IFRS 5. The following graph shows the regional structure of the standing investments by fair value:

REGIONAL STRUCTURE OF THE PROPERTY PORTFOLIO BY FAIR VALUE

as of 31 July 2014



The DGAG and Apollo portfolios with a total of roughly 19,000 units were acquired and transferred for a total price of approx. EUR 942 million during the first quarter of 2014/15. The initial consolidation, together with the related effects on the income statement and balance sheet, was made as of 1 July 2014 for the DGAG portfolio and as of 1 July 2014 for the Apollo portfolio. The determination and recognition of the fair values of these portfolios were based on the carrying amounts from the initial consolidation and in accordance with an external valuation by CBRE and any subsequent value development. The purchase price information provided in the 2013/14 annual report was provided for explanatory purposes only and did not represent the relevant data for accounting purposes.

The standing investment portfolio of the BUWOG Group comprised 52,546 units as of 31 July 2014 (33,475 units). Over 83% of the total fair value and over 76% of the units are located in the areas surrounding the federal capitals of Vienna and Berlin, the provincial capitals and major cities as well as the related catchment areas plus Hamburg.

The average portfolio unit has roughly 70 sqm of floor space. The annualised contractual in-place rent for the standing investments as of 31 July 2014, including parking spaces, equals EUR 197 million (EUR 123 million). This corresponds to an average in-place rent of EUR 4.69 per sqm (EUR 4.31 per sqm) and a net rental yield (annualised in-place rent in relation to fair value as of the balance sheet date) of approx. 5.6% (4.9%). The vacancy rate is determined on the basis of the floor space and amounted to 4.2% as of 31 July 2014 (4.8%). On a like-for-like basis (i.e. excluding the effects of changes in the portfolio and the new rental of vacancies), the rents generated by the BUWOG Group's portfolio properties rose approx. 3.6% over the level on 31 July 2013 during the first quarter of 2014/15. The increase in rents on a like-for-like basis in 2013/14 equalled 1.8%.

The BUWOG Group invested approx. EUR 8.3 million in maintenance and refurbishments for new rentals and for value-increasing capital expenditure (CAPEX) in the first quarter of 2014/15 (2013/14 financial year: EUR 32.3 million). This corresponds to an average of EUR 3.0 per sqm (2013/14 financial year: EUR 13.2 per sqm). Maintenance investments amounted to EUR 6.6 million (2013/14 financial year: EUR 26.0 million), which corresponds to EUR 2.4 per sqm (2013/14 financial year: EUR 10.6 per sqm). CAPEX totalled EUR 1.7 million (2013/14 financial year: EUR 6.3 million) or EUR 0.6 per sqm (2013/14 financial year: EUR 2.6 per sqm). In line with its active asset management approach, the BUWOG Group continues to focus on sustainable, return-driven maintenance and CAPEX measures in order to realise opportunities for value appreciation in the portfolio properties.

SALE OF STANDING INVESTMENTS (PROPERTY SALES BUSINESS AREA)

Within the Property Sales business area, the sale of individual apartments (Unit Sales) represents the key source of sustainable revenues for the BUWOG Group. A total of 124 units were sold during the first quarter of 2014/15 (2013/14 financial year: 553 units) which generated proceeds of approx. EUR 21 million (2013/14 financial year: approx. EUR 83 million) and a margin of 62% on fair value (2013/14 financial year: 54%). The cycle-optimised portfolio adjustments included Block Sales in the form of two properties with 48 units (2013/14 financial year: 74 properties with approx. 1,700 units) in Styria. The sale proceeds amounted to approx. EUR 2 million (2013/14 financial year: EUR 38 million) and resulted in a margin of 26% on fair value (2013/14 financial year: 11%).

INVESTMENT PROPERTIES – PIPELINE PROJECTS (PROPERTY DEVELOPMENT BUSINESS AREA)

The balance sheet position "investment properties" not only includes standing investments, but also pipeline projects at fair value in accordance with IAS 40. Pipeline projects (held for value appreciation) are defined as undeveloped land reserves as well new construction projects in planning with a starting date more than 12 months after the balance sheet date. The BUWOG Group's project pipeline of as of 31 July 2014 had a carrying amount of EUR 128.0 million (EUR 120.5 million).

OTHER TANGIBLE ASSETS

The carrying amount of other tangible assets totalled EUR 8.3 million (EUR 7.9 million). These assets consist primarily of the office buildings owned and occupied by BUWOG Group in Vienna, Hietzinger Kai 131, as well as in Villach, Tiroler Strasse 17, with a carrying amount of EUR 6.3 million.

INVESTMENT PROPERTIES UNDER CONSTRUCTION - BUILD IN INVENTORIES

(ASSET MANAGEMENT BUSINESS AREA)

Investment properties under construction include subsidised rental properties in Austria that are currently under construction or whose construction will begin during 2014/15 within the framework of property development for the BUWOG core portfolio. The development projects had a combined carrying amount of EUR 11.8 million as of 31 July 2014 (EUR 10.9 million).

NON-CURRENT ASSETS HELD FOR SALE - STANDING INVESTMENTS

(ASSET MANAGEMENT BUSINESS AREA)

The properties classified as “non-current assets held for sale” and accounted for in accordance with IFRS 5 represent properties for which specific sale plans had been approved as of 31 July 2014 and whose near-term sale is expected. The carrying amount of these properties totals EUR 15.0 million (EUR 15.0 million).

INVENTORIES - DEVELOPMENT PROJECTS

(PROPERTY DEVELOPMENT BUSINESS AREA)

The development of subsidised or freely financed owner-occupied apartments and investment apartments for local customers and institutional investors and foundations is a key focus of the BUWOG Group's business activities. These properties form the product matrix within the Property Development business area. The regional focus generally lies on the markets in Vienna and Berlin, where the demand for owner-occupied apartments is strong.

These development projects, which are currently under construction or already completed, are reported as inventories under current assets on the balance sheet and accounted for at their production cost in accordance with IAS 2. The carrying amount of inventories as of 31 July 2014 equalled EUR 138.8 million (EUR 155.1 million). The development projects completed or still in sale as well as the development projects still under construction with transfer scheduled in the next twelve months have a combined carrying amount of approx. EUR 54.0 million (EUR 76.2 million) or approx. 39% (approx. 49%) of the total inventories.

FINANCING

The BUWOG Group was able to refinance or extend the loans for various standing investments and development projects as scheduled during the first quarter of the 2014/15 financial year. Financing activities during the reporting period were also related to the acquisition of the DGAG and Apollo portfolios and the takeover of the management platform in Germany. The BUWOG Group continued to finance its business activities at sustainably favourable conditions and further improve the Recurring FFO that is available for dividends and investments.

ACQUISITIONS IN Q1 2014/15

The acquisition of the DGAG portfolio was financed by approx. EUR 399 million of mortgage loans concluded with a consortium headed by BerlinHyp AG, the acceptance of approx. EUR 203 million of subsidised loans and cash flows of EUR 260 million from the convertible bond issued in April 2014 (basis: outstanding liability in each case). Approximately EUR 359 million of the funds from the mortgage loans had been transferred by 31 July 2014, and the remainder was transferred in the second quarter of 2014/15.

Parallel to the acquisition of the DGAG portfolio, BUWOG also acquired a residential management platform in Germany. This transaction included the transfer of financial liabilities totalling approx. EUR 37 million.

The acquisition of the Apollo portfolio involved the transfer of approx. EUR 35.5 million in financial liabilities to BUWOG.

The following table summarises the key financing parameters as of 31 July 2014:

FINANCING PARAMETERS

	Outstanding liability in EUR million	Share	Ø interest rate	Ø term in years
Bank liabilities¹⁾	1,149	54%	2.56%	12.2
thereof Austria	533	25%	2.69%	15.0
thereof Germany ¹⁾	615	29%	2.45%	9.9
Local authorities / subsidised loans	725	34%	1.35%	22.9
thereof Austria	513	24%	1.37%	20.9
thereof Germany	212	10%	1.31%	27.8
Convertible bond	260	12%	3.50%	5.0
Total as of 31 July 2014¹⁾	2,134	100%	2.26%	15.0

¹⁾The hedging of the mortgage loan concluded in connection with the acquisition of the DGAG portfolio and the release of the full loan volume had not been concluded as of 31 July 2014. After the conclusion of the hedging and the transfer of the remaining EUR 40 million, the outstanding liability is expected to equal approx. EUR 2,174 million and the weighted average nominal interest rate approx. 2.6% to 2.7%.

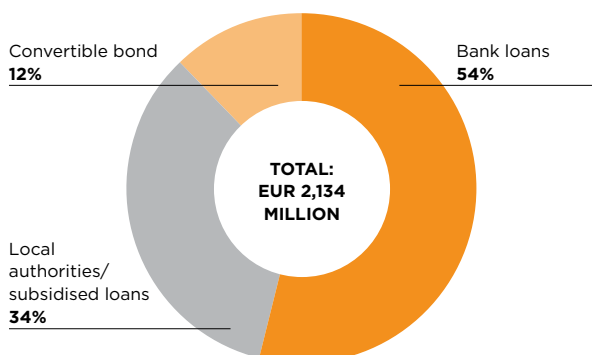
FINANCING STRUCTURE

The financial liabilities of the BUWOG Group comprise liabilities to banks, liabilities to local authorities and subsidised loans as well as liabilities under a convertible bond. The outstanding financial liabilities of the BUWOG Group are denominated solely in Euros and totalled approx. EUR 2,134 million as of 31 July 2014. This represents a loan-to-value ratio (LTV) of 49.1% based on the total carrying amount of the portfolio (IFRS). Additional information on the calculation of LTV is provided in the section "Loan to value" on page 39.

