

Hamburg, 19 January 2017

Union Investment and Hilton agree on contract renewal and major renovation in Munich

Union Investment, owners of Hilton Munich City, today announced plans for the refurbishment of the hotel. The announcement follows news that Hilton has made a long-term commitment to the location of its flagship Munich City hotel. Hilton secured the strategically important site on Rosenheimer Straße in the city's vibrant Haidhausen district through a long term contract renewal with owner Union Investment.

The new contract will be accompanied by a major refurbishment programme aimed at repositioning the hotel as one of the leading business hotels in the Munich hotel market. All 480 rooms, the public areas and building services will be fully upgraded over the next three years. The intention is to achieve BREEAM certification as part of implementing Union Investment's sustainability strategy. Union Investment was represented by Freshfields Bruckhaus Deringer. Hilton was advised by Hogan Lovells.

"We are delighted that Hilton, one of the top tenants in our Unilmmo: Deutschland fund, has chosen to commit to the building for on a long term basis. This guarantees stable long-term rental income and continued positive performance for our investors. Early signing highlights the sustainable quality of this forward-looking investment," said Martin Schaller, head of Asset Management Hotels at Union Investment Real Estate GmbH. Hilton Munich City was acquired for Unilmmo: Deutschland in 1998 with a 15-year lease already in place. It is now one of the largest hotels in the fund, with a current expert valuation of around EUR 111 million. "The refurbishment and follow-on lease are evidence of our active asset management approach, which allows us to maximise the appreciation potential of our property portfolio," said Schaller.

Jochem-Jan Sleiffer, Senior Vice President, Operations, Full Service Hotels, Continental Europe, Hilton said: Hilton Munich City is a landmark hotel, and already enjoys a prime position in the Munich market. Working closely with Union Investment, this comprehensive refurbishment will considerably enhance the property, and further reinforces our long term commitment to the city of Munich."

Hilton Munich City is situated in the artists' quarter of Haidhausen, close to the Gasteig cultural centre and just 20 minutes from Munich city centre. The Deutsches Museum, old town and scenic Marienplatz are just a few of the sights within walking distance of the hotel. Rosenheimer Platz suburban rail station is located directly beneath the hotel and has direct links to the main railway station and Munich airport.

Union Investment's hotel portfolio comprises 60 properties and is broadly diversified across a total of 32 brands. As well as the Hilton Munich City, the portfolio includes three other hotels in under Hilton brands: the LondonHouse Chicago (a member of Curio – A Collection by Hilton) and two Hampton by Hilton hotels in Berlin and Warsaw. In 2016, Union Investment was one of the biggest hotels investors worldwide, acquiring six hotels in Germany and the US worth some 700 million Euros.

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