



**UBM Development AG**

(Vienna, Republic of Austria)

**Up to EUR 100,000,000 3.125% Bonds 2018-2023 and a potential increase to up to EUR 120,000,000**

**Re-offer price: 100%**

**ISIN: AT0000A23ST9**

UBM Development AG, incorporated in the Republic of Austria as a stock corporation (*Aktiengesellschaft*) (the "**Company**", or "**UBM**", or the "**Issuer**" and together with its consolidated subsidiaries, the "**Group**" or "**UBM Group**") will issue on 16 November 2018 (the "**Issue Date**") bearer notes (the "**Notes**") in an aggregate principal amount of up to EUR 100,000,000, and potential increase to up to EUR 120,000,000, with a denomination of EUR 500.00 each. The Notes will bear interest from (and including) 16 November 2018 until the day preceding the maturity of the Notes (i.e. 15 November 2023) at a rate of 3.125% *per annum*. Interest is payable in arrears on 16 November 2019 and thereafter on 16 November of each calendar year. The first interest payment will be made for the period starting on (and including) 16 November 2018 and ending on (but excluding) 16 November 2019. The Notes will be redeemed at their principal amount on 16 November 2023. This prospectus (the "**Prospectus**") relates to (a) an offering of the Notes (i) to holders of the existing 2014-2019 UBM bonds, ISIN AT0000A185Y1 (issued in 2014 and due in 2019, the "**2014 UBM-Bonds**" or the "**Existing Bonds**", and any of them a "**2014 UBM-Bond**", ) in the context of a public exchange offer (the "**Exchange Offer**") in the period from presumably 22 October 2018 (inclusive) to presumably 7 November 2018 (inclusive) (the "**Exchange Period**"), (ii) to the public in the Republic of Austria ("**Austria**"), the Federal Republic of Germany ("**Germany**") and in the Grand Duchy of Luxembourg ("**Luxembourg**") in the context of a cash subscription offer (the "**Cash Subscription Offer**") in the period from presumably 8 November 2018 (inclusive) to presumably 14 November 2018 (inclusive) (the "**Subscription Period**"), (iii) as exempt offer to qualified investors (the "**Qualified Investors**") within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**") in member states of the European Economic Area ("**EEA**") and (iv) without publishing a prospectus to selected institutional investors outside of the EEA in jurisdictions where such kind of offering is allowed (altogether, the "**Offering**") and (b) the admission of the Notes to and trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (the "**Official Market**"), which is a regulated market pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, as amended (*Markets in Financial Instruments Directive II – "MiFID II"*).

Under the Exchange Offer, the holders of the existing 2014 UBM-Bonds will be invited to make an offer for the exchange of their Existing Bonds for the new Notes subject to this Prospectus. The exchange ratio is 1:1 which means that each 2014 UBM-Bond with a par value of EUR 500.00 can be exchanged for one of the 2018-2023 UBM bonds (the "**2018 UBM-Bonds**", and any of them a "**2018 UBM-Bond**"). The result of the Exchange Offer will be published on or about 7 November. Under the Cash Subscription Offer, the Issuer will offer the subscription of the Notes against cash payment. The re-offer price, at which institutional investors may subscribe the Notes (the "**Re-offer Price**"), is 100% of the principal amount of the Notes. 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. The aggregate principal amount of the Offering will be determined by the Issuer after consultation with the Joint Lead Managers (as defined below) in the course of the Exchange Offer and the Cash Subscription Offer. With respect to the Notes, application will be made for admission to and trading on the Official Market on or about 19 October 2018.

**MiFID II product governance:** Solely for the purpose of the product approval process by the manufacturer the target market assessment in respect of the Notes has led to the conclusion, that (i) the target market for the Notes is eligible counterparties, professional clients and retail clients (each as defined in MiFID II); (ii) all channels of distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels of distribution of the Notes to retail clients are appropriate: investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (each a "**Distributor**") should take into consideration the manufacturer's target market assessment; however a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (either through adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

The Notes will be governed by the laws of Austria and represented by a modifiable global note (global note pursuant to § 24 lit b of the Austrian Depot Act) (the "**Global Note**"). This Prospectus constitutes a prospectus within the meaning of Article 5.3 of the Prospectus Directive, was drawn up in accordance with Annexes IV, V, XIX, XXII and XXX of the Commission Regulation (EC) No 809/2004 of April 29, 2004, as amended (the "**Prospectus Regulation**") and conforms to the requirements of the Austrian Capital Market Act, as amended (*Kapitalmarktgesetz*, the "**Capital Market Act**"), and the Austrian Stock Exchange Act 2018, as amended (*Börsengesetz 2018*, the "**Stock Exchange Act**"). This Prospectus, any supplement thereto and all documents incorporated by reference will be published in electronic form on the Issuer's website.

This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "FMA") in its capacity as competent authority under the Capital Market Act. The accuracy of the information contained in this Prospectus does not fall within the scope of examination by the FMA under applicable Austrian law. The FMA examines the Prospectus only in respect of its completeness, coherence and comprehensibility pursuant to § 8a of the Capital Market Act. Any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the approval of the Prospectus by the FMA and the later of completion of the Offering and commencement of trading in the Notes on the Official Market (*Amilicher Handel*) of the Vienna Stock Exchange, will be published in a supplement to the Prospectus in accordance with § 6 of the Capital Market Act. Such supplement must be published in the same manner as this Prospectus and be approved by the FMA.

This Prospectus will be notified to the Federal Financial Supervisory Authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht*; "BaFin") as well as to the Commission de Surveillance du Secteur Financier in Luxembourg ("CSSF") before any offer to the public will be made in Germany or Luxembourg.

**Prospective investors should be aware that an investment in the Notes involves certain risks and that, if certain risks, in particular those described in the chapter "Risk Factors" below occur, the investors may lose all or a very substantial part of their investment.**

The Issuer may request the FMA to provide further competent authorities in host member states within the EEA with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Capital Market Act. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy Notes in any jurisdiction where such offer or solicitation is unlawful. The Notes have not been and will not be registered under the United States of America (the "United States") Securities Act of 1933 as amended (the "Securities Act") and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act). For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Prospectus, see "Offer, Sale and Subscription of Notes – Selling Restrictions".

#### **Joint Lead Managers and Joint Bookrunners**

**Erste Group Bank AG**

**Raiffeisen Bank International AG**

The date of this Prospectus is 19 October 2018.

## GENERAL INFORMATION

### RESPONSIBILITY STATEMENT

UBM Development AG with its registered office in Vienna, Austria, is solely responsible for the information given in this Prospectus. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### NOTICE

This Prospectus should be read and understood in conjunction with any other documents incorporated herein by reference.

The Issuer has confirmed to Erste Group Bank AG and Raiffeisen Bank International AG (the "**Joint Lead Managers**") and other syndicate members which will be disclosed prior to the beginning of the Cash Subscription Offer (together with the Joint Lead Managers, the "**Managers**") that this Prospectus contains all information with respect to the Issuer and the Notes which is material in the context of the issue of the Notes, the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and not misleading, the opinions and intentions expressed therein with respect to the Issuer and the Notes are honestly held, there are no other facts with respect to the Issuer or the Notes the omission of which would make the Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all statements contained herein.

**Any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the approval of the Prospectus by the FMA and the later of completion of the Offering and commencement of trading in the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, will be published in a supplement to the Prospectus in accordance with § 6 of the Capital Market Act. Such supplement must be published in the same manner as this Prospectus and be approved by the FMA.**

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The Managers have not independently verified the Prospectus and they do not assume any responsibility for the accuracy of the information and statements contained in this Prospectus and no representations express or implied are made by the Managers or their affiliates as to the accuracy and completeness of the information and statements herein. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the financial situation of the Issuer since the date of this Prospectus, or that the information herein is correct at any time since the date of this Prospectus.

Neither the Managers nor any other person mentioned in this Prospectus, except for the Issuer, are responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of the Managers nor any other person mentioned in this Prospectus, except for the Issuer, makes any representation or warranty or accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

The language of this Prospectus is English. In respect of the terms and conditions of the 2018 UBM-Bonds (the "**Terms and Conditions**"), German is the controlling and legally binding language.

This Prospectus reflects the status as of its date. Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the issue of the Notes is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the United States of America, the European Economic Area and its territories and the United Kingdom of Great Britain and Northern Ireland see the chapter "Offer, Sale and Subscription of the Notes – Selling Restrictions" of this Prospectus. In particular, the Notes have not been and will not be registered under the Securities Act, and are subject to tax law requirements of the United States of America; subject to certain exceptions, Notes have not been offered, sold or delivered within the United States of America or to United States persons.

This Prospectus may only be used for the purpose for which it has been published. It does not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "Risk Factors" and "General Information on the Issuer and the Group". These sections include more detailed descriptions of factors that might have an impact on the Group's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, none of the Issuer or any of the Managers assumes any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

### **ROUNDING ADJUSTMENTS**

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus and are exact arithmetic aggregations of the actual figures. Accordingly, in certain cases, the sum of the numbers in a column in a table may not conform to the total figure given for that column. The percentages contained in this Prospectus were calculated not on the basis of rounded figures but of exact figures (before approximation).

### **SOURCES OF INFORMATION**

Unless otherwise stated, financial data relating to the Issuer's business contained in this Prospectus have been extracted from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 2017 and the unaudited half-year report (reviewed) as of 30 June 2018.

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## SUMMARY

### *Summary of the Prospectus*

*This summary of the Prospectus is comprised of disclosure requirements known as "elements". These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all of the elements which are required to be included in a summary for securities and issuers of this kind. As some elements are not required, there may be gaps in the numbering sequence of the elements. Even where an element is mandatory for the summary on account of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case, a short description of the element is included in the summary together with the words "not applicable".*

<b>Section A – Introduction and Warnings</b>	
<b>A.1</b>	<b>Warning.</b>
	<p>Warning that:</p> <ul style="list-style-type: none"><li>• this summary should be read as introduction to the Prospectus;</li><li>• any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;</li><li>• where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</li><li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</li></ul>
<b>A.2</b>	<b>Consent by the Issuer to the use of the Prospectus.</b>
	<p>The Issuer gives its express consent to the use of this Prospectus for the subsequent resale or final placement of the Notes by financial intermediaries in Austria, Germany and Luxembourg between the banking day following the approval and publication of the Prospectus and 16 November 2018. During this period, financial intermediaries may make subsequent resale or final placement of Notes. Each financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent of the Issuer and the terms and conditions attached thereto. The Issuer accepts responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of securities by any financial intermediary who was given consent to use the Prospectus; an exceeding liability of the Issuer is excluded. The Issuer's consent to the use of this Prospectus is not subject to any other conditions (other than the restrictions on sale), but may be revoked or restricted at any time, whereby such revocation or restriction requires a supplement to the Prospectus. In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</p>

<b>Section B – Issuer</b>	
<b>B.1</b>	<b>The legal and commercial name of the Issuer.</b>
	<p>The issuer's name is "UBM Development AG" (the "<b>Issuer</b>" or the "<b>Company</b>" and, together with its consolidated subsidiaries, the "<b>Group</b>" or the "<b>UBM Group</b>"). The Issuer and its subsidiaries also operate under various commercial names, in most cases under "UBM", "UBM Development", "UBM Development Österreich", "UBM Development Deutschland", "UBM Development Polska", "UBM Development Czechia", "UBM Hotels" or "alba Bau".</p>
<b>B.2</b>	<b>The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation.</b>
	<p>The Issuer has its registered seat in Vienna, Austria and is an Austrian stock corporation (<i>Aktiengesellschaft</i>), incorporated under and governed by Austrian law.</p> <p>The Issuer is registered with the Austrian companies' register (<i>Firmenbuch</i>) under registration number FN 100059 x; registration court: commercial court Vienna (<i>Handelsgericht Wien</i>).</p> <p>The Issuer was founded on 3 March 1873 in Austria under the name "Union-Baumaterialien-Gesellschaft" as an Austrian stock corporation. It was registered with the Austrian commercial register (<i>Handelsregister</i>) (now companies register, <i>Firmenbuch</i>) on 11 March 1873 and has existed since then in the legal form of a stock corporation under Austrian law. Since 2015, the Issuer operates under the name "UBM Development AG".</p>
<b>B.4b</b>	<b>A description of any known trends affecting the Issuer and the industries in which it operates.</b>
	<p>The European markets were characterised by strong performance during the first half of 2018, with an aggregate volume of real estate transactions that totalled EUR 127.7 billion. This slight year-on-year decline of 3.4% is, however, attributable to the increasing supply shortage. Demand remained high during the first six months of 2018, especially in the prime segment. This robust development was driven, above all, by strong growth in the office sector: this asset class was responsible for 42% of investments (EUR 28.7 billion) during the first six months of 2018, or 19% more than in the first half of 2017 (Source: CBRE, Press Release of 8 August 2018: European Real Estate Investment active in H1 2018).</p> <p>An analysis by country shows the continuing focus of investors on Germany. According to a recent study by the real estate consulting company Knight Frank, the greatest opportunities for additional investments in Europe are currently found in Germany. The transaction volume amounted to EUR 25.6 billion in the first six months of 2018, which represents the second highest half-year results since the start of the current market cycle. It also confirms the estimates made at the beginning of the year 2018: 2018 will be another high-revenue year for the commercial real estate market in Germany. Properties at prime locations which promise long-term rental income are in the focus of investors. Strong demand was again recorded, above all, for prime properties in the top seven cities. The "Big 7" generated 68% of the transaction volume in the first six months of 2018, for an increase of roughly one-third over the comparable prior year value. New development projects were unable to meet the high demand, especially in the office segment, which led to a further rise in prime rents during the first half-year of 2018 (Source: Knight Frank Active Capital Report 2018 / JLL: Investmentmarktüberblick Deutschland, Q2, 2018 / Savills, Press Re-</p>

	<p>lease of 4 July 2018: Gewerbeinvestmentmarkt Deutschland H1-2018).</p> <p>The dynamic momentum on the residential investment market also continued during the first half of 2018. The supply shortage was reflected in a growing interest in development projects and micro-apartments. The hotel investment market was also characterised by a shortage of supply. Demand for this asset class was high during the first half-year of 2018, in particular for hotels in the medium price segment. Since the supply remains constant, the increasing demand overhang has also led to rising pressure on prime yields in this area (Source: CBRE, Press Release of 4 July 2018: Wohninvestmentmarkt setzt dynamische Entwicklung fort / Colliers: Hotel Investment Deutschland, H1 2018).</p> <p>Demand on the Austrian market also remained constant at a high level during the first half-year of 2018 with an investment volume of EUR 2.3 billion. The lack of high-quality office space forced investors to increasingly turn their interest to other asset classes which subsequently led to a sharp rise in the demand for retail and residential projects. With a transaction volume of EUR 3.2 billion, Poland also continued its growth course during the first half of 2018 (Source: CBRE: Austria Investment, H1 2018 / JLL: CEE Investment Market, H1 2018).</p>
<b>B.5</b>	<b>If the Issuer is part of a group, a description of the group and the issuer's position within the group.</b>
	The Issuer itself does not belong to a superordinate group. The Issuer is the parent company of the Group. The Issuer acts primarily as a holding company and is only to a limited extent operational, in particular in Austria. The UBM Group is a European real estate development group with a particular focus on hotel, office and residential properties in Germany, Austria and Poland. On a project-related and opportunistic basis, the UBM Group is also active in other European countries.
<b>B.9</b>	<b>Where a profit forecast or estimate is made, state the figure.</b>
	Not applicable. The Issuer is not providing any profit forecasts or profit estimates.
<b>B.10</b>	<b>A description of the nature of any qualifications in the audit report on the historical financial information.</b>
	Not applicable. There are no qualifications in the audit report on the historical financial information.
<b>B.12</b>	<b>Selected financial information, prospectus and significant changes in the financial or trading position.</b>
	The following tables presented within this section have been derived, unless otherwise stated, from the Consolidated Financial Statements 2017 and the Consolidated Financial Statements 2016, prepared in accordance with IFRS and audited, as well as from the Interim Financial Statements of the Issuer as of 30 June 2018. Therefore, the audited financial information contained in this Prospectus is not older than 18 months.

***Selected historic financial information for completed financial years***

*Selected income statement data*

<i>(in EUR million)</i>	<b>Financial year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>(audited)</b>	<b>(audited)</b>
Revenue.....	364.7	417.0
EBITDA <sup>(1)</sup> .....	52.4	49.6
Operating Result (EBIT) <sup>(2)</sup> .....	48.6	46.2
Earnings before tax (EBT) <sup>(3)</sup> .....	50.5	40.1
Profit for the period per share ( <i>in EUR</i> ).....	4.88	3.90

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

- (1) Earnings before interest, tax, depreciation and amortisation. It is calculated as follows:

<i>(in EUR million)</i>	<b>Financial year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>(audited)</b>	<b>(audited)</b>
EBIT.....	48.6	46.2
Depreciation, amortisation and impairment expenses.....	-3.8	-3.4
<b>EBITDA</b> .....	<b>52.4</b>	<b>49.6</b>

- (2) Earnings before interest and tax, calculated as the sum of all income and expenses including goodwill impairments before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

<i>(in EUR million)</i>	<b>Financial year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>(audited)</b>	<b>(audited)</b>
EBT.....	50.4	40.0
Financial income.....	21.2	13.1
Financial costs.....	-19.4	-19.3
<b>EBIT</b> .....	<b>48.6</b>	<b>46.2</b>

- (3) Earnings before tax, depreciation and amortisation calculated as the sum of all income and expenses including goodwill impairments, including interest for other debt borrowed for financing purposes (financing costs), but before taxes (taxes on income). It is calculated as follows:

<i>(in EUR million)</i>	<b>Financial year ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>(audited)</b>	<b>(audited)</b>
Profit/loss for the period.....	37.0	29.4
Income tax expenses.....	13.5	10.7
<b>EBT</b> .....	<b>50.5</b>	<b>40.1</b>

*Selected data of the consolidated statement of financial position*

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)*	(audited)*
Non-current assets .....	686.6	781.4
Current assets .....	444.3	452.4
<b>Total Assets</b> .....	<b>1,130.9</b>	<b>1,233.8</b>
Non-current liabilities.....	502.9	550.5
Current liabilities.....	272.6	341.8
Equity ratio <sup>(1)</sup> .....	31.4%	27.7%
Net debt <sup>(2)</sup> .....	477.9	691.2

\* unless otherwise stated

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

- (1) Equity ratio is the share of equity in the total assets. Equity ratio is not an IFRS financial measure and is therefore unaudited; it is calculated as follows (however, the line items used for the calculation have initially been audited):

<i>(in EUR million, unless otherwise stated)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(unreviewed and unaudited)	(unreviewed and unaudited)
Total equity .....	355.4	341.5
Total assets .....	1,130.9	1,233.8
<b>Equity ratio (in %)</b> .....	<b>31.4%</b>	<b>27.7%</b>

- (2) Net financial debt (also referred to as net debt) is calculated as the sum of cash and cash equivalents, reduced by current and non-current bonds and current and non-current financial liabilities. Net financial debt (also referred to as net debt) is not an IFRS financial measure and is therefore unaudited. It is calculated as follows (however, the line items used for the calculation have initially been audited):

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(unreviewed and unaudited)	(unreviewed and unaudited)
Bonds (non-current) .....	383.8	321.3
Bonds (current).....	0	0
Non-current financial liabilities .....	88.9	193.7
Current financial liabilities .....	80.4	218.5
Cash and cash equivalents.....	75.2	42.3
<b>Net Debt</b> .....	<b>477.9</b>	<b>691.2</b>

*Selected data of the consolidated cash flow statement*

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
Operating cash flow.....	13.9	-15.1
Cash flow from operating activities.....	2.4	42.2
Cash flow from investing activities .....	117.5	-114.6
Cash flow from financing activities.....	-87.9	21.4

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

## ***Selected historic financial information for interim periods***

### *Selected income statement data*

<i>(in EUR million, unless otherwise stated)</i>	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Revenue.....	367.9	234.2
Changes in the portfolio .....	-12.4	-15.6
Share of profit/loss from companies accounted for at equity .....	14.4	5.6
Income from fair value adjustments to investment properties .....	-	5.3
Other operating income .....	5.7	19.9
Cost of materials and other related production services.....	-275.3	-179.5
Personnel expenses.....	-23.8	-22.5
Expenses from fair value adjustments to investment property .....	-2.2	-2.6
Other operating expenses.....	-36.4	-22.7
EBITDA <sup>(1)</sup> .....	37.8	22.1
Depreciation and amortisation.....	-1.6	-1.9
EBIT <sup>(2)</sup> .....	36.2	20.2
Financial income .....	5.9	12.2
Financial cost.....	-14.0	-9.8
EBT <sup>(3)</sup> .....	28.1	22.6
Income tax expense .....	-7.3	-6.4
Profit for the period (net profit).....	20.8	16.3
Earnings per share (in EUR).....	2.53	2.09

(Source: Half-year report of the Issuer as of 30 June 2018)

- (1) Earnings before interest, tax, depreciation and amortisation. It is calculated as follows:

<i>(in EUR million)</i>	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
EBIT.....	36.2	20.2
Depreciation and amortisation....	-1.6	-1.9
<b>EBITDA</b> .....	<b>37.8</b>	<b>22.1</b>

- (2) Earnings before interest and tax, calculated as the sum of all income and expenses including goodwill impairments before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

<i>(in EUR million)</i>	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
EBT .....	28.1	22.6
Financial income .....	5.9	12.2
Financial costs.....	-14.0	-9.8
<b>EBIT</b> .....	<b>36.2</b>	<b>20.2</b>

- (3) Earnings before tax, depreciation and amortisation calculated as the sum of all income and expenses including goodwill impairments, including interest for other debt borrowed for financing purposes (financing costs), but before taxes (taxes on income). It is calculated as follows:

<i>(in EUR million)</i>	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Profit/loss for the period.....	20.8	16.3
Income tax expenses.....	-7.3	-6.4
<b>EBT.....</b>	<b>28.1</b>	<b>22.6</b>

*Selected data of the consolidated statement of financial position*

<i>(in EUR million, unless otherwise stated)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(reviewed)*</b>	<b>(audited)*</b>
Non-current assets .....	596.8	686.6
Current assets .....	532.6	444.3
Total Assets .....	1,129.4	1,130.9
Non-current liabilities.....	482.5	502.9
Current liabilities.....	234.4	272.6
Equity ratio (in per cent.) <sup>(1)</sup> .....	36.5%	31.4%
Net debt <sup>(2)</sup> .....	311.2	477.9

\* unless otherwise stated

(Source: Half-year report of the Issuer as of 30 June 2018)

- (1) Equity ratio is the share of equity in the total assets. Equity ratio is not an IFRS financial measure and is therefore unaudited; it is calculated as follows (however, the line items used for the calculation as of 31 December 2017 have initially been audited and as of 30 June 2018 have initially been reviewed):

<i>(in EUR million, unless otherwise stated)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(unreviewed and unaudited)</b>	<b>(unreviewed and unaudited)</b>
Total equity .....	412.4	355.4
Total assets .....	1,129.4	1,130.9
<b>Equity ratio (in %)</b> .....	<b>36.5%</b>	<b>31.4%</b>

- (2) Net financial debt (also referred to as net debt) is calculated as the sum of cash and cash equivalents, reduced by current and non-current bonds and current and non-current financial liabilities. Net financial debt (also referred to as net debt) is not an IFRS financial measure and is therefore unaudited. It is calculated as follows (however, the line items used for the calculation as of 31 December 2017 have initially been audited and as of 30 June 2018 have initially been reviewed):

<i>(in EUR million)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(unreviewed and unaudited)</b>	<b>(unreviewed and unaudited)</b>
Bonds (non-current) .....	383.2	383.8
Bonds (current).....	0	0
Non-current financial liabilities .....	80.9	88.9
Current financial liabilities .....	53.8	80.4
Cash and cash equivalents.....	206.7	75.2
<b>Net Debt.....</b>	<b>311.2</b>	<b>477.9</b>

<i>Selected data of the consolidated cash flow statement</i>		
	<b>Period ended</b>	
<i>(in EUR million)</i>	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Operating cash flow.....	4.6	14.8
Cash flow from operating activities.....	-5.9	4.8
Cash flow from investing activities.....	110.2	37.2
Cash flow from financing activities.....	27.8	53.8
 (Source: Half-year report of the Issuer as of 30 June 2018)		
<p>Since 31 December 2017, there has been no material adverse change in the prospects of the Issuer. There were no significant changes in the financial or trading position of the Issuer since 30 June 2018.</p>		
<b>B.13</b>	<b>A description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.</b>	
	Not applicable, as no recent event was to a material extent relevant to evaluate the Issuer's solvency.	
<b>B.14</b>	<b>Dependency of the Issuer upon other entities within the Group.</b>	
	The Issuer itself is only partially operational. Due to the limited operational business, it is dependent on the provision of liquidity and profits from its group companies in order to be able to meet its obligations <i>vis-à-vis</i> creditors.	
<b>B.15</b>	<b>The Issuer's principal activities.</b>	
	<p>The Issuer itself is only partially operational. It acts mainly as the holding company of the UBM Group, and therefore coordinates all activities of the UBM Group. The UBM Group is a European real estate developer with a particular focus on hotel, office and residential properties in Germany, Austria and Poland. On a project-related and opportunistic basis, the UBM Group is also active in other European countries.</p> <p>In all countries, where it is active, the UBM Group focuses on development projects in the greater metropolitan areas of larger cities. In terms of asset classes, the UBM Group focuses on the development of residential properties in the mid- to high-price segment, hotels in the three- to five-star rating segment, as well as the development of office complexes. In addition to these core asset classes, the UBM Group's development activities also include projects and properties in other asset classes such as retail or logistics. The real estate portfolio represents a diversified presence with a balanced distribution of real estate investments across regions and asset classes, which are planned to be monetised over time.</p> <p>The business model of the UBM Group extends across the entire value chain of real estate development and can be differentiated in the acquisition, planning, construction and exit phases. In the exit phase, the respective properties are sold to various third parties (purchasers, investors, etc.). With the exception of residential properties, the exit phase often includes the letting of self-developed office and other commercial properties as well as hotel management. The UBM Group holds self-developed commercial projects for certain periods to generate revenue from operations and to optimise the property's cash flows and</p>	

	value for future sale. With respect to select projects, the UBM Group also follows an "asset-light" approach which involves entering into joint ventures and the rapid turnover through to sales. The UBM Group generates its revenues primarily from proceeds from the sale of developed properties.																								
<b>B.16</b>	<b>To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.</b>																								
	<p>According to the knowledge of the Issuer, the Company's principal shareholders are those shown in the table below. Apart from the mandatory provisions of Austrian corporate law which grants shareholders with a certain shareholding specific rights, there are, to the knowledge of the Issuer, no control agreements (except for the Ortner-Strauss-Syndicate as described below).</p> <table border="1"> <thead> <tr> <th>Shareholder</th> <th>Number of shares</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td><b>Ortner-Strauss Syndicate</b>.....</td> <td>2,901,961</td> <td>38.84%</td> </tr> <tr> <td>    <i>thereof Ortner Group</i><sup>(1)</sup>.....</td> <td>2,063,471</td> <td>27.62%</td> </tr> <tr> <td>    <i>thereof Strauss Group</i><sup>(2)</sup>.....</td> <td>838,490</td> <td>11.22%</td> </tr> <tr> <td><b>Jochen Dickinger</b>.....</td> <td>373,609</td> <td>5.00%</td> </tr> <tr> <td><b>Freefloat</b>.....</td> <td>4,196,610</td> <td>56.16%</td> </tr> <tr> <td>    <i>thereof UBM Management and Supervisory Board</i><sup>(3)</sup>.....</td> <td>807,404</td> <td>10.79%</td> </tr> <tr> <td><b>Total</b>.....</td> <td><b>7,472,180</b></td> <td><b>100.00%</b></td> </tr> </tbody> </table> <p>(Source: unaudited internal information of the Issuer)</p> <p>(1) Shares attributable to Ortner Group are held by Ortner Beteiligungsverwaltung GmbH and IGO Baubeteiligungs GmbH.</p> <p>(2) Shares attributable to Strauss Group are held by SuP Beteiligungs GmbH and AIM Industrieholding und Unternehmensbeteiligungen GmbH.</p> <p>(3) Includes shares held by or attributable to members of the Issuer's Management Board and the Supervisory Board, including shares held by or attributable to Klaus Ortner held outside the Ortner-Strauss Syndicate.</p> <p>Except as set out in the above table, to the Issuer's knowledge, no other shareholder beneficially owns more than 4% of the shares and voting rights as of the date of this Prospectus. All existing shares have the same voting rights.</p> <p>The Issuer is directly controlled by the Ortner Group and the Strauss Group, which form a syndicate (the "<b>Ortner-Strauss Syndicate</b>") controlling 38.84% of the shares and votes. The Ortner Group holds additional shares which are not part of the Ortner-Strauss Syndicate.</p>	Shareholder	Number of shares	Percentage	<b>Ortner-Strauss Syndicate</b> .....	2,901,961	38.84%	<i>thereof Ortner Group</i> <sup>(1)</sup> .....	2,063,471	27.62%	<i>thereof Strauss Group</i> <sup>(2)</sup> .....	838,490	11.22%	<b>Jochen Dickinger</b> .....	373,609	5.00%	<b>Freefloat</b> .....	4,196,610	56.16%	<i>thereof UBM Management and Supervisory Board</i> <sup>(3)</sup> .....	807,404	10.79%	<b>Total</b> .....	<b>7,472,180</b>	<b>100.00%</b>
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<b>B.17</b>	<b>Credit ratings assigned to the Issuer or its debt securities at the request or with the cooperation of the Issuer in the rating process.</b>																								
	Not applicable because no credit ratings are assigned to the Issuer or the Notes.																								

<b>Section C – Securities</b>	
<b>C.1</b>	<b>A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.</b>
	The 2018-2023 UBM bonds (the " <b>2018 UBM-Bonds</b> ", and any of them a " <b>2018 UBM-Bond</b> ") in the aggregate principal amount of up to EUR 100,000,000 and potential increase to up to EUR 120,000,000 is divided into up to 200,000 notes, due to the potential increase into up to 240,000 notes. The unsubordinated, fixed interest rate notes are being

	<p>issued in denominations of EUR 500.00 each, due on 16 November 2023 (the "<b>Notes</b>").</p> <p>The term of the 2018 UBM-Bonds is five years, starting on 16 November 2018 (inclusive) and ending on 15 November 2023 (inclusive).</p> <p>The Notes have been assigned the following securities code: ISIN AT0000A23ST9.</p>
<b>C.2</b>	<b>Currency of the securities issue.</b>
	The Notes are denominated in Euro.
<b>C.5</b>	<b>A description of any restrictions on the free transferability of the securities.</b>
	Not applicable. The Notes are freely transferable.
<b>C.8</b>	<b>A description of the rights attached to the securities, including limitations to these rights, and rankings.</b>
	<p><b>Governing law.</b> The Notes will be governed by Austrian law.</p> <p><b>Payment of interest.</b> The Noteholders are entitled to receive interest payments on the principal amount of the Notes at the relevant interest rate, as further described in C.9. Payment of interest is made by way of crediting the respective amounts to the respective custodian bank. The claims for payment of interest lapse after three years from the respective date of their creation.</p> <p><b>Redemption at the principal amount.</b> The Notes grant the Noteholders a right to the repayment of the principal amount at the end of the term. The repayment is made by way of crediting the respective amounts to the respective custodian bank. This repayment claim lapses after 30 years from the due date.</p> <p><b>Termination rights.</b> The Noteholders are not entitled to an ordinary termination right. Each Noteholder shall be entitled to terminate his Notes for important reasons (extraordinary termination) according to the terms and conditions of the Notes and to demand immediate redemption at their principal amount, together with accrued interest to the date of redemption.</p> <p>If a statutory provision is enacted or implemented in the Republic of Austria which becomes effective after the value date of the Notes or if its application or official interpretation is changed and thus taxes, charges or other levies have to be paid by withholding or deduction at the source of payments when payments of principal or interest under these Notes are made by the Issuer, then the Issuer may terminate the Notes in whole, but not in part.</p> <p>In addition, the Notes do not confer any voting rights, preferential rights on offers to subscribe for securities of the same category, the right to participate in the profits of the Issuer, the right to participate in the proceeds in the event of liquidation, or conversion rights.</p> <p><b>Ranking.</b> The Notes constitute direct and unconditional obligations of the Issuer, ranking <i>pari passu</i> among themselves, being neither secured nor subordinated, and shall rank <i>pari passu</i> with all other present or future direct and unconditional obligations of the Issuer, being neither secured nor subordinated, unless mandatory law privileges these other obligations.</p> <p><b>Restrictions.</b> Restrictions on the above rights result from mandatory legal provisions, such</p>

	as the provisions of the Austrian Insolvency Act ( <i>Insolvenzordnung</i> ) in the event of an insolvency of the Issuer.
<b>C.9</b>	<ul style="list-style-type: none"> <li>• <b>The nominal interest rate</b></li> <li>• <b>The date from which interest becomes payable and the due dates for interest</b></li> <li>• <b>Where the rate is not fixed, description of the underlying on which it is based</b></li> <li>• <b>Maturity date and arrangements for the amortisation of the loan, including the repayment procedures</b></li> <li>• <b>An indication of yield</b></li> <li>• <b>Name of representative of debt security holders</b></li> </ul>
	<p>The Notes bear interest at the fixed interest rate of 3.125% per annum on their principal amount, whereby interest shall be payable in arrears, on 16 November each year (each constituting an "<b>Interest Payment Day</b>"), starting on 16 November 2019. Interest starts on 16 November 2018 (inclusive) and ends on the day preceding the maturity of each of the Notes.</p> <p><b>"Interest Period"</b> means the period from the start of interest accrual (inclusive) until the first Interest Payment Day (exclusive) or respectively the period from each Interest Payment Day (inclusive) until the next succeeding Interest Payment Day (exclusive). The calculation of interest for a period of less than one year ("<b>Interest Calculation Period</b>") shall be carried out on the basis of the actual number of days within the Interest Calculation Period, divided by the actual number of days in the respective Interest Period. The calculation is based on actual/actual (pursuant to ICMA).</p> <p>The Notes will be redeemed at their principal amount on 16 November 2023, unless they have been redeemed or bought in advance and canceled. The payments of interest and the repayments of principal amount are made by the Issuer via the Paying Agent to the Clearing System and are credited to the Noteholders' accounts through the respective custodian bank.</p> <p>If the Issuer fails to redeem the Notes when due, the Notes shall not cease to bear interest from the day preceding the day on which they were due for redemption, but from the day on which the actual redemption of the Notes is made.</p> <p>Assuming that investors hold the Notes until maturity, the following yields will result: The yield for investors subscribing the Notes at the Re-offer Price of 100% under the Cash Subscription Offer (as defined below) is 3.125%. The yield for the respective investor may vary in individual cases and depends on the individual fees and costs incurred by the respective investor as well as the individual tax situation. For this reason, the Issuer cannot make a statement on the annual yield of the respective investor.</p> <p>The terms and conditions of the Notes contain no provision on the representation of the Noteholders. Therefore, no representatives of the Noteholders have been appointed. Under certain conditions, a trustee (<i>Kurator</i>) may be appointed to represent the Noteholders before the courts in accordance with Austrian bond trustee act, Gazette RGBI 1874/49, as amended.</p>
<b>C.10</b>	<b>If the security has a derivative component in the interest payment, provide a clear</b>

	<b>and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.</b>
	Not applicable because the Notes do not have a derivative component.
<b>C.11</b>	<b>An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.</b>
	Application to the Vienna Stock Exchange for the Notes to be admitted to trading in the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange will be made.

<b>Section D - Risks</b>	
<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer.</b>
	<p><b>MARKET RELATED RISKS</b></p> <ul style="list-style-type: none"> <li>• The UBM Group is exposed to fluctuations in the demand and market prices for real estate investment and its ability to dispose of real property depends on market liquidity.</li> <li>• The UBM Group is dependent on the real estate markets in which it operates.</li> <li>• The UBM Group may not be able to source new developments projects due to a shortage of available development opportunities and high demand.</li> </ul> <p><b>BUSINESS RELATED RISKS</b></p> <ul style="list-style-type: none"> <li>• The UBM Group continuously needs to identify and secure new development opportunities in order to remain competitive.</li> <li>• The UBM Group is subject to development risks relating to real estate and construction projects.</li> <li>• Property valuations may change in a manner that cannot be foreseen. Any adjustment of fair values could lead to the recognition of significant book losses. A property valuation may not be adequately reflecting the proceeds realisable on a disposal.</li> <li>• The hotel management activities of the UBM Group involve specific risks, particularly relating to potential termination of hotel management and operator contracts without a new contracting partner to continue hotel operation. These activities also involve risks relating to compliance with specific legal requirements.</li> <li>• The loss of rent, rent reductions, high vacancy rates and generally the inability to rent properties at favourable terms could have a negative effect on the UBM Group.</li> <li>• The UBM Group is exposed to various price change and market risks, including interest rate and commodity price fluctuations.</li> </ul>

- The UBM Group is subject to fluctuations in foreign exchange rates.
- Most properties of the UBM Group are encumbered by property specific debt obligations. Redemption payments under these borrowings must usually be made once the corresponding properties are sold so that any remaining proceeds from these properties will necessarily be less than the purchase price obtained.
- The UBM Group may fail to adequately diversify its development operations and property portfolio.
- The UBM Group is subject to the risk of litigation.
- The increase of credit costs globally by the financial and economic crisis, including the sovereign debt crisis and subsequent financial regulation may negatively impact the UBM Group.
- The terms and conditions of a corporate bond issued by the Issuer in 2015 provide for an interest step-up in case the equity ratio falls below 25%. This may lead to an increase in the financing costs for the UBM Group.
- The UBM Group's activities in Central and Eastern Europe involve specific economic and political risks.
- Properties are illiquid assets which may only be difficult to sell or may not be saleable at all.
- The growth of UBM Group during the past years could in the future remain static or even be smaller. Growth opportunities may be misjudged.
- The UBM Group is subject to changing legal risks in countries in which it operates. Property development in particular is subject to various specific legal requirements.
- Compliance with applicable legal norms is costly and future changes to legal norms and standards could have a negative impact on the UBM Group.
- The UBM Group's internal controls may be inadequate to prevent corruption or other illegal or unethical practices.
- The UBM Group and permanent establishments of the UBM Group abroad are subject to certain tax risks. In particular, the UBM Group is subject to the risk of changes in tax legislation.
- In many cases, certain of the Group's operations are not managed by the Issuer itself but by other companies of the UBM Group so that the Issuer's influence on and its supervision of such operations may be limited.
- The UBM Group is exposed to risks associated with its involvement in joint ventures. In some cases, the UBM Group has joint and several liability together with its joint venture partners.
- The UBM Group depends on its management executives and its key employees.
- There can be no assurance that existing insurance contracts are sufficient to cover

	<p>all conceivable damage.</p> <ul style="list-style-type: none"> <li>• Receivables of the UBM Group may not be recoverable due to bad debt losses.</li> <li>• The IT systems may fail or be subject to unauthorised third-party access or attacks.</li> <li>• The UBM Group sources substantial administrative services from PORR AG, and any discontinuation of such services could have a negative impact.</li> <li>• The UBM Group may not be able to obtain financing on favourable terms.</li> <li>• The UBM Group may be held liable for contaminated sites.</li> <li>• The Issuer's ability to meet its obligations is limited by the fact that its operational activities are limited.</li> <li>• The operational and financial flexibility of the UBM Group is limited due to certain market standard restricting provisions in financing instruments.</li> <li>• The negative consequences resulting from the concentration of similar or different risk factors, or their reciprocal effects (concentration risk), may lead to a mutual increase of the risks described in this Prospectus.</li> </ul> <p><b>RISKS FROM THE ISSUER'S CAPITAL AND SHAREHOLDER STRUCTURE</b></p> <ul style="list-style-type: none"> <li>• The current core shareholders of the Issuer may materially influence the business policy of the UBM Group, potentially also in contrast to the interests of investors.</li> <li>• The shares of the Issuer could be subject to a mandatory takeover bid, which could result in a pre-mature termination of the Notes.</li> <li>• Due to potential changes of international financial reporting standards (IFRS), it could no longer be possible to account for the hybrid bond issued by the Company in 2018 as equity.</li> </ul>
<b>D.3</b>	<b>Key information on the key risks that are specific to the Notes.</b>
	<ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors.</li> <li>• Risks exist due to the structural subordination of the Notes towards other financing obtained by the Issuer or its subsidiaries, which may be secured by collateral provided by an affiliate of the Group other than the Issuer or otherwise preferred based on the financial structure of the Group as well as the Terms and Conditions.</li> <li>• Holders of the Notes have no voting rights.</li> <li>• Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.</li> <li>• Risk relating to the lack of limitation on issuing further debt.</li> <li>• Liquidity risk in case that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue.</li> </ul>

- Market risk relating to fixed interest rate notes.
- Currency risk relating to changes in currency exchange rates.
- An Austrian court may appoint a trustee (*Kurator*) for the Notes to exercise the rights and represent the interests of Noteholders on their behalf.
- Certain payments on Notes may be subject to U.S. withholding tax under FATCA.
- Risk relating to financial transaction tax.
- The market price of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons.
- Investors are exposed to the risk that the Notes will not be admitted to trading on the Official Market of the Vienna Stock Exchange or that the upgrowth of the market price of the Notes is uncertain.
- Investors are subject to inflation risk. As a result, the real interest rate from the investment in the Notes can be reduced.
- Investors are subject to the risk that the Issuer will terminate the Notes for tax purposes.
- Investors are exposed to the risk that the Issuer will raise further debt. The Issuer may engage in transactions that are not in the interest of the Noteholders or, for other reasons, conflicts of interest may arise between the Issuer and the Noteholders.
- The Issuer may be required to refinance the 2018 UBM-Bonds in order to repay the Notes.
- Noteholders have only limited rights with regard to the termination of the 2018 UBM-Bonds.
- The euro denominated Notes may give such investors a currency risk for which the euro is a foreign currency; governments and competent authorities could also introduce exchange controls in the future.
- The revocation or suspension of trading in the Notes (or even the lack of admission to trading) may result in distorted pricing or the inability to sell the Notes.
- Amendments to applicable laws, regulations or administrative practice as well as tax conditions bear risks for the Issuer, the Notes and the Noteholders.
- If the tax situation changes, this can have a negative impact on the Noteholders.
- The Managers may, under certain conditions, withdraw from the proposed issue of the Notes.
- Noteholders are dependent on the functioning of the clearing systems.
- The purchase of the Notes by potential investors may violate laws.

	<ul style="list-style-type: none"> <li>Investors should not rely on opinions and forecasts.</li> </ul>
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<b>Section E - Offer</b>	
<b>E.2b</b>	<p><b>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.</b></p> <p>The Issuer expects the gross proceeds of the issue to be up to EUR 100,000,000, or up to EUR 120,000,000 in the case of a potential increase, depending on the extent to which Notes are subscribed in the Exchange Offer (as defined below) and the Cash Subscription Offer (as defined below). Under the Exchange Offer (as defined below), the Issuer will not receive any additional funds. Additional funds will only accrue as part of the Cash Subscription Offer (as defined below). The estimated total costs of the issue are about 1.00% of the aggregate principle amount of the Offering. These costs cover (i) the fees for the Joint Lead Managers and other syndicate members, if any, which will be disclosed prior to the beginning of the Cash Subscription Period (together with the Joint Lead Managers, the "<b>Managers</b>") of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and the other syndicate members, if any, and (ii) other ancillary costs (legal advice, marketing, prospectus approval and listing costs, etc.) borne by the Issuer.</p> <p>The proceeds of the issue are intended to (i) potentially refinance existing financing of the Issuer and (ii) to realise new and existing projects, especially in the core markets of Germany, Austria and Poland. In particular, the purpose of the public Exchange Offer (as defined below) is to partly refinance the existing 2014-2019 UBM bonds, ISIN AT0000A185Y1 (issued in 2014 and due in 2019, the "<b>2014 UBM-Bonds</b>" or the "<b>Existing Bonds</b>", and any of them a "<b>2014 UBM-Bond</b>"); the Exchange Offer provides investors with a reinvestment opportunity by means of an exchange of the 2014 UBM-Bonds for the new 2018 UBM-Bonds.</p>
<b>E.3</b>	<p><b>A description of the terms and conditions of the offer.</b></p> <p><b>General</b></p> <p>The offer of the Notes will take place in different ways, namely in the form of (i) a public exchange offer to current holders of the 2014 UBM-Bonds (the "<b>Exchange Offer</b>") in the period from presumably 22 October 2018 (inclusive) to presumably 7 November 2018 (inclusive) (the "<b>Exchange Period</b>"), (ii) an offering to the public in Austria, Germany and Luxembourg in the context of a cash subscription offer (the "<b>Cash Subscription Offer</b>") in the period from presumably 8 November 2018 (inclusive) to presumably 14 November 2018 (inclusive) (the "<b>Subscription Period</b>"), (iii) an exempt offer to qualified investors (the "<b>Qualified Investors</b>") within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (Prospectus Directive) in member states of the European Economic Area ("<b>EEA</b>") and (iv) an offering without publishing a prospectus to selected institutional investors outside of the EEA in jurisdictions where such kind of offering is allowed (altogether, the "<b>Offering</b>").</p> <p>The aggregate principal amount of the Offering will be determined by the Issuer after consultation with the Joint Lead Managers in the course of the Exchange Offer and the Cash Subscription Offer. The number of Notes to be issued under the Exchange Offer will be determined after the end of the Exchange Period on 7 November 2018 in a supplementary sheet (<i>Ergänzungsblatt</i>), published on the Issuer's website and deposited with the FMA. The total number of Notes to be issued will be determined after the end of the Cash Sub-</p>

scription Offer period in accordance with the subscription offers received and will be published in a supplementary sheet (*Ergänzungsblatt*), published on the Issuer's website and deposited with the FMA on or about 14 November 2018.

### **The Exchange Offer**

The Issuer invites all persons who currently hold 2014 UBM-Bonds to offer to the Issuer to exchange all or parts of their Existing Bonds of up to an aggregate principal amount of EUR 115,952,500 for Notes of the 2018 UBM-Bonds at an Exchange Ratio (as defined below) of 1:1. Due to the Exchange Ratio (as defined below) of 1:1 each 2014 UBM-Bond with a par value of EUR 500.00 can be exchanged for one 2018 UBM-Bond (the "**Exchange**").

The purpose of the public Exchange Offer is to partly refinance the existing 2014 UBM-Bonds. The Exchange Offer also provides investors with a reinvestment opportunity by means of an exchange of Existing Bonds for the new 2018 UBM-Bonds.

In accordance with the terms and conditions of the Exchange Offer (the "**Exchange Terms**"), the Issuer invites the holders of the 2014 UBM-Bonds (the "**Invitation**") to submit offers (each an "**Offer**") for the Exchange of the 2014 UBM-Bonds, whereby the respective 2014 UBM-Bonds are exchanged for 2018 UBM-Bonds. Holders of 2014 UBM-Bonds may submit their respective Offers only during the Exchange Period by submitting a corresponding Offer. An Offer must be submitted to the custodian bank or has to be deposited with the custodian bank. Unless otherwise stated in the Exchange Terms, an Offer can only be made irrevocably.

The Exchange shall be effected at the principal amount of the 2014 UBM-Bonds plus the Cash Settlement Amount. The "**Exchange Ratio**" for the Existing Bonds is 1:1 (one to one). This means that the holder of a 2014 UBM-Bond with a nominal value of EUR 500.00 each will receive one 2018 UBM-Bond per exchanged 2014 UBM-Bond if the Issuer accepts the Offer. Furthermore, each holder of a 2014 UBM-Bond, who validly offered its 2014 UBM-Bonds for Exchange and whose offer was accepted by the Issuer, shall receive a "**Cash Settlement Amount**" of EUR 18.68 per exchanged 2014 UBM-Bond with a principal amount of EUR 500.00 (as defined above). The Cash Settlement Amount is EUR 18.68 for each exchanged 2014 UBM-Bond and shall consist of accrued interest of EUR 8.68 per 2014 UBM-Bond on the one hand and an additional amount of EUR 10.00 per 2014 UBM-Bond on the other hand.

Accrued interest means the proportionate interest accrued from the last interest payment date (inclusive) to the value date (exclusive) for the 2014 UBM-Bonds pursuant to the terms and conditions of the 2014 UBM-Bonds. Pursuant to the terms and conditions of the 2014 UBM-Bonds, the calculation of interest for periods where interest is to be calculated for a period of less than one year shall be based on the actual days in the interest calculation period divided by the number of actual days in the interest period. Calculation basis: Actual/Actual according to ICMA rules.

The Exchange Period during which Offers may be made for the 2014 UBM-Bonds begins on 22 October 2018 and ends on 7 November 2018 at 12.00 a.m. CET. The Issuer is entitled at any time and in its sole and absolute discretion to extend the Exchange Period, to amend the invitation without giving reasons or to withdraw it in its entirety, not to accept Offers or to accept them beyond the Exchange Period. During the Exchange Period, holders of the 2014 UBM-Bonds who wish to participate in the Exchange Offer must submit a legally effective Offer via their custodian bank which will be forwarded by the Clearing System to the Exchange Agent and which must be received by the Exchange Agent on 7

November 2018, 12.00 a.m. CET at the latest.

Unless the Exchange Period is extended or the invitation is withdrawn in its entirety, the Issuer intends to announce on or about 7 November 2018 (i) what aggregate principal amount of 2014 UBM-Bonds has been offered for Exchange to the Issuer by Noteholders and (ii) whether and up to what amount the Issuer will accept Offers to exchange 2014 UBM-Bonds. It is at the sole and absolute discretion of the Issuer to accept Offers to exchange 2014 UBM-Bonds at various times and to different extents if the Exchange Period is extended.

The delivery of the 2018 UBM-Bonds and the payment of the Cash Settlement Amount for 2014 UBM-Bonds legally tendered by holders of the 2018 UBM-Bonds and legally exchanged by the Issuer under the Exchange Offer shall be made to a clearing system (the "**Clearing System**") or its order for credit to the accounts of the account holders of a Clearing System. By delivering the number of 2018 UBM-Bonds and paying the cash settlement amount to a clearing system or its order, the Issuer is released from its obligation to exchange the 2014 UBM-Bonds, in particular from its obligation to deliver the 2018 UBM-Bonds and its obligation to pay. If the delivery of the 2018 UBM-Bonds has been effected and the Cash Settlement Amount from or on behalf of the Issuer has been paid before or on the value date by 12:00 a.m. CET to a Clearing System or its order, neither the Issuer nor the Exchange Agent shall be liable for any delay in the settlement of the delivery of the 2018 UBM-Bonds or the payment of the Cash Settlement Amount, nor shall Noteholders be entitled to demand payment of further interest or other payments due to such delay. The respective Cash Settlement Amount shall be credited via the respective custodian for the holder of the 2014 UBM-Bonds.

The expected settlement date for the Exchange Offer is 16 November 2018 (the "**Settlement Date**").

The Guaranteed Participation Date (as defined below) was set at 5 p.m. CET on 30 October 2018 and the Buyer Protection Deadline (as defined below) was set at 5 p.m. CET on 2 November 2018. "**Guaranteed Participation Date**" means the date until which an investor can acquire 2014 UBM-Bonds that still qualify for Buyer Protection (as defined below). "**Buyer Protection**" enables the buyer to participate in an optional corporate action in the event of securities not being delivered on time by the seller in a way that the seller giving instructions to the relevant body (the seller's custodian bank) at the buyer's request. "**Buyer Protection Deadline**" means the time by which the Noteholder who has purchased 2014 UBM-Bonds by the Guaranteed Participation Date must have informed the seller that he/she will participate in the Exchange Offer.

Following the end of the Exchange Offer, the Issuer will offer investors the option to subscribe for Notes of the 2018 UBM-Bonds against cash payment under the Cash Subscription Offer.

#### **The Cash Subscription Offer and private placement**

The period for the Cash Subscription Offer is expected to begin on 8 November 2018 and is expected to end on 14 November 2018. Under the Cash Subscription Offer, the Re-offer Price at which institutional investors may subscribe the Notes will be 100% of the principal amount of the Notes. 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.