As of 31 July 2014, 44% (basis: outstanding liability) of the financial liabilities represented low-interest subsidised loans or bank liabilities with annuity subsidies that are carried at fair value through profit or loss. Additional details are provided in the "Analysis of the asset, financial and earnings position" (page 38) and in section 1.2.2 of the consolidated financial statements as of 30 April 2014.

STRUCTURE OF THE OUTSTANDING FINANCIAL LIABILITIES

as of 31 July 2014

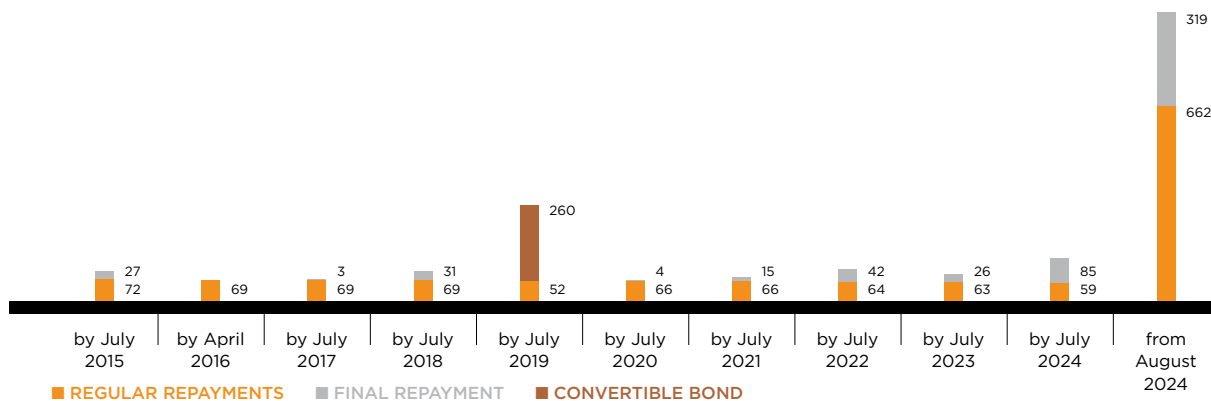


REPAYMENT STRUCTURE

In keeping with the long-term nature of its core business, the BUWOG Group works to develop and maintain a long-term, balanced financing structure to safeguard its defensive risk profile. Most of the financing contracts are based on long-term agreements. The average residual term is approx. 15 years. The repayment structure by maturity is as follows:

MATURITY SCHEDULE

Basis p.a.: Outstanding liability in EUR million



INTEREST RATE STRUCTURE

In line with the long-term nature of the financing structure, roughly 73% of the Group's financing contracts were hedged against the risk of interest rate changes through fixed interest rate agreements and/or interest rate swaps as of 31 July 2014. The weighted average nominal interest rate equalled 2.26% as of that date.

The acquisition financing for the DGAG portfolio is presented as floating rate financing as of 31 July 2014. The hedge for this mortgage loan will be concluded during the second quarter of 2014/15. It is expected that 90% of the interest rate risk for the BUWOG Group will be hedged against interest rate risk after this hedge is concluded and the outstanding amount of approx. EUR 40 million is transferred. The weighted average interest rate is expected to equal 2.6% to 2.7% at that time.

ANALYSIS OF THE ASSET, FINANCIAL AND EARNINGS POSITION

Since the BUWOG Group was only established in its current form at the end of April 2014, the following analysis of the financial and earnings position is presented without comparable prior year data, Additional details are provided in the IFRS consolidated financial statements as of 30 April 2014,

EARNINGS POSITION

CONDENSED INCOME STATEMENT

in EUR million

	Q1 2014/15
Results of Asset Management	26.1
Results of Property Sales	8.4
Results of Property Development	6.8
Other operating income	2.1
Expenses not directly attributable	-6.7
Results of operations	36.7
Other revaluation results	14.3
Operating profit (EBIT)	51.0
Financial results	-42.8
Earnings before tax (EBT)	8.2
Net profit	6.2
Net profit per share¹⁾	0.06

1) On the basis of 99,613,479 shares

The BUWOG Group closed the acquisition of the DGAG property portfolio and the management platform on 27 June (recognised to earnings as of 1 July 2014) and 1 July 2014, respectively. These acquisitions contributed EUR 4.3 million to the results of asset management from the respective closing dates to the end of the first quarter of 2014/15.

The Apollo portfolio (closing on 1 July 2014) has not yet made a significant contribution to earnings.

The income from the Asset Management business area comprised in-place rent of approx. EUR 34.4 million from the standing investments and other rental income of EUR 1.8 million as well as operating costs charged to tenants (EUR 22.9 million) and other revenues (EUR 0.2 million), These items are contrasted by operating costs of EUR 22.9 million and other expenses of EUR 10.2 million directly attributable to the investment properties (thereof: maintenance costs of EUR 6.6 million).

MAINTENANCE AND INVESTMENT IN INVESTMENT PROPERTIES

	Q1 2014/15
Maintenance in EUR million	6.6
Modernisation (CAPEX) in EUR million	1.7
Average total floor area in 1,000 sqm ¹⁾	2,823.0
Maintenance in EUR per sqm	2.4
Investment (CAPEX) in EUR per sqm	0.6

1) Average weighted floor area taking into account increases and reductions from purchases and sales

In the first quarter of 2014/15, the Property Sales business area generated results of EUR 8.4 million from the sale of properties and the fair value adjustment of properties held for sale.

The following table shows the key parameters used to classify the properties under Unit Sales and Block Sales (sale of buildings and portfolios):

OVERVIEW OF PROPERTY SALES

	Q1 2014/15
Sale of units	172
thereof Unit Sales	124
thereof Block Sales	48
Results of Property Sales in EUR million	8.4
thereof Unit Sales in EUR million	7.9
thereof Block Sales in EUR million	0.5
Margin on fair value	58%
Margin on fair value – Unit Sales	62%
Margin on fair value – Block Sales	26%

The results of Property Development were clearly positive at EUR 6.8 million in the first quarter of 2014/15 due to the completion of 176 units.

Expenses of EUR 6.7 million that are not directly attributable to the business areas consist mainly of personnel expenses (EUR 1.9 million) and legal, auditing and consulting costs (EUR 1.8 million).

Other valuation results consist primarily of fair value adjustments (EUR 10.7 million) to the assets reported under investment properties on the balance sheet. Additional information is provided in the notes to the consolidated interim financial statements under section 5.4 Revaluation of investment properties.

Financial results (EUR -42.8 million) include interest expense (EUR -12.1 million) as well as the negative non-cash results from the measurement of derivatives (EUR -9.4 million) and financial liabilities (EUR -23.8 million) at fair value through profit or loss.

The financial liabilities carried at fair value represent low-interest subsidised loans and bank liabilities with annuity subsidies, which are related to property subsidies and tied to specific conditions (rental price restrictions). In order to avoid a difference between the carrying amount and the valuation of the properties ("capped" rental income due to the subsidies) and the financial liability, the decision was taken to carry these low-interest loans at fair value through profit or loss.

Given the high share of the loans carried at fair value (44% of the outstanding financial liabilities) and the flattening of the reference interest rate during the first quarter of 2014/15, the valuation as of 31 July 2014 led to negative non-cash results of EUR 23.8 million. The results from the fair value measurement of derivatives, which hedge floating rate financial liabilities with a nominal value of approx. EUR 424.7 million against interest rate risk, totalled EUR -9.4 million.

Information on the development of interest rates is provided under "The economic environment & development of financial markets" on page 26.

Transition to FFO. Funds From Operations (FFO) represents an essential management indicator for BUWOG. An explanation of the calculation methodology is provided in the IFRS consolidated financial statements as of 30 April 2014.

FFO

in EUR million

Q1 2014/15

Net profit	6.2
Results of Property Sales	-8.4
Other financial results ¹⁾	33.2
Amortised costs of adjusted loans	-1.2
Fair value adjustments of investment properties	-10.7
Fair value adjustments of properties under construction	0.0
Impairment losses	-3.0
Deferred taxes	-2.1
Other	0.0
FFO	14.0
Unit Sales result	7.9
Recurring FFO	21.9
Block Sales result	0.5
Total FFO	22.3
CAPEX	-1.7
AFFO	20.6
Recurring FFO per share in EUR basic ²⁾	0.22
Total FFO per share in EUR basic ²⁾	0.22

1) Valuation of derivatives and financial liabilities as well as write-off of financial receivables

2) On the basis of 99,613,479 shares

ASSET POSITION

The analysis of the asset position as of 31 July 2014 reflects the closing of the acquisition for the DGAG portfolio and the management platform as well as the acquisition of the Apollo portfolio during the reporting period. The transferred assets and liabilities are included in the balance sheet as of 31 July 2014. Information on the acquisition of the DGAG portfolio and the DGAG management platform is provided in the notes under section 3.2 Business combinations.

CONDENSED BALANCE SHEET

in EUR million

	31 July 2014	30 April 2014	Change
Investment properties	3,616.5	2,631.6	37.4%
Investment properties under construction	11.8	10.9	7.7%
Inventories	138.8	155.1	-10.5%
Non-current assets held for sale	15.0	15.0	0.0%
Intangible assets	6.8	1.7	>100.0%
Trade and other receivables	114.3	380.2	-69.9%
Other financial assets	17.3	17.1	1.4%
Deferred tax assets	3.7	1.5	>100.0%
Income tax receivables	1.4	1.4	0.1%
Cash and cash equivalents	129.8	132.9	-2.4%
Other tangible assets	8.3	7.9	5.0%
Assets	4,063.7	3,355.3	21.1%
Equity	1,558.2	1,552.1	0.4%
Liabilities from convertible bonds	250.8	247.9	1.1%
Financial liabilities	1,728.6	1,136.0	52.2%
Trade and other liabilities	320.5	260.6	23.0%
Provisions	18.9	12.9	46.7%
Deferred tax liabilities	154.4	124.0	24.5%
Income tax liabilities	24.9	14.3	74.6%
Financial liabilities held for sale	7.3	7.4	-0.9%
Equity and liabilities	4,063.7	3,355.3	21.1%

Information on the investment properties, properties under construction, inventories and non-current assets held for sale is provided in the portfolio report, in the respective disclosures in the notes to the consolidated financial statements as of 30 April 2014 and in the notes to the consolidated interim financial statements as of 31 July 2014. The increase resulted chiefly from the acquisition of the DGAG and Apollo portfolios.

