

### **Exchange offer for the existing UBM bonds due in 2019 and the new issue in 2017 of UBM bonds due in 2022**

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#### **What is the planned total volume of the new bond issue?**

The volume of the bond issue is up to € 100 million, with a possible increase to a total of up to € 120 million. The offering begins with a voluntary exchange offer for the bonds issued in 2014 and due in 2019, featuring an exchange ratio of 1:1 plus a cash payment of € 28.78 to investors (including € 6.28 of accrued interest). The exchange is intended to offer an interesting extension of the investment period.

#### **Who is the issuer of the bonds?**

The bond issuer is UBM Development AG, which is listed in the top segment of the Vienna Stock Exchange, the Prime Market. This safeguards a high standard of transparency. UBM's business activities focus on its core competence, the development of real estate. The Group's clear strategic focus is on the three safe core markets Germany, Austria and Poland and the asset classes Hotel, Office and Residential.

#### **How are the proceeds to be used?**

UBM Development AG plans to use the proceeds of the bond exchange and of the new issue for the implementation of existing and new real estate projects, particularly for the planned intensification of activity in its core markets of Germany, Austria and Poland. The purpose is also to optimise the company's financing structure and enhance its financial strength.

## FAQs



### **What is the offering period for the bonds?**

The new bonds are expected to be available for subscription from 4 to 6 October 2017. An early closing is possible. The minimum subscription amount is € 500.

### **Where can the bonds be subscribed for?**

Subscription is by purchase order, such as through an online bank or the investment advisor at your main relationship bank, which passes the order on to the bank responsible.

### **Who can subscribe for the bonds?**

The bonds are available both to retail investors and institutional investors. This means that, in principle, anyone can purchase the bonds who has a securities account and places a subscription order within the offering period. The bond denomination of € 500 par value makes it possible to invest even relatively small amounts.

### **What is the term to maturity of the bonds?**

The bonds' term is from 11 October 2017 to 11 October 2022.

### **What is the coupon rate (the interest rate) of the bonds?**

The coupon provides a fixed annual interest payment of 3.25 percent. At a rate of 101.5 the nominal yield is thus 2.923 percent per annum.

### **What are the coupon payment dates?**

The coupon is payable annually in arrears. The coupon payment date is 11 October of each year. The coupon period is from 11 October up to and including 10 October of the following year. The first coupon will be paid out on 11 October 2018 and the last one will be paid together with the repayment on 10 October 2022.

### **In which market segment will the bonds be listed?**

The bonds are to be listed in the Corporates Prime segment of the Vienna Stock Exchange and in the Quotation Board segment of the Frankfurt Stock Exchange. Through trading on the stock exchange, the bonds may be bought and sold during their term.

### **How can the bonds be sold?**

Once trading of the bonds begins in the Corporates Prime segment of the Vienna Stock Exchange and the Quotation Board segment of the Frankfurt Stock Exchange, the bonds can be sold on any trading day by placing an order with the bank. The sale price is determined by the current daily market price of the bonds. For any bonds which they still hold at maturity, bondholders will be repaid the full face value.



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### **When is the value date or the initial listing date on the stock exchange?**

Quoting of the new bonds on the stock exchange is expected to begin on 11 October 2017.

### **Which banks are managing the transaction?**

The company is assisted by Raiffeisen Bank International, Vienna, and Quirin Bank, Berlin.

### **Whom do I contact if I have more questions about the bonds?**

Our Investor Relations department will be pleased to answer your inquiry ([investor.relations@ubm.at](mailto:investor.relations@ubm.at)). As well, your custodian bank has all information about the bond exchange and new issue.

## **Information on the bond exchange**

- **Who can take advantage of the exchange offer?**
- **What is the exchange offer period?**
- **How does the exchange work?**
- **What happens if I don't participate in the exchange?**
- **How does the allocation work, if the requests for the exchange exceed the offered volume?**

### **Who can take advantage of the exchange offer?**

The voluntary exchange offer by UBM Development AG is addressed to holders of the UBM bonds (AT0000A185Y1) issued in 2014 and due in 2019. Holders of the bonds, which have a coupon interest rate of 4.875%, can exchange their holding during the exchange offer period in a ratio of 1:1 for the new bonds with a coupon rate of 3.25%.

### **What is the exchange offer period?**

The bonds can be exchanged from 13 September to 2 October 2017.

### **How does the exchange work?**

The custodian banks should inform all holders of the 2014-2019 bonds about the exchange offer and send them all the required documents and the formal application for exchange. Bond owners who wish to exchange their bonds complete the application and send it back to their bank. In the event that, by 25 September, you have not received documents concerning the exchange offer, please contact your custodian.

The custodian bank will forward the signed document to the issuer bank. After agreeing to the exchange offer the UBM bond issued in 2014 and due in 2019 will be removed

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from your securities account on 11 October 2017. On the same day the new UBM bond issued in 2017 and due in 2022 and the cash payment will be booked to your account.

The cash compensation of EUR 28.78 includes accrued interest since the last interest payment date of EUR 6.28 per bond. This amount is subject to the capital income tax of 27.5% with value 11 October 2017. The additional amount of EUR 22.50 per bond remains untaxed until the possible premature sale of the new bond or until the capital repayment on 11 October 2022 and reduces the taxable purchase price of the new bond.

### **What happens if I don't participate in the exchange?**

For bond creditors who do not accept the offer, nothing changes. The coupon payments, redemption and tradability of their bonds maturing in 2019 all remain unaffected.

### **How does the allocation work, if the requests for the exchange exceed the offered volume?**

In this case we plan a distribution of aliquots

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