In addition to the Exchange Offer described above, the offer will take the form of a public offering in Austria, Germany and Luxembourg as well as the form of an exempt offer to

	<p>Qualified Investors in member states of the 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.</p> <p>There are no fixed tranches of the Notes for the offer. There are no minimum or maximum amounts for subscription offers with respect to the Notes. Investors may submit any offer of any amount starting from the principal amount of a Note.</p> <p>The Issuer and the Joint Lead Managers reserve the right to extend or shorten the offer period for both the Exchange Offer and the Cash Subscription Offer or to terminate the offer (e.g. due to changing market conditions). Any shortening or extension of the offer period as well as additional offer periods or the termination of the public offering of the Notes will be published in a supplement to this Prospectus on the Issuer's website (<a href="http://www.ubm-development.com">www.ubm-development.com</a>) and submitted to the FMA for approval.</p> <p>With regard to the Cash Subscription Offer, subscriptions received during the offer period will be fully allocated unless the Issuer has prematurely terminated the offer in the meantime. As soon as there is an oversubscription, the allotment will be made by the Joint Lead Managers after consultation with the Issuer.</p> <p>Incidentally, the Issuer together with the Joint Lead Managers is entitled to reduce subscription offers or reject individual subscriptions. Claims in respect of subscription fees already paid and expenses incurred by an investor in connection with the subscription shall be governed solely by the legal relationship between the investor and the credit institution with which he submitted his tender offer.</p> <p>Unless otherwise stated in the terms and conditions, the Notes shall mature for redemption on 16 November 2023 at the principal amount of the Notes.</p> <p>The Issuer has reserved the right to acquire Notes of up to EUR 20 million itself, although the Issuer endeavours not to exercise this right.</p>
<p><b>E.4</b></p>	<p><b>A description of any interest that is material to the issue/offer including conflicting interests.</b></p>
	<p>The Joint Lead Managers and their affiliates have engaged and the Managers (other than the Joint Lead Managers) and their affiliates may have engaged, and may in the future engage, in investment banking or commercial banking transactions with, and may perform services for the UBM Group and their members in the ordinary course of business. This may include existing financing agreements between the Managers and UBM Group. The Issuer may in the course of its normal financing activities use the proceeds of the issue of the Notes to partly or entirely repay its existing financings with the Managers, irrespective of them being due for repayment or not, which might potentially cause conflicts of interests. Currently, no such repayments are scheduled. The Managers and their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.</p> <p>The Managers participate in the issue of the Notes in the course of their ordinary business as credit institutions. The Managers receive fees of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and other syndicate members, if any. Financial intermediaries placing the Notes with retail investors may charge a selling fee of up to 1.5%-points.</p>

<b>E.7</b>	<b>Estimated expenses charged to the Noteholders by the issuer or the offeror.</b>
	<p>The Issuer will not charge any costs, expenses or taxes in connection with the Notes directly to the Noteholders. Subcustodians may charge individual fees for the exchange in connection with the Exchange Offer.</p> <p>Investors subscribing for Notes may be required to pay usual fees and charges from their respective credit institutions. 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.</p>

## DEUTSCHE ÜBERSETZUNG DER ZUSAMMENFASSUNG

### *Zusammenfassung des Prospekts*

*Diese Zusammenfassung des Prospekts besteht aus Veröffentlichungspflichten, die als "geforderte Angaben" bezeichnet werden. Diese geforderten Angaben sind in den nachfolgenden Abschnitten A - E (A.1 - E.7) aufgezählt. Diese Zusammenfassung enthält alle geforderten Angaben, die in einer Zusammenfassung für diese Art von Wertpapieren und Emittenten enthalten sein müssen. Da einige geforderte Angaben nicht gemacht werden müssen, können Lücken in der Aufzählungsreihenfolge der geforderten Angaben bestehen. Auch wenn eine geforderte Angabe in der Zusammenfassung für diese Art von Wertpapieren und Emittenten enthalten sein muss, kann es sein, dass keine relevante Information im Hinblick auf die geforderte Angabe gemacht werden kann. In diesem Fall enthält die Zusammenfassung eine kurze Beschreibung der geforderten Angabe mit dem Hinweis "entfällt".*

<b>Abschnitt A – Einleitung und Warnhinweise</b>	
<b>A.1</b>	<b>Warnhinweis.</b>
	<p>Warnhinweis, dass</p> <ul style="list-style-type: none"><li>• diese Zusammenfassung als Einleitung zum Prospekt verstanden werden sollte;</li><li>• Anleger jede Entscheidung, in die Wertpapiere zu investieren, auf den Prospekt als Ganzes stützen;</li><li>• ein Anleger, der wegen der im Prospekt enthaltenen Angaben vor einem Gericht Ansprüche geltend machen will, nach den nationalen Rechtsvorschriften seines Mitgliedstaates möglicherweise für die Übersetzung des Prospekts aufkommen muss, bevor das Verfahren eingeleitet werden kann; und</li><li>• zivilrechtlich nur diejenigen Personen haften, die die Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass die Zusammenfassung verglichen mit den anderen Teilen des Prospekts irreführend, unrichtig oder inkohärent ist oder verglichen mit den anderen Teilen des Prospekts Schlüsselinformationen, die in Bezug auf Anlagen in die betreffenden Wertpapiere für die Anleger eine Entscheidungshilfe darstellen, vermissen lassen.</li></ul>
<b>A.2</b>	<b>Zustimmung der Emittentin zur Verwendung des Prospekts.</b>
	<p>Die Emittentin erteilt ihre ausdrückliche Zustimmung zur Verwendung dieses Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung der Teilschuldverschreibungen durch Finanzintermediäre in Österreich, Deutschland und Luxemburg zwischen dem Bankarbeitstag, welcher der Billigung und Veröffentlichung des Prospekts folgt und dem 16.11.2018. Während dieses Zeitraums können Finanzintermediäre spätere Weiterveräußerungen oder endgültige Platzierungen von Teilschuldverschreibungen vornehmen. Jeder Finanzintermediär, der den Prospekt verwendet, hat auf seiner Internetseite anzugeben, dass er den Prospekt mit Zustimmung der Emittentin und gemäß den Bedingungen verwendet, an die die Zustimmung gebunden ist. Die Emittentin erklärt, die Haftung für den Inhalt des Prospekts auch hinsichtlich einer späteren Weiterveräußerung oder endgültigen Platzierung von Wertpapieren durch Finanzintermediäre, denen die Zustimmung zur Prospektverwendung erteilt wurde, zu übernehmen; eine darüber hinaus gehende Haftung der Emittentin ist ausgeschlossen. Die Zustimmung der Emittentin zur Verwendung dieses Prospekts ist an keine sonstigen Bedingungen (außer den Verkaufsbeschränkungen) ge-</p>

	bunden, kann jedoch jederzeit widerrufen oder eingeschränkt werden, wobei ein Widerruf oder eine Einschränkung eines Nachtrags zum Prospekt bedarf. Im Falle eines Angebots eines Finanzintermediärs informiert der Finanzintermediär die Anleger zum Zeitpunkt der Angebotsabgabe über die Bedingungen des Angebots.
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<b>Abschnitt B – Emittentin</b>	
<b>B.1</b>	<b>Gesetzliche und kommerzielle Bezeichnung der Emittentin.</b>
	Die Emittentin führt die Firma "UBM Development AG" (die " <b>Emittentin</b> " oder die " <b>Gesellschaft</b> " und, gemeinsam mit den konsolidierten Tochtergesellschaften, die " <b>Gruppe</b> " oder der " <b>UBM-Konzern</b> "). Im Geschäftsverkehr tritt die Emittentin mit ihren Tochtergesellschaften unter verschiedenen kommerziellen Namen auf, meistens unter "UBM", "UBM Development", "UBM Development Österreich", "UBM Development Deutschland", "UBM Development Polska", "UBM Development Czechia", "UBM Hotels" oder "alba Bau".
<b>B.2</b>	<b>Sitz und Rechtsform der Emittentin, das für die Emittentin geltende Recht und Land der Gründung der Emittentin.</b>
	Die Emittentin hat ihren Sitz in Wien, Österreich und ist eine Aktiengesellschaft nach österreichischem Recht.  Die Emittentin ist unter der Registrierungsnummer FN 100059 x im österreichischen Firmenbuch der Republik Österreich eingetragen; das zuständige Registergericht ist das Handelsgericht Wien.  Die Emittentin wurde am 03.03.1873 in Österreich unter der Bezeichnung "Union-Baumaterialien-Gesellschaft" als österreichische Aktiengesellschaft gegründet. Sie wurde am 11.03.1873 im österreichischen Handelsregister (nunmehr Firmenbuch) eingetragen und wird seither in der Rechtsform einer Aktiengesellschaft nach österreichischem Recht geführt. Seit 2015 führt die Emittentin die Firma "UBM Development AG".
<b>B.4b</b>	<b>Beschreibung aller bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.</b>
	Die europäischen Märkte waren im ersten Halbjahr 2018 von einer starken Performance geprägt. Insgesamt wurden Immobilientransaktionen in Höhe von EUR 127,7 Mrd. getätigt. Der gegenüber dem Vorjahr dennoch leichte Rückgang um 3,4% ist auf die zunehmende Angebotsknappheit zurückzuführen. Die Nachfrage blieb im ersten Halbjahr 2018 vor allem im Spitzensegment hoch. Diese stabile Entwicklung ist vor allem auf das starke Wachstum im Bürosegment zurückzuführen: Diese Anlageklasse war in den ersten sechs Monaten des Jahres 2018 für 42% der Investitionen (EUR 28,7 Mrd.) verantwortlich, das sind 19% mehr als im ersten Halbjahr 2017 (Quelle: CBRE, Pressemitteilung vom 8. August 2018: European Real Estate Investment aktiv in H1 2018).  Eine Analyse nach Ländern zeigt die anhaltende Fokussierung der Investoren auf Deutschland. Laut einer aktuellen Studie des Immobilienberatungsunternehmens Knight Frank liegen die größten Chancen für zusätzliche Investitionen in Europa derzeit in Deutschland. Das Transaktionsvolumen betrug in den ersten sechs Monaten 2018 EUR 25,6 Mrd. und stellt damit das zweithöchste Halbjahresergebnis seit Beginn des gegenwärtigen Marktzyklus dar. Sie bestätigt auch die zu Beginn des Jahres 2018 getroffenen Schätzun-

	<p>gen: 2018 wird für den Gewerbeimmobilienmarkt in Deutschland erneut ein umsatzstarkes Jahr. Im Fokus der Investoren stehen Immobilien in erstklassigen Lagen, die langfristig Mieteinnahmen versprechen. Vor allem in den Top-7-Städten wurde erneut eine hohe Nachfrage verzeichnet. Die "Top 7" generierten in den ersten sechs Monaten 2018 68% des Transaktionsvolumens und damit rund ein Drittel mehr im Vergleich zum Vorjahreswert. Neue Entwicklungsprojekte konnten insbesondere im Bürosegment die hohe Nachfrage nicht befriedigen, was im ersten Halbjahr 2018 zu einem weiteren Anstieg der Spitzenmiete führte (Quelle: Knight Frank Active Capital Bericht 2018 / JLL: Investmentmarktüberblick Deutschland, Q2 , 2018 / Savills, Pressemitteilung vom 4. Juli 2018: Gewerbeinvestmentmarkt Deutschland H1-2018).</p> <p>Die Dynamik auf dem Wohninvestmentmarkt setzte sich auch im ersten Halbjahr 2018 fort. Die Angebotsknappheit spiegelte sich in einem wachsenden Interesse an Entwicklungsprojekten und Kleinapartments wider. Der Hotelinvestmentmarkt war ebenfalls von Lieferengpässen gekennzeichnet. Die Nachfrage nach dieser Assetklasse war im ersten Halbjahr 2018 insbesondere für Hotels im mittleren Preissegment hoch. Da das Angebot konstant bleibt, hat der steigende Nachfrageüberhang auch zu einem steigenden Druck auf die Spitzenrenditen in diesem Bereich geführt (Quelle: CBRE, Pressemitteilung vom 4. Juli 2018: Wohninvestmentmarkt setzt dynamische Entwicklung fort / Colliers: Hotel Investment Deutschland, 1. Halbjahr 2018).</p> <p>Auch die Nachfrage auf dem österreichischen Markt blieb im ersten Halbjahr 2018 mit einem Investitionsvolumen von EUR 2,3 Mrd. konstant auf hohem Niveau. Der Mangel an hochwertigen Büroflächen zwang die Anleger dazu, verstärkt auf andere Anlageklassen zu setzen, was in der Folge zu einer stark steigenden Nachfrage nach Privatkunden- und Wohnprojekten führte. Mit einem Transaktionsvolumen von EUR 3,2 Mrd. setzte Polen auch im ersten Halbjahr 2018 seinen Wachstumskurs fort (Quelle: CBRE: Austria Investment, H1 2018 / JLL: CEE Investment Market, H1 2018).</p>
<b>B.5</b>	<b>Ist die Emittentin Teil einer Gruppe, Beschreibung der Gruppe und der Stellung der Emittentin innerhalb dieser Gruppe.</b>
	Die Emittentin selbst gehört keinem übergeordneten Konzern an. Die Emittentin ist die Obergesellschaft des UBM-Konzerns. Die Gesellschaft ist in erster Linie eine Holding-Gesellschaft und übt nur begrenzt operative Geschäftstätigkeiten aus, dies insbesondere in Österreich. Der UBM-Konzern ist eine europäische Immobilienentwicklungsgruppe mit besonderem Fokus auf Hotel-, Büro- und Wohnimmobilien in Deutschland, Österreich und Polen. Auf projektbezogener und opportunistischer Basis ist der UBM-Konzern auch in anderen europäischen Ländern aktiv.
<b>B.9</b>	<b>Liegen Gewinnprognosen oder -schätzungen vor, ist der entsprechende Wert anzugeben.</b>
	Entfällt. Die Emittentin gibt keine Gewinnprognosen oder -schätzungen ab.
<b>B.10</b>	<b>Beschreibung der Art etwaiger Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.</b>
	Entfällt. Es gibt keine Beschränkungen im jeweiligen Bestätigungsvermerk zu den historischen Finanzinformationen.
<b>B.12</b>	<b>Ausgewählte Finanzinformationen, Prospekt und wesentliche Änderungen der Finanzlage oder Handelsposition.</b>

Die folgenden in diesem Abschnitt dargestellten Tabellen wurden, soweit nicht anders angegeben, aus dem nach IFRS aufgestellten und geprüften (*audited*) Konzernabschluss 2017 und Konzernabschluss 2016 sowie aus dem Zwischenabschluss der Emittentin zum 30. Juni 2018 abgeleitet. Daher sind die geprüften Finanzinformationen in diesem Prospekt nicht älter als 18 Monate.

***Ausgewählte historische Finanzinformationen für abgeschlossene Geschäftsjahre***

*Ausgewählte Angaben aus der Konzern-Gewinn- und Verlustrechnung*

<i>(in EUR Millionen)</i>	<b>Geschäftsjahr zum</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>(geprüft)</b>	<b>(geprüft)</b>
Umsatzerlöse .....	364,7	417,0
EBITDA <sup>(1)</sup> .....	52,4	49,6
Betriebsergebnis (EBIT) <sup>(2)</sup> .....	48,6	46,2
Ergebnis vor Ertragsteuern (EBT) <sup>(3)</sup> ....	50,5	40,1
Ergebnis je Aktie ( <i>in EUR</i> ).....	4,88	3,90

(Quelle: Jahresfinanzbericht 2017 und Jahresfinanzbericht 2016)

- (1) Ergebnis vor Zinsen, Steuern und Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen. Es wird wie folgt berechnet:

<i>(in EUR Millionen)</i>	<b>Geschäftsjahr zum</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>(geprüft)</b>	<b>(geprüft)</b>
EBIT .....	48,6	46,2
Abschreibungen und Wertminderungs- aufwendungen.....	-3,8	-3,4
<b>EBITDA</b> .....	<b>52,4</b>	<b>49,6</b>

- (2) Ergebnis vor Zinsen und Steuern, berechnet als Summe aller Erträge und Aufwendungen einschließlich Firmenwertabschreibungen vor Zinsen für sonstige zu Finanzierungszwecken aufgenommene Finanzierungskosten und vor Steuern (Steuern vom Einkommen und vom Ertrag).

<i>(in EUR Millionen)</i>	<b>Geschäftsjahr zum</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>(geprüft)</b>	<b>(geprüft)</b>
EBT .....	50,4	40,0
Finanzertrag.....	21,2	13,1
Finanzaufwand .....	-19,4	-19,3
<b>EBIT</b> .....	<b>48,6</b>	<b>46,2</b>

- (3) Ergebnis vor Steuern und Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen, berechnet als Summe aller Erträge und Aufwendungen einschließlich Firmenwertabschreibungen, einschließlich Zinsen für sonstige zu Finanzierungszwecken aufgenommene Finanzierungskosten, jedoch vor Steuern (Steuern vom Einkommen und vom Ertrag). Es wird wie folgt berechnet:

<i>(in EUR Millionen)</i>	Geschäftsjahr zum	
	31.12.2017	31.12.2016
	(geprüft)	(geprüft)
Jahresüberschuss/-verlust .....	37,0	29,4
Steuern vom Einkommen und vom Ertrag .....	13,5	10,7
<b>EBT.....</b>	<b>50,5</b>	<b>40,1</b>

*Ausgewählte Angaben aus der Konzernbilanz*

<i>(in EUR Millionen)</i>	Geschäftsjahr zum	
	31.12.2017	31.12.2016
	(geprüft)*	(geprüft)*
Langfristige Vermögenswerte .....	686,6	781,4
Kurzfristige Vermögenswerte.....	444,3	452,4
Bilanzsumme .....	1.130,9	1.233,8
Langfristige Verbindlichkeiten.....	502,9	550,5
Kurzfristige Verbindlichkeiten .....	272,6	341,8
Eigenkapitalquote <sup>(1)</sup> .....	31,4%	27,7%
Nettoverschuldung <sup>(2)</sup> .....	477,9	691,2

\* sofern nicht anders angegeben  
(Quelle: Jahresfinanzbericht 2017 und Jahresfinanzbericht 2016)

- (1) Die Eigenkapitalquote ist der Anteil des Eigenkapitals an der Bilanzsumme. Die Eigenkapitalquote ist keine IFRS-Finanzkennzahl und daher ungeprüft; es wird wie folgt berechnet (wobei die für die Berechnung herangezogenen Bilanzkennzahlen ursprünglich geprüft wurden):

<i>(in EUR Millionen, sofern nicht anders angegeben)</i>	Geschäftsjahr zum	
	31.12.2017	31.12.2016
	(unreviewt und ungeprüft)	(unreviewt und ungeprüft)
Eigenkapital Gesamt.....	355,4	341,5
Aktiva Gesamt.....	1.130,9	1.233,8
<b>Eigenkapitalquote (in %).....</b>	<b>31,4%</b>	<b>27,7%</b>

- (2) Die Nettofinanzverschuldung (auch Nettoverschuldung genannt) errechnet sich aus der Summe der Zahlungsmittel und Zahlungsmitteläquivalente, vermindert um kurz- und langfristige Anleihen sowie kurz- und langfristige Finanzverbindlichkeiten. Nettofinanzschulden (auch als Nettoverschuldung bezeichnet) sind keine IFRS-Finanzkennzahl und daher ungeprüft. Es wird wie folgt berechnet (wobei die für die Berechnung herangezogenen Bilanzkennzahlen ursprünglich geprüft wurden):

<i>(in EUR Millionen)</i>	Geschäftsjahr zum	
	31.12.2017	31.12.2016
	(unreviewt und ungeprüft)	(unreviewt und ungeprüft)
Anleihen (langfristig) .....	383,8	321,3
Anleihen (kurzfristig) .....	0	0
Langfristige Finanzverbindlichkeiten.....	88,9	193,7
Kurzfristige Finanzverbindlichkeiten .....	80,4	218,5
Liquide Mittel.....	75,2	42,3
<b>Nettoverschuldung.....</b>	<b>477,9</b>	<b>691,2</b>

*Ausgewählte Angaben aus der Konzern-Kapitalflussrechnung*

<i>(in EUR Millionen)</i>	<b>Geschäftsjahr zum</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>(geprüft)</b>	<b>(geprüft)</b>
Cashflow aus dem Ergebnis .....	13,9	-15,1
Cashflow aus der Betriebstätigkeit .....	2,4	42,2
Cashflow aus der Investitionstätigkeit .....	117,5	-114,6
Cashflow aus der Finanzierungstätigkeit .....	-87,9	21,4

(Quelle: Jahresfinanzbericht 2017 und Jahresfinanzbericht 2016)

*Ausgewählte historische Finanzinformationen für Zwischenzeiträume*

*Ausgewählte Angaben aus der Konzern-Gewinn- und Verlustrechnung*

<i>(in EUR Million, sofern nicht anders angegeben)</i>	<b>1. Jänner – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewt)</b>	<b>(reviewt)</b>
Umsatzerlöse .....	367,9	234,2
Bestandsveränderungen .....	-12,4	-15,6
Erträge aus at-equity bilanzierten Unternehmen .....	14,4	5,6
Erträge aus Fair-Value-Anpassungen auf Investment Properties .....	-	5,3
Sonstige betriebliche Erträge .....	5,7	19,9
Aufwendungen für Material und sonstige bezogene Herstellungsleistungen .....	-275,3	-179,5
Personalaufwand .....	-23,8	-22,5
Aufwendungen aus Fair-Value-Anpassungen auf Investment Properties .....	-2,2	-2,6
Sonstige betriebliche Aufwendungen .....	-36,4	-22,7
EBITDA <sup>(1)</sup> .....	37,8	22,1
Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen .....	-1,6	-1,9
EBIT <sup>(2)</sup> .....	36,2	20,2
Finanzertrag .....	5,9	12,2
Finanzaufwand .....	-14,0	-9,8
EBT <sup>(3)</sup> .....	28,1	22,6
Steuern vom Einkommen und vom Ertrag .....	-7,3	-6,4
Jahresüberschuss (Nettogewinn) .....	20,8	16,3
Ergebnis je Aktie (in EUR) .....	2,53	2,09

(Quelle: Halbjahresfinanzbericht der Emittentin zum 30. Juni 2018)

- (1) Ergebnis vor Zinsen, Steuern und Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen. Es wird wie folgt berechnet:

<i>(in EUR Millionen)</i>	<b>1. Jänner – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewt)</b>	<b>(reviewt)</b>
EBIT .....	36,2	20,2
Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen .....	-1,6	-1,9
<b>EBITDA</b> .....	<b>37,8</b>	<b>22,1</b>

- (2) Ergebnis vor Zinsen und Steuern, berechnet als Summe aller Erträge und Aufwendungen einschließlich Firmenwertabschreibungen vor Zinsen für sonstige zu Finanzierungszwecken aufgenommene Finanzierungskosten und vor Steuern (Steuern vom Einkommen und vom Ertrag).

<i>(in EUR Millionen)</i>	<b>1. Jänner – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewt)</b>	<b>(reviewt)</b>
EBT .....	28,1	22,6
Finanzertrag.....	5,9	12,2
Finanzaufwand .....	-14,0	-9,8
<b>EBIT</b> .....	<b>36,2</b>	<b>20,2</b>

- (3) Ergebnis vor Steuern und Abschreibungen auf immaterielle Werte des Anlagevermögens und Sachanlagen, berechnet als Summe aller Erträge und Aufwendungen einschließlich Firmenwertabschreibungen, einschließlich Zinsen für sonstige zu Finanzierungszwecken aufgenommene Finanzierungskosten, jedoch vor Steuern (Steuern vom Einkommen und vom Ertrag). Es wird wie folgt berechnet:

<i>(in EUR Millionen)</i>	<b>1. Jänner – 30. Juni</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewt)</b>	<b>(reviewt)</b>
Jahresüberschuss/-verlust .....	20,8	16,3
Steuern vom Einkommen und vom Ertrag.....	-7,3	-6,4
<b>EBT</b> .....	<b>28,1</b>	<b>22,6</b>

#### *Ausgewählte Angaben aus der Konzernbilanz*

<i>(in EUR Millionen, sofern nicht anders angegeben)</i>	<b>30. Juni 2018</b>	<b>31. Dezember 2017</b>
	<b>(reviewt)*</b>	<b>(geprüft)*</b>
Langfristige Vermögenswerte .....	596,8	686,6
Kurzfristige Vermögenswerte.....	532,6	444,3
Aktiva Gesamt .....	1.129,4	1.130,9
Langfristige Verbindlichkeiten.....	482,5	502,9
Kurzfristige Verbindlichkeiten .....	234,4	272,6
Eigenkapitalquote (in %) <sup>(1)</sup> .....	36,5%	31,4%
Nettoverschuldung <sup>(2)</sup> .....	311,2	477,9

\* sofern nicht anders angegeben

(Quelle: Halbjahresfinanzbericht der Emittentin zum 30. Juni 2018)

- (1) Die Eigenkapitalquote ist der Anteil des Eigenkapitals an der Bilanzsumme. Die Eigenkapitalquote ist keine IFRS-Finanzkennzahl und daher ungeprüft; es wird wie folgt berechnet (wobei die für die Berechnung herangezogenen Bilanzkennzahlen zum 31. Dezember 2017 ursprünglich geprüft und zum 30. Juni 2018 ursprünglich revidiert wurden):

<i>(in EUR Millionen, sofern nicht anders angegeben)</i>	<b>30. Juni 2018</b>	<b>31. Dezember 2017</b>
	<b>(unreviewt und ungeprüft)</b>	<b>(unreviewt und ungeprüft)</b>
Eigenkapital Gesamt.....	412,4	355,4
Bilanzsumme .....	1.129,4	1.130,9
<b>Eigenkapitalquote (in %).....</b>	<b>36,5%</b>	<b>31,4%</b>

- (2) Die Nettofinanzverschuldung (auch Nettoverschuldung genannt) errechnet sich aus der Summe der Zahlungsmittel und Zahlungsmitteläquivalente, vermindert um kurz- und langfristige Anleihen sowie kurz- und langfristige Finanzverbindlichkeiten. Nettofinanzschulden (auch als Nettoverschuldung bezeichnet) sind keine IFRS-Finanzkennzahl und daher ungeprüft. Es wird wie folgt berechnet (wobei die für die Berechnung herangezogenen Bilanzkennzahlen zum 31.12.2017 ursprünglich geprüft und zum 30. Juni 2018 ursprünglich revidiert wurden):

<i>(in EUR Millionen)</i>	<b>30. Juni 2018</b>	<b>31. Dezember 2017</b>
	<b>(unreviewt und ungeprüft)</b>	<b>(unreviewt und ungeprüft)</b>
Anleihen (langfristig) .....	383,2	383,8
Anleihen (kurzfristig) .....	0	0
Langfristige Finanzverbindlichkeiten.....	80,9	88,9
Kurzfristige Finanzverbindlichkeiten .....	53,8	80,4
Liquide Mittel.....	206,7	75,2
<b>Nettoverschuldung.....</b>	<b>311,2</b>	<b>477,9</b>

*Ausgewählte Angaben aus der Konzern-Kapitalflussrechnung*

<i>(in EUR Millionen)</i>	<b>Zeitraum zum</b>	
	<b>30. Juni 2018</b>	<b>30. Juni 2017</b>
	<b>(reviewt)</b>	<b>(reviewt)</b>
Cashflow aus dem Ergebnis .....	4,6	14,8
Cashflow aus der Betriebstätigkeit .....	-5,9	4,8
Cashflow aus der Investitionstätigkeit.....	110,2	37,2
Cashflow aus der Finanzierungstätigkeit.....	27,8	53,8

(Quelle: Halbjahresfinanzbericht der Emittentin zum 30. Juni 2018)

Seit dem 31. Dezember 2017 sind keine wesentlichen nachteiligen Veränderungen in den Aussichten der Emittentin eingetreten. Es gab keine wesentlichen Veränderungen in der Finanzlage oder der Handelsposition der Emittentin seit 30. Juni 2018.

**B.13 Beschreibung aller Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der Emittentin, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.**

	Entfällt, da kein aktuelles Ereignis in einem wesentlichen Umfang relevant war, um die Zahlungsfähigkeit der Emittentin zu beurteilen.
<b>B.14</b>	<b>Abhängigkeit der Emittentin von anderen Unternehmen der Gruppe.</b>
	Die Emittentin ist selbst nur teilweise operativ tätig. Aufgrund der eingeschränkten Geschäftstätigkeit ist sie auf die Zuführung von Liquidität und Gewinnen seitens ihrer Beteiligungsgesellschaften angewiesen, um Verbindlichkeiten gegenüber ihren Gläubigern bedienen zu können.
<b>B.15</b>	<b>Beschreibung der Haupttätigkeiten der Emittentin.</b>
	<p>Die Emittentin ist selbst nur teilweise operativ tätig, sie fungiert vielmehr als Obergesellschaft des UBM-Konzerns, die somit alle Aktivitäten des UBM-Konzerns koordiniert und steuert. Der UBM-Konzern ist ein europäischer Immobilienentwickler mit speziellem Fokus auf Hotel-, Büro- und Wohnimmobilien in Deutschland, Österreich und Polen. Der UBM-Konzern ist auf einer projektbezogenen und opportunistischen Basis auch in anderen europäischen Ländern tätig.</p> <p>In allen Ländern, in denen der UBM-Konzern tätig ist, konzentriert sich der UBM-Konzern auf Entwicklungsprojekte in den Ballungsräumen der größeren Städte. Hinsichtlich Anlageklassen hat der UBM-Konzern seinen Schwerpunkt in der Entwicklung von Wohnimmobilien im Mittel- bis Hochpreissegment, Hotels im 3-Stern bis 5-Stern Segment sowie in der Entwicklung von Bürokomplexen. Zusätzlich zu diesen Anlageklassen umfassen die Entwicklungstätigkeiten des UBM-Konzern auch Projekte und Immobilien in anderen Anlageklassen, etwa in den Bereichen Einzelhandel und Logistik. Das Immobilienportfolio des UBM-Konzerns spiegelt eine diversifizierte Marktpräsenz und ausgewogene Verteilung von Immobilieninvestments über diverse Regionen und Anlageklassen wider, die im Laufe der Zeit monetarisiert werden sollen.</p> <p>Das Geschäftsmodell des UBM-Konzerns umfasst die gesamte Wertschöpfungskette der Immobilienentwicklung und kann in die Phasen Erwerb, Planung, Bau und Ausstieg (<i>Exit</i>) unterteilt werden. In der Exit-Phase werden Immobilien an diverse Dritte (Käufer, Investoren etc.) verkauft. Mit der Ausnahme von Wohnimmobilien beinhaltet die Exit-Phase häufig auch die Vermietung selbst entwickelter Büro-Immobilien, anderer gewerblicher Immobilien und das Hotelmanagement. Der UBM-Konzern hält selbst entwickelte Projekte für gewisse Zeiträume, um Erträge aus deren Betrieb zu generieren sowie die Liegenschaften und deren Erträge für einen späteren Verkauf zu optimieren. Der UBM-Konzern verfolgt bei bestimmten Projekten auch ein sogenanntes "Asset Light"-Modell, wozu der Einstieg in Joint Ventures und der schnelle Umsatz bis zum Verkauf gehört. Der UBM-Konzern erzielt seine Erlöse hauptsächlich aus Erlösen aus dem Verkauf von entwickelten Immobilien.</p>
<b>B.16</b>	<b>Soweit der Emittentin bekannt, ob an ihr unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse bestehen, wer diese Beteiligungen hält bzw. diese Beherrschung ausübt und welcher Art die Beherrschung ist.</b>
	Nach Kenntnis der Emittentin sind die Hauptaktionäre der Gesellschaft jene, die in der nachstehenden Tabelle angeführt sind. Abgesehen von den zwingenden Bestimmungen des österreichischen Gesellschaftsrechts, die Aktionären mit einer bestimmten Beteiligung spezifische Rechte einräumen, bestehen nach Kenntnis der Emittentin keine Beherrschungsverträge (mit Ausnahme des Ortner-Strauss-Syndikates wie nachfolgend beschrieben).

Aktionär	Anzahl der Aktien	Prozent
<b>Ortner-Strauss Syndikat</b> .....	2.901.961	38,84%
<i>davon Ortner Gruppe</i> <sup>(1)</sup> .....	2.063.471	27,62%
<i>davon Strauss Gruppe</i> <sup>(2)</sup> .....	838.490	11,22%
<b>Jochen Dickinger</b> .....	373.609	5,00%
<b>Freefloat</b> .....	4.196.610	56,16%
<i>davon UBM-Management und Aufsichtsrat</i> <sup>(3)</sup> .....	807.404	10,79%
<b>Gesamt</b> .....	<b>7.472.180</b>	<b>100,00%</b>

(Quelle: ungeprüfte interne Information der Gesellschaft)

(1) Bestehende Aktien, die der Ortner-Gruppe zuzuordnen sind, werden von der Ortner Beteiligungsverwaltung GmbH und der IGO Baubeteiligungs GmbH gehalten.

(2) Bestehende Aktien, die der Strauss-Gruppe zuzuordnen sind, werden von der SuP Beteiligungs GmbH und der AIM Industrieholding und Unternehmensbeteiligungen GmbH gehalten.

(3) Beinhaltet Aktien, die Mitgliedern des Vorstands und des Aufsichtsrates der Emittentin zuzuordnen sind, inklusive der Aktien, welche von Klaus Ortner gehalten werden oder ihm zuzuordnen sind, und die nicht Teil des Ortner-Strauss-Syndikats sind.

Nach Kenntnis der Gesellschaft gibt es außer den in der obigen Tabelle angeführten Aktionären keine weiteren Aktionäre, die zum Datum dieses Prospekts über 4 % der Aktien und Stimmrechte halten. Alle bestehenden Aktien haben die gleichen Stimmrechte.

Die Gesellschaft wird unmittelbar von der Ortner-Gruppe und der Strauss-Gruppe beherrscht, welche zusammen ein Syndikat bilden (das "**Ortner-Strauss-Syndikat**"), das der bestehenden Aktien und Stimmrechte hält. Die Ortner-Gruppe hält darüber hinaus weitere Aktien, welche jedoch nicht vom Ortner-Strauss-Syndikat umfasst sind.

<b>B.17</b>	<b>Ratings, die im Auftrag der Emittentin oder in Zusammenarbeit mit ihr beim Ratingverfahren für die Emittentin und ihre Schuldtitel erstellt wurden.</b>
	Entfällt, weil für die Emittentin oder ihre Teilschuldverschreibungen keine Ratings erstellt werden.

<b>Abschnitt C – Wertpapiere</b>	
<b>C.1</b>	<b>Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere, einschließlich jeder Wertpapierkennung.</b>
	<p>Die UBM-Anleihe 2018-2023 (die "<b>2018 UBM-Teilschuldverschreibungen</b>", und jede von ihnen eine "<b>2018 UBM-Teilschuldverschreibung</b>") im Gesamtnennbetrag von bis zu EUR 100.000.000, und einer Aufstockungsmöglichkeit auf bis EUR 120.000.000, ist eingeteilt in bis zu 200.000 Teilschuldverschreibungen, im Rahmen der möglichen Aufstockung in bis zu 240.000 Teilschuldverschreibungen. Die nicht nachrangigen, fixverzinslichen Teilschuldverschreibungen werden mit einem Nennwert von je EUR 500,00 ausgegeben, fällig am 16.11.2023 (die "<b>Teilschuldverschreibungen</b>").</p> <p>Die Laufzeit der 2018 UBM-Teilschuldverschreibungen beträgt fünf Jahre und beginnt am 16.11.2018 (einschließlich) und endet am 15.11.2023 (einschließlich).</p> <p>Die Wertpapierkennung der Teilschuldverschreibungen lautet: ISIN AT0000A23ST9.</p>

C.2	<b>Währung der Wertpapieremission.</b>
	Die Teilschuldverschreibungen lauten auf Euro.
C.5	<b>Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.</b>
	Entfällt. Die Teilschuldverschreibungen sind frei übertragbar.
C.8	<b>Beschreibung der mit den Wertpapieren verbundenen Rechte sowie Rangordnung und Beschränkungen dieser Rechte.</b>
	<p><b>Anwendbares Recht.</b> Die Teilschuldverschreibungen unterliegen österreichischem Recht.</p> <p><b>Zahlung von Zinsen.</b> Die Anleihegläubiger haben einen Anspruch auf Verzinsung des Nennbetrags der Teilschuldverschreibungen zum jeweiligen Zinssatz, wie unter C.9. näher beschrieben. Die Zahlung der Zinsen erfolgt durch Gutschrift der jeweiligen Beträge an die jeweilige depotführende Bank. Die Ansprüche auf Zahlung von Zinsen verjähren nach Ablauf von drei Jahren ab dem jeweiligen Zeitpunkt ihrer Entstehung.</p> <p><b>Rückzahlung zum Nennbetrag.</b> Die Teilschuldverschreibungen gewähren den Anleihegläubigern einen Anspruch auf Rückzahlung des Nennbetrages am Ende der Laufzeit. Die Rückzahlung erfolgt durch Gutschrift der jeweiligen Beträge an die jeweilige depotführende Bank. Dieser Rückzahlungsanspruch verjährt nach Ablauf von 30 Jahren ab Fälligkeit.</p> <p><b>Kündigungsrechte.</b> Ein ordentliches Kündigungsrecht der Anleihegläubiger besteht nicht. Jeder Anleihegläubiger ist berechtigt, seine Teilschuldverschreibungen aus wichtigen Gründen (außerordentliche Kündigung) gemäß den Anleihebedingungen der Teilschuldverschreibungen zu kündigen und deren sofortige Rückzahlung zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung aufgelaufenen Zinsen zu verlangen.</p> <p>Wenn in der Republik Österreich eine gesetzliche Bestimmung in Kraft tritt, die nach dem Valutag der Teilschuldverschreibungen wirksam wird oder wenn ihre Anwendung oder amtliche Auslegung geändert wird, und aus diesem Grund Steuern, Gebühren oder andere Abgaben durch Quellen- oder Abzugssteuer bei Kapital- oder Zinszahlungen im Rahmen der Teilschuldverschreibungen durch die Emittentin entrichtet werden müssen, kann die die Teilschuldverschreibungen insgesamt, jedoch nicht teilweise kündigen.</p> <p>Darüber hinaus gewähren die Teilschuldverschreibungen keine Stimmrechte, Vorzugsrechte bei Angeboten zur Zeichnung von Wertpapieren derselben Kategorie, das Recht auf Beteiligung am Gewinn der Emittentin, das Recht auf Beteiligung am Erlös im Liquidationsfall oder Wandlungsrechte.</p> <p><b>Rangordnung.</b> Die Teilschuldverschreibungen stellen untereinander gleichberechtigte, unmittelbare, unbedingte, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin dar und stehen im gleichen Rang mit allen anderen gegenwärtigen oder zukünftigen unmittelbaren, unbedingten, unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin, soweit diese anderen Verbindlichkeiten nicht nach geltendem zwingenden Recht bevorrechtet sind.</p> <p><b>Beschränkungen.</b> Beschränkungen der oben genannten Rechte ergeben sich aus zwingenden gesetzlichen Bestimmungen, wie etwa die Bestimmungen der österreichischen Insolvenzordnung im Fall einer Insolvenz der Emittentin.</p>

C.9	<ul style="list-style-type: none"> <li>• <b>Nominaler Zinssatz</b></li> <li>• <b>Datum, ab dem die Zinsen zahlbar werden und Zinsfälligkeitstermine</b></li> <li>• <b>Ist der Zinssatz nicht festgelegt, Beschreibung des Basiswerts, auf den er sich stützt</b></li> <li>• <b>Fälligkeitstermin und Vereinbarungen für die Darlehenstilgung, einschließlich der Rückzahlungsverfahren</b></li> <li>• <b>Angabe der Rendite</b></li> <li>• <b>Name des Vertreters der Schuldtitelinhaber</b></li> </ul>
	<p>Die Teilschuldverschreibungen werden mit einem fixen Zinssatz von 3,125% vom Nennbetrag jährlich verzinst, zahlbar im Nachhinein am 16.11. eines jeden Jahres (jeweils ein <b>"Zinszahlungstag"</b>), erstmalig am 16.11.2019. Die Verzinsung beginnt am 16.11.2018 (einschließlich) und endet mit dem der Fälligkeit der einzelnen Teilschuldverschreibungen vorangehenden Tag.</p> <p><b>"Zinsperiode"</b> bezeichnet den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich). Die Berechnung von Zinsen für einen Zeitraum von weniger als einem Jahr (<b>"Zinsberechnungszeitraum"</b>) erfolgt auf der Grundlage der aktuellen Tage in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der aktuellen Tage der Zinsperiode. Die Berechnung erfolgt actual/actual (gemäß ICMA-Regelung).</p> <p>Die Teilschuldverschreibungen werden am 16.11.2023 zum Nennbetrag zurückgezahlt, sofern sie nicht vorher zurückgezahlt oder -gekauft und entwertet wurden. Die Zahlungen von Zinsen und Kapital erfolgen durch Emittentin über die Zahlstelle an das Clearingsystem und werden über die jeweiligen depotführenden Banken den Konten der Anleihegläubiger gutgebucht.</p> <p>Falls die Emittentin die Teilschuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung nicht an dem der Fälligkeit der Teilschuldverschreibungen vorangehenden Tag, sondern erst mit dem Tag, der der tatsächlichen Rückzahlung der Teilschuldverschreibungen vorangeht.</p> <p>Unter der Annahme, dass Anleger die Teilschuldverschreibungen bis zur Fälligkeit halten, ergeben sich folgende Renditen: Die Rendite für Anleger, die die Teilschuldverschreibungen zum Re-offer Preis (<i>Rückkaufpreis</i>) von 100% im Rahmen des Barzeichnungsangebots (wie nachfolgend definiert) zeichnen, beträgt 3,125%. Die individuelle Rendite des jeweiligen Anlegers kann in einzelnen Fällen unterschiedlich ausfallen und hängt im Einzelfall von den beim jeweiligen Anleger individuell anfallenden Gebühren und Kosten sowie der individuellen Steuersituation ab. Aus diesem Grund kann die Emittentin keine Aussage über die jährliche Rendite des jeweiligen Anlegers treffen.</p> <p>Die Anleihebedingungen der Teilschuldverschreibungen regeln keine besondere Form der Vertretung der Anleihegläubiger. Daher findet keine Vertretung der Anleihegläubiger statt. Unter bestimmten Voraussetzungen kann zur Vertretung der Anleihegläubiger vor Gericht ein Kurator gemäß dem österreichischen Kuratorengesetz, RGBI 1874/49, in der jeweils geltenden Fassung, bestellt werden.</p>

<b>C.10</b>	<b>Wenn das Wertpapier eine derivative Komponente bei der Zinszahlung hat, eine klare und umfassende Erläuterung, die den Anlegern verständlich macht, wie der Wert ihrer Anlage durch den Wert des Basisinstruments/der Basisinstrumente beeinflusst wird, insbesondere in Fällen, in denen die Risiken am offensichtlichsten sind.</b>
	Entfällt, weil die Teilschuldverschreibungen keine derivative Komponente beinhalten.
<b>C.11</b>	<b>Es ist anzugeben, ob für die angebotenen Wertpapiere ein Antrag auf Zulassung zum Handel gestellt wurde oder werden soll, um sie an einem geregelten Markt oder anderen gleichwertigen Märkten zu platzieren, wobei die betreffenden Märkte zu nennen sind.</b>
	Ein Antrag an die Wiener Börse auf Zulassung der Teilschuldverschreibungen zum Handel im Amtlichen Handel der Wiener Börse wird gestellt werden.

<b>Abschnitt D - Risiken</b>	
<b>D.2</b>	<b>Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind.</b>
	<p><b>MARKTBEZOGENE RISIKEN</b></p> <ul style="list-style-type: none"> <li>• Der UBM-Konzern ist Schwankungen von Nachfrage und Marktpreisen bei Immobilieninvestments ausgesetzt und seine Fähigkeit, über Immobilien zu disponieren, ist von der Marktliquidität abhängig.</li> <li>• Der UBM-Konzern ist abhängig von den Immobilienmärkten, in denen er tätig ist.</li> <li>• Der UBM-Konzern kann aufgrund fehlender Entwicklungsmöglichkeiten und hoher Nachfrage möglicherweise keine neuen Entwicklungsprojekte an Land ziehen.</li> </ul> <p><b>GESCHÄFTSBEZOGENE RISIKEN</b></p> <ul style="list-style-type: none"> <li>• Der UBM-Konzern muss laufend neue Entwicklungsprojekte identifizieren und realisieren, um konkurrenzfähig zu bleiben.</li> <li>• Der UBM-Konzern unterliegt dem Entwicklungsrisiko von Immobilien- und Bauprojekten.</li> <li>• Immobilienbewertungen könnten sich in einer unvorhersehbaren Weise ändern. Eine Anpassung des Marktwertes könnte zu erheblichen Buchverlusten führen. Eine Immobilienbewertung kann die bei einer Veräußerung erzielbaren Erlöse nicht angemessen widerspiegeln.</li> <li>• Die Hotelmanagementaktivitäten des UBM-Konzerns bergen spezifische Risiken, insbesondere im Hinblick auf eine mögliche Beendigung von Hotelmanagement- und Hotelbetreiberverträgen, ohne dass der Hotelbetrieb durch einen neuen Vertragspartner fortgeführt wird. Diese Tätigkeiten beinhalten auch Risiken in Bezug auf die Einhaltung bestimmter gesetzlicher Anforderungen.</li> <li>• Ausfälle von Mietzinszahlungen, Mietzinsreduktionen, hohe Leerstandsdaten sowie allgemein die Unfähigkeit, Immobilien zu vorteilhaften Konditionen zu ver-</li> </ul>

mieten, können sich negativ auf den UBM-Konzern auswirken.

- Der UBM-Konzern unterliegt verschiedenen Preisänderungs- und Marktrisiken, einschließlich Schwankungen von Zinssätzen und Rohstoffpreisen.
- Der UBM-Konzern ist dem Risiko von Fremdwährungsschwankungen ausgesetzt.
- Die Immobilien des UBM-Konzerns sind überwiegend mit objektbezogenen Finanzierungen belastet. Rückzahlungen unter diesen Krediten haben üblicherweise zu erfolgen, sobald die entsprechenden Immobilien verkauft sind, so dass der verbleibende Erlös aus diesen Immobilien zwingend niedriger ist als der Verkaufspreis.
- Dem UBM-Konzern könnte es nicht gelingen, sein Portfolio von Entwicklungsprojekten sowie das Immobilienportfolio angemessen zu diversifizieren.
- Der UBM-Konzern unterliegt dem Risiko aus Rechtsstreitigkeiten.
- Die durch die Finanz- und Wirtschaftskrise, einschließlich der Staatsschuldenkrisen und nachfolgender Finanzregulierung, eingetretene Verteuerung von Finanzierungen kann sich negativ auf den UBM-Konzern auswirken.
- Die Anleihebedingungen der im Jahr 2015 durch die Emittentin begebenen Anleihe sieht einen Zins-Step-Up bei Unterschreiten der Eigenkapitalquote von 25% vor. Dies kann zu einer Verteuerung der Finanzierung des UBM-Konzerns führen.
- Die Tätigkeit des UBM-Konzerns in Zentral- und Osteuropa ist mit besonderen volkswirtschaftlichen und politischen Risiken verbunden.
- Immobilien sind illiquide Vermögensgegenstände, die nur schwer oder gar nicht veräußerbar sein können.
- Das Wachstum des UBM-Konzerns in den letzten Jahren könnte zukünftig stagnieren oder geringer ausfallen. Wachstumschancen könnten falsch eingeschätzt werden.
- Der UBM-Konzern unterliegt in den Staaten, in denen er operativ ist, zahlreichen rechtlichen Risiken. Daneben ist auch der Geschäftsbereich der Immobilienentwicklung als solcher zahlreichen rechtlichen Risiken unterworfen.
- Die Einhaltung geltender Rechtsnormen ist kostenintensiv und zukünftige Änderungen der gesetzlichen Normen und Standards könnten sich negativ auf den UBM-Konzern auswirken.
- Die internen Kontrollen des UBM-Konzerns zur Verhinderung von Korruption und anderen illegalen oder unethischen Praktiken könnten sich als unzureichend erweisen.
- Der UBM-Konzern und ausländische Betriebsstätten des UBM-Konzerns unterliegen bestimmten steuerlichen Risiken. Insbesondere ist der UBM-Konzern dem Risiko einer Änderung der steuerlichen Gesetzgebung ausgesetzt.
- Die Emittentin führt Geschäfte der Gruppe oftmals nicht selbst, sondern durch die Gesellschaften des UBM-Konzerns, wodurch ihre Einflussnahme auf und ihre

	<p>Aufsicht über solche Geschäfte eingeschränkt sein kann.</p> <ul style="list-style-type: none"> <li>• Der UBM-Konzern ist Risiken im Zusammenhang mit Joint Ventures ausgesetzt. In einigen Fällen haftet der UBM-Konzern solidarisch mit seinen Joint-Venture-Partnern.</li> <li>• Der UBM-Konzern ist abhängig von seinem Management und Mitarbeitern in Schlüsselpositionen.</li> <li>• Es ist nicht sicher, dass der bestehende Versicherungsschutz ausreicht, um sämtliche denkbare Schäden zu decken.</li> <li>• Forderungen des UBM-Konzerns können aufgrund von Forderungsausfällen nicht einbringlich sein.</li> <li>• Die IT-Systeme können versagen oder Gegenstand unzulässiger Zugriffe oder Attacken Dritter werden.</li> <li>• Der UBM-Konzern bezieht wesentliche administrative Dienstleistungen von der PORR AG, und ein Wegfall dieser Dienstleistungen könnte nachteilige Auswirkungen haben.</li> <li>• Dem UBM-Konzern könnte es nicht gelingen, Finanzierungen zu günstigen Konditionen zu erhalten.</li> <li>• Der UBM-Konzern könnte für kontaminierte Grundstücke haften.</li> <li>• Die Fähigkeit der Emittentin ihre Verbindlichkeiten zu bedienen, ist durch ihre Eigenschaft als Holdinggesellschaft beschränkt.</li> <li>• Die operative und finanzielle Beweglichkeit des UBM-Konzerns ist aufgrund marktüblicher restriktiver Klauseln in bestimmten Finanzierungsinstrumenten eingeschränkt.</li> <li>• Nachteilige Folgen, die sich aus Konzentrationen oder Wechselwirkungen gleichartiger und verschiedenartiger Risikofaktoren ergeben (Konzentrationsrisiko), können zu einer wechselseitigen Verstärkung von in diesem Prospekt beschriebenen Risikofaktoren führen.</li> </ul> <p><b>RISIKEN IM ZUSAMMENHANG MIT DER KAPITAL- UND AKTIONÄRS-STRUKTUR DER EMITTENTIN</b></p> <ul style="list-style-type: none"> <li>• Die derzeitigen Hauptaktionäre der Emittentin können die Geschäftspolitik des UBM-Konzerns maßgeblich beeinflussen, unter Umständen auch entgegen den Interessen der Anleger.</li> <li>• Die Aktien der Emittentin könnten Gegenstand eines Pflichtangebots sein, was zu einer vorzeitigen Kündigung der Teilschuldverschreibungen führen könnte.</li> <li>• Aufgrund möglicher Änderungen der internationalen Rechnungslegungsstandards (IFRS) könnte es nicht mehr zulässig sein, die von der Gesellschaft im Jahr 2018 emittierte Hybridanleihe als Eigenkapital zu bilanzieren.</li> </ul>
<b>D.3</b>	<b>Zentrale Angaben zu den zentralen Risiken, die den Teilschuldverschreibungen eigen</b>

	<b>sind.</b>
	<ul style="list-style-type: none"> <li>• Die Teilschuldverschreibungen sind möglicherweise keine geeignete Anlage für alle Anleger.</li> <li>• Risiken bestehen aufgrund einer strukturellen Nachrangigkeit der Teilschuldverschreibungen gegenüber anderen von der Emittentin und deren Tochtergesellschaften aufgenommenen Finanzierungen, die durch Sicherheiten eines verbundenen Unternehmens der Gruppe, mit Ausnahme der Emittentin, abgesichert sein können oder die auf Grundlage der Finanzstruktur der Gruppe sowie der Anleihebedingungen anderweitig bevorzugt werden.</li> <li>• Inhaber von Teilschuldverschreibungen haben kein Stimmrecht.</li> <li>• Der einzige Rechtsbehelf der Inhaber von Teilschuldverschreibungen gegen die Emittentin besteht in der Einleitung eines gerichtlichen Verfahrens zur Durchsetzung der Zahlung oder zur Stellung eines Antrags auf Eröffnung eines Insolvenzverfahrens.</li> <li>• Risiko in Bezug auf die mangelnde Beschränkung der Aufnahme von weiterem Fremdkapital.</li> <li>• Liquiditätsrisiko für den Fall, dass sich kein liquider Sekundärmarkt für die Teilschuldverschreibungen entwickelt oder, falls er sich entwickelt, dass er nicht fortgesetzt wird.</li> <li>• Marktrisiko in Bezug auf fixverzinsliche Teilschuldverschreibungen.</li> <li>• Währungsrisiko in Bezug auf Änderungen der Wechselkurse.</li> <li>• Ein österreichisches Gericht kann einen Kurator in Bezug auf die Teilschuldverschreibungen bestellen, um die Rechte der Anleihegläubiger auszuüben und deren Interessen in ihrem Namen zu vertreten.</li> <li>• Bestimmte Zahlungen auf Teilschuldverschreibungen können der US-Quellensteuer unter FATCA unterliegen.</li> <li>• Risiko in Bezug auf die Finanztransaktionssteuer.</li> <li>• Der Marktpreis der Teilschuldverschreibungen könnte aufgrund einer Verschlechterung die Kreditwürdigkeit der Gruppe oder aus anderen Gründen sinken.</li> <li>• Anleger sind dem Risiko ausgesetzt, dass die Teilschuldverschreibungen nicht zum Handel im Amtlichen Handel der Wiener Börse zugelassen werden oder dass die Entwicklung des Marktpreises der Teilschuldverschreibungen unsicher ist.</li> <li>• Anleger unterliegen einem Inflationsrisiko. Dadurch kann die Realverzinsung aus der Investition in die Teilschuldverschreibungen verringert werden.</li> <li>• Anleger unterliegen dem Risiko, dass die Emittentin die Teilschuldverschreibungen aus Steuergründen kündigt.</li> <li>• Anleger sind dem Risiko ausgesetzt, dass die Emittentin weiteres Fremdkapital aufnimmt. Die Emittentin kann Transaktionen tätigen, die nicht im Interesse der Anleihegläubiger sind, oder es kann aus anderen Gründen zu Interessenskonflik-</li> </ul>

	<p>ten zwischen der Emittentin und den Anleihegläubigern kommen.</p> <ul style="list-style-type: none"> <li>• Zur Rückzahlung der 2018 UBM-Teilschuldverschreibungen kann die Emittentin auf eine Refinanzierung angewiesen sein.</li> <li>• Anleihegläubiger haben nur beschränkte Rechte im Hinblick auf die Kündigung der 2018 UBM-Teilschuldverschreibungen.</li> <li>• Die auf Euro lautenden Teilschuldverschreibungen können für solche Anleger ein Währungsrisiko bedeuten, für die der Euro eine Fremdwährung darstellt; ferner könnten Regierungen und zuständige Behörden künftig Devisenkontrollen einführen.</li> <li>• Der Widerruf oder die Aussetzung des Handels mit den Teilschuldverschreibungen an einer Börse (oder überhaupt die mangelnde Handelszulassung) kann zu einer verzerrten Preisbildung oder zur Unmöglichkeit des Verkaufs der Teilschuldverschreibungen führen.</li> <li>• Änderungen anwendbarer Gesetze, Verordnungen oder der Verwaltungspraxis sowie steuerlicher Rahmenbedingungen bergen Risiken für die Emittentin, die Teilschuldverschreibungen und die Anleihegläubiger.</li> <li>• Verändert sich die Steuerrechtslage, kann dies nachteilige Auswirkungen auf die Anleihegläubiger haben.</li> <li>• Die Manager können unter gewissen Voraussetzungen von der beabsichtigten Emission der Teilschuldverschreibungen zurücktreten.</li> <li>• Anleihegläubiger sind vom Funktionieren der Clearingsysteme abhängig.</li> <li>• Der Erwerb der Teilschuldverschreibungen durch potenzielle Anleger kann gegen Gesetze verstoßen.</li> <li>• Anleger dürfen sich nicht auf Meinungen und Prognosen verlassen.</li> </ul>
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<b>Abschnitt E - Angebot</b>	
<b>E.2b</b>	<b>Gründe für das Angebot und Zweckbestimmung der Erlöse, sofern dies nicht in der Gewinnerzielung und/oder der Absicherung bestimmter Risiken liegt.</b>
	<p>Die Emittentin erwartet, dass der Bruttoemissionserlös bis zu EUR 100.000.000,00 oder im Fall der möglichen Aufstockung bis zu EUR 120.000.000,00, betragen wird, abhängig davon, in welchem Ausmaß Teilschuldverschreibungen im Umtauschangebot (wie nachfolgend definiert) und im Bar-Zeichnungsangebot (wie nachfolgend definiert) gezeichnet werden. Im Rahmen des Umtauschangebots (wie nachfolgend definiert) fließen der Emittentin keine zusätzlichen Finanzmittel zu. Zusätzliche Finanzmittel werden lediglich im Rahmen des Bar-Zeichnungsangebots (wie nachfolgend definiert) zufließen. Die geschätzten Gesamtkosten für die Emission betragen 1% vom Gesamtnennbetrag des Angebots. Diese Kosten umfassen (i) die Provisionen für die Joint Lead Manager und andere Syndikatsbanken, falls es solche gibt (zusammen mit den Joint Lead Managern, die "<b>Manager</b>") in Höhe von bis zu 0,75% des Gesamtnennbetrags des Angebots, wobei die Provisionen unter den Joint Lead Managern und den anderen Syndikatsbanken, falls es solche gibt, nicht gleichmäßig aufgeteilt sind, sowie (ii) sonstige Nebenkosten (Rechtsberatung,</p>

	<p>Marketingmaßnahmen, Prospektbilligungs- und Listingkosten etc) ab, die von der Emittentin getragen werden.</p> <p>Beabsichtigt ist, durch den Emissionserlös (i) die bestehende Finanzierung der Emittentin zu refinanzieren und (ii) neue und bestehende Projekte, insbesondere in den Kernmärkten Deutschland, Österreich und Polen, zu realisieren. Der Zweck des öffentlichen Umtauschangebots (wie nachstehend definiert) liegt insbesondere in der teilweisen Refinanzierung der bestehenden 2014-2019 UBM-Anleihe, ISIN AT0000A185Y1 (ausgegeben im Jahr 2014 und fällig im Jahr 2019, die "<b>2014 UBM-Teilschuldverschreibungen</b>" oder die "<b>Bestehenden Teilschuldverschreibungen</b>", und jede von ihnen eine "<b>2014 UBM-Teilschuldverschreibung</b>"); das Umtauschangebot bietet den Anlegern eine Reinvestitionsmöglichkeit durch Umtausch der 2014 UBM-Teilschuldverschreibungen in neue 2018 UBM-Teilschuldverschreibungen.</p>
<b>E.3</b>	<b>Beschreibung der Angebotskonditionen.</b>
	<p><b>Allgemein</b></p> <p>Das Angebot der Teilschuldverschreibungen erfolgt auf unterschiedliche Weise, und zwar in Form (i) eines öffentlichen Umtauschangebots an die derzeitigen Inhaber der 2014 UBM-Teilschuldverschreibungen (das "<b>Umtauschangebot</b>") im Zeitraum vom voraussichtlich 22.10.2018 (einschließlich) bis voraussichtlich 07.11.2018 (der "<b>Umtauschzeitraum</b>"), (ii) eines öffentlichen Angebots in Österreich, Deutschland und Luxemburg im Rahmen eines Bar-Zeichnungsangebots (das "<b>Bar-Zeichnungsangebot</b>") im Zeitraum vom voraussichtlich 08.11.2018 (einschließlich) bis voraussichtlich 14.11.2018 (die "<b>Zeichnungsfrist</b>"), (iii) eines von der Prospektpflicht ausgenommenen Angebots (<i>Exempt Offer</i>) an qualifizierte Anleger (die "<b>Qualifizierten Anleger</b>") im Sinne der Richtlinie 2003/71/EG des Europäischen Parlaments und des Rates vom 4. November 2003 in der geänderten Fassung (Prospektrichtlinie) in den Mitgliedstaaten des Europäischen Wirtschaftsraums ("<b>EWR</b>") und (iv) eines Angebots ohne Veröffentlichung eines Prospekts an ausgewählte institutionelle Anleger außerhalb des EWR in Rechtsordnungen, in denen diese Art von Angebot zulässig ist (insgesamt das "<b>Angebot</b>").</p> <p>Der Gesamtnennbetrag des Angebots wird von der Emittentin nach Rücksprache mit den Joint Lead Managern im Rahmen des Umtauschangebots und des Bar-Zeichnungsangebots festgelegt. Die Anzahl der im Rahmen des Umtauschangebots auszugebenden Teilschuldverschreibungen wird am Ende des Umtauschzeitraums am 07.11.2018 in einem Ergänzungsblatt festgelegt, auf der Internetseite der Emittentin veröffentlicht und bei der FMA hinterlegt werden. Die Gesamtanzahl der auszugebenden Teilschuldverschreibungen wird am Ende der Zeichnungsfrist gemäß den erhaltenen Zeichnungen festgelegt werden und wird am oder um den 14.11.2018 im Wege eines Ergänzungsblatts festgelegt, auf der Internetseite der Emittentin veröffentlicht und bei der FMA hinterlegt werden.</p> <p><b>Das Umtauschangebot</b></p> <p>Alle Personen, die derzeit 2014 UBM-Teilschuldverschreibungen halten, werden von der Emittentin eingeladen, der Emittentin anzubieten, ihre Bestehenden Teilschuldverschreibungen zur Gänze oder teilweise bis zu einem Gesamtnennbetrag von EUR 115.952.500 im Umtauschverhältnis (wie nachfolgend definiert) von 1:1 gegen Teilschuldverschreibungen der 2018 UBM-Teilschuldverschreibungen umzutauschen. Aufgrund des Umtauschverhältnisses (wie nachstehend definiert) von 1:1 kann eine 2014 UBM-Teilschuldverschreibung mit einem Nennwert von EUR 500,00 gegen eine 2018 UBM-Teilschuldverschreibung (der "<b>Umtausch</b>") getauscht werden.</p>

Der Zweck des öffentlichen Umtauschangebots besteht in der teilweisen Refinanzierung der bestehenden 2014 UBM-Teilschuldverschreibungen. Das Umtauschangebot bietet den Anlegern zudem die Möglichkeit einer Reinvestition durch den Umtausch Bestehender Teilschuldverschreibungen in neue 2018 UBM-Teilschuldverschreibungen.