The increase in intangible assets is attributable primarily to the goodwill arising from a preliminary purchase price allocation.

Trade and other receivables included a receivable from convertible bonds (EUR 260.0 million) as of 30 April 2014, which was paid during the first quarter of 2014/15. Additional information is provided in section 6.2 Trade and other receivables and 6.3 Liabilities from convertible bonds in the notes to the consolidated interim financial statements.

Information on the development of cash and cash equivalents can be found in the section on “Financial position” in this management report.

The increase in financial liabilities to credit institutions was related chiefly to the acquisition and refinancing of the DGAG portfolio and the management platform.

The increase in the trade and other liabilities resulted primarily from the acquisition of the DGAG portfolio and the management platform as well as an increase in the negative market value of derivatives. This was contrasted by lower down-payments received on the sale of apartments (EUR 17.7 million).

The increase in provisions and tax liabilities is also related to the acquisition of the DGAG portfolio.

EPRA NAV. EPRA NAV is calculated in accordance with the recommendations of the European Public Real Estate Association (EPRA). An explanation of the calculation methodology is provided in the IFRS consolidated financial statements as of 30 April 2014.

EPRA NAV

in EUR million

	31 July 2014	30 April 2014	Change
Equity before non-controlling interests	1,550.3	1,544.2	0.4%
Goodwill	-5.6	-0.2	>-100.0%
Inventories (carrying amount)	-138.8	-155.1	10.5%
Inventories (fair value)	148.0	167.6	-11.7%
Properties owned by BUWOG (carrying amount)	-6.4	-6.5	2.1%
Properties owned by BUWOG (fair value)	9.5	9.5	-
Positive market value of derivative financial instruments	0.0	0.0	-
Negative market value of derivative financial instruments	37.2	27.9	33.6%
Deferred tax assets on investment properties	-2.4	-2.6	8.5%
Deferred tax liabilities on investment properties (adjusted) ¹⁾	177.6	139.8	27.0%
Deferred taxes on property inventories	-2.5	-3.3	24.8%
Deferred taxes on derivative financial instruments	-9.1	-6.9	-31.6%
EPRA NAV basic (balance sheet date)	1,758.1	1,714.3	2.6%
Total floor area	3,544,362	2,491,290	42.3%
EPRA NAV in EUR per sqm	496.0	688.1	-27.9%
EPRA NAV basic (balance sheet date)	1,758.1	1,714.3	2.6%
Shares issued as of the balance sheet date (excl. treasury shares)	99,613,479	99,613,479	0.0%
EPRA NAV per share in EUR basic (balance sheet date)	17.65	17.21	2.6%

1) Adjustment for deferred tax liabilities arising in connection with potential property sales of over EUR 29.5 million (prior year EUR 29.2 million)

Loan-to-value (LTV). Net liabilities in relation to the fair value (carrying amount) of the BUWOG Group's portfolio (LTV) rose from 35.9% as of 30 April 2014 to 49.1%.

LOAN-TO-VALUE RATIO

(incl. financing held for sale, financial amounts in EUR million)

	31 July 2014	30 April 2014	Change
Non-current financial liabilities	1,622.3	1,036.9	56.5%
Current financial liabilities	106.3	99.2	7.2%
Financial liabilities held for sale	7.3	7.4	-0.9%
Non-current liabilities from convertible bonds	248.4	0.0	n.a.
Current liabilities from convertible bonds	2.4	0.0	n.a.
Financial liabilities	1,986.7	1,143.4	73.8%
Cash and cash equivalents	-129.8	-132.9	2.4%
Net financial liabilities	1,857.0	1,010.4	83.8%
Investment properties	3,616.5	2,631.6	37.4%
Investment properties under construction	11.8	10.9	7.7%
Non-current assets held for sale	15.0	15.0	0.0%
Inventories	138.8	155.1	-10.5%
Carrying amount overall portfolio	3,782.1	2,812.7	34.5%
Loan-to-value ratio	49.1%	35.9%	36.7%

The calculation of the Loan-to-value ratio as of 30 April 2014 does not include the convertible bond with a nominal value of EUR 260 million under non-current financial liabilities because the funds were transferred during the first quarter of 2014/15.

FINANCIAL POSITION

CONDENSED CASH FLOW STATEMENT

in EUR million

	Q1 2014/15
Cash flow from operating activities	36.0
Cash flow from investing activities	-318.0
Cash flow from financing activities	278.8
Cash flow	-3.2

Cash flow from operating activities results primarily from rentals.

Cash flow from investing activities is negative, chiefly due to the acquisition of the DGAG portfolio, the DGAG management platform and the Apollo portfolio.

The positive cash flow from financing activities was related, above all, to the payment of the convertible bond receivable (EUR 260 million). These funds were used to finance the above acquisitions.

EXCURSUS: THE “BUWOG” SEGMENT OF IMMOFINANZ AG (Q1 2013/14)

The following table reflects the BUWOG Group as if it had existed during the financial period from 1 May to 31 July 2013. It is expressly noted that the financial data presented below for the first quarter of 2013/14 was taken from the “BUWOG Segment” in the segment report of the published interim financial statements of IMMOFINANZ AG as of 31 July 2013 (Q1 2013/14). This financial data includes the results of the BUWOG segment of IMMOFINANZ AG, which was taken over by BUWOG AG at the end of April 2014 as part of a common control transaction by IMMOFINANZ AG. The BUWOG segment data taken from the IMMOFINANZ quarterly financial statements as of 31 July 2013 were not prepared by the BUWOG Group. The following presentation is provided for illustrative purposes only. It represents a hypothetical situation because of the underlying assumptions and does not reflect the historical situation of the BUWOG Group or indicate how the earnings position of BUWOG Group will develop in the future.

CONDENSED INCOME STATEMENT

in EUR million

	Q1 2014/15	Q1 2013/14 BUWOG Segment	Change
Results of Asset Management	26.1	20.5	27.3%
Results of Property Sales	8.4	6.5	28.1%
Results of Property Development	6.8	4.2	63.2%
Other operating income	2.1	0.8	>100%
Results of operations before expenses not directly attributable	43.4	32.0	35.5%
Expenses not directly attributable	-6.7	-4.7	44.0%
Results of operations	36.7	27.3	34.1%

The increase in the results of Asset Management during the first quarter of 2014/15 resulted primarily from the acquisition of German property companies in 2013/14 and the DGAG and Apollo acquisitions in the first quarter of 2014/15. The results of Asset Management were negatively affected by the Unit and Block Sales in 2013/14 and the costs for the integration of the German companies in the first quarter of 2014/15.

The results of Property Sales increased year-on-year based on a higher share of Unit Sales (93 units in the first quarter of 2013/14 versus 124 units in the first quarter of 2014/15) and a slight improvement in the margin from 65.7% to 66.2%.

The results of Property Development increased due to a higher number of project sales at higher margins. A total of 176 units were completed during the first quarter of 2014/15 (prior period: 140 units).

Other operating income for the first quarter of 2014/15 included a EUR 1.2 million guarantee commission charged to IMMOFINANZ AG.

The increase in costs not directly attributable is related chiefly to the costs for the development and expansion of BUWOG’s corporate structures (including an independent financial department) as well as legal and consulting fees related to the above-mentioned acquisitions.

OUTLOOK

BUWOG AG completed a successful operational start into the 2014/15 financial year.

The Executive Board confirms the forecast for Recurring FFO of EUR 75.0 million for the full 2014/15 financial year based on the previous and expected development of business and including a year-on-year increase in maintenance expenses and investments to EUR 16.0 per sqm.

SUBSEQUENT EVENTS

With regard to relevant events after the balance sheet date on 31 July 2014, reference is made to the information in the consolidated interim financial statements under section 8. Subsequent events.

The background of the entire page is a high-resolution image of a terrazzo floor. It consists of a dense, irregular pattern of small, light-colored (off-white or light grey) stone chips or aggregates. Interspersed among these light chips are numerous small, dark-colored (black or dark grey) chips. There are also occasional small chips of a light tan or beige color. The overall effect is a speckled, textured appearance typical of terrazzo flooring.

CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

BUWOG GROUP

CONTENT

CONSOLIDATED INCOME STATEMENT	44
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	45
CONSOLIDATED BALANCE SHEET	46
CONSOLIDATED CASH FLOW STATEMENT	47
STATEMENT OF CHANGES IN EQUITY	48
1. GENERAL PRINCIPLES	50
2. BASIS OF PREPARATION	50
2.1 First-time application of standards and interpretations	51
2.2 Standards and interpretations adopted by the EU, but not yet applied	51
2.3 Standards and interpretations announced, but not yet adopted by the EU	52
3. SCOPE OF CONSOLIDATION	53
3.1 Development of the scope of consolidation	53
3.2 Business combinations (initial consolidations)	53
3.3 Deconsolidation	55
4. SEGMENT REPORTING	55
5. NOTES TO THE INCOME STATEMENT	58
5.1 Expenses directly related to investment property	58
5.2 Other operating income	58
5.3 Expenses not directly attributable	58
5.4 Revaluation of property	58
5.5 Financial results	59
5.6 Income taxes	59
5.7 Earnings per share	59
6. NOTES TO THE CONSOLIDATED BALANCE SHEET	60
6.1 Investment properties and investment properties under construction	60
6.2 Trade and other receivables	60
6.3 Liabilities from convertible bonds	60
6.4 Financial liabilities	61
6.5 Trade and other liabilities	61
6.6 Information on financial instruments	62
6.6.1 Classification of financial instruments by IAS 39 categories	62
6.6.2 Fair value hierarchy of financial instruments	64
7. TRANSACTIONS WITH RELATED PARTIES	66
8. SUBSEQUENT EVENTS AFTER 31 JULY 2014	66
STATEMENT BY THE EXECUTIVE BOARD	66

CONSOLIDATED INCOME STATEMENT

in TEUR

	Notes	Q1 2014/15	Q1 2013/14
Residential rental income		34,405.4	0.0
Other rental income		1,779.5	0.0
Rental income		36,184.9	0.0
Operating costs charged to tenants		22,882.1	0.0
Other revenues		220.8	0.0
Revenues		59,287.8	0.0
Expenses directly related to investment property	5.1	-10,238.7	0.0
Operating expenses		-22,927.8	0.0
Results of asset management		26,121.3	0.0
Sale of properties		23,523.0	0.0
Carrying amount of sold properties		-23,523.0	0.0
Expenses from property sales		-657.4	0.0
Revaluation of properties sold	5.4	9,017.7	0.0
Results of property sales		8,360.3	0.0
Sale of real estate inventories		37,198.9	0.0
Cost of real estate inventories sold		-27,984.4	0.0
Expenses from real estate inventories		-988.6	0.0
Real estate development expenses		-1,404.7	0.0
Results of property development		6,821.2	0.0
Other operating income	5.2	2,066.6	0.0
Other not directly attributable expenses	5.3	-6,711.9	-0.2
Results of operations		36,657.5	-0.2
Revaluation of investment properties	5.4	10,698.5	0.0
Gain from a bargain purchase	3.2	3,615.9	0.0
Other revaluation results		14,314.4	0.0
Operating profit (EBIT)		50,971.9	-0.2
Financing costs		-12,090.5	0.0
Financing income		2,490.1	0.0
Other financial results		-33,172.8	0.0
Financial results	5.5	-42,773.2	0.0
Earnings before tax (EBT)		8,198.7	-0.2
Income tax expenses	5.6	-4,114.8	0.0
Deferred tax expenses	5.6	2,108.2	0.0
Net profit		6,192.1	-0.2
Thereof attributable to owners of the parent company		6,282.3	-0.2
Share of non-controlling interests		-90.2	0.0
Basic earnings per share in EUR	5.7	0.06	0.00
Diluted earnings per share in EUR	5.7	0.06	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TEUR

	Q1 2014/15	Q1 2013/14
Net profit	6,192.1	-0.2
Items which will not be reclassified to the income statement in the future	0.0	0.0
Actuarial gains and losses arising from 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	6,192.1	-0.2
Thereof attributable to owners of the parent company	6,282.3	-0.2
Share of non-controlling interests	-90.2	0.0

CONSOLIDATED BALANCE SHEET

in TEUR

	Notes	31 July 2014	30 April 2014
Investment properties	6.1	3,616,471.5	2,631,573.5
Investment properties under construction	6.1	11,769.5	10,926.1
Other tangible assets		8,256.5	7,859.9
Intangible assets		6,844.0	1,699.3
Trade and other receivables	6.2	1,088.2	1,007.6
Other financial assets		17,311.3	17,078.0
Deferred tax assets		3,720.9	1,456.4
Non-current assets		3,665,461.9	2,671,600.8
Trade and other receivables	6.2	113,199.9	379,144.6
Income tax receivables		1,446.9	1,446.0
Non-current assets held for sale		15,036.0	15,036.0
Inventories		138,803.0	155,117.3
Cash and cash equivalents		129,758.0	132,947.4
Current assets		398,243.8	683,691.4
ASSETS		4,063,705.7	3,355,292.2
Share capital		99,613.5	99,613.5
Capital reserves		1,365,989.3	1,445,989.3
Accumulated other equity		-373.7	-373.7
Retained earnings		85,111.7	-1,064.3
		1,550,340.8	1,544,164.8
Non-controlling interests		7,848.2	7,938.5
Equity		1,558,189.0	1,552,103.3
Liabilities from convertible bonds	6.3	248,364.5	247,824.3
Financial liabilities	6.4	1,622,341.5	1,036,854.4
Trade and other liabilities	6.5	115,248.8	52,198.9
Tax liabilities		1,432.5	0.0
Provisions		6,218.1	2,170.0
Deferred tax liabilities		154,440.7	124,042.4
Non-current liabilities		2,148,046.1	1,463,090.0
Liabilities from convertible bonds	6.3	2,418.4	124.7
Financial liabilities	6.4	106,298.4	99,176.4
Trade and other liabilities	6.5	205,260.2	208,433.0
Tax liabilities		23,471.1	14,260.1
Provisions		12,726.4	10,744.3
Financial liabilities held for sale		7,296.1	7,360.4
Current liabilities		357,470.6	340,098.9
LIABILITIES		4,063,705.7	3,355,292.2

CONSOLIDATED CASH FLOW STATEMENT

in TEUR

	Notes	Q1 2014/15	Q1 2013/14
Earnings before tax		8,198.7	-0.2
Revaluation/depreciation/gain from a bargain purchase		-22,892.2	0.0
Gains/losses from disposal of non-current assets		-170.6	0.0
Temporary changes in the fair value of financial instruments		33,211.6	0.0
Income taxes paid		-472.1	0.0
Net interest		9,304.6	0.0
Results of deconsolidation	3.3	-292.2	0.0
Other non-cash income/expense		158.5	0.0
Gross cash flow		27,046.3	-0.2
Receivables and other assets		27,590.8	0.0
Trade payables		-11,950.8	0.0
Provisions		485.1	0.0
Other liabilities		-7,189.1	-0.1
Cash flow from operating activities		35,982.4	-0.3
Acquisition of/Investments in investment property		-8,001.8	0.0
Acquisition of/Investments in property under construction		-843.4	0.0
Net cash outflow on acquisition of subsidiaries	3.2	-328,309.0	0.0
Acquisition of other tangible assets		-151.7	0.0
Acquisition of financial investments		-1,189.8	0.0
Net cash outflow on disposal of subsidiaries	3.3	-1,173.4	0.0
Disposal of non-current assets		20,237.7	0.0
Cash inflows from other financial assets		1,260.4	0.0
Interest received		184.2	0.0
Cash flow from investing activities		-317,986.8	0.0
Cash inflows from long-term financing		550,562.3	0.0
Repayment of short-term financing		1,874.9	0.0
Repayment of long-term financing		-526,740.6	0.0
Cash outflows for derivative financial instruments		-2,317.4	0.0
Interest paid		-4,564.1	0.0
Cash inflows for convertible bond		260,000.0	0.0
Cash flow from financing activities		278,815.1	0.0
Change in cash and cash equivalents		-3,189.4	-0.3
Cash and cash equivalents at the beginning of the period		132,947.4	2.2
Cash and cash equivalents at the end of the period		129,758.0	1.9
Change in cash and cash equivalents		-3,189.4	-0.3

STATEMENT OF CHANGES IN EQUITY
in TEUR

	Nominal capital	Capital reserves
Balance on 30 April 2013	17.5	0.0
Period result	0.0	0.0
Total comprehensive income	0.0	0.0
Balance on 31 July 2013	17.5	0.0

in TEUR	Share capital	Capital reserves
Balance on 30 April 2014	99,613.5	1,445,989.3
Changes in reserves	0.0	-80,000.0
Earnings of non-controlling interests related to put option	0.0	0.0
Transactions with owners	0.0	-80,000.0
Period result	0.0	0.0
Total comprehensive income	0.0	0.0
Balance on 31 July 2014	99,613.5	1,365,989.3

Accumulated other equity IAS 19r	Retained earnings	Total	Non-controlling interests	Total equity
0.0	-23.6	-6.1	0.0	-6.1
0.0	-0.2	-0.2	0.0	-0.2
0.0	-0.2	-0.2	0.0	-0.2
0.0	-23.8	-6.3	0.0	-6.3

Accumulated other equity IAS 19r	Retained earnings	Total	Non-controlling interests	Total equity
-373.7	-1,064.2	1,544,164.8	7,938.5	1,552,103.3
0.0	80,000.0	0.0	0.0	0.0
0.0	-106.1	-106.1	0.0	-106.1
0.0	79,893.9	-106.1	0.0	-106.1
0.0	6,282.3	6,282.3	-90.2	6,192.1
0.0	6,282.3	6,282.3	-90.2	6,192.1
-373.7	85,111.7	1,550,340.8	7,848.2	1,558,189.0

1. GENERAL PRINCIPLES

BUWOG AG is an Austrian residential property investor and developer with core markets in Austria and Germany. The company headquarters are located at A-1130 Vienna, Hietzinger Kai 131. BUWOG AG is the parent company of the BUWOG Group, which was established at the end of April 2014. Additional information on the establishment of the BUWOG Group is provided in the BUWOG consolidated financial statements as of 30 April 2014.

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 and Berlin).

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 2014 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with EC Regulation 1606/2002. These consolidated interim financial statements were prepared in accordance with the rules set forth in IAS 34.

Since the BUWOG Group was established at the end of April 2014, only the income, expenses and cash flows of BUWOG AG are presented for the first quarter of the previous financial year in the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement that are included with these consolidated interim financial statements. The respective amounts for the BUWOG Group (BUWOG Bauen und Wohnen GmbH including its direct and indirect subsidiaries) are not included because the BUWOG Group was only taken over by BUWOG AG at the end of April in connection with a common control transaction by IMMOFINANZ AG. Additional information on the establishment of the BUWOG Group is provided in the consolidated financial statements as of 30 April 2014.

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 AG as of 30 April 2014.

These consolidated interim financial statements of BUWOG AG were neither audited nor reviewed by a chartered accountant.

