

## **PRESS RELEASE**

### **Office project QBC 3 sold for around EUR 30 mn to Union Investment in a forward deal**

(Vienna, 18 November 2016) **UBM Development AG and S IMMO AG have closed a forward deal already in the development phase for the third lot of Quartier Belvedere Central – QBC 3 – with Union Investment. Completion and handover is planned for autumn 2017.**

UBM Development AG is developing together with S IMMO AG Quartier Belvedere Central (QBC) at Vienna Central Station. On a total of six construction lots, a new city quarter with a dynamic mix of offices, hotels and apartments is taking shape near the Viennese city centre. The office space of QBC 3 has now been sold by both partners to Union Investment in a forward share deal. The purchase price is based on a property value of around EUR 30 million, with UBM's stake valued at EUR 19.5 million (65%). The turnkey purchase is subject to fulfilling the closing conditions typical for this type of property transaction and will take effect upon handover of the property in the course of the fourth quarter of 2017.

"The sale of QBC 3 can practically be seen as an early exit, as we only laid the foundation stone for the office building in June 2016", says Michael Wurzinger, COO of UBM Development AG. "The recent sale reflects the quality of our development as well as the location selected for the project".

Ernst Vejdovszky, Chairman of the Board of S IMMO AG adds: "We are delighted to be able to report another success story on Quartier Belvedere Central. We are convinced that this site will be a source of great pleasure in future for us, as well as for Union Investment".

"The brand new, urban forms of living are adding value to the sites around central stations across Europe significantly", says Philip La Pierre, Head of Investment Management Europe at Union Investment Real Estate GmbH. "This trend can also be seen in the current quarter development in Vienna. This is why we have proactively secured the first-

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class office building QBC 3". After the handover, Union Investment will manage the property in its public real estate fund UniImmo: Global.

### QBC 3 – an office development at the highest level

On an area of around 7,600 m<sup>2</sup>, QBC 3 will offer its tenants office space that can be flexibly divided and is flooded with light, across a total of eight floors. The office development by the partners UBM and S IMMO provides an intelligent interior concept for a workplace with the best infrastructure and fittings. Retail space and restaurants are found on the ground floor of QBC 3. A special highlight of QBC 3 is the roof terrace on the eighth floor with views over Vienna, which will be accessible to all tenants. In this early phase, around 30% of the space has already been let out and a further 53% has been reserved. Tenants who have come on board include the Austrian subsidiary of the logistics service group VTG (VTG Austria Ges.m.b.H), the provider of office and conference facilities Your-Office Managed Business Services GmbH, and the independent insurance broker VMG. Sustainability is also a top priority for QBC 3 – the property was pre-certified in Platinum by DGNB and ÖGNI in October 2015.

### Impact of the transaction on UBM

The forward deal transaction will not have a direct impact on net debt or total output in 2016. The purchase price will only take effect at the point of handover in the course of the fourth quarter of 2017.

Effective time period	Q4/2017
Net sales proceeds*	EUR 30 mn
Effect on total output	65% (consolidated under equity method)
Effect on revenue	None (equity method, share deal)
Effect on net debt	65% of profit and shareholder capital (equity method)

\* Asset Value; UBM stake EUR 19.5 mn

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Doralt Seist Csoklich served as a consultant for UBM Development AG and S IMMO AG. Union Investment was advised by Wolf Theiss.

**UBM Development AG** is a pure player focusing on real estate development. The strategic focus on the clearly defined three asset classes of Hotel, Office and Residential is complemented by the concentration on the three home markets of Germany, Austria and Poland. In 2015 UBM significantly expanded its business and achieved new records in total output and earnings for the third year in a row.

**S IMMO AG** As Austria's first listed real estate investment company, S IMMO AG has been synonymous with expertise, a high-return portfolio and profitable growth since 1987. The company invests in commercial property (office, retail and hotel) and residential property in four regions (Austria, Germany, Central and South-Eastern Europe). The strategic core shareholders of S IMMO AG are Erste Group and Vienna Insurance Group.

**Union Investment** is one of Europe's leading real estate investment managers and specialises in open property funds for private and institutional investors. Union Investment manages assets of around EUR 30.9 bn in its real estate funds. In the field of open property funds Union Investment is currently number one among investment funds in Germany. Union Investment offers its investors a stable and effective platform, combining a strong performance in property purchases with a proactive asset management approach. The diversified property portfolio spans 24 countries and five continents and consists of more than 350 properties in the segments office, hotel, retail and logistics.

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