

PRESS RELEASE

UBM meets expectations in the first quarter of 2017

- Net debt at expected level of € 744 million
- Investments more than offset cash proceeds from property sales
- Year-on-year improvement in EBT to € 6.8 million
- Total Output rises by 27% to € 116.5 million
- Capital market focus: stock option programme for management

(Vienna, 31 May 2017) Net debt reached a peak of € 744 million, as expected, at the end of the first quarter of 2017. Investments of € 100 million in this three-month period exceeded the cash proceeds of € 59 million from the sale of properties. This was based, in particular, on the acquisition of two new projects in Vienna (the SachsenFonds "Office Provider" and a Bank Austria real estate portfolio) as well as investments in ongoing large projects.

"The first quarter will create a solid foundation for the accelerated implementation of our 'Fast Track 2017' sales programme over the next quarters", explained Thomas G. Winkler, UBM's Chief Executive Officer.

EBT rose by € 1.6 million year-on-year to € 6.8 million, in particular due to foreign exchange gains during the reporting period. Total Output (= revenue from companies included through full consolidation and at equity) grew by roughly 27% to € 116.5 million. Austria and Germany remained the most important markets, with each generating roughly 40% of Total Output. Revenue from the fully consolidated investments increased by 8.0% to € 85.9 million, and net profit rose by 8% to € 5.3 million.

UBM also introduced the LTIP (Long-term Incentive Program) stock option programme which turns managers into entrepreneurs. It will give the top 20 managers an opportunity to participate directly in the company's success. The requirements include a previous own investment in UBM shares. The exercise of the options requires a long-term appreciation over a period of three and four years, respectively.

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Outlook

Signals from the real estate markets point to a continuation of the positive mood in 2017. The risk-adjusted returns on tangible assets are still attractive compared to government bonds. The real estate markets in Continental Europe will continue to benefit from the increasing economic and political uncertainties and low interest rates in the future. UBM's three core markets – Germany, Austria and Poland – are still regarded as safe havens.

With the implementation of the "Fast Track 2017" strategic sales programme, UBM is increasing its focus on the sale of development projects through forward deals and the sale of standing assets. The resulting proceeds are expected to total approximately € 600 million by the end of 2017 and, in addition to planned investments of roughly € 400 million, will lead to a reduction of net debt to the projected level of € 550 million at year-end. The "Next Level" efficiency improvement programme will also have a positive effect on profitability over the medium-term.

These measures, taken together, will make an important contribution to strengthening UBM in good times. The central goal is to achieve a sound balance between future profitability and the company's risk profile.

Based on the assumption of a continuing positive environment for real estate and the implementation of the measures planned for this year, the Managing Board expects a year-on-year improvement in total output and earnings for 2017.

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Selected Performance Indicators (in € million)	1-3/2017	1-3/2016	Change¹
Total Output	116.5	91.7	+27.1 %
Revenue	85.9	79.6	+8.0 %
EBITDA	10.9	9.0	+21.0 %
EBIT	9.9	8.2	+21.2 %
EBT	6.8	5.1	+32.1 %
Profit for the period	5.3	4.9	+8.0 %
Earnings per share (in €, weighted)	0.65	0.66	-1.5 %
	31.3.2017	31.12.2016	Change¹
Market capitalisation	242.1	231.6	+4.5 %
Equity	346.2	341.5	+1.4 %
Net debt	744.0	691.2	+7.6 %

¹ The key figures were rounded based on the compensated summation method. The changes were calculated on the basis of the exact values.

The full report on the first quarter of 2017 is available for download under <http://ubm.at/financial-report/>.

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