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 FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

The following new or revised standards and interpretations require mandatory application beginning with the 2014/2015 financial year:

FIRST-TIME APPLICATION OF STANDARDS AND INTERPRETATIONS

Standard	Content	Published by the IASB (adopted by the EU)	Mandatory application for BUWOG
New standards and interpretations			
IFRS 10	Consolidated Financial Statements	12 May 2011 (11 December 2012)	1 May 2014
IFRS 11	Joint Arrangements	12 May 2011 (11 December 2012)	1 May 2014
IFRS 12	Disclosure of Interests in Other Entities	12 May 2011 (11 December 2012)	1 May 2014
Changes to standards and interpretations			
IAS 27	Separate Financial Statements	12 May 2011 (11 December 2012)	1 May 2014
IAS 27, IFRS 10, 12	Investment Entities	31 October 2012 (20. November 2013)	1 May 2014
IAS 28	Investments in Associates and Joint Ventures	12 May 2011 (11 December 2012)	1 May 2014
IAS 32	Requirements for Offsetting Financial Assets and Financial Liabilities	12 May 2011 (13 December 2012)	1 May 2014
IAS 36	Disclosures: Recoverable Amount Disclosures for Non-Financial Assets	29 May 2013 (19 December 2013)	1 May 2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	27 June 2013 (19 December 2013)	1 May 2014
IFRS 10,11,12	Transition Guidance	28 June 2012 (11 December 2012)	1 May 2014

The initial application of the new standards and interpretations and the changes to existing standards and interpretations have no effect on the financial statements of the BUWOG Group.

2.2 STANDARDS AND INTERPRETATIONS ADOPTED BY THE EU, BUT NOT YET APPLIED

IFRIC 21 Levies was adopted by the EU on 13 June 2014 and, consequently, does not require mandatory application by the BUWOG Group for the 2014/2015 financial year. This interpretation is not expected to have any significant short-term effects on the consolidated financial statements of the BUWOG Group.

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:

STANDARDS AND INTERPRETATIONS ANNOUNCED, BUT NOT YET ADOPTED BY THE EU

Standard	Content	Published by the IASB	Expected mandatory application for BUWOG
New standards and interpretations			
IFRS 9	Financial Instruments, amendments to IFRS 9 and IFRS 7, Mandatory Effective Date and Transition Disclosures, and amendments to IFRS 9, IFRS 7 and IAS 39, Hedge Accounting	24 July 2014	01 May 2018
IFRS 14	Regulatory Deferral Accounts	30 January 2014	01 May 2016
IFRS 15	Revenue from Contracts with Customers	28 May 2014	01 May 2017
Changes to standards and interpretations			
IFRS 10, IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	11 September 2014	01 May 2016
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	6 May 2014	01 May 2016
IAS 16, 38	Clarification of Acceptable Methods of Depreciation and Amortisation	12 May 2014	01 May 2016
IAS 16, 41	Agriculture: Bearer Plants	30 June 2014	01 May 2016
IAS 19	Defined Benefit Plans: Employee Contributions	21 November 2013	01 May 2015
IAS 27	Equity Method in Separate Financial Statements	12 August 2014	01 May 2016
Various standards	Annual Improvements to IFRSs 2010–2012 Cycle	12 December 2013	01 May 2015
Various standards	Annual Improvements to IFRSs 2011–2013 Cycle	12 December 2013	01 May 2015
Various standards	Annual Improvements to IFRSs 2012–2014 Cycle	25 September 2014	01 May 2016

3. SCOPE OF CONSOLIDATION

In addition to BUWOG AG, these consolidated interim financial statements include 34 domestic and 72 foreign companies in which BUWOG Group directly or indirectly holds the majority of voting rights or can exercise legal or actual control.

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 2014/15:

Scope of consolidation	Full consolidation
Balance on 30 April 2014	89
Initially consolidated companies	19
Deconsolidations	-1
Balance on 31 July 2014	107

3.2 BUSINESS COMBINATIONS (INITIAL CONSOLIDATIONS)

The following business combinations were recognised during the first quarter of 2014/15:

in TEUR	DGAG transaction	Apollo portfolio	Total
Cash transferred	313,954.3	53,439.2	367,393.5
Liability due to the rights of termination of the non-controlling interests	16,845.0	194.3	17,039.3
Consideration transferred	330,799.3	53,633.5	384,432.8
Investment properties	922,652.7	57,965.7	980,618.4
Other tangible assets	498.4	0.0	498.4
Receivables	157,197.6	0.0	157,197.6
Deferred tax assets	527.4	0.0	527.4
Cash and cash equivalents	29,084.4	0.0	29,084.4
Liabilities	-747,703.2	0.0	-747,703.2
Provisions	-6,720.2	0.0	-6,720.2
Deferred tax liabilities	-30,053.2	-716.3	-30,769.5
Fair value of identifiable net assets acquired	325,483.9	57,249.4	382,733.3
Consideration transferred (for 100%)	-330,799.3	-53,633.5	-384,432.8
Fair value of identifiable net assets acquired	325,483.9	57,249.4	382,733.3
Goodwill (-) / Gain from a bargain purchase (+)	-5,315.4	3,615.9	-1,699.5
Consideration paid in cash	313,954.3 ¹⁾	53,439.2	367,393.5
Less cash and cash equivalents balances acquired	-29,084.4	0.0	-29,084.4
Net cash outflow on acquisition of subsidiaries	284,869.9	53,439.2	338,309.0

1) TEUR 10,000 were deposited with the trustee prior to 30 April 2014

Acquisition of the DGAG portfolios and the management platform ("DGAG transaction")

The BUWOG Group completed the acquisition of the DGAG real estate portfolio with the closing on 27 June 2014 and the acquisition of the management platform with the closing on 1 July 2014. The acquisition of the various residential and commercial units was executed in the form of several share deals and led to the takeover of 19 companies held by Prelios DGAG Deutsche Grundvermögen GmbH, Kiel, Solaia Real Estate B.V. Amsterdam. G.O.II - Luxembourg One S.à.r.L., Luxembourg and Prelios S.p.A., Milan.

The acquired residential property portfolio comprises roughly 18,000 units with approx. 1.09 million sqm of lettable space. The properties are located primarily in the German provinces of Schleswig-Holstein (approx. 990,000 m²) and Lower Saxony (approx. 85,000 m²), i.e. in the BUWOG Group's preferred growth region of North-West Germany. Around 40% of the housing stock in the portfolio is supported by government subsidies.

In connection with the acquisition of the DGAG portfolio, the BUWOG Group also purchased the residential asset and property management business (so-called "management platform"). This platform, which has roughly 300 employees, is closely connected with the DGAG portfolio from an economic standpoint. The acquisition of the management platform will ensure the smooth integration of the DGAG portfolio and allow the BUWOG Group to benefit from a highly qualified and experienced team of real estate experts. These specialists will assume responsibility for the administration and management of the BUWOG Group's entire German portfolio over the medium-term and complement the existing administrative structures. This will facilitate the realisation of synergy effects and support further cost-effective growth in the preferred regions in Germany. The acquisition of the management platform also covers the management activities for the approx. 33,000 German residential units owned by third parties which are currently serviced by this platform, in particular with respect to property and facility management, new and follow-up rentals and custodial services.

The BUWOG Group acquired 94.9% of the shares in the DGAG real estate portfolio companies under company law. Based on the put rights in the contracts for the acquired companies, the BUWOG Group recognised the preliminary purchase price paid by the minority shareholders (TEUR 16,845) to the sellers under other non-current liabilities in accordance with IAS 32. This amount represents the fair value of the shares on the acquisition date. The put rights can be exercised at the earliest at the end of the day on 30 April 2021.

The acquisition of the real estate portfolio and the simultaneous acquisition of the residential asset and property management business is presented as a business combination in accordance with IFRS 3. Since all information required for the final presentation of the transaction – above all with regard to the investment properties, taxes and provisions – is still not available, preliminary values were determined and incorporated into the purchase price allocation.

The preliminary purchase price for the shares of the companies acquired through the DGAG transaction totals TEUR 330,799.3 for 100%. The final purchase price will be determined on the basis of audited financial statements agreed on by the parties and should be available by the end of 2014. In addition to the acquisition of shares and in connection with the closing, the BUWOG Group repaid shareholder loans (TEUR 64,296.9) granted by the sellers to various property companies before the acquisition and accepted loans of TEUR 138,262.1 granted by the property companies to the sellers. Financing of TEUR 431,923.6 provided by Deutsche Pfandbriefbank AG up to the takeover by the BUWOG Group was repaid at the closing. It was replaced by a TEUR 359,158.6 loan granted by Berlin Hyp AG, which will probably be increased to approx. EUR 400 million by the end of September 2014.

The valuation of the properties for the preliminary price allocation was based on an appraisal by an independent real estate expert (CBRE). The fair value of cash and cash equivalents corresponds to the carrying amount on the acquisition date. In addition, there is no difference between the carrying amount and the fair value of current assets and current liabilities. The receivables acquired are considered to be substantially recoverable. A net present value calculation based on current market parameters was used to determine the fair value of the low-interest financial liabilities. The calculation of deferred tax liabilities was based on a tax rate of 15.825%.

The DGAG portfolio has contributed TEUR 6,002.1 to residential rental income and TEUR 4,278.1 to the results of asset management since the acquisition date. If the business combination had taken place at the beginning of the financial year (1 May 2014), the contribution to residential rental income would have equalled approx. TEUR 18,006.3 and the contribution to results of asset management approx. TEUR 12,834.3.

Based on the preliminary data, the goodwill from the DGAG transaction resulted mainly (as a technical figure) from the mandatory recognition of deferred taxes at the nominal value based on the difference between the fair value and the tax base of the acquired real estate assets and from the synergies expected from the acquired management platform.

