



UBM Development issuing 5-year bond with coupon of 3.125%

- **Bond will have initial issue volume of up to EUR 100m (with possible increase to a total of EUR 120m)**
- **Offering period for the new UBM bond being issued in 2018 begins 8 November 2018**
- **Exchange of UBM bond issued in 2014 and maturing in 2019 will be possible from 22 October to 7 November 2018**
- **Premium of EUR 10.00 for exchange of UBM bond 2014-2019 for each exchanged bond**

Vienna, 19 October 2018 – UBM Development AG, a leading European hotel developer, will issue a new bond of up to EUR 100m (with the possibility of an oversubscription increase to as much as EUR 120m). In connection with this issue, the issuer is offering investors holding the existing 2014-2019 UBM bond (issued in 2014, maturing in 2019), ISIN AT0000A185Y1, an opportunity to exchange these securities for the new 2018-2023 UBM bond by way of a public exchange offer. UBM Development AG plans to use the proceeds of the issue to refinance existing financing facilities of UBM Development AG and to realise new and existing projects, especially in the core markets Germany, Austria and Poland.

The coupon of the new 2018-2023 UBM bond is 3.125% p.a. and the term is five years. The exchange offer, which runs from 22 October to 7 November 2018, will be followed by a cash subscription offering for those bonds that have not been exchanged. Interested investors may subscribe the new bonds during a period expected to run from 8 November 2018 to 14 November 2018; the right to close the offering earlier is reserved. The planned value date is 16 November 2018.

Investors are invited to submit offers to exchange their existing 2014-2019 UBM bonds for the new 2018-2023 UBM bonds. The exchange ratio is 1 to 1, which means that each 2014-2019 UBM bond with a par value of EUR 500 can be exchanged for one 2018-2023 UBM bond with a par value of EUR 500. In addition, a premium of EUR 10.00 is offered for each exchanged bond. Investors also receive the accrued interest for the current interest period of EUR 8.68 per exchanged 2014-2019 UBM bond. The respective custodians are called upon to inform all holders of the 2014-2019 UBM bond about the next steps by letter. The last day of the exchange offer period is 7 November 2018.

In addition, the offer of the new 2018-2023 UBM bond will take the form of a public offering in Austria, Germany and Luxembourg as well as the form of an exempt offer to qualified investors within the meaning of the EU Prospectus Directive in member states of the European Economic Area ("EEA") and an offering without publishing a prospectus to selected institutional investors outside of the EEA in jurisdictions where such kind of offering is allowed. The joint lead managers and bookrunners as well as deal managers for the transaction are Raiffeisen Bank International AG, Vienna, and Erste Group Bank AG, Vienna.

The offer in detail:

Cash subscription offering

Offering period	8 November 2018 to 14 November 2018 (subject to the right to close the offering early)
Reoffer price	100.00% (retail investors may subscribe the notes at the Re-offer Price plus a selling fee of up to 1.5%-points charged by the respective financial intermediary placing the Notes; usual discounts can be granted).

Exchange offer for the UBM bonds issued in 2014 and due in 2019

Exchange offer period	22 October 2018 to 7 November 2018
Cash payment to investors	EUR 10.00 per exchanged 2014-2019 UBM bond*
Exchange ratio	1 to 1 (plus cash payment)

* The total cash payment to investors is EUR 18.68 per exchanged 2014-2019 UBM bond per EUR 500.00 par value; this includes accrued interest of EUR 8.68.

Basic data for the UBM bonds being issued in 2018 and due in 2023

Issuer	UBM Development AG
ISIN	AT0000A23ST9
Volume (exch. offer + cash subscr. offering)	Up to EUR 100,000,000 with potential increase to a total of up to EUR 120,000,000
Par value	EUR 500.00
Coupon rate	3.125% p.a., payable annually in arrears on 16 November
Value date	16 November 2018
Term	5 years, repayable at maturity
Redemption price	At maturity at 100% of par value
Maturity date	16 November 2023
Listing	Official market of the Vienna Stock Exchange – Corporates Prime segment
Paying agent	Raiffeisen Bank International AG
Joint lead managers and bookrunners	Raiffeisen Bank International AG, Erste Group Bank AG

Disclaimer: A public prospectus-based offering of notes of the 2018 UBM-Bond shall be conducted exclusively in Austria, Germany and Luxembourg (the "**Offering**") to investors resident in such countries on the basis of a securities prospectus prepared pursuant to CMA (Capital Market Act; Kapitalmarktgesetz) which was approved by the Austrian Financial Markets Authority on 19 October 2018, published in the way intended and notified to the German Financial Supervisory Authority (BaFin) in Germany as well as to the Commission de Surveillance du Secteur Financier in Luxembourg, including any supplements thereto (together the "**Prospectus**"). The Prospectus was published in electronic form on the website of the Issuer under www.ubm-development.com, sub-site "investor relations.", sub-site "bonds.". In connection with the Offering of notes of the 2018 UBM-Bond, only the information in the Prospectus are binding, the information in this publication shall not be binding. Prior to any investment decision, investors should make themselves familiar with the content of the Prospectus, in particular with the references to risks, taxes and conflicts of interest, and should obtain personally advice with consideration of their individual asset and investment situation. An investment in securities is subject to risks. Investors bear the credit risk of the Issuer. In the event of insolvency and/or liquidation of the Issuer, amounts payable on interest and/or principal may be less; even a total loss of the capital invested is possible in such cases.

UBM Development is a 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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