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Union Investment invests in residential real estate specialist ZBI Zentral Boden Immobilien Group

Union Investment and ZBI Zentral Boden Immobilien AG have agreed to enter into a partnership. Union Asset Management Holding AG is acquiring 49.9 per cent of the shares in the newly formed partnership holding company (ZBI Partnerschafts-Holding GmbH), in which the business operations of the ZBI Group will be bundled. The contract was signed on 6 March. Provided the necessary official approvals are obtained, the equity investment is expected to become legally effective in the second quarter of 2017. The parties to the transaction have agreed not to disclose the purchase price.

The ZBI Group operates across Germany and has long-standing experience of residential real estate. Under the umbrella of the new ZBI Partnerschafts-Holding GmbH, the companies in the ZBI Group are to continue as a self-contained unit specialising in residential real estate investments. In the longer term, Union Investment intends to increase its stake in ZBI Partnerschafts-Holding GmbH.

In partnership with the ZBI Group, Union Investment plans to add residential real estate to its existing range of open-ended real estate funds. "Demand from retail and institutional clients for residential real estate funds is high. That is why we have decided to build up our specialist knowledge of residential real estate and to start doing business in this area. The expertise of the ZBI Group and that of Union Investment complement each other perfectly, and we share the same values," explained Hans Joachim Reinke, Chief Executive Officer of Union Investment, when the equity investment was announced.

Peter Groner, founder and chairman of the Supervisory Board of the ZBI Group, added: "We have covered the entire residential real estate value chain for many years. With more than ten branches throughout Germany, we are able to make attractive investments beyond the country's major cities. Working with Union Investment, we can build on our core competency in line with our strategy and open up excellent prospects for our company's future."

At the end of 2016, the volume of assets managed by Union Investment in the real estate asset class came to more than €34 billion.

The ZBI Group is a family-owned real estate company focusing on residential property in Germany. It has twelve sites and employs around 270 people. In the context of this transaction, the ZBI Group was advised by Victoriapartners and other companies.

Press contact

Union Investment Real Estate GmbH

Fabian Hellbusch

Head of Real Estate Marketing, Communication

Valentinskamp 70/EMPORIO

20355 Hamburg, Germany

Tel: + 49 40 3491 94160, fax: + 49 40 3491 95160

E-mail: fabian.hellbusch@union-investment.de

Internet: www.union-investment.com/realestate