Acquisition of the “Apollo Portfolio”

The closing for the acquisition of the “Apollo Portfolio” took place on 1 July 2014. This portfolio consists of 1,206 units with a total area of approx. 79,600 sqm. The properties are located primarily in Berlin-Kaulsdorf (614 units) and Strausberg, roughly 15 km east of Berlin (529 units).

The purchase price allocation included in these consolidated interim financial statements is preliminary and will be finalised during the current financial year. The valuation of the properties for the preliminary price allocation was based on an appraisal by an independent real estate expert (CBRE). The calculation of deferred tax liabilities was based on a tax rate of 15.825%.

The Apollo Portfolio has contributed TEUR 360.7 to residential rental income since the acquisition date. If the business combination had taken place at the beginning of the financial year (1 May 2014), the contribution to residential rental income would have equalled approx. TEUR 1,082.0.

Based on the preliminary data, the acquisition of the Apollo Portfolio resulted in a negative difference of TEUR 3,515.9. This reflects the fact that the Apollo transaction was concluded at a favourable price because of the insolvency proceedings involving the seller. The gain from this acquisition below market value (“bargain purchase”) was recognised through profit or loss and recorded under other revaluation results.

3.3 DECONSOLIDATION

BUWOG Facility Management GmbH was sold during the first quarter of 2014/15. The subsequent deconsolidation covered the following assets and liabilities:

in TEUR

Consideration received	327.2
Other tangible assets	0.2
Trade and other receivables	508.2
Cash and cash equivalents	1,500.6
Trade and other liabilities	-956.0
Provisions	-1,018.0
Assets and liabilities deconsolidated	35.0
Consideration received	327.2
Assets and liabilities deconsolidated	-35.0
Results of deconsolidation	292.2
Consideration received	327.2
Less cash and cash equivalents balances disposed of	-1,500.6
Net cash outflows from disposal of a subsidiary	-1,173.4

4. SEGMENT REPORTING

The reportable segments of the BUWOG Group are classified according to regional criteria based on the location of the properties. Since the BUWOG Group was established at the end of April 2014, the prior year data for the earnings position (1 May 2013 – 31 July 2013) only includes the income and expenses of BUWOG AG. The BUWOG Group is not included in the prior year data because it was only taken over by BUWOG AG at the end of April in connection with a common control transaction by IMMOFINANZ AG. Additional information on the establishment of the BUWOG Group is provided in the consolidated financial statements as of 30 April 2014.

SEGMENTS

in TEUR

	Austria		Germany	
	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14
Residential rental income	20,633.8	0.0	13,771.6	0.0
Other rental income	1,535.4	0.0	244.1	0.0
Rental income	22,169.2	0.0	14,015.7	0.0
Operating costs charged to tenants	12,973.7	0.0	9,908.4	0.0
Other revenues	87.4	0.0	133.4	0.0
Revenues	35,230.3	0.0	24,057.5	0.0
Expenses directly related to investment property	-5,617.9	0.0	-4,620.8	0.0
Operating expenses	-12,882.4	0.0	-10,045.4	0.0
Results of asset management	16,730.0	0.0	9,391.3	0.0
Sale of properties	23,523.0	0.0	0.0	0.0
Carrying amount of sold properties	-23,523.0	0.0	0.0	0.0
Expenses from property sales	-649.4	0.0	-8.0	0.0
Revaluation of properties sold	9,017.7	0.0	0.0	0.0
Results of property sales	8,368.3	0.0	-8.0	0.0
Sale of real estate inventories	37,001.7	0.0	197.2	0.0
Cost of real estate inventories sold	-27,973.4	0.0	-11.0	0.0
Expenses from real estate inventories	-359.8	0.0	-628.8	0.0
Real estate development expenses	-829.3	0.0	-575.4	0.0
Results of property development	7,839.2	0.0	-1,018.0	0.0
Other operating income	624.3	0.0	162.4	0.0
Other not directly attributable expenses	-4,079.5	0.0	-1,808.2	0.0
Results of operations	29,482.2	0.0	6,719.5	0.0
Revaluation of investment properties	3,416.2	0.0	7,282.3	0.0
Gain from a bargain purchase	0.0	0.0	3,615.9	0.0
Other revaluation results	3,416.2	0.0	10,898.2	0.0
Operating profit (EBIT)	32,898.5	0.0	17,617.7	0.0
Financial results				
Earnings before tax (EBT)				
Income tax expenses				
Net profit				
Segment investments	8,065.9	0.0	779.3	0.0
	31 July 2014	30 April 2014	31 July 2014	30 April 2014
Investment properties	2,205,731.0	2,208,613.7	1,410,740.5	422,959.8
Investment properties under construction	11,769.4	10,926.1	0.0	0.0
Other tangible assets	7,202.0	7,370.2	1,054.5	476.6
Non-current assets held for sale	15,036.0	15,036.0	0.0	0.0
Inventories	78,548.5	100,423.8	60,254.6	54,693.5
Segment assets	2,318,286.9	2,342,369.8	1,472,049.6	478,130.0

Total reportable segments		Holding company / Transition to consolidated financial statements		BUWOG GROUP	
Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14	Q1 2014/15	Q1 2013/14
34,405.4	0.0	0.0	0.0	34,405.4	0.0
1,779.5	0.0	0.0	0.0	1,779.5	0.0
36,184.9	0.0	0.0	0.0	36,184.9	0.0
22,882.1	0.0	0.0	0.0	22,882.1	0.0
220.8	0.0	0.0	0.0	220.8	0.0
59,287.8	0.0	0.0	0.0	59,287.8	0.0
-10,238.7	0.0	0.0	0.0	-10,238.7	0.0
-22,927.8	0.0	0.0	0.0	-22,927.8	0.0
26,121.3	0.0	0.0	0.0	26,121.3	0.0
23,523.0	0.0	0.0	0.0	23,523.0	0.0
-23,523.0	0.0	0.0	0.0	-23,523.0	0.0
-657.4	0.0	0.0	0.0	-657.4	0.0
9,017.7	0.0	0.0	0.0	9,017.7	0.0
8,360.3	0.0	0.0	0.0	8,360.3	0.0
37,198.9	0.0	0.0	0.0	37,198.9	0.0
-27,984.4	0.0	0.0	0.0	-27,984.4	0.0
-988.6	0.0	0.0	0.0	-988.6	0.0
-1,404.7	0.0	0.0	0.0	-1,404.7	0.0
6,821.2	0.0	0.0	0.0	6,821.2	0.0
786.7	0.0	1,279.9	0.0	2,066.6	0.0
-5,887.7	0.0	-824.2	-0.2	-6,711.9	-0.2
36,201.8	0.0	455.7	-0.2	36,657.5	-0.2
10,698.5	0.0	0.0	0.0	10,698.5	0.0
3,615.9	0.0	0.0	0.0	3,615.9	0.0
14,314.4	0.0	0.0	0.0	14,314.4	0.0
50,516.2	0.0	455.7	-0.2	50,971.9	-0.2
				-42,773.2	0.0
				8,198.7	-0.2
				-2,006.6	0.0
				6,192.1	-0.2
8,845.2	0.0	0.0	0.0	8,845.2	0.0
31 July 2014	30 April 2014	31 July 2014	30 April 2014	31 July 2014	30 April 2014
3,616,471.5	2,631,573.5	0.0	0.0	3,616,471.5	2,631,573.5
11,769.4	10,926.1	0.0	0.0	11,769.5	10,926.1
8,256.5	7,846.9	0.0	13.0	8,256.5	7,859.9
15,036.0	15,036.0	0.0	0.0	15,036.0	15,036.0
138,803.1	155,117.3	0.0	0.0	138,803.0	155,117.3
3,790,336.5	2,820,499.8	0.0	13.0	3,790,336.5	2,820,512.8

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

Since the BUWOG Group was established at the end of April 2014, the prior year data for the consolidated income statement (1 May 2013 – 31 July 2013) only includes the income and expenses of BUWOG AG. The BUWOG Group is not included in the prior year data because it was only taken over by BUWOG AG at the end of April in connection with a common control transaction by IMMOFINANZ AG. Additional information on the establishment of the BUWOG Group is provided in the consolidated financial statements as of 30 April 2014. The absence of prior year data in the comments on the consolidated interim financial statements signifies that no corresponding comparative figures were available for BUWOG AG.

5.1 EXPENSES DIRECTLY RELATED TO INVESTMENT PROPERTY

in TEUR	Q1 2014/15
Vacancies	-549.4
Maintenance	-6,637.6
Operating costs charged to building owners	-397.6
Other expenses from asset management	-1,148.5
Write-off of receivables from asset management	-236.6
Other expenses	-1,269.0
Total	-10,238.7

5.2 OTHER OPERATING INCOME

in TEUR	Q1 2014/15
Insurance compensation	89.2
Income from derecognised liabilities	13.2
Gains/losses from deconsolidation	292.2
Guarantee commission	1,206.3
Miscellaneous	465.7
Total	2,066.6

5.3 EXPENSES NOT DIRECTLY ATTRIBUTABLE

in TEUR	Q1 2014/15	Q1 2013/14
Administration	-32.7	0.0
Legal, auditing and consulting fees	-1,801.3	-0.2
Advertising	-182.7	0.0
Amortisation and depreciation	-417.1	0.0
IT and communications	-341.9	0.0
Personnel expenses	-1,948.6	0.0
Guarantee commission related to acquisition of land and financial liabilities	-585.8	0.0
Cost of valuation reports	-400.0	0.0
Miscellaneous	-1,001.8	0.0
Total	-6,711.9	-0.2

5.4 REVALUATION OF PROPERTY

The revaluation gains and losses from 1 May to 31 July 2014 (Q1 2014/15) are classified as follows:

in TEUR	Investment properties	Properties sold
Revaluation gains	11,246.1	9,017.7
Impairment losses	-547.6	0.0
Total	10,698.5	9,017.7

The revaluation gains from 1 May to 31 July 2014 (Q 1 2014/15) are classified as follows by country:

in TEUR	Investment properties	Properties sold
Austria	3,416.2	9,017.7
Germany	7,829.9	0.0
Total	11,246.1	9,017.7

The revaluation loss of TEUR 547.6 recognised in the first quarter of 2014/15 was related entirely to real estate in Germany.