In Übereinstimmung mit den Bedingungen des Umtauschangebots (die "**Umtauschbedingungen**") lädt die Emittentin die Inhaber der 2014 UBM-Teilschuldverschreibungen ein (die "**Einladung**") ein, Angebote (jeweils ein "**Angebot**") zum Umtausch von 2014 UBM-Teilschuldverschreibungen zu stellen, wobei die jeweiligen 2014 UBM-Teilschuldverschreibungen gegen 2018 UBM-Teilschuldverschreibungen getauscht werden. Inhaber von 2014 UBM-Teilschuldverschreibungen können ihre jeweiligen Angebote nur während des Umtauschzeitraums unter Vorlage eines entsprechenden Angebots abgeben. Ein Angebot muss der Depotbank vorgelegt oder bei der Depotbank hinterlegt werden. Sofern in den Umtauschbedingungen nicht anders angegeben, kann ein Angebot nur unwiderruflich erfolgen.

Der Umtausch erfolgt zum Nennbetrag der 2014 UBM-Teilschuldverschreibungen zuzüglich des Barausgleichsbetrages. Das "**Umtauschverhältnis**" für die Bestehenden Teilschuldverschreibungen beträgt 1:1 (eins zu eins). Dies bedeutet, dass der Inhaber einer 2014 UBM-Teilschuldverschreibung im Nominale von je EUR 500,00 je umgetauschter 2014 UBM-Teilschuldverschreibung eine 2018 UBM-Teilschuldverschreibung erhält, sofern die Emittentin das Angebot annimmt. Darüber hinaus erhält jeder Inhaber einer 2014 UBM-Teilschuldverschreibung, der seine 2014 UBM-Teilschuldverschreibungen gültig zum Umtausch angeboten hat und dessen Angebot von der Emittentin angenommen wurde, einen "**Barausgleichsbetrag**" von EUR 18,68 je umgetauschter 2014 UBM-Teilschuldverschreibung im Nennbetrag von EUR 500,00 (wie oben definiert). Der Barausgleichsbetrag beträgt EUR 18,68 je umgetauschter 2014 UBM-Teilschuldverschreibung und setzt sich aus den jeweiligen Stückzinsen in Höhe von EUR 8,68 je 2014 UBM-Teilschuldverschreibung einerseits und einem Zusatzbetrag von EUR 10,00 pro 2014 UBM-Teilschuldverschreibung andererseits zusammen.

Stückzinsen sind die anteiligen Zinsen, die gemäß den Anleihebedingungen der 2014 UBM-Teilschuldverschreibungen ab dem letzten Zinszahlungstag (einschließlich) bis zum Valutatag (ausschließlich) für die 2014 UBM-Teilschuldverschreibungen anfallen. Gemäß den Bedingungen der 2014 UBM-Teilschuldverschreibungen erfolgt die Berechnung der Zinsen für Zeiträume, in denen Zinsen für einen Zeitraum von weniger als einem Jahr berechnet werden, anhand der tatsächlichen Tage im Zinsberechnungszeitraum dividiert durch die Anzahl der tatsächlichen Tage der Zinsperiode. Berechnungsgrundlage: Actual / Actual gemäß ICMA Regeln.

Der Umtauschzeitraum, während dessen Angebote für die 2014 UBM-Teilschuldverschreibungen abgegeben werden können, beginnt am 22.10.2018 und endet am 07.11.2018 um 12:00 Uhr MEZ. Die Emittentin ist jederzeit und in ihrem alleinigen und freien Ermessen berechtigt, den Umtauschzeitraum zu verlängern, die Einladung ohne Angabe von Gründen abzuändern oder zur Gänze zurückzunehmen, Angebote nicht anzunehmen oder diese auch über den Umtauschzeitraum hinaus anzunehmen. Inhaber der 2014 UBM-Teilschuldverschreibungen, die am Umtauschangebot teilnehmen wollen, haben während des Umtauschzeitraums über ihre depotführende Bank ein rechtswirksames Angebot abzugeben, das vom Clearing System dem Exchange Agent weitergeleitet wird und dem Exchange Agent bis spätestens 07.11.2018, 12:00 MEZ zugegangen sein muss.

Sofern der Umtauschzeitraum nicht verlängert oder die Einladung zur Gänze zurückgenommen wird, beabsichtigt die Emittentin, am oder um den 07.11.2018 jeweils bekannt zu geben, (i) welcher Gesamtnennbetrag an 2014 UBM-Teilschuldverschreibungen von Anleihegläubigern insgesamt zum Umtausch an die Emittentin angeboten wurde und (ii) ob

und bis zu welchem Betrag die Emittentin Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen annehmen wird. Es liegt im alleinigen und freien Ermessen der Emittentin, Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen zu mehreren Zeitpunkten und im unterschiedlichen Ausmaß anzunehmen, falls die Umtauschfrist verlängert wird

Die Lieferung der 2018 UBM-Teilschuldverschreibungen sowie die Zahlung des Barausgleichsbetrages für im Rahmen des Umtauschangebots von Inhabern der 2014 UBM-Teilschuldverschreibungen rechtswirksam angebotene und von der Emittentin rechtswirksam umgetauschte 2014 UBM-Teilschuldverschreibungen erfolgt an ein Clearing System (das "**Clearing System**") oder dessen Order zur Gutschrift auf den Konten der Kontoinhaber eines Clearing Systems. Die Emittentin wird durch Lieferung der Anzahl an 2018 UBM-Teilschuldverschreibungen sowie der Zahlung des Barausgleichsbetrags an ein Clearing System oder dessen Order von ihrer Verpflichtung im Hinblick auf den Umtausch der 2014 UBM-Teilschuldverschreibungen, insbesondere der Pflicht zur Lieferung der 2018 UBM-Teilschuldverschreibungen sowie der Zahlungspflicht befreit. Sofern die Lieferung der 2018 UBM-Teilschuldverschreibungen durchgeführt sowie der Barausgleichsbetrag von oder namens der Emittentin vor oder am Valutatag bis um 12.00 Uhr MEZ an ein Clearing System oder dessen Order geleistet wurde, haftet weder die Emittentin noch der Exchange Agent für eine Verzögerung in der Abwicklung der Lieferung der 2018 UBM-Teilschuldverschreibungen oder der Zahlung des Barausgleichsbetrages, noch sind Anleihegläubiger berechtigt, aus diesem Umstand Zahlung weiterer Zinsen oder sonstiger Zahlungen aufgrund dieser Verspätung zu verlangen. Die Gutschrift des Barausgleichsbetrages erfolgt über die jeweilige für den Inhaber der 2014 UBM-Teilschuldverschreibungen depotführende Stelle.

Der voraussichtliche Erfüllungstag für das Umtauschangebot ist der 16.11.2018 (der "**Abwicklungstag**").

Das sogenannte Guaranteed Participation Date (wie nachfolgend definiert) wurde mit 30.10.2018, 17:00 Uhr MEZ und die sogenannte Buyer Protection Deadline (wie nachfolgend definiert) wurde mit 02.11.2018, 17:00 Uhr MEZ festgelegt. "**Guaranteed Participation Date**" bedeutet jenen Zeitpunkt, bis zu dem ein Anleger 2014 UBM-Teilschuldverschreibungen erwerben kann, welche sich noch für die Buyer Protection (wie nachstehend definiert) qualifizieren. Die "**Buyer Protection**" ermöglicht bei einer nicht fristgerechten Lieferung von Wertpapieren durch den Verkäufer die Teilnahme des Käufers an einer optionalen Kapitalmaßnahme, indem der Verkäufer, dem Wunsch des Käufers entsprechend, die Instruktion bei der entsprechenden Stelle (Depotbank des Verkäufers) erteilt. "**Buyer Protection Deadline**" ist jener Zeitpunkt, bis zu dem der Anleger, der bis zum Guaranteed Participation Date 2014 UBM-Teilschuldverschreibungen erworben hat, den Verkäufer darüber informiert haben muss, dass er am Umtauschangebot teilnehmen wird.

Nach Ablauf des Umtauschangebots bietet die Emittentin den Anlegern die Möglichkeit, die 2018 UBM-Teilschuldverschreibungen gegen Barzahlung im Rahmen des Bar-Zeichnungsangebots zu zeichnen.

#### **Das Bar-Zeichnungsangebot und Privatplatzierung**

Der Zeitraum für das Bar-Zeichnungsangebot beginnt voraussichtlich am 08.11.2018 und endet voraussichtlich am 14.11.2018. Im Rahmen des Bar-Zeichnungsangebots beträgt der Re-offer Preis, zu dem institutionelle Anleger die Teilschuldverschreibungen zeichnen können, 100% des Nennbetrags der Teilschuldverschreibungen. Kleinanleger können die Teilschuldverschreibungen zum Re-offer Preis zuzüglich einer Verkaufsgebühr von bis zu 1,5%-Punkten, die vom jeweiligen die Teilschuldverschreibungen platzierenden Finanzin-

	<p>termediär in Rechnung gestellt werden, zeichnen.</p> <p>Neben dem oben beschriebenen Umtauschangebot wird das Angebot in Form eines öffentlichen Angebots in Österreich, Deutschland und Luxemburg sowie in Form eines von der Prospektspflicht ausgenommenen Angebots (<i>Exempt Offer</i>) an Qualifizierte Anleger in den Mitgliedstaaten des EWR und eines Angebots ohne Veröffentlichung eines Prospekts gegenüber ausgewählten institutionellen Anlegern außerhalb des EWR in Ländern, in denen ein solches Angebot zulässig ist, erfolgen.</p> <p>Es gibt keine festgelegten Tranchen der Teilschuldverschreibungen für das Angebot. Es gibt keine Mindest- oder Höchstbeträge für Zeichnungsangebote für Teilschuldverschreibungen. Anleger können Zeichnungsangebote jeglicher Höhe beginnend ab dem Nennbetrag einer Teilschuldverschreibung abgeben.</p> <p>Die Emittentin und die Joint Lead Manager behalten sich das Recht vor, den jeweiligen Angebotszeitraum sowohl für das Umtauschangebot als auch für das Bar-Zeichnungsangebot zu verlängern oder zu verkürzen oder das Angebot ganz abzubrechen (zB aufgrund sich ändernder Marktbedingungen). Jede Verkürzung oder Verlängerung des Angebotszeitraums sowie weitere Angebotszeiträume oder die Beendigung des öffentlichen Angebots der Teilschuldverschreibungen wird jeweils in einem Nachtrag zu diesem Prospekt auf der Internetseite der Emittentin (<a href="http://www.ubm-development.com">www.ubm-development.com</a>) veröffentlicht und bei der FMA zur Billigung eingereicht werden.</p> <p>Im Rahmen des Bar-Zeichnungsangebots werden die während des Angebotszeitraumes eingegangenen Zeichnungsangebote grundsätzlich vollständig zugeteilt, es sei denn, die Emittentin hat das Angebot zwischenzeitlich vorzeitig abgebrochen oder vorzeitig beendet. Sobald eine Überzeichnung vorliegt, erfolgt die Zuteilung nach Abstimmung mit der Emittentin durch die Joint Lead Manager.</p> <p>Im Übrigen ist die Emittentin zusammen mit den Joint Lead Managern berechtigt, Zeichnungsangebote zu kürzen oder einzelne Zeichnungen zurückzuweisen. Ansprüche in Bezug auf bereits erbrachte Zeichnungsgebühren und im Zusammenhang mit der Zeichnung entstandene Kosten eines Anlegers richten sich allein nach dem Rechtsverhältnis zwischen dem Anleger und dem Kreditinstitut, bei dem er sein Zeichnungsangebot abgegeben hat.</p> <p>Sofern in den Anleihebedingungen nicht anders angegeben, sind die Teilschuldverschreibungen am 16.11.2023 zum Nennbetrag der Teilschuldverschreibungen zur Rückzahlung fällig.</p> <p>Die Emittentin hat sich das Recht vorbehalten, auch selbst Teilschuldverschreibungen im Volumen von bis zu EUR 20 Millionen zu erwerben, wobei die Emittentin jedoch anstrebt, von diesem Recht keinen Gebrauch zu machen.</p>
<b>E.4</b>	<b>Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Beteiligungen.</b>
	<p>Die Joint Lead Manager und ihre verbundenen Unternehmen haben, und die Manager (andere als die Joint Lead Manager) und ihre verbundenen Unternehmen haben möglicherweise, Investmentbank- und Finanzgeschäfte mit dem UBM-Konzern und ihren Mitgliedern im Rahmen der gewöhnlichen Geschäftstätigkeit getätigt und werden diese möglicherweise in Zukunft tätigen und Dienste ausführen. Dazu können auch bestehende Finanzierungsvereinbarungen zwischen den Managern und dem UBM-Konzern zählen. Die Emittentin kann im Rahmen ihrer normalen Finanzierungstätigkeiten den Erlös der Emission der Teilschuldverschreibungen dazu verwenden, ihre bestehenden Finanzierungen mit den Managern ganz oder teilweise zurückzuzahlen, unabhängig davon, ob sie zur Rückzahlung fällig sind oder</p>

	<p>nicht, was zu Interessenkonflikten führen könnte. Gegenwärtig sind keine derartigen Rückzahlungen vorgesehen. Die Manager und ihre verbundenen Unternehmen können in Bezug auf solche Wertpapiere oder Finanzinstrumente auch Anlageempfehlungen geben oder unabhängige Research-Berichte veröffentlichen und Kunden empfehlen, diese zu erwerben und Long- oder Short-Positionen in solchen Wertpapieren und Instrumenten zu halten.</p> <p>Die Manager nehmen im Rahmen ihrer gewöhnlichen Geschäftstätigkeit als Kreditinstitute an der Emission der Teilschuldverschreibungen teil. Die Manager erhalten Provisionen von bis zu 0,75% des Gesamtnennbetrags des Angebots, wobei die Provisionen unter den Joint Lead Managern und den anderen Syndikatsbanken, falls es solche gibt, nicht gleichmäßig aufgeteilt sind. Finanzintermediäre, die die Teilschuldverschreibungen bei Kleinanlegern platzieren, können eine Verkaufsgebühr von bis zu 1,5% -Punkten berechnen.</p>
<p><b>E.7</b></p>	<p><b>Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.</b></p>
	<p>Die Emittentin wird den Anleihegläubigern keine Kosten, Aufwendungen oder Steuern im Zusammenhang mit den Teilschuldverschreibungen direkt verrechnen. Verwahrstellen könnten für den Umtausch im Zusammenhang mit dem Umtauschangebot individuelle Gebühren verlangen.</p> <p>Anlegern, die Teilschuldverschreibungen zeichnen, können übliche Spesen und Gebühren von ihren jeweiligen Kreditinstituten vorgeschrieben werden. Kleinanleger können die Teilschuldverschreibungen zum Re-offer Preis zuzüglich einer Verkaufsgebühr von bis zu 1,5%-Punkten, die vom jeweiligen die Teilschuldverschreibungen platzierenden Finanzintermediär in Rechnung gestellt werden, zeichnen.</p>

## RISK FACTORS

*Any investor should carefully consider the following risk factors in evaluating UBM's and the UBM Group's business and an investment in the Notes. The Issuer considers the risks described below to be the most material risks inherent in investing in the Notes. If any of the following risks occur, individually or together with other circumstances, the UBM Group's business, results of operations, cash flows and financial condition could be materially adversely affected, the trading price of the Notes could decline, the Issuer may not be able to fulfil its obligations under the Notes and investors could lose all or parts of their investment. The risks set out below might turn out not to be complete or prove not to be exhaustive. In addition to these risks, there may be risks that the Issuer does not yet know of or that the Issuer currently thinks are immaterial to its business. The order in which the risk factors are presented below does not provide an indication of the likelihood of their occurrence nor of the severity or significance of the individual risks.*

*Each prospective investor must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer, the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.*

## MARKET RELATED RISKS

***The UBM Group is exposed to fluctuations in the demand and market prices for real estate investment and its ability to dispose of real property depends on market liquidity.***

The UBM Group develops real estate in various asset classes (hotel, office, residential and commercial) for disposal to real estate investment companies, institutional investors (such as real estate funds or insurance companies), companies intending to use real estate for their own purposes and private individuals (in the case of residential property sold unit by unit). In addition, the UBM Group also intends to dispose of material parts of its current property portfolio. Real estate is an investment characterised by limited liquidity and significant volatility in fair values. Demand for real estate investment (and for investment in certain asset classes within real estate) fluctuates significantly over time due to a number of factors, including the general economic and fiscal environment, interest rates, availability of financing, investor sentiment and the relative attractiveness as compared to other investment opportunities. Consequently, market prices for real estate fluctuate significantly over time. Any negative change in the investment environment for real estate in the markets in which the UBM Group operates may have a material negative effect on market prices and market liquidity, thus making it difficult or even impossible for the UBM Group to dispose of its real properties at a profit or within the anticipated timeframes. If the UBM Group were required to sell part of its portfolio or to speed up planned sales for any reason, including for the purpose of raising cash to support its operations, such pressure would make the UBM Group more vulnerable to market conditions, could negatively affect its negotiating powers and would therefore increase overall business risks. Certain properties could also fail to sell at all. Any negative effects on the condition of the real estate markets, market liquidity or demand for and market prices of real estate investment could thus have a material negative impact on the business, financial condition and results of operations of the UBM Group.

In the opinion of the management, currently, the real estate markets substantially benefit from the continuing expansive monetary policy by central banks and extremely low interest rates, which have rendered investments in investment grade debt instruments materially less attractive and caused a surge of other asset prices. Any change in such macroeconomic circumstances (in particular a raise of market interest rates) and central bank policies may reduce capital available for investment, render investments in real estate less attractive and thus have a material adverse effect on real estate markets and consequently

a material negative impact on the business, financial condition and results of operations of the UBM Group.

The UBM Group intends to further grow the volume of its development activities (and thus its production output), taking advantage of the current positive real estate markets. Any negative effects in the real estate markets may also cause the UBM Group to miss its growth targets, which could have a material negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is dependent on the real estate markets in which it operates.***

The UBM Group is focusing its development activities on its core markets Germany (with a focus on Berlin, Munich, Hamburg, Dusseldorf and Frankfurt), Austria (with a focus on Vienna but also on Salzburg and Graz), and Poland (with a focus on Warsaw, Krakow, Gdansk and Wroclaw). and the UBM Group also engages on a project-related and opportunistic basis in other European countries (such as the Netherlands or the Czech Republic). A substantial part of the UBM Group's property portfolio is located in the above mentioned countries. The UBM Group is therefore dependent on market conditions in these regions and the particular cities on which it focuses. In particular, the UBM Group might not be successful in securing land which can be developed or those properties available for development activities may prove to be less attractive or, if developed, may be difficult to sell. In addition, given that the development of property takes several years, the UBM Group might not be able to timely reduce its development activities in order to react to a potential decline in demand. Demand for real estate may be affected, among other things, by demographic changes in the UBM Group's core markets. Furthermore, to the extent the UBM Group generates earnings from the sale of properties, it depends on the market value of its real estate, which is significantly affected by economic and business conditions in the relevant regional real estate markets. A downturn in demand for real estate, a general economic downturn, a deterioration of other macroeconomic indicators or unfavourable demographic changes, especially in Germany, Austria or Poland, could therefore, individually or in the aggregate, have a material adverse effect on the prices for and valuations of real property, target growth of the UBM Group's operations and thus on the UBM Group's business, financial condition and results of operations and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group may not be able to source new developments projects due to a shortage of available development opportunities and high demand.***

The demand for development projects is high, and a large number of real estate development companies compete for the same development projects. In particular in Germany, there has been a strong market development. At the same time, there exists a shortage of available development projects. Should the UBM Group not be successful at sourcing new development projects at reasonable prices, its business may decline and/or its profits may materially decrease. This could have a material negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

## **BUSINESS RELATED RISKS**

***The UBM Group continuously needs to identify and secure new development opportunities in order to remain competitive.***

In order to develop real estate projects, the UBM Group continuously needs to find, and acquire at reasonable prices, land plots and/or properties suitable for development in the regions in which it is active. There can be no assurance that the UBM Group will be able to acquire or develop such additional properties in the future. The UBM Group competes for land/property suitable for development with other local, regional and international real estate developers as well as real estate investment companies active in development for their own use. There are no or only low entry barriers for new market participants in real estate development resulting in intense competition. Small developers active only in a single city or re-

gion may be more flexible and have better local knowledge and access to development opportunities than the UBM Group, and large real estate companies and international developers may have materially greater financial and operational resources at their disposal and may employ economies of scale more efficiently. Any lack of supply of suitable land and/or property (at reasonable prices) for future developments could have a material negative impact on the business, financial condition and results of operations of the UBM Group operations and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is subject to development risks relating to real estate and construction projects.***

In selecting a project for future development, the UBM Group needs to accurately assess all relevant regulatory aspects (zoning and other regulations determining the possible use of a particular plot of land) and, as development may take several years, the UBM Group also needs to accurately assess future demand for classes of assets of real estate in specific regions and locations by potential tenants, operators and real estate investors. Any incorrect investment decision may result in material sunk costs in case a project needs to be abandoned or, in case the project is nevertheless completed, in having developed a property the fair value of which falls below the costs for its development and/or which may fail to sell. Any error in judgment with respect to project selection and/or an investment decision could have a material negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

The development projects of the UBM Group may take longer than expected and may not yield the expected return, in particular, due to insufficient project planning, higher than expected costs and costs overruns, lower than expected future demand, stagnating or decreasing selling prices, insolvencies of general contractors, construction companies and other service providers involved in a development project and general problems relating to construction and legal matters (such as copyright issues in relation to architectural creations or the enforcement of copyright laws in the course of an acquisition and/or development of various other real estate projects) or administrative obstacles. In particular, if any such problems occur in relation to development projects which involve a large investment volume this may result in significant losses if such projects are delayed, run over budget or have to be abandoned. The UBM Group might encounter environmental issues or issues relating to the preservation of sites or historic interests and other issues that could delay, substantially alter any project or even lead to the abandonment of development efforts. The UBM Group's projects compete with other projects for tenants and operators (such as hotel operators) and inability to find suitable tenants for office or commercial projects or operators for hotel projects may materially adversely affect the price at which such project can be disposed and thus the commercial success of any development.

Furthermore, the UBM Group bears liability risks to the purchasers of units and whole properties it develops for damages due to, for example, construction defaults or other deficiencies of the property sold. Provisions made for such liabilities may prove insufficient. Moreover, the UBM Group's internal organisational structure, particularly its risk management, might prove insufficient and might fail to identify or avoid undesirable developments and risks in a timely manner. Any of the aforementioned events, individually or taken together, could have a material adverse effect on the UBM Group's business, financial condition and results of operations and on the ability of the Issuer to meet its obligations under the Notes.

***Property valuations may change in a manner that cannot be foreseen. Any adjustment of fair values could lead to the recognition of significant book losses. A property valuation may not be adequately reflecting the proceeds realisable on a disposal.***

As a part of UBM's risk minimization strategy and due to the currently strong demand from investors the UBM Group occasionally sells its developments before completion in the form of forward deals or forward fundings or immediately after completion. In some cases the UBM Group operates hotel, office or commercial properties for a limited time to optimise disposal proceeds. The UBM Group therefore accounts for such properties as investment properties (i.e. properties that are held for purposes of earning rental income, for capital appreciation or both and are not used by the Group) at fair value in accordance with IAS 40 and real estate inventories (i.e. properties held for disposal from the outset). Residential

property, on the contrary, is typically disposed of by the UBM Group without engaging in interim operation. The UBM Group therefore accounts for such property in accordance with IAS 2 at the lower of fair value and net realisable value. Moreover, properties which are own-used by the UBM Group are accounted for according to IAS 16 and are valued at cost.

The business activities of the UBM Group depend to a material extent on the valuations of its properties because these valuations are the basis for the subsequent sale or letting of such properties.

Valuations of properties depend on market circumstances and involve to a material extent subjective assessment and depend largely on assumptions that may prove incorrect when made or change over time. Therefore, the determination of the value of any real property as of the date indicated in an appraisal is not always necessarily complete and correct. The date of inspection of a property may differ from the date of its appraisal and the valuation of a property always depends on underlying factors and the chosen valuation method. If one or more of the parameters for the fair value calculation deteriorate, for example, because interest rates rise or (the assessed future) rent levels deteriorate or vacancy rates rise, the UBM Group would have to revise the values of its real estate properties downwards. Under these circumstances, the UBM Group would be required to immediately recognise the negative change in value as a loss for the relevant accounting period. If such losses are material, they could have significant adverse effects on the UBM Group. If for some reason a property must be sold rapidly, this could have a negative impact on the sale price of the property, which could ultimately be lower than the most recently determined value. This applies in particular in instances where properties used as collateral for borrowing transactions are sold to satisfy the claims of creditors. Any of the aforementioned events, individually or taken together, could have a material adverse effect on the UBM Group's business, financial condition and results of operations and on the ability of the Issuer to meet its obligations under the Notes.

***The hotel management activities of the UBM Group involve specific risks, particularly relating to potential termination of hotel management and operator contracts without a new contracting partner to continue hotel operation. These activities also involve risks relating to compliance with specific legal requirements.***

Besides hotel development activities the UBM Group offers management service for hotels developed and sold by the UBM Group. This service comprises the management of hotels under a "sandwich model", in which the UBM Group acts as a lessee between the hotel investor and the international hotel operator who is responsible for the hotel management. The hotel management activities following the disposal of the property supports also the development activities of the Group – this model leads in the opinion of the management to higher quality, more sustainable planning and construction as well as trust with the end investors and brand partners. In addition the UBM Group can also earn an additional margin on managing the hotel. In this context, operating services for the relevant hotels are outsourced to independent hotel management and operating companies who typically operate one or more hotels on account of the UBM Group. The UBM Group is thus exposed to the risks arising from managing a hotel, including its level of occupancy, as the results of operations are recognised in the UBM Group's income statement. In addition, the results of operations of a hotel may also affect the price at which such hotel can be sold.

If a hotel management and operating contract is terminated early by the management or operating company or if such a contract expires and the UBM Group is unable to find a new or suitable partner to manage and operate the relevant hotel or find a new or suitable partner on reasonable terms and conditions, it may not be possible to operate or profitably operate such hotel. Also, any insolvency of a hotel operator may disrupt a hotel's operations.

The third-party hotel management and operating companies contracted by the UBM Group typically have direct control over daily hotel business administration activities, including direct oversight of hotel staff. The hotel management and operating companies are also responsible for payroll accounting as well as the due payment of social security contributions, wages and salaries. However, the hotel staff is in legal terms employed by local subsidiaries of the UBM Group and not by the hotel management and operating companies. Therefore, there is a risk that in the event of litigation, employees may address the

companies of the UBM Group as their direct employer or a court or administrative body may find that an employer's typical duties (which are currently assumed by the third-party hotel management and operating companies on behalf of the UBM Group) cannot be transferred or cannot be transferred in full.

From time to time, the UBM Group is also active as hotel operator by way of contract of lease once hotel properties are sold. In these cases, the UBM Group is required to pay a usually fixed lease fee to the owner of the respective hotel property while hotel management operations are usually outsourced to a third party hotel operator. Should the profits generated and paid by the third party hotel operator to the UBM Group not reach or exceed the lease fee payable to the owner of the hotel property, the UBM Group may face losses resulting from such businesses.

Should any one or more of such risks materialise, this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The loss of rent, rent reductions, high vacancy rates and generally the inability to rent properties at favourable terms could have a negative effect on the UBM Group.***

In certain cases the UBM Group acts beyond the development process and engages in managing office, commercial and other properties for a limited period of time in order to optimise the economic performance which usually positively effects the sale price of the relevant asset. Respective rental income also contributes to fund the UBM Group's general and administrative costs that are independent of project sales. Management of these properties involves various risks, including:

- *Low demand.* Low demand for the relevant property at a particular location or generally across the UBM Group's markets, due to economic, social or other reasons, may lead to higher vacancy rates and subsequently lower rental income. Low demand could also force the UBM Group to lease its properties on less favourable terms, or to tenants who pose a greater risk in terms of rent defaults due to reduced creditworthiness;
- *Creditworthiness of tenants.* If tenants fail to pay rent, either in whole or in part, or give notice of lease termination, the UBM Group could sustain losses in current gross rental income. To the extent that the UBM Group is able to re-let units, there is a risk that it may have to agree to less favourable terms compared to the original agreement;
- *Terms of rent.* The terms to which a property may be rented include the level of rent but also additional material factors highly relevant for a potential investor in such property, such as the term of waivers of termination by tenants. The negotiation position of the UBM Group with prospective tenants may be impaired for a number of reasons, including over-supply or low demand for the relevant property or class of property at a specific location or in general across the markets in which the UBM Group operates or unfavourable trends in local market rents; and
- *Property related risks.* The UBM Group could also experience loss of rent, rent reductions and increased vacancies in situations where, for example, its property locations become undesirable or where there is only limited demand for such property because of local market conditions. This would result in a decline in total current gross rental income. The UBM Group is also required to conduct the property management business and maintain properties in good condition as set forth in the leases, by law and by other contractual obligations. The UBM Group may experience a loss of rental income if it fails to maintain its properties in suitable conditions or if it fails to take appropriate and timely maintenance measures.

In addition to the lack of rental income, any decreasing or lacking demand for properties in those markets the UBM Group is active in influences the later sales price of the respective property in these markets and may – in particular in connection with a deteriorating track record of the UBM Group in property sales – lead to substantially lower sales results.

Each of the above factors, individually or collectively, could have a material adverse effect on the UBM Group's business, financial condition and results of operations both directly as well as indirectly by negatively affecting the ability of the UBM Group to sell relevant properties on favourable terms. This may also have a negative impact on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is exposed to various price change and market risks, including interest rate and commodity price fluctuations.***

The price changing risk includes basically changes in the market interest rates and of the market prices as well as a change in currency exchange rates. Because UBM Group's rental incomes are not always index fixed, but are also based on hard currency contracts for its foreign (non-Austrian) properties (which are nearly exclusively entered into with international groups of companies), the Issuer may be exposed to a significant risk of currency devaluations, in particular in Central and Eastern European countries. In its capacity as real estate developer, the Issuer often uses debt financings for its operations, in particular outside the Eurozone, predominantly based on 3 or 6-month EURIBOR. A change in interest rates, in particular an increase in short-term interest rates, could have an adverse effect on the interest payments of the UBM Group, as well as its future borrowing costs. In addition, changes in interest rates could have an adverse effect on the valuation of certain financial liabilities, such as defined benefit pension obligations and other long-term employee liabilities. Changes in interest rates could therefore have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

An increase in the value of the euro in relation to the value of other currencies usually has a negative impact on the results of operations and financial condition of the UBM Group. Furthermore, currency exchange fluctuations impact the comparability of financial information over longer periods.

As a real estate developer, the Issuer also depends to a significant extent on third party service providers, and the associated risks with regard to quality, timely delivery and costs may in times of increased demand lead to difficulties of supply. The operational parts of UBM Group's business may be impacted by price increases for energy and commodities. In the context of the operation of property, the UBM Group could also be subject to price increases of energy and commodities. If it is not possible to pass on price adjustments to end customers/tenants, these factors could have a negative impact on the financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is subject to fluctuations in foreign exchange rates.***

Where the UBM Group engages in development projects or owns real estate outside the Eurozone, it is exposed to exchange rate risks. This relates especially to operations in Poland and exchange risks in relation to the Polish Zloty, and, to a substantially lesser extent, the Czech Crown when the UBM Group operates or develops in the Czech Republic. In the context of development projects in non-Eurozone countries, the UBM Group also sources construction services locally in local currency, save for technical equipment that it typically sources in euro. Project related financing is, however, typically obtained in euro. Leases for properties in non-euro countries (made almost exclusively with international groups) are typically based on euro contracts. Overall, any appreciation of the euro relative to relevant other currencies tends to have a negative impact on the financial condition and results of operations of the UBM Group. Fluctuations in exchange rates could have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

In addition, since the UBM Group's Consolidated Financial Statements are expressed in euro, fluctuations in exchange rates could adversely affect the euro value of consolidated foreign subsidiaries' assets located in non-euro countries, income and equity, have a corresponding adverse effect on the UBM Group's reported consolidated results and comprehensive income. Exchange rate fluctuations also adversely affect the comparability of financial data in the financial statements over different periods.

***Most properties of the UBM Group are encumbered by property specific debt obligations. Redemption payments under these borrowings must usually be made once the corresponding properties are sold so that any remaining proceeds from these properties will necessarily be less than the purchase price obtained.***

The UBM Group typically finances the costs of development of a property with borrowed funds (except for certain residential developments where partial payments of buyers based on project progress finance construction and other development costs (*Bauträgergeschäft*)). Mortgages on these properties are recorded with the applicable land register for the relevant financing banks. If a property is sold, any related borrowing must first be repaid, causing the inflowing proceeds to be less than the purchase price obtained. If for some reason a property must be sold rapidly, in particular in instances where properties used as collateral for borrowing transactions are sold to satisfy the claims of creditors, this could have a negative impact on the sale price of the property and consequently a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes. If in the context of a disposal the UBM Group is unable to generate a purchase price in excess of the redemption amount outstanding under the corresponding debt obligation, the UBM Group would generate a loss.

***The UBM Group may fail to adequately diversify its development operations and property portfolio.***

The UBM Group is a European real estate developer with a special focus on its core markets Germany, Austria and Poland and also operates on a project-related and opportunistic basis in other European countries. The UBM Group aims at reducing its exposure to changes to real estate markets in specific regions or in relation to specific asset classes by diversifying its development operations as well as property portfolio regionally and over asset classes. Due to a number of factors, such as limited available development opportunities, management misjudgements or project sales focusing on specific regions or asset classes, the UBM Group may fail to achieve any targeted or adequate diversification of risk. Failure to diversify risks may result in exposure to accumulations of risk which, if they occur, could have a material adverse effect on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is subject to the risk of litigation.***

In addition to legal disputes arising in the ordinary course of business, especially relating to relationships with tenants, the UBM Group in its capacity as a property developer is also subject to the risk of legal disputes with its joint venture partners. Furthermore, the UBM Group is exposed to potential litigation risks relating to past and future developments, acquisitions and disposals of properties. Any litigation involves material costs and efforts and encumbers internal resources and may, in particular if unsuccessful, have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The increase of credit costs as a result of financial regulation may negatively impact the UBM Group.***

Various regulations by financial markets regulatory authorities have affected (and will affect) the ability of lenders to grant financings to corporates, in particular to those who are active in the real estate development industry. The (re-)financing of the UBM Group on the credit and capital markets may in the future be limited or only available at less favourable or inefficient conditions. Should this risk materialise, then this may have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The terms and conditions of a corporate bond issued by the Issuer in 2015 provide for an interest step-up in case the equity ratio falls below 25%. This may lead to an increase in the financing costs for the UBM Group.***

The terms and conditions of one corporate bond issued by the Issuer in 2015 (with a nominal amount of EUR 75 million) provide that in case the equity ratio of the Issuer falls below 25% during the term of

such corporate bond, the annual interest rate will increase from 4.25% to 6.25% p.a. (from the nominal amount) for the subsequent two (semi-annual) interest periods. As of 31 December 2017, the Issuer's equity ratio amounted to 31.4%, as of 30 June 2018 to 36.5%. Should this risk materialise, then this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group's activities in Central and Eastern Europe involve specific economic and political risks.***

The UBM Group is focusing its development activities on its core markets Germany, Austria and Poland. However the Group also engages on a project-related and opportunistic basis in other European countries (such as the Netherlands or the Czech Republic). A substantial part of the UBM Group's property portfolio is located in the above mentioned countries, whereby a minor share of standing assets are also located in other Central European countries. In some of the countries where the UBM Group operates or might operate in the future, the economic and political framework conditions differ substantially from those in Austria. The UBM Group's activities in these other countries regularly depend on collaboration with local businesses and strategic partners and on approvals being granted by the local authorities. Additionally, the UBM Group might not be afforded equal treatment with its local competitors in these markets and there is also a heightened risk of corruption or organised crime negatively affecting business activities in these areas. With respect to non-EU countries, an additional risk arises from the fact that any funds generated may not be freely transferable. Further, difficult economic framework conditions could deteriorate or continue longer than expected. Each of these factors could adversely affect the UBM Group's business activities and growth opportunities in the countries concerned. This could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***Properties are illiquid assets which may only be difficult to sell or may not be saleable at all.***

The sale of properties may be more difficult than that of other assets. Due to market disturbances caused by the financial and economic crisis, the management is of the opinion that the number of real estate transactions could decrease. In case a property has to be sold under time pressure, this may have a negative impact on the price of such property which may be below the latest valuation. This applies in particular when properties which are used as collateral in financing transactions have to be sold in order to pay creditors. It may also be the case that no buyer at all can be found for a certain property. The illiquidity of properties could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The growth of UBM Group during the past years could in the future remain static or even be smaller. Growth opportunities may be misjudged.***

The UBM Group has permanently grown in the last years. The reason for such growth was in particular that the UBM Group was able to dispose of developed properties in a profitable way. The Issuer's management is of the opinion that the success of the previous years was, *inter alia*, that properties could be disposed of at a time which was from a profits' perspective optimal for the UBM Group. Should the management in the future make incorrect judgments and dispose of properties too early or too late, then this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

Furthermore, it is part of UBM Group's strategy to further expand, benefiting from the currently positive real estate markets. However, expansion and business opportunities may be misjudged. Should the management in the future make decisions with respect to the further growth of the UBM Group, both with respect to future development projects and with regard to the geographical expansion, which by hindsight prove incorrect, then this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is subject to changing legal risks in countries in which it operates. Property development in particular is subject to various specific legal requirements.***

The UBM Group operates in countries with shifting legal requirements. In recent years, legislation in most countries in Central and Eastern Europe in which it operates, particularly in Russia, have been extensively modified. The laws and legal systems of some of these countries are still in the development stage so that laws and legal practices may not be consistently construed and applied. Legislation, court rulings and administrative practices in the countries of Central and Eastern Europe vary in material respects from Western Europe, particularly those of Germany and Austria, which may result in a lack of legal certainty on the part of the UBM Group when conducting certain business activities. These differences include procedural norms, such as the duration of proceedings, the importance of public records (particularly those of the local land register) as well as substantive differences in corporate and property law. These differences may also result in uncertainties with respect to framework conditions under tax, labour and administrative law (particularly regarding applicable building regulations as well as environmental, safety and health standards) and in an inconsistent application of the laws by the relevant authorities and courts. Due to the political systems and legal framework conditions prevailing in these countries, future legislation and the impact on jurisdictional and administrative practices cannot be predicted with the same level of certainty as in Western Europe.

Additionally, there is a risk in some countries, in particular in Central and Eastern Europe, that the lawful title to real property may be questioned and that restitution claims may be asserted, primarily as a result of expropriations by governments in the 20th century. Furthermore, there are generally extensive legal restrictions relating to the acquisition, development, operation and disposal of real properties which could potentially constitute an interference with pre-existing ownership rights. For example, easements or restrictions on the leasing or sale of properties may have a negative impact on the ability of the UBM Group to freely acquire, develop or dispose of certain properties. In addition, regulatory approvals or notifications might become necessary, which could involve delays and increased costs. There is also a risk that any such approvals may subsequently be revoked. As a result, changes in regulatory approvals or requirements may lead to fines being assessed against non-conforming properties, additional costs being required to adapt such properties to new requirements or, potentially, the demolition of certain properties.

Should any one or more of these risks materialise, this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***Compliance with applicable legal norms is costly and future changes to legal norms and standards could have a negative impact on the UBM Group.***

The UBM Group is subject to a number of increasingly strict laws, regulations and standards. Such norms govern technical standards as well as work processes that relate to, among other things, construction work, construction safety, fire safety, environmental standards, the use of toxic substances, waste disposal and hygienic standards. Substantial costs are incurred to comply with these regulations and the UBM Group is subject to liability risk in case of non-compliance. Additional legal obligations may be introduced in the future that would further increase compliance costs. New regulations may require the UBM Group to make expensive purchases, to refurbish or remodel existing properties or to incur other significant expenses. The non-compliance with existing or future legal norms or standards could result in damage claims or penalties being imposed on the UBM Group or could negatively affect its reputation. Should the UBM Group fail to comply with any applicable regulations or be required to incur additional expenses to ensure continued compliance, the business, financial condition and results of operations of the UBM Group could suffer a material adverse effect. This may also have a material adverse effect on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group's internal controls may be inadequate to prevent corruption or other illegal or unethical practices.***

There is a risk that the UBM Group's internal control mechanisms for the prevention of corruption and illegal business practices may be found inadequate to prevent an involvement of the Group's employees in illegal or unethical business practices. Should any corruption or other illegal or unethical actions on the part of Group employees be discovered, this could significantly damage the Group's reputation or result in penalties or criminal liability. This could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group and permanent establishments of the UBM Group abroad are subject to certain tax risks. In particular, the UBM Group is subject to the risk of changes in tax legislation.***

There can be no assurance that in instances of external tax audits there will be no subsequent modifications of tax assessment notices or additional tax amounts payable due to differences in the appraisal of tax matters (for example, due to an incorrect assessment of tax consequences relating to any corporate restructuring, incorrect calculation of deductible amounts or insufficient documentation of intercompany transfer prices for prior years). There can be no assurance that the domestic and foreign companies of the UBM Group as well as the permanent establishments abroad have adequately identified prior year tax risks or will be able to identify such risks in the future (which, in individual cases, may result in additional tax amounts being payable).

The structure of the UBM Group is based on currently prevailing tax framework conditions. Due to changes in legislation, court rulings or administrative practices, the conclusion or implementation of double taxation treaties, changes to the UBM Group's tax situation in general or certain internal measures, the UBM Group may be subject to a higher tax burden in the future than is currently expected.

Should any one or more of such risks materialise, this may have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***In many cases, certain of the Group's operations are not managed by the Issuer itself but by other companies of the UBM Group so that the Issuer's influence on and its supervision of such operations may be limited.***

The Company is the parent company of the UBM Group. However, many transactions of the UBM Group are not handled by the Issuer but by subsidiaries or project companies, including associated companies. If transactions are handled directly by a subsidiary or a project company, the Issuer's influence on and its supervision of these companies may be limited, particularly where the Issuer, directly or indirectly, holds no majority interest in such companies. Failure to effectively manage the UBM Group and its risks could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group is exposed to risks associated with its involvement in joint ventures. In some cases, the UBM Group has joint and several liability together with its joint venture partner.***

In the real estate development industry, joint ventures are formed from time to time in relation to a project in order to distribute the project contributions and risks among the partners. Typically, the parties of the joint venture also contribute to the financing of the project on a pro rata basis. As partner in a joint venture, the UBM Group may also be in a minority position and therefore have little or no influence on the project implementation. The same applies in the case of forward sales, i.e. sales of real estate development projects still to be completed). The UBM Group may therefore be exposed to the risk of shareholder disputes and defaults by other joint venture partners on their obligations. Should any of the risks associated with the involvement in joint ventures materialise, this could have a material adverse effect on

the business, results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

In two cases, the UBM Group has entered into agreements under which it has assumed joint and several liability together with its joint venture partner. In the context of Hotel "Dream Castle" and Hotel "Magic Circus," both located next to Euro Disney near Paris, France, the Company and Warimpex Finanz- und Beteiligungs Aktiengesellschaft as 50% shareholders in two project companies have undertaken vis-à-vis a leasing provider to purchase the shares in such project companies at the request of the leasing company at a price corresponding to total amounts outstanding under the relevant leasing agreement. The Company and Warimpex Finanz- und Beteiligungs Aktiengesellschaft are each jointly and severally liable for the whole amount, despite each owning only a 50% share in the relevant project. Should its partner fail to meet its obligations and the UBM Group be forced to satisfy these obligations, this could have a negative impact on the financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group depends on its management executives and its key employees.***

The UBM Group depends on its management executives, including the members of the Management Board as well as the executives of the Issuer's group companies. Should one or more members of management leave the UBM Group, there can be no assurance that the UBM Group, within a reasonable period of time and at reasonable cost, will be in a position to find adequate replacements at the management level in order to successfully meet the challenges of managing the UBM Group's activities. Next to management executives, the business success of the UBM Group depends to a significant extent on its other key employees. Qualified employees are of major importance to the success of the UBM Group mainly because they are in a position, due to their past experience, to identify and avoid potential risks relating to the initiation and implementation of projects at an early stage. There can be no assurance that the UBM Group will succeed in retaining key employees in the long term or, in the event of any loss of one or several of such employees, in recruiting suitable successors on reasonable terms. Any failure to recruit or retain management members and key employees could have a negative impact on the financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***There can be no assurance that existing insurance contracts are sufficient to cover all conceivable damage.***

The UBM Group determines the type and scope of necessary insurance to cover potential significant risks on the basis of a commercial cost-benefit analysis. Generally, such insurance coverage includes liability risks typically experienced in connection with the UBM Group's particular business activities. There can be no assurance that such risks have been correctly assessed and, at any rate, not all risks that the UBM Group is exposed to have been insured. The UBM Group's entrepreneurial risks taken in the ordinary course of business are generally not insured. Additionally, any damage or loss incurred for risks that are insured may exceed the amount of the existing insurance coverage. Should any damage be incurred by the UBM Group for which there is no or insufficient insurance coverage, in particular in the event of any damage or delay relating to the performance of construction work, this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***Receivables of the UBM Group may not be recoverable due to bad debt losses.***

With respect to receivables, the UBM Group is subject to the risk of default. In case the receivables of the UBM Group are not recoverable, this could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The IT systems may fail or be subject to unauthorised third-party access or attacks.***

The UBM Group uses comprehensive IT systems to manage its business activities, including the use of servers and the application of specialist software as well as access control systems and data mirroring. Any failure of one or more of these IT systems could have significant consequences for the UBM Group. Any unauthorised third-party access to the UBM Group's systems may also result in data breaches or such IT systems being inaccessible or unavailable to the extent necessary for use by the UBM Group. Cyber-attacks from third parties may lead to the complete loss of data of the UBM Group. This could have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group sources substantial administrative services from PORR AG, and any discontinuation of such services could have a negative impact.***

Stemming from the times when the Company was a subsidiary of the PORR Group, the UBM Group makes continued use of the shared service centres of PORR AG for a number of administrative services and functions because management believes – due to economies of scale at the PORR Group - it can obtain a higher quality of services at lower costs as compared to maintaining respective resources on its own. Relevant services sourced from PORR AG include group administration, accounting, IT and human resources related services. Currently, the UBM Group has e.g. no accounting or human resources organisation and no IT infrastructure of its own. Services are provided based on a framework contract allowing for termination only as of the end of a financial year giving six months prior notice. Any failure by PORR AG to provide such services without granting the UBM Group sufficient time to build up respective resources on its own or to find other service providers may cause disruptions to the business of the UBM Group and could thus have a negative impact on the business, financial condition and results of operations of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group may not be able to obtain financing on favourable terms.***

In real estate development, investment typically spans over a period of years, during which time capital is invested and tied up. The corresponding results are only realised once the property is sold (except in cases of new valuations resulting in realisations according to IAS 40), and only at this point a back flow of liquidity occurs. The UBM Group is thus generally dependent on external funds to finance its development operations. In addition, the UBM Group uses liquidity that becomes available from the disposal of property for new property developments. If adequate funds are not available, or are not available at favourable terms, the UBM Group may not be able to engage in real estate development or only at a lower than intended level.

The UBM Group has covered its past financing requirements through the issuance of bonds as well as bank loans and other forms of debt financing. Its ability to obtain financing will depend on the UBM Group's creditworthiness, prevailing conditions in the credit and capital markets and the regulatory framework applicable to financial institutions, topics which are partly or entirely beyond the UBM Group's control. Conditions and the ability to raise financing also depend on the UBM Group's level of debt. As a result of general economic conditions and tightening capital and other regulatory requirements applicable to banks, the UBM Group is exposed to the risk of limited availability of long-term financing. These factors may result in a limited interest of banks to take on project finance risks, charge higher margins and requests for more stringent financial covenants, such as loan to value rates, or higher collateral. In addition, these factors as well as negative effects of debt capital markets may negatively affect the ability of the Company to refinance corporate debt at the level of the Company (including its bonds) at commercially favourable terms or at all.

In 2017, the UBM Group has established an accelerated sales program named "Fast Track 2017" in the course of which the sale of investment properties as well as forward deals of development projects was speeded up and resulted in a reduction of net debt through increased sales proceeds. In 2018, the UBM Group further concentrates on pure play real estate development and expedites its transformation into a

pure-play developer and therefore established a program named "Pure Play Program" to further reduce its standing asset portfolio. Until mid of 2019 the UBM Group aims a reduction of the standing portfolio book value to EUR 350 million in order to gain free resources for further net debt reduction and new development projects.

Should any of these risks relating to the UBM Group's ability to secure external financing for its projects and corporate activities materialise, this could have a material adverse effect on the UBM Group's business prospects, results of operations and financial condition and on the ability of the Issuer to meet its obligations under the Notes.

***The UBM Group may be held liable for contaminated sites.***

The UBM Group from time to time owns and/or develops land, which had formerly been subject to industrial or commercial use. Prior to the acquisition of land, the UBM Group performs an environmental due diligence. The UBM Group is exposed to the risk that the land it owns or previously owned or developed may be found to be contaminated. In such case the UBM Group may have a claim for indemnification against the seller of the land or other third party responsible for such contamination, however, such claim may be difficult to assert and/or to enforce. The UBM Group may itself be exposed to claims for environmental issues by a third party that purchased property from the UBM Group. In specific situations, the UBM Group may also decide to accept limited risks of contaminations if the price at which it may acquire a property is nevertheless attractive and it believes such contamination can be handled at reasonable cost.

Furthermore, the UBM Group may not be able to identify additional factors which may complicate the use and/or disposal of properties, or – even if identified – such factors may not be correctly considered. This includes not only factors like the above described contaminations, but also, for example, restrictions because of zoning plans, rights of third parties (like neighbours' rights or easements), unknown constructions, protection provisions (like monument conservation, tree population, protection zones), complicated accessibility, unknown water sources, ground water or emissions.

Should any of these risks materialise, this could have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The Issuer's ability to meet its obligations is limited by the fact that its operational activities are limited.***

The Issuer's involvement in operational activities is limited. It is primarily a holding company which has no relevant assets beyond the participations in its subsidiaries and real property. As such, the Issuer depends on being provided with liquidity and profit by its subsidiaries in order to be able to generate funds and meet its obligations towards its creditors. If the distribution of dividends from a subsidiary to the Issuer is delayed or if such distribution does not take place at all, this may, irrespective of existing credit lines and intra-group cash pooling, have considerably negative consequences for the Issuer's liquidity position that may jeopardise the Company's ability to meet its obligations. This could have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The operational and financial flexibility of the UBM Group is limited due to certain market standard restricting provisions in financing instruments.***

Because of single, market standard provisions in agreements relating to financial instruments, the UBM Group is limited in the structure of its future financing policy. Such provisions relate, *inter alia*, the raising of new debt, the use of assets as collateral and guarantees / sureties in favour of third parties. The predominant part of such agreements provides that in case of a default of one financial instrument (if such a default is confirmed by the court), also all other financial instruments may in theory become immediately payable. In the past, no default has been determined by any court. In single cases, agreements

have been entered into which – in addition to other market standard provisions – also require maintaining certain financial covenants. In the recent past, UBM Group has agreed with the lender to waive the compliance with such financial covenants with respect to commercially non-material guarantee credit. It cannot be guaranteed that UBM Group will in the future be able to comply with all financial covenants, and/or that in case of non-compliance with such financial covenants or the violation of other contractual provisions a waiver can be obtained. The above described restraints may have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***The negative consequences resulting from the concentration of similar or different risk factors, or their reciprocal effects (concentration risk), may lead to a mutual increase of the risks described in this Prospectus.***

Concentration risk means the potential negative consequences which result from the concentration of similar or different risks factors or risk types, or their reciprocal effect. The concentration risk may reinforce other risks described in this Prospectus. This may have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

## **RISKS FROM THE ISSUER'S CAPITAL AND SHAREHOLDER STRUCTURE**

***The current core shareholders of the Issuer may materially influence the business policy of the UBM Group, potentially also in contrast to the interests of investors.***

According to the knowledge of the Issuer, the Ortner-Strauss Syndicate currently holds 38.84% of the voting rights in the Issuer. The Ortner-Strauss Syndicate consists of the Ortner Group and the Strauss Group (those syndicated shares which are attributable to the Ortner Group are held by Ortner Beteiligungsverwaltungs GmbH and IGO Baubeteiligungs GmbH, and those shares which are attributable to the Strauss Group are held by SuP Beteiligungs GmbH and AIM Industrieholding und Unternehmensbeteiligungen GmbH) (Source: internal data of the Issuer).

