

QUARTERLY REPORT

INTERIM REPORT ON 2011 Q1

in EUR million	Q1/2011	2011 *	Q1/2010	2010	Q1/2009	2009
TOTAL REVENUES OF UBM GROUP	31.0	297.7	36.3	217.0	59.1	275.4
Central and Eastern Europe	15.7	202.8	14.1	93.3	26.0	105.2
Western Europe	9.2	57.3	15.3	95.2	20.2	136.8
Austria	6.1	37.6	6.9	28.5	12.9	33.4
INVESTMENTS	14.2	75.0	7.5	72.4	8.5	18.2
HEADCOUNT (fully-consolidated companies)						
As of 31 March	364		373	381	299	290
of which hotel staff	141		172	169	100	146
EBT						
UBM Group	1.4		1.2	14.4	1.0	14.2

* Forecast

FOREWORD FROM THE MANAGING BOARD



Dear Shareholders,

All told UBM has made a positive start to 2011, generating revenues of €31.0 million (previous year: €36.3 million). As is normal for the sector, the quarterly revenue figure is not a direct representation of business developments at the company. Thus in spite of the lower revenues compared to the previous year, earnings before tax increased by €0.2 million to €1.4 million. This comparison of revenues with the previous year is not overly informative since both the level of revenues as well as the yields on real estate acquisitions can be determined on the one hand by the sector, i.e. the type of property in question, and on the other hand by the country in which the sale takes place. Hence in light of the prevailing circumstances the performance achieved in the past quarter is particularly satisfying. This is mainly due to residential construction activities in Munich as well as construction work on the Poleczki

Business Park (Phase 2), the retail park in Gdynia and the Villa Galicia residential building in Poland.

Our activities this year will continue to focus mainly on Poland and Germany: in Poland we are engaged in the areas of residential buildings, commercial properties and offices. In Germany we concentrate more on residential construction, but are expanding our market in Munich with projects in Frankfurt, Hamburg and Berlin.

Throughout 2011 we intend to continue exploiting the opportunities presented by the recovering real estate markets. In view of the ongoing developments on the markets we assume that in 2011 we will be able to generate revenues and profits that are commensurate with the results achieved in 2010.

Karl Bier
(Chairman)

Peter Maitz

Heribert Smolé

Martin Löcker

BUSINESS DEVELOPMENTS

JANUARY TO MARCH 2011

Revenues

Sales revenue of the UBM Group as of 31 March 2011 totalled €31.0 million (previous year: €36.3 million). Consequently, this corresponds to a decrease on the previous year of €5.3 million. This performance is largely attributable to construction work in Poland and to the sale of a residential building in Germany. The primary segments are divided on a geographical basis into the business lines of "Austria", "Western Europe" and "Central and Eastern Europe". This reflects the organisational structure of the UBM Group. In the Austria segment (€6.1 million) the main contributor to sales revenue was management services as well as rental income. The Western European segment (€9.2 million) comprises sales revenues from our hotel operations in Germany and France. The sale of the apartments in Munich (Bergmannstraße) should be highlighted here as well. The lion's share of the revenue generated by the Central and Eastern Europe segment (€15.7 million) came from Poland with construction work on the Villa Galicja residential project, the Poleczki Business Park (Phase 2) and the ongoing construction of the Gdynia retail park.

Earnings

The consolidated profit of the UBM Group rose in the first quarter of 2011 to €1.4 million (previous year: €1.2 million).

Investments

By 31 March 2011 the UBM Group had carried out investments totalling €14.2 million. The investment activity in Germany comprises residential construction projects in Munich, Frankfurt and Berlin. Investments in residential construction also took place with a new project in Salzburg, while office and commercial properties dominate in Poland. We anticipate

that investments will amount to around €75.0 million for 2011 as a whole.

Headcount

The UBM Group employed a total of 364 staff as of 31 March 2011 in its fully-consolidated companies. 223 were employed by UBM and another 141 were employed as staff in the hotel investments. The decline is attributable to a reduction in personnel in our fully-consolidated hotel investments.

