



UBM with record dividend of €2.00 per share after significant earnings growth in 2017

- **Dividend of €2.00** (up 25%)
- **Net profit of €37m** and **earnings per share of €4.88**
- **Net debt reduced** and **equity ratio at all-time high**
- **Outlook for 2018: Record year expected**
 - Full capacity utilisation and good earnings visibility through forward sales
 - Total Output, earnings and equity in 2018 to surpass record year 2015
- **Managing Board re-appointed for five-year term**

Vienna – 10 April 2018 – On the date of its 145-year anniversary as a listed company, UBM presents the proposal of a record dividend of €2.00 per share (up 25%, with a dividend yield of about 5%) and thus underlines the earnings growth achieved in 2017 (net profit of €37.0m). “The dividend is based on continuity and also reflects our future earnings strength”, says Thomas G. Winkler, UBM’s Chief Executive Officer. The earnings trend is predicted to be very positive: For 2018, new record levels are expected in Total Output, earnings before taxes, earnings per share and equity. UBM is maintaining its strategic direction of reducing standing assets and systematically continuing the Group’s conversion into a pure developer of real estate. Under its new “Pure Play Program”, standing assets worth €170m are to be sold in the next 18 months in order to free up funds for use in the higher-margin development business and for the further reduction of net debt. The Supervisory Board believes the Managing Board’s strategic focus is appropriate, and has re-appointed all three Management Board Directors ahead of schedule, to 2023.

Significant growth in Total Output and earnings

In the 2017 financial year, UBM boosted its Total Output by 33.6% to €744.7m. The primary reason for the increase was the successful implementation of the accelerated “Fast Track 17” sales program. On the development side, the most notable properties are the two hotels and an office and micro-living project in Quartier Belvedere Central (QBC) in Vienna, the Kotlarska office project in Krakow and the Hyatt Regency luxury hotel in Amsterdam. Net profit in 2017 was €37.0m, up 25.9% from the prior year. Net profit after non-controlling interests, at €36.5m, was even significantly higher than in the record year 2015 (€33.8m). In the 2017 financial year, UBM delivered earnings per share of €4.88, which was substantially above the prior year’s €3.90 per share.

Net debt further reduced

The net debt position of €477.9m not only improved by 30.9% from the level of €691.2m at 31 December 2016 but also significantly overachieved the guidance of €520m that was even reduced downward at the time of the third-quarter reporting. This debt reduction was made possible by the strong sales performance in the full year 2017, which brought

cash proceeds of almost €600m. Equity at 31 December 2017 was €355.4m. With total assets easing to €1,130.9m (2016: €1,233.8m), the equity ratio increased visibly to 31.4% (2016: 27.7%). The successful issue of a €100m hybrid bond at the end of February 2018 is not yet reflected in the balance sheet results at 31 December 2017. After the repayment of €50m of mezzanine capital to PORR AG on 3 April 2018, the net effect in equity is €50m.

Full pipeline

Despite numerous completions in 2017, UBM has a more than full project pipeline of €1.8 bn (2018-2021). In order to mitigate risks, UBM's aim is to achieve deal security early through forward sales or forward funding. About one-half of the pipeline of €1.6 bn to 2020 is already sold forward, and for the projects in 2018 this share is even above 75%, which translates into high visibility in the earnings trajectory. For example, in 2017 the new corporate headquarters of Zalando in Germany, which will be completed in autumn 2018, was sold forward for €196m. This asset represents UBM's largest single project. Other major forward deals in 2018 include the Leuchtenbergring project in Munich at €190m, and the two residential and microliving projects in QBC for a total amount of € 60m.

Outlook for 2018

In the European real estate markets, property investment is expected to remain strong in 2018. UBM's three core geographic markets Germany, Austria and Poland and its three asset classes Hotel, Office and Residential should all benefit from this positive market environment. On this basis, UBM is optimistic that both Total Output and earnings for the 2018 financial year will surpass the record levels of 2015. Against this backdrop the Management Board expects Total Output in excess of €750m and earnings before tax of more than €50m. Earnings per share in 2018 should thus top the five-euro mark. Equity at the end of 2018 is projected to exceed €400m.

Key performance indicators:

Key earnings figures (in €m)	2017	Change²	2016	2015
Total Output ¹	744.7	+33.6%	557.5	593.3
Revenue	364.7	-12.6%	417.0	307.8
EBT	50.5	+26.0%	40.1	50.3
Net profit	37.0	+25.9%	29.4	37.3

Key asset & financial figures (in €m)	2017	Change²	2016	2015
Total assets	1,130.9	-8.3%	1,233.8	1,185.2
Equity	355.4	+4.1%	341.5	332.0
Equity ratio	31.4%	+3.7pp	27.7%	28.0%
Net debt	477.9	-30.9%	691.2	609.7

Key share data and staff	2017	Change ²	2016	2015
Number of shares (<i>weighted average</i>)	7,472,180	-	7,472,180	6,901,962
Earnings per share (<i>in €</i>)	4.88	+25.3%	3.90	4.90
Market capitalisation (<i>in €m as of 31 Dec</i>)	304.9	+31.6%	231.6	272.7
Dividend per share (<i>in €</i>)	2.00 ³	+25.0%	1.60	1.60
Staff ⁴	748	+4.5%	716	685

¹ Total Output represents the revenue of fully consolidated companies and those accounted for under the equity method, as well as sales proceeds from share deals based on the equity interest held by UBM.

² The figures are rounded using the compensated summation method. Changes are calculated using the exact values

³ Proposal to the Annual General Meeting on 29 May 2018

⁴ Breakdown: Development 309 and Hotel 439 (31.12.2017); Development 309 and Hotel 407 (31.12.2016)

UBM Development is the leading hotel developer in Europe. Its strategic focus is on the three clearly defined asset classes Hotel, Office and Residential and the three core markets Germany, Austria and Poland. With 145 years of experience, UBM focuses on its core competency, the development of real estate. The Group acts as a one-stop provider for the entire value chain from initial planning all the way to marketing the property. UBM's shares are listed in the Prime Market segment of the Vienna Stock Exchange.

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