Because of this concentrated shareholding, these core shareholders may be able to exercise a controlling influence over material decisions of the Issuer, in particular over the composition of the Issuer's Supervisory Board (and thus indirectly over the composition of the Issuer's Management Board), irrespective of the voting behaviour of other shareholders. Therefore, it is possible that the Issuer's business policy is determined to a material extent by these core shareholders, potentially also against the interests of investors. In addition, holders of debt instruments have no control or voting rights in the course of any (corporate) decisions of the Issuer.

***The shares of the Issuer could be subject to a mandatory takeover bid, which could result in a premature termination of the Notes.***

The Issuer, an Austrian stock corporation the shares of which are admitted to trading on the Official Market of the Vienna Stock Exchange (*Amtlicher Handel der Wiener Börse*), is subject to the full application of the Austrian Takeover Act. The Austrian Takeover Act provides, *inter alia*, that a shareholder acquiring directly or indirectly more than 30% of the voting rights in an Austrian stock corporation (the shares of which are admitted to trading on a regulated market of the Vienna Stock Exchange) is required to launch a mandatory takeover bid, unless an exemption as provided for in the Austrian Takeover Act (sections 24, 25 of the Austrian Takeover Act) applies. This may lead to a change of control of the Issuer, and a change of control may lead to a termination of the Notes. In the event of a pre-mature termination of the Notes, investors face the risk that they may not obtain the expected yields.

***Due to potential changes of international financial reporting standards (IFRS), it could no longer be possible to account for the hybrid bond issued by the Company in 2018 as equity.***

The Issuer has issued a hybrid bond in early 2018 in the nominal amount of EUR 100 million, ISIN XS1785474294. The hybrid bond is accounted for as equity for the purpose of the IFRS based consolidated annual financial statements. Should the respective IFRS provisions change, it may be possible that these financial instruments can no longer be accounted for as equity, but as liabilities (in the consolidated annual financial statements); this may have an impact on the financial ratios, in particular on the equity ratio, and on the financing agreements of the UBM Group. This may have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

## **RISKS RELATING TO THE NOTES**

*An investment in the Notes involves certain risks associated with the characteristics of the Notes. Such risks could result in principal or interest not being paid on time or at all by the Issuer and/or a material impairment of the market price of the Notes. The following is a description of risk factors in relation to the Notes.*

***The Notes may not be a suitable investment for all investors.***

This Prospectus does not replace the indispensable advice of a legal, financial, investment or tax advisor.

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes, and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms and conditions of the relevant Notes and be familiar with the behaviours of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks;
- recognise that it may not be possible to dispose of the Notes for a substantial period of time or at all.

Investments by certain investors are subject to investment laws and regulations and the supervision or regulation by certain authorities. Each potential investor should consult a financial advisor to determine if and to what extent (i) the Notes represent suitable investments for him, (ii) the Notes may be used as collateral for various types of borrowing, and (iii) other restrictions apply to the purchase or pledging of the Notes. Financial institutions should consult their legal advisers or the appropriate regulatory authority

to determine the appropriate classification of the Notes in accordance with the applicable rules on risk capital or similar provisions.

***Risks exist due to the structural subordination of the Notes towards other financing obtained by the Issuer or its subsidiaries, which may be secured by collateral provided by an affiliate of the Group other than the Issuer or otherwise preferred based on the financial structure of the Group as well as the Terms and Conditions.***

Holders of the Notes (the "**Holders**" or "**Noteholders**") are unsecured creditors of the Issuer. Hence Holders are subordinated to secured creditors of the Issuer and its subsidiaries, since the secured creditors have preferential access to the financial assets on which they hold security interests. Structural subordination exists with regard to unsecured creditors of subsidiaries, because in the event of the insolvency of the subsidiary they have access to the financial assets of the respective subsidiary, whereas the Issuer has potential proceeds from the liquidation of the respective subsidiary at his disposal only after all creditor's claims. The Issuer holds large investments domestically and abroad and hence exercises a holding function. As a holding company the Issuer has a weaker position than creditors of the subsidiaries.

Numerous financings of the Group do not take place at the Group level, but as project financing at the level of the project companies. Creditors of project financings are typically secured by all financial assets of the project company and therefore they in any case may have access to the assets of the project company prior to the Holders. Moreover, claims of the Issuer against the subsidiary may under applicable law be treated subordinately in case of insolvency of the subsidiary. The Issuer manages its portfolio mainly through its main subsidiaries and special purpose vehicles with the sole purpose of developing or holding real estate assets, claims of creditors against special purpose vehicles are often secured by preferred access to such vehicle's assets. Relatively few assets are directly held by the Issuer.

As a consequence, many outside creditors of the Group have an advantageous creditor position in comparison to Holders through possible access to securities and because of direct claims against several project companies that have financial assets at their disposal. Those aspects as well as the financing structure of the Issuer in general may infringe the ability of Holders to enforce their claims against the Issuer. This may have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes.

***Holders of the Notes have no voting rights.***

The Notes are non-voting with respect to general meetings of shareholders of the Issuer. Consequently, the Holders of the Notes cannot influence any decisions by the Issuer to defer interest payments or to optionally settle such arrears of interest or any other decisions by the Issuer's shareholders concerning the capital structure or any other matters relating to the Issuer.

***Holders' only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.***

The only remedy against the Issuer available to the Holders of the Notes for recovery of amounts which have become due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. On an insolvency or liquidation of the Issuer, any Holder may only claim the amounts due and payable under the Notes, after the Issuer has discharged or secured in full all claims that rank senior to the Notes.

***Risk relating to the lack of limitation on issuing further debt.***

The Issuer has not entered into any restrictive covenants in connection with the issuance of the Notes regarding its ability to incur additional indebtedness ranking *pari passu* or senior to the obligations under or in connection with the Notes. The incurrence of any such additional indebtedness may significantly increase the likelihood of a deferral of payments of interest under the Notes and/or may reduce the amount recoverable by Holders in the event of insolvency or liquidation of the Issuer. In addition, under

the Notes, the Issuer will not be restricted from issuing or repurchasing its other securities. Holders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganisation or a restructuring, merger or similar transaction that may adversely affect the Holders.

***Liquidity risk in case that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue.***

There is currently no secondary market for the Notes. Application has been made for the Notes to be admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes may additionally be restricted by country specific reasons.

***Market risk relating to fixed interest rate notes.***

The Notes bear interest at a fixed rate. A holder of a fixed interest rate note is exposed to the risk that the price of such note may fall because of changes in the market interest rate. While the nominal interest rate of a fixed interest rate note is fixed during the life of such note or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the market price of such note changes in the opposite direction. If the market interest rate increases, the market price of such note typically falls, until the yield of such note is approximately equal to the market interest rate. If the market interest rate falls, the market price of a fixed interest rate note typically increases, until the yield of such note is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for the Holders if they sell their Notes.

***Currency risk relating to changes in currency exchange rates.***

The Notes are denominated in euro. If such currency represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes measured in the Holder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***An Austrian court may appoint a trustee (Kurator) for the Notes to exercise the rights and represent the interests of Holders on their behalf.***

Pursuant to the Austrian Notes Trustee Act (*Kuratorengesetz*), a trustee (*Kurator*) may be appointed by an Austrian court for the purposes of representing the common interests of the Holders in matters concerning their collective rights. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions or changes relating to the Issuer, or under similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Holders and will be entitled to make statements on their behalf which shall be binding on all Holders. Where a trustee represents the interests and exercises the rights of Holders, this can conflict with or otherwise adversely affect the interests of individual or all Holders.

***Certain payments on Notes may be subject to U.S. withholding tax under FATCA.***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Austria) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a for-

eign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### ***Risk relating to financial transaction tax.***

On 14 February 2013, the EU Commission published a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "Participating Member States"). The FTT as provided under the Draft Directive was originally scheduled to be applicable as of 1 January 2014.

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Ten EU Member States (including Austria) had announced that they intend to reach an agreement with regard to the FTT by the end of June 2016, focussing initially on the taxation of shares and certain derivatives. Estonia decided that it will not participate. The FTT has not been implemented yet. As to the further implementation of any FTT there is currently no detailed plan or timetable available.

Nevertheless the FTT remains subject to negotiation between the EU Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which remains unclear. Moreover, once any directive has been adopted (the "**FTT Directive**"), it will need to be implemented into the respective domestic laws of the participating EU Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisors in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

***The market price of the Notes could decrease if the creditworthiness of the Group worsens or for other reasons***

The market price of the Notes is, amongst others, influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by a credit rating of the Issuer (prepared upon request of a third party, if any) and a number of other factors including, but not limited to, economic and political events in Austria or elsewhere, factors affecting the capital markets in general and the stock exchange(s) on which the Notes are traded, market interest, rate of return and certain market expectations and the price at which a Holder can sell the Notes might be considerably below the Re-offer Price or the purchase price paid by such Holder.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group, the market price of the Notes will suffer. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Market participants may in particular have a different perception if market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group adversely change. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market price of the Notes is likely to decrease.

***Investors are exposed to the risk that the Notes will not be admitted to trading on the Official Market of the Vienna Stock Exchange or that the upgrowth of the market price of the Notes is uncertain.***

The Issuer intends to apply for the admission of the Notes to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. It is not guaranteed that the Vienna Stock Exchange will comply with this application for admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange. Even if approval has been granted, it can be suspended or revoked for a variety of reasons. In such cases, investors are exposed to the risk that either there is no regulated market or even no market where they can trade the Notes. As a result, their disposability would be severely limited and investors would have to look for other ways to sell. This can be associated with a time and cost. In addition, a reference price formed on the Vienna Stock Exchange is missing. In the worst case, Noteholders must expect to be unable to sell their Notes and have to await the end of the term of the 2018 UBM-Bonds.

Even if the Issuer's application for admission of the Notes to trading on the Official Market of the Vienna Stock Exchange is approved, it cannot be guaranteed that the future market price of the Notes will not be less than the price investors have paid to purchase the Notes. Negative effects on the market price of the Notes may be triggered in particular by a deterioration in the Issuer's business, a deterioration of the Issuer's or the overall economy, an increase in interest rates and a general downturn in the capital market and real estate market. Significant fluctuations in stock market prices and trading volumes on the securities markets have taken place in recent years. Such fluctuations may adversely affect investors.

***Investors are subject to inflation risk. As a result, the real interest rate from the investment in the Notes can be reduced.***

Investors are subject to the risk that the value of capital invested by an investor in the Notes or the interest income from these lose value when the purchasing power of the underlying currency falls due to inflation. Inflation reduces the value of the capital invested by the investor in the Notes. In the case of a bond with a contractually agreed term, which in the present case is five years, there is an inflation risk that could result in the Noteholder potentially losing value thereby reducing the real rate of return on the investment in the Notes. If the inflation rate is higher than the interest on the Notes, the yield of the Notes may even be negative. At the same time, the possibilities of selling the Notes are limited, so that the in-

vestor must expect to hold the Notes until the end of the term, thus realizing a loss in value due to inflation in full.

***Investors are subject to the risk that the Issuer will terminate the Notes for tax purposes.***

The Issuer may, in accordance with the Terms and Conditions of the Notes, terminate the Notes in certain circumstances in the event of a change in tax law by or in the Republic of Austria or as a result of an amendment to the official interpretation of such provisions. In the event of termination and early redemption of the Notes, Noteholders are subject to the risk that the income from the Notes will be less than anticipated.

***Investors are exposed to the risk that the Issuer will raise further debt. The Issuer may engage in transactions that are not in the interest of the Noteholders or, for other reasons, conflicts of interest may arise between the Issuer and the Noteholders.***

The Issuer is not subject to any restrictions on the issue of additional notes. The Issuer may also obtain other debt financing at any time. The interests of the Issuer and those of the Noteholders are different. Further debt financing increases the Issuer's indebtedness, may have a negative impact on the market price of the Notes and reduce the funds from which redemption of the Notes occurs in the event of the Issuer's insolvency. This can have adverse effects for investors. As lender of the Issuer, credit institutions could be in conflict of interest with the Noteholders. This may adversely affect the Noteholders.

***The Issuer may be required to refinance the 2018 UBM-Bonds in order to repay the Notes.***

The aggregate principal amount of the Notes shall not be repaid in installments over a longer period, but in a sum at the end of the term in 2023. It can not be ruled out that the Issuer will need a new refinancing, possibly by issuing new notes, to repay the Notes. If any funding required for repayment is unavailable, for whatever reason, the Issuer may not be able to repay the Notes.

***Noteholders have only limited rights with regard to the termination of the 2018 UBM-Bonds.***

The Noteholders are not entitled to an ordinary termination right with regard to the 2018 UBM-Bonds. Noteholders are only entitled to terminate the 2018 UBM-Bonds for important reasons (extraordinary termination), as provided for in the Terms and Conditions of the 2018 UBM-Bonds. Therefore, Noteholders are subject to the risk to have no legal means to terminate the 2018 UBM-Bonds until their maturity. This may adversely affect the Noteholders.

***The euro denominated Notes may give such investors a currency risk for which the euro is a foreign currency; governments and competent authorities could also introduce exchange controls in the future.***

The Notes are denominated in euro. Likewise, payments of interest and repayments are made in euros. If the Euro is a foreign currency to a Noteholder, such Noteholder will be exposed to the risk of changes in foreign exchange rates that may affect the income of the Notes. Changes in exchange rates can have many causes, such as macroeconomic factors, speculation and intervention by central banks and governments. In addition, as has already happened in the past, governments and monetary authorities may introduce foreign exchange controls that could adversely affect their exchange rates. As a result, Noteholders may receive less capital or interest than expected or no capital or interest.

***The revocation or suspension of trading in the Notes (or even the lack of admission to trading) may result in distorted pricing or the inability to sell the Notes.***

The FMA is entitled to suspend trading of the Notes or to demand such a suspension of trading from the Vienna Stock Exchange if, in the opinion of the FMA, this is necessary in the interests of a properly functioning market and does not conflict with investor interests. The FMA may also require the Vienna Stock Exchange to suspend trading in connection with measures against market manipulation and insider

trading. The Vienna Stock Exchange is also entitled to dispose of a trade suspension on its own initiative. It is also possible that there will be no admission to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange.

Any suspension of trading of the Notes (or the lack of admission to trading) will result in Noteholders being unable to sell their Notes over the stock exchange or, possibly, with a time delay, over the counter. This may have adverse effects on the Noteholders.

***Amendments to applicable laws, regulations or administrative practice as well as tax conditions bear risks for the Issuer, the Notes and the Noteholders.***

The Terms and Conditions of the Notes are governed by Austrian law, as it stands at the date of the Prospectus. The Issuer can not make any assurances regarding the effects of possible court decisions or changes to Austrian law (or applicable law in Austria) or the administrative practice after the date of approval of the Prospectus. Investors are exposed to the risk that these aforementioned decisions and / or changes will adversely affect the Issuer, the Notes and the Noteholders.

***If the tax situation changes, this can have a negative impact on the Noteholders.***

The tax law situation at the time the Notes are issued may change in the future. Changes in tax laws, the practice of their application and their interpretation by public authorities and courts can, on the one hand, have a negative impact on the economic situation of the Issuer and, on the other hand, on the economic value of the Notes. The amount of the return after tax largely depends on the individual tax situation of the Noteholder. The relevant statements in the Prospectus are based on the current Austrian, German and Luxembourg legal situation and administrative practice of the tax authorities. Future changes by the legislators, in particular the possible introduction of a financial transaction tax, the tax authorities or decisions of the highest court may negatively influence or change the tax treatment presented. A premature termination of the Notes can also have an impact on the tax situation of a Noteholder. The basic tax law statements in this Prospectus do not constitute general or individual tax advice and can not replace such. It is recommended to seek individual tax advice before subscribing to the Notes.

***The Managers may, under certain conditions, withdraw from the proposed issue of the Notes.***

The offer of the Notes is subject to the condition that the Managers can withdraw from an intended issue of the Notes by the value date, for example if there has been a change in the national or international, financial, political, legal or fiscal conditions or a catastrophic or emergency situation so that, in the opinion of the Joint Lead Manager, it is not possible to issue the Notes at the desired conditions. Also included in the right of withdrawal of the Managers are breaches of contract by the Issuer. For this reason, potential Noteholders may be confronted in the short term with the fact that an investment in the Notes can not be made as planned.

***Noteholders are dependent on the functioning of the clearing systems.***

The global note securitising the Notes is held in safe custody by OeKB CSD GmbH. The Noteholders are entitled to co-ownership shares in the global note, which may be transferred in accordance with the general terms and conditions of OeKB CSD GmbH and outside Austria exclusively in accordance with the provisions of Clearstream Banking S.A., Luxembourg, and Euroclear Bank S.A./N.V., Brussels, Belgium. Noteholders are dependent on the functioning of the relevant processes with respect to the transfer of the Notes. The Issuer assumes no responsibility or liability that the securities will actually be recorded in the securities account of a Noteholder after their acquisition or that they will be derecognised in the event of a sale. There is therefore a risk that bookings may not be made by the use of clearing systems, that they may not be made within the time expected by a Noteholder, or that they may be made late, and that the Noteholder may suffer economic disadvantages as a result. As long as the Notes are securitised by the global note, the Issuer will meet its payment obligations with regard to the Notes by making payments to the paying agent for forwarding to the central securities depository and the clearing systems or to their order for credit to the respective account holders. The payment to the securities clearing and de-

pository bank and the clearing systems or to their order relieves the Issuer of its corresponding liabilities under the Notes in the amount of the payment made. Noteholders are therefore also dependent on the functioning of the corresponding processes at the securities clearing and deposit bank and the clearing systems with regard to payments.

***The purchase of the Notes by potential investors may violate laws.***

Neither the Issuer nor the Managers and their affiliates are responsible for the legitimacy of any prospective investor purchasing the Notes with any applicable laws or regulations or administrative practice in the home country of the investor. Potential investors should not rely on the Issuer or the Managers and their affiliates to determine the legality of a purchase of the Notes and are encouraged to inform themselves of the applicable laws and to seek professional advice.

***Investors should not rely on opinions and forecasts.***

The forward-looking assumptions and statements contained in this Prospectus are primarily opinions and forecasts made by the management of the UBM Group. They reflect management's current view of future events that are still uncertain. A variety of factors can cause actual events to differ materially from the predicted situation. This may have a material adverse effect on the results of operations and financial condition of the UBM Group and on the ability of the Issuer to meet its obligations under the Notes and, subsequently, have adverse effects on Noteholders.

## TERMS AND CONDITIONS OF THE NOTES

### Anleihebedingungen

*Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

*Die englischsprachige Übersetzung des rechtsverbindlichen deutschen Wortlautes dieser Anleihebedingungen wurde von der FMA nicht geprüft.*

### Terms and Conditions

*These Terms and Conditions are written in the German language and provided with an English language translation. The German language text will be the only legally binding version. The English language translation is provided for convenience only.*

*The English language translation of the legally binding German language text of these Terms and Conditions has not been reviewed by the FMA.*

### ANLEIHEBEDINGUNGEN

DER

3,125% UBM-ANLEIHE 2018-2023

DER

UBM DEVELOPMENT AG

1.

**Emittentin**

Die UBM-Anleihe 2018-2023 im Gesamtnennbetrag von bis zu EUR 100.000.000 (Euro einhundert Millionen) mit Aufstockungsmöglichkeit auf bis zu EUR 120.000.000 (Euro einhundertfünfzig Millionen) (die "**2018 UBM-Anleihe**") wird von der UBM Development AG mit dem Sitz in Wien, Österreich, und der Geschäftsanschrift Laaer-Berg-Straße 43, 1100 Wien, Österreich, eingetragen im Firmenbuch zu FN 100059 x (die "**Emittentin**") in Form eines öffentlichen Angebots in Österreich, Deutschland und Luxemburg gemäß diesen Anleihebedingungen (die "**Anleihebedingungen**") begeben.

2.

**Form und Nennbetrag**

2.1 Die 2018 UBM-Anleihe im Gesamtnennbetrag von bis zu EUR 100.000.000 mit Aufstockungsmöglichkeit auf bis zu EUR 120.000.000 ist durch bis zu 200.000, aufgrund der Aufstockungsmöglichkeit durch

### TERMS AND CONDITIONS

OF

3.125% UBM-BONDS 2018-2023

OF

UBM DEVELOPMENT AG

**Issuer**

The UBM bonds 2018-2023 in the aggregate principal amount of up to EUR 100,000,000 (Euro one-hundred million) and potential increase to up to EUR 120,000,000 (Euro one-hundred fifty million) (the "**2018 UBM-Bonds**") will be issued by UBM Development AG with its registered seat in Vienna, Austria, and the business address Laaer-Berg-Straße 43, 1100 Vienna, Austria, registered with the Austrian companies register under registration number FN 100059 x (the "**Issuer**") in the form of a public offer in Austria, Germany and Luxembourg according to the terms and conditions hereinafter stated (the "**Terms and Conditions**").

**Form and Principal Amount**

The 2018 UBM-Bonds in the aggregate principal amount of up to EUR 100,000,000 and potential increase to up to EUR 120,000,000 is divided into up to 200,000 notes, due to the potential increase into up to 240,000 notes,

bis zu 240.000, auf den Inhaber lautende, untereinander gleichrangige Teilschuldverschreibungen mit einem Nennbetrag von jeweils EUR 500,00 (der "**Nennbetrag**") (die "**Teilschuldverschreibungen**") verbrieft.

ranking *pari passu* among themselves, with a denomination of EUR 500.00 each (the "**Principal Amount**") (the "**Notes**").

2.2 Die Teilschuldverschreibungen werden zur Gänze durch eine veränderbare Sammelurkunde gemäß § 24 lit b Depotgesetz (die "**Sammelurkunde**") verbrieft. Die Sammelurkunde wird bei der OeKB CSD GmbH als Wertpapiersammelstelle verwahrt. Die Sammelurkunde trägt als firmenmäßige Zeichnung die Unterschriften der erforderlichen Anzahl zeichnungsberechtigter Vertreter der Emittentin und ist mit einer Kontrollunterschrift der gemäß diesen Anleihebedingungen bestellten Zahlstelle sowie des Wertpapierkontrollors versehen. Der Anspruch auf Einzelverbriefung oder Ausfolgung einzelner Teilschuldverschreibungen oder einzelner Zinsscheine ist ausgeschlossen. Den Inhabern der Teilschuldverschreibungen (die "**Anleihegläubiger**") stehen Miteigentumsanteile an der Sammelurkunde zu, die gemäß den Geschäftsbedingungen der OeKB CSD GmbH und außerhalb der Republik Österreich ausschließlich gemäß den Vorschriften der Clearstream Banking Aktiengesellschaft, Luxemburg, und Euroclear Bank S.A./N.V., Brüssel, Belgien übertragen werden können.

The Notes will be represented in whole by a modifiable global note pursuant to section 24 lit b Deposit Act (the "**Global Note**"). It will be deposited with OeKB CSD GmbH in its capacity as central securities depository. The Global Note bears the signatures of the required number of the Issuer's representatives with signing authority, the signature of the securities controller and control signature of the paying agent appointed by these Terms and Conditions. Claims for individual registration or issuance of individual notes or coupons are excluded. The holders of the Notes (the "**Noteholders**") are entitled to joint ownership shares in the Global Note which can be transferred in the Republic of Austria pursuant to the general terms and conditions of OeKB CSD GmbH and outside of Austria pursuant to the terms and conditions of Clearstream Banking société anonyme, Luxemburg and Euroclear Bank S.A./N.V., Brussels, Belgium.

2.3 Die *International Securities Identification Number* oder "ISIN" lautet AT0000A23ST9.

The International Securities Identification Number or "ISIN" reads AT0000A23ST9.

### 3. Status

### Status

Die Teilschuldverschreibungen stellen untereinander gleichberechtigte, unmittelbare, unbedingte, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin dar (vorbehaltlich der Bestimmungen des Punktes 4.) und stehen im gleichen Rang mit allen anderen gegenwärtigen oder künftigen unmittelbaren, unbedingten, unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin, soweit diese anderen Verbindlichkeiten nicht nach geltendem zwingenden Recht vorrechtet sind.

The Notes constitute direct and unconditional obligations of the Issuer, ranking *pari passu* among themselves, being neither secured nor subordinated (unless otherwise stated in the provisions of clause 4.), and shall rank *pari passu* with all other present or future direct and unconditional obligations of the Issuer, being neither secured nor subordinated, unless mandatory law privileges these other obligations.

### 4. Zusicherungen und Gewährleistungen

### Representations and warranties

4.1 **Negativverpflichtung:** Die Emittentin verpflichtet sich gegenüber den Anleihegläubigern, während der Laufzeit der 2018 UBM-

**Negative Pledge:** During the tenor of the 2018 UBM-Bond, the Issuer commits itself to the Noteholders, but no longer than until all

Anleihe, jedoch nicht länger als bis zu dem Zeitpunkt, an dem die Mittel für die letzte Zinszahlung und die Rückzahlung der 2018 UBM-Anleihe den Anleihegläubigern vollständig zur Verfügung gestellt worden sind,

amounts for the last interest payment and the repayment of the 2018 UBM-Bonds have been provided completely to the Noteholders,

- (a) keine Sicherheiten für
- (i) andere Kapitalmarktverbindlichkeiten der Emittentin oder Dritter sowie für Syndizierte Kredite der Emittentin zu bestellen, oder
  - (ii) eine von Dritten zu bestellende Garantie für andere Kapitalmarktverbindlichkeiten der Emittentin zu bestellen, es sei denn, eine solche Bestellung ist gesetzlich oder behördlich vorgeschrieben,

- not to create any Security for
- (i) other Capital Markets Liabilities of the Issuer or third parties as well as for Syndicated Loans of the Issuer, or
  - (ii) a guarantee for other Capital Markets Liabilities of the Issuer to be provided by a third party, unless required by law or an order of an authority,

und

and

- (b) dafür Sorge zu tragen, dass ihre Tochtergesellschaften keine Sicherheiten für
- (i) andere Kapitalmarktverbindlichkeiten der Emittentin oder Dritter bestellen, oder
  - (ii) eine von Dritten zu bestellende Garantie für andere Kapitalmarktverbindlichkeiten der Emittentin bestellen, es sei denn, eine solche Bestellung ist gesetzlich oder behördlich vorgeschrieben,

- to procure that its Subsidiaries will not create any Securities for
- (i) other Capital Markets Liabilities of the Issuer or third parties, or
  - (ii) a guarantee for other Capital Markets Liabilities of the Issuer to be provided by a third party, unless required by law or an order of an authority,

ohne jeweils unverzüglich sicherzustellen, dass die Anleihegläubiger zur gleichen Zeit und im gleichen Rang an solchen Sicherheiten oder an anderen Sicherheiten, die von einem vom bestehenden Wirtschaftsprüfer der Emittentin oder ihrer Tochterunternehmen unabhängigen, international anerkannten Wirtschaftsprüfer als gleichwertige Sicherheit anerkannt werden, teilnehmen.

unless providing immediately that the Noteholders receive at the same time and in the same rank an equal security or other security, whereby the equal status of the security has to be acknowledged by an internationally recognised auditor who is independent from existing auditors of the Issuer or its Subsidiaries.

Als Dritte im Sinne dieses Punktes 4.1 (a) gelten auch Tochtergesellschaften.

Subsidiaries, according to clause 4.1 (a), shall be regarded as third parties.

Ausgenommen davon ist die Bestellung von Sicherheiten, die aus oder im Zusammenhang mit zum Zeitpunkt der Ausgabe dieser Anleihe bereits bestehenden vertraglichen Verpflichtungen der Emittentin und/oder ihrer in den Konzernabschluss nach IFRS einbezogenen Unternehmen bereits erfolgt ist oder er-

Exempt from above is the provision of security, relating to or arising out of contractual obligations of the Issuer and/or its subsidiaries to be included in the consolidated financial statements under IFRS already existing at the time of the issue of the Bonds.

folgen wird.

- 4.2 **Positivverpflichtung:** Die Emittentin verpflichtet sich, während der Laufzeit der gegenständlichen 2018 UBM-Anleihe, jedoch nicht länger als bis zu dem Zeitpunkt, zu dem alle Beträge an Kapital und Zinsen für die Teilschuldverschreibungen den Anleihegläubigern vollständig zur Verfügung gestellt worden sind, darauf hinzuwirken, dass sämtliche Tochtergesellschaften, sofern erforderlich und sofern sie Gewinne erwirtschaften, zumindest so viele Mittel an die Emittentin ausschütten, sodass die Emittentin in der Lage ist, ihren Verpflichtungen unter Punkt 6. (Verzinsung) nachzukommen und die 2018 UBM-Anleihe gemäß Punkt 7. (Tilgung) zurückzahlen.
- 4.3 **Beschränkung von Dividendenzahlungen:** Die Emittentin verpflichtet sich, keinerlei Dividendenausschüttungen vorzunehmen, wenn sie damit die Fähigkeit, ihren Verpflichtungen zu Zins- und Tilgungszahlungen aus der 2018 UBM-Anleihe nachzukommen, wesentlich negativ beeinflusst.
- 4.4 **Definitionen:**
- "Garantie"** bezeichnet jede gegenwärtige oder künftige, bestehende oder bedingte Bürgschaft und jede sonstige Vereinbarung, nach der die betreffende Partei für eine Kapitalmarktverbindlichkeit einer anderen Partei einsteht, einschließlich einer gegenüber einem Garanten übernommenen Freistellungsverpflichtung, nicht jedoch solche, die von der Emittentin für ihre in den Konzernabschluss nach IFRS einbezogenen Unternehmen gewährt wurden oder werden.
- "Kapitalmarktverbindlichkeiten"** bezeichnet (a) jede gegenwärtige oder künftige Verbindlichkeit aus Geldaufnahmen am Kapitalmarkt, die durch Anleihen, Schuldverschreibungen oder vergleichbare Schuldinstrumente, unabhängig davon, ob sie an einer Börse oder an einem anderen (anerkannten) Wertpapiermarkt notiert oder gehandelt werden oder gehandelt werden können, verbrieft oder dokumentiert ist, oder durch Schuldscheine (Schuldscheindarlehen) aufgenommen wurde, und (b) alle für solche Kapitalmarktverbindlichkeiten übernommenen Garantien der Emittentin.
- Positive commitment:** During the tenor of the 2018 UBM-Bonds, but not longer than for the time all amounts for the last interest payment and the repayment of the Notes have been provided completely to the Noteholders, the Issuer commits itself, to intercede that all subsidiaries, if required and to the extent they are generating profits, distribute at least such amount of funds to the Issuer, so that the Issuer can fulfil its obligations under clause 6. (Interest) and repay the 2018 UBM-Bonds according to clause 7. (Redemption).
- Limitation of Dividend Payments:** The Issuer commits itself not to make any dividend payments, if thereby the ability to meet its obligations to interest payments and redemptions under the 2018 UBM-Bonds would be significantly adversely affected.
- Definitions:**
- "Guarantee"** means every current or future, existing or conditional surety (*Bürgschaft*) and every other agreement under which the respective party assumes liability for a Capital Markets Liability of another party, including obligations arising from indemnity clauses *vis-à-vis* a guarantor, however excluding those which have been granted by the Issuer for companies which are included in its consolidated financial statements under IFRS.
- "Capital Markets Liabilities"** includes (a) all current and future liabilities from fund raisings on the capital markets which are represented or evidenced by bonds, notes or comparable debt instruments, irrespective whether they are or can be listed or traded on a stock exchange or any other (accepted) securities market, or by way of bonded loans, and (b) all guarantees of the Issuer of any of its Subsidiaries for such Capital Markets Liabilities.

tentin oder einer ihrer Tochtergesellschaften.

**"Konzern"** bezeichnet die Emittentin und ihre in den Konzernabschluss nach IFRS einbezogenen Unternehmen.

**"Sicherheit"** bedeutet jedes dingliche Sicherungsrecht, wie etwa Hypotheken, Pfandrechte, Zurückbehaltungsrechte oder sonstige gleichwertige Belastungen, an den gegenwärtigen oder zukünftigen Vermögenswerten oder Einkünften der Emittentin. Ausgenommen davon sind standardisierte Sicherheitenbestellungen für bestehende und zukünftige Forderungsverbriefungsprogramme (ABS-Programme).

**"Syndizierter Kredit"** bezeichnet jeden Kredit, der von mehr als einem Kreditgeber auf der Grundlage des gleichen Kreditvertrages gewährt wird oder gewährt wurde, ausgenommen Exportförderungskredite (Kontrollbankrefinanzierungsrahmen der Oesterreichischen Kontrollbank Aktiengesellschaft – KRR). Es stellt jedoch keinen Verstoß gegen die Negativverpflichtung dar, wenn ein Kredit, der von einem einzigen Kreditgeber gewährt wird, nach erfolgter Gewährung syndiziert wird. Zur Klarstellung wird festgehalten, dass die Emittentin auch berechtigt ist, Kreditaufnahmen durch ihre Tochtergesellschaften in welcher Form auch immer zu besichern, ohne dass dies einen Verstoß gegen die Negativverpflichtung darstellt.

**"Tochtergesellschaft"** bedeutet jede Kapital- oder Personengesellschaft, an der die Emittentin und/oder ihre Tochtergesellschaften mehr als 50% des Kapitals oder der stimmberechtigten Anteile hält oder halten oder die sonst unmittelbar oder mittelbar unter dem beherrschenden Einfluss der Emittentin und/oder ihrer Tochtergesellschaften steht.

**"Group"** means the Issuer and its subsidiaries included in the consolidated financial statements under IFRS.

**"Securities"** mean any right ad rem, like mortgages, liens, rights of retention or other similar encumbrances regarding present or future assets or earnings of the Issuer. Exempt from above is the standardised provision of securities for existing and future asset backed securitisation programmes (ABS programmes).

**"Syndicated Loan"** means any loan which is or was granted by more than one lender on the basis of the same loan agreement, except for export promotion loans (*Kontrollbankrefinanzierungsrahmen der Oesterreichischen Kontrollbank Aktiengesellschaft – KRR*). However, any syndication of a loan after it has been granted by one single lender shall not constitute a violation of the negative pledge provision. For clarification purposes it is held that the Issuer is also entitled to provide security in whatever form for loans granted to its subsidiaries without violating the negative pledge provision in doing so.

**"Subsidiary"** means every corporation or partnership in which the Issuer and/or its subsidiaries hold more than 50% of share capital or of voting rights or which are otherwise directly or indirectly controlled by the Issuer and/or its subsidiaries.

<b>5.</b>	<b>Laufzeit</b>	<b>Term</b>
	Die Laufzeit der 2018 UBM-Anleihe beginnt am 16.11.2018 (einschließlich) und endet am 15.11.2023 (einschließlich) (die <b>"Fälligkeit"</b> ). Die Laufzeit beträgt somit 5 (fünf) Jahre.	The term of the 2018 UBM-Bonds starts on 16 November 2018 (inclusive) and ends on 15 November 2023 (inclusive) (the <b>"Maturity"</b> ). The tenor shall therefore be 5 (five) years.
<b>6.</b>	<b>Verzinsung</b>	<b>Interest</b>
6.1	Die Teilschuldverschreibungen werden mit einem fixen Zinssatz von 3,125% vom Nenn-	The Notes bear interest at the fixed interest rate of 3.125% per annum on their principal

betrag jährlich verzinst, zahlbar im Nachhinein am 16.11. eines jeden Jahres (jeweils ein "**Zinszahlungstag**"), erstmalig am 16.11.2019. Die Verzinsung beginnt am 16.11.2018 (einschließlich) und endet mit dem der Fälligkeit der einzelnen Teilschuldverschreibungen vorangehenden Tag.

6.2 "**Zinsperiode**" bezeichnet den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Zinszahlungstag (ausschließlich).

6.3 Die Berechnung von Zinsen für einen Zeitraum von weniger als einem Jahr ("**Zinsberechnungszeitraum**") erfolgt auf der Grundlage der aktuellen Tage in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der aktuellen Tage der Zinsperiode. Die Berechnung erfolgt actual/actual (gemäß ICMA-Regelung).

6.4 Sollte ein Rückzahlungstermin, Zinszahlungstermin oder sonstiger, sich im Zusammenhang mit den Teilschuldverschreibungen ergebender Zahlungstermin nicht auf einen Bankarbeitstag fallen, hat der Anleihegläubiger erst am darauf folgenden Bankarbeitstag Anspruch auf Zahlung von Kapital und Zinsen (die Zinsperiode bleibt dabei jedoch unverändert (Zinsperiode *unadjusted*)). Die Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen. "**Bankarbeitstag**" meint einen Tag, an dem Kreditinstitute in Wien und Frankfurt am Main zum öffentlichen Geschäftsbetrieb allgemein geöffnet sind, und der ein TARGET 2 Geschäftstag ist. "**TARGET 2 Geschäftstag**" bezeichnet einen Tag, an dem das transeuropäische automatisierte Echtzeit-Brutto-Express-Zahlungsverkehrssystem (Trans-European Automated Real-Time Gross Settlement Express Transfer – TARGET 2) operativ ist.

6.5 Falls die Emittentin die Teilschuldverschreibungen bei Fälligkeit nicht zurückzahlt, endet die Verzinsung nicht an dem der Fälligkeit der Teilschuldverschreibungen vorangehenden Tag, sondern erst mit dem Tag, der der tatsächlichen Rückzahlung der Teilschuldverschreibungen vorangeht.

amount, whereby interest shall be payable in arrears, on 16 November each year (each constituting an "**Interest Payment Day**"), starting on 16 November 2019. Interest starts on 16 November 2018 (inclusive) and ends on the day preceding the maturity of each of the Notes.

"**Interest Period**" means the period from the Start of Interest Accrual (inclusive) until the first Interest Payment Day (exclusive) or respectively the period from each Interest Payment day (inclusive) until the next succeeding Interest Payment Day (exclusive).

The calculation of interest for a period of less than one year ("**Interest Calculation Period**") shall be carried out on the basis of the actual number of days within the Interest Calculation Period, divided by the actual number of days in the respective Interest Period. The calculation is based on actual/actual (pursuant to ICMA).

If a redemption date, Interest Payment Date or any other payment date in connection with these Notes is a day which is not a banking day, the Noteholder can claim payment of principal and interest only on the following banking day (Interest period stays unadjusted). The Noteholders are not entitled to claim payment of any interest or other indemnity in respect of such delay in payment. "**Banking Day**" means a day on which credit institutions in Vienna and Frankfurt am Main in general are open to public business and which is a TARGET 2 Business Day. "**TARGET 2 Business Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET 2) is operational.

If the Issuer fails to redeem the Notes when due, the Notes shall not cease to bear interest from the day preceding the day on which they were due for redemption, but from the day on which the actual redemption of the Notes is made.

7.

### **Tilgung**

Die Teilschuldverschreibungen werden vorbehaltlich Punkt 8. und Punkt 12. dieser Anleihebedingungen am 16.11.2023 zum Nennbetrag der Teilschuldverschreibungen zur Rückzahlung fällig.

### **Redemption**

Unless otherwise stated in clause 8. and clause 12. of these Terms and Conditions, the Notes shall mature for redemption on 16 November 2023 at the principal amount of the Notes.

8.

### **Kündigung durch die Anleihegläubiger**

### **Termination by the Noteholders**

8.1

Ein ordentliches Kündigungsrecht der Anleihegläubiger besteht nicht. Jeder Anleihegläubiger ist berechtigt, seine Teilschuldverschreibungen aus wichtigem Grund zu kündigen (außerordentliche Kündigung) und deren sofortige Rückzahlung zum Nennbetrag zuzüglich der bis zum Tag der Rückzahlung aufgelaufenen Zinsen zu verlangen. Ein wichtiger Grund ist insbesondere dann gegeben, falls

The Noteholders are not entitled to an ordinary termination right. Each Noteholder shall be entitled to terminate his Notes for important reasons (extraordinary termination) and to demand immediate redemption at their principal amount, together with accrued interest to the date of redemption. In particular such important reason is given, if

(a)

die Emittentin mit der Zahlung von Zinsen oder Kapital länger als 7 Tage nach jeweiliger Fälligkeit in Verzug ist; oder

the Issuer fails to pay the principal or interest for a period of more than 7 days after the respective due date; or

(b)

die Emittentin die ordnungsgemäße Erfüllung einer anderen wesentlichen Verpflichtung oder Zusicherung aus diesen Anleihebedingungen unterlässt und - nachdem die Zahlstelle (wie unten definiert) hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat und diese an die Emittentin weitergeleitet hat - die Nichterfüllung länger als 14 Tage fort dauert; oder

the Issuer fails to duly comply with any other essential obligation or representation under these Terms and Conditions and such failure continues for more than 14 days after the Paying Agent (as defined below) has received notice thereof from a Noteholder and forwarded the notice to the Issuer; or

(c)

die Emittentin oder eine Wesentliche Tochtergesellschaft (wie nachstehend definiert) mit der Erfüllung einer Verpflichtung zur Zahlung von Kapital und Zinsen aus einer von ihr eingegangenen Kreditverbindlichkeit mit einem EUR 2.000.000,00 (oder dem Gegenwert in einer anderen Währung) übersteigenden Betrag in Verzug gerät und dieser Verzug von einem (Schieds-)Gericht oder einer Verwaltungsbehörde rechtskräftig festgestellt worden ist und nicht binnen 15 Tagen nach Rechtskraft Erfüllung eintritt; oder

the Issuer or a Material Subsidiary (as defined below) fails to comply with an obligation to pay principal or interest arising under a Credit Obligation of the Issuer which exceeds EUR 2,000,000.00 (or the equivalent thereof in another currency) and this failure was legally recognised by a(n) (arbitration) court or an administrative authority and has not being fulfilled within 15 days after the recognition becomes legally binding; or

(d)

eine für eine Verbindlichkeit der Emittentin bestellte Sicherheit von einer Vertragspartei mit Zustimmung der Emittentin verwertet wird und es dadurch zu einer wesentlichen Beeinträchtigung der Fähigkeit der Emittentin kommt, ihre Verbindlichkeiten aus den Teilschuldverschreibungen zu bedienen; oder

a security furnished for any obligation of the Issuer is being invoked with the Issuer's consent by a contracting party and thus the ability of the Issuer to meet its obligations under the Notes is essentially impaired; or

- (e) die Emittentin oder eine ihrer Wesentlichen Tochtergesellschaften (wie nachstehend definiert) ihre Zahlungen einstellt oder ihre Zahlungsunfähigkeit oder Überschuldung allgemein bekannt gibt oder ihren Gläubigern eine allgemeine Regelung zur Bezahlung ihrer Schulden anbietet oder ein Gericht ein Insolvenzverfahren über das Vermögen der Emittentin oder einer ihrer Wesentlichen Tochtergesellschaften (wie nachstehend definiert) eröffnet oder einen Insolvenzantrag mangels kostendeckenden Vermögens abweist; oder
- (f) (i) die Emittentin in Liquidation tritt; oder (ii) eine Wesentliche Tochtergesellschaft (wie nachstehend definiert) in Liquidation tritt und diese Liquidation zu einer Verminderung des Konzernvermögens der Emittentin von mehr als 5% führt (es sei denn, dies erfolgt im Zusammenhang mit einer Umgründungsmaßnahme, sofern die neue Gesellschaft oder die neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin oder der Wesentlichen Tochtergesellschaft übernimmt oder übernehmen); oder
- (g) die Emittentin in Zusammenhang mit einem Umgründungsvorgang (zB Verschmelzung, Spaltung, Umwandlung) untergeht, ohne dass die Rechte und Pflichten der Emittentin durch Einzel- oder Gesamtrechtsnachfolge auf den Rechtsnachfolger übergehen; es besteht jedoch kein Recht zur Kündigung, sofern der Rechtsnachfolger der Emittentin den Anleihegläubigern gleichartige Rechte gewährt oder die Änderung der Rechte oder das Recht selbst angemessen abgegolten wird und die Kreditwürdigkeit dieses Rechtsnachfolgers gleich oder höher als die der Emittentin ist; oder
- (h) die Emittentin oder eine Wesentliche Tochtergesellschaft ihre Geschäftstätigkeit ganz oder überwiegend einstellt, alle oder wesentliche Teile ihrer Vermögenswerte veräußert oder anderweitig abgibt und dadurch den Wert ihres Vermögens wesentlich vermindert; oder
- (i) ein Kontrollwechselereignis (wie unten definiert) eintritt und die Emittentin innerhalb der Kontrollwechselperiode (wie nachstehend definiert) der Zahlstelle keinen Bonitätsnachweis (wie nachstehend definiert) erbringen kann.

the Issuer or one of its Material Subsidiaries (as defined below) stops payment or publicly announces its illiquidity or over-indebtedness or proposes a general arrangement for payment of its debts to its creditors or a court opens insolvency proceedings against the assets of the Issuer or one of its Material Subsidiaries (as defined below) or a petition for insolvency has been declined in the absence of cost covering assets; or

the Issuer enters into liquidation; or (ii) a Material Subsidiary (as defined below) enters into liquidation and this liquidation results in a decrease of the consolidated group assets of the Issuer of more than 5% (unless this occurs in connection with a restructuring process, provided the new company or the new companies materially takes or take over all assets and liabilities of the Issuer or the Material Subsidiary; or

the Issuer is terminated in connection with a restructuring process (eg merger, demerger, commutation) without the rights and obligations of the Issuer being transferred to the assignee by way of single or universal succession; there shall be, however, no right to termination, if the legal successor of the Issuer grants the Noteholders similar rights or the change of rights or the right itself is adequately compensated for and the financial standing of such legal successor, is of equal or higher status than the one of the Issuer; or

the Issuer or one of its Material Subsidiaries ceases its business activities, in whole or to a large extent, disposes of or releases otherwise, all or essential parts of its assets and thereby materially decreases the value of its assets; or

a Change of Control Event (as defined below) takes place, and the Issuer fails to provide during the Change of Control Period (as defined below) to the Paying Agent an Evidence of Creditworthiness (as defined below).

Die Emittentin wird das Vorliegen eines Kündigungsgrundes gemäß diesem Punkt 8. dieser

In the event of the occurrence of a reason for termination pursuant to this clause 8. of the

- Anleihebedingungen unverzüglich gemäß Punkt 15. dieser Anleihebedingungen bekannt machen.
- Terms and Conditions, the Issuer shall immediately publish such fact pursuant to clause 15. of these Terms and Conditions.
- 8.2 Die folgenden Begriffe haben die ihnen nachstehend zugeordnete Bedeutung:
- The following terms shall have the meaning assigned them below:
- "Kreditverbindlichkeit"** im Sinne des Punktes 8.1 (c) bedeutet jede Verpflichtung aus der Aufnahme von Krediten und anderen Fremdkapitalaufnahmen (insbesondere auch Schuldverschreibungen, Schuldscheindarlehen, Bankkredite und sonstige Kredite).
- "Credit Obligation"** within the meaning of clause 8.1 (c) means any obligation arising from the raising of loans and other borrowings (especially bonds, bonded loans, bank loans and other loans).
- "Wesentliche Tochtergesellschaft"** im Sinne des Punktes 8.1 (c), (e), (f) und (h) bedeutet jede Tochtergesellschaft (siehe Punkt 4.) mit einem, gemäß dem jeweils jüngsten geprüften und festgestellten konsolidierten Jahresabschluss der Emittentin, 10% übersteigenden Anteil am Konzernumsatz der Emittentin.
- "Material Subsidiary"** according to clause 8.1 (c), (e), (f) und (h) means any subsidiary (see clause 4.) contributing more than 10% of the consolidated total sales of the Issuer, pursuant to the latest reviewed and approved consolidated annual financial statements of the Issuer.
- "Kontrollwechselereignis"** im Sinne des Punktes 8.1 (i) bedeutet die Erlangung einer unmittelbaren kontrollierenden Beteiligung an der Emittentin im Sinn des Übernahmegesetzes mit der Rechtsfolge eines Pflichtangebots durch eine natürliche oder juristische Person, die im Zeitpunkt der Begebung der gegenständlichen 2018 UBM-Anleihe keine oder keine kontrollierende Beteiligung hält.
- "Change of Control Event"** according to clause 8.1 (i) means obtaining a direct controlling interest in the Issuer in terms of the Austrian Takeover Act, resulting in a mandatory takeover bid by a natural or legal person, which at the time of the issue of the 2018 UBM-Bonds has held no or no controlling interest.
- 8.3 Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor wirksamer Ausübung des Rechts geheilt wird.
- The right to terminate shall cease, if the reason for termination has been remedied before the right is effectively exercised.
- 8.4 Alle Benachrichtigungen und Mitteilungen der Anleihegläubiger an die Zahlstelle, insbesondere Kündigungen, sind in deutscher Sprache schriftlich über die Depotbank des Anleihegläubigers an die Zahlstelle zu richten. Mitteilungen und Benachrichtigungen werden mit Zugang an die Zahlstelle vorbehaltlich des Punktes 8.3 wirksam. Der Mitteilung ist ein Nachweis darüber beizufügen, dass der betreffende Anleihegläubiger zum Zeitpunkt der Mitteilung Inhaber der betreffenden Teilschuldverschreibungen ist. Der Nachweis kann durch eine Bescheinigung der Depotbank oder auf andere geeignete Weise erbracht werden.
- Any notifications and notices from the Noteholders to the Paying Agent, especially notices of termination, are to be delivered to the Paying Agent via the custodian bank of the Noteholders in German language and in writing. Subject to clause 8.3, notifications and notices become effective upon receipt by the Paying Agent. Evidence showing that at the time of such notification the respective Noteholder is the holder of the respective Notes needs to be attached to such notice. The evidence may be provided by way of a confirmation of the custodian bank or in any other appropriate manner.
- 8.5 Im Fall des Punktes 8.1 (i) hat die Emittentin ab dem Zeitpunkt der Bekanntmachung des Kontrollwechselereignisses, das ist der Zeit-
- In the case of clause 8.1 (i) the Issuer shall have, from the date of notice of the Change of Control Event, which is the date of publication

punkt, in dem die Absicht, ein freiwilliges Angebot zur Kontrollenerlangung gemäß § 25a ÜbG, ein freiwilliges öffentliches Angebot gemäß §§ 4 ff ÜbG oder ein öffentliches Pflichtangebot gemäß §§ 22 ff ÜbG stellen zu wollen, veröffentlicht wird, 60 Tage Zeit (die "**Kontrollwechselperiode**"), um einen Nachweis zu erbringen, dass durch das Kontrollwechselereignis keine Verschlechterung der Bonität der Emittentin eingetreten ist, wobei ein solcher Nachweis in Form einer schriftlichen Bestätigung durch einen Wirtschaftsprüfer erbracht werden muss ("**Bonitätsnachweis**"). Erbringt die Emittentin innerhalb der Kontrollwechselperiode den geforderten Bonitätsnachweis nicht, kann jeder Anleihegläubiger innerhalb von 30 Tagen nach dem Ende der Kontrollwechselperiode seine Teilschuldverschreibungen kündigen.

of the intention to launch a voluntary takeover offer for obtaining control pursuant to section 25a Takeover Act, a voluntary public offer pursuant to sections 4 seq., or a public mandatory takeover offer pursuant to sections 22 seq. Takeover Act, 60 days (the "**Change of Control Period**") in which period it has to provide evidence that no impairment in the creditworthiness of the Issuer has occurred by the Change of Control Event, whereupon such evidence must be provided in the form of a written confirmation by an auditor ("**Evidence of Creditworthiness**"). If the Issuer does not provide the required Evidence of Creditworthiness within the Change of Control Period, each Noteholder may terminate his Notes within 30 days after the end of the Change of Control Period.

8.6 Eine Kündigung durch einen Anleihegläubiger betrifft stets nur die von ihm jeweils gehaltenen Teilschuldverschreibungen und hat keine Auswirkung auf die von anderen Anleihegläubigern gehaltenen Teilschuldverschreibungen.

A Noteholder's termination always only concerns the Notes held by him, as the case may be, and has no influence on the Notes held by other Noteholders.

## 9. Informationspflichten

## Information duties

Im Fall des Eingangs einer Kündigung der Teilschuldverschreibungen durch einen Anleihegläubiger bei der Zahlstelle gemäß Punkt 8. dieser Anleihebedingungen wird die Zahlstelle die Emittentin unverzüglich darüber informieren.

In the event of the receipt of a termination notice by the Paying Agent pursuant to clause 8. of these Terms and Conditions, the Paying Agent is obliged to inform the Issuer immediately thereof.

## 10. Zahlungen und Zahlstelle

## Payments and the Paying Agent

10.1 Zahlstelle ist die Raiffeisen Bank International AG gemäß separater Zahlstellenvereinbarung (die "**Zahlstelle**").

Paying Agent is Raiffeisen Bank International AG according to a separate paying agency agreement (the "**Paying Agent**").

10.2 Die Emittentin ist berechtigt, die Raiffeisen Bank International AG in ihrer Funktion als Zahlstelle abzurufen und ein anderes Kreditinstitut als Zahlstelle zu benennen. Eine Abberufung, Bestellung oder ein sonstiger Wechsel der Zahlstelle wird nur wirksam (außer im Insolvenzfall der Zahlstelle, in dem eine solche Änderung sofort wirksam wird), sofern die Anleihegläubiger hierüber gemäß Punkt 15. vorab unter Einhaltung der Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

The Issuer is authorised to dismiss Raiffeisen Bank International AG as Paying Agent and to appoint another credit institution as Paying Agent. A dismissal, appointment or any other change of the Paying Agent only becomes effective (except in the event of an insolvency of the Paying Agent, in which event the change immediately becomes effective) if the Noteholders have been informed thereof in advance according to clause 15. by giving at least 30 days' notice, but no more than 45 days' notice.

- 10.3 Die Gutschrift der Zinszahlungen und der Kapitalrückzahlungen erfolgt über die jeweilige für die Anleihegläubiger depotführende Stelle. Interest payments and redemptions of principal shall be credited to the Noteholders by their assigned custodian bank.
- 10.4 Die Emittentin verpflichtet sich, während der gesamten Laufzeit der Teilschuldverschreibungen eine Zahlstelle für die Teilschuldverschreibungen zu verpflichten, die ihren Sitz in Österreich hat und die nach den Vorschriften des österreichischen Bankwesensgesetzes in der jeweils gültigen Fassung in der jeweils gültigen Fassung beaufsichtigt wird und dessen Bestimmungen unterliegt. For the entire tenor of the Notes until the total redemption of the Notes, the Issuer commits itself to maintain a Paying Agent for the Notes which has its registered seat in Austria, and which is supervised pursuant to and subject to the provisions of the Austrian Banking Act, as amended.
- 10.5 Die Zahlstelle handelt ausschließlich als Beauftragte der Emittentin und übernimmt keinerlei Verpflichtungen gegenüber den Anleihegläubigern. Es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihr und den Anleihegläubigern begründet. The Paying Agent acts solely as agent of the Issuer and does not assume any obligations towards the Noteholders. There shall be no relationship of contract, agency or trust between the Paying Agent and the Noteholders.
- 10.6 Die Emittentin verpflichtet sich, Kapital und Zinsen bei Fälligkeit in Euro zu bezahlen. Derartige Zahlungen erfolgen, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, an die Zahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearingsystem oder an dessen Order befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Teilschuldverschreibungen. Eine Zahlung aus den Teilschuldverschreibungen gilt als rechtzeitig, wenn sie am Fälligkeitstag beim Clearingsystem eingeht. In the event of maturity the Issuer commits itself to make payments on the principal and interest in Euro. Save for applicable tax or other statutory provisions or rules, such payments shall be made to the Paying Agent for forwarding to the respective clearing system or to its order for crediting to the respective account holder. Payment to the clearing system or its order shall release the Issuer from its respective obligations from the Notes in the actually paid amount. A payment under the Notes shall be deemed to be on time if it is received on the respective due date by the clearing system.