OUTLOOK

For 2011 as a whole we are planning the further development and implementation of existing real estate projects, the acquisition of new projects and the continuation of regional diversification in countries that we consider to have stable economies. We endeavour to develop properties on the office market that are both cost-effective for tenants and have excellent transport links. In the hotel sector the emphasis is placed on cost-conscious business travellers and tourists. In terms of residential buildings we target the medium to upper segment of customers. Alongside Poland and Germany indicated as key markets in the foreword, we are also working in the Czech Republic amongst other countries, driving residential projects in Prague and regional cities. In Austria we are developing the Sternbrauerei residential building in Salzburg. In addition to projects in the traditional core markets of UBM we are also planning project developments in various segments in other European countries: in Amsterdam we are completing the construction of an acquired hotel building and putting it into operation. We also have projects in the pipeline in all other countries which we can implement at any time depending on how the market climate changes.

"DIVERSIFICATION AND COOPERATION PUT US ON A BROAD AND STABLE FOOTING WE CAN BUILD ON."



Sternbrauerei residential building, Salzburg

NATIONAL PROJECTS

STERNBRAUEREI RESIDENTIAL BUILDING, SALZBURG

30 upmarket apartments are being constructed on the site of the former Sternbrauerei brewery at the foot of the Rainberg mountain. The development is based on an international architectural competition from 2009 won by Hariri & Hariri, New York. The construction work for the project and the sale of the apartments is underway. The location in particular is crucial here: Riedenburg, the district directly adjacent to the Neutor tunnel, is one of the best locations in the city of Salzburg. Being so close to the festival district and the historical old town is the utmost in convenience. Bright and modern living and working spaces with terraces or gardens are being built under the unique red-brick arches with an interior height of roughly 5 metres. The well-conceived floor plans, perfect building services, the high standard of construction, the exclusive furnishings and the tasteful, representative appearance ensure that a high quality of living in pleasant surroundings goes hand in hand with appealing infrastructure.



FACTS AND FIGURES:

- Living space: 70 m² to 360 m²
- Area of verandas, balconies, terraces and gardens: 10 m² to 200 m²
- First units to be handed over: early 2012



STERNBRAUEREI RESIDENTIAL BUILDING, SALZBURG

**"IN RIEDENBURG, BESIDE THE
NEUTOR TUNNEL, YOU LIVE IN
ONE OF THE BEST AND YET
LEAFY LOCATIONS IN THE CITY."**





COSIMA CONCEPT RESIDENTIAL BUILDING, MUNICH

The CosimaConcept in Munich-Oberföhring offers tasteful and attractive residential architecture for all needs and demands. Modern apartments ensuring a better quality of life and stable value are being constructed in this leafy part of Munich. The optimal location guarantees a high recreational value and quality of life. The "English Garden" municipal park as well as the river Isar and its meadows are all close by, offering an expansive and natural area to relax in. Every daily need is catered for in the neighbourhood, from fitness and sports facilities through nurseries and schools to restaurants.

FACTS AND FIGURES:

- Start of construction: October 2010
- Completion: August 2012
- Number of apartments: 62
- Living space: 56.4 m² to 157.9 m²

INTERNATIONAL PROJECTS

AIRPORTCITY, ST. PETERSBURG

Airportcity St. Petersburg is planned as a business park that will eventually comprise a hotel alongside many office buildings. In the first construction phase a 4-star Crowne Plaza hotel with 300 rooms and two office buildings with space of approximately 40,000 m² will be built. The following phase will see the addition of office buildings comprising another 50,000 to 60,000 m². The total investment volume comes to around €390 million. The project is in an optimal location, directly beside the international airport of the city with its 5 million inhabitants and the main road linking it to the capital Moscow. The fact that the St. Petersburg airport is being expanded and in the future will increase in importance as a hub for Russian air traffic will only serve to benefit Airportcity going forward. In this project UBM is a partner of CA Immo and Warimpex.

FACTS AND FIGURES:

- Investment volume: roughly €390 million when completed
- Floor space: approx. 62,000 m²
- Hotel: 4-star Crowne Plaza hotel
- Office building floor space: 40,000 m² to 60,000 m²
- Completion: end 2011



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This quarterly report contains forward-looking statements based on current assumptions and estimates that are made by the management to the best of its knowledge. Information offered using the words "expectation," "target" or similar phrases indicate such forward-looking statements. The forecasts that are related to the future development of the company represent estimates that were made on the basis of information available as of 31 March 2011. Actual results may differ from these forecasts if the assumptions underlying the forecasts fail to materialise or if risks arise at a level that was not anticipated.

The quarterly report as of 31 March 2011 was prepared with the greatest possible diligence in order to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, type-setting and printing errors cannot be completely ruled out.