The fair value of the standing investments as of 31 July 2014 was determined internally. The adjustments to the fair value as of 30 April 2014 resulted primarily from increases in the consumer price index.

5.5 FINANCIAL RESULTS

in TEUR	Q1 2014/15
Financing costs	-12,090.5
Financing income	2,490.1
Valuation of derivative financial instruments	-9,365.2
Valuation of financial instruments at fair value through profit or loss (Fair Value Option)	-23,846.4
Other	38.8
Other financial results	-33,172.8
Total	-42,773.2

The non-cash results from the valuation of derivatives and the non-cash valuation results from financial instruments classified at fair value through profit or loss (fair value option) resulted from the flattening of the underlying interest rate curve in the first quarter of 2014/15.

5.6 INCOME TAXES

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

in TEUR	Q1 2014/15
Income tax expenses	-4,114.8
Deferred tax expenses	2,108.2
Total	-2,006.6

5.7 EARNINGS PER SHARE

	Q1 2014/15
Weighted average number of shares	99,613,479
Net profit excl. non-controlling interests in EUR	6,282,300
Basic earnings per share in EUR	0.06
Diluted earnings per share in EUR	0.06

6. NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION

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

in TEUR	Investment properties	Investment properties under construction
Balance on 1 May 2014	2,631,573.5	10,926.1
Acquisitions through business combinations	980,618.4	0.0
Additions	8,001.8	843.4
Disposals	-23,523.0	0.0
Revaluation	19,716.2	0.0
Reclassification	84.6	0.0
Balance on 31 July 2014	3,616,471.5	11,769.5

Details on revaluation results are provided in section 5.4 *Revaluation of property*.

6.2 TRADE AND OTHER RECEIVABLES

in TEUR	31 July 2014	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2014
Trade accounts receivable					
Rents receivable	6,651.2	6,651.2	0.0	0.0	4,582.0
Miscellaneous	5,161.1	5,161.1	0.0	0.0	3,339.0
Total trade accounts receivable	11,812.3	11,812.3	0.0	0.0	7,921.0
Other financial receivables					
Restricted funds	23,563.4	23,563.4	0.0	0.0	10,157.0
Receivables from convertible bond	1,022.2	1,022.2	0.0	0.0	260,129.4
Outstanding purchase price receivables - sale of properties	56,981.5	56,981.5	0.0	0.0	53,693.2
DGAG deposit	0.0	0.0	0.0	0.0	20,000.0
Miscellaneous	19,926.9	18,838.7	785.4	302.8	26,288.4
Total other financial receivables	101,494.0	100,405.8	785.4	302.8	370,268.0
Other non-financial receivables					
Tax authorities	981.8	981.8	0.0	0.0	1,963.2
Total other non-financial receivables	981.8	981.8	0.0	0.0	1,963.2
Total	114,288.1	113,199.9	785.4	302.8	380,152.4

Of the total other financial receivables, TEUR 13,646.2 (30 April 2014: TEUR 274,357.5; thereof TEUR 260,129.4 receivables from convertible bonds) represented other receivables due from IMMOFINANZ Group. The nominal value of the receivables from convertible bonds (TEUR 260,000.0) was paid in full by IMMOFINANZ AG in the first quarter of 2014/15. The deferral interest (30 April 2014: TEUR 1,022.2) on the convertible bond was offset against the related interest payments that were due on 25 October 2014.

6.3 LIABILITIES FROM CONVERTIBLE BONDS

in TEUR	31 July 2014	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2014
Convertible bond 2014-2019	250,782.9	2,418.4	248,364.5	0.0	247,949.0
Total	250,782.9	2,418.4	248,364.5	0.0	247,949.0

Detailed information on the liabilities from convertible bonds is provided in the consolidated financial statements as of 30 April 2014.

6.4 FINANCIAL LIABILITIES

The following table shows the composition and remaining terms of financial liabilities as of 31 July 2014:

in TEUR	31 July 2014	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2014
Amounts due to financial institutions	1,090,806.8	79,314.9	212,288.5	799,203.4	690,950.5
thereof secured by collateral	994,875.3	69,604.2	194,838.2	730,432.9	569,348.2
thereof not secured by collateral	95,931.5	9,710.7	17,450.3	68,770.5	121,602.3
Amounts due to local authorities	637,716.6	26,886.4	107,109.6	503,720.6	444,988.2
Other financial liabilities	116.5	97.1	19.4	0.0	92.1
Total	1,728,639.9	106,298.4	319,417.5	1,302,924.0	1,136,030.8

The major conditions of financial liabilities as of 31 July 2014 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
Amounts due to financial institutions	EUR	fixed	3.24%	150,351.4	
(loans and advances)	EUR	floating	2.47%	998,296.6	
Total amounts due to financial institutions				1,148,648.0	1,090,806.8
Liabilities with local authorities	EUR	fixed	1.35%	724,910.9	637,716.6
Other					116.5
Total					1,728,639.9

6.5 TRADE AND OTHER LIABILITIES

in TEUR	31 July 2014	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	30 April 2014
Trade liabilities	24,416.6	24,377.8	38.8	0.0	27,716.1
Other financial liabilities					
Fair value of derivative financial instruments (liabilities)	37,237.7	58.9	5,326.9	31,851.9	27,867.6
Property management	3,194.9	3,194.9	0.0	0.0	2,341.1
Deposits and guarantees received	23,595.8	23,595.8	0.0	0.0	10,196.3
Prepayments received on apartment sales	10,543.0	10,543.0	0.0	0.0	28,276.5
Maintenance and improvement amounts received	27,338.5	5,470.1	15,795.5	6,072.9	26,004.9
Outstanding purchase prices (share deals)	2,159.8	2,159.8	0.0	0.0	2,122.6
Liabilities from financial contributions	109,847.6	109,847.6	0.0	0.0	110,970.1
Liabilities to "Versicherungsanstalt des Bundes und der Länder" (VBL Liabilities)	35,049.3	0.0	0.0	35,049.3	0.0
Miscellaneous	36,879.8	15,766.3	2,318.8	18,794.7	19,083.4
Total financial liabilities	285,846.4	170,636.4	23,441.2	91,768.8	226,862.5
Other non-financial liabilities					
Tax authorities	8,031.5	8,031.5	0.0	0.0	5,320.1
Rental and lease prepayments	2,214.5	2,214.5	0.0	0.0	733.2
Total non-financial liabilities	10,246.0	10,246.0	0.0	0.0	6,053.3
Total	320,509.0	205,260.2	23,480.0	91,768.8	260,631.9

The amounts due to IMMOFINANZ Group as of 31 July 2014 represented trade payables of TEUR 0.0 (30 April 2014: TEUR 19.5) with a remaining term of less than one year and miscellaneous other financial liabilities of TEUR 198.5 (30 April 2014: TEUR 3,330.4) with a remaining term of less than one year.

6.6 INFORMATION ON FINANCIAL INSTRUMENTS

6.6.1 Classification of financial instruments by IAS 39 categories

in TEUR	AFS	L&R	Non-FI		
	Fair value not recognised in profit or loss	Amortised cost	Not within the scope of IFRS 7	Carrying amount on 31 July 2014	Fair value on 31 July 2014
ASSETS					
Trade and other receivables	0.0	113,306.3	981.8	114,288.1	114,288.1
Trade accounts receivable	0.0	11,812.3	0.0	11,812.3	11,812.3
Other receivables	0.0	101,494.0	981.8	102,475.8	102,475.8
Other financial assets	46.7	17,264.6	0.0	17,311.3	20,789.2
Securities	46.7	0.0	0.0	46.7	46.7
Originated loans	0.0	17,264.6	0.0	17,264.6	20,742.5
Cash and cash equivalents	0.0	129,758.0	0.0	129,758.0	129,758.0
TOTAL ASSETS	46.7	260,328.9	981.8	261,357.4	264,835.3

	FL@FV/P&L					
in TEUR	Fair value Option	HFT	FLAC	Non-FI		
	Fair value recognised in profit or loss	Fair value recognised in profit or loss	Amortised cost	Not within the scope of IFRS 7	Carrying amount on 31 July 2014	Fair value on 31 July 2014
LIABILITIES						
Liabilities from convertible bonds	0.0	0.0	250,782.9	0.0	250,782.9	250,546.7
Financial liabilities	715,793.7	0.0	1,012,846.2	0.0	1,728,639.9	1,741,228.8
Amounts due to financial institutions	104,438.0	0.0	986,368.8	0.0	1,090,806.8	1,103,701.3
Other financial liabilities	611,355.7	0.0	26,477.4	0.0	637,833.1	637,527.5
Trade and other liabilities	0.0	37,237.7	273,025.3	10,246.0	320,509.0	320,509.0
Trade liabilities	0.0	0.0	24,416.6	0.0	24,416.6	24,416.6
Derivatives	0.0	37,237.7	0.0	0.0	37,237.7	37,237.7
Miscellaneous other liabilities	0.0	0.0	248,608.7	10,246.0	258,854.7	258,854.7
TOTAL LIABILITIES	715,793.7	37,237.7	1,536,654.4	10,246.0	2,299,931.8	2,312,284.5