## 11.

### Steuern

### Taxes

- 11.1 Sämtliche auf die Teilschuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von gegenwärtig oder zukünftig vorgeschriebenen Steuern, Abgaben und behördlichen Gebühren oder Festsetzungen gleich welcher Art, die von oder in der Republik Österreich oder einer ihrer Gebietskörperschaften oder Behörden mit der Befugnis zur Erhebung von Steuern auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden (die "**Steuern**"), zu leisten, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Fall hat die Emittentin, sofern nicht einer der in Punkt 11.2 genannten Ausnahmetatbestände All payments under the Notes shall be made free and clear of and without withholding or deduction of any present or future taxes, duties or governmental charges or determinations of whatever nature, imposed, levied, withheld, deducted or determined by the Republic of Austria or one of its local authorities or administrative authorities with the authority to levy taxes (the "**Taxes**"), unless such withholding or deduction is required by law. In such case the Issuer, except for the exemptions as stated in clause 11.2, will pay those additional amounts (the "**Additional Amounts**") in the required manner, so that the net amounts paid to the Noteholders, after withholding or deduc-

<p>vorliegt, zusätzliche Beträge (die "<b>Zusätzlichen Beträge</b>") derart zu leisten, dass die den Anleihegläubigern zufließenden Nettobeträge nach dem Einbehalt oder Abzug der Steuern jeweils den Beträgen entsprechen, die sie ohne Einbehalt oder Abzug erhalten hätten.</p>	<p>tion of taxes, correspond to the amounts they would have received without such withholding or deduction.</p>
<p>11.2 Die Emittentin ist zur Zahlung der Zusätzlichen Beträge aufgrund von Steuern gemäß Punkt 11.1 nicht verpflichtet, wenn</p>	<p>The Issuer is not obliged to pay Additional Amounts for Taxes pursuant to clause 11.1, if</p>
<p>(a) diese auf andere Weise als durch Abzug oder Einbehalt an der Quelle aus Zahlungen auf die Teilschuldverschreibungen zu entrichten sind, oder</p>	<p>these are to be paid otherwise than by withholding or deduction at the source of payments under the Notes; or</p>
<p>(b) ein Anleihegläubiger, der zur Republik Österreich eine andere aus steuerlicher Sicht relevante Verbindung hat, als den bloßen Umstand, dass er Anleihegläubiger ist oder dies zum Zeitpunkt des Erwerbs der Teilschuldverschreibungen war, der Abgaben- oder Steuerpflicht unterliegt, oder</p>	<p>a Noteholder who has from a taxation point of view another relationship to the Republic of Austria, apart from the mere circumstance of being a Noteholder or having been such in the point in time of acquiring the Notes, and is thus liable to pay duties and taxes; or</p>
<p>(c) diese gemäß §§ 93 ff öEStG in der Republik Österreich von der auszahlenden Stelle einbehalten werden, oder</p>	<p>these are being withheld in the Republic of Austria by the paying agent pursuant to §§ 93 et seq EStG (Austrian Income Taxation Act); or</p>
<p>(d) diese aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung auf die Teilschuldverschreibungen oder, wenn dies später erfolgt, nach ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß Punkt 15. der Anleihebedingungen wirksam wird, oder</p>	<p>these are to be paid because of a change of law, which will enter into force later than 30 days after the maturity date of the respective payment under the Notes or, if payment is made later, after proper provision of all due amounts and a respective notice in accordance with clause 15. of these Terms and Conditions; or</p>
<p>(e) diese nach Zahlung durch die Emittentin im Rahmen des Transfers an den Anleihegläubiger abgezogen oder einbehalten werden, oder</p>	<p>these are withheld or deducted after payment by the Issuer in the course of the transfer to the Noteholder; or</p>
<p>(f) diese aufgrund eines Doppelbesteuerungsabkommens oder der Steuergesetze der Republik Österreich rückerstattbar wären oder aufgrund gemeinschaftsrechtlicher Bestimmungen (EU) an der Quelle entlastbar wären, oder</p>	<p>these would be refundable due to a double taxation treaty or the tax laws of the Republic of Austria or would be relieved at source due to rules of the European Union (EU); or</p>
<p>(g) diese aufgrund oder infolge eines internationalen Vertrages, dessen Partei die Republik Österreich ist oder einer Verordnung oder Richtlinie aufgrund oder infolge eines solchen internationalen Vertrages auferlegt oder erhoben werden, oder</p>	<p>these are imposed or levied pursuant to or as a consequence of an international treaty to which the Republic of Austria is a party or a regulation or a directive on the basis of or as a consequence of such international treaty; or</p>

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| (h) | diese von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle in einem Mitgliedstaat der Europäischen Union ohne den Einbehalt oder Abzug hätte vorgenommen werden können, oder | these are withheld or deducted by a paying agent, if such payment could have been effected by another paying agent in a Member State of the European Union without such withholding or deduction. |
| (i) | ihnen ein Anleihegläubiger nicht unterläge, sofern der Anleihegläubiger zumutbarerweise Steuerfreiheit oder eine Steuererstattung oder eine Steuervergütung hätte verlangen können.   | a Noteholder would not be subject to them, provided that the Noteholder could reasonably require tax exemption or a tax refund or tax rebate.   |

## 12. Kündigung aus Steuergründen

## Termination for tax reasons

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| 12.1 | Falls nach dem 16.11.2018 eine Rechtsvorschrift gleich welcher Art in der Republik Österreich erlassen oder geschaffen oder in ihrer Anwendung oder behördlichen Auslegung geändert wird und demzufolge Steuern, Gebühren oder sonstige Abgaben bei Zahlungen durch die Emittentin von Kapital oder von Zinsen dieser Teilschuldverschreibungen im Wege des Einhalts oder Abzugs an der Quelle anfallen und die Emittentin zur Zahlung Zusätzlicher Beträge gemäß Punkt 11. der Anleihebedingungen verpflichtet ist, ist die Emittentin berechtigt, die Teilschuldverschreibungen insgesamt, jedoch nicht teilweise, mittels eingeschriebenen Brief an die Zahlstelle mit einer Kündigungsfrist von mindestens 30 Tagen zur vorzeitigen Rückzahlung zum Nennbetrag zuzüglich aufgelaufener Zinsen zu kündigen, wobei eine solche Kündigung zum Zeitpunkt des Zugangs der Kündigung bei der Zahlstelle wirksam wird, sofern die Kündigung mittels Bekanntmachung gemäß Punkt 15. der Anleihebedingungen erfolgt. Die Kündigung ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin beinhalten und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt. | If a statutory provision, regardless of its type, is – after 16 November 2018 – enacted or implemented in the Republic of Austria or if its application or official interpretation is changed and thus taxes, charges or other levies have to be paid by withholding or deduction at the source of payments when payments of principal or interest under these Notes are made by the Issuer and the Issuer is obliged to pay Additional Amounts according to clause 11. of the Terms and Conditions, then the Issuer may terminate the Notes in whole, but not in part, by way of registered mail to the Paying Agent under observance of a termination period of at least 30 days' notice by redemption prior to maturity at their principal amount together with accrued interest, whereby such termination shall become effective at the time of receipt by the Paying Agent, provided the termination is published in accordance with section 15. of the Terms and Conditions. The termination is irrevocable, shall include the fixed date for redemption, and shall contain a statement summarising the circumstances on which the Issuer bases its redemption claim. |
| 12.2 | Die Kündigung zur vorzeitigen Rückzahlung darf jedoch nicht in einem Zeitpunkt vorgenommen werden, der dem Tag der tatsächlichen Geltung der betreffenden Rechtsvorschriften oder gegebenenfalls ihrer geänderten Anwendung oder Auslegung mehr als drei Monate vorangeht.  | The termination prior to maturity must not be conducted at a time more than three months before the day on which the respective change of the legal provisions or their changed application or interpretation comes into force.   |

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| 13.  | <b>Börseeinführung</b>   | <b>Listing</b>   |
|      | Die Emittentin beabsichtigt, einen Antrag auf Zulassung der Teilschuldverschreibungen zum Handel im Segment "Amtlicher Handel" der Wiener Börse, zu stellen. Die Emittentin ist berechtigt, die Zulassung der Teilschuldverschreibungen zum Handel an weiteren geregelten Märkten sowie die Einbeziehung der Teilschuldverschreibungen zum Handel in multilateralen Handelssystemen zu beantragen.   | The Issuer intends to file an application for admission to trading on the Vienna Stock Exchange in the segment " <i>Official Market</i> ". The Issuer is entitled to file applications for admission to listing on further regulated markets as well for inclusion into multilateral trading systems.  |
| 14.  | <b>Verjährung</b>  | <b>Prescription</b>  |
|      | Ansprüche auf die Zahlung von Zinsen verjähren nach drei Jahren ab Fälligkeit. Ansprüche auf Tilgungszahlungen aus fälligen Teilschuldverschreibungen verjähren nach 30 Jahren ab Fälligkeit.  | Claims on the payment of interest become time-barred after three years after maturity. Claims on the payment of redemption payments from due Notes shall become time-barred after 30 years after maturity.   |
| 15.  | <b>Bekanntmachungen</b>  | <b>Notices</b>   |
| 15.1 | Im Falle der Zulassung der Teilschuldverschreibungen zum Handel an einem geregelten Markt gelten sämtliche Mitteilungen an die Anleihegläubiger als ordnungsgemäß bekannt gemacht, wenn sie wie folgt erfolgen: (i) durch eine elektronische Mitteilungsform mit Verbreitung innerhalb der Europäischen Union und dem Staat des jeweiligen geregelten Marktes, an dem die Teilschuldverschreibungen notieren, solange diese Notierung fort dauert und die Regeln des jeweiligen geregelten Marktes dies erfordern. Jede derartige Mitteilung gilt mit dem fünften Tag nach der ersten Veröffentlichung als bekannt gemacht; falls eine Veröffentlichung in mehr als einer elektronischen Mitteilungsform vorgeschrieben ist, ist der Tag maßgeblich, an dem die Bekanntmachung erstmals in allen erforderlichen elektronischen Mitteilungsformen erfolgt ist; oder (ii) anstelle einer elektronischen Mitteilungsform (vorbehaltlich anwendbarer Regeln des jeweiligen geregelten Marktes) über ein Clearingsystem, solange eine die Teilschuldverschreibungen verbrieftende Sammelurkunde für das Clearingsystem gehalten wird, durch Abgabe der entsprechenden Bekanntmachung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger. | In the event of admission to trading of the Notes on a regulated market, all notices to the Noteholders shall be deemed to be validly published, if published by the following means: (i) through electronic means having general circulation within the European Union and in the jurisdiction of the respective regulated market on which the Notes are listed, for as long as the listing is in existence and as the rules of any such exchange so require. Any such notice is deemed to be made public on the fifth day after its first release; if publication is also required to be made in a form other than by one electronic means, such date shall be relevant on which the notice has been made public in all required electronic means; or (ii) instead of electronic means (subject to the applicable provisions of the respective regulated market) via a clearing system as long as any global note representing the Notes is held on behalf of the clearing system, by delivery of the relevant notice to the clearing system for communication to the Noteholders. |
| 15.2 | In allen anderen Fällen erfolgen alle die 2018 UBM-Anleihe betreffenden Mitteilungen an die Anleihegläubiger im Amtsblatt zur Wiener   | In all other cases, notices concerning the 2018 UBM-Bonds to the Noteholders shall be published in the official gazette section of the   |

Zeitung oder, falls diese ihr Erscheinen einstellt, in einer anderen Tageszeitung mit Verbreitung in ganz Österreich. Jede derartige Mitteilung gilt am fünften Tag nach der Veröffentlichung als wirksam erfolgt. Einer besonderen Benachrichtigung der einzelnen Anleihegläubiger bedarf es nicht.

*Wiener Zeitung* in Austria (*Amtsblatt zur Wiener Zeitung*) or, if it ceases to be published, in another newspaper with circulation in the whole of Austria. Each such notice shall be deemed to have been validly published on the fifth day after publication. A particular notification of the individual Noteholders is not required

**16. Begebung weiterer Teilschuldverschreibungen, Ankauf, Entwertung**

**Issuing of further bonds, purchase, cancellation**

16.1 Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger weitere Teilschuldverschreibungen mit im Wesentlichen gleicher Ausstattung in der Weise zu emittieren, dass sie mit diesen Teilschuldverschreibungen eine einheitliche Serie bilden.

The Issuer shall at any time be entitled to issue further bonds with essentially the same features, without the consent of the Noteholders, so that such bonds constitute a single series together with these Notes.

16.2 Die Emittentin ist berechtigt, ohne Zustimmung der Anleihegläubiger, auf jede Art und zu jedem Preis, mit oder auch ohne allgemeinem Rückkaufsangebot, eigene Teilschuldverschreibungen zu erwerben, diese bis zur Tilgung zu halten, wieder zu veräußern oder bei der Zahlstelle zwecks Entwertung einzuweisen.

The Issuer is entitled, without the consent of the Noteholders, to purchase its own Notes, by any means and for any price, with or without a general repurchase offer, to hold them until redemption, to dispose of them or to present them to the Paying Agent for the purpose of cancellation.

16.3 Sämtliche vollständig zurückgezahlten Teilschuldverschreibungen sind unverzüglich zu entwerten und können nicht wieder emittiert oder wieder verkauft werden.

All completely redeemed Notes must be cancelled without delay and cannot be re-issued or sold again.

**17. Teilunwirksamkeit**

**Partial Invalidity**

Sollte eine Bestimmung dieser Anleihebedingungen ganz oder teilweise rechtsunwirksam sein oder werden, wird dadurch die Wirksamkeit der übrigen Bestimmungen nicht berührt.

If a provision in these Terms and Conditions becomes legally invalid, in whole or in part, the remaining provisions shall remain in effect.

**18. Anwendbares Recht und Gerichtsstand**

**Governing Law and Jurisdiction**

18.1 Form und Inhalt der Teilschuldverschreibungen, sämtliche Rechtsverhältnisse aus der Begebung der 2018 UBM-Anleihe und der diesbezüglichen Ausgabe der Teilschuldverschreibungen, sowie alle Rechte und Pflichten der Anleihegläubiger, der Emittentin und der Zahlstelle bestimmen sich nach österreichischem Recht unter Ausschluss der Verweisungsnormen des internationalen Privatrechts.

The form and content of the Notes, all legal relationships resulting from the issue of the 2018 UBM-Bonds and the respective issue of Notes, as well as all rights and obligations of the Noteholders, the Issuer and the Paying Agent, shall be governed by Austrian law, under exclusion of the conflict of law rules of international private law.

18.2 Erfüllungsort ist Wien.

Place of performance is Vienna.

- 18.3 Für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit der 2018 UBM-Anleihe und/oder mit diesen Anleihebedingungen (einschließlich allfälliger Streitigkeiten im Zusammenhang mit außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang mit der 2018 UBM-Anleihe und/oder mit diesen Anleihebedingungen ergeben) ist das für Handelssachen jeweils zuständige Gericht in Wien, Innere Stadt, ausschließlich zuständig.
- The court competent for commercial law matters in Vienna, first district (*Innere Stadt*), as the case may be, shall have exclusive jurisdiction for all disputes which may arise out of or in connection with the 2018 UBM-Bonds and/or these Terms and Conditions (including potential disputes in connection with transactions not related to the issue, but resulting from or in connection with the 2018 UBM-Bonds and/or these Terms and Conditions).
- 18.4 Für alle Rechtsstreitigkeiten eines Verbrauchers aus oder im Zusammenhang mit der 2018 UBM-Anleihe und/oder mit diesen Anleihebedingungen (einschließlich allfälliger Streitigkeiten im Zusammenhang mit außervertraglichen Schuldverhältnissen, die sich aus oder im Zusammenhang mit der 2018 UBM-Anleihe und/oder mit diesen Anleihebedingungen ergeben) gegen die Emittentin ist nach Wahl des Verbrauchers das sachlich und örtlich zuständige Gericht am Wohnsitz des Verbrauchers oder am Sitz der Emittentin oder ein sonstiges, aufgrund der gesetzlichen Bestimmungen zuständiges Gericht zuständig. Die Gerichtsstandsvereinbarung beschränkt nicht das gesetzliche Recht der Anleihegläubiger (insbesondere Verbraucher), Verfahren vor einem anderen gesetzlich zuständigen Gericht anzustrengen. Ebenso wenig schließt die Einleitung von Verfahren an einem oder mehreren Gerichtsständen die Einleitung von Verfahren an einem anderen Gerichtsstand aus (gleichgültig, ob diese gleichzeitig geführt werden oder nicht), falls und soweit dies rechtlich zulässig ist.
- With respect to disputes involving a consumer against the Issuer resulting from or in connection with the 2018 UBM-Bonds and/or these Terms and Conditions (including potential disputes in connection with transactions not related to the issue, but resulting from or in connection with the 2018 UBM-Bonds and/or these Terms and Conditions), the consumer has the choice of whether the local court competent for the respective matter at the place of residence of the consumer or at the registered seat of the Issuer or any other court, competent due to legal provisions, shall be the competent court. This jurisdiction clause shall not limit the right of any Noteholders (in particular consumers) to take proceedings in any other competent court. Nor shall the taking up of proceedings in any one or more places of jurisdiction preclude the taking up of proceedings in any other place of jurisdiction (irrespective of whether such proceedings are conducted at the same time or not) if and to the extent permitted by the law.

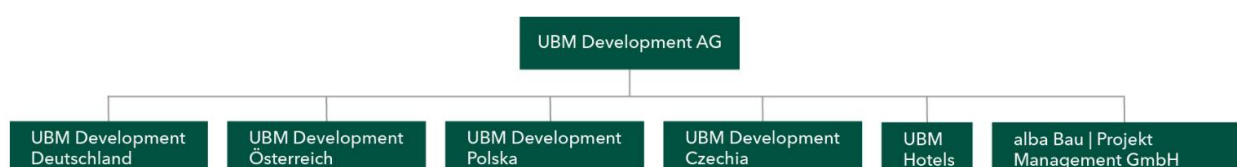
## GENERAL INFORMATION ON THE ISSUER AND THE UBM GROUP

### The Issuer and its Group

The Issuer is an Austrian stock corporation, incorporated under and governed by Austrian law, with its registered seat in Vienna, Austria, and its business address at Laaer-Berg-Straße 43, A-1100 Vienna, Austria. Its telephone number is +43-50626-2600. It operates under the name "UBM Development AG"; the Issuer and its subsidiaries also operate under various commercial names, in most cases under "UBM", "UBM Development", "UBM Development Deutschland", "UBM Development Österreich", "UBM Development Polska", "UBM Development Czechia", "UBM Hotels" or "alba Bau".

The Issuer was registered with the Austrian commercial register (*Handelsregister*) on 11 March 1873. It is a stock corporation (*Aktiengesellschaft*) registered with the Austrian companies' register (*Firmenbuch*) under registration number FN 100059 x, registration court: commercial court Vienna (*Handelsgericht Wien*), Austria. In May 2015, the Issuer changed its name from "UBM Realitätenentwicklung Aktiengesellschaft" to "UBM Development AG". The Issuer's financial year ends on 31 December. Pursuant to the Issuer's articles of association (*Satzung*, the "**Articles of Association**"), notices of the Company shall be made by publication in the Official Gazette (*Amtsblatt zur Wiener Zeitung*). The Issuer has been established for an indefinite period of time.

The Company is the parent company of the UBM Group. A high level overview of the structure of the Group is as follows:



(Source: Unaudited internal information of the Issuer)

The UBM Group has defined for the respective markets lead companies: in Austria, the UBM Group operates predominately under the name commercial "UBM" or "UBM Development". Previously, the Austrian operations were conducted under the brand name "STRAUSS & PARTNER" and the German operations acted under the brand name "Münchener Grund". However, in the first six months of 2018, the brand names of the UBM Group's companies have been changed in a way that they all now include "UBM".

Real estate development projects are usually conducted in separate legal entities, either alone by the Issuer or together with project partners. The Issuer itself is only partially operational. Due to the limited operational business, it is dependent on the provision of liquidity and profits from its group companies in order to be able to meet its obligations *vis-à-vis* creditors.

### History and Development of the Issuer's Business

The Issuer was founded on 3 March 1873 under the name "Union-Baumaterialien-Gesellschaft" and registered in the commercial register (*Handelsregister*) on 11 March 1873. Shares in the Issuer were admitted to trading on the Vienna Stock Exchange in 1873.

Subsequently, the Issuer became one of the largest brick makers of the Austrian-Hungarian Empire and operated 10 brick-making facilities with over 2,000 employees. In 1912, Allgemeine Österreichische Baugesellschaft (today known as PORR AG) acquired a majority interest in the Issuer. Starting in 1916, the Issuer gradually withdrew from brick making by means of the sale of its brick making facilities to Wienerberger Baustoffindustrie AG (today known as Wienerberger AG), among other measures. The Issuer then increasingly focused its operations on real estate development, with efforts initially concentrated in the larger Vienna area.

Between 1991 and 2010, the Company intensified its activities in real estate project development and management. Business operations expanded internationally with market entry in the Czech Republic in 1992, Poland in 1993, Hungary in 1994, Germany in 1999, France in 2001, Slovakia in 2004, Switzerland in 2005, Romania, Croatia and Bulgaria in 2006, Russia in 2007 and in The Netherlands in 2010.

In 1997, the name of the Company was changed to "UBM Realitätenentwicklung Aktiengesellschaft".

In 2004, PORR AG sold a 25% share in the Company so that the interest of PORR AG in the Company was reduced to less than 50%.

In 2014, PORR AG launched a public takeover bid for the shares of the Issuer; following such takeover, PIAG Immobilien AG, at that time a 100% subsidiary of PORR AG, held – together with the parties acting in concert with it – 85.37% of the shares of the Issuer (and 96.40% after the end of grace period). All properties of PORR AG which were not required for its operations were transferred to PIAG Immobilien AG. Subsequently, PIAG Immobilien AG was de-merged from PORR AG, a transaction in the course of which each shareholder of PORR AG was granted one share in PIAG Immobilien AG for one share in PORR AG. In January 2015, the shareholders' meetings of both PIAG Immobilien AG (as transferring company) and the Issuer (as absorbing company) resolved a merger in the course of which existing shareholders of PIAG Immobilien AG became shareholders of the Issuer.

In April 2015, the Management Board of the Issuer, upon approval by the supervisory board, resolved to increase the stated capital and to issue new shares. The capital increase, which included the issue of 1,462,180 new shares, was registered on 8 May 2015 with the Austrian companies register. Since 8 May 2015, the stated capital of the Issuer amounts to EUR 22,416,540, divided into 7,472,180 no-par value bearer shares.

There have been no recent events in the business activities of the Issuer that are to a material extent relevant to the valuation of the Issuer's solvency.

### **Share capital and shares**

The Issuer's share capital amounts to EUR 22,416,540 and is divided into fully-paid 7,472,180 no-par value bearer shares. Every no-par value share represents an equal share in the share capital of the Issuer. The shares in the Issuer are freely transferable. All of the Issuer's shares are currently listed in the "Prime Market" segment of the Vienna Stock Exchange. All shares are represented by one or more global certificates deposited with OeKB CSD GmbH, the Austrian central securities depository. The shares can only be transferred in book-entry form. Other than the global certificates, there are no plans to issue separate share certificates in bearer form.

### **Articles of Association**

The Issuer is registered with the Austrian companies register under the registration number 100059 x, the competent court for registrations is the commercial court Vienna (*Handelsgericht Wien*). The Issuer's business objects are set out in article 2 of its Articles of Association and reads as follows:

"The objects of the Issuer's business shall be:

(a) development, conception, planning, financing, implementation, control, operation, marketing and distribution of projects and real estate of all kinds, including related services and business, in all stages of the real estate value chain, throughout the entire real estate cycle, of the products office, hotel, trade, multifunctional use, production, logistics, housing, leisure, special real estate and infrastructure facilities, especially for the hospital and health care sector, for municipal supply and disposal, for telecommunications, for energy generation, in the area of environmental technology and protection, for the traffic carriers railway, street, water and air, for other public facilities, administrative buildings, educational and research facilities and business and production facilities or parts thereof, to ready-for-use completion, also

as a general or total contractor, within a working group or as general building organiser, for the Company's own account or for the account of a third party;

(b) strategic and operational real estate management (investment, portfolio, asset, property and facility management);

(c) lease and operation of hotel properties;

(d) acquiring, renting, projecting, managing, selling, letting including (financial and operational) leasing and other use of real estate, real-estate-like rights and buildings, and establishing condominium ownership and commercial, technical and infrastructural administration and development of real estate;

(e) implementing privately funded operator models for buildings, infrastructure facilities and facilities of all kinds, including planning, building, financing and managing the same and rendering related services;

(f) the preparation of site analyses as well as market, feasibility and project studies and location development;

(g) the development and evaluation of financing models, tax and corporate law concepts, as well as the technical, legal, tax and economic assessment (due diligence) of real estate projects and transactions, provided that these activities are not restricted to other professions;

(h) acquiring, letting as well as (operational and financial) leasing and distribution of movable and fixed assets;

(i) the construction and operation of installations and operations of all kinds, in particular parking garages, parking lots, petrol stations, toll roads, quarries, ballast pits, sand pits, gravel pits and clay pits, and other services relating to environmental technology such as landfills, recycling facilities, waste treatment and waste disposal facilities;

(j) the acquisition, exercise and other use of respective concessions, patents, utility patents, licenses, trademarks and design rights and other intellectual property rights;

(k) the operation of all trade businesses necessary or useful for the achievement of the Company's purpose and other authorisations, in particular, the operation of the commercial real estate trustee business (real estate broker, real estate manager, real estate developer), technical offices - engineering offices, master-builders, commercial investment advice and management consultancy;

(l) the provision of all services related to the object of the Company, including supporting and secondary commercial activities;

(m) the provision of commercial, legal and technical services and management tasks, as well as the technical and economic administration of subsidiaries and affiliates, provided that such operations are not restricted to other professional groups.

The Issuer is entitled to establish branches and subsidiaries in Austria and abroad, to acquire interests in other businesses in Austria and abroad, to acquire and establish such businesses, to enter into any and all joint ventures or interest groups suited to support the object of business of the Issuer.

The Issuer is entitled to carry out all transactions that may be necessary or useful to achieve the object of the Issuer, including, in particular, in all areas of activities that are similar or related to the object of the Issuer. Banking business for which a licence is required shall be excluded."

## Management Board and Supervisory Board

### General

In accordance with mandatory Austrian law, the Issuer has a two-tiered board structure comprising of the Management Board (*Vorstand*) and the Supervisory Board (*Aufsichtsrat*). The Management Board is responsible for the management of the business and represents the Issuer in dealings with third parties. The Supervisory Board is responsible for appointing and removing the members of the Management Board and for supervising the business conducted by the Management Board. Although the Supervisory Board does not actively manage the Issuer, the Austrian Stock Corporation Act (*Aktiengesetz*), the Articles of Association and the Management Board's internal rules of procedure require that the consent of the Supervisory Board be given before the Management Board takes certain actions.

The members of the Management Board and the Supervisory Board can be reached at the registered office of the Company at Laaer-Berg-Straße 43, 1100 Vienna, Austria.

### Management Board

Pursuant to the Articles of Association, the Management Board consists of two to six members appointed by the Supervisory Board for a term of up to five years. Currently, the Management Board consists of three members.

Name	Function	First Appointed	Current Term Expires
Mag. Thomas Winkler, LL.M.	Chairman and Chief Executive Officer	1 June 2016	9 April 2023
Dipl. Ök. Patric Thate	Chief Financial Officer	1 July 2017	9 April 2023
DI Martin Löcker	Chief Operational Officer	1 March 2009	9 April 2023

(Source: Unaudited internal information of the Issuer)

**Thomas Winkler** was born in Salzburg, Austria, in 1963. In 1985 he completed his law studies at the University of Salzburg and subsequently obtained a Master of Laws at the University of Cape Town, South Africa, in 1987. Initially his main focus was on capital markets, financing and investor relations at companies such as Erste Bank, Maculan, Magna and Deutsche Telekom. From 2001-2007, he was Chief Financial Officer of T-Mobile Group worldwide. After two years of consulting in London and a year in Russia, he returned to Austria in 2010 as Chief Financial Officer of Lenzing AG. In 2012, he was appointed to the Supervisory Board of ÖIAG, the former Austrian state holding company. He also was a non-executive director of Russian oil producer Bashneft for one year. Since 2014, he is a Senior Advisory Board Member of the Spanish technology and consulting company Indra Business Consulting (Minsait). In June 2016, Thomas Winkler took over the responsibilities of CEO and CFO of UBM. He handed over the position of CFO to Patric Thate as of 1 July 2017. His responsibilities include: strategy, investor relations, communications, transaction, market research, legal, compliance, human resources and M&A.

**Patric Thate** was born in Bergisch Gladbach, Germany, in 1973. After his study at the University of Wuppertal and Nottingham, he started his career in 1999 at Deutsche Telekom Group in Bonn, where he held various management finance positions up to the end of 2010. Until 2015, he was heading the entire finance division of Lenzing AG as Vice President Global Finance. Moreover, Patric Thate has been substantially involved in major international capital market transactions, among others in the Re-IPO of Lenzing AG. Most recently, he served as Head of Finance and member of the Executive Committee of UBM Development AG. In July 2017, Patric Thate became CFO of UBM and is responsible for financial controlling, reporting, accounting & consolidation, treasury, tax, IT and insurance.

**Martin Löcker** was born in Leoben, Austria, in 1976. He obtained a degree in technical engineering from the Technical University Graz, Austria, in 2000 and a post graduate degree in real estate economics from the European Business School in Munich, Germany, in 2005. He joined the PORR Group and its then subsidiary, the Issuer, in 2001. He was responsible for projects in Austria, France and Germany and held managerial positions at the Issuer and its subsidiary Münchner Grund Immobilien Bauträger GmbH from 2007 on. He is a member of the Management Board since 1 March 2009. According to the Management Board's rules of procedure, Martin Löcker is responsible for the following: project acquisition controlling, operational project controlling, business development Austria, technical competences, green building, CSR & Work Safety and Quality Management & Integrated Management Systems.

### **Supervisory Board**

Pursuant to the Articles of Association, the Supervisory Board consists of three to twelve members which are appointed by the shareholders' meeting. In addition, the works council (*Betriebsrat*) is entitled according to the Austrian Labour Constitutional Act (*Arbeitsverfassungsgesetz*) to delegate representatives to the Supervisory Board. Currently, four members of the Supervisory Board are delegated by the works council. The current members of the Supervisory Board are:

<b>Name</b>	<b>Position</b>	<b>First Appointed / Delegated</b>	<b>Year Current Term expires</b>
Karl-Heinz Strauss	Chairman	14 April 2011	2019 <sup>(1)</sup>
Iris Ortner <sup>(2)</sup>	Deputy Chairman	14 April 2011	2019 <sup>(1)</sup>
Christian B. Maier	Member	3 May 2013	2019 <sup>(1)</sup>
Klaus Ortner <sup>(3)</sup>	Member	15 January 2015	2019 <sup>(1)</sup>
Ludwig Steinbauer	Member	15 January 2015	2019 <sup>(1)</sup>
Paul Unterluggauer	Member	15 January 2015	2019 <sup>(1)</sup>
Bernhard Vanas	Member	15 January 2015	2019 <sup>(1)</sup>
Susanne Weiss	Member	15 January 2015	2019 <sup>(1)</sup>
Johann Kaller	Member	30 June 2016	n/a <sup>(4)</sup>
Martin Kudlicska	Member	30 June 2016	n/a <sup>(4)</sup>
Hannes Muster	Member	30 June 2016	n/a <sup>(4)</sup>
Günter Schnötzing	Member	30 June 2016	n/a <sup>(4)</sup>

(Source: Unaudited internal information of the Issuer)

- (1) The term of office of the members elected by the shareholders' meeting expires as of the end of the shareholders' meeting resolving on the exoneration for the financial year 2018, which will take place in the year 2019.
- (2) Iris Ortner has been deputy chairman of the Supervisory Board since 18 September 2014; she was previously a member of the Issuer's supervisory board between 2003 and 2010.
- (3) Klaus Ortner was already a member of the Issuer's supervisory board between 2000 and 2004.
- (4) Members delegated by the works council.

**Karl-Heinz Strauss** was born in Klagenfurt, Austria, in 1960. He obtained a degree in technical engineering and completed international study programs at Harvard University in Cambridge, Massachusetts, United States and in St. Gallen, Switzerland and Fontainebleau, France. He holds a Master of Business Administration degree from IMADEC. Between 1980 and 1984, he was an independent civil engineering contractor. In 1987, he joined Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB), Vienna, in the commercial clients department. He was a member of the managing and supervisory boards of several RZB real estate companies and head of Concorde Projektentwicklungsgesellschaft m.b.H., where he

played a material role in founding and developing. In 1994, he became a member of the management board of Raiffeisen Wohnbaubank AG. In 2000, he took over the management of Strauss & Partner Immobilien GmbH. On 13 September 2010, Karl-Heinz Strauss became the chairman of the management board and CEO of PORR AG.

**Iris Ortner** was born in Innsbruck, Austria, in 1974. She studied at ETH Zurich, Switzerland, and graduated in 1997 with the academic degree Diplomingenieur in mechanical engineering. She also holds a master degree in business administration from INSEAD, Fontainebleau, France, where she graduated in 2001. Iris Ortner began her career at the Ortner Group and was responsible for the establishment of the HTG Polska, the Ortner Group's Poland branch, and for several major projects in Austria and Poland. In addition, she worked for Siemens Management Consulting in Germany and the United States for more than one year. Since 2004, Iris Ortner has been a member of the management of the Ortner Group in Austria and Poland. In 2003, she became a member of the Supervisory Board, a position which she has held until 2010. Since April 2014, she is deputy chairman of the Issuer's Supervisory Board.

**Christian B. Maier** was born in Judenburg, Austria, in 1966. He obtained a degree in technical engineering, a master degree in business administration from the Vienna University of Economics and Business and a master degree in geology from the University of Vienna. In 1994, he started his professional career at Creditanstalt Bankverein, Vienna, as a trainee and then worked in the department for group development and strategy. In 1997/1998, following the take-over of Creditanstalt by Bank Austria, he was a member of the team responsible for the integration of Creditanstalt into Bank Austria. From 1998 through 2003, Christian B. Maier was a member of the management board and CFO of Unternehmens Invest AG, a stock exchange listed Austrian private equity company. From 2003 to 2011, he was a member of the management board and CFO of Constantia Industries AG. Between 1 February 2012 and 31 December 2017, Christian B. Maier was a member of the management board and CFO of PORR AG.

**Klaus Ortner** was born in Austria in 1944. He studied at ETH Zurich, Switzerland, and graduated in 1966 with the academic degree Diplomingenieur in mechanical engineering. After briefly studying in the United States, Klaus Ortner began working at the family business of Ortner GesmbH, which was then managed by his father. Klaus Ortner became a shareholder and managing director of Ortner GesmbH in 1977. In 1972, he became a certified surveyor for mechanical engineering. Since 1989, he has headed Ortner Group.

**Ludwig Steinbauer** was born in Austria in 1965. He obtained a master and a doctoral degree in law from the University of Vienna, Austria. In 1994, he started his professional career at Creditanstalt Bankverein, Vienna, as a trainee and then worked in the central credit / risk management department. In 1992, he joined ILBAU GmbH (today STRABAG AG) as assistant to the board and became a member of the management board in 1998. He served in various executive positions at STRABAG AG, including head of building construction international (2003 to 2006), head of group development and services (2007 to 2014) and, additionally, of property & facility management/services in Austria, Germany, Slovenia, Croatia, Slovakia, Czech Republic and Poland) (2008 to 2014). In January 2015, he began serving in an executive position with PORR AG.

**Paul Unterluggauer** was born in Austria in 1967. He obtained a degree in business administration from the University of Innsbruck, Austria, in 1992. In 1995, he joined Ortner Group and has since served in various executive positions within the Ortner Group. In 2010, he became managing director of Ortner GesmbH.

**Bernhard Vanas** was born in Austria in 1954. He studied business administration at the Vienna University of Economics and Business and law at the University of Vienna. Bernhard Vanas began his professional career at Auditor Treuhand GmbH and was admitted as a certified tax advisor and a certified auditor. In 1991, he became head of the tax department of Auditor Treuhand GmbH, which was then an Austrian Arthur Andersen franchise, and in 2000, he became managing partner of Arthur Andersen in Austria. From 2002 until 2010, Bernhard Vanas was managing partner of the Deloitte Austria Group. Between 2010 and end of 2017, he was the head of Taxand Austria Steuerberatungsgesellschaft mbH. Cur-

rently, he is a partner of Vanas & Partner Steuerberatungsgesellschaft mbH and a member of the management boards of several private trusts.

**Susanne Weiss** was born in Germany, in 1961. She is a graduate of the law school of the University of Regensburg, Germany. Since 1989, she has worked as an attorney with a particular focus on mergers & acquisitions as well as banking and finance. Since 2000, she has been a managing director and shareholder of several companies that are, in particular, active in the mechanical engineering and construction business. Susanne Weiss has also been a member of supervisory boards of several companies, including publicly listed companies.

The CVs of those members of the Supervisory Board who have been appointed by the works council are not included in this Prospectus.

### ***Supervisory Board Committees***

The Supervisory Board has established an audit committee (*Prüfungsausschuss*), a nomination committee (*Nominierungsausschuss*) and a remuneration committee (*Vergütungsausschuss*). The current members of the audit committee are Karl-Heinz Strauss (chairman), Iris Ortner, Susanne Weiss and Christian B. Maier (financial expert).

The audit committee (*Prüfungsausschuss*) is responsible for (i) monitoring the accounting process as well as providing recommendations and proposals with respect to maintaining its reliability, (ii) monitoring the efficiency of the internal control system, the internal revision system, if applicable, and the risk management system of the Company, (iii) monitoring the audit of the (consolidated) financial statements under consideration of the findings and conclusions in reports which were published by the auditors supervision authority (*Abschlussprüferaufsichtsbehörde*) pursuant to section 4 para 2 No 12 of the Austrian Auditors Supervision Authority Act (*Abschlussprüfer-Aufsichtsgesetz*), (iv) reviewing and monitoring the auditor's independence, particularly in respect of additional services rendered by the auditor to the Group; Art 5 of Regulation (EU) No 537/2014 and section 271a para 6 of the Austrian Entrepreneurial Code (*Unternehmensgesetzbuch*) shall apply; (v) reporting on the result of the audit to the Supervisory Board and the presentation how the audit contributed to the reliability of financial reporting, as well as the role of the audit committee thereby; (vi) the review of the annual financial statements and the preparation of their approval, the review of the proposal for the distribution of a dividend, the management report und the corporate governance report as well as reporting on the results of the review to the Supervisory Board; (vii) the review of the consolidated financial statements and the group management report, of the consolidated corporate governance report as well as reporting on the results of the review to the Supervisory Board of the parent company; (viii) the execution of a procedure for the selection of an auditor (group auditor) under consideration of the appropriateness of the fees as well as the recommendation for its appointment to the Supervisory Board; Art 16 of Regulation (EU) No 537/2014 shall apply.

The nomination committee (*Nominierungsausschuss*) is responsible for submitting proposals to the Supervisory Board for filling mandates which become free on the Management Board, including issues relating to successor planning. Prior to the appointment of member of the Management Board, the nomination committee shall – upon consideration of the strategy and the status of the Issuer – define the requirements for the Management Board and shall prepare the decision by the entire Supervisory Board. It is further responsible for the preparation of proposals to the Supervisory Board for mandates which become free on the Management Board. The nomination committee deals also with the planning of proposals for Supervisory Board mandates. The nomination committee submits proposals to the entire Supervisory Board which – after resolved upon by the Supervisory Board – are presented to the shareholders' meeting. Proposals for candidates shall consider the personal and professional qualification of the members of the Supervisory Board as well as with regard to the structure and business of the Issuer a professionally well-balanced composition of the Supervisory Board. In addition, diversity of the Supervisory Board with respect to both genders and the age structure as well as internationality of the members shall be appropriately considered. No individual shall be proposed as a member of the Supervisory Board who has been convicted with legally binding effect for a criminal offence which challenges his profes-

sional reliability. The current members of the nomination committee are Karl-Heinz Strauss (chairman), Iris Ortner and Susanne Weiss.

The remuneration committee (*Vergütungsausschuss*) responsible for the following matters: (i) handling all issues of remuneration of the members of the Management Board and the content of the agreements with members of the Management Board, in particular the determination of the principles for the remuneration of the members of the Management Board as well as the determination of the criteria for variable parts of the remunerations pursuant to rules 27, 27a and 28 of the Austrian Code of Corporate Governance; (ii) periodic review of the remuneration policy for the members of the Management Board; (iii) consenting to activities of members of the Management Board outside of the UBM Group. The current members of the remuneration committee are Karl-Heinz Strauss (chairman), Iris Ortner and Susanne Weiss (remuneration expert).

No further committees of the Supervisory Board have been established.

### ***Additional Information Relating to Board Members***

The following table sets out the names of companies and business partnerships, excluding the Issuer and its subsidiaries, of which each of the members of the Management Board and Supervisory Board is a member of the administrative, executive or supervisory boards or partner, as the case may be:

<b>Member of the Management Board</b>	<b>Name of company / legal entity</b>	<b>Currently held position</b>
<b>Mag. Thomas G. Winkler, LL.M.</b>	Minsait by Indra Business Consulting S.L.U.	Senior Advisory Board Member
<b>Dipl. Ök. Patric Thate</b>	-	-
<b>DI Martin Löcker</b>	-	-

<b>Member of the Supervisory Board</b>	<b>Name of company / legal entity</b>	<b>Currently held position</b>
<b>Ing. Karl-Heinz Strauss</b>	ALUK-Privatstiftung	Chairman of the board
	CARL-Privatstiftung	Deputy chairman of the board
	DATAX HandelsgmbH	Supervisory board member
	KAPSCH-Group Beteiligungsgesellschaft	Supervisory board member
	Kapsch Aktiengesellschaft	Supervisory board member
	PLACHUTTA Privatstiftung	Member of the board
	PORR AG	Chairman of the management board
	PORR Bauindustrie GmbH	Managing director
	PORR Bau GmbH	Chairman of the supervisory board
	PORR Construction Holding GmbH	Chairman of the supervisory board
	PORR Deutschland GmbH	Chairman of the supervisory board
	PORR Suisse AG	Chairman of the administrative board
	UKAL-Privatstiftung	Chairman of the board

<b>Member of the Supervisory Board</b>	<b>Name of company / legal entity</b>	<b>Currently held position</b>
<b>DI Iris Ortner</b>	Berninger & Co. KG	Prokurist
	ELIN GmbH	Deputy chairman of the supervisory board
	Haustechnische Gesellschaft für Sanitär-, Wärme- und lufttechnische Anlagen Gesellschaft m.b.H.	Managing director
	IGO Construction GmbH	Managing director
	IGO Development GmbH	Managing Director
	IGO Industries GmbH	Managing director
	IGO Innovation GmbH	Managing director
	IGO Real Estate GmbH	Managing director
	IGO Real Estate GmbH & Co OG	Prokurist
	IGO Technologies GmbH	Managing director
	IGO Verwaltungs GmbH	Managing director
	Ortner AG (Schweiz)	Member of the management
	Ortner Ges.m.b.H.	Managing director
	TKT Engineering Sp. z o.o.	Deputy chairman of the supervisory board
Ultraplan Planungsgesellschaft für haustechnische Anlagen GmbH	Managing director	
<b>MMag. Christian B. Maier</b>	Antonia Handels GmbH	Managing shareholder
	better living Immobilienentwicklungs GmbH	Managing shareholder
	MzH-Beteiligungen GmbH	Managing shareholder
	Raiffeisen Aichfeld eGen	Supervisory board member
<b>Dipl.-Ing. Klaus Ortner</b>	Berninger & Co. KG	Unlimited partner
	ELIN GmbH	Chairman of the supervisory board
	IGO Construction GmbH	Managing director
	IGO Development GmbH	Managing Director
	IGO Industries GmbH	Managing director
	IGO Innovation GmbH	Managing director
	IGO Real Estate GmbH	Managing director
	IGO Technologies GmbH	Managing director
	IGO Verwaltungs GmbH	Managing director
PORR AG	Deputy chairman of the supervisory board	
<b>Dr. Ludwig Steinbauer</b>	PORR AG	Prokurist
	PORR Beteiligungen und Management GmbH	Managing director
	PORR SLOVAKIA LTD.	Managing director
<b>Mag. Paul Unterluggauer</b>	Berninger & Co. KG	Prokurist
	e value GmbH	Managing director
	HTG GmbH	Prokurist
	IGO Construction GmbH	Prokurist

<b>Member of the Supervisory Board</b>	<b>Name of company / legal entity</b>	<b>Currently held position</b>
	IGO Development GmbH	Prokurist
	IGO Industries GmbH	Prokurist
	IGO Innovation GmbH	Prokurist
	IGO Real Estate GmbH	Prokurist
	IGO Real Estate GmbH & Co OG	Prokurist
	IGO Technologies GmbH	Prokurist
	IGO Verwaltungen GmbH	Prokurist
	IGO & SH Beteiligungsholding GmbH	Managing director
	IP Real Estate Amrasser Straße GmbH	Managing director
	Ortner Ges.m.b.H.	Managing director
	Ortner AG (Schweiz)	Member of the management
	Ortner Anlagentechnik GmbH	Managing director
<b>Hon.-Prof. Dr. Bernhard Vanas</b>	Albona Privatstiftung	Member of the board
	ALUK-Privatstiftung	Member of the board
	ATO Austrian Trust Office Gesellschaft mbH	Managing director
	AUDIREAL Liegenschaftsverwaltungs GmbH	Managing director
	C. von Meinertzhagen Privatstiftung	Chairman of the board
	Fidelis Privatstiftung	Member of the board
	GOB Liegenschaftsverwaltung KG	Unlimited partner
	IRZ Holding GmbH	Managing director
	IRZ Liegenschaftsverwertung GmbH	Managing director
	Kornfeld & Vanas Land- und Forstwirtschaft OG	Unlimited partner
	MAB Liegenschaftsverwaltung OG	Unlimited partner
	MAB Mohsgasse 33 Vermietungs OG	Unlimited partner
	Medienbeteiligungen Privatstiftung	Member of the board
	MRB Radiobeteiligungen GmbH	Managing director
	MVB Beteiligungen GmbH	Managing director
	Orion Privatstiftung	Member of the board
	PORR AG	Supervisory board member
	Prajo Privatstiftung	Member of the board
	PROSPERO Privatstiftung	Chairman of the board
	STYX Privatstiftung	Chairman of the board
	Schröder Privatstiftung	Member of the board
	SDN Beteiligungen GmbH	Supervisory board member
	Vanas & Partner Steuerberatungsgesellschaft mbH	Managing director
<b>Dr. Susanne Weiss</b>	Blue Elephant Holding GmbH	Managing director
	CI-ALPEN GmbH	Managing director
	Freeride Kitz Clothing OG	Managing director
	KHW Beteiligungsgesellschaft mbH	Managing director
	Pearl Skin GmbH	Managing director

<b>Member of the Supervisory Board</b>	<b>Name of company / legal entity</b>	<b>Currently held position</b>
	PORR AG	Supervisory board member
	ROFA AG	Chairman of the supervisory board
	Schattdecor AG	Supervisory board member
	SW Beteiligungsgesellschaft m.b.H.	Managing director
	Wacker Chemie AG	Supervisory board member
<b>Johann Kaller</b>	-	-
<b>Martin Kudlicska</b>	-	-
<b>Hannes Muster</b>	-	-
<b>Ing. Günter Schnötzing</b>	-	-

(Source: Unaudited internal information of the Issuer)

### **Conflicts of interest**

A conflict of interest may potentially arise due to business relationships between the Issuer or companies of the UBM Group and PORR AG and its group companies because Karl-Heinz Strauss is a member of the Issuer's Supervisory Board and also the chairman of the management board of PORR AG. Furthermore, Ludwig Steinbauer holds a leading position with PORR AG. Iris Ortner, Klaus Ortner, Bernhard Vanas and Susanne Weiss are also members of the supervisory board of PORR AG.

Potential conflicts of interest may also arise when the Issuer or companies of the UBM Group cooperate with companies of Ortner Group which provides various engineering, installation and construction services to the UBM Group because the members of the Supervisory Board Iris Ortner, Klaus Ortner and Paul Unterluggauer are members of the management of Ortner Group.

Potential conflicts of interest may also arise in connection with PROSPERO Privatstiftung, an Austrian private foundation which is an indirect shareholder of the Issuer. Karl-Heinz Strauss is the beneficiary of PROSPERO Privatstiftung. Bernhard Vanas is the chairman of the management board of PROSPERO Privatstiftung, a member of the Supervisory Board of the Issuer, as well as a member of the supervisory board of PORR AG, and he renders from time to time tax consulting services to the Issuer. There may also be potential conflicts of interest with the German law firm Weiss Walter Fischer-Zernin which provides legal advice to the Issuer because Susanne Weiss is both a partner of that law firm and a member of the Supervisory Board of the Issuer.

The management of the Issuer is of the opinion that the business relationships between the UBM Group on the one hand and the respective members of the Supervisory Board and/or companies closely related to them on the other hand are conducted at arm's length. Moreover, any member of the Management Board or Supervisory Board that may be conflicted does not participate in the adoption of any resolution in relation to a matter that could create a conflict of interest.

Except as described above, there are, to the best knowledge of the Issuer, no potential conflicts of interest of any members of the Management Board or the Supervisory Board. The Issuer is not aware of any interest of any member of the Supervisory Board or the Management Board relating to unusual business transactions with the Group. The Issuer has no outstanding loans to and no guarantees on behalf of any members of the Supervisory Board or Management Board. There are no family relationships between the members of the Management Board and Supervisory Board, except that Iris Ortner is the daughter of Klaus Ortner.

There are no arrangements or understandings with major shareholders, customers or suppliers of the Issuer, or with other persons, pursuant to which any member of the Issuer's Supervisory Board or Management Board was appointed a member of such corporate body.

No member of the Management Board or the Supervisory Board has entered into a service contract (*Dienstleistungsvertrag*) with a company of the UBM Group which provides for special benefits upon termination of the service contract. However, the members of the Management Board are entitled to contractual and/or statutory claims upon termination of their Management Board contracts.

### Principal shareholders

The following table provides for an overview of the Company's principal shareholders.

Shareholder	Number of shares	Percentage
<b>Ortner-Strauss Syndicate</b> .....	2,901,961	38.84%
<i>thereof Ortner Group</i> <sup>(1)</sup> .....	2,063,471	27.62%
<i>thereof Strauss Group</i> <sup>(2)</sup> .....	838,490	11.22%
<b>Jochen Dickinger</b> .....	373,609	5.00%
<b>Freefloat</b> .....	4,196,610	56.16%
<i>thereof UBM Management and Supervisory Board</i> <sup>(3)</sup> .....	807,404	10.79%
<b>Total</b> .....	<b>7,472,180</b>	<b>100.00%</b>

(Source: unaudited internal information of the Issuer)

- (1) Shares attributable to Ortner Group are held by Ortner Beteiligungsverwaltung GmbH and IGO Baubeteiligungs GmbH.
- (2) Shares attributable to Strauss Group are held by SuP Beteiligungs GmbH and AIM Industrieholding und Unternehmensbeteiligungen GmbH.
- (3) Includes shares held by or attributable to members of the Issuer's Management Board and the Supervisory Board, including shares held by or attributable to Klaus Ortner held outside the Ortner-Strauss Syndicate.

Except as set out in the above table, to the Issuer's knowledge, no other shareholder beneficially owns more than 4% of the shares of the Issuer as of the date of this Prospectus. All of the Issuer's shares have the same voting rights.

The Issuer has not adopted measures against the potential abuse of controlling shareholders of their control in addition to those required by Austrian law. However, the Company believes that Austrian law, including the takeover regulations and principles of equal treatment of shareholders, provides comprehensive and sufficient safeguards against the potential abuse of controlling shareholders of their control.

### The Ortner-Strauss Syndicate

There is a syndicate agreement in place between the Ortner Group and Strauss Group. Based on information disclosed by the Ortner-Strauss Syndicate, resolutions of the Ortner-Strauss Syndicate require a unanimous vote and resolutions passed by the syndicate oblige the syndicate members to exercise their voting rights in accordance with the resolutions of the syndicate in shareholders' meetings of the Company. In addition, reciprocal acquisition rights exist.

### Corporate Governance

In August 2016, the Issuer has formally committed to adhere to the rules of the Austrian Code of Corporate Governance, and the Management Board and Supervisory Board of the Issuer have declared that they will uphold the Austrian Code of Corporate Governance as amended and that they will fully commit to the Austrian Code of Corporate Governance and its objectives. In this context, the Issuer has provided with regard to those provisions of the Austrian Code of Corporate Governance which are not mandatory, but the non-compliance with which must be explained ("Comply-or-Explain" provisions) in August 2016 a respective statement. As of the end of December 2017, the statement reads as follows (two rules which

had not been complied with initially in August 2016 and which were for that reason included in the initial statement have been removed due to compliance with them as of the end of December 2017):

<b>Rules of the Austrian Code of Corporate Governance which are not complied with</b>	<b>Explanation</b>
<b>Rule 27</b> .....	The remuneration of the Management Board members consists of fixed and variable components. The variable components are exclusively related to annual EBT. There are no non-financial criteria that have a significant influence on the variable remuneration. Concerns about objectivity and clear traceability should thereby have been satisfied.
<b>Rule 27a</b> .....	At present the contracts with the Management Board members do not contain an express regulation stating that severance payment for premature termination from the Board without cause may not exceed two times the total annual compensation and may not amount to more than the remainder of the contractual term. In addition, they do not expressly specify at present that no severance payment shall be made upon premature termination of a Management Board contract with good cause. The Management Board contracts do not contain any stipulations under which the circumstances of leaving the Company and the economic state of the Company should be considered upon the premature departure of a Management Board member. Adherence to the rules of the Austrian Code of Corporate Governance was not yet a focal point when the existing Management Board contracts were concluded. In order to promote equal treatment, adherence to this rule was also not adopted for the newly concluded Management Board contract of the Chief Financial Officer.
<b>Rule 38</b> .....	The job profile and the procedure for appointing Management Board members is defined on a case-by-case basis. When a Management Board member is to be appointed, the Supervisory Board defines a job profile, whereby particular attention is paid to the candidate's qualifications, experience and industry knowledge. In the interests of the company, a formally defined appointment procedure and a general job profile is not used, as this could exclude candidates from being appointed as Management Board members despite exceptional qualifications and outstanding industry knowledge.
<b>Rule 39</b> .....	Establishing an emergency committee appears unnecessary in view of the homogeneous business activities practised by UBM Development AG as well as the comparatively low number of Supervisory Board members. The option of circular resolutions may be exercised in urgent cases.
<b>Rule 49</b> .....	The conclusion of contracts with members of the Supervisory Board in which such members are committed to the performance of a service outside of their activities on the Supervisory Board for the company or a subsidiary for a remuneration not of minor value is subject to approval by the Supervisory Board in line with the law. The company will, however, refrain from publishing these details due to related operational and business confidentiality issues. In any case, the notes to the consolidated financial statements of UBM Development AG show disclosures on related party transactions, which contain the remuneration for services by companies in which the Supervisory Board members hold a position and/or an interest outside of their activities on the Supervisory Board of UBM Development AG.

(Source: internal information of the Issuer)

### **Agreements regarding the control of the Issuer**

The Issuer is unaware of any agreements which may lead to a change of control with respect to the Issuer at a later date if executed.

