



UBM Development implements Pure Play Program

**Continuation of the transformation into a pure-play developer:
two hotels sold for a total value of €52m**

(Vienna, 05-04-2018) **UBM Development is expediting its transformation into a pure real estate developer with the new Pure Play Program ("PPP"). Following the sale of a standing asset in Wroclaw for around €54m at the start of the year, UBM has successfully taken another step towards reducing its standing portfolio with the sale of two Park Inn hotels in Linz and Krakow. The sales value of the two hotels is around €52m, with half of the total going to UBM.**

At the end of 2017 UBM Development still held standing assets with a book value of €520m (including hotels). With the Pure Play Program ("PPP"), UBM is focusing on consistently reducing this total over the next 18 months following up the accelerated sales program "Fast Track 17". There are plans to sell standing assets totalling €170m, which would reduce the book value of the standing portfolio to €350m. The cash freed up will be used to further reduce net debt as well as for new developments.

Park Inn Hotels in Linz and Krakow

Both the Park Inn by Radisson in Linz and the Park Inn in Krakow were sold in the first quarter of 2018 in the course of share deals totalling €52m. The two hotels had been part of the standing portfolio of UBM since 2009 as part of a joint venture (50%) – UBM is thereby entitled to €26m. While the closing for the hotel in Linz took still place in the first quarter, the sale of the Krakow hotel is expected to close in the second quarter of 2018.

UBM's 50% stake in the Park Inn by Radisson in Linz was sold for €13m to the joint venture partner on the basis of a purchase price of €26m. Since 2009 the 175-room hotel in the centre of Linz has been operated by Radisson Hotel Group under the brand Park Inn by Radisson. With seminar facilities for up to 200 people, the hotel is ideal for conferences.

The Park Inn in Krakow was acquired by Union Investment for a total of €26m (of which 50% or €13m UBM). The hotel was built in 2007-2009 by a joint venture of UBM and the local GD&K Group and has been operated by UBM Hotels ever since. The Radisson Hotel Group acts as the manager of the hotel with 152 rooms. Situated just a ten-minute drive away from the city centre and with the international conference centre directly adjacent, the hotel is especially popular among business travellers.

Press Release



Impact of the sales on UBM

Park Inn Linz

Time of impact	Q1 2018
Net sales proceeds	€26.0m (100%)
Effect on Total Output	€13.0m (50% UBM share)
Effect on revenue	None (share deal)
Effect on net debt	Reduction of €6.7m

Park Inn Krakow

Time of impact	Q2 2018
Net sales proceeds	€25.6m (100%)
Effect on Total Output	€12.8m (50% UBM share)
Effect on revenue	None (share deal)
Effect on net debt	Reduction of €5.5m

UBM Development is the leading hotel developer in Europe. The 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 – developing real estate. From planning through to marketing the property, UBM offers all services from a single source. UBM shares are listed on the prime market of the Vienna Stock Exchange.

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