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

HTM: held to maturity

FLAC: financial liabilities measured at amortised cost

Non-FI: non-financial assets/liabilities

Classification of financial instruments by IAS 39 categories – previous year

in TEUR	AFS	L&R	Non-FI	Carrying amount on 30 April 2014	Fair value on 30 April 2014
	Fair value not recognised in profit or loss	Amortised cost	Not within the scope of IFRS 7		
ASSETS					
Trade and other receivables	0,0	378.189,0	1.963,2	380.152,2	380.152,2
Trade accounts receivable	0,0	7.921,0	0,0	7.921,0	7.921,0
Other receivables	0,0	370.268,0	1.963,2	372.231,2	372.231,2
Other financial assets	46,7	17.031,3	0,0	17.078,0	23.171,2
Securities	46,7	0,0	0,0	46,7	46,7
Originated loans	0,0	17.031,3	0,0	17.031,3	23.124,5
Cash and cash equivalents	0,0	132.947,4	0,0	132.947,4	132.947,4
TOTAL ASSETS	46,7	528.167,7	1.963,2	530.177,6	536.270,8

in TEUR	FL@FV/P&L		FLAC	Non-FI	Carrying amount on 30 April 2014	Fair value on 30 April 2014
	Fair value Option	HFT				
	Fair value recognised in profit or loss	Fair value recognised in profit or loss	Amortised cost	Not within the scope of IFRS 7		
LIABILITIES						
Liabilities from convertible bonds	0,0	0,0	247.949,0	0,0	247.949,0	247.974,5
Financial liabilities	524.411,2	0,0	611.619,6	0,0	1.136.030,8	1.140.929,5
Amounts due to financial institutions	106.603,3	0,0	584.347,2	0,0	690.950,5	696.828,8
Other financial liabilities	417.807,9	0,0	27.272,4	0,0	445.080,3	444.100,7
Trade and other liabilities	0,0	27.867,6	226.711,0	6.053,3	260.631,9	260.631,9
Trade liabilities	0,0	0,0	27.716,1	0,0	27.716,1	27.716,1
Derivatives	0,0	27.867,6	0,0	0,0	27.867,6	27.867,6
Miscellaneous other liabilities	0,0	0,0	198.994,9	6.053,3	205.048,2	205.048,2
TOTAL LIABILITIES	524.411,2	27.867,6	1.086.279,6	6.053,3	1.644.611,7	1.649.535,9

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
HTM: held to maturity
FLAC: financial liabilities measured at amortised cost
Non-FI: non-financial assets/liabilities

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 2014.

6.6.2 Fair value hierarchy of financial instruments

in TEUR

31 July 2014	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Other financial assets	0.0	0.0	46.7	46.7
Financial liabilities at fair value through profit or loss				
Fair value option				
Amounts due to financial institutions	0.0	0.0	104,438.0	104,438.0
Other financial liabilities	0.0	0.0	611,355.7	611,355.7
Held for trading derivatives	0.0	0.0	37,237.7	37,237.7

Hierarchy of financial instruments carried at fair value – previous year

in TEUR

30 April 2014	Level 1	Level 2	Level 3	Total
Financial assets available for sale				
Other financial assets	0.0	0.0	46.7	46.7
Financial liabilities at fair value through profit or loss				
Fair value option				
Amounts due to financial institutions	0.0	0.0	106,603.3	106,603.3
Other financial liabilities	0.0	0.0	417,807.9	417,807.9
Held for trading derivatives	0.0	0.0	27,867.6	27,867.6

The following table shows the reconciliation of the opening and closing balances on 31 July 2014 of the financial instruments classified under level 3.

RECONCILIATION OF THE FINANCIAL INSTRUMENTS CLASSIFIED UNDER LEVEL 3

in TEUR

	Other financial assets	Derivatives	Financial liabilities
Balance on 1 May 2014	46.7	-27,867.6	-524,411.2
Recognised in profit or loss	0.0	-9,365.2	-23,846.4
Additions through business combinations	0.0	0.0	-176,416.4
Additions/Disposals	0.0	-4.9	8,880.3
Balance on 31 July 2014	46.7	-37,237.7	-715,793.7

A change in the market interest rate influences the valuation of interest rate derivatives and financial liabilities which are related to real estate subsidies and measured at fair value. Under the net present value procedures based on the DCF method, which are also used to value derivatives and financial liabilities, the market value is determined by discounting future cash flows using current interest rate curves. An increase in interest rates leads to a higher discount factor and thereby to a reduction in the negative present value of a derivative or financial liability. Additional information is provided in the consolidated financial statements as of 30 April 2014.

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 2014:

DERIVATIVES

	Variable element	Market value as of 31 July 2014 in EUR	Reference value as of 31 July 2014 in EUR	Fixed interest rate in %	Maturity
Interest rate of 0.5%-3%					
Interest rate swap (HVB)	3-M-Euribor	-285,182	17,213,500	1.03	30.04.2021
Interest rate swap (HVB)	3-M-Euribor	-459,193	31,571,350	1.17	31.01.2023
Interest rate swap (Deka Bank)	3-M-Euribor	-775,116	21,378,000	1.39	31.12.2021
Interest rate swap (Deka Bank)	3-M-Euribor	-139,966	3,860,000	1.39	31.12.2021
Interest rate swap (LBB)	3-M-Euribor	-1,083,238	58,906,250	1.90	31.08.2015
Interest rate swap (HVB)	3-M-Euribor	-1,156,878	13,787,000	2.13	29.09.2023
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-1,980,742	22,500,000	2.50	31.12.2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-2,209,758	23,550,000	2.51	30.11.2036
Interest rate swap (Bank Austria)	6-M-Euribor	-2,614,365	28,260,000	2.51	30.11.2036
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-2,756,964	28,260,000	2.54	30.11.2036
Interest rate swap (BAWAG)	6-M-Euribor	-1,420,638	12,375,000	2.85	31.12.2030
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-2,335,471	15,635,000	2.99	30.03.2039
Number of derivatives: 12		-17,217,511	277,296,100		
Interest rate of 3%-4.5%					
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-1,207,486	8,159,000	3.01	30.09.2039
Interest rate swap (Hypo Steiermark)	6-M-Euribor	-3,617,871	25,993,000	3.09	30.09.2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-3,865,003	27,244,000	3.11	30.09.2031
Interest rate swap (RLB NÖ-Wien)	6-M-Euribor	-7,027,242	49,534,000	3.11	30.09.2031
Interest rate swap (Bank Austria)	6-M-Euribor	-43,029	1,478,000	3.22	30.09.2015
Interest rate swap (Bank Austria)	6-M-Euribor	-58,905	4,823,000	3.26	30.12.2014
Interest rate swap (Bank Austria)	6-M-Euribor	-114,269	3,342,000	3.37	30.09.2015
Number of derivatives: 7		-15,933,805	120,573,000		
Interest rate above 4.5%					
Interest rate swap (Hypothenkenbank Frankfurt)	3-M-Euribor	-4,086,384	25,795,000	4.58	30.06.2018
Number of derivatives: 1		-4,086,384	25,795,000		
Total derivatives: 20		-37,237,700	423,664,100	2.51	

The following discount rates were used to value financial liabilities:

DISCOUNT RATES

in %

31 July 2014

Up to 31 January 2016	1.636%
Up to 31 January 2017	1.683%
Up to 31 January 2019	1.861%
Up to 31 January 2021	2.141%
Up to 31 January 2023	2.449%
Up to 31 July 2025	2.720%
Up to 31 January 2032	3.398%
As of 1 February 2032	3.580%

30 April 2014

Up to 31 October 2015	1.744%
Up to 31 October 2016	1.794%
Up to 31 October 2018	2.081%
Up to 31 October 2020	2.441%
Up to 31 October 2022	2.774%
Up to 30 April 2025	3.052%
Up to 31 October 2031	3.740%
As of 1 November 2031	3.903%

7. TRANSACTIONS WITH RELATED PARTIES

Supervisory Board members Vitus Eckert and Rudolf Fries (Vice-Chairman of the Supervisory Board of IMMOFINANZ AG) are shareholders in the law firm of Eckert Fries Prokopp Rechtsanwälte GmbH, Baden near Vienna. This law firm charged fees of EUR 16,137.81 for legal advice to BUWOG Group companies in the first quarter of 2014/15. The terms of these fees, especially the hourly rates, reflect standard market conditions.

Information on the de-domination agreement and other service relationships with IMMOFINANZ AG is provided in the consolidated financial statements as of 30 April 2014. The receivables and liabilities due from/to member companies of IMMOFINANZ Group are shown in sections 6.2 *Trade and other receivables* and 6.5 *Trade and other liabilities*.

8. SUBSEQUENT EVENTS AFTER 31 JULY 2014

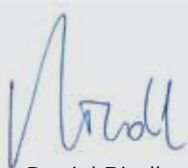
The guarantees of EUR 200 million issued by IMMOFINANZ AG in favour of BerlinHyp AG in connection with the refinancing of the DGAG acquisition were cancelled at the end of August 2014.

STATEMENT BY THE EXECUTIVE BOARD

We confirm to the best of our knowledge that these consolidated interim financial statements as of 31 July 2014, 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, 29 September 2014

The Executive Board of BUWOG AG



Daniel Riedl
CEO



Ronald Roos
CFO

IMPRINT

BUWOG AG
Hietzinger Kai 131
1130 Vienna, Austria

Tel.: +43 (0)1/878 28-1130
Fax: +43 (0)1/878 28-5299
www.buwog.com
office@buwog.com

Consulting, Concept and Design

Mensalia Unternehmensberatungs GmbH, www.mensalia.at

Photos

BUWOG Group, Martin Stöbich

Disclaimer

We have prepared this report and verified the data herein with the greatest possible caution. However, errors arising from rounding, transmission, typesetting or printing cannot be excluded. This report contains assumptions and forecasts that were based on information available at the time this report was prepared. If the assumptions underlying these forecasts are not realised, actual results may differ from the results expected at the present time. Automatic data processing can lead to apparent mathematical errors in the rounding of numbers or percentage rates. This report is published in German and English, and can be downloaded from the investor relations section of the BUWOG website. In case of doubt, the German text represents the definitive version. This report does not represent a recommendation to buy or sell shares in BUWOG AG.