## Listed securities of the Issuer

The Issuer has currently the following securities outstanding which are listed on the markets as described below:

Type of security	Designation	ISIN	Market(s)
Equity	Common share ( <i>Stammaktie</i> )	AT0000815402	Vienna Stock Exchange (Official Market)
Debt	Corporate Bond 2014-2019	AT0000A185Y1	Vienna Stock Exchange (Official Market) Frankfurt Stock Exchange (Open Market, Scale)
Debt	Corporate Bond 2015-2020	DE000A18UQM6	Vienna Stock Exchange (Official Market) Frankfurt Stock Exchange (Open Market, Scale)
Debt	Corporate Bond 2017-2022	AT0000A1XBU6	Vienna Stock Exchange (Official Market) Frankfurt Stock Exchange (Open Market, Quotation Board)
Hybrid capital	Hybrid Bond 2018	XS1785474294	Vienna Stock Exchange (Official Market) Frankfurt Stock Exchange (Open Market)

(Source: internal information of the Issuer)

## INFORMATION ON THE ISSUER'S AND THE UBM GROUP'S BUSINESS

### Overview

The Issuer itself is only partially operational. It acts mainly as the holding company of the UBM Group, and therefore coordinates all activities of the UBM Group. Due to the limited operational business, it is dependent on the provision of liquidity and profits from its group companies in order to be able to meet its obligations *vis-à-vis* creditors.

The UBM Group is a European real estate developer with a particular focus on hotel, office and residential properties in Germany, Austria and Poland. On a project-related and opportunistic basis, the UBM Group is also active in other European countries such as the Netherlands or the Czech Republic. In all countries, where it is active, the UBM Group focuses on development projects in the greater metropolitan areas of larger cities. The Issuer's management considers the UBM Group to be a leading European hotel developer.

The value of the UBM Group's real estate portfolio amounts to approximately EUR 1.1 billion, thereof EUR 680 million are attributable to developments, EUR 399 million to standing assets and EUR 49 million to land bank (as of end of June 2018) (Source: unaudited internal information of the Issuer).

### Asset Classes

In terms of asset classes, the UBM Group focuses on the development of hotels in the three- to five-star rating segment, the development of office complexes as well as the development of residential properties in the mid- to high-price segment. In addition to these core asset classes, the UBM Group's development activities also include other properties such as retail or logistics on a project-related and opportunistic basis. The real estate portfolio represents a diversified presence with a balanced distribution of real estate investments across regions and asset classes, which are planned to be monetised over time.

### Business Model

The UBM Group is a European real estate developer. Its real estate development activities are mainly concentrated on its three geographical core markets, i.e. Germany, Austria and Poland, and on the three asset classes hotel, office and residential. With 145 years of experience, the UBM Group concentrates on its core competence – the development of real estate. In addition to conventional new construction, the UBM Group's activities also include the development of urban districts and large land areas as well as conversion and revitalisation. Furthermore, the UBM Group is also active as a hotel lessee. The Issuer's subsidiary UBM hotels Management GmbH was founded in 2016 in order to bundle the operational know-how for hotel management and to combine all UBM hotel leasing operations. In early October 2018, the UBM has sold a 50% stake in UBM hotels Management GmbH (closing is expected for late November 2018).

The workforce of the UBM Group comprises 760 employees in total, thereof about 305 in the development business and about 455 in the hotel business. The UBM Group has the financial ability and the knowledge to handle large-scale projects such as hotel projects with over 500 rooms (e.g.: double hotel Eiffestraße/Hamburg), residential buildings with 500 apartments (e.g.: immergrün/Berlin) and office projects with a volume of approximately EUR 200 million (e.g.: Zalando headquarters/Berlin).

The UBM Group offers a complete range of services in an integrated approach from a single hand: market analysis, project development, planning and project management, financing, rental and asset management. Specialists with many years of professional experience accompany these processes from the initial project idea up to the transfer to tenants or the final investor. With this know-how business model of the UBM Group extends across the entire value chain of real estate development and can be differentiated in the acquisition, planning, construction and exit phases (detailed information on each phase is set out in the next section below). In the exit phase, the respective properties are sold to various third parties (purchasers, investors, etc.). With the exception of residential properties, the exit phase in some cases

includes the temporary letting of self-developed office and commercial properties. Furthermore, the UBM Group offers hotel management services for developed hotels under a "sandwich model" (which is further described under the section "Exit Phase" below). The UBM Group generates its revenues primarily from proceeds from the sale of developed properties.

The UBM Group pursues the strategic goal to become a pure-play developer and to increase the share of developments in its portfolio to 70% in the medium term. Therefore, the sale of the standing assets portfolio will further be pursued. In the course of the "Pure Play Program (PPP)", the Issuer aims to reduce its standing asset portfolio to below EUR 350 million until mid 2019. The financial resources becoming available upon such reduction of standing assets (leading to cash profits for the UBM Group) may be used by the UBM Group for the further reduction of net debt and/or for new development projects. The UBM Group has also defined medium term investment targets for its markets and asset classes: accordingly, the UBM Group aims for 50% of the investments to be directed to Germany, 30% to the Austrian market and 20% to Poland and other markets. In terms of asset classes, the UBM Group focuses on the segment hotel with a medium-term investment share of about 40%, and 30% each should be directed to office and to residential assets respectively. At the same time, the UBM Group plans to expand its position as a leading hotel developer in Europe, and to sharpen the profile as an office developer for the digital industry of the 21st century and as a developer of high-quality residential space.

The UBM Group's current development pipeline has a volume of about EUR 1.8 billion. The pipeline consists of projects being realised or having a positive impact on the Group's total output (due to Percentage of Completion Methode – IFRS 15) until the end of 2021 (Source: internal unaudited information of the Issuer).

In 2017, the Issuer has started a cost reduction and efficiency programme with the name "Next Level". In the course of this initiative, the Issuer has standardised its processes and has implemented and institutionalised a "360° view" aiming to reduce risk exposure significantly. The savings potential for this programme was defined with EUR 12 million per year, starting in 2019.

Since a rebranding in June 2018 all companies within the UBM Group have been operating under the brand "UBM Development". In line with "one ubm" the pooling of competences of all subsidiaries should be increased which in turn should lead to further synergies.

In the business model of the UBM Group risk minimisation takes an essential role. This is reflected e.g. in the use forward sales (i.e. the sale of a real estate prior to completion of the development) or forward financing to achieve a high degree of security for the transactions. In addition, the UBM Group pursues an "asset-light" strategy through joint ventures, which makes a higher number of transactions possible and leads to broader diversification in the portfolio.

### **Value chain of project development**

The business model of the UBM Group extends across the entire value chain of real estate development with a strong focus on risk management which extends across all phases of a development project. Depending on the market environment, the UBM Group develops residential and office properties as well as hotels and other properties. The development of office and commercial property is often carried out in such a way that buildings are erected and then sold after a short or medium-term period of management through the UBM Group, or – in case of forward sales – even before the finalisation of the real estate development. Rental income is not a focus of the UBM Group, however, the operation of hotels or office properties prior to their respective sales may increase their value since investors may be in a position to acquire fully-rented office properties or may be able to consider the marketability of a respective office or hotel property. With regard to residential properties, the UBM Group never acts as a lessor, but always sells respective properties to customers.

### ***Acquisition phase***

The priorities in the acquisition phase are the procurement of land plots for new real estate construction or the procurement of existing structures for renovation or reconstruction. The UBM Group typically acquires real estate only on a project-related basis. In limited cases, the UBM Group may also acquire undeveloped plots of lands in the proximity of other projects in order to have the possibility to expand such projects.

The acquisition of real estate with significant development potential is key to a successful development project. The UBM Group continuously monitors the market with regard to its core asset classes (hotel, office and residential) in its core geographical markets of Germany, Austria and Poland. Market monitoring involves both experienced staff of the UBM Group with local know-how and networks as well as the expertise of external independent advisors.

Each specific development project is examined thoroughly in the course of a comprehensive technical, legal and tax due diligence process. This process is based on standardized internal checklists and includes feasibility studies. The assessment of whether or not a certain land plot is marketable after its development is key to the decision on its acquisition. If a certain aspect of a given project is unclear, external advice is obtained.

The decision-making process of whether or not a land plot should be purchased by the UBM Group runs through several management levels. The project manager proposes the acquisition to its local management board after or subject to the successful completion of a due diligence process and feasibility study. The local management board of the country where the project is located then takes on operational responsibility for the project. The Issuer's management makes the final investment decision regarding each proposed project (subject to the Issuer's Supervisory Board approval). In order to minimize the risk of investing in a plot of land not suitable for successful development, at least one member of the Issuer's management visits the plot before the Issuer's management makes its final investment decision.

### ***Planning and construction phase***

In the planning phase, the UBM Group develops the building program and design of the development projects. Depending on the particular project, the UBM Group may implement designs provided by its customers or conceptualize the development project entirely on its own. In either scenario, the UBM Group can rely on its well-trained and experienced in-house staff of architects, technicians and civil engineers. For example, the UBM Group has a team which specializes in the planning and implementation of hotel projects. The conception and design of development projects represent particular strengths of the UBM Group.

The UBM Group utilizes its long-standing experience in its home markets, including expertise in local building requirements and approval processes, to obtain the necessary public approvals and permits for the development projects. This part of the planning phase frequently also includes the rededication of real estate under applicable building and zoning laws. On average, the planning phase takes approximately twelve to eighteen months, depending on the particular project.

During construction, a project team of the UBM Group remains at the site and supervises the entire process, from tendering offers to the acceptance of construction works. In terms of financial risk management, the UBM Group typically calculates a risk provision for construction risk on top of other expected costs in its overall project calculation. Staff of the UBM Group trained in the management of the respective asset class also provides asset management services in order to ensure direct supervision. In terms of financial risk management, UBM Group typically also includes in its calculation a risk provision for the risk that development of a property by asset management activities fall short of targeted results.

### ***Exit phase***

The exit phase aims at the disposal of the developed property, either by means of forward sales, an outright disposal or through other structures which involve an interim engagement of the UBM Group in the operation and management of a property to optimize its cash flows and thus the price at which the relevant property can be sold.

Depending on the project and market conditions, the UBM Group may sell its development projects at different times during the development cycle. For example, it is possible that the UBM Group could acquire undeveloped land plots and subsequently sell such projects before any building or development activity takes place, or that the UBM Group could erect buildings on such land plots and proceed to sell these properties immediately upon completion of construction. However, the UBM Group could also hold land plots for a certain period of time and let or manage the buildings developed on the plot. In other cases, the properties acquired by the UBM Group could be sold during construction, which is especially true for projects involving the development of residential condominiums, which are often sold prior to the finalization of construction.

In relation to residential properties, the UBM Group either sells the entire building to real estate investors or, in case of condominiums, to individuals. The UBM Group generally does not rent out residential properties.

In relation to offices and other commercial properties (with the exception of hotels), the actual exit is frequently preceded by a phase of letting of the self-developed real estate in order to establish occupancy and improve earnings in the context of market fluctuations and in order to improve sale results.

The UBM Group offers hotel management services for developed hotels under a "sandwich model" described as follows: In relation to hotel assets, the UBM Group is involved in the management of hotels to establish an operative track record and to improve the cash flows and therefore the price at which the relevant property can be sold. The UBM Group regularly remains involved in the management of a hotel also following sale of the property though. This is based on the fact that a real estate investor typically wishes to acquire an asset with a stable cash flow profile while hotel operators are reluctant to enter into rental agreements with the property owner (only wish to do so at a material discount). In such situations, the UBM Group bridges the gap by taking on the management of the hotel asset which it leases from the investor (who already purchased the property) for a considerable period of time that could be up to 20 years. The operation of hotels is not effected directly by the UBM Group, but is instead sourced out to professional hotel operators of international standing. The respective hotel operator is responsible for running the hotel and overseeing hotel staff. The hotel operators receive a regular performance-related management fee, which is usually tied to revenue and profit, as well as cost reimbursement for administrative fees, wages etc. In such structures, the hotel asset is operated on account of the UBM Group and the UBM Group thereby improves the attractiveness of a hotel asset to investors by converting the operational cash flows into rental income. In addition, the UBM Group has the opportunity to take the benefit of the margin between the revenues generated through hotel operations, the rent payable to the investor and the management fees payable to the hotel operator and thus to structure the cash flows of a hotel asset more favorably to an investor. The UBM Group aims at realizing such benefit at the point of disposal in the form of a higher sale price rather than spread over the term of operation. To manage the risks involved, a separate special purpose vehicle is set up for the management of each hotel asset with limited recourse to other members of the UBM Group. In addition, the UBM Group maintains a group of employees specialized in hotel management which supervises the hotel operation on an ongoing basis.

### **Book Values**

As of 30 June 2018, the UBM Group held real estate with a total book value of about EUR 1.1 billion (including real estate held by at-equity consolidated companies on a pro-rata basis). Based on the book values, the real estate was geographically distributed as follows: about 29% in Germany, about 39% in Austria and about 24% in Poland. The remaining 8% of the UBM Group's portfolio are in other coun-

tries, including the Czech Republic and The Netherlands. Based on the book values and classified by asset classes, about 18% of the properties account for the asset class hotels, about 37% for the asset class office, about 29% for the asset class residential, and the remaining 12% for other asset classes; land bank accounts for about 4% of the portfolio. Currently, the UBM Group develops 12 hotels; this corresponds to about 3,200 rooms.

Currently, the UBM Group develops projects in different stages with an aggregate volume of about EUR 680 million which includes ongoing and future projects with partners (i.e. projects in at-equity consolidated companies are fully included, and not only on a pro-rata basis). Germany accounts for approximately 47% of the project volume, Austria for approximately 38%, and Poland for approximately 7%. About 45% of these projects are residential projects, about 29% are office projects and about 17% are hotel projects. These volumes reflect the book values of current development projects as of 30 June 2018. Such book values are constantly changing, depending on the progress in construction.

## **Trends**

The European markets were characterised by strong performance during the first half of 2018, with a transaction volume that totalled EUR 127.7 billion. This slight year-on-year decline of 3.4% is, however, attributable to the increasing supply shortage. Demand remained high during the first six months of 2018, especially in the prime segment. This robust development was driven, above all, by strong growth in the office sector: this asset class was responsible for 42% of investments (EUR 28.7 billion) during the first six months of 2018, or 19% more than in the first half of 2017 (Source: CBRE, Press Release of 8 August 2018: European Real Estate Investment active in H1 2018).

An analysis by country shows the continuing focus of investors on Germany. According to a recent study by Knight Frank, the greatest opportunities for additional investments in Europe are currently found in Germany. The transaction volume amounted to EUR 25.6 billion in the first six months of 2018, which represents the second highest half-year results since the start of the current market cycle. It also confirms the estimates made at the beginning of the year 2018: 2018 will be another high-revenue year for the commercial real estate market in Germany. Properties at prime locations which promise long-term rental income are in the focus of investors. Strong demand was again recorded, above all, for prime properties in the top seven cities. The "Big 7" generated 68% of the transaction volume in the first six months of 2018, for an increase of roughly one-third over the comparable prior year value. New development projects were unable to meet the high demand, especially in the office segment, which led to a further rise in prime rents during the first half-year of 2018 (Source: Knight Frank Active Capital Report 2018 / JLL: Investmentmarktüberblick Deutschland, Q2, 2018 / Savills, Press Release of 4 July 2018: Gewerbeinvestmentsmarkt Deutschland H1-2018).

The dynamic momentum on the residential investment market also continued during the first half of 2018. The supply shortage was reflected in a growing interest in development projects and micro-apartments. The hotel investment market was also characterised by a shortage of supply. Demand for this asset class was high during the first half-year of 2018, in particular for hotels in the medium price segment. Since the supply remains constant, the increasing demand overhang has also led to rising pressure on prime yields in this area (Source: CBRE, Press Release of 4 July 2018: Wohninvestmentsmarkt setzt dynamische Entwicklung fort / Colliers: Hotel Investment Deutschland, H1 2018).

Demand on the Austrian market also remained constant at a high level during the first half-year of 2018 with an investment volume of EUR 2.3 billion. The lack of high-quality office space forced investors to increasingly turn their interest to other asset classes which subsequently led to a sharp rise in the demand for retail and residential projects. With a transaction volume of EUR 3.2 billion, Poland also continued its growth course during the first half of 2018 (Source: CBRE: Austria Investment, H1 2018 / JLL: CEE Investment Market, H1 2018).

The management of the Issuer is of the opinion that the current economic situation with a strong market performance and high demand for development projects will continue at least for the next twelve months, and that such situation will have a positive influence on the industry in which the Issuer operates.

In addition to the above, the Issuer is not aware of any trends, uncertainties, development in demand, obligations or events which may likely affect the Issuer materially at least in current financial year.

### **New Products and Services**

There currently are no material new products or services offered by the UBM Group.

### **Competitors**

In its Core Markets (as defined below), the UBM Group primarily competes with several internationally active construction companies as well as a number of medium-sized firms with strong regional presence or product specialisation. However, there are no published statistics available for the area of business of the Issuer.

### **Important markets**

In its segment reporting, the Issuer defines the geographic areas of business Germany, Austria and Poland (these three countries are the core markets of the UBM Group, the "**Core Markets**") as well as "Other Markets". With respect to asset classes, the UBM Group distinguishes between "Hotel", "Office", "Residential" and "Other" (which includes, for example, business properties, like retail shopping centres, logistics, health care and entertainment assets). In addition, there are the segments "Services" (for services in the course of general construction transactions, planning activities or facility management services) as well as "Administration" for overhead costs of the UBM Group.

The most important properties held by the UBM Group are described in Annex 1 to this Prospectus.

The Issuer distinguishes four types of properties: investment properties pursuant to IAS 40 (properties held as financial investment), properties as fixed asset pursuant to IAS 16 (properties used by the undertaking on a long term), and properties as current assets pursuant to IAS 2 (inventory properties). In addition, the Issuer holds properties which are classified for sale pursuant to IFRS 5.

The properties have been appraised on a regular basis by external real estate appraisers predominately in February / March 2018. As of 30 June 2018, the investment properties pursuant to IAS 40 had an aggregate book value of approximately EUR 298.5 million. As of 30 June 2018, the properties as fixed asset pursuant to IAS 16 have an aggregate book value of about 3.7 million, and the properties as current assets pursuant to IAS 2 have an aggregate book value of about EUR 135.3 million. In addition, just for information purposes, the most important properties held in at-equity companies are shown which have a pro rata book value in the aggregate amount of about EUR 597.3 million.

### **Intellectual Property**

The UBM Group is not reliant on licensing intellectual property rights from third parties to any significant degree.

The UBM Group's most important registered trademark and logo is "UBM". The Group's principal internet website domain is [www.ubm-development.com](http://www.ubm-development.com).

### **Staff / Employees**

The following table provides a breakdown of the Group's employees for the financial years ended 31 December 2016 and 2017 as well as for the periods 1-6/2017 and 1-6/2018:

	1-6/2018	1-6/2017	2017	2016
Staffing levels.....	760	745	748	716
<i>thereof employees in the development business...</i>	305	305	309	309
<i>thereof employees in the hotel business.....</i>	455	440	439	407

(Source: Unaudited internal information of the Issuer)

## Current and future investments

### *Current as well as future investments*

#### *Development portfolio*

This section shows a selection of the properties current under development by the Issuer. For all these projects initial investments as e.g. the purchase of the plot of land has already been made. Further investments arise during the development process analog with development and construction progress. Therefore, the projects listed below should be classified as both current and future investments. Currently, the portfolio value of developments is EUR 680 million (as of end of June 2018).

- Berlin, Germany, Zalando Headquarters (Office):**  
The UBM Group develops currently the new headquarters for Zalando. An office complex of about 41,150 sqm with an open campus concept is being realised and has already been rented by Zalando. The project involves two seven-storey buildings with about 28,000 sqm in building A and 13,000 sqm in building B. The Issuer has already sold the project in April 2017 in the course of a forward deal for EUR 196 million. Completion is scheduled for the fourth quarter of 2018.
- Vienna, Austria, QBC 6.2. (Residential/Micro-Living):**  
This development is part of the new urban area Quartier Belvedere Central (QBC) around the Vienna Central Railway Station. The building component QBC 6.2. comprises 131 serviced apartments. Completion is scheduled for the second quarter of 2019.
- Gdansk, Poland, Holiday Inn (Hotel):**  
The Issuer develops a new hotel on Granary Island in the historical center of Gdansk. Its location directly on the water and the corresponding energy are clearly reflected in the concept which created under the motto "flow". The hotel will be operated under the brand "Holiday Inn" and will provide 240 rooms. Completion is scheduled for the third quarter 2019.
- Hamburg, Germany, The Brick (Residential):**  
On the former property of Kühne KG headquarters, the UBM Group develops a mix of high-quality freehold flats and affordable rental apartments. 101 residential units and a parking garage with 61 parking spaces will be built on a gross floor area of 8,395 sqm. Completion is scheduled for the third quarter of 2019.
- Mainz, Germany, Zollhafen (Hotel):**  
On a gross floor area of 8,149 sqm and directly adjacent to the former harbour on the so-called Nordmole, UBM develops a new hotel project with 216 rooms. The UBM Group entered into a lease agreement with GS Star GmbH as operator for a "Super 8"-branded hotel. Parts of the ground floor of the five-storey building will be used for commercial purposes. Completion is planned for the third quarter of 2019.
- Hamburg, Germany, Double-Hotel Eiffestraße (Hotel):**  
This project comprises the construction of two new hotel buildings in the Hamburg district "Bor-

gefelde". The two hotels will be operated under the brands "Holiday Inn" and "Super 8". The building will have more than 590 hotel rooms and more than 120 parking lots with a gross floor area of 24,143 sqm. In August 2017, Union Investment bought the two hotels as forward deal for EUR 90 million. Completion is planned for the third quarter of 2019.

- **Prague, Czech Republic, Neugraf (Residential):**

In the Prague district Smichov the UBM Group currently develops 177 high-quality apartments and 166 parking lots with a total gross floor area of 27,300 sqm. The project will offer private spa facilities, a reception service with security and a garden in a closed area. Completion is scheduled for for the second quarter of 2020.

- **Vienna, Austria, QBC 1&2 (Office):**

With this development the UBM Group started the last and largest building component of the new city quarter Quartier Belvedere Central (QBC), the new urban area around the Vienna Central Railway Station. QBC 1&2 will comprise three office buildings that are interlinked across the entire ground floor. Every building has eight storeys and will provide in total 36,000 sqm lettable area. Construction will be completed in the fourth quarter of 2020.

- **Duesseldorf, Germany, Holiday Inn Express (Hotel):**

On Moskauer Strasse in Duesseldorf the UBM Group currently develops one of the largest Holiday Inn Express hotels in Germany. The property is located in a central location and is part of a development area that will be connected to the railway station by a four-lane road. The building will comprise about 450 rooms and offer 120 parking lots. Completion is planned for the fourth quarter of 2020.

- **The Hague, Netherlands, Kneuterdijk (Hotel):**

In The Hague the UBM Group develops a modern 4-star business hotel with 210 rooms at a prominent inner city location. The extraordinary building has a listed facade from the 1920s and an expansive atrium, both of which will be retained. Plans call for the start of construction in 2019 and completion in the fourth quarter of 2020.

- **Katowice, Poland, Mlynska (Hotel):**

In Katowice, the UBM Group plans to develop a hotel directly located at the main railway station. The building will provide 260 rooms in the upper midscale segment, specially tailored for business travelers. Completion is scheduled for the fourth quarter of 2020.

- **Potsdam, Germany, Am Kanal (Hotel/Residential):**

A five storey building with a total gross floor area of about 14,450 sqm will be developed. The building will comprise a hotel with about 200 rooms, more than 100 micro-apartments and underground parking. Completion is scheduled for the fourth quarter of 2020.

- **Berlin, Germany, immergrün (Residential):**

In Berlin the UBM Group develops 396 residential units, 104 apartments and 221 parking lots, with a gross floor area of 58,873 sqm in six identical buildings. The project will be realised in two phases. Construction works have already started and will be completed in 2021.

- **Munich, Germany, Anders Wohnen (Residential):**

The UBM Group currently develops a residential complex with several buildings in the west of Munich. The complex comprises of more than 460 residential units ranging from 34 to 129 sqm and 440 parking lots. Construction works have already started in 2017 and will be completed in the second quarter of 2021.

- **Berlin, Germany, Central Tower Berlin (Hotel & Boardinghouse):**

Next to Berlin's Alexanderplatz the UBM Group develops a new hotel and boarding house prop-

erty with more than 550 rooms in total. Construction work will start in 2019 and is planned to be completed in the fourth quarter of 2021.

- **Prague, Czech Republic, Sugar Palace (Hotel):**  
The recently acquired building is located in the city centre of Prague. The Issuer plans to develop the historical building which was originally used as office space, to a five-star luxury hotel. Construction work for the 175-room hotel will start in 2019. Completion is scheduled for the fourth quarter of 2021.
- **Vienna, Austria, Ekazent Properties (Mixed Use):**  
The UBM Group owns a package of 29 properties in and around Vienna together with a joint venture partner. This package contains mainly retail properties with adjacent development areas. The respective properties have a diverse development potential and are mainly located close to large size residential living areas. The current focus for this project is to optimize the existing assets and to analyse the potential for the different locations. For one plot in the area of Pohlgasse the UBM Group has already obtained approval for the development of a residential property with 121 apartments. Completion is scheduled for the first quarter of 2021. For the remaining properties the UBM Group is in a conceptual phase.
- **Vienna, Austria, Donauhof (Hotel & Residential):**  
Recently the UBM Group acquired a new large-scale development project. On a gross floor area of 23,000 sqm near the Danube Canal in Vienna's second district, within walking distance of the Inner City, the Issuer will develop a new hotel and residential project. Plans call for the start of construction in the beginning of 2020 and completion in the second half of 2022.

The future investments of the UBM Group will be financed by funds generated by the UBM Group, from the cash flows and project-specific debt financings.

#### *Standing asset portfolio*

Besides the development portfolio the UBM Group further has a standing asset portfolio. The UBM Group focuses on pure-play real estate development and its transformation into a pure-play developer the established "Pure Play Program (PPP)". Currently, the portfolio value of standing assets is EUR 399 million (end of June 2018), the biggest properties in this portfolio are:

- **Warsaw, Poland, Poleczki (Office):**  
Poleczki Park is a modern Business Park office complex in Warsaw which includes office area, multi-functional spaces, service facilities, a hotel, restaurants and retail areas. The completed phases of the development are 6 business park buildings and a parking house, which represent a total lease area of approximately 83,400 sqm and in total approximately 1,770 parking spaces.
- **Vienna, Austria, W 3 – Center Wien Mitte (Mixed Use):**  
W3 is a mix of a cinema-, shopping- and office-centre situated at the railway station "Wien Mitte" in Vienna's third district developed by the UBM Group. The centre offers a multiplex cinema with 10 cinemas and approximately 1,800 seats, approximately 5,900 sqm of retail area with several shopping and catering facilities and approximately 9,200 sqm of office space. Additionally the centre includes a parking garage with 275 parking spaces.
- **Vienna, Austria, Palais Hansen (Hotel):**  
From 2010 until 2013 the UBM Group developed the building as 5 star plus hotel with a usable area of approximately 20,500 sqm and 151 rooms and 16 luxury apartments with an average floor space of 255 sqm. The project comprises a total of 31,170 sqm gross floor area with seven above-ground storeys and two basement floors. Since the opening in 2013 the hotel is leased to Kempinski.

## **Legal Proceedings**

In the course of its normal business activities, the UBM Group is frequently involved in legal disputes as claimant as well as opponent. In the real estate development industry, these legal disputes usually refer to claims from tenants, claims for provision of services or damage claims; however, none of these legal disputes are material with regard to the business of the Issuer.

There are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past significant effects on the Issuer's and/or the UBM Group's financial position or profitability.

## **Material agreements**

The Issuer has entered into a framework agreement with PORR AG according to which PORR AG provides to the Issuer certain arms' length services, like IT services, accounting, etc.

Furthermore, the Issuer is party to a number of financing agreements, including, *inter alia*, hybrid capital in the principal amount of EUR 25.3 million (as of the date of this Prospectus) with PORR AG.

No member of the UBM Group is party to a contract outside the ordinary course of its business, which includes provisions according to which the Group would be entitled to rights and obligations, which would be material to the UBM Group.

## **Financial Information**

### ***Review / audit of the historical annual financial data***

The Issuer's German language Consolidated Financial Statements 2017 and the German language Consolidated Financial Statements 2016 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and were audited in accordance with Austrian standards on auditing which require to apply the International Standards on Auditing (ISA), as published by the International Federation of Accountants (IFAC) by the auditor; unqualified audit opinions dated, respectively, 3 April 2018 and 30 March 2017 were issued. Furthermore, the Issuer's German language Half-Year Report as of 30 June 2018 was reviewed in accordance with laws and regulations applicable in Austria, especially in accordance with KFS/PG 11 "Standard on Review Engagements" and international standard on review engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and a review report dated 29 August 2018 was issued. Aside from the foregoing, no other data contained in this Prospectus was audited or reviewed by an auditor.

### ***Selected Financial Information***

The following tables presented within this section have been derived, unless otherwise stated, from the Consolidated Financial Statements 2017 and the Consolidated Financial Statements 2016, prepared in accordance with IFRS, as well as from the Interim Financial Statements of the Issuer as of 30 June 2018. The German language Interim Financial Statements of the Issuer as of 30 June 2018 include comparison figures as 30 June 2017. Therefore, the audited financial information contained in this Prospectus is not older than 18 months.

This selected financial information should be read in conjunction with the Consolidated Financial Statements and the Interim Financial Statements incorporated in this Prospectus by reference, as well as in conjunction with the section "Risk Factors".

## Selected historic financial information for completed financial years

### Selected income statement data

### Selected income statement data

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
Revenue.....	364.7	417.0
EBITDA <sup>(1)</sup> .....	52.4	49.6
Operating Result (EBIT) <sup>(2)</sup> .....	48.6	46.2
Earnings before tax (EBT) <sup>(3)</sup> .....	50.5	40.1
Profit for the period per share <i>(in EUR)</i> .....	4.88	3.90

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

- (1) Earnings before interest, tax, depreciation and amortisation. It is calculated as follows:

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
EBIT .....	48.6	46.2
Depreciation, amortisation and impairment expenses .....	-3.8	-3.4
<b>EBITDA</b> .....	<b>52.4</b>	<b>49.6</b>

- (2) Earnings before interest and tax, calculated as the sum of all income and expenses including goodwill impairments before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
EBT.....	50.4	40.0
Financial income.....	21.2	13.1
Financial costs.....	-19.4	-19.3
<b>EBIT</b> .....	<b>48.6</b>	<b>46.2</b>

- (3) Earnings before tax, depreciation and amortisation calculated as the sum of all income and expenses including goodwill impairments, including interest for other debt borrowed for financing purposes (financing costs), but before taxes (taxes on income). It is calculated as follows:

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
Profit/loss for the period.....	37.0	29.4
Income tax expenses .....	13.5	10.7
<b>EBT</b> .....	<b>50.5</b>	<b>40.1</b>

*Selected data of the consolidated statement of financial position*

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)*	(audited)*
Non-current assets .....	686.6	781.4
Current assets .....	444.3	452.4
Total Assets .....	1,130.9	1,233.8
Non-current liabilities.....	502.9	550.5
Current liabilities.....	272.6	341.8
Equity ratio <sup>(1)</sup> .....	31.4%	27.7%
Net debt <sup>(2)</sup> .....	477.9	691.2

\* unless otherwise stated

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

- (1) Equity ratio is the share of equity in the total assets. Equity ratio is not an IFRS financial measure and is therefore unaudited; it is calculated as follows:

<i>(in EUR million, unless otherwise stated)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(unreviewed and unaudited)	(unreviewed and unaudited)
Total equity .....	355.4	341.5
Total assets.....	1,130.9	1,233.8
<b>Equity ratio (in %)</b> .....	31.4%	27.7%

- (2) Net financial debt (also referred to as net debt) is calculated as the sum of cash and cash equivalents, reduced by current and non-current bonds and current and non-current financial liabilities. Net financial debt (also referred to as net debt) is not an IFRS financial measure and is therefore unaudited. It is calculated as follows (however, the line items used for the calculation have initially been audited):

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(unreviewed and unaudited)	(unreviewed and unaudited)
Bonds (non-current) .....	383.8	321.3
Bonds (current) .....	0	0
Non-current financial liabilities .....	88.9	193.7
Current financial liabilities.....	80.4	218.5
Cash and cash equivalents.....	75.2	42.3
<b>Net Debt</b> .....	477.9	691.2

*Selected data of the consolidated cash flow statement*

<i>(in EUR million)</i>	Financial year ended	
	31 December 2017	31 December 2016
	(audited)	(audited)
Operating cash flow.....	13.9	-15.1
Cash flow from operating activities.....	2.4	42.2
Cash flow from investing activities.....	117.5	-114.6
Cash flow from financing activities.....	-87.9	21.4

(Source: Consolidated Financial Statements 2017 and Consolidated Financial Statements 2016)

## Selected historic financial information for interim periods

### Selected income statement data

<i>(in EUR million, unless otherwise stated)</i>	1 January – 30 June	
	2018	2017
	(reviewed)	(reviewed)
Revenue.....	367.9	234.2
Changes in the portfolio .....	-12.4	-15.6
Share of profit/loss from companies accounted for at equity .....	14.4	5.6
Income from fair value adjustments to investment properties .....	-	5.3
Other operating income .....	5.7	19.9
Cost of materials and other related production services.....	-275.3	-179.5
Personnel expenses.....	-23.8	-22.5
Expenses from fair value adjustments to investment property.....	-2.2	-2.6
Other operating expenses .....	-36.4	-22.7
EBITDA <sup>(1)</sup> .....	37.8	22.1
Depreciation and amortisation.....	-1.6	-1.9
EBIT <sup>(2)</sup> .....	36.2	20.2
Financial income .....	5.9	12.2
Financial cost.....	-14.0	-9.8
EBT <sup>(3)</sup> .....	28.1	22.6
Income tax expense .....	-7.3	-6.4
Profit for the period (net profit).....	20.8	16.3
Earnings per share (in EUR).....	2.53	2.09

(Source: Half-year report of the Issuer as of 30 June 2018)

- (1) Earnings before interest, tax, depreciation and amortisation. It is calculated as follows:

<i>(in EUR million)</i>	1 January – 30 June	
	2018	2017
	(reviewed)	(reviewed)
EBIT .....	36.2	20.2
Depreciation and amortisation .....	-1.6	-1.9
<b>EBITDA</b> .....	37.8	22.1

- (2) Earnings before interest and tax, calculated as the sum of all income and expenses including goodwill impairments before interest for other debt borrowed for financing purposes (financing costs) and before taxes (taxes on income).

<i>(in EUR million)</i>	1 January – 30 June	
	2018	2017
	(reviewed)	(reviewed)
EBT .....	28.1	22.6
Financial income.....	5.9	12.2
Financial costs .....	-14.0	-9.8
<b>EBIT</b> .....	36.2	20.2

- (3) Earnings before tax, depreciation and amortisation calculated as the sum of all income and expenses including goodwill impairments, including interest for other debt borrowed for financing purposes (financing costs), but before taxes (taxes on income). It is calculated as follows:

<i>(in EUR million)</i>	<b>1 January – 30 June</b>	
	<b>2018</b>	<b>2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Profit/loss for the period .....	20.8	16.3
Income tax expenses .....	-7.3	-6.4
<b>EBT</b> .....	<b>28.1</b>	<b>22.6</b>

*Selected data of the consolidated statement of financial position*

<i>(in EUR million, unless otherwise stated)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(reviewed)*</b>	<b>(audited)*</b>
Non-current assets .....	596.8	686.6
Current assets .....	532.6	444.3
<b>Total Assets</b> .....	<b>1,129.4</b>	<b>1,130.9</b>
Non-current liabilities .....	482.5	502.9
Current liabilities .....	234.4	272.6
Equity ratio (in per cent.) <sup>(1)</sup> .....	36.5%	31.4%
Net debt <sup>(2)</sup> .....	311.2	477.9

\* unless otherwise stated

(Source: Half-year report of the Issuer as of 30 June 2018)

- (1) Equity ratio is the share of equity in the total assets. Equity ratio is not an IFRS financial measure and is therefore unaudited; it is calculated as follows (however, the line items used for the calculation as of 31 December 2017 have initially been audited and as of 30 June 2018 have initially been reviewed):

<i>(in EUR million, unless otherwise stated)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(unreviewed and unaudited)</b>	<b>(unreviewed and unaudited)</b>
Total equity .....	412.4	355.4
Total assets .....	1,129.4	1,130.9
<b>Equity ratio (in %)</b> .....	<b>36.5%</b>	<b>31.4%</b>

- (2) Net financial debt (also referred to as net debt) is calculated as the sum of cash and cash equivalents, reduced by current and non-current bonds and current and non-current financial liabilities. Net financial debt (also referred to as net debt) is not an IFRS financial measure and is therefore unaudited. It is calculated as follows (however, the line items used for the calculation as of 31 December 2017 have initially been audited and as of 30 June 2018 have initially been reviewed):

<i>(in EUR million)</i>	<b>30 June 2018</b>	<b>31 December 2017</b>
	<b>(unreviewed and unaudited)</b>	<b>(unreviewed and unaudited)</b>
Bonds (non-current) .....	383.2	383.8
Bonds (current) .....	0	0
Non-current financial liabilities .....	80.9	88.9
Current financial liabilities .....	53.8	80.4
Cash and cash equivalents .....	206.7	75.2
<b>Net Debt</b> .....	<b>311.2</b>	<b>477.9</b>

### *Selected data of the consolidated cash flow statement*

<i>(in EUR million)</i>	<b>Period ended</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>(reviewed)</b>	<b>(reviewed)</b>
Operating cash flow.....	4.6	14.8
Cash flow from operating activities.....	-5.9	4.8
Cash flow from investing activities.....	110.2	37.2
Cash flow from financing activities.....	27.8	53.8

(Source: Half-year report of the Issuer as of 30 June 2018)

Since 31 December 2017, there has been no material adverse change in the prospects of the Issuer. There were no significant changes in the financial or trading position of the Issuer since 30 June 2018.

#### **Auditor**

The German language Consolidated Financial Statements prepared by the Issuer in accordance with IFRS, as adopted by the EU, for the 2017 financial year ending 31 December 2017 and for the 2016 financial year ending 31 December 2016, were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, which is domiciled in Vienna and had its business address at Kohlmarkt 8-10, 1010 Vienna (now: Am Belvedere 4, 1100 Vienna) and which issued German language unqualified audit opinions dated 3 April 2018 and 30 March 2017, respectively. BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft is a member of both the Institute of Public Auditors in Austria (*Institut der Wirtschaftsprüfer*) and the Austrian Chamber of Tax Advisors and Auditors (*Kammer der Steuerberater und Wirtschaftsprüfer*).

#### **Material changes in the Issuer's financial and trading position**

There has been no material adverse change in the prospects of the Issuer since the date of its last published Consolidated Financial Statements. There have been no significant changes in the Issuer's financial or trading position subsequent to the period covered by the historical financial information.

## TAXATION

### Taxation in Austria

The following is a general overview of certain Austrian tax aspects in connection with the Notes and contains the information required on taxation by the Commission Regulation (EC) No 809/2004 of 29 April 2004. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposition or redemption of the Notes nor does it take into account the Noteholders' individual circumstances or any special tax treatment applicable to the Noteholder. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors should consult their own professional advisors as to the particular tax consequences of the acquisition, ownership, disposition or redemption of the Notes.

This overview is based on Austrian law as in force when drawing up this Prospectus. The laws and their interpretation by the tax authorities and tax courts may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below.

#### *Individuals resident in Austria*

Interest income from the Notes derived by individuals, whose domicile or habitual abode is in Austria, is subject to Austrian income tax pursuant to the provisions of the Austrian Income Tax Act (*Einkommensteuergesetz*). Interest income from the Notes is subject to a special income tax rate of 27.5%. The income will be subject to withholding tax if the Notes are kept or administered in a custodial institution (*auszahlende Stelle*) in Austria. The income tax for interest income then generally constitutes a final taxation (*Endbesteuerung*) for individuals, irrespectively whether the Notes are held as private assets or as business assets. However, if the income is not subject to withholding tax deduction, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

Furthermore, any realised capital gain (*Einkünfte aus realisierten Wertsteigerungen*) from the Notes by individuals is subject to Austrian income tax at a rate of 27.5%. Realised capital gain means, *inter alia*, any income derived from the sale or redemption of the Notes. The Exchange of the 2014 UBM-Bonds for the Notes subject to this Prospectus is considered a realised gain. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Expenses which are directly connected with income subject to the special tax rate are not deductible. For Notes held as private assets, the acquisition costs shall not include incidental acquisition costs. The income will again be subject to withholding tax if the Notes are kept or administered in a custodial institution (*depotführende Stelle*) or paying agent (*auszahlende Stelle*) in Austria. If the income from the capital gain is not subject to withholding tax deduction, the taxpayer will have to include the interest income derived from the Notes in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

The Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

#### *Austrian corporations*

Corporations seated in Austria or whose place of management is in Austria are subject to corporate income tax at a tax rate of 25%. This includes interest income from the Notes and income from realised capital gains from the Notes.

If applicable, Austrian corporations holding the Notes may declare exemption from withholding tax deduction by submitting a corresponding statement (*Befreiungserklärung*) to the Austrian custody bank and competent financial authority. With this statement the Austrian corporation has to declare its identity and has to confirm that the Notes are held as business assets. If such declaration is not submitted all income

from the Notes will in general be subject to withholding tax deduction. Such withheld tax may be set off with the corporate income tax.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

### ***Non-resident individuals***

Interest income derived from the Notes being held as private assets by individuals who do not have a domicile of their habitual abode within Austria are in principle subject to Austrian limited tax liability provided that capital income tax had to be withheld, but the individual may be eligible to apply for a refund to Austrian withholding tax on the basis of applicable double taxation treaties.

Income from realised capital gains (*Einkünfte aus realisierten Wertsteigerungen*) resulting from the Notes being held as private assets are not subject to Austrian limited tax liability.

### ***Foreign corporations***

Interest income and income from realised capital gains derived from the Notes by corporations who do not have their corporate seat or their place of management in Austria is not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment.

### ***Gratious transfer***

In Austria there is no gift or inheritance taxation for the transfer of financial assets. However, gratuitous transfers of cash, receivables, shares, movable and immovable assets among living persons must be disclosed with a notification to the competent Austrian tax authority. The obligation to disclose the gratuitous transfer is triggered, if the transferring person and/or the acquiring person does have its domicile or habitual abode in Austria. For legal entities the place of management has to be taken into account for this purpose. Between close relatives a gratuitous transfer is not subject to the obligation of disclosure, if the fair value of all transferred assets does not exceed EUR 50,000.00 within one year. The same holds for gratuitous transfers between other persons, if the fair value of all transferred assets does not exceed EUR 15,000.00 within five years. For the failure to disclose gratuitous transfers a fine of up to 10% of the value of the transferred assets may be imposed.

Gratuitous transfers of assets to private foundations and other comparable estates are subject to a foundation entrance tax, if the transferring person and/or the acquiring entity has their domicile or habitual abode in Austria. For legal entities the place of management has to be taken into account for this purpose. The tax rate in general is 2.5%, in certain cases the tax rate is increased to 25%. The tax base for the calculation of the foundation entrance tax in general is the fair value of the transferred asset. In some cases exemption from foundation entrance tax may apply.

### ***Automatic exchange of information***

In Austria, the Common Reporting Standard Act (*Gemeinsamer Meldestandard-Gesetz - "GMSG"*) regulates the automatic exchange of information on financial accounts regarding taxable periods from 1 January 2017. With the GMSG the common reporting standard concerning automatic exchange of information on financial accounts, which has been developed by the OECD and adopted by the EU through amendments to the EU Administrative Directive, has been implemented. The GMSG obliges Austrian financial institutions to report to the tax authority account information of persons subject to reporting, which will subsequently be reported to the competent authority of the participating countries by the Federal Ministry of Finance. Subject to reporting are basically account data of individuals or entities, which are tax residents of states participating in the common reporting standards – which are all EU member states as well as all countries, which will conclude multilateral or bilateral agreements concerning the common reporting standard.

The Issuer does not assume any liability for withholding taxes.

## **Taxation in Germany**

### ***Income Taxation***

#### ***Noteholders Tax resident in Germany holding the note as an asset outside a trade or business***

##### *Taxation of Interest - material law*

If the Notes are held by individuals, who reside in Germany or have their usual place of abode in Germany, as an asset outside a trade or business, interest paid on the Notes is generally subject to German income tax at a rate of 25% and – to the extent applicable – church tax (Kirchensteuer). In addition to income a solidarity surcharge of 5.5% on the income tax due on the interest income is charged.

When determining the income from capital investment, which includes interest income, no deductions are possible for economically related cost and expenses except for the savers allowance (Sparer-Pauschbetrag) of EUR 801.00 (EUR 1,602.00 for couples filing a joint return).

##### *Taxation of interest outside a trade or business – Levying Withholding Tax*

If the Notes are held in a securities deposit account, which the holder holds with a domestic bank or financial services provider (or with a domestic branch of a domestic or foreign bank or financial services provider), or a domestic securities dealer or domestic securities trading bank (or a domestic branch of a domestic or foreign securities dealer or securities trading bank), – each a "**German Disbursing Agent**" –, income tax will be levied by way of withholding such tax from the gross interest payment by the German Disbursing Agent ("**Withholding Tax**").

The Withholding Tax rate is generally 25% (plus 5,5% solidarity surcharge on the tax due, i.e. effectively 26,375% plus – to the extent applicable – church tax).

Generally no Withholding Tax will be levied in the event that the holder is an individual, provided that (i) the Notes are not an asset of a trade or business and (ii) for which an exemption order (*Freistellungsauftrag*) has been given to the German Disbursing Agent and provided further that the interest income together with all other income from capital investment does not exceed the exemption amount mentioned in the exemption order. No Withholding Tax will be levied if the Noteholder provides a non assessment notice (*Nichtveranlagungsbescheinigung*) issued by the local German tax office to the German Disbursement Agent.

The taxes withheld by the German Disbursement Agent generally settle the personal income tax liability of the Noteholder on investment from capital investment, which means that the interest income does not have to be mentioned in the Noteholders personal income tax return. Generally Withholding Tax settles the respective income tax liability due on the income from capital investment. However, this principle is subject to various exceptions, which in particular have to be checked in detail in the event that the Noteholder is at the same time shareholder of the Issuer or is a "related person" vis a vis the Issuer.

The church tax due on the Withholding Tax will be withheld by the German Disbursement Agent as a surcharge on the Withholding Tax upon application of the taxpayer. If no application to withhold church tax is filed with the German Disbursement Agent, the church tax on the income from capital investment will have to be assessed by the tax authorities. This means that in such a case the Withholding Tax does not have the settlement effect mentioned above.

The Noteholder may, in the event that certain requirements are met, opt for assessment of income tax on his entire income from capital investment (so called "Assessment Option"). Exercising this option can in particular be advantageous in cases where there are losses from capital investment available at other accounts held with other banks, the savers allowance has not been used up, or the personal income tax rate

is less than the effective rate of the Withholding Tax. In the latter case the personal income tax rate applies to income from capital investment as in the present case the interest paid. If the taxpayer uses the Assessment Option the competent local tax office checks whether applying the personal income tax rate on the taxpayers income from capital investment is actually the better option.

In the event that no German Withholding Tax has been withheld (for example because no German Disbursement Agent was involved in the process of settling interest payments on the Notes) interest income has to be included in the taxpayers personal income tax return. The income tax due on the interest income will then set in the assessment procedure which also covers the taxpayers other taxable income. The tax rate for income from capital investment is 25% (plus solidarity surcharge and- to the extent applicable- church tax), provided that an exception from the Withholding Tax rate, such as that the Noteholder is at the same time a shareholder of the Issuer or a person related to the Issuer, does not apply.

#### *Taxation of Capital Gains outside a Trade or Business – Material Law*

Generally the same principles as mentioned above on the taxation of interest income apply to the taxation of capital gains.

However, ancillary acquisition cost as well as cost and expenses effectively related to the sale or redemption of the Note ("**Sales Cost**") may be deducted in the calculation of the taxable capital gain.

Losses suffered in a sale or redemption of the Notes can only be set off against other positive income from capital investment. Such losses not set off in a given tax year may be carried forward for set off in subsequent tax years. (A loss carry back to previous tax years is not possible). In the event that a Noteholder participates in the Exchange Offer and the Exchange Offer is accepted by the Issuer, the Noteholder will realize a taxable capital gain at the day the Issuer will announce the acceptance of the Exchange Offer (No 7 para 5 of the Terms and Conditions of the Exchange Offer). The taxable capital gain equals the difference between the acquisition cost for the 2014 UBM-Bonds and the issue price for the 2018 UBM-Bonds plus the cash settlement amount (No 5 of the Terms and Conditions of the Exchange Offer) minus any Sales Cost.

#### *Taxation of Capital Gains outside a Trade or Business – Levying Withholding Taxes on Capital Gains*

Generally the same principles as mentioned above on the taxation of interest under item "Taxation of Interest Income Levying Withholding Taxes on Income from Capital Investment" apply to the taxation of capital gains.

If the Notes are held in a securities deposit account which the Noteholder holds with a German Disbursement Agent (as defined above), income taxes will be levied via withholding taxes on the difference between between the redemption price (or the sales proceeds) and the issue price (or the purchase price) for the Notes after deduction of ancillary acquisition cost and Sales Cost. In the event that the Notes will be transferred to the securities deposit account with the German Disbursement Agent after they have been acquired and no acquisition data will be provided to the German Disbursement Agent by the previous custodian at which the Noteholder had his securities deposit account in which he had held the Notes, the Withholding Tax will be based on 30% of the proceeds from the disposal or redemption of the Notes ("Replacement Calculation Base"). Evidencing acquisition cost in the withholding tax procedures is only possible if the Notes are transferred between securities deposit accounts held with banks or financial services providers resident in the EU, EEA or Switzerland and a German Disbursement Agent or vice versa. The correction of the determination of taxable capital gains on the basis of the Replacement Calculation Base is generally subject to the assessment of the Noteholders personal income tax. The same exceptions from Withholding Tax as mentioned above also apply to Withholding Taxes due on taxable capital gains.

### ***Taxation of Interest Income and Capital Gains within a Trade or Business – Material Law***

Interest paid on the Notes as well as capital gains realized in a disposal or redemption of the Notes, which are held by individuals or corporations tax resident in Germany as an asset in a trade or business (a "**Business Asset**") (including those Business Assets held indirectly via partnerships) are generally subject to German income- respectively corporation tax (at the applicable tax rates plus solidarity surcharge and in case of individuals – to the extent applicable – also church tax).

Interest payments as well as capital gains are in addition subject to trade tax, provided that the Notes are Business Assets of a business (Betrieb) as defined by the German Trade Tax Act. In case of an individual the trade tax due on such income may- depending on the applicable trade tax multiplier and the individual circumstances of the Noteholder- be partially or even totally creditable against the Noteholders personal income tax liability. In the event that a Noteholder participates in the Exchange Offer and the Exchange Offer is accepted by the Issuer, the Noteholder will realize a taxable capital gain at the day the Issuer will announce the acceptance of the Exchange Offer (No 7 para 5 of the Terms and Conditions of the Exchange Offer). The taxable capital gain equals the difference between the acquisition cost for the 2014 UBM-Bonds and the issue price for the 2018 UBM-Bonds plus the cash settlement amount (No 5 of the Terms and Conditions of the Exchange Offer) minus any Sales Cost.

### ***Taxation of Interest Income and Capital Gains within a Trade or Business – Levying Withholding Taxes***

If the Notes are held in a securities deposit account the Noteholder holds with a German Disbursement Agent, the German Disbursement Agent will levy Withholding Taxes at 25% (plus solidarity surcharge of 5.5%) on interest payments and capital gains. In these cases, however, the withholding of Withholding Tax does not have a settlement effect on the personal income- respectively corporation tax liability, contrary to the situation of individuals holding the Notes as an asset outside a trade or business. The Withholding Tax will be creditable against the Noteholders personal income- respectively corporation tax liability including solidarity surcharge (and any surplus tax credit will be refunded).

The German Disbursement Agent will, if the relevant requirements are met, not levy Withholding Taxes; e.g. inter alia in case (i) of capital gains realized by a corporation tax resident in Germany and (ii) in case of individuals and partnerships who / which hold the Notes as Business Asset upon application of the respective individual or partnership.

### ***Inheritance- and Gift Tax***

The transfer of the Notes to another person by way of succession, testament or as a gift is generally subject to German Inheritance and Gift Tax (save for personal allowances), provided that:

(i) the deceased, donor, heir, donee or other beneficiary had, at the time of the transfer of the Note, his residence, usual place of abode, or in case of a corporation, association or other body corporate its statutory seat or effective place of management and control in Germany, or

(ii) the Notes of the transferor were assets of a trade or business and as such allocated to the transferor's German permanent establishment or permanent agent of such business. Special rules apply to certain German citizens who reside outside Germany (individuals subject to extended limited tax liability).

### ***Other Taxes***

With respect to acquisition, disposal or other forms of transfer of Notes no transfer taxes, value added tax, stamp or any other comparable taxes or duties are currently levied in Germany. However, under certain circumstances an enterprise may, provided that certain additional requirements are met, waive the generally applicable VAT exemption on the sale of Notes and opt to subject such sale to VAT. A net wealth tax is currently not levied in Germany.

### ***Noteholder residing outside of Germany***

Interest income and capital gains resulting from Notes held by Investors, who are not tax resident in Germany (i.e. individuals, who neither have their residence nor their usual place of abode, and in case of corporations neither their statutory seat nor place of effective management and control in Germany) are generally not subject to German taxation on income or subject to German Withholding Tax, except in case the Note is a Business asset of the Noteholders German permanent establishment or are to be allocated to the Noteholders German permanent agent, or income generated by the Notes for other reason constitutes for other reasons German source income as defined in Sec 49 EStG (*German Income Tax Act*), and is thus subject to German limited taxation on income (e.g. income from real property located in Germany).

The taxation of interest payments and other services in connection with the Notes in the state in which the Noteholder resides, is governed by the national tax law applicable to the recipient of such payment or services and to the extent they exist, applicable Double Taxation Treaties. The tax effect an investment in the Notes may have for an investor pursuant to the laws of jurisdictions other than Germany are not subject to the outline above. In particular non German resident investors are strongly advised to seek professional advice from a tax adviser specialized in the laws applicable in the jurisdiction where he resides prior to considering an investment in the Notes.

#### ***Responsibility for withholding Taxes at Source***

The Issuer does not have and does not assume any responsibility for the withholding of withholding taxes at the source of payment. To the extent withholding taxes have to be withheld on payments on the Notes such withholding tax (including solidarity surcharge thereon) will be withheld and paid to the respective tax authorities by the respective custodian bank.

### **Taxation in Luxembourg**

#### ***Income Taxation***

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if the individual holder of the Notes has opted for the application of a 20% tax in full discharge of income tax in accordance with the law of 23 December 2005, as amended, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Council Directive 2003/48/EC of 3 June 2003.

A gain realised by an individual holder of Notes (including an exchange gain which would occur in line with the Exchange Offer), acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Law.

A corporate holder of the Notes who is a resident of Luxembourg for tax purposes (or have a Luxembourg permanent establishment to which the Notes are allocated) and does not benefit from a specific tax regime must include any interest accrued or received, any redemption premium or issue discount, as well as any (exchange) gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of the Notes who is a resident of Luxembourg for tax purposes (or have a Luxembourg permanent establishment to which the Notes are allocated) and does not benefit from a specific tax regime is subject to Luxembourg wealth tax on such Notes.

### ***Inheritance- and Gift Taxation***

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

### ***Other Taxes***

With respect to acquisition, disposal or other forms of transfer of Notes no transfer taxes, value added tax, stamp or any other comparable taxes or duties are currently levied in Luxembourg.

## OFFER, SALE AND SUBSCRIPTION OF THE NOTES

### General

The Offering will take place in different ways, namely in the form of (i) a public Exchange Offer to current holders of the existing 2014 UBM-Bonds, (ii) a Cash Subscription Offer to the public in Austria, Germany and Luxembourg, (iii) an exempt offer to Qualified Investors within the meaning of the Prospectus Directive in member states of the EEA and (iv) an offering without publishing a prospectus to selected institutional investors outside of the EEA in jurisdictions where such kind of offering is allowed.

