



UBM achieves second-best year in history and confirms preliminary figures

- **€1.60 dividend per share – unchanged at record level**
- **Net debt:** Just over **€690 mn** as of 31 Dec. 2016, peak of **€750 mn** expected in Q1/17
- **Positive outlook 2017:**
 - **Pipeline ensures full capacity utilisation to end 2018**
– Positive outlook to end of 2020 from large-scale projects
 - **Massive debt reduction by year-end 2017**
– Reduction to around €550 mn

Earnings and Total Output

UBM Development AG invested heavily in its pipeline once again in 2016 and generated earnings before taxes (EBT) of €40.1 mn, marking the second-best year in the company's history. EBT was thereby significantly higher than 2014 (€31.4 mn) and only surpassed by the record year 2015 (€50.3 mn). Total Output in the last business year stood at €557.5 mn, which was also slightly below the previous year (€593.3 mn) but significantly higher than 2014 (€482.6 mn). Here Germany – the most important market with around 50% of Total Output (2016: €275.3 mn) – recorded growth of 31.8% against the previous year. This increase was due in particular to the successful property sales in Munich, Berlin and Frankfurt.

€1.60 dividend – unchanged at record level

UBM pursues a dividend policy built on continuity. The Managing Board will propose an unchanged high dividend of €1.60 per share for 2016 to the Supervisory Board and the Annual General Meeting. This not only reflects the good business performance of UBM, but is also an expression of the confidence in the high future earnings power.

Economies of scale in all three asset classes

“Today UBM is playing in a completely different league”, says Thomas G. Winkler, CEO of UBM. UBM is the leading hotel developer in Europe and develops hotels with more than 500 rooms per project. In addition, UBM develops residential projects with 450-500 apartments. And the office developments reach dimensions of €200 mn per project. Recently UBM managed to sell the new Zalando headquarters in Berlin one and a half years before completion and for €196 mn to Capstone Asset Management.

Pipeline

“We have full utilisation to the end of 2018 and part of our pipeline has been sold in forward deals at excellent prices”, adds Thomas G. Winkler, CEO of UBM. In 2016 UBM not only sold two hotels and office buildings in Vienna’s Quartier Belvedere, which are set for completion in the second half of 2017, in forward deals, but also the Pilot Tower in Krakow and a logistics property for Magna in Graz-Thondorf (Austria), as well as the Holiday Inn City Centre in Warsaw.

Large-scale projects such as Zalando’s headquarters in Berlin, which will only be completed by the third quarter of 2018, or the mixed hotel/office and retail project Leuchtenbergring in Munich, the Granary Island Hotel in Gdansk and two hotels in Hamburg ensure full capacity utilisation to the end of 2018. Other projects such as the two office buildings in Quartier Belvedere in Vienna (44,000m² in total) or the residential project in Thulestraße in Berlin (520 apartments) provide a positive outlook to 2020.

Net debt and equity ratio

“It’s the execution that matters”, said Winkler. “In 2016 we laid the optimal groundwork to be able to reap the rewards in 2017 of the accelerated sales programme Fast Track 2017”. At year-end 2016 net debt stood at €691.2 mn and was thereby 13.4% above the comparable value for 2015. As guided, net debt is set to reach its peak and rise to €750 mn by the end of March 2017. This is the result of ongoing large-scale projects and the recent acquisition of the “Office Provider” in Vienna from Sachsenfonds as well as a Viennese real estate portfolio from Bank Austria. However, cash sales proceeds totalling around €600 mn should lead to a reduction in net debt by the end of the current year to around €550 mn. Investments of approximately €400 mn in 2017 ensure the earnings and revenues of the future.

At year-end 2016 total assets amounted to €1.23 bn, yielding an equity ratio of 27.7% (2015: 28.0%).

Outlook

In the future, the real estate markets in continental Europe will continue to benefit from increasing economic and political uncertainty, as well as low interest rates. The three core markets of UBM (Germany, Austria and Poland) thereby count as safe havens. Assuming a positive backdrop for real estate and the implementation of all measures planned for 2017, the Managing Board expects the performance of Total Output and earnings in 2017 to increase compared to 2016.

PRESS RELEASE



Key earnings figures (in € mn)	2016	2015	2014¹
Total Output²	557.5	593.3	482.6
Revenue	417.0	307.8	315.3
EBT	40.1	50.3	31.4
----- of which FV ³ adjustments (gains)	54.6	29.7	5.8
----- of which FV ³ adjustments (losses)	- 20.5	- 3.1	- 2.9
Profit for the period	29.4	37.3	28.2

Key assets and financial figures (in € mn)	2016	2015	2014¹
Total assets	1,233.7	1,185.2	1,077.4
Equity	341.5	332.0	265.3
Equity ratio (%)	27.7	28.0	24.6
Net debt	691.2	609.7	571.3

Key share data and staff (in € mn)	2016	2015	2014¹
Number of shares (no., weighted average)	7,472,180	6,901,962	6,000,000
Earnings per share (in €, weighted average)⁴	3.9	4.9	3.6
Market capitalisation (in € mn)	231.6	272.7	142.8
Staff⁵	716	685	664

¹ Pro-forma, unaudited

² Total Output consists of the revenue of fully consolidated companies and those included under the equity method, as well as sales proceeds from share deals based on the UBM stake.

³ Fair value

⁴ Profit for the period/ weighted average number of shares

⁵ Split: 31.12.2016: 309 Development and 407 Hotel; 31.12.2015: 354 Development and 331 Hotel

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