The issue of the Notes is communicated to investors by means of advertisements in the print media, press releases and personal contact with customers of credit institutions.

The aggregate principal amount of the Offering will be determined by the Issuer after consultation with the Joint Lead Managers in the course of the Exchange Offer and the Cash Subscription Offer.

### The Exchange Offer

The Issuer invites all persons who currently hold 2014 UBM-Bonds to offer to the Issuer to exchange all or parts of their Existing Bonds of up to an aggregate principal amount of EUR 115,952,500 for Notes of the 2018 UBM-Bonds at an Exchange Ratio (as defined below) of 1:1. Due to the Exchange Ratio of 1:1 each 2014 UBM-Bond with a par value of EUR 500.00 can be exchanged for one 2018 UBM-Bond (the "**Exchange**"). In addition, holders of the Existing Bonds, who validly offered their 2014 UBM-Bonds for exchange and whose offers were accepted by the Issuer, receive a cash payment (the "**Cash Settlement Amount**") of EUR 18.68 for each exchanged 2014 UBM-Bond with a nominal value of EUR 500.00. The Cash Settlement Amount shall consist of accrued interest of EUR 8.68 per 2014 UBM-Bond on the one hand and an additional amount of EUR 10.00 per 2014 UBM-Bond on the other hand.

The purpose of the public Exchange Offer is to partly refinance the existing 2014 UBM-Bonds. The Exchange Offer also provides investors with a reinvestment opportunity by means of an exchange of Existing Bonds for the new 2018 UBM-Bonds.

#### *Invitation to offer an exchange*

In accordance with the terms and conditions of the Exchange Offer (the "**Exchange Terms**"), the Issuer invites the holders of the 2014 UBM-Bonds (the "**Invitation**") to submit offers (each an "**Offer**") for the exchange of the 2014 UBM-Bonds, whereby the respective 2014 UBM-Bonds are exchanged for 2018 UBM-Bonds.

Holders of 2014 UBM-Bonds may submit their respective offers only during the Exchange Period by submitting a corresponding Offer. An Offer must be submitted to the custodian bank or has to be deposited with the custodian bank. Unless otherwise stated in the Exchange Terms, an Offer can only be made irrevocably.

The Guaranteed Participation Date (as defined below) was set at 5 p.m. CET on 30 October 2018 and the Buyer Protection Deadline (as defined below) was set at 5 p.m. CET on 2 November 2018. "**Guaranteed Participation Date**" means the date until which an investor can acquire 2014 UBM-Bonds that still qualify for Buyer Protection (as defined below). "**Buyer Protection**" enables the buyer to participate in an optional corporate action in the event of securities not being delivered on time by the seller in a way that the seller giving instructions to the relevant body (the seller's custodian bank) at the buyer's request. "**Buyer Protection Deadline**" means the time by which the Noteholder who has purchased 2014 UBM-Bonds by the Guaranteed Participation Date must have informed the seller that he/she will participate in the Exchange Offer. All costs in connection with or related to the Exchange, e.g. for providing an offer for the Exchange or the blocking of securities accounts are to be borne exclusively by the respective Noteholder. Noteholders are not entitled to any reimbursements in that respect from the Issuer, the Dealer Managers, the Exchange Agent or the custodian banks.

### ***Exchange Ratio***

The Exchange shall be effected at the principal amount of the 2014 UBM-Bonds plus the Cash Settlement Amount.

The "**Exchange Ratio**" for the 2014 UBM-Bonds is 1:1 (one to one). This means that the holder of a 2014 UBM-Bond with a nominal value of EUR 500.00 each will receive one 2018 UBM-Bond per exchanged 2014 UBM-Bond if the Issuer accepts the Offer. Furthermore, each holder of a 2014 UBM-Bond shall receive a Cash Settlement Amount of EUR 18.68 per exchanged 2014 UBM-Bond with a nominal amount of EUR 500.00.

### ***Cash Settlement Amount***

The Cash Settlement Amount is EUR 18.68 per 2014 UBM-Bond.

The Cash Settlement Amount shall consist of accrued interest of EUR 8.68 per 2014 UBM-Bond on the one hand and an additional amount of EUR 10.00 per 2014 UBM-Bond on the other hand.

Accrued interest means the proportionate interest accrued from the last interest payment date (inclusive) to the value date (exclusive) for the 2014 UBM-Bonds pursuant to the terms and conditions of the 2014 UBM-Bonds. Pursuant to the terms and conditions of the 2014 UBM-Bonds, the calculation of interest for periods where interest is to be calculated for a period of less than one year shall be based on the actual days in the interest calculation period divided by the number of actual days in the interest period. Calculation basis: Actual/Actual according to ICMA rules.

### ***Exchange Period***

The period during which Offers may be made for the 2014 UBM-Bonds begins on 22 October 2018 and ends on 7 November 2018 at 12.00 a.m. CET.

The Issuer is entitled at any time and in its sole and absolute discretion to extend the Exchange Period, to amend the Invitation without giving reasons or to withdraw it in its entirety, not to accept Offers or to accept them beyond the Exchange Period.

During the Exchange Period, holders of the 2014 UBM-Bonds who wish to participate in the Exchange Offer must submit a legally effective Offer via their custodian bank which will be forwarded by the Clearing System to the Exchange Agent and which must be received by the Exchange Agent on 7 November 2018, 12.00 CET at the latest.

The Issuer does not assume any warranty or liability that the possibility for the holders of 2014 UBM-Bonds to make an Offer through their respective custodian bank will end before the end of the Exchange Period due to a requirement of the respective custodian bank. Furthermore, the Issuer assumes no warranty or liability that Offers made within the Exchange Period will actually reach the Exchange Agent by 7 November 2018, 12.00 CET.

Unless the Exchange Period is extended or the Invitation is withdrawn in its entirety, the Issuer intends to announce on 7 November 2018 (i) what aggregate principal amount of 2014 UBM-Bonds has been offered for Exchange to the Issuer by Noteholders and (ii) whether and up to what amount the Issuer will accept Offers to exchange 2014 UBM-Bonds.

It is at the sole and absolute discretion of the Issuer to accept Offers to exchange 2014 UBM-Bonds at various times and to different extents if the Exchange Period is extended.

### ***Delivery of the 2018 UBM-Bonds and payment of the Cash Settlement Amount***

The delivery of the 2018 UBM-Bonds and the payment of the Cash Settlement Amount for 2014 UBM-Bonds legally tendered by holders of the 2018 UBM-Bonds and legally exchanged by the Issuer under the Exchange Offer shall be made to a clearing system (the "**Clearing System**") or its order for credit to the accounts of the account holders of a Clearing System.

By delivering the number of 2018 UBM-Bonds and paying the Cash Settlement Amount to a Clearing System or its order, the Issuer is released from its obligation to exchange the 2014 UBM-Bonds, in particular from its obligation to deliver the 2018 UBM-Bonds and its obligation to pay. If the delivery of the 2018 UBM-Bonds has been effected and the Cash Settlement Amount from or on behalf of the Issuer has been paid before or on the value date by 12:00 a.m. CET to a Clearing System or its order, neither the Issuer nor the Exchange Agent shall be liable for any delay in the settlement of the delivery of the 2018 UBM-Bonds or the payment of the Cash Settlement Amount, nor shall Noteholders be entitled to demand payment of further interest or other payments due to such delay.

The respective Cash Settlement Amount shall be credited via the respective custodian for the holder of the 2014 UBM-Bonds.

### ***Settlement of the Exchange Offer***

Offers must be made by the Noteholders by the end of the Exchange Period in such a way that the respective number of 2014 UBM-Bonds of the Issuer are offered for Exchange.

Offers to exchange 2014 UBM-Bonds shall include the following:

- a) the irrevocable instruction
  - i) to block the 2014 UBM-Bonds offered for Exchange and to refrain from any transfer until the Value Date; and
  - ii) to derecognize the 2014 UBM-Bonds held via the relevant securities custody account which have been offered for Exchange or, in the event that the Issuer only accepts a smaller number of 2014 UBM-Bonds, such smaller number upon receipt of a corresponding instruction from the Exchange Agent,  
  
subject to the automatic revocation of such irrevocable instruction in the event that the invitation is withdrawn before the end of the Exchange Period, which the Exchange Agent shall promptly notify the relevant Clearing System of; and
- b) the authorization to provide the Exchange Agent with the name of the securities account holder and information about his instructions.

### ***Acceptance of the Offers***

It is at the sole and absolute discretion of the Issuer not to accept, in whole or in part, the 2014 UBM-Bonds offered for Exchange without giving reasons. All Offers for Exchange of 2014 UBM-Bonds which are not made in accordance with the Exchange Terms or in respect of which such Offer is not made in accordance with the relevant national laws and regulations will not be accepted.

### **The Cash Subscription Offer and private placement**

Following the Exchange Offer, the Issuer will offer investors the option to subscribe for Notes of the 2018 UBM-Bonds against cash payment under the Cash Subscription Offer. The Cash Subscription Offer consists of a public offering in Austria, Germany and Luxembourg. In addition, a private placement will be made in the form of an exempt offer to Qualified Investors in member states of the EEA and an offer-

ing without publishing a prospectus to selected institutional investors outside of the EEA in jurisdictions where such kind of offering is allowed. After the end of the Exchange Period on 7 November 2018, the Issuer will have knowledge of the number of 2014 UBM-Bonds exchanged under the Exchange Offer. Those 2018 UBM-Bonds that are not exchanged under the Exchange Offer will subsequently be offered under the Cash Subscription Offer. Under the Cash Subscription Offer, interested investors have the opportunity to subscribe for Notes, but not in the form of an exchange of Existing Bonds as described above, but rather against payment of a cash amount.

The Subscription Period is expected to begin on 8 November 2018 and is expected to end on 14 November 2018 (inclusive). Under the Cash Subscription Offer, the Re-offer Price at which institutional investors may subscribe the Notes will be 100% of the principal amount of the Notes. 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.

Any interested investor who intends to subscribe for the Notes in Austria, Germany or Luxembourg may from the beginning of the specified Subscription Period make a corresponding application for subscription of the Notes at its respective custodian bank in Austria, Germany and Luxembourg. .

There are no fixed tranches of the Notes for the offer. There are no minimum or maximum amounts for subscription offers with respect to the Notes. Investors may submit any offer of any amount starting from the principal amount of a Note.

Investors wishing to participate in the Cash Subscription Offer must submit their subscription applications for Notes to a credit institution or financial intermediary during the Subscription Period. The order book manager collects the subscription applications received in the order book. The acceptance of the subscription applications by the order book manager results in a subscription agreement for the partial debentures, which is subject to the resolatory condition that the partial debentures are not issued. The settlement date is the value date, i.e. 16 November 2018.

The Issuer and the Joint Lead Managers reserve the right to extend or shorten the offer period for both the Exchange Offer and the Cash Subscription Offer or to terminate the offer (e.g., due to changing market conditions). Any shortening or extension of the offer period as well as additional offer periods or the termination of the public offering of the Notes will be published in a supplement to this Prospectus on the Issuer's website ([www.ubm-development.com](http://www.ubm-development.com)) and submitted to the FMA for approval.

With regard to the Cash Subscription Offer, subscription offers received during the offer period will in principle be fully allocated as long as there is no oversubscription and unless the Issuer has prematurely terminated the offer in the meantime. As soon as there is an oversubscription, the allotment will be made by the Joint Lead Managers after consultation with the Issuer. An "oversubscription" exists if the total amount of the subscription offers received by the Managers by way of a Cash Subscription Offer exceeds the total principal amount of the Notes offered.

Incidentally, the Issuer together with the Joint Lead Managers is entitled to reduce subscription offers or reject individual subscriptions. Claims in respect of subscription fees already paid and expenses incurred by an investor in connection with the subscription shall be governed solely by the legal relationship between the investor and the credit institution with which he submitted his tender offer.

Unless otherwise stated in Terms and Conditions, the Notes shall mature for redemption on 16 November 2023 at the principal amount of the Notes.

The Issuer has reserved the right to acquire Notes of up to EUR 20 million itself, although the Issuer endeavours not to exercise this right.

## **Subscription Agreement**

Pursuant to a subscription agreement to be entered into on or around 14 November 2018 among the Issuer and the Managers (the "**Subscription Agreement**"), the Joint Lead Managers will agree, subject to certain conditions, to subscribe, or to procure subscriptions, for the Notes on a best effort basis. The Issuer will agree to pay the Managers a fee of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and other syndicate members, if any. The Issuer will further agree to reimburse the Managers for certain of their expenses in connection with the issue of the Notes.

In the Subscription Agreement, the Issuer will make certain representations and warranties in respect of its legal and financial matters. The Subscription Agreement will entitle the Managers to terminate their respective obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes. The Issuer will agree to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

## **Payment and delivery of the Notes to investors**

The Notes will be delivered to those investors who

- a) in the event that they offered 2014 UBM-Bonds for Exchange into 2018 UBM-Bonds and the Issuer accepted such offer, have the relevant notes on their securities custody account on the value date and fulfill the other conditions in accordance with the Exchange Terms, in particular the deposit lock until the value date, and
- b) in the event that they subscribed for Notes outside the Exchange Offer under the Cash Subscription Offer, have made available to the custodian bank on the value date the corresponding cash amount necessary for the subscription of the Notes.

The Notes will be delivered via book-entry through the Clearing Systems and their depository banks against payment of the respective amounts therefor. Expected value date is 16 November 2018. A delivery of individual notes as well as the claim for individual securitization are excluded.

## **Disclosure of the results of the offer**

The number of Notes to be issued under the Exchange Offer will be determined after the end of the Exchange Period on 7 November 2018 in a supplementary sheet (*Ergänzungsblatt*), published on the Issuer's website and deposited with the FMA. The total number of Notes to be issued will be determined after the end of Cash Subscription Offer period in accordance with the subscription offers received and will be published in a supplementary sheet (*Ergänzungsblatt*), published on the Issuer's website and deposited with the FMA on or about 14 November 2018.

Information that is available only after approval and publication of the Prospectus (e.g. issue volume) will be determined in a supplementary sheet (*Ergänzungsblatt*) (notification in accordance with § 7(5) Capital Market Act), published on the website of the Issuer and deposited with the FMA.

## **Notification of the amount allotted**

The investors are informed by the respective custodian bank about the number of Notes assigned to them.

## **Transferability of the Notes**

The Notes are freely transferable and are therefore not subject to any restriction with respect to their transferability.

## Selling Restrictions

### *General*

There are no transfer and trading restrictions in relation to the listing and the trading of the Notes on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange, however, Notes can only be transferred in minimum aggregate principal amounts of EUR 500.00. The Notes will be transferred in accordance with their terms and conditions (see "*Terms and Conditions*"). Neither the Issuer nor any of the Managers has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Managers have represented and agreed that they will comply to the best of their knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which they sell Notes. They will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the Managers will have no responsibility for, and the Managers will obtain any consent, approval or permission required by them for, the sale of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they make any sale. The Managers are not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Prospectus or any amendment or supplement to it.

In addition to the restrictions on the offering, sale or distribution of the Notes set out below, the following general restriction must always be respected: The offering, sale and distribution of Notes is prohibited in all jurisdictions where this is generally prohibited or permitted only under certain conditions. ***Public offer selling restriction under the Prospectus Directive***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each financial intermediary represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes, unless that from the Relevant Implementation Date in the Relevant Member State such public offer is admissible. This is the case:

- (a) after publication of a prospectus for the Notes approved by the competent authority of the Relevant Member State or approved in another Relevant Member State and notified to the competent authority of the Relevant Member State;
- (b) to qualified investors in the meaning of the Prospectus Directive;
- (c) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Directive), if the Managers gave their consent to such offer; or
- (d) in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC as amended and, for the purposes of this section, includes any relevant implementing measure in each Relevant Member State.

### ***Prohibition of Sales to EEA (other than Austrian, German and Luxembourg) Retail Investors***

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes which are the subject of the Offering to any retail investor in the EEA (other than Austrian, German and Luxembourg). For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC, as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### ***United States of America and its Territories***

The Managers have acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Managers have represented that they have not offered or sold, and have agreed that they will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither they, their affiliates nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, the Managers have represented, warranted and agreed that, except to the extent permitted under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D) (the "**D Rules**"): (a) they have not offered or sold Notes, and during the restricted period shall not offer or sell Notes, directly or indirectly to a United States person or to a person who is within the United States or its possessions, and they have not delivered and shall not deliver within the United States or its possessions Notes that are sold during the restricted period; (b) they have and throughout the restricted period they shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a United States person or to a person who is within the United States or its possessions, except as permitted by the D Rules; (c) if it is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance and not for the purpose of resale directly or indirectly to a United States person or a person within the United States or its possessions and it shall acquire or retain Notes for its own account only in accordance with the requirements of U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(6); (d) with respect to each affiliate that acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it either (i) repeats and confirms the representations contained in clauses (a), (b) and (c) of this paragraph on behalf of such affiliate or (ii) agrees that it shall obtain from such affiliate for the benefit of the Issuer the representations contained in Clauses (a), (b) and (c) of this paragraph; and (e) they shall obtain for the benefit of the Issuer the representations and agreements contained in clauses (a), (b), (c) and (d) of this paragraph from any person other than its affiliate with whom they enter into a written contract, as defined in U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(4), for the offer or sale of Notes during the restricted period.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury Regulations thereunder, including the D Rules.

### **United Kingdom of Great Britain and Northern Ireland**

The Managers have represented and agreed that,

(a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21 (1) of the FSMA does not apply to the Issuer; and

(b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

### **Estimated expenses charged to the Noteholders or holders of the 2014 UBM-Bonds by the Issuer or other parties**

The Issuer will not charge any costs, expenses or taxes in connection with the Notes directly to the Noteholders. Subcustodians may charge individual fees for the exchange in connection with the Exchange Offer.

Investors subscribing for Notes may be required to pay usual fees and charges from their respective credit institutions. 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.

## **GENERAL INFORMATION CONCERNING THE NOTES**

### **Clearing and Settlement**

The Notes have been accepted for clearing through OeKB CSD GmbH in Austria and outside of Austria pursuant to the terms and conditions of Clearstream Banking S.A., Luxemburg and Euroclear Bank S.A./N.V., Brussels, Belgium. The Notes have been assigned the following securities code: ISIN: AT0000A23ST9.

### **Listing and Admission to Trading**

Application will be made to the Vienna Stock Exchange for the Notes to be admitted to the Official Market (*Amtlicher Handel*), a regulated market pursuant to MiFID II.

### **Trend Information and Significant Changes**

The net debt of the Issuer as of 30 June 2018 amounted to EUR 311.2 million; this corresponds to a reduction of the net debt as of 31 December 2017 by 35% (EUR 166.7 million).

Since 31 December 2017, there has been no material adverse change in the prospects of the Issuer. There were no significant changes in the financial or trading position of the Issuer since 30 June 2018.

The equity ratio of the Issuer increased from 31.4% as of 31 December 2017 by 5.1%-points to 36.5% as of 30 June 2018.

### **Expenses related to the Offering and the Admission to Trading**

The estimated total costs of the issue are about 1% of the aggregate principle amount of the Offering. These costs cover (i) the fees for the Joint Lead Managers and other syndicate members, if any, of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and the other syndicate members, if any, and (ii) other ancillary costs (legal advice, marketing, prospectus approval and listing costs, etc.) borne by the Issuer.

### **Yield to Maturity**

Assuming that investors hold the Notes until maturity, the following yields will result: The yield for investors subscribing the Notes at the Re-offer Price of 100% under the Cash Subscription Offer is 3.125%. The yield for the respective investor may vary in individual cases and depends on the individual fees and costs incurred by the respective investor as well as the individual tax situation. For this reason, the Issuer cannot make a statement on the annual yield of the respective investor.

### **Ratings**

Neither the Issuer nor the Notes are rated.

### **Interests of Natural and Legal Persons involved in the Issue/Offer**

The Joint Lead Managers and their affiliates have engaged, and the Managers (other than the Joint Lead Managers) and their affiliates may have engaged, and may in the future engage, in investment banking or commercial banking transactions with, and may perform services for the UBM Group and their members in the ordinary course of business. This may include existing financing agreements between the Managers and UBM Group. The Issuer may in the course of its normal financing activities use the proceeds of the issue of the Notes to partly or entirely repay its existing financings with the Managers, irrespective of them being due for repayment or not, which might potentially cause conflicts of interests. Currently, no such repayments are scheduled. The Managers and their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments

and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

The Managers participate in the issue of the Notes in the course of their ordinary business as credit institutions. The Managers receive fees of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and other syndicate members, if any. Financial intermediaries placing the Notes with retail investors may charge a selling fee of up to 1.5%-points.

### **Use of Proceeds**

The Issuer expects the gross proceeds of the issue to be up to EUR 100,000,000, or up to EUR 120,000,000 in the case of a potential increase, depending on the extent to which Notes are subscribed in the Exchange Offer and the Cash Subscription Offer. Under the Exchange Offer, the Issuer will not receive any additional funds. Additional funds will only accrue as part of the Cash Subscription Offer. The estimated total costs of the issue are about 1% of the aggregate principle amount of the Offering. These costs cover (i) the fees for the Joint Lead Managers and other syndicate members, if any, of up to 0.75% of the aggregate principle amount of the Offering, whereby the fees are not equally split among the Joint Lead Managers and the other syndicate members, if any, and (ii) other ancillary costs (legal advice, marketing, prospectus approval and listing costs, etc.) borne by the Issuer.

The proceeds of the issue are intended to (i) potentially refinance existing financing of the Issuer and (ii) to realise new and existing projects, especially in the core markets of Germany, Austria and Poland. In particular, the purpose of the public Exchange Offer (as defined below) is to partly refinance the 2014 UBM-Bonds; the Exchange Offer provides investors with a reinvestment opportunity by means of an Exchange of the 2014 UBM-Bonds for the new 2018 UBM-Bonds.

### **Currency of the Notes**

The Notes are denominated in Euro.

### **Authorisation**

The creation and issue of the Notes has been authorised by resolutions of the Management Board of the Issuer on 19 October 2018 as well as of the Supervisory Board of the Issuer on 17 October 2018.

### **Documents on Display**

#### ***Prospectus***

This Prospectus, any supplement thereto, if any, and any documents incorporated by reference into this Prospectus will be published in electronic form on the website of the Issuer under [www.ubm-development.com](http://www.ubm-development.com), sub-menu "investor relations.", sub-menu "bonds", sub-site "3.125% ubm bond 2018-2023" and will be available, during normal business hours, free of charge at the office of the Issuer.

#### ***Other documents***

Copies of the following documents will be available at the Issuer's registered office during usual business hours for 12 months from the date of this Prospectus:

(a) the Articles of Association of the Issuer;

(b) the 2017 annual report and the 2016 annual report of the Issuer containing English language translations of the Consolidated Financial Statements 2017 and the Consolidated Financial Statements 2016, in each case together with the audit reports prepared in connection therewith;

(c) the Half-Year Report 2018 of the Issuer containing an English language translation of the consolidated unaudited financial statements of the Issuer in respect of the six months ended 30 June 2018.

### **Profit forecasts or estimates**

The Issuer is not providing any profit forecasts or profit estimates.

### **Post issuance information**

The Issuer will not provide any post issuance information, except if required by any applicable laws and regulations.

### **Third party information**

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been included in this Prospectus, the source is indicated.

- CBRE, Press Release of 8 August 2018: European Real Estate Investment active in H1 2018, available under: <https://news.cbre.co.uk/european-real-estate-investment-active-in-h1-2018/>
- Knight Frank, Active Capital Report 2018, available under: <https://www.knightfrank.com/blog/2018/06/27/active-capital-report-2018->
- JLL: Investmentmarktüberblick Deutschland, Q2, 2018, not publicly available
- Savills, Press Release of 4 July 2018: Gewerbeinvestmentmarkt Deutschland H1-2018, available under [http://www.savills.de/\\_news/article/64899/247484-0/7/2018/gewerbeinvestmentmarkt-deutschland-h1-2018](http://www.savills.de/_news/article/64899/247484-0/7/2018/gewerbeinvestmentmarkt-deutschland-h1-2018)
- CBRE, Press Release of 4 July 2018:Wohninvestmentmarkt setzt dynamische Entwicklung fort, available under <https://news.cbre.de/wohninvestmentmarkt-setzt-dynamische-entwicklung-fort/>
- Colliers: Hotel Investment Deutschland, H1 2018, available under <https://www.colliers.de/wp-content/uploads/2018/07/hotel-investment-infographics-deutschland-q2-2018-colliers.pdf>
- CBRE: Austria Investment, H1 2018, available under <https://www.cbre.com/research-and-reports/Austria-Investment-MarketView-H1-2018>
- JLL: CEE Investment Market, H1 2018, available under <http://www.jll.cz/czech-republic/en-gb/research/238/cee-investment-market-in-h1-2018>

### **Representation of the Holders**

No representatives of the Holders have been appointed.

### **Rights of the Noteholders**

**Governing law.** The Notes will be governed by Austrian law.

**Payment of interest.** The Noteholders are entitled to receive interest payments on the principal amount of the Notes at the relevant interest rate. Payment of interest is made by way of crediting the respective

amounts to the respective custodian bank. The claims for payment of interest lapse after three years from the respective date of their creation.

**Redemption at the principal amount.** The Notes grant the Noteholders a right to the repayment of the principal amount at the end of the term. The repayment is made by way of crediting the respective amounts to the respective custodian bank. This repayment claim lapses after 30 years from the due date.

**Termination rights.** The Noteholders are not entitled to an ordinary termination right. Each Noteholder shall be entitled to terminate his Notes for important reasons (extraordinary termination) according to the terms and conditions of the Notes and to demand immediate redemption at their principal amount, together with accrued interest to the date of redemption.

If a statutory provision is enacted or implemented in the Republic of Austria which becomes effective after the value date of the Notes or if its application or official interpretation is changed and thus taxes, charges or other levies have to be paid by withholding or deduction at the source of payments when payments of principal or interest under these Notes are made by the Issuer, then the Issuer may terminate the Notes in whole, but not in part.

In addition, the Notes do not confer any voting rights, preferential rights on offers to subscribe for securities of the same category, the right to participate in the profits of the Issuer, the right to participate in the proceeds in the event of liquidation, or conversion rights.

**Ranking.** The Notes constitute direct and unconditional obligations of the Issuer, ranking *pari passu* among themselves, being neither secured nor subordinated, and shall rank *pari passu* with all other present or future direct and unconditional obligations of the Issuer, being neither secured nor subordinated, unless mandatory law privileges these other obligations.

**Restrictions.** Restrictions on the above rights result from mandatory legal provisions, such as the provisions of the Austrian Insolvency Act (*Insolvenzordnung*) in the event of an insolvency of the Issuer.

## **Consent**

The Issuer gives its express consent to the use of this Prospectus for the subsequent resale or final placement of the Notes by financial intermediaries in Austria, Germany and Luxembourg between the banking day following the approval and publication of the Prospectus and 14 November 2018. During this period, financial intermediaries may make subsequent resale or final placement of Notes.

**Each financial intermediary using the Prospectus has to state on its website that it uses the Prospectus in accordance with the consent of the Issuer and the terms and conditions attached thereto.**

The Issuer accepts responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of securities by any financial intermediary who was given consent to use the Prospectus; an exceeding liability of the Issuer is excluded. The Issuer's consent to the use of this Prospectus is not subject to any other conditions (other than the restrictions on sale), but may be revoked or restricted at any time, whereby such revocation or restriction requires a supplement to the Prospectus.

**In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in this Prospectus:

**1. Consolidated Financial Statements and group management report as of 31 December 2016 together with the auditor's opinion as included in the 2016 annual report of the Issuer; available under the following hyperlink:**

in German language (www.ubm-development.com, sub-menu "investor relations.", sub-menu "finanzberichte.", 2016 – "Jahresfinanzbericht 2016"):

<https://www.ubm-development.com/?acq=MTE1OA>

in an English language translation (www.ubm-development.com, sub-menu "investor relations.", sub-menu "financial reports.", 2016 – Annual Report 2016):

<https://www.ubm-development.com/en?acq=MTE2NA>

**2. Consolidated Financial Statements and group management report as of 31 December 2017 together with the auditor's opinion as included in the 2017 annual report of the Issuer; available under the following hyperlink:**

in German language (www.ubm-development.com, sub-menu "investor relations.", sub-menu "finanzberichte.", 2017 – "Jahresfinanzbericht 2017"):

<https://www.ubm-development.com/?acq=MTE4Mg>

in an English language translation (www.ubm-development.com, sub-menu "investor relations.", sub-menu "financial reports.", 2017 – Annual Report 2017):

<https://www.ubm-development.com/en?acq=MTE4OA>

**3. Half-year report as of 30 June 2018 together with the review report; available under the following hyperlink:**

in German language (www.ubm-development.com, sub-menu "investor relations.", sub-menu "finanzberichte.", 2018 – "Halbjahresbericht 2018"):

<https://www.ubm-development.com/?acq=MzI4Nw>

in an English language translation (www.ubm-development.com, sub-menu "investor relations.", sub-menu "financial reports.", 2018 – Half year Report 2018):

<https://www.ubm-development.com/en?acq=MzI4OA>

The following information appears on the pages stated below of the respective document:

***German language version of the Consolidated Financial Statements, the group management report and the auditor's report as of 31 December 2016 (Jahresfinanzbericht 2016)***

Chapters	Page numbers
Group Management Report ( <i>Konzernlagebericht</i> ) .....	49-63
Consolidated Statement of Financial Position ( <i>Konzernbilanz</i> ) .....	68
Consolidated Income Statement ( <i>Konzern-Gewinn- und Verlustrechnung</i> ) .....	66
Statement of Comprehensive Income ( <i>Konzern-Gesamtergebnisrechnung</i> ) .....	67
Consolidated Cash Flow Statement ( <i>Konzern-Kapitalflussrechnung</i> ) .....	69
Statement of Changes in Group Equity ( <i>Erläuterung des Konzerneigenkapitals</i> ) .....	70-71
Notes to the Consolidated Financial Statements ( <i>Erläuterungen zum Konzernabschluss 2016</i> ) .....	72-130
Auditor's Report ( <i>Bestätigungsvermerk</i> ) .....	139-144

***English language translation of the Consolidated Financial Statements, the group management report and the auditor's report as of 31 December 2016***

Chapters	Page numbers
Group Management Report .....	49-63
Consolidated Statement of Financial Position .....	68
Consolidated Income Statement .....	66
Statement of Comprehensive Income .....	67
Consolidated Cash Flow Statement .....	69
Statement of Changes in Group Equity .....	70-71
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***German language version of the Consolidated Financial Statements, the group management report and the auditor's report as of 31 December 2017 (Jahresfinanzbericht 2017)***

Chapters	Page numbers
Group Management Report ( <i>Konzernlagebericht</i> ) .....	46-63
Consolidated Statement of Financial Position ( <i>Konzernbilanz</i> ) .....	68
Consolidated Income Statement ( <i>Konzern-Gewinn- und Verlustrechnung</i> ) .....	66
Consolidated Statement of Comprehensive Income ( <i>Konzern-Gesamtergebnis</i> ) .....	67
Consolidated Statement of Cash Flows ( <i>Konzern-Kapitalflussrechnung</i> ) .....	69
Statement of Changes in Group Equity ( <i>Entwicklung des Konzerneigenkapitals</i> ) .....	70-71
Notes to the Consolidated Financial Statements ( <i>Erläuterungen zum Konzernabschluss 2017</i> ) .....	72-133
Auditor's Report ( <i>Bestätigungsvermerk</i> ) .....	144-151

***English language translation of the Consolidated Financial Statements, the group management report and the auditor's report as of 31 December 2017***

<b>Chapters</b>	<b>Page numbers</b>
Group Management Report	46-63
Consolidated Statement of Financial Position	68
Consolidated Income Statement	66
Consolidated Statement of Comprehensive Income	67
Consolidated Cash Flow Statement	69
Statement of Changes in Group Equity	70-71
Notes to the Consolidated Financial Statements	72-133
Auditor's Report	144-151

***German language version of the half year report 2/2018 as of 30 June 2018***

<b>Chapters</b>	<b>Page numbers</b>
Interim Management Report ( <i>Konzernzwischenlagebericht</i> ) .....	7-17
Consolidated Statement of Financial Position ( <i>Konzernbilanz</i> ) .....	20
Consolidated Income Statement ( <i>Konzern-Gewinn- und Verlustrechnung</i> ) .....	18
Statement of Comprehensive Income ( <i>Konzern-Gesamtergebnisrechnung</i> ) .....	19
Consolidated Cash Flow Statement ( <i>Konzern-Kapitalflussrechnung</i> ) .....	21
Statement of Changes in Group Equity ( <i>Entwicklung des Konzerneigenkapitals</i> ) .....	22-23
Notes to the Consolidated Interim Financial Statements ( <i>Erläuterungen zum Konzernzwischenabschluss 2018</i> ) .....	26-43
Auditor's Review Report ( <i>Bericht über die prüferische Durchsicht des verkürzten Konzernzwischenabschlusses</i> ) .....	44-45

***English language translation of the half year report 2/2017 as of 30 June 2018***

<b>Chapters</b>	<b>Page numbers</b>
Interim Management Report .....	7-17
Consolidated Statement of Financial Position .....	20
Consolidated Income Statement .....	18
Statement of Comprehensive Income .....	19
Consolidated Cash Flow Statement .....	21
Statement of Changes in Group Equity .....	22-23
Notes to the Consolidated Interim Financial Statements .....	26-43
Auditor's Review Report .....	44-45

Information included in the documents incorporated by reference that is not included in the cross-reference lists above is neither part of this Prospectus nor incorporated by reference in the Prospectus.

Such information not incorporated by reference in the Prospectus is either not relevant for investors or already included elsewhere in the Prospectus.

## GLOSSARY OF ABBREVIATIONS AND DEFINITIONS

<b>Aggregate Principal Amount</b>	The aggregate principal amount of up to EUR 100,000,000, in case of an increase of up to EUR 120,000,000 at which the Notes are issued by Issuer on 16 November 2018.
<b>Articles of Association</b>	The articles of association ( <i>Satzung</i> ) of the Company.
<b>Austria</b>	The Republic of Austria.
<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended.
<b>Capital Market Act</b>	Austrian Capital Market Act 1991 ( <i>Kapitalmarktgesetz</i> ), as amended.
<b>CEE</b>	Central and Eastern Europe.
<b>Company, Issuer or UBM</b>	UBM Development AG, an Austrian stock corporation ( <i>Aktiengesellschaft</i> ), registered with the Austrian companies register under registration number FN 100059 x.
<b>Consolidated Financial Statements</b>	The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial years ended 31 December 2016 and 2017 which were prepared in the German language.
<b>Consolidated Financial Statements 2016</b>	The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial year ended 31 December 2016 comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes, which were prepared in the German language.
<b>Consolidated Financial Statements 2017</b>	The English translation of the Company's consolidated financial statements in accordance with IFRS as of and for the financial year ended 31 December 2017 comprised of the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of financial position and consolidated statement of changes in group equity, along with the notes, which were prepared in the German language.
<b>Core Markets</b>	Germany, Austria and Poland.
<b>EBIT</b>	Operating result (earnings before interest and tax).
<b>EBITDA</b>	Operating result plus amortisation and depreciation (earnings before interest, tax, depreciation and amortisation).
<b>ESMA</b>	The European Securities and Markets Authority.

<b>Euro</b>	The currency of the member states of the European Union participating in the third stage of the European Economic and Monetary Union.
<b>Euroclear</b>	Euroclear Bank S.A./N.V., as operator of the Euroclear System.
<b>FMA</b>	The Austrian Financial Markets Authority ( <i>Finanzmarktaufsichtsbehörde</i> ).
<b>FSMA</b>	The UK Financial Services and Markets Act 2000.
<b>Germany</b>	The Federal Republic of Germany.
<b>Group or UBM Group</b>	The Company together with its consolidated subsidiaries.
<b>IFRS</b>	International Financial Reporting Standards, as adopted by the European Union.
<b>IGA</b>	Intergovernmental affairs.
<b>Insurance Mediation Directive</b>	Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, as amended.
<b>Issue Date</b>	16 November 2018.
<b>Joint Lead Managers</b>	Erste Group Bank AG and Raiffeisen Bank International AG in their capacity as bookrunners with respect to the issue of the Notes.
<b>Management Board</b>	The management board ( <i>Vorstand</i> ) of the Company.
<b>Managers</b>	The Joint Lead Managers and other syndicate members, if any, which will be disclosed prior to the beginning of the Cash Subscription Offer.
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended.
<b>Non-residents</b>	Individuals who do not have a domicile or habitual abode in Austria and legal entities which do not have their corporate seat or their place of management in Austria.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Ortner Group</b>	Klaus Ortner, member of the Supervisory Board, together with entities controlled by or attributable to him which hold shares, namely Ortner Construction GmbH, Biedermannsgasse 3, 1120 Vienna, Austria, registered with the Austrian companies register under registration number FN 244005 g, and IGO Baubeteiligung GmbH, Biedermannsgasse 3, 1120 Vienna, Austria, registered with the Austrian companies register under registration number FN 392079 m.
<b>Ortner-Strauss Syndicate</b>	The syndicate formed by Ortner Group and Strauss Group in respect of the shares they hold in the Company.
<b>PRIIPs Regulation</b>	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for

packaged retail and insurance-based investment products (PRIIPs), as amended.

<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended.
<b>Prospectus</b>	This document.
<b>Securities Act</b>	United States Securities Act of 1933, as amended.
<b>Strauss Group</b>	Karl-Heinz Strauss, member of the Supervisory Board Company, together with entities controlled by or attributable to him which hold shares in the Issuer, namely SuP Beteiligungs GmbH, Am Euro Platz 2, 1120 Vienna, Austria, registered with the Austrian companies register under registration number FN 358915 t, and AIM Industrieholding und Unternehmensbeteiligungen GmbH, Am Euro Platz 2, 1120 Vienna, Austria, registered with the Austrian companies register under registration number FN 228415 f.
<b>Supervisory Board</b>	The supervisory board ( <i>Aufsichtsrat</i> ) of the Company.
<b>U.S. or United States</b>	United States of America.

**ANNEX 1: REAL ESTATE LIST**

## Immobilienliste des Konzerns der UBM Development AG (zum 30.06.2018)

### Vollkonsolidierte Liegenschaften nach IAS 40\*

Land	Konsolidierungsart	IAS/IFRS	Firmen		Adresse
Land	Konsolidierung	IAS	Nr.	Korrektter Firmenname	NAME LISTE FMA
Österreich	Vollkonsolidiert	40	0161	St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AT - 9020 Klagenfurt, St. Peterstraße 14-16
Österreich	Vollkonsolidiert	40	0198	Porr - living Solutions GmbH	AT - 4820 Bad Ischl, Dumbastraße 1
Österreich	Vollkonsolidiert	40	0200	IBC Business Center Entwicklungs- und Errichtungs-GmbH	AT - 8401 Unterpremstätten, Zettling (KG Bierbau
Österreich	Vollkonsolidiert	40	0203	SFZ Immobilien GmbH & Co KG	AT - 8141 Unterpremstätten, Freizeitzentrum
Österreich	Vollkonsolidiert	40	0241	IMBU Liegenschaftsverwertung Gesellschaft m.b.H.	AT - 4030 Linz, Winetzhammerstraße 8
Österreich	Vollkonsolidiert	40	0303	UBM Development AG	AT - 1100 Wien, Favoritenstraße
Österreich	Vollkonsolidiert	40	0303	UBM Development AG	AT - 2120 Wolkersdorf, Julius Bittner Platz 6
Österreich	Vollkonsolidiert	40	0330	EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverw	AT - 1110 Wien, Marianne-Hainisch-Gasse 18
Österreich	Vollkonsolidiert	40	0338	Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	AT - 8020 Graz, Köflacher Straße 3
Österreich	Vollkonsolidiert	40	1052	Sabimo Immobilien GmbH	AT - 9130 Leibersdorf, Ströglach 13
Österreich	Vollkonsolidiert	40	1052/24	Sabimo Immobilien GmbH	AT - 9500 Villach, Auer von Welsbachstraße
Österreich	Vollkonsolidiert	40	1053	Sabimo Liebenauer Hauptstraße GmbH	AT - 8041 Graz-Thondorf, Liebenauer Hauptstraße
Österreich	Vollkonsolidiert	40	1185	Sarium Beteiligungsverwaltungs GmbH & Co. "Office Provider" OG	AT - 1100 Wien, Laaerbergstraße 43
Deutschland	Vollkonsolidiert	40	0470	Münchener Grund Immobilien Bauträger GmbH	DE - 04159 Wiesenring, Leipzig-Stahmeln
Deutschland	Vollkonsolidiert	40	0470	Münchener Grund Immobilien Bauträger GmbH	DE - 85609 Dornach, Dywidagstraße / Bahnhofstr
Deutschland	Vollkonsolidiert	40	0470	Münchener Grund Immobilien Bauträger GmbH	DE - 85609 Dornach, Karl-Hammerschmidt-Straße
Deutschland	Vollkonsolidiert	40	0472	Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DE - 81677 München, Leuchtenbergring 20 (Offic
Deutschland	Vollkonsolidiert	40	1120	Mainz Zollhafen Hotel GmbH & Co. KG	DE - 55118 Mainz, Hafenallee II
Polen	Vollkonsolidiert	40	0517	FMZ Gdynia Spółka z ograniczona odpowiedzialnoscia	PL - 80801 Gdynia, Pulkowika Stanislaw Dabka 3
Polen	Vollkonsolidiert	40	0525	FMZ Sosnowiec Spółka z ograniczona odpowiedzialnoscia	PL - 41200 Sosnowiec, Kukuluk 11 / 11 Listopada
Polen	Vollkonsolidiert	40	1036	Poleczki Development Spółka z ograniczona odpowiedzialnoscia	PL - 02822 Warschau, ul. Polecki 35 (Phase 3)
Polen	Vollkonsolidiert	40	1046	UBM Mogilska Spółka z ograniczona odpowiedzialnoscia	PL - 31539 Krakau, Mogilska 53-55
Polen	Vollkonsolidiert	40	1129	UBM Hotel Granary Spółka z ograniczona odpowiedzialnoscia	PL - 80751 Gdansk, Speicherinsel
Tschechien	Vollkonsolidiert	40	0563	TOSAN park a.s.	CZ - 73953 Horni Tosanovice, (Industriepark Tosar
Tschechien	Vollkonsolidiert	40	0574	RE Moskevská spol.s.r.o.	CZ - 36001 Karlovy Vary (Karlsbad), Moskevská ul.
Tschechien	Vollkonsolidiert	40	0577	Immo Future 6 - Crossing Point Smichov s.r.o.	CZ - 17000 Prag, Delnicka 9; U Pruhonu 10 (Astrid
Bulgarien	Vollkonsolidiert	40	877	UBM BULGARIA EOOD	BG - 4202 Radivono, Plovdivska Obl.
Kroatien	Vollkonsolidiert	40	75A	Sitnica drustvo s ogranicenom odgovornoscu za usluge	HR - 10430 Samobor, Ulica Kresimira Purica 23/1
Ungarn	Vollkonsolidiert	40	636	Gamma Real Estate lngtalanfejlesztő és - hasznosító Kőrlátolt Felelőssé	HU - 1191 Budapest, Szabio Ervin utca 34 (Arena X
Rumänien	Vollkonsolidiert	40	0693	Lamda Imobiliare SRL	RO - 77045 Chitila, Rudeni
Polen	Vollkonsolidiert	40	1127	Poleczki Lisbon Office spzoo	PL - 02-822, Warschau Poleczki 35
Polen	Vollkonsolidiert	40	1128	UBM hotel Nowy Targ spzoo	PL - 40202 Kattowitz
Polen	Vollkonsolidiert	40	1129	UBM Hotel Granary spzoo	PL - 80-838 Danzig Speicherinsel
Polen	Vollkonsolidiert	40	1207	Poleczki Parking House spzoo	PL - 02-822, Warschau Poleczki 35
Deutschland	Vollkonsolidiert	40	1237	UBM Invest Deutschland GmbH	DE - 81737 München, Unterbibbergerstraße 15
Niederlande	Vollkonsolidiert	40	1272	UBM Kneuterdijk BV	NL - Den Haag Kneuterdijk 8, Noordeinde 19, Heu

Liegenschaften von untergeordneter Bedeutung (geringer als 0,5%) ohne Bewertung

\* Die vollkonsolidierten Liegenschaften nach IAS 40 haben insgesamt einen Wert von EUR 330,92 Mio.

### Vollkonsolidierte Liegenschaften nach IAS 16\*

Land	Konsolidierungsart	IAS/IFRS	Firmen		Adresse
Land	Konsolidierung	IAS	Nr.	Korrektter Firmenname	NAME LISTE FMA
Österreich	Vollkonsolidiert	16	J777	MultiStorage GmbH & Co KG	AT - 5020 Salzburg, Scherenbrandnerhofstraße 1

Liegenschaften von untergeordneter Bedeutung (geringer als 0,5%) ohne Bewertung

\* Die vollkonsolidierten Liegenschaften nach IAS 16 haben insgesamt einen Wert von EUR 3,68 Mio.

**Vollkonsolidierte Liegenschaften nach IAS 2\***

Land	Konsolidierungsart	IAS/IFRS	Firmen		Adresse
Land	Konsolidierung	IAS	Nr.	Korrektter Firmenname	NAME LISTE FMA
Österreich	Vollkonsolidiert	2	0198	Porr - living Solutions GmbH	AT - 4820 Bad Ischl, Dumbastraße 1
Österreich	Vollkonsolidiert	2	0227	MySky Verwertungs GmbH & Co. OG	AT - 1100 Wien, Laaer-Berg-Straße 47B + 47C
Österreich	Vollkonsolidiert	2	0242	Ariadne Bauplanungs- und Baugesellschaft m.b.H.	AT - 6330 Kufstein, Professor Schlosser Straße 1
Österreich	Vollkonsolidiert	2	0246	Dorfschmiede St. Johann Immobilien GmbH	AT - 6380 St. Johann i Tirol, Speckbacherstraße 24
Österreich	Vollkonsolidiert	2	0276	UBM Seevillen Errichtungs-GmbH	AT - 7093 Jois, Jachthafen BT 3
Österreich	Vollkonsolidiert	2	0285	RBK Wohnbau Projektentwicklung GmbH	AT - 5020 Salzburg, Moosstraße 1-3
Österreich	Vollkonsolidiert	2	0303	UBM Development AG	AT - 6100 Seefeld, Hohe-Munde-Strasse 936
Österreich	Vollkonsolidiert	2	0353	Aighhof Projektentwicklungs GmbH	AT - 5020 Salzburg, Aighhofstraße 41-45
Österreich	Vollkonsolidiert	2	1009	EPS Höhenstraße Immobilien GmbH	AT - 6020 Innsbruck, Höhenstraße 35c
Österreich	Vollkonsolidiert	2	1060	Wohnanlage EZ 208 KG Andritz GmbH	AT - 8010 Graz, Kahngasse 18-20
Österreich	Vollkonsolidiert	2	1069	EPS Immobilienmanagement "Schützenwirt" GmbH & CO KG	AT - 6065 Thaur, Dörfnerstraße 11-11A
Österreich	Vollkonsolidiert	2	1106	CM Wohnungsentwicklungs GmbH	AT - 3400 Klosterneuburg, Wiener Straße 66
Deutschland	Vollkonsolidiert	2	0470	Münchner Grund Immobilien Bauträger GmbH	DE - 55118 Mainz, Zollhafen
Deutschland	Vollkonsolidiert	2	0470	Münchner Grund Immobilien Bauträger GmbH	DE - 80339 München, Bergmannstraße 47-49
Deutschland	Vollkonsolidiert	2	0488	Stadtgrund Bauträger GmbH	DE - 10969 Berlin, Enckestraße 4 - 4a
Deutschland	Vollkonsolidiert	2	0910	Schloßhotel Tutzing GmbH	DE - 82327 Tutzing, Schloßstraße 1
Deutschland	Vollkonsolidiert	2	1048	Kühnehöfe Hamburg GmbH & Co. KG	DE - 22761 Hamburg, Schützenstraße / Kühnehöfe
Polen	Vollkonsolidiert	2	0508	"UBM Residence Park Zakopiana" Spółka z ograniczona odpowiedzialnoscia	PL - 31323 Krakau, Zakopiana (Residence Park)
Polen	Vollkonsolidiert	2	0515	Oaza Kampinos Spółka z ograniczona odpowiedzialnoscia	PL - 05152 Malocice Czosnow; Alej Srebrna (Oaza)
Polen	Vollkonsolidiert	2	0521	Bartycka Real Estate Spółka z ograniczona odpowiedzialnoscia	PL - 00716 Warschau, ul. Bartycka 113
Tschechien	Vollkonsolidiert	2	0562	Na Záhonech a.s.	CZ - 19014 Prag, Slatiska / Radovsky (Villa Park Klau)
Tschechien	Vollkonsolidiert	2	0579	UBM - Bohemia 2 s.r.o.	CZ - 38279 Frymburk-Hrustice (Erholungspark Lipn)
Kroatien	Vollkonsolidiert	2	1075	Sitnica drustvo s ogranicenom odgovornoscu za usluge	HR - 10430 Samobor, Ulica Kresimira Purica 23/1
Slowakei	Vollkonsolidiert	2	0582	UBM Koliba s.r.o.	SK - 83101 Bratislava, Na Rozhliadke
Österreich	Vollkonsolidiert	40	1051	SP Graumannsgasse 8-10 Immobilien GmbH	AT - 1150 Graumannsgasse 8-10
Österreich	Vollkonsolidiert	40	1080	QBC Immobilien GmbH & Co Epsilon KG	AT - 1100 Wien, Karl-Popper-Str. 8 / Canettistr. 4
Polen	Vollkonsolidiert	40	1129	UBM Hotel Granary spzoo	PL - 80-838 Danzig Speicherinsel
Deutschland	Vollkonsolidiert	2	1237	UBM Deutschland GmbH	DE - 20535 Hamburg, Klaus Groth Straße 23-25
Österreich	Vollkonsolidiert	2	1252	WA Terfens Roan Immobilien GmbH	AT - 6123 Terfens Roan
Österreich	Vollkonsolidiert	2	1254	WA Bad Häring Immobilien GmbH	AT - 6323 Bad Häring Franziskabadstraße

Liegenschaften von untergeordneter Bedeutung (geringer als 0,5%) ohne Bewertung

\* Die vollkonsolidierten Liegenschaften nach IAS 2 haben insgesamt einen Wert von EUR 135,2 Mio.

**Vollkonsolidierte Liegenschaften nach IFRS 5\***

Land	Konsolidierungsart	IAS/IFRS	Firmen		Adresse
Land	Konsolidierung	IAS	Nr.	Korrektter Firmenname	NAME LISTE FMA
Polen	Vollkonsolidiert	40	0524	FMZ Lublin Spółka z ograniczona odpowiedzialnoscia	PL - 20207 Lublin, Megiewska 2C (Tatary Retail Pa
Rumänien	Vollkonsolidiert	40	0693	Lamda Imobiliare SRL	RO - 77045 Chitila, Rudeni

Liegenschaften von untergeordneter Bedeutung (geringer als 0,5%) ohne Bewertung

\* Die vollkonsolidierten Liegenschaften nach IFRS 5 haben insgesamt einen Wert von EUR 17,2 Mio.

At Equity konsolidierte Liegenschaften\*

Land	Konsolidierungsart	IAS/IFRS	Firmen	Adresse	
Land	Konsolidierung	IAS	Nr.	Korrektur Firmennamen	NAME LISTE FMA
Österreich	Equity Konsolidiert	Equity	0066	Jochberg Kitzbühler Straße Errichtungs und Beteiligungsverwaltungs	AT - 6373 Jochberg, Kitzbühlerstraße 48 (Premium
Österreich	Equity Konsolidiert	Equity	0234	W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AT - 1030 Wien, Landstrasser Hauptstraße 2A / 2E
Österreich	Equity Konsolidiert	Equity	0377	Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH	AT - 6373 Jochberg, Kitzbühlerstraße 48 (Kempins
Österreich	Equity Konsolidiert	Equity	0933	Rosenhügel Entwicklungs-, Errichtungs- und Verwertungsgesellschaft m	AT - 1230 Wien, Engelshofengasse 6 / Matthias-H
Österreich	Equity Konsolidiert	Equity	1016	CCG Immobilien GmbH	AT - 8402 Werndorf, Am Terminal 1
Österreich	Equity Konsolidiert	Equity	1071	Wohnanlage Andritz - Stattegger Straße 2 GmbH	AT - 8045 Graz, Stattegger Straße 2
Österreich	Equity Konsolidiert	Equity	1081	QBC Immobilien GmbH & Co Zeta KG	AT - 1100 Wien, Karl-Popper-Str. / Gertrude Fröhl
Österreich	Equity Konsolidiert	Equity	1121	QBC Immobilien GmbH & Co Alpha KG	AT - 1100 Wien, Wiedner Gürtel 3-7
Österreich	Equity Konsolidiert	Equity	1188	Ekazent Realitätengesellschaft m.b.H.	AT - Div Wien, 24 Standorte Wien
Österreich	Equity Konsolidiert	Equity	1189	EKAZENT Gebäudevermietung GmbH	AT - Div, 4 Standorte Wien, 1 Schwechat
Österreich	Equity Konsolidiert	Equity	J277	Hessenplatz Hotel- und Immobilienentwicklung GmbH	AT - 4020 Linz, Hessenplatz 16-18 (Hotel Park Inn)
Österreich	Equity Konsolidiert	Equity	J771	Palais Hansen Immobilienentwicklung GmbH	AT - 1010 Wien, Schottenring 20
Österreich	Equity Konsolidiert	Equity	X017	LiSciV Muthgasse GmbH & Co KG / Glamas Beteiligungsverwaltungs Gm	AT - 1190 Wien, Muthgasse 11
Österreich	Equity Konsolidiert	Equity	X02A	CCG Nord Projektentwicklung GmbH & Co KG	AT - 8142 Wundschuh, EZ 591 und EZ 592 (CCG No
Österreich	Equity Konsolidiert	Equity	X293	Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	AT - 1190 Wien, Gunoldstraße 5
Österreich	Equity Konsolidiert	Equity	X745	Murgalerien Errichtungs- und Verwertungs-GmbH	AT - 8020 Graz, Arche Noah 7-11 (Murgalerien)
Österreich	Equity Konsolidiert	Equity	X762	Seeresidenz am Wolfgangsee Bauträger GmbH	AT - 5360 St. Wolfgang, Sternallee / Schafbergbah
Österreich	Equity Konsolidiert	Equity	X765	Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs Gm	AT - 5360 St. Wolfgang, Sternallee / Schafbergbah
Österreich	Equity Konsolidiert	Equity	X767	Ehrenhausen Bauträger GmbH	AT - 8461 Ehrenhausen, Am Schlossberg
Österreich	Equity Konsolidiert	Equity	1213	WA Kufstein GmbH	AT - 6330 Kufstein, Salurner Straße 35-36
Österreich	Equity Konsolidiert	Equity	1244	Karlauerstraße 57 KG	AT - 8020 Graz, Karlauerstraße 57
Österreich	Equity Konsolidiert	Equity	1245	Rankengasse 28 KG	AT - 8020 Graz, Rankengasse 28
Österreich	Equity Konsolidiert	Equity	1266	Kelsenstraße 5	AT - 1030 Wien Kelsenstraße 5
Österreich	Equity Konsolidiert	Equity	1266	Kelsenstraße 7	AT - 1030 Wien Kelsenstraße 7
Deutschland	Equity Konsolidiert	Equity	0451	Anders Wohnen GmbH	DE - 80796 München, Peter-Anders-Straße / Paul
Deutschland	Equity Konsolidiert	Equity	1099	Obersendlinger Grund GmbH & Co. KG	DE - 81379 München, Gmunder Straße / Hofmann
Deutschland	Equity Konsolidiert	Equity	1125	MGO I Development GmbH & Co.KG	DE - 10243 Berlin, Valeska-Gert-Straße
Deutschland	Equity Konsolidiert	Equity	1126	MGO II Development GmbH & Co. KG	DE - 10243 Berlin, Valeska-Gert-Straße
Deutschland	Equity Konsolidiert	Equity	1172	IMGR Thulestraße GmbH & Co. KG	DE - 13189 Berlin, Thulestraße 48-64 / Talstraße 3
Deutschland	Equity Konsolidiert	Equity	1174	MGH Potsdam I GmbH & Co. KG	DE - 14467 Potsdam, Am Kanal / Französische Stra
Deutschland	Equity Konsolidiert	Equity	X12B	German Hotel Invest III GmbH & Co. KG	DE - 20537 Hamburg, Eiffestraße 16
Deutschland	Equity Konsolidiert	Equity	X36B	German Hotel Invest II GmbH & Co. KG	DE - 70197 Stuttgart, Nordbahnstraße / Wolframs
Deutschland	Equity Konsolidiert	Equity	1173	CAMG GmbH & Co KG	DE - 55118 Mainz, Hafensinsel 4 und 5
Deutschland	Equity Konsolidiert	Equity	1271	Avaleria Hotel Hamburg	DE - 20457 Hamburg Versmannstraße 12-14
Deutschland	Equity Konsolidiert	Equity	1243	Central Tower Berlin GmbH	DE - 10178 Berlin Alexanderstraße / Stralauer Allee
Tschechien	Equity Konsolidiert	Equity	1187	Graficka sro	CZ - 15000 Prag, Grafická / Kmochova Straße
Polen	Equity Konsolidiert	Equity	0531	SOF DEBNIKI DEVELOPMENT SPÓŁKA Z OGRANICZONA ODPOWIEDZIAL	PL - 30337 Krakau, Monte Cassino 2 (Hotel Park In
Polen	Equity Konsolidiert	Equity	1005	Warsaw Office Spółka z ograniczona odpowiedzialnoscia	PL - 02822 Warschau, ul. Polecki 35 (BT Warschau
Polen	Equity Konsolidiert	Equity	1006	Berlin Office Spółka z ograniczona odpowiedzialnoscia	PL - 02822 Warschau, ul. Polecki 35 (BT Berlin)
Polen	Equity Konsolidiert	Equity	1034	Poleczki Amsterdam Office Spółka z ograniczona odpowiedzialnoscia	PL - 02822 Warschau, ul. Polecki 35 (BT Amsterda
Polen	Equity Konsolidiert	Equity	1035	Poleczki Vienna Office Spółka z ograniczona odpowiedzialnoscia	PL - 02822 Warschau, ul. Polecki 35 (BT Vienna)

Liegenschaften von untergeordneter Bedeutung (geringer als 0,5%) ohne Bewertung

## ANNEX 2: TERMS AND CONDITIONS OF THE EXCHANGE OFFER

*Diese Umtauschbedingungen sind in deutscher Sprache abgefasst und mit einer Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist allein rechtsverbindlich. Die englische Übersetzung dient nur zur Information.*

*These Exchange Terms are written in the German language and provided with an English language translation. The German language text will be the only legally binding version. The English language translation is provided for convenience only.*

*Die englischsprachige Übersetzung des rechtsverbindlichen deutschen Wortlautes dieser Anleihebedingungen wurde von der FMA nicht geprüft.*

*The English language translation of the legally binding German language text of these Terms and Conditions has not been reviewed by the FMA.*

### BEDINGUNGEN

### TERMS AND CONDITIONS

#### DES

#### OF THE

#### UMTAUSCHGEBOTS

#### EXCHANGE OFFER

("UMTAUSCHBEDINGUNGEN")

("EXCHANGE TERMS")

#### 1. Emittentin und Anleiheemissionen

#### 1. Issuer and Issuer of Bonds

**1.1** Die UBM Development AG (die "**Emittentin**") hat im Jahr 2014 die 4,875% UBM-Anleihe 2014-2019 mit einem Gesamtnennbetrag von EUR 200.000.000,00, zum Tag dieses Umtauschgebots (wie nachstehend definiert) im Gesamtnennbetrag von EUR 115.952.500,00 ausstehend, eingeteilt in 231.905 Teilschuldverschreibungen mit einem Nennbetrag von jeweils EUR 500,00, ISIN: AT0000A185Y1 (die "**2014 UBM-Teilschuldverschreibungen**", und jede von ihnen eine "**2014 UBM-Teilschuldverschreibung**") emittiert.

UBM Development AG (the "**Issuer**") has issued in 2014 the 4.875% UBM Bonds 2014-2019 with an aggregate principal amount of EUR 200,000,000.00, of which an aggregate principal amount of EUR 115,952,500.00 is outstanding as of the date of this Exchange Offer (as defined below), divided into 231,905 notes with a principal amount of EUR 500.00 each, ISIN: AT0000A185Y1 (the "**2014 UBM-Bonds**", and any of them a "**2014 UBM-Bond**").

**1.2** Der Begriff "**UBM-Anleihe 2018-2023**" bezeichnet die von der Emittentin auszugebende Anleihe im Gesamtnennbetrag von insgesamt bis zu EUR 100.000.000,00 mit Aufstockungsmöglichkeit bis zu EUR 120.000.000,00, die in bis zu 200.000, im Fall der Aufstockung in bis zu 240.000 auf Inhaber lautende Teilschuldverschreibungen im Nennbetrag von je EUR 500,00 eingeteilt ist (die "**2018 UBM-**

The term "**UBM-Bonds 2018-2023**" refers to notes to be issued by the Issuer in the aggregate principal amount of up to EUR 100,000,000, with the possibility to increase the aggregate principal amount to up to EUR 120,000,000, divided into up to 200,000 notes, in the case of an increase to up to EUR 120,000,000, into up to 240,000 notes, each with a denomination of EUR 500.00 (the "**2018 UBM-Bonds**", and

	<b>Teilschuldverschreibungen", und jede von ihnen eine "2018 UBM-Teilschuldverschreibung").</b>	any of them a <b>"2018 UBM-Bonds")</b> .
<b>1.3</b>	<b>"Anleihegläubiger"</b> bezeichnet einen Inhaber einer 2014 UBM-Teilschuldverschreibung.	<b>"Noteholder"</b> refers to any holder of a 2014 UBM-Bond.
<b>1.4</b>	<b>"Valutatag"</b> meint den 16.11.2018.	<b>"Value Date"</b> refers to 16 November 2018.
<b>1.5</b>	<b>"Exchange Agent"</b> bezeichnet die Raiffeisen Bank International AG, die in der Funktion der Umtauschstelle (Exchange Agent) die technische Abwicklung des Umtauschgebots (wie unten definiert) begleitet.	<b>"Exchange Agent"</b> refers to Raiffeisen Bank International AG, acting in the capacity as exchange agent which executes the technical implementation of the Exchange Offer (as defined below).
<b>2.</b>	<b>Einladung zur Angebotstellung zum Umtausch</b>	<b>2. Invitation to offer an exchange</b>
	Die Emittentin lädt nach Maßgabe dieser Umtauschbedingungen (die <b>"Umtauschbedingungen"</b> ) die Inhaber der 2014 UBM-Teilschuldverschreibungen (die <b>"Einladung"</b> ) zur Abgabe von Angeboten (jeweils ein <b>"Angebot"</b> ) auf Umtausch der 2014 UBM-Teilschuldverschreibungen ein, womit die jeweiligen 2014 UBM-Teilschuldverschreibungen in Teilschuldverschreibungen der UBM-Anleihe 2018-2023 umgetauscht werden (der <b>"Umtausch"</b> und das Angebot zum Umtausch das <b>"Umtauschangebot"</b> ).	In accordance with these Exchange Terms (the <b>"Exchange Terms"</b> ), the Issuer invites the holders of the 2014 UBM-Bonds (the <b>"Invitation"</b> ) to submit offers (each an <b>"Offer"</b> ) for the exchange of the 2014 UBM-Bonds, whereby the respective 2014 UBM-Bonds are exchanged for bonds of the UBM-Bonds 2018-2023 (the <b>"Exchange"</b> and the offer for the exchange the <b>"Exchange Offer"</b> ).
<b>3.</b>	<b>Allgemeines zum Umtausch</b>	<b>General information on the Exchange</b>
<b>3.1</b>	Inhaber der 2014 UBM-Teilschuldverschreibungen können ihr jeweiliges Angebot ausschließlich während des Umtauschzeitraums durch Abgabe eines entsprechenden Angebots abgeben. Ein Angebot ist an die depotführende Stelle zu übermitteln oder bei dieser abzugeben. Ein Angebot kann mit Ausnahme der unter Punkt 14. beschriebenen Fälle nur unwiderruflich abgegeben werden.	Holders of 2014 UBM-Bonds may submit their respective offers only during the exchange period by submitting a corresponding Offer. An Offer must be submitted to the custodian bank or has to be deposited with the custodian bank. With the exception of the cases described under clause 14. below, an Offer can only be made irrevocably.
<b>3.2</b>	Der Umstand, dass einem Anleihegläubiger diese Umtauschbedingungen und/oder sonstige Unterlagen oder Veröffentlichungen der Emittentin nicht übermittelt werden, ihm nicht zugegangen sind oder er davon nicht Kenntnis erlangt hat, beeinträchtigt die Rechtswirksamkeit der Einladungen und eines Angebots in keiner Hinsicht. Weder die Emittentin noch die Raiffeisen Bank	The fact that these Exchange Terms and/or other documents or publications of the Issuer are not communicated to, have not been received by or have not come to the knowledge of any Noteholder shall not affect the legal validity of the invitations and an Offer in any respect. Neither the Issuer nor Raiffeisen Bank International AG in its capacity as Exchange Agent will issue

International AG in ihrer Funktion als Exchange Agent werden Empfangsbestätigungen über zugegangene Angebote oder sonstige Dokumente ausstellen.

acknowledgements of receipt of received Offers or other documents.

**3.3** Das Guaranteed Participation Date (wie unten definiert) wurde mit 30.10.2018, 17:00 Uhr MEZ und die sogenannte Buyer Protection Deadline (wie unten definiert) wurde mit 02.11.2018, 17:00 Uhr MEZ festgelegt. "Guaranteed Participation Date" bedeutet jenen Zeitpunkt, bis zu dem ein Anleger 2014 UBM-Teilschuldverschreibungen erwerben kann, welche sich noch für die Buyer Protection (wie unten definiert) qualifizieren. Die "Buyer Protection" ermöglicht bei einer nicht fristgerechten Lieferung von Wertpapieren durch den Verkäufer die Teilnahme des Käufers an einer optionalen Kapitalmaßnahme, indem der Verkäufer, dem Wunsch des Käufers entsprechend, die Instruktion bei der entsprechenden Stelle (Depotbank des Verkäufers) erteilt. "Buyer Protection Deadline" ist jener Zeitpunkt, bis zu dem der Anleger, der bis zum Guaranteed Participation Date 2014 UBM-Teilschuldverschreibungen erworben hat, den Verkäufer darüber informiert haben muss, dass er am Umtauschangebot teilnehmen wird.

The Guaranteed Participation Date (as defined below) was set at 5 p.m. CET on 30 October 2018 and the Buyer Protection Deadline (as defined below) was set at 5 p.m. CET on 2 November 2018. "Guaranteed Participation Date" means the date until which an investor can acquire 2014 UBM-Bonds that still qualify for Buyer Protection (as defined below). "Buyer Protection" enables the buyer to participate in an optional corporate action in the event of securities not being delivered on time by the seller in a way that the seller giving instructions to the relevant body (the seller's custodian bank) at the buyer's request. "Buyer Protection Deadline" means the time by which the Noteholder who has purchased 2014 UBM-Bonds by the Guaranteed Participation Date must have informed the seller that he/she will participate in the Exchange Offer.

#### **4. 4. Umtauschverhältnis**

#### **Exchange ratio**

**4.1** Der Umtausch erfolgt jeweils zum Nennbetrag der 2014 UBM-Teilschuldverschreibungen zuzüglich des Barausgleichsbetrages.

The Exchange shall be effected at the principal amount of the 2014 UBM-Bonds plus the cash settlement amount.

**4.2** Das Umtauschverhältnis für die 2014 UBM-Teilschuldverschreibungen beträgt 1:1 (eins zu eins). Das bedeutet, dass jeder Inhaber einer 2014 UBM-Teilschuldverschreibung im Nennbetrag von jeweils EUR 500,00 im Fall der Annahme des Angebots durch die Emittentin eine 2018 UBM-Teilschuldverschreibung pro eingetauschter 2014 UBM-Teilschuldverschreibung erhält. Weiters erhält jeder Inhaber einer 2014 UBM-Teilschuldverschreibung einen Barausgleichsbetrag in der Höhe von EUR 18,68 je umgetauschter 2014 UBM-Teilschuldverschreibung im Nennbetrag von EUR 500,00.

The exchange ratio for the 2014 UBM-Bonds is 1:1 (one to one). This means that holder of a 2014 UBM-Bond with a nominal value of EUR 500.00 each will receive one 2018 UBM-Bond per exchanged 2014 UBM-Bond if the Issuer accepts the Offer. Furthermore, each holder of a 2014 UBM-Bond shall receive a cash settlement amount of EUR 18.68 per exchanged 2014 UBM-Bond with a principal amount of EUR 500.00.

4.3	(3) Der Barausgleichsbetrag setzt sich aus den jeweiligen Stückzinsen in der Höhe von EUR 8,68 je 2014 UBM-Teilschuldverschreibung einerseits und einem Zusatzbetrag in der Höhe von EUR 10,00 je 2014 UBM-Teilschuldverschreibung andererseits zusammen.	(3) The cash settlement amount shall consist of accrued interest of EUR 8.68 per 2014 UBM-Bond on the one hand and an additional amount of EUR 10.00 per 2014 UBM-Bond on the other hand.
4.4	Stückzinsen bedeutet die anteilmäßig angefallenen Zinsen vom letzten Zinszahlungstag (einschließlich) bis zum Valutatag (ausschließlich), für die 2014 UBM-Teilschuldverschreibungen gemäß Punkt 6. der Anleihebedingungen der 2014 UBM-Teilschuldverschreibungen. Gemäß Punkt 6. der Anleihebedingungen der 2014 UBM-Teilschuldverschreibungen erfolgt die Berechnung der Zinsen für Teile von Zeiträumen, sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, auf der Grundlage der aktuellen Tage in dem Zinsberechnungszeitraum, geteilt durch die Anzahl der aktuellen Tage der Zinsperiode. Berechnungsbasis: Actual/Actual gemäß ICMA-Regelung.	Accrued interest means the proportionate interest accrued from the last interest payment date (inclusive) to the value date (exclusive) for the 2014 UBM-Bonds pursuant to clause 6. of the terms and conditions of the 2014 UBM-Bonds. Pursuant to clause 6. of the terms and conditions of the 2014 UBM-Bonds, the calculation of interest for periods where interest is to be calculated for a period of less than one year shall be based on the actual days in the interest calculation period divided by the number of actual days in the interest period. Calculation basis: Actual/Actual according to ICMA rules.
5.	<b>Barausgleichsbetrag</b>	<b>Cash Settlement Amount</b>
	Der Barausgleichsbetrag beträgt EUR 18,68 je 2014 UBM-Teilschuldverschreibung.	The cash settlement amount is EUR 18.68 per 2014 UBM-Bond.
6.	<b>Umfang des Umtausches</b>	<b>Scope of the Exchange</b>
	Die Emittentin beabsichtigt, Angebote im Ausmaß von bis zu Gesamtnominale EUR 115.952.500,00 hinsichtlich der 2014 UBM-Teilschuldverschreibungen anzunehmen. Die Annahme von Angeboten obliegt dem alleinigen und freien Ermessen der Emittentin.	The Issuer intends to accept Offers of up to a total principal amount of EUR 115,952,500.00 with respect to the 2014 UBM-Bonds. The acceptance of Offers is at the sole and free discretion of the Issuer.
7	<b>Umtauschzeitraum</b>	<b>Exchange Period</b>
7.1	Der Zeitraum, innerhalb dessen Angebote für die 2014 UBM-Teilschuldverschreibungen angegeben werden können (der " <b>Umtauschzeitraum</b> "), beginnt am 22.10.2018 und endet am 07.11.2018 um 12:00 Uhr MEZ.	The period during which Offers may be made for the 2014 UBM-Bonds (the " <b>Exchange Period</b> ") begins on 22 October 2018 and ends on 7 November 2018 at 12.00 a.m. CET.
7.2	Die Emittentin ist jederzeit und in ihrem alleinigen und freien Ermessen berechtigt, den Umtauschzeitraum zu verlängern, die Einladung ohne Angabe von Gründen abzu-	The Issuer is entitled at any time and in its sole and absolute discretion to extend the Exchange Period, to amend the invitation without giving reasons or to withdraw it in

- ändern oder zur Gänze zurückzunehmen, Angebote nicht anzunehmen oder diese auch über den Umtauschzeitraum hinaus anzunehmen.
- its entirety, not to accept Offers or to accept them beyond the Exchange Period.
- 7.3** Inhaber der 2014 UBM-Teilschuldverschreibungen, die am Umtauschangebot teilnehmen wollen, haben während des Umtauschzeitraums über ihre depotführende Stelle ein rechtswirksames Angebot abzugeben, das vom Clearing System dem Exchange Agent weitergeleitet wird und dem Exchange Agent bis spätestens 07.11.2018, 12:00 MEZ zugegangen sein muss.
- During the Exchange Period, holders of the 2014 UBM-Bonds who wish to participate in the Exchange Offer must submit a legally effective Offer via their custodian bank which will be forwarded by the Clearing System to the Exchange Agent and which must be received by the Exchange Agent on 7 November 2018, 12.00 CET at the latest.
- 7.4** Die Emittentin übernimmt keine Gewährleistung oder Haftung dafür, dass die Möglichkeit zur Abgabe eines Angebots durch die Inhaber von 2014 UBM-Teilschuldverschreibungen über ihre jeweilige depotführende Stelle aufgrund einer Vorgabe der jeweiligen depotführenden Stelle bereits vor dem Ende des Umtauschzeitraums enden kann. Weiters übernimmt die Emittentin keine Gewährleistung oder Haftung dafür, dass innerhalb des Umtauschzeitraums abgegebene Angebote auch tatsächlich bis 07.11.2018, 12:00 MEZ beim Exchange Agent einlangen.
- The Issuer does not assume any warranty or liability that the possibility for the holders of 2014 UBM-Bonds to make an Offer through their respective custodian bank will end before the end of the Exchange Period due to a requirement of the respective custodian bank. Furthermore, the Issuer assumes no warranty or liability that Offers made within the Exchange Period will actually reach the Exchange Agent by 7 November 2018, 12.00 CET.
- 7.5** Sofern der Umtauschzeitraum nicht verlängert oder die Einladung zur Gänze zurückgenommen wird, beabsichtigt die Emittentin, am oder um den 07.11.2018 jeweils bekannt zu geben, (i) welcher Gesamtnennbetrag an 2014 UBM-Teilschuldverschreibungen von Anleihegläubigern insgesamt zum Umtausch an die Emittentin angeboten wurde und (ii) ob und bis zu welchem Betrag die Emittentin Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen annehmen wird.
- Unless the Exchange Period is extended or the invitation is withdrawn in its entirety, the Issuer intends to announce on or about 7 November 2018 (i) what aggregate principal amount of 2014 UBM-Bonds has been offered for Exchange to the Issuer by Noteholders and (ii) whether and up to what amount the Issuer will accept Offers to exchange 2014 UBM-Bonds.
- 7.6** Es steht im alleinigen und freien Ermessen der Emittentin, Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen zu mehreren Zeitpunkten und im unterschiedlichen Ausmaß anzunehmen, falls der Umtauschzeitraum verlängert wird.
- It is at the sole and absolute discretion of the Issuer to accept Offers to exchange 2014 UBM-Bonds at various times and to different extents if the Exchange Period is extended.
- 8. Lieferung der 2018 UBM-Teilschuldverschreibungen und Zahlung des Barausgleichsbetrages**
- Delivery of the 2018 UBM-Bonds and payment of the cash settlement amount**

- 8.1** Die Lieferung der 2018 UBM-Teilschuldverschreibungen sowie die Zahlung des Barausgleichsbetrages für im Rahmen des Umtauschangebots von Inhabern der 2014 UBM-Teilschuldverschreibungen rechtswirksam angebotene und von der Emittentin rechtswirksam umgetauschte 2014 UBM-Teilschuldverschreibungen erfolgt an ein Clearing System (das "**Clearing System**") oder dessen Order zur Gutschrift auf den Konten der Kontoinhaber eines Clearing Systems.
- The delivery of the 2018 UBM-Bonds and the payment of the cash settlement amount for 2014 UBM-Bonds legally tendered by holders of the 2014 UBM-Bonds and legally exchanged by the Issuer under the Exchange Offer shall be made to a clearing system (the "**Clearing System**") or its order for credit to the accounts of the account holders of a Clearing System.
- 8.2** Die Emittentin wird durch Lieferung der Anzahl an 2018 UBM-Teilschuldverschreibungen sowie der Zahlung des Barausgleichsbetrags an ein Clearing System oder dessen Order von ihrer Verpflichtung im Hinblick auf den Umtausch der 2014 UBM-Teilschuldverschreibungen, insbesondere der Pflicht zur Lieferung der 2018 UBM-Teilschuldverschreibungen sowie der Zahlungspflicht befreit. Sofern die Lieferung der 2018 UBM-Teilschuldverschreibungen durchgeführt sowie der Barausgleichsbetrag von oder namens der Emittentin vor oder am Valutatag bis um 12:00 MEZ an ein Clearing System oder dessen Order geleistet wurde, haftet weder die Emittentin noch der Exchange Agent für eine Verzögerung in der Abwicklung der Lieferung der 2018 UBM-Teilschuldverschreibungen oder der Zahlung des Barausgleichsbetrages, noch sind Anleihegläubiger berechtigt, aus diesem Umstand Zahlung weiterer Zinsen oder sonstiger Zahlungen aufgrund dieser Verspätung zu verlangen.
- By delivering the number of 2018 UBM-Bonds and paying the cash settlement amount to a clearing system or its order, the Issuer is released from its obligation to exchange the 2014 UBM-Bonds, in particular its obligation to deliver the 2018 UBM-Bonds and its obligation to pay. If the delivery of the 2018 UBM-Bonds has been effected and the cash settlement amount from or on behalf of the Issuer has been paid before or on the value date by 12:00 a.m. CET to a Clearing System or its order, neither the Issuer nor the Exchange Agent shall be liable for any delay in the settlement of the delivery of the 2018 UBM-Bonds or the payment of the cash settlement amount, nor shall Noteholders be entitled to demand payment of further interest or other payments due to such delay.
- 8.3** Die Gutschrift des Barausgleichsbetrages erfolgt über die jeweilige für den Inhaber der 2014 UBM-Teilschuldverschreibungen depotführende Stelle.
- The respective cash settlement amount shall be credited via the respective custodian for the holder of the 2014 UBM-Bonds.
- 9. Abwicklung des Umtauschangebots** **Settlement of the Exchange Offer**
- 9.1** Angebote sind vom jeweiligen Anleihegläubiger bis zum Ende des Umtauschzeitraums in der Form abzugeben, dass die jeweilige Anzahl an 2014 UBM-Teilschuldverschreibungen der Emittentin zum Umtausch angeboten werden.
- Offers must be made by the Noteholders by the end of the Exchange Period in such a way that the respective number of 2014 UBM-Bonds of the Issuer are offered for Exchange.

- 9.2** Mit der Abgabe des Angebots gibt ein Anleihegläubiger gegenüber der Emittentin zugleich Gewährleistungen und Verpflichtungen, wie in Punkt 15. beschrieben, ab. With the submission of an Offer, a Noteholder simultaneously assumes representations and obligations to the Issuer as described in section 15.
- 9.3** Angebote zum Umtausch der 2014 UBM-Teilschuldverschreibungen können mit Ausnahme der in Punkt 14. beschriebenen Fälle nur unwiderruflich abgegeben werden. With the exception of the cases described in section 14, Offers for the Exchange of 2014 UBM-Bonds can only be made irrevocably.
- 9.4** Angebote zum Umtausch der 2014 UBM-Teilschuldverschreibungen haben folgendes zu beinhalten: Offers to exchange 2014 UBM-Bonds shall include the following:
- a)** die unwiderrufliche Anweisung, the irrevocable instruction
- i) die zum Umtausch angebotenen 2014 UBM-Teilschuldverschreibungen zu sperren und jegliche Übertragung bis zum Valutatag zu unterlassen; und i) to block the 2014 UBM-Bonds offered for exchange and to refrain from any transfer until the Value Date; and
- ii) die über das jeweilige Wertpapierdepot gehaltenen 2014 UBM-Teilschuldverschreibungen, die zum Umtausch angeboten wurden oder, im Falle, dass von der Emittentin lediglich eine geringere Anzahl an 2014 UBM-Teilschuldverschreibungen angenommen wird, jene geringere Anzahl nach Erhalt einer entsprechenden Anweisung des Exchange Agents, auszubuchen, ii) to derecognize the 2014 UBM-Bonds held via the relevant securities custody account which have been offered for Exchange or, in the event that the Issuer only accepts a smaller number of 2014 UBM-Bonds, such smaller number upon receipt of a corresponding instruction from the Exchange Agent,
- dies vorbehaltlich dem automatischen Widerruf dieser unwiderruflichen Anweisung im Fall, dass die Einladung vor dem Ende des Umtauschzeitraums zurückgenommen wird, was der Exchange Agent dem jeweiligen Clearing System umgehend bekanntgeben werden; und subject to the automatic revocation of such irrevocable instruction in the event that the invitation is withdrawn before the end of the Exchange Period, which the Exchange Agent shall promptly notify the relevant Clearing System of; and
- b)** die Ermächtigung, dem Exchange Agent den Namen des Depotinhabers und Informationen über dessen Anweisungen bekannt zu geben. the authorization to provide the Exchange Agent with the name of the securities account holder and information about his instructions.
- Durch die auf diese Weise erfolgende Teilnahme am Umtauschangebot wird angenommen, dass der betreffende Anleihegläubiger diese Umtauschbedingungen erhalten hat und anerkennt und zustimmt, durch diese Umtauschbedingungen gebunden zu sein, sowie anerkennt und zustimmt, dass die By participating in the Exchange Offer in this way, it is assumed that the relevant Noteholder has received these Exchange Terms and acknowledges and agrees to be bound by these Exchange Terms and acknowledges and agrees that the Issuer may enforce these provisions against the

Emittentin diese Bestimmungen gegen den relevant Noteholder. betreffenden Anleihegläubiger durchsetzen kann.

- 9.5** Das Angebot muss gegenüber einem Clearing System unter Einhaltung der Bestimmungen dieser Umtauschbedingungen bis zum Ablauf des Umtauschzeitraums abgegeben werden. Anleihegläubiger sind dafür verantwortlich, sich eigenständig über diese Fristen zu informieren und dass das Angebot einem Clearing System rechtzeitig zugeht.
- The Offer must be submitted to a Clearing System in compliance with the provisions of these Exchange Terms until the end of the Exchange Period. Noteholders are responsible for independently informing themselves about these deadlines and for ensuring that the Offer reaches a Clearing System in a timely manner.

## **10. Depotsperre**

## **Deposit lock**

- 10.1** Anleihegläubiger haben über die zum Umtausch angebotenen 2014 UBM-Teilschuldverschreibungen bei der depotführenden Stelle eine Depotsperre zu verfügen. Der Sperrvermerk hat bis zum Eintritt des frühesten der nachfolgend definierten Ereignisse wirksam zu sein, sofern die Emittentin keine andere Bekanntmachung veröffentlicht:
- Noteholders must hold the 2014 UBM-Bonds offered for Exchange blocked at the custodian. The blocking notice must be effective until the earliest of the events defined below occurs, unless the Issuer publishes another announcement:

- |      |  |      |   |
|------|--|------|---|
| i)   | die Abwicklung am Valutatag,   | i)   | the settlement on the Value Date,   |
| ii)  | die Veröffentlichung der Emittentin, dass die Einladung zur Gänze zurückgenommen wird,   | ii)  | the Issuer's publication that the invitation will be withdrawn in its entirety,   |
| iii) | die Veröffentlichung und/oder Bekanntmachung der Emittentin gegenüber Anleihegläubigern, dass ihre Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen nicht oder nur teilweise angenommen wurden, oder | iii) | the publication and/or announcement by the Issuer to the Noteholders that their Offers to exchange 2014 UBM-Bonds have not been accepted or have been accepted only in part, or |
| iv)  | ein gemäß Punkt 14. dieser Umtauschbedingungen in zulässiger Weise erklärter Widerruf von Angeboten zum Umtausch von 2014 UBM-Teilschuldverschreibungen.   | iv)  | a revocation of Offers to exchange 2014 UBM-Bonds declared in a permissible manner pursuant to section 14. of these Exchange Terms.   |

## **11. Anweisung**

## **Instruction**

Die Abgabe eines Angebots beinhaltet die Anweisung an die depotführende Stelle, das Wertpapierdepot des jeweiligen Anleihegläubigers am Valutatag im Hinblick auf die gültig angebotenen und von der Emittentin angenommenen 2014 UBM-Teilschuldverschreibungen zu belasten, die

The submission of an Offer includes the instruction to the custodian to debit the securities account of the respective Noteholder on the Value Date with respect to the 2014 UBM-Bonds validly offered and accepted by the Issuer, to transfer these 2014 UBM-Bonds into a Clearing System for the

se 2014 UBM-Teilschuldverschreibungen nach Zugang einer entsprechenden Anweisung des Exchange Agents in ein Clearing System für Rechnung der Emittentin und gegen Lieferung der jeweiligen 2018 UBM-Teilschuldverschreibungen sowie gegen Gutschrift des jeweiligen Geldbetrages, der dem Barausgleichsbetrag multipliziert mit der jeweiligen Anzahl an jeweiligen umgetauschten 2014 UBM-Teilschuldverschreibungen entspricht, zu übernehmen. Dies vorbehaltlich eines automatischen Widerrufs dieser Anweisungen am Tag der Zurückziehung der Einladung, der Nicht-Annahme des Angebots durch die Emittentin oder des rechtswirksamen Widerrufs eines solchen Angebots.

account of the Issuer upon receipt of a corresponding instruction from the Exchange Agent and against delivery of the respective 2018 UBM-Bonds as well as against credit of the respective cash amount corresponding to the cash settlement amount multiplied by the respective number of the respective converted 2014 UBM-Bonds. This is subject to an automatic revocation of these instructions on the day of the withdrawal of the invitation, the non-acceptance of the Offer by the Issuer or the legally effective revocation of such an Offer.

## **12. Bevollmächtigung**

## **Proxy**

**12.1** Die Abgabe eines Angebots beinhaltet die unwiderrufliche Bestellung des Exchange Agents zum Bevollmächtigten und Vertreter des Anleihegläubigers in Bezug auf das Angebot, mit folgenden Rechten:

The submission of an Offer involves the irrevocable appointment of the Exchange Agent as proxy and representative of the Noteholder with respect to the Offer, with the following rights:

a) das Eigentum an den 2014 UBM-Teilschuldverschreibungen in Bezug auf die jeweiligen Depots von den Clearing Systemen zu übertragen; und

to transfer ownership of the 2014 UBM-Bonds from the Clearing Systems in respect of the respective securities accounts; and

b) alle Leistungen zu erhalten und Rechte auszuüben, die mit dem Besitz solcher 2014 UBM-Teilschuldverschreibungen verbunden sind,

to receive all benefits and exercise all rights attaching to the possession of such 2014 UBM-Bonds,

all dies in Übereinstimmung mit den Bedingungen des Umtauschangebots.

all this in accordance with the Exchange Terms.

**12.2** Der Anleihegläubiger ist in Kenntnis, dass der Exchange Agent auch für die Emittentin tätig wird.

The Noteholder is aware that the Exchange Agent will also act on behalf of the Issuer.

## **13. Annahme der Angebote**

## **Acceptance of the Offers**

**13.1** Es liegt im alleinigen und freien Ermessen der Emittentin, die zum Umtausch angebotenen 2014 UBM-Teilschuldverschreibungen ohne Angabe von Gründen zur Gänze oder teilweise nicht anzunehmen. All jene Angebote zum Umtausch von 2014 UBM-Teilschuldverschreibungen, welche nicht in Übereinstimmung mit den Umtauschbedingungen erfolgen oder hinsichtlich welcher die Abgabe eines solchen Angebots nicht in

It is at the sole and absolute discretion of the Issuer not to accept, in whole or in part, the 2014 UBM-Bonds offered for Exchange without giving reasons. All offers for Exchange of 2014 UBM-Bonds which are not made in accordance with the Exchange Terms or in respect of which such Offer is not made in accordance with the relevant national laws and regulations will not be accepted.

Übereinstimmung mit den jeweiligen nationalen Gesetzen und anderen Rechtsvorschriften erfolgt, werden nicht angenommen werden.

- 13.2** Die Emittentin behält sich das Recht vor: The Issuer has reserved the right
- a) Angebote oder Widerrufsanweisungen, die nicht in ordnungsgemäßer Form erfolgen oder deren Annahme durch die Emittentin nach ihrer Meinung rechtswidrig wäre, zurückzuweisen; to reject any Offer or withdrawal instruction which is not made in due form or the acceptance of which by the Issuer would, in the opinion of the Issuer, be unlawful;
- b) Angebote oder Widerrufsanweisungen trotz Verstößen gegen die Umtauschbedingungen oder Verspätungen bei deren Abgabe dennoch zu akzeptieren; to accept Offers or revocation instructions despite violations of the Exchange Terms or delays in their submission;
- c) trotz Verstößen gegen die die Umtauschbedingungen oder Verspätungen bei der Abgabe, Angebote zu akzeptieren, unabhängig davon, ob die Emittentin bei Inhabern anderer 2014 UBM-Teilschuldverschreibungen mit ähnlichen Verstößen gegen die Umtauschbedingungen oder Verspätungen in gleicher Weise vorgeht. to accept Offers despite violations of the Exchange Terms or delays in the submission of Offers, irrespective of whether the Issuer acts in the same manner against holders of other 2014 UBM-Bonds with similar violations of the Exchange Terms or delays.
- 13.2** Verstöße gegen die Umtauschbedingungen oder Verspätungen bei der Abgabe von Angeboten müssen bis zu dem von der Emittentin festgesetzten Zeitpunkt geheilt sein, es sei denn, diese verzichtet auf eine Heilung von Verstößen gegen die Umtauschbedingungen oder Verspätungen. Angebote gelten bis zu jenem Zeitpunkt als nicht abgegeben, bis sie entweder geheilt oder von der Emittentin dennoch angenommen werden. Weder die Emittentin noch der Exchange Agent sind verpflichtet, Anleihegläubiger auf Verstöße gegen die Umtauschbedingungen oder Verspätungen bei der Abgabe von Angeboten oder Widerrufsanweisungen hinzuweisen. Weder die Emittentin noch den Exchange Agent trifft eine Haftung für die Unterlassung solcher Hinweise. Violations of the Exchange Terms or delays in delivery of Offers must be cured by the time determined by the Issuer, unless the Issuer waives a cure for violations of the Exchange Terms or delays. Offers shall be deemed not to have been made until such time as they are either cured or accepted by the Issuer. Neither the Issuer nor the Exchange Agent shall be obliged to notify bondholders of any breach of the Exchange Terms or of any delay in the submission of Offers or revocation instructions. Neither the Issuer nor the Exchange Agent shall be liable for any failure to provide such notice.
- 14. 14. Widerrufsrechte Revocation Rights**
- 14.1** Rechtswirksame Angebote, die in Übereinstimmung mit den in den Umtauschbedingungen festgelegten Verfahren abgegeben werden, sind mit Ausnahme der nachfolgend beschriebenen eingeschränkten Fälle, in welchen ein Widerruf zulässig ist, unwi- Legally effective Offers made in accordance with the procedures set forth in the Exchange Terms are irrevocable except in the limited circumstances described below in which revocation is permitted.

derrufflich.

- 14.2** Die Emittentin kann die Umtauschbedingungen für die 2014 UBM-Teilschuldverschreibungen ändern. Ist die Änderung der Umtauschbedingungen nach Meinung der Emittentin nach Rücksprache mit dem Exchange Agent inhaltlich nachteilig für die Anleihegläubiger, so ist dies gemäß den Umtauschbedingungen bekanntzugeben. Anleihegläubiger, die ihr Angebot vor Bekanntgabe einer inhaltlich nachteiligen Änderung der Umtauschbedingungen gestellt haben, können ihre jeweiligen Angebote bis zum Ende des Umtauschzeitraums widerrufen, sofern die depotführende Stelle keinen früheren Zeitpunkt vorgibt (die "**Widerrufsfrist**").
- The Issuer may amend the Exchange Terms for the 2014 UBM-Bonds. If, in the opinion of the Issuer and after consultation with the Exchange Agent, the change in the Exchange Terms is detrimental to the content of the Exchange Offer to the Noteholders, this must be disclosed in accordance with the Exchange Terms. Noteholders who have made their Offer prior to the announcement of a change in the Exchange Terms that is detrimental to the content of the Exchange Terms may revoke their respective Offers until the end of the Exchange Period unless the Custodian has specified an earlier date (the "**Revocation Period**").
- 14.3** Anleihegläubiger, die ihr Widerrufsrecht ausüben wollen, haben mit ihrer depotführenden Stelle zu prüfen, bis zu welchem Zeitpunkt der Zugang eines Widerrufs erforderlich ist, um Angebote innerhalb der Widerrufsfrist zu widerrufen. Jeder Anleihegläubiger, der sein Widerrufsrecht in den Fällen und gemäß dem in diesen Umtauschbedingungen beschriebenen Verfahren nicht ausübt, hat auf sein Widerrufsrecht verzichtet, sodass sein ursprüngliches Angebot daher aufrecht bleibt.
- Noteholders who wish to exercise their revocation right must check with their custodian by what time the receipt of a revocation is necessary in order to revoke Offers within the Revocation Period. Every Noteholder who does not exercise his/her right of revocation in the cases and in accordance with the procedure described in these Exchange Terms has waived his revocation right so that his/her original Offer therefore remains valid.
- 14.4** Anleihegläubiger, die ihre Angebote in Übereinstimmung mit dem in diesen Umtauschbedingungen dargelegten Verfahren rechtswirksam widerrufen haben, sind berechtigt, ihre 2014 UBM-Teilschuldverschreibungen in Übereinstimmung mit den in diesen Umtauschbedingungen beschriebenen Verfahren bis zum Ende des Umtauschzeitraums neuerlich anzubieten.
- Noteholders who have validly withdrawn their Offers in accordance with the procedures set forth in these Exchange Terms are entitled to re-offer their 2014 UBM-Bonds in accordance with the procedures described in these Exchange Terms until the end of the Exchange Period.
- 15. Gewährleistungen und Verpflichtungen der Anleihegläubiger**      **Representations and obligations of the Noteholders**
- 15.1** Jeder Anleihegläubiger, der ein Angebot abgibt, sichert zu, gewährleistet und verpflichtet sich gegenüber der Emittentin und dem Exchange Agent zum Ende des Umtauschzeitraums und zum Valutatag wie folgt:
- Each Noteholder making an Offer represents, represents and undertakes to the Issuer and the Exchange Agent as of the end of the Exchange Period and as of the Value Date as follows:
- a)** er hat die Umtauschbedingungen erhalten, durchgelesen, verstanden und akzeptiert;
- he/she has received, read, understood and accepted the Exchange Terms;

- b)** aufgrund der Umtauschbedingungen bietet er den von ihm im Angebot spezifizierten Gesamtnennbetrag der 2014 UBM-Teilschuldverschreibungen der Emittentin rechtswirksam zum Umtausch an; er verzichtet vorbehaltlich der Rechtswirksamkeit des Umtausches der angebotenen 2014 UBM-Teilschuldverschreibungen durch die Emittentin (i) auf alle Rechte, Titel und sonstigen Ansprüche in und an diesen 2014 UBM-Teilschuldverschreibungen und (ii) auf alle Rechte und Forderungen, die er gegen die Emittentin im Hinblick auf diese 2014 UBM-Teilschuldverschreibungen oder das Angebot hat;
- c)** er hat das uneingeschränkte Verfügungsrecht über die angebotenen 2014 UBM-Teilschuldverschreibungen; wenn das Umtauschangebot von der Emittentin angenommen wird, wird er diese 2014 UBM-Teilschuldverschreibungen an die Emittentin übertragen, und zwar mit uneingeschränktem Titel mit allen damit verbundenen Rechten, frei von allen Pfandrechten, Ansprüchen, Belastungen und jeder nachteiligen Forderung; er auf Aufforderung alle zusätzlichen Unterlagen beschaffen und liefern und/oder andere Handlungen setzen wird, die von der Emittentin als notwendig oder wünschenswert erachtet werden, um die Übertragung und Ausbuchung dieser jeweiligen Teilschuldverschreibungen durchzuführen oder ein solches Recht und eine solche Berechtigung nachzuweisen;
- d)** er gewährleistet, dass das Angebot und alle Rechte, die übertragen wurden oder werden, für seine Rechtsnachfolger, Zessionare, Erben, Gläubiger, Vollstrecker, Insolvenzverwalter und gesetzlichen Vertreter bindend sind und durch seinen Tod oder seine Geschäftsunfähigkeit nicht beeinträchtigt werden;
- e)** er anerkennt, dass mit Annahme seines Angebots durch die Emittentin ein bindender Vertrag zwischen ihm und der Emittentin nach Maßgabe der Bedingungen des Umtauschangebots zustande kommt;
- f)** er stimmt zu, dass der jeweilige Barausgleichsbetrag in Euro ausbezahlt und am Valutatag gegen Lieferung der Stücke auf
- by virtue of the Exchange Terms, he/she validly offers the total principal amount of the 2014 UBM-Bonds of the Issuer specified by it in the Offer for Exchange; subject to the validity of the Exchange of the 2014 UBM-Bonds offered by the Issuer, he/she waives (i) all rights, title and other claims in and to these 2014 UBM-Bonds and (ii) all rights and claims it has against the Issuer with respect to these 2014 UBM-Bonds or the Offer;
- he/she has the unrestricted right of disposal over the 2014 UBM-Bonds offered; if the Exchange Offer is accepted by the Issuer, he/she will transfer such 2014 UBM-Bonds to the Issuer with unrestricted title and all rights attaching thereto, free from all liens, claims, encumbrances and any prejudicial claim; it will, upon request, procure and deliver any additional documentation and/or take such other action as the Issuer deems necessary or desirable to effect the transfer and derecognition of such relevant Notes or to establish such right and authority;
- he/she ensures that the Offer and all rights transferred or to be transferred are binding upon his/her successors, assigns, heirs, creditors, executors, receivers and legal representatives and will not be affected by its death or incapacity;
- he/she acknowledges that upon acceptance of his/her Offer by the Issuer, a binding agreement will be entered into between him/her and the Issuer in accordance with the terms of the Exchange Offer;
- he/she agrees that the respective cash settlement amount will be paid out in Euro and credited to the Noteholder's clearing ac-

- das Verrechnungskonto des Anleihegläubigers bei der Depotbank gutgebucht wird;
- count at the custodian bank on the Value Date against delivery of the securities;
- g)** er stimmt zu, dass die Emittentin nach ihrem alleinigen und freien Ermessen zu jedem Zeitpunkt ihre Einladung abändern, erweitern, erneuern oder auf Bedingungen verzichten kann oder ihre Einladung zur Gänze zurückziehen kann und dass im Fall einer Zurückziehung seiner Einladung die abgegebenen Angebote verfallen und die Depotsperre für die angebotenen 2014 UBM-Teilschuldverschreibungen aufgehoben wird;
- he/she agrees that the Issuer, at its sole and absolute discretion, may at any time amend, extend, renew or waive its invitation or conditions, or withdraw its invitation in its entirety, and that in the event of withdrawal of its invitation, the offers made shall lapse and the block on safe custody of the 2014 UBM-Bonds offered shall be lifted;
- h)** er wird auf Anfrage jedes weitere Dokument ausfertigen und aushändigen, das vom Exchange Agent oder von der Emittentin für notwendig oder vorteilhaft erachtet wird, um den Umtausch oder die Übertragung der angebotenen 2014 UBM-Teilschuldverschreibungen abzuschließen;
- he/she will upon request, issue and deliver any other document deemed necessary or advantageous by the Exchange Agent or the Issuer to complete the Exchange or transfer of the offered 2014 UBM-Bonds;
- i)** er bestätigt, dass die Emittentin, den Exchange Agent sowie jeweils deren Organwalter oder Mitarbeiter keine Informationen über die ihn treffenden steuerlichen Konsequenzen eines Umtausches der 2014 UBM-Teilschuldverschreibungen und der Vereinnahmung des Barausgleichsbetrages zur Verfügung gestellt haben; er anerkennt, dass er für die Zahlung allfälliger Steuern und Abgaben in Zusammenhang mit dem Umtausch der 2014 UBM-Teilschuldverschreibungen und der Vereinnahmung des Barausgleichsbetrages selbst verantwortlich ist und dass er keinerlei Entschädigungsansprüche gegenüber der Emittentin oder dem Exchange Agent sowie deren Organwalter oder Mitarbeiter hat;
- he/she confirms that the Issuer, the Exchange Agent and their respective officers or employees have not provided any information about the tax consequences of the conversion of the 2014 UBM-Bonds and the collection of the cash settlement amount affecting the Issuer; he/she acknowledges that he/she himself is responsible for the payment of any taxes and duties in connection with the exchange of the 2014 UBM-Bonds and the collection of the cash settlement amount and that he/she has no compensation claims whatsoever against the Issuer or the Exchange Agent or any of their officers or employees;
- j)** er gewährleistet, dass die Einladung ihm gegenüber nicht gegen geltendes Wertpapierrecht, Aufsichtsrecht oder sonstigen Gesetze, Verordnungen oder Regelwerke verstößt;
- he/she represents that the invitation does not violate any applicable securities law, supervisory law or other laws, ordinances or regulations;
- k)** er sichert zu, dass er entweder (i) der wirtschaftliche Berechtigte der 2014 UBM-Teilschuldverschreibungen ist, außerhalb der Vereinigten Staaten von Amerika aufhältig und wohnhaft ist, sowie das Angebot außerhalb der Vereinigten Staaten von Amerika abgibt oder er (ii) rechtsgültig im Namen des wirtschaftlich Berechtigten der
- he/she represents and warrants that he/she either (i) is the beneficial owner of the 2014 UBM-Bonds, is resident and domiciled outside the United States of America, and makes the Offer outside the United States of America, or (ii) acts legally in the name of the beneficial owner of the 2014 UBM-Bonds and not in its sole discretion and has

2014 UBM-Teilschuldverschreibungen und nicht im eigenen Ermessen handelt und dazu ordnungsgemäß ermächtigt wurde und der wirtschaftlich Berechtigte ihm gegenüber bestätigt hat, dass er außerhalb der Vereinigten Staaten aufhältig und wohnhaft ist und das Angebot ebenfalls von außerhalb der Vereinigten Staaten von Amerika abgibt;

**l)** er sichert zu, dass er sich in keinem Staat aufhält oder wohnhaft ist, in dem die Abgabe eines Angebots zum Umtausch von 2014 UBM-Teilschuldverschreibungen rechtswidrig ist oder gegen geltendes Recht verstößt; und

**m)** er anerkennt, dass sich die Emittentin und der Exchange Agent auf die Richtigkeit der vorangehenden Gewährleistungen und Verpflichtungen verlassen.

## **16. Bekanntmachungen**

Sofern nicht anderweitig erforderlich oder zweckmäßig, erfolgen Bekanntmachungen im Zusammenhang mit den Einladungen und dem Umtauschangebot im Amtsblatt zur Wiener Zeitung sowie über eines oder mehrere der nachfolgend angeführten Systeme:

- a)** ein Clearing System,
- b)** Bloomberg und/oder Thompson Reuters,
- c)** auf der Internetseite der Emittentin.

## **17. Anwendbares Recht**

**17.1** Die Einladungen, Angebote zum Umtausch der 2014 UBM-Teilschuldverschreibungen zu stellen, die Angebote der Anleihegläubiger sowie alle vertraglichen und außervertraglichen Schuldverhältnisse, die sich aus oder im Zusammenhang damit ergeben, unterliegen österreichischem Recht unter Ausschluss der Verweisungsnormen des österreichischen internationalen Privatrechts.

**17.2** Für alle Rechtsstreitigkeiten aus oder im Zusammenhang mit der Einladung, Angebote zum Umtausch der 2014 UBM-Teilschuldverschreibungen zu stellen, und die Angebote der Anleihegläubiger ein-

been duly authorized and the beneficial owner has confirmed to it that it is resident and domiciled outside the United States of America and also makes the Offer from outside the United States of America;

he/she represents and warrants that he/she is not located or resident in any state in which the making of an offer to exchange 2014 UBM-Bonds is unlawful or violates any applicable law; and

he/she acknowledges that the Issuer and the Exchange Agent rely on the accuracy of the foregoing representations and warranties.

## **Notifications**

Unless otherwise required or expedient, notices will be published in connection with the invitations and the exchange offer in the Official Gazette of the Wiener Zeitung and via one or more of the following systems:

- a Clearing System
- Bloomberg and/or Thompson/Reuters,
- on the website of the Issuer.

## **Applicable law**

Invitations to make Offers to exchange 2014 UBM-Bonds, offers by Noteholders and all contractual and non-contractual obligations arising out of or in connection therewith shall be governed by Austrian law to the exclusion of the conflict of laws rules of Austrian private international law.

For all legal disputes arising from or in connection with the invitation to make Offers to exchange the 2014 UBM-Bonds and the Offers of the Noteholders, including any resulting disputes in connection with con-

	<p>schließlich allfälliger sich daraus ergebender Streitigkeiten im Zusammenhang mit vertraglichen oder außervertraglichen Schuldverhältnissen ist in Handelssachen für Wien zuständige Gericht ausschließlich zuständig, soweit dies nach den anwendbaren zwingenden Konsumentenschutzgesetzen zulässig ist.</p>	<p>tractual or non-contractual obligations, the competent court in commercial matters for Vienna shall have exclusive jurisdiction to the extent permitted by the applicable mandatory consumer protection laws.</p>
<b>17.3</b>	<p>Durch Abgabe eines Angebots unterwirft sich der Anleihegläubiger unbedingt und unwiderruflich dieser Rechtswahl und Gerichtsstandsvereinbarung.</p>	<p>By submitting an Offer, the Noteholder unconditionally and irrevocably submits to this choice of law and jurisdiction agreement.</p>
<b>18.</b>	<p><b>Änderungen oder Zurücknahme der Einladung</b></p>	<p><b>Changes or withdrawal of the invitation</b></p>
<b>18.1</b>	<p>Die Emittentin ist in Bezug auf ihre Einladung vorbehaltlich gesetzlicher oder regulatorischer Bestimmungen jederzeit und in ihrem alleinigen und freien Ermessen berechtigt:</p>	<p>The Issuer is entitled, at any time and in its sole and absolute discretion, with regard to its invitation, subject to any legal or regulatory provisions:</p>
<b>a)</b>	<p>den Umtauschzeitraum zu verkürzen oder zu verlängern,</p>	<p>to shorten or to extend the Exchange Period,</p>
<b>b)</b>	<p>Angebote nicht oder nur teilweise anzunehmen, oder</p>	<p>to not accept or only partially accept Offers, or</p>
<b>c)</b>	<p>Angebote auch nach dem Ende des Umtauschzeitraums anzunehmen.</p>	<p>to accept Offers even after the end of the Exchange Period.</p>
<b>18.2</b>	<p>Vorbehaltlich gesetzlicher oder regulatorischer Bestimmungen behält sich die Emittentin das Recht vor, auf einzelne der in diesen Umtauschbedingungen festgelegten Bedingungen zu verzichten.</p>	<p>Subject to any legal or regulatory provisions, the Issuer reserves the right to waive any of the conditions set out in these Exchange Terms.</p>
<b>18.3</b>	<p>Die Emittentin ist für ihre jeweilige Einladung bis zur Annahme der Angebote berechtigt, die jeweilige Einladung jederzeit und in ihrem alleinigen und freien Ermessen ohne Angabe von Gründen abzuändern, zu erweitern oder zu erneuern oder auf Bedingungen zu verzichten oder diese zur Gänze zurückzunehmen.</p>	<p>The Issuer is entitled to amend, extend or renew the invitation at any time and in its sole and absolute discretion without giving reasons, or to waive or completely revoke any of the terms and conditions of its respective invitation until the acceptance of the Offers.</p>
<b>18.4</b>	<p>Jede Verlängerung des Umtauschzeitraums, die Zurücknahme einer Einladung zur Angebotsabgabe, die Nichtannahme oder nur teilweise Annahme von Angeboten oder der Umstand, dass Angebote über den Umtauschzeitraum oder das (verkürzte oder verlängerte) Ende des Umtauschzeitraums hinaus angenommen werden, wird den Anleihegläubigern entsprechend den Bestim-</p>	<p>Any extension of the Exchange Period, the withdrawal of an invitation to make an Offer, the non-acceptance or only partial acceptance of Offers or the fact that Offers are accepted beyond the Exchange Period or the (shortened or extended) end of the Exchange Period will be promptly notified to the Noteholders in accordance with the provisions of the Exchange Terms.</p>

mungen der Umtauschbedingungen umgehend bekannt gemacht werden.

**19. Sprachregelung**

Diese Umtauschbedingungen sind in deutscher und englischer Sprache erstellt. Verbindlich sind lediglich die Angaben in der deutschsprachigen Fassung der Umtauschbedingungen.

**Language regime**

These Exchange Terms are drawn up in German and English. Only the information in the German version of the Exchange Terms is binding.

**ISSUER**

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Austria

**JOINT LEAD MANAGERS**

**Erste Group Bank AG**

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1100 Vienna  
Austria

**Raiffeisen Bank International AG**

Am Stadtpark 9  
1030 Vienna  
Austria

**PAYING AGENT and EXCHANGE AGENT**

**Raiffeisen Bank International AG**

Am Stadtpark 9  
1030 Vienna  
Austria

**LEGAL ADVISERS  
TO THE  
JOINT LEAD MANAGERS**

*To the Issuer*

**DLA Piper Weiss-Tessbach**

**Rechtsanwälte GmbH**

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*To the Joint Lead Managers*

**WOLF THEISS**

**Rechtsanwälte GmbH & Co KG**


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**AUDITORS**

**BDO Austria GmbH**

**Wirtschaftsprüfungs- und Steuerberatungsgesellschaft**

Am Belvedere 4  
1100 Vienna  
Austria

<b>Signaturwert</b>	tKT6ltYpeQo2CXh+3/TCvJNqNfMNgwECFMRuADLwtY7Uao7w2xp0AGUMaPZ0iJdUAKMK1IdTeHORFS6/tsWoRPcvsJlhcRW524NkcWH/WMcQGt1bXC+PrOzobqFZV7YEBUFYLas9AAzZ0X6P2emRSGfFXIvCi4EV4cAfCfLZ2gBH8E3Qfvr3zarKA0aYI+IVOBazBhQX9c4fDPi+rw7wInBdafcY10OVNuJfMPP25MDiMCJVCE1BEXUoW6zzBSMkin728pPmlBEZfQFBf17v+ojY/tjgvMkmJHIVzeKTeQzXg255U3ple1lnU8kqXGgxRqL2C8KarOC/3i63uQYyAg==	
	<b>Unterzeichner</b>	Österreichische Finanzmarktaufsichtsbehörde
	<b>Datum/Zeit-UTC</b>	2018-10-19T10:14:56Z
	<b>Aussteller-Zertifikat</b>	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	<b>Serien-Nr.</b>	532114608
	<b>Methode</b>	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
<b>Prüfinformation